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.

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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.

MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, JUNE 6, 2017 – 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:

1. Consideration and possible action to interview candidates for the Recreation and Parks Commission.  
(Fiscal Impact: None)  
Recommendation – 1) Interview Candidates; 2) Announce the appointments at the 7:00 PM, June 20, 2017 City Council Meeting, if any; 3) Alternatively, discuss and take other possible action related to this item.

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): -0- matters

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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


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

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): -3-
matters

1. Employee Organizations: Police Management Association; Supervisory, Professional Employees Association and City Employee Association.

Agency Designated Representative: Steve Filarsky and City Manager, Greg Carpenter

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov’t Code §54956.8): -0-
matters
EL SEGUNDO CITY COUNCIL

AGENDA STATEMENT

MEETING DATE: June 6, 2017

AGENDA DESCRIPTION:
Consideration and Possible action to interview candidates for the Recreation and Parks Commission. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Interview candidates.
2. Announce appointments at the 7:00 p.m., June 20, 2017 City Council meeting, if any
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Application of candidates

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $ None
Additional Appropriation: N/A
Account Number(s):

ORIGINATED BY: Mishia Jennings, Executive Assistant

REVIEWED BY:

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Recreation and Parks Commission – two position available

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Applying to: CCBs</th>
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</thead>
<tbody>
<tr>
<td>1. Julie Stolnack (5:45 pm)</td>
<td>Recreation and Parks Commission</td>
</tr>
<tr>
<td>2. Dave Lubs (5:55 pm)</td>
<td>Recreation and Parks Commission (Incumbent)</td>
</tr>
<tr>
<td>3. Sara Whelan (6:05 pm)</td>
<td>Recreation and Parks Commission</td>
</tr>
<tr>
<td>4. Deanna McLaughlin (6:20 pm)</td>
<td>Recreation and Parks Commission</td>
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<tr>
<td>5. Paul Rayburn (6:30 pm)</td>
<td>Recreation and Parks Commission</td>
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<tr>
<td>6. Bob Motta (6:40 pm)</td>
<td>Recreation and Parks Commission (Former Incumbent)</td>
</tr>
<tr>
<td>7. Julie Cohen</td>
<td>Recreation and Parks Commission (213-308-4539)</td>
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</tbody>
</table>
AGENDA
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COUNCIL CHAMBERS - 350 Main Street

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, JUNE 6, 2017 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Rob McKenna, The Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Pirsztuk
PRESENTATIONS

a) Proclamation – 242nd Anniversary of the United States Army

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 regarding Environmental Assessment No. EA-1177, Zone Text Amendment No. ZTA 16-06 regarding Accessory Dwelling Units (ADUs) in Residential Zones. Adopting this Ordinance is statutorily exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§15000, et seq.), because it involves the adoption of an ordinance regarding accessory dwelling units in a single-family or multifamily residential zone to implement the provisions of Government Code Section 65852.2 as set forth in Section 21080.17 of the Public Resources Code, pursuant to CEQA Guidelines §15282(h). (Applicant: City of El Segundo). (Fiscal Impact: None)

Recommendation – 1) Conduct a public hearing; 2) Take testimony and other evidence as presented; 3) Introduce an Ordinance (Zone Text Amendment No. ZTA 16-06) regarding ADUs in Residential Zones; 4) Schedule second reading and adoption of the Ordinance for June 20, 2017; 5) Alternatively, discuss and take other possible action related to this item.
C. UNFINISHED BUSINESS

2. Consideration and possible action to approve Amendment No. 2 to the Lease with CenterCal regarding use of the City’s driving range as a Top Golf facility. The purpose of the Amendment is to extend some of the due diligence and performance deadlines that must be completed before CenterCal’s leasehold interest takes effect.
(Fiscal Impact: $48,950.00)
Recommendation – 1) Approve Amendment No. 2 Lease Agreement with CenterCal; 2) Alternatively, discuss and take other action related to this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

3. Consideration and possible action to receive and file an annual report of the Library Board of Trustees.
(Fiscal Impact: None)
Recommendation – 1) Recommendation: City Council receive and file an annual report of the Library Board of Trustees; 2) Alternatively, discuss and take other possible action related to this item.

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.

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.

5. Regular City Council Meeting Minutes of May 16, 2017.
Recommendation – Approval
6. Consideration and possible action to approve a change order in the contract with Letner Roofing Co. for $533,000.00 to complete the Police Station Roof Replacement Project, No. PW 15-18.
   (Fiscal Impact: $600,000.00)
   Recommendation – 1) Approve a change order in the contract with Letner Roofing Co. for $533,000.00 to complete the Police Station Roof Replacement Project, and authorize an additional contingency of $67,000.00 for unforeseen conditions; 2) Alternatively, discuss and take other possible action related to this item.

7. Consideration and possible action regarding adoption of Addendum No. 1 to an approved Mitigated Negative Declaration and approval of Environmental Assessment No. EA-1184 and Specific Plan Amendment No. SPA 17-01 to amend the Downtown Specific Plan as follows: 1) remove the requirement that upper-floor residential occupants must also be commercial tenants or owners of the business below; 2) establish a new parking requirement for new residential units; 3) miscellaneous cleanup.
   (Applicant: Bill Ruane)
   (Fiscal Impact: None)
   Recommendation – 1) Waive second reading and adopt Ordinance No. 1549 for Environmental Assessment No. EA-1184, Specific Plan Amendment No. SPA 17-01; 2) Alternatively, discuss and take other possible action related to this item.

8. Consideration and possible action to 1) award a standard Public Works Contract to Stephen Doreck Equipment Rentals, Inc. for the Center Street Water Main Improvement Project from Pine Ave. to El Segundo Blvd., Project No. PW 17-22, and 2) award a standard Public Works Professional Services Agreement to AKM Consulting Engineers, Inc. for construction inspection services.
   (Fiscal Impact: $871,000.00)
   Recommendation – 1) Authorize the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Stephen Doreck Equipment Rentals, Inc. in the amount of $680,745.00 for the Center Street Water Main Improvement Project from Pine Ave. to El Segundo Blvd., Project No. PW 17-22, and authorize an additional $102,110.00 for construction related contingencies; 2) Authorize the City Manager to execute a standard Public Works Professional Services Agreement, in a form as approved by the City Attorney, with AKM Consulting Engineers, Inc. in the amount of $78,145.00 for construction inspection and testing services, and authorize an additional $10,000.00 for construction related contingencies; 3) Alternatively, discuss and take other action related to this item.
9. Consideration and possible action to accept as complete the George E. Gordon Clubhouse Playground Resurfacing Project, Project No. PW 14-10. (Fiscal Impact: $48,950.00)
Recommendation – 1) Accept the work performed by Robertson Industries, Inc. for Project No. PW 14-10 as complete; 2) Authorize the City Clerk to file Notice of Completion in the County Recorder’s office; 3) Alternatively, discuss and take other action related to this item.

10. Consideration and possible action to award a standard Public Works Contract to FieldTurf USA, Inc. for the El Segundo Athletic Fields Turf Replacement Project, Project No. PW 17-10. (Fiscal Impact: $1,142,440.20)
Recommendation – 1) Waive minor irregularities in the bid from FieldTurf USA, Inc.; 2) Authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with FieldTurf USA, Inc. in the amount of $1,038,582.00 and authorize an additional $103,858.20, for construction related contingencies; 3) Alternatively, discuss and take other action related to this item.

11. Consideration and possible action to authorize the City Manager to execute professional services agreements with Prosum and Dynetek in a combined overall amount not to exceed $150,000 to provide project management and technical/helpdesk support for various information systems projects including, but not limited to, the implementation of a Recreation and Parks Management system, information systems Fiber Expansion project, and the Finance Cashiering system. (Fiscal Impact: $150,000.00)
Recommendation – 1) Authorize the City Manager to execute professional services agreements with Prosum and Dynetek in a combined overall amount not to exceed $150,000 to provide project management and technical/helpdesk services; 2) Alternatively, discuss and take other action related to this item.

12. Consideration and possible action to extend the provisional appointment for the position of Recreation Supervisor for a 30-day period. (Fiscal Impact: None)
Recommendation – 1) Approve the 30-day extension for the provisional appointment of Acting Recreation Supervisor per El Segundo Municipal Code Section 1-6-13(c); 2) Alternatively, discuss and take other action related to this item.
13. Consideration and possible action regarding sponsorship of the El Segundo Corporate Games.
(Fiscal Impact: Approximately $540.00 in fee waivers for use of the Richmond Field)
Recommendation – 1) Review and approve the request to co-sponsor the El Segundo Corporate Games along with ONMI Consulting; 2) Alternatively, discuss and take other action related to this item.

14. Consideration and possible action regarding the acceptance of additional grant funding from the United States Department of Homeland Security, Federal Emergency Management Agency, Grants Program Directorate (DHS) under Fiscal Year 2015 Urban Area Security Initiative Grant Program (UASI) to pursue a Regional Training Group Intelligence Chief.
(Fiscal Impact: $100,000.00)
Recommendation – 1) Authorize the acceptance of an additional $100,000 in grant funds from the UASI 2015 grant program; 2) Authorize the City Manager to sign an Amendment to the Sub-Recipient Agreement #5000 with the City of Los Angeles, who will serve as the grant administrator for the grant; 3) Following a Request For Proposal (RFP), authorize the City Manager to execute an agreement, in a form approved by the City Attorney, between the City of El Segundo and Michael T. Little, serving as a consultant of the Regional Training Group; 4) Authorize and approve additional appropriation to expense account 124-400-3785-6214; 5) Alternatively, discuss and take other action related to this item.

F. NEW BUSINESS

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann –
Council Member Pirsztku –

Council Member Dugan –

Mayor Pro Tem Boyles –

Mayor Fuentes –

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MEMORIALS –

CLOSED SESSION

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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 5.31.17

TIME: 6:00 pm

NAME: [Signature]
WHEREAS, On June 14, 1775, the Second Continental Congress, representing the citizens of 13 American colonies, authorized the establishment of the Continental Army; and

WHEREAS, the collective expression of the pursuit of personal freedom that caused the authorization and organization of the United State Army led to the adoption of the Declaration of Independence and the codification of the new Nation’s basic principles and values in the Constitution; and

WHEREAS, for the past 242 years, the Army’s central mission has been to fight and win the Nation’s wars; and

WHEREAS, the motto of "Duty, Honor, Country" is the creed by which the American soldiers lives and serves; and

WHEREAS, no matter what the cause, location, or magnitude of future conflicts, the Nation can rely on its Army to produce well-trained, well-led, and highly motivated soldiers to carry out the mission entrusted to them; and

WHEREAS, many citizens of the City of El Segundo have proudly served and made the ultimate sacrifice for our Nation’s freedom while serving in the United States Army and other branches of our Nation’s military.

NOW, THEREFORE, the Mayor and Members of the City Council do hereby recognize the historic significance of the 242nd Anniversary of the United States Army and express our deepest appreciation of all who have the served in it for 242 years of dedicated service.
AGENDA DESCRIPTION:

Consideration and possible action regarding Environmental Assessment No. EA-1177, Zone Text Amendment No. ZTA 16-06 regarding Accessory Dwelling Units (ADUs) in Residential Zones. Adopting this Ordinance is statutorily exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§15000, et seq.), because it involves the adoption of an ordinance regarding accessory dwelling units in a single-family or multifamily residential zone to implement the provisions of Government Code Section 65852.2 as set forth in Section 21080.17 of the Public Resources Code, pursuant to CEQA Guidelines §15282(h). (Applicant: City of El Segundo).

RECOMMENDED COUNCIL ACTION:

1. Conduct a public hearing;
2. Take testimony and other evidence as presented;
3. Introduce an Ordinance (Zone Text Amendment No. ZTA 16-06) regarding ADUs in Residential Zones;
4. Schedule second reading and adoption of the Ordinance for June 20, 2017;
5. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Government Code section 65852.2 (as amended by AB 2299 and SB 1069)
2. California Department of Housing and Community Development (HCD) Accessory Dwelling Unit Memorandum
3. Map of transit stop locations in the City
4. Ordinance No. 1381
5. Draft minute excerpts from Planning Commission meetings of March 9, March 23, April 27 and May 11, 2017
6. Planning Commission Resolution No. 2809
7. Zoning Map
8. Map of R-I properties that qualify for ADUs under the City’s current regulations
9. Proposed Ordinance (strike-out/underline version)

FISCAL IMPACT: None.

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:

Goal: None (State mandate)
Objective: Not applicable

PREPARED BY: Paul Samaras, Principal Planner
REVIEWED BY: Gregg McClain, Planning Manager
Sam Lee, Planning and Building Safety Director
APPROVED BY: Greg Carpenter, City Manager
INTRODUCTION:

The proposed zone text amendment would amend several sections of the El Segundo Municipal Code (ESMC) to regulate accessory dwelling units (ADU) in the R-1 (Single-Family Residential) and R-2 (Two-Family Residential) zones. City staff initiated this amendment to address changes in state law, specifically California Government Code Section 65852.2 as amended by Assembly Bill (AB) 2299 and Senate Bill (SB) 1069 approved on September 27, 2016 and effective January 1, 2017.

BACKGROUND:

State Legislation

On September 27, 2016, the State approved AB 2299 and SB 1069, which modified Government Code Section 65852.2 (Attachment No. 1). The new regulations became effective on January 1, 2017. Under the new regulations, local agencies lost some control over the ability to regulate the development of ADUs in R-1 and R-2 zones. With regard to newly constructed ADUs, the prior and new law allows the City to “designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted.” The new law makes clear that each City must allow conversions “within the existing space of a single-family residence or accessory structure,” thereby allowing single family residences to effectively be turned into duplexes and allowing existing accessory structures to be turned into dwelling units. While the new law does not define the term “accessory structure.” The California State Community and Housing Department (HCD) circulated a memorandum in December 2016 (Attachment No. 2) stating that “accessory structures” included garages. However, as is explained below there is legislation pending which provides a contrary definition.

In addition, the law makes clear that local agencies can no longer exercise local control over parking for the ADUs, except in limited circumstances where no more than one parking space may be required. However, for properties within 1/2 mile of a transit stop, no parking spaces may be required. In El Segundo, every R-1 and R-2 zoned property is within 1/2 mile of a transit stop (Attachment No. 3).

The City’s current regulations which were established by Ordinance No. 1381 in 2005 (Attachment No. 4) are more restrictive with regard to the location and development standards for ADUs than permitted by the revised state law since it does not allow for conversion of single family residences into duplexes and conversion of accessory structures into dwelling units. Otherwise, Ordinance 1381 does satisfy the requirement of designating an area within the City for ADU’s. As a result, staff initiated the proposed zone text amendment in order to bring the Municipal Code into compliance with state law.

On February 13, 2017, Assembly member Bloom introduced Assembly Bill AB 494 which would amend Government Code Section 65852.2 to clarify the meaning of the term “accessory structure.” The bill defines accessory structures as “including, but not limited to, a studio, pool house, or other similar structure.” Because “garages” are not expressly stated in the clarifying language, it is reasonable to conclude that Assembly member Bloom did not intend for accessory structures to include garages as HCD suggested in its December memorandum. Currently, this bill is being considered in the Senate after being approved by the Assembly and staff believes it is likely to be approved.
Planning Commission consideration

The Planning Commission extensively analyzed and considered the new state law and available options to the City at four public hearings on March 9, March 23, April 27, and May 11, 2017 (Attachment No. 5). Staff presented information summarizing the provisions of the new state law and describing the City’s options with regard to regulating ADUs. The Planning Commission also received oral input and written correspondence from at least 14 members of the public including owners of properties in the R-1 and R-2 zone.

The input from the public was unanimously in favor of permitting ADUs in the City with as few restrictions as possible. During its public hearing, the Commission considered the following major issues:

1. Defining “Existing” in reference to existing space and accessory structures
2. Defining “Accessory structures”
3. Location of new construction ADUs in the R-1 zone
4. Permitting ADUs in the R-2 zone
5. Parking requirements
6. Covenants on existing accessory structures
7. Unit size
8. R-1 lots that qualify for ADUs under the City’s existing regulations

At the conclusion of its April 27 meeting, the Planning Commission gave staff direction to draft an ordinance addressing the issues listed above and to present the ordinance to the Commission at its May 11, meeting for consideration.

On May 11, 2017, the Planning Commission re-opened the public hearing, staff presented the provisions of the draft ordinance (based on the Commission’s direction), and took further testimony from the public. The Commission discussed the draft ordinance and particularly the limited options for ADUs involving new construction. After weighing the merits of giving property owners additional flexibility to develop their properties beyond what is required by the new law, the Planning Commission voted 5-0 to adopt Resolution No. 2809 (Attachment No. 6) recommending approval of the ordinance as presented.

DISCUSSION:

1. **Defining “Existing”**

Government Code Section 65852.2(e) reads as follows:

(e) ... a local agency shall ministerially approve an application for a building permit to create within a single-family residential zone one accessory dwelling unit per single-family lot if the unit is contained within the existing space of a single-family residence or accessory structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. (emphasis added)

The interpretation of the word “existing” in this context is important, because it defines which structures can be converted into ADUs ministerially without location restrictions. There are two possible interpretations of “existing” in this context:
a) Structures that existed as of the date the statute came into effect, or January 1, 2017. This interpretation means that only structures that were legally built before January 1, 2017 could be converted into an ADU. This interpretation reflects what appears to be the clear meaning of the language contained in the new law.

b) Structures legally permitted prior to the time when conversion is requested. This interpretation would allow structures legally built even after January 1, 2017 to be converted into an ADU if otherwise qualified by the ordinance. This interpretation appears to unreasonable stretch the meaning of the language of the new law.

The first option is more restrictive in that it would allow fewer structures to be converted into ADUs. In addition, over time as older structures are demolished, fewer and fewer structures would qualify to be converted into ADUs. This option would limit the possible proliferation of ADUs over time.

The second option is less restrictive in that it will allow those existing structures and future structures built legally to be converted into ADUs. This option would grant the right to convert structures on all R-1 zoned lots equally, without distinguishing between newer and older structures.

The Planning Commission recommends the first (more restrictive) option. However, the Commission decided to clarify the definition to include all structures permitted and under construction as of January 1, 2017.

2. **Defining “accessory structure”**

As indicated above, Assembly Bill, AB 494 (Bloom) is currently pending review in the California Senate after being approved by the Assembly. Staff believes that the bill has a substantial impact on the regulation of ADUs and a reasonable likelihood of becoming law. AB 494, as currently drafted, would define an “accessory structure” as “including, but not limited to, a studio, pool house, or other similar structure...”

The interpretation of “accessory structure” is important, because it determines whether cities must allow garages to be converted into ADUs. Although it is possible that a garage could be interpreted to be a “similar structure” as a studio or pool house, staff is of the opinion that garages need not be included unless and until the Legislature states such. In reaching this opinion, staff interprets AB 494 as intentionally excluding garages from the list of accessory structure examples and considering garages to be dissimilar from the examples listed (studio, pool house, etc.). It seems that given the obviousness of almost all properties contain a garage that if the legislature intended for garages to be accessory structures it would have list such in the definition. This interpretation allows the City to continue to prohibit the conversion of required garages into ADUs.

Accordingly, the Planning Commission recommends an interpretation of “accessory structure” that does not include garages. This interpretation of the new state law means that the City does not need to approve requests for conversions of existing garages.

3. **Location in the R-1 zone for new construction ADUs**

Government Code Section 65852.2(a)(1) states:

A local agency may... provide for the creation of accessory dwelling units in the single-family and multifamily residential zones. The ordinance shall... [d]esignate areas...where accessory dwelling units may be permitted. The designation of areas may be based on
criteria, that may include, but are not limited to, the adequacy of water and sewer services and the impact... on traffic flow and public safety.

The State law in effect today mandates cities to approve conversion of existing primary dwellings and detached accessory structures throughout its R-1 zone. However, based on Section 65852.2(a)(1) above, in the case of ADUs involving the addition of new square footage (new construction ADUs), the City may reasonably restrict their location within the zone.

There are several options with regard to the permitted locations of ADUs involving new construction (not involving conversions):

a) Prohibiting new construction ADUs everywhere in the City based on findings that are somewhat similar to but more restrictive than those made under the current ESMC and as permitted by Government Code Section 65852.2(a)(1)(A). This option would be the most restrictive approach, in that it would only allow conversions of existing structures to occur. ADUs involving any new construction would not be permitted. This would be a very aggressive approach and may not withstand judicial scrutiny.

b) Permitting new construction ADUs at very limited locations in the same manner as in the current ESMC (Attachment No. 7). The ESMC currently permits ADUs on certain lots within the R-1 zone where their side property line abuts multi-family zones. Adopting these restrictions for ADUs involving new construction would result in 35 lots in the R-1 zone qualifying for this type of ADU. There are a total of 2,537 R-1 zoned lots in the City. This option is defensible based upon the findings made when the current law was adopted which relied on a traffic study that demonstrated the fact that residential zones are greatly impacted by traffic.

c) Permitting new construction ADUs at locations where there impacts to water and sewer services, traffic flow, and public safety are significantly impacted. It may be possible to allow more units than allowed by option (b) above, if the City can locate addition properties where reasonable location restrictions could be implemented that are consistent with Government Code Section 65852.2(a)(1) and reduce impacts from increased density. This would entail additional studies and may ultimately may not be possible given the findings made under the current law.

d) Permitting new construction ADUs on larger lots where they can easily accommodate all of the required zoning and life safety standards. It is important to understand that parking is not a required standard given the language in the new law so the option could result in increased parking problems in the residential zones.

e) Permitting new construction ADUs on all R-1 zoned lots. This option would be the least restrictive option and would result in significant impacts to water and sewer services, traffic flow and public safety.

f) Permitting new construction of ADUs only as additions to existing primary dwelling units. During its discussions on this topic, the Planning Commission expressed a desire to limit the options for new construction of ADUs detached from the primary dwelling on a lot, because they have a different visual impact from additions to the primary dwelling and because of the concern regarding the proliferation of ADUs throughout the R-1 zone and the significant impacts caused by such as discussed in (e) above. This option would address the Planning Commission’s goal of reducing the visual impact of new detached structures, while at the same time allowing options for new construction ADUs. It would result in additional significant impacts but they would be less than those identified for option (e).

g) Permitting new construction ADUs as additions to detached garages (whether existing or new) not involving conversion of any portion of the required parking spaces. During its discussion,
Planning Commission determined that this option had the following benefits: i) it provided at least some options to some property owners for construction of ADUs separate from the primary dwelling, ii) it addressed an apparent need in the community expressed by the testimony from several members of the public, and iii) it may encourage the construction of additional parking in conjunction with new ADUs while absolutely preserving the parking required already. Some members of the Commission expressed a concern with this option in that it may enable the proliferation of ADUs. Thus, this option would also have significant impacts on R-1 environment but less than option (e).

The Planning Commission recommends options f and g described above because they give flexibility to those property owners to have ADUs in addition to their option to turn their home into a duplex or convert an existing accessory structure while not allowing all properties to have a new structure as an ADU.

4. Permit ADUs in the R-2 zone

As mentioned above, Government Code Section 65852.2(a)(1) states: “A local agency may... provide for the creation of accessory dwelling units in the single-family and multifamily residential zones.” Therefore, the City may designate areas outside the R-1 zone where ADUs can be permitted. During its discussions on the topic, the Planning Commission considered permitting ADUs in the Two-family residential (R-2) zone, but not the Multi-family residential (R-3) zone. In the R-2 zone, the Planning Commission considered three alternatives:

a) Permitting ADUs throughout the R-2 zone on lots that are developed with a single primary dwelling and provided that not more than two units of any type (primary or accessory) are developed on a single lot. This approach would maintain the same density of two units per lot, but give property owners the option to make the second unit a smaller unit (800-1,200 square feet) without any additional parking. This approach would affect 332 R-2 zoned lots.

b) Limiting the location of ADUs in the R-2 zone based on lot size. One such approach would be to allow ADUs only on lots that are less than 4,000 square feet in size. Based on the ESMC’s current density standards those lots can only be developed with a single unit. Allowing an ADU on these lots would treat them similarly to R-1 lots and larger R-2 lots. This approach would affect 63 R-2 zoned lots.

c) Prohibiting ADUs in the R-2.

The Planning Commission recommends the second option, which would allow ADUs only on those R-2 lots that are less than 4,000 square feet in size. The Planning Commission chose this option, because it would afford owners of smaller R-2 lots the same rights as owners of smaller R-1 zoned lots. Additionally, it addressed a perceived fairness problem identified by the Planning Commission - that the new state law as mandated permits R-1 lots to develop at a higher density than certain small R-2 lots.

5. Parking

Government Code section 65852.2(d), specifically preempts the City’s authority to require parking for ADUs. That section states:

Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

1) The accessory dwelling unit is located within one-half mile of public transit.
Staff reviewed the locations of residually zoned properties and their distance to public transit (bus or rail) stops in the City and determined that 100 percent of R-1 and R-2 zoned properties are located within a half mile from a transit stop (Attachment No. 3). As a result, the Planning Commission does not propose any parking requirements for ADUs. This regulation is somewhat absurd in that the City does not have to allow newly built ADU's on most R-1 properties or any R-2 properties. However, if the City does allow for more than is required by state law it cannot require that adequate parking be built for the units.

6. Unit size

Government Code Section 65852.2(a)(1) states that cities have the ability to set minimum and maximum sizes for ADUs within certain parameters. With regard to the minimum size, cities may set a limit provided it does not make building an ADU infeasible and does not preclude the construction of an efficiency unit, which is typically the size of a single room. With regard to the maximum size, the state law sets a limit of 1,200 square feet in general and 50% of the living area of a primary dwelling unit in the case of ADUs within the primary dwelling unit.

However, the California State Community and Housing Department (HCD) circulated a memorandum in December 2016 stating that typical maximum unit sizes range from 800 square feet to 1,200 feet. It also states that a local government may choose a maximum size less than 1,200 square feet as long as the requirement is not burdensome on the creation of ADUs. As a result, the City may set a maximum size limit that is less than the 1,200 square-foot limit stated in the law.

The Planning Commission recommends:

a) Not setting a minimum size limit. Given that the minimum size cannot preclude an efficiency unit, and given that the unit must have enough room to meet the definition of an ADU, there seems to be no compelling reason for the city to impose a minimum size requirement. Additionally, setting a high minimum size could encourage larger households which will tend to exacerbate any negative impacts on the surrounding properties.

b) For attached ADUs, a maximum size of 1,200 square feet or 49 percent of the total living area of the primary dwelling and the ADU. This is consistent with the parameters set by the state law.

c) For detached ADUs, a maximum size of 800 square feet. This is consistent with the HCD guidance memorandum and reduces the footprint of ADUs on a property.

In addition, to the above size limits, all ADUs that involve new square footage are subject to the floor area ratio requirement of the zone, just as any other accessory structure.

7. Covenants Restricting Accessory Structures from Being Used as Living Spaces

Currently, the City requires a covenant be recorded whenever a property owner builds an accessory structure on their property. The ESMC requires that the covenant prohibit the accessory structure from being used for habitation. These covenants are effectively “contracts” between the City and the property owners, which presents the city with two options:
a) The City could insist that the covenants remain in place, thereby preventing any such “existing ... accessory structures” that were built with the required covenant from being converted to an ADU.

b) The City can decide to release the covenants in light of the new state law.

The Planning Commission opted for the second option. The proposed ordinance, as drafted, would require that if such a covenant is recorded on the property, and the property owner desires to convert the accessory structure to an ADU (and the accessory structure otherwise qualifies), that a release of covenant must be approved by City staff and recorded on the property.

8. Other provisions in the ordinance

- Separate sale prohibited. The draft Ordinance prohibits the sale of an ADU separately from the primary dwelling.
- Owner occupancy required. The draft Ordinance requires, if an ADU is on a lot, that the property owner occupy either the primary dwelling unit or the ADU.
- Height Limit. The draft Ordinance makes ADUs subject to the same height limits as structures in the zone.
- Separate entrance. The draft Ordinance requires ADUs attached to a primary dwelling unit to have a separate entrance on the side or the rear of the primary residence.
- Short-term rentals. The draft Ordinance does not address this issue, because it will be addressed separately in a forthcoming ordinance.
- Permit Parking. The draft Ordinance would allow occupants of ADUs to apply for and be issued a parking permit where applicable.

Findings. ESMC Section 15-1-1 (Purpose, Title) states that the Zoning Code (Title 15) is the primary tool for implementation of the goals, objectives, and policies of the El Segundo General Plan. Accordingly, the City Council must find that the proposed zone text amendment is consistent with those goals, objectives, and policies. Further, pursuant to Chapter 26 (Amendments) of the Zoning Code, in order to recommend City Council approval of the proposed amendments, the City Council must find that the amendments are necessary to carry out the general purpose of Zoning Code. The purpose of this Title, as specified above, is to serve the public health, safety, and general welfare and to provide economic and social advantages resulting from an orderly planned use of land resources. As stated in the proposed ordinance, Planning staff believes that the City Council can make the necessary findings to approve the amendments.

ENVIRONMENTAL REVIEW:

This action is statutorily exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§15000, et seq.), because it involves the adoption of an ordinance regarding accessory dwelling units in a single-family or multifamily residential zone to implement the provisions of Government Code Sections 65852.1 and 65852.2 as set forth in Section 21080.17 of the Public Resources Code, pursuant to CEQA Guidelines §15282(h).
RECOMMENDATION:

Planning staff recommends that the Council:
1. Conduct a public hearing;
2. Take testimony and other evidence as presented;
3. Introduce an Ordinance (Zone Text Amendment No. ZTA 16-06) regarding Accessory Dwelling Units in Residential Zones;
4. Schedule second reading and adoption of the Ordinance for June 20, 2017;
5. Alternatively, discuss and take other possible action related to this item.
NEW STATE LAW REGARDING ACCESSORY DWELLING UNITS

Source: leginfo.legislature.ca.gov

Government Code
ARTICLE 2. Adoption of Regulations [65850 - 65863.13]

Section 65862.2.
(a)

(1) A local agency may, by ordinance, provide for the creation of accessory dwelling units in single-family and multifamily residential zones. The ordinance shall do all of the following:

(A) Designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted. The designation of areas may be based on criteria, that may include, but are not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

(B)

(i) Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places.

(ii) Notwithstanding clause (i), a local agency may reduce or eliminate parking requirements for any accessory dwelling unit located within its jurisdiction.

(C) Provide that accessory dwelling units do not exceed the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designation for the lot.

(D) Require the accessory dwelling units to comply with all of the following:

(i) The unit is not intended for sale separate from the primary residence and may be rented.

(ii) The lot is zoned for single-family or multifamily use and contains an existing, single-family dwelling.

(iii) The accessory dwelling unit is either attached to the existing dwelling or located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.
(iv) The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.

(v) The total area of floorspace for a detached accessory dwelling unit shall not exceed 1,200 square feet.

(vi) No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

(vii) No setback shall be required for an existing garage that is converted to a accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an accessory dwelling unit that is constructed above a garage.

(viii) Local building code requirements that apply to detached dwellings, as appropriate.

(ix) Approval by the local health officer where a private sewage disposal system is being used, if required.

(x) Parking requirements for accessory dwelling units shall not exceed one parking space per unit or per bedroom. These spaces may be provided as tandem parking on an existing driveway.

(II) Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the jurisdiction.

(III) This clause shall not apply to a unit that is described in subdivision (d).

(xi) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit, and the local agency requires that those offstreet parking spaces be replaced, the replacement spaces may be located in any configuration on the same lot as the accessory dwelling unit, including, but not limited to, as covered spaces, uncovered spaces, or tandem spaces, or by the use of mechanical automobile parking lifts. This clause shall not apply to a unit that is described in subdivision (d).

(2) The ordinance shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(3) When a local agency receives its first application on or after July 1, 2003, for a permit pursuant to this subdivision, the application shall be
considered ministerially without discretionary review or a hearing, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits, within 120 days after receiving the application. A local agency may charge a fee to reimburse it for costs that it incurs as a result of amendments to this paragraph enacted during the 2001–02 Regular Session of the Legislature, including the costs of adopting or amending any ordinance that provides for the creation of an accessory dwelling unit.

(4) An existing ordinance governing the creation of an accessory dwelling unit by a local agency or an accessory dwelling ordinance adopted by a local agency subsequent to the effective date of the act adding this paragraph shall provide an approval process that includes only ministerial provisions for the approval of accessory dwelling units and shall not include any discretionary processes, provisions, or requirements for those units, except as otherwise provided in this subdivision. In the event that a local agency has an existing accessory dwelling unit ordinance that fails to meet the requirements of this subdivision, that ordinance shall be null and void upon the effective date of the act adding this paragraph and that agency shall thereafter apply the standards established in this subdivision for the approval of accessory dwelling units, unless and until the agency adopts an ordinance that complies with this section.

(5) No other local ordinance, policy, or regulation shall be the basis for the denial of a building permit or a use permit under this subdivision.

(6) This subdivision establishes the maximum standards that local agencies shall use to evaluate a proposed accessory dwelling unit on a lot zoned for residential use that contains an existing single-family dwelling. No additional standards, other than those provided in this subdivision, shall be utilized or imposed, except that a local agency may require an applicant for a permit issued pursuant to this subdivision to be an owner-occupant or that the property be used for rentals of terms longer than 30 days.

(7) A local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of an accessory dwelling unit if these provisions are consistent with the limitations of this subdivision.

(8) An accessory dwelling unit that conforms to this subdivision shall be deemed to be an accessory use or an accessory building and shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use that is consistent with the existing general plan and zoning designations for the lot. The accessory dwelling unit shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(b) When a local agency that has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives its first application on or after July 1, 1983, for a permit to create an accessory dwelling unit pursuant
to this subdivision, the local agency shall accept the application and approve or disapprove the application ministerially without discretionary review pursuant to subdivision (a) within 120 days after receiving the application.

(c) A local agency may establish minimum and maximum unit size requirements for both attached and detached accessory dwelling units. No minimum or maximum size for an accessory dwelling unit, or size based upon a percentage of the existing dwelling, shall be established by ordinance for either attached or detached dwellings that does not permit at least an efficiency unit to be constructed in compliance with local development standards. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(d) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile of public transit.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is part of the existing primary residence or an existing accessory structure.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle located within one block of the accessory dwelling unit.

(e) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit to create within a single-family residential zone one accessory dwelling unit per single-family lot if the unit is contained within the existing space of a single-family residence or accessory structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(f)

(1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) Accessory dwelling units shall not be considered new residential uses for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service.

(A) For an accessory dwelling unit described in subdivision (e), a local agency shall not require the applicant to install a new or separate
utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge.

(B) For an accessory dwelling unit that is not described in subdivision (e), a local agency may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

(g) This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of an accessory dwelling unit.

(h) Local agencies shall submit a copy of the ordinance adopted pursuant to subdivision (a) to the Department of Housing and Community Development within 60 days after adoption.

(i) As used in this section, the following terms mean:

(1) “Living area” means the interior habitable area of a dwelling unit including basements and attics but does not include a garage or any accessory structure.

(2) “Local agency” means a city, county, or city and county, whether general law or chartered.

(3) For purposes of this section, “neighborhood” has the same meaning as set forth in Section 65589.5.

(4) “Accessory dwelling unit” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes the following:

   (A) An efficiency unit, as defined in Section 17958.1 of Health and Safety Code.

   (B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

(5) “Passageway” means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.

(j) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit applications for accessory dwelling units.

(Amended by Stats. 2016, Ch. 735, Sec. 1.5. Effective January 1, 2017.)
Accessory Dwelling Unit Memorandum

December 2016
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Understanding Accessory Dwelling Units and Their Importance

California’s housing production is not keeping pace with demand. In the last decade less than half of the needed housing was built. This lack of housing is impacting affordability with average housing costs in California exceeding the rest of the nation. As affordability becomes more problematic, people drive longer distances between a home that is affordable and where they work, or double up to share space, both of which reduces quality of life and produces negative environmental impacts.

Beyond traditional market-rate construction and government subsidized production and preservation there are alternative housing models and emerging trends that can contribute to addressing home supply and affordability in California. One such example gaining popularity are Accessory Dwelling Units (ADUs) (also referred to as second units, in-law units, or granny flats).

What is an ADU

An ADU is a secondary dwelling unit with complete independent living facilities for one or more persons and generally takes three forms:

- Detached: The unit is separated from the primary structure
- Attached: The unit is attached to the primary structure
- Repurposed Existing Space: Space (e.g., master bedroom) within the primary residence is converted into an independent living unit
- Junior Accessory Dwelling Units: Similar to repurposed space with various streamlining measures

ADUs offer benefits that address common development barriers such as affordability and environmental quality. ADUs are an affordable type of home to construct in California because they do not require paying for land, major new infrastructure, structured parking, or elevators. ADUs are built with cost-effective one- or two-story wood frame construction, which is significantly less costly than homes in new multifamily infill buildings. ADUs can provide as much living space as the new apartments and condominiums being built in new infill buildings and serve very well for couples, small families, friends, young people, and seniors.

ADUs are a different form of housing that can help California meet its diverse housing needs. Young professionals and students desire to live in areas close to jobs, amenities, and schools. The problem with high-opportunity areas is that space is limited. There is a shortage of affordable units and the units that are available can be out of reach for many people. To address the needs of individuals or small families seeking living quarters in high opportunity areas, homeowners can construct an ADU on their lot or convert an underutilized part of their home like a garage.
into a junior ADU. This flexibility benefits not just people renting the space, but the homeowner as well, who can receive an extra monthly rent income.

ADUs give homeowners the flexibility to share independent living areas with family members and others, allowing seniors to age in place as they require more care and helping extended families to be near one another while maintaining privacy.

Relaxed regulations and the cost to build an ADU make it a very feasible affordable housing option. A UC Berkeley study noted that one unit of affordable housing in the Bay Area costs about $500,000 to develop whereas an ADU can range anywhere up to $200,000 on the expensive end in high housing cost areas.

ADUs are a critical form of infill-development that can be affordable and offer important housing choices within existing neighborhoods. ADUs are a powerful type of housing unit because they allow for different uses, and serve different populations ranging from students and young professionals to young families, people with disabilities and senior citizens. By design, ADUs are more affordable and can provide additional income to homeowners. Local governments can encourage the development of ADUs and improve access to jobs, education and services for many Californians.
Summary of Recent Changes to ADU Laws

The California legislature found and declared that, among other things, allowing accessory dwelling units (ADUs) in single family and multifamily zones provides additional rental housing and are an essential component in addressing housing needs in California. Over the years, ADU law has been revised to improve its effectiveness such as recent changes in 2003 to require ministerial approval. In 2017, changes to ADU laws will further reduce barriers, better streamline approval and expand capacity to accommodate the development of ADUs.

ADUs are a unique opportunity to address a variety of housing needs and provide affordable housing options for family members, friends, students, the elderly, in-home health care providers, the disabled, and others. Further, ADUs offer an opportunity to maximize and integrate housing choices within existing neighborhoods.

Within this context, the Department has prepared this guidance to assist local governments in encouraging the development of ADUs. Please see Attachment 1 for the complete statutory changes. The following is a brief summary of the changes for each bill.

SB 1069 (Wieckowski)

S.B. 1069 (Chapter 720, Statutes of 2016) made several changes to address barriers to the development of ADUs and expanded capacity for their development. The following is a brief summary of provisions that go into effect January 1, 2017.

Parking

SB 1069 reduces parking requirements to one space per bedroom or unit. The legislation authorizes off street parking to be tandem or in setback areas unless specific findings such as fire and life safety conditions are made. SB 1069 also prohibits parking requirements if the ADU meets any of the following:

- Is within a half mile from public transit.
- Is within an architecturally and historically significant historic district.
- Is part of an existing primary residence or an existing accessory structure.
- Is in an area where on-street parking permits are required, but not offered to the occupant of the ADU.
- Is located within one block of a car share area.
Fees

SB 1069 provides that ADUs shall not be considered new residential uses for the purpose of calculating utility connection fees or capacity charges, including water and sewer service. The bill prohibits a local agency from requiring an ADU applicant to install a new or separate utility connection or impose a related connection fee or capacity charge for ADUs that are contained within an existing residence or accessory structure. For attached and detached ADUs, this fee or charge must be proportionate to the burden of the unit on the water or sewer system and may not exceed the reasonable cost of providing the service.

Fire Requirements

SB 1069 provides that fire sprinklers shall not be required in an accessory unit if they are not required in the primary residence.

ADUs within Existing Space

Local governments must ministerially approve an application to create within a single family residential zone one ADU per single family lot if the unit is:

- contained within an existing residence or accessory structure.
- has independent exterior access from the existing residence.
- has side and rear setbacks that are sufficient for fire safety.

These provisions apply within all single family residential zones and ADUs within existing space must be allowed in all of these zones. No additional parking or other development standards can be applied except for building code requirements.

No Total Prohibition

SB 1069 prohibits a local government from adopting an ordinance that precludes ADUs.

AB 2299 (Bloom)

Generally, AB 2299 (Chapter 735, Statutes of 2016) requires a local government (beginning January 1, 2017) to ministerially approve ADUs if the unit complies with certain parking requirements, the maximum allowable size of an attached ADU, and setback requirements, as follows:

- The unit is not intended for sale separate from the primary residence and may be rented.
- The lot is zoned for single-family or multifamily use and contains an existing, single-family dwelling.
- The unit is either attached to an existing dwelling or located within the living area of the existing dwelling or detached and on the same lot.
- The increased floor area of the unit does not exceed 50% of the existing living area, with a maximum increase in floor area of 1,200 square feet.
- The total area of floorspace for a detached accessory dwelling unit does not exceed 1,200 square feet.
- No passageway can be required.
- No setback can be required from an existing garage that is converted to an ADU.
• Compliance with local building code requirements.
• Approval by the local health officer where private sewage disposal system is being used.

**Impact on Existing Accessory Dwelling Unit Ordinances**

AB 2299 provides that any existing ADU ordinance that does not meet the bill’s requirements is null and void upon the date the bill becomes effective. In such cases, a jurisdiction must approve accessory dwelling units based on Government Code Section 65852.2 until the jurisdiction adopts a compliant ordinance.

**AB 2406 (Thurmond)**

AB 2406 (Chapter 755, Statutes of 2016) creates more flexibility for housing options by authorizing local governments to permit junior accessory dwelling units (JADU) through an ordinance. The bill defines JADUs to be a unit that cannot exceed 500 square feet and must be completely contained within the space of an existing residential structure. In addition, the bill requires specified components for a local JADU ordinance. Adoption of a JADU ordinance is optional.

**Required Components**

The ordinance authorized by AB 2406 must include the following requirements:

• Limit to one JADU per residential lot zoned for single-family residences with a single-family residence already built on the lot.
• The single-family residence in which the JADU is created or JADU must be occupied by the owner of the residence.
• The owner must record a deed restriction stating that the JADU cannot be sold separately from the single-family residence and restricting the JADU to the size limitations and other requirements of the JADU ordinance.
• The JADU must be located entirely within the existing structure of the single-family residence and JADU have its own separate entrance.
• The JADU must include an efficiency kitchen which includes a sink, cooking appliance, counter surface, and storage cabinets that meet minimum building code standards. No gas or 220V circuits are allowed.
• The JADU may share a bath with the primary residence or have its own bath.

**Prohibited Components**

This bill prohibits a local JADU ordinance from requiring:

• Additional parking as a condition to grant a permit.
• Applying additional water, sewer and power connection fees. No connections are needed as these utilities have already been accounted for in the original permit for the home.
Fire Safety Requirements

AB 2406 clarifies that a JADU is to be considered part of the single-family residence for the purposes of fire and life protections ordinances and regulations, such as sprinklers and smoke detectors. The bill also requires life and protection ordinances that affect single-family residences to be applied uniformly to all single-family residences, regardless of the presence of a JADU.

JADUs and the RHNA

As part of the housing element portion of their general plan, local governments are required to identify sites with appropriate zoning that will accommodate projected housing needs in their regional housing need allocation (RHNA) and report on their progress pursuant to Government Code Section 65400. To credit a JADU toward the RHNA, HCD and the Department of Finance (DOF) utilize the census definition of a housing unit which is fairly flexible. Local government count units as part of reporting to DOF. JADUs meet these definitions and this bill would allow cities and counties to earn credit toward meeting their RHNA allocations by permitting residents to create less costly accessory units. See additional discussion under JADU frequently asked questions.
Frequently Asked Questions: Accessory Dwelling Units

Should an Ordinance Encourage the Development of ADUs?

Yes, ADU law and recent changes intend to address barriers, streamline approval and expand potential capacity for ADUs recognizing their unique importance in addressing California’s housing needs. The preparation, adoption, amendment and implementation of local ADU ordinances must be carried out consistent with Government Code Section 65852.150:

(a) The Legislature finds and declares all of the following:

(1) Accessory dwelling units are a valuable form of housing in California.

(2) Accessory dwelling units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods.

(3) Homeowners who create accessory dwelling units benefit from added income, and an increased sense of security.

(4) Allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock in California.

(5) California faces a severe housing crisis.

(6) The state is falling far short of meeting current and future housing demand with serious consequences for the state’s economy, our ability to build green infill consistent with state greenhouse gas reduction goals, and the well-being of our citizens, particularly lower and middle-income earners.

(7) Accessory dwelling units offer lower cost housing to meet the needs of existing and future residents within existing neighborhoods, while respecting architectural character.

(8) Accessory dwelling units are, therefore, an essential component of California’s housing supply.

(b) It is the intent of the Legislature that an accessory dwelling unit ordinance adopted by a local agency has the effect of providing for the creation of accessory dwelling units and that provisions in this ordinance relating to matters including unit size, parking, fees, and other requirements, are not so arbitrary, excessive, or burdensome as to unreasonably restrict the ability of homeowners to create accessory dwelling units in zones in which they are authorized by local ordinance.

Are Existing Ordinances Null and Void?

Yes, any local ordinance adopted prior to January 1, 2017 that is not in compliance with the changes to ADU law will be null and void. Until an ordinance is adopted, local governments must apply “state standards” (See Attachment 4 for State Standards checklist). In the absence of a local ordinance complying with ADU law, local review must be limited to “state standards” and cannot include additional requirements such as those in an existing ordinance.
Are Local Governments Required to Adopt an Ordinance?

No, a local government is not required to adopt an ordinance. ADUs built within a jurisdiction that lacks a local ordinance must comply with state standards (See Attachment 4). Adopting an ordinance can occur through different forms such as a new ordinance, amendment to an existing ordinance, separate section or special regulations within the zoning code or integrated into the zoning code by district. However, the ordinance should be established legislatively through a public process and meeting and not through internal administrative actions such as memos or zoning interpretations.

Can a Local Government Preclude ADUs?

No local government cannot preclude ADUs.

Can a Local Government Apply Development Standards and Designate Areas?

Yes, local governments may apply development standards and may designate where ADUs are permitted (GC Sections 65852.2(a)(1)(A) and (B)). However, ADUs within existing structures must be allowed in all single family residential zones.

For ADUs that require an addition or a new accessory structure, development standards such as parking, height, lot coverage, lot size and maximum unit size can be established with certain limitations. ADUs can be avoided or allowed through an ancillary and separate discretionary process in areas with health and safety risks such as high fire hazard areas. However, standards and allowable areas must not be designed or applied in a manner that burdens the development of ADUs and should maximize the potential for ADU development. Designating areas where ADUs are allowed should be approached primarily on health and safety issues including water, sewer, traffic flow and public safety. Utilizing approaches such as restrictive overlays, limiting ADUs to larger lot sizes, burdensome lot coverage and setbacks and particularly concentration or distance requirements (e.g., no less than 500 feet between ADUs) may unreasonably restrict the ability of the homeowners to create ADUs, contrary to the intent of the Legislature.

Requiring large minimum lot sizes and not allowing smaller lot sizes for ADUs can severely restrict their potential development. For example, large minimum lot sizes for ADUs may constrict capacity throughout most of the community. Minimum lot sizes cannot be applied to ADUs within existing structures and could be considered relative to health and safety concerns such as areas on septic systems. While larger lot sizes might be targeted for various reasons such as ease of compatibility, many tools are available (e.g., maximum unit size, maximum lot coverage, minimum setbacks, architectural and landscape requirements) that allows ADUs to fit well within the built environment.

Can a Local Government Adopt Less Restrictive Requirements?

Yes, ADU law is a minimum requirement and its purpose is to encourage the development of ADUs. Local governments can take a variety of actions beyond the statute that promote ADUs such as reductions in fees, less restrictive parking or unit sizes or amending general plan policies.
Santa Cruz has confronted a shortage of housing for many years, considering its growth in population from incoming students at UC Santa Cruz and its proximity to Silicon Valley. The city promoted the development of ADUs as critical infill-housing opportunity through various strategies such as creating a manual to promote ADUs. The manual showcases prototypes of ADUs and outlines city zoning laws and requirements to make it more convenient for homeowners to get information. The City found that homeowners will take time to develop an ADU only if information is easy to find, the process is simple, and there is sufficient guidance on what options they have in regards to design and planning.

The city set the minimum lot size requirement at 4,500 sq. ft. to develop an ADU in order to encourage more homes to build an ADU. This allowed for a majority of single-family homes in Santa Cruz to develop an ADU. For more information, see http://www.cityofsantacruz.com/departments/planning-and-community-development/programs/accessory-dwelling-unit-development-program.

Can Local Governments Establish Minimum and Maximum Unit Sizes?

Yes, a local government may establish minimum and maximum unit sizes (GC Section 65852.2(c). However, like all development standards (e.g., height, lot coverage, lot size), unit sizes should not burden the development of ADUs. For example, setting a minimum unit size that substantially increases costs or a maximum unit size that unreasonably restricts opportunities would be inconsistent with the intent of the statute. Typical maximum unit sizes range from 800 square feet to 1,200 square feet. Minimum unit size must at least allow for an efficiency unit as defined in Health and Safety Code Section 17958.1.

ADU law requires local government approval if meeting various requirements (GC Section 65852.2(a)(1)(D)), including unit size requirements. Specifically, attached ADUs shall not exceed 50 percent of the existing living area or 1,200 square feet and detached ADUs shall not exceed 1,200 square feet. A local government may choose a maximum unit size less than 1,200 square feet as long as the requirement is not burdensome on the creation of ADUs.

Can ADUs Exceed General Plan and Zoning Densities?

An ADU is an accessory use for the purposes of calculating allowable density under the general plan and zoning. For example, if a zoning district allows one unit per 7,500 square feet, then an ADU would not be counted as an additional unit. Minimum lot sizes must not be doubled (e.g., 15,000 square feet) to account for an ADU. Further, local governments could elect to allow more than one ADU on a lot.

New developments can increase the total number of affordable units in their project plans by integrating ADUs. Aside from increasing the total number of affordable units, integrating ADUs also promotes housing choices within a development. One such example is the Cannery project in Davis, CA. The Cannery project includes 547 residential units with up to 60 integrated ADUs. ADUs within the Cannery blend in with surrounding architecture, maintaining compatibility with neighborhoods and enhancing community character. ADUs are constructed at the same time as the primary single-family unit to ensure the affordable rental unit is available in the housing supply concurrent with the availability of market rate housing.
How Are Fees Charged to ADUs?

All impact fees, including water, sewer, park and traffic fees must be charged in accordance with the Fee Mitigation Act, which requires fees to be proportional to the actual impact (e.g., significantly less than a single family home).

Fees on ADUs, must proportionately account for impact on services based on the size of the ADU or number of plumbing fixtures. For example, a 700 square foot new ADU with one bathroom that results in less landscaping should be charged much less than a 2,000 square foot home with three bathrooms and an entirely new landscaped parcel which must be irrigated. Fees for ADUs should be significantly less and should account for a lesser impact such as lower sewer or traffic impacts.

What Utility Fee Requirements Apply to ADUs?

Cities and counties cannot consider ADUs as new residential uses when calculating connection fees and capacity charges.

Where ADUs are being created within an existing structure (primary or accessory), the city or county cannot require a new or separate utility connections for the ADU and cannot charge any connection fee or capacity charge.

For other ADUs, a local agency may require separate utility connections between the primary dwelling and the ADU, but any connection fee or capacity charge must be proportionate to the impact of the ADU based on either its size or the number of plumbing fixtures.

What Utility Fee Requirements Apply to Non-City and County Service Districts?

All local agencies must charge impact fees in accordance with the Mitigation Fee Act (commencing with Government Code Section 66000), including in particular Section 66013, which requires the connection fees and capacity charges to be proportionate to the burden posed by the ADU. Special districts and non-city and county service districts must account for the lesser impact related to an ADU and should base fees on unit size or number of plumbing fixtures. Providers should consider a proportionate or sliding scale fee structures that address the smaller size and lesser impact of ADUs (e.g., fees per square foot or fees per fixture). Fee waivers or deferrals could be considered to better promote the development of ADUs.

Do Utility Fee Requirements Apply to ADUs within Existing Space?

No, where ADUs are being created within an existing structure (primary or accessory), new or separate utility connections and fees (connection and capacity) must not be required.

Does “Public Transit” Include within One-half Mile of a Bus Stop and Train Station?

Yes, “public transit” may include a bus stop, train station and paratransit if appropriate for the applicant. “Public transit” includes areas where transit is available and can be considered regardless of tighter headways (e.g., 15 minute intervals). Local governments could consider a broader definition of “public transit” such as distance to a bus route.
Can Parking Be Required Where a Car Share Is Available?
No, ADU law does not allow parking to be required when there is a car share located within a block of the ADU. A car share location includes a designated pick up and drop off location. Local governments can measure a block from a pick up and drop off location and can decide to adopt broader distance requirements such as two to three blocks.

Is Off Street Parking Permitted in Setback Areas or through Tandem Parking?
Yes, ADU law deliberately reduces parking requirements. Local governments may make specific findings that tandem parking and parking in setbacks are infeasible based on specific site, regional topographical or fire and life safety conditions or that tandem parking or parking in setbacks is not permitted anywhere else in the jurisdiction. However, these determinations should be applied in a manner that does not unnecessarily restrict the creation of ADUs.

Local governments must provide reasonable accommodation to persons with disabilities to promote equal access housing and comply with fair housing laws and housing element law. The reasonable accommodation procedure must provide exception to zoning and land use regulations which includes an ADU ordinance. Potential exceptions are not limited and may include development standards such as setbacks and parking requirements and permitted uses that further the housing opportunities of individuals with disabilities.

Is Covered Parking Required?
No, off street parking must be permitted through tandem parking on an existing driveway, unless specific findings are made.

Is Replacement Parking Required When the Parking Area for the Primary Structure Is Used for an ADU?
Yes, but only if the local government requires off-street parking to be replaced in which case flexible arrangements such as tandem, including existing driveways and uncovered parking are allowed. Local governments have an opportunity to be flexible and promote ADUs that are being created on existing parking space and can consider not requiring replacement parking.

Are Setbacks Required When an Existing Garage Is Converted to an ADU?
No, setbacks must not be required when a garage is converted or when existing space (e.g., game room or office) above a garage is converted. Rear and side yard setbacks of no more than five feet are required when new space is added above a garage for an ADU. In this case, the setbacks only apply to the added space above the garage, not the existing garage and the ADU can be constructed wholly or partly above the garage, including extending beyond the garage walls.

Also, when a garage, carport or covered parking structure is demolished or where the parking area ceases to exist so an ADU can be created, the replacement parking must be allowed in any "configuration" on the lot, "...including,
but not limited to, covered spaces, uncovered spaces, or tandem spaces, or... Configuration can be applied in a flexible manner to not burden the creation of ADUs. For example, spatial configurations like tandem on existing driveways in setback areas or not requiring excessive distances from the street would be appropriate.

Are ADUs Permitted in Existing Residence or Accessory Space?

Yes, ADUs located in single family residential zones and existing space of a single family residence or accessory structure must be approved regardless of zoning standards (Section 65852.2(a)(1)(B)) for ADUs, including locational requirements (Section 65852.2(a)(1)(A)), subject to usual non-appealable ministerial building permit requirements. For example, ADUs in existing space does not necessitate a zoning clearance and must not be limited to certain zones or areas or subject to height, lot size, lot coverage, unit size, architectural review, landscape or parking requirements. Simply, where a single family residence or accessory structure exists in any single family residential zone, so can an ADU. The purpose is to streamline and expand potential for ADUs where impact is minimal and the existing footprint is not being increased.

Zoning requirements are not a basis for denying a ministerial building permit for an ADU, including non-conforming lots or structures. The phrase, "...within the existing space" includes areas within a primary home or within an attached or detached accessory structure such as a garage, a carriage house, a pool house, a rear yard studio and similar enclosed structures.

Are Owner Occupants Required?

No, however, a local government can require an applicant to be an owner occupant. The owner may reside in the primary or accessory structure. Local governments can also require the ADU to not be used for short term rentals (terms lesser than 30 days). Both owner occupant use and prohibition on short term rentals can be required on the same property. Local agencies which impose this requirement should require recordation of a deed restriction regarding owner occupancy to comply with GC Section 27281.5

Are Fire Sprinklers Required for ADUs?

Depends, ADUs shall not be required to provide fire sprinklers if they are not or were not required of the primary residence. However, sprinklers can be required for an ADU if required in the primary structure. For example, if the primary residence has sprinklers as a result of an existing ordinance, then sprinklers could be required in the ADU. Alternative methods for fire protection could be provided.

If the ADU is detached from the main structure or new space above a detached garage, applicants can be encouraged to contact the local fire jurisdiction for information regarding fire sprinklers. Since ADUs are a unique opportunity to address a variety of housing needs and provide affordable housing options for family members, students, the elderly, in-home health care providers, the disabled, and others, the fire departments want to ensure the safety of these populations as well as the safety of those living in the primary structure. Fire Departments can help educate property owners on the benefits of sprinklers, potential resources and how they can be installed cost effectively. For example, insurance rates are typically 5 to 10 percent lower where the unit is sprinklered. Finally, other methods exist to provide additional fire protection. Some options may include additional exits, emergency escape and rescue openings, 1 hour or greater fire-rated assemblies, roofing materials and setbacks from property lines or other structures.
Is Manufactured Housing Permitted as an ADU?

Yes, an ADU is any residential dwelling unit with independent facilities and permanent provisions for living, sleeping, eating, cooking and sanitation. An ADU includes an efficiency unit (Health and Safety Code Section 17958.1) and a manufactured home (Health and Safety Code Section 18007).

Health and Safety Code Section 18007(a) “Manufactured home,” for the purposes of this part, means a structure that was constructed on or after June 15, 1976, is transportable in one or more sections, is eight body feet or more in width, or 40 body feet or more in length, in the traveling mode, or, when erected on site, is 320 or more square feet, is built on a permanent chassis and designed to be used as a single-family dwelling with or without a foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. "Manufactured home" includes any structure that meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification and complies with the standards established under the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, and following).

Can an Efficiency Unit Be Smaller than 220 Square Feet?

Yes, an efficiency unit for occupancy by no more than two persons, by statute (Health and Safety Code Section 17958.1), can have a minimum floor area of 150 square feet and can also have partial kitchen or bathroom facilities, as specified by ordinance or can have the same meaning specified in the Uniform Building Code, referenced in the Title 24 of the California Code of Regulations.

The 2015 International Residential Code adopted by reference into the 2016 California Residential Code (CRC) allows residential dwelling units to be built considerably smaller than an Efficiency Dwelling Unit (EDU). Prior to this code change an EDU was required to have a minimum floor area not less than 220 sq. ft unless modified by local ordinance in accordance with the California Health and Safety Code which could allow an EDU to be built no less than 150 sq. ft. For more information, see HCD's Information Bulletin at http://www.hcd.ca.gov/codes/manufactured-housing/docs/lb2016-06.pdf.

Does ADU Law Apply to Charter Cities and Counties?

Yes. ADU law explicitly applies to "local agencies" which are defined as a city, county, or city and county whether general law or chartered (Section 65852.2(i)(2)).
Do ADUs Count toward the Regional Housing Need Allocation?
Yes, local governments may report ADUs as progress toward Regional Housing Need Allocation pursuant to Government Code Section 65400 based on the actual or anticipated affordability. See below frequently asked questions for JADUs for additional discussion.

Must ADU Ordinances Be Submitted to the Department of Housing and Community Development?
Yes, ADU ordinances must be submitted to the State Department of Housing and Community Development within 60 days after adoption, including amendments to existing ordinances. However, upon submittal, the ordinance is not subject to a Department review and findings process similar to housing element law (GC Section 65585)
Frequently Asked Questions:
Junior Accessory Dwelling Units

Is There a Difference between ADU and JADU?

Yes, AB 2406 added Government Code Section 65852.22, providing a unique option for Junior ADUs. The bill allows local governments to adopt ordinances for JADUs, which are no more than 500 square feet and are typically bedrooms in a single-family home that have an entrance into the unit from the main home and an entrance to the outside from the JADU. The JADU must have cooking facilities, including a sink, but is not required to have a private bathroom. Current law does not prohibit local governments from adopting an ordinance for a JADU, and this bill explicitly allows, not requires, a local agency to do so. If the ordinance requires a permit, the local agency shall not require additional parking or charge a fee for a water or sewer connection as a condition of granting a permit for a JADU. For more information, see below.

**ADUs and JADUs**

<table>
<thead>
<tr>
<th>REQUIREMENTS</th>
<th>ADU</th>
<th>JADU</th>
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<tbody>
<tr>
<td>Maximum Unit Size</td>
<td>Yes, generally up to 1,200 Square Feet or 50% of living area</td>
<td>Yes, 500 Square Foot Maximum</td>
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<td>Kitchen</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Bathroom</td>
<td>Yes</td>
<td>No, Common Sanitation is Allowed</td>
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<td>Separate Entrance</td>
<td>Depends</td>
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<tr>
<td>Parking</td>
<td>Depends, Parking May Be Eliminated and Cannot Be Required Under Specified Conditions</td>
<td>No, Parking Cannot Be Required</td>
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<td>Owner Occupancy</td>
<td>Depends, Owner Occupancy May Be Required</td>
<td>Yes, Owner Occupancy Is Required</td>
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<td>Ministerial Approval Process</td>
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<tr>
<td>Prohibition on Sale of ADU</td>
<td>Yes</td>
<td>Yes</td>
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</table>
Why Adopt a JADU Ordinance?

JADUs offer the simplest and most affordable housing option. They bridge the gap between a roommate and a tenant by offering an interior connection between the unit and main living area. The doors between the two spaces can be secured from both sides, allowing them to be easily privatized or incorporated back into the main living area. These units share central systems, require no fire separation, and have a basic kitchen, utilizing small plug-in appliances, reducing development costs. This provides flexibility and an insurance policy in homes in case additional income or housing is needed. They present no additional stress on utility services or infrastructure because they simply repurpose spare bedrooms that do not expand the homes planned occupancy. No additional address is required on the property because an interior connection remains. By adopting a JADU ordinance, local governments can offer homeowners additional options to take advantage of underutilized space and better address its housing needs.

Can JADUs Count towards the RHNA?

Yes, as part of the housing element portion of their general plan, local governments are required to identify sites with appropriate zoning that will accommodate projected housing needs in their regional housing need allocation (RHNA) and report on their progress pursuant to Government Code Section 65400. To credit a unit toward the RHNA, HCD and the Department of Finance (DOF) utilize the census definition of a housing unit. Generally, a JADU, including with shared sanitation facilities, that meets the census definition and is reported to the Department of Finance as part of the DOF annual City and County Housing Unit Change Survey can be credited toward the RHNA based on the appropriate income level. Local governments can track actual or anticipated affordability to assure the JADU is counted to the appropriate income category. For example, some local governments request and track information such as anticipated affordability as part of the building permit application.

A housing unit is a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied, or, if vacant, is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.

Can the JADU Be Sold Independent of the Primary Dwelling?

No, the JADU cannot be sold separate from the primary dwelling.

Are JADUs Subject to Connection and Capacity Fees?

No, JADUs shall not be considered a separate or new dwelling unit for the purposes of fees and as a result should not be charged a fee for providing water, sewer or power, including a connection fee. These requirements apply to all providers of water, sewer and power, including non-municipal providers.

Local governments may adopt requirements for fees related to parking, other service or connection for water, sewer or power, however, these requirements must be uniform for all single family residences and JADUs are not considered a new or separate unit.
Are There Requirements for Fire Separation and Fire Sprinklers?

Yes, a local government may adopt requirements related to fire and life protection requirements. However, a JADU shall not be considered a new or separate unit. In other words, if the primary unit is not subject to fire or life protection requirements, then the JADU must be treated the same.
Resources

Courtesy of Karen Chapple, UC Berkeley
Attachment 1: Statutory Changes (Strikeout/Underline)

Government Code Section 65852.2

(a) (1) Any local agency may, by ordinance, provide for the creation of second accessory dwelling units in single-family and multifamily residential zones. The ordinance may shall do any all of the following:

(A) Designate areas within the jurisdiction of the local agency where second accessory dwelling units may be permitted. The designation of areas may be based on criteria, that may include, but are not limited to, the adequacy of water and sewer services and the impact of second accessory dwelling units on traffic flow, flow and public safety.

(B) (i) Impose standards on second accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places.

(ii) Notwithstanding clause (i), a local agency may reduce or eliminate parking requirements for any accessory dwelling unit located within its jurisdiction.

(C) Provide that second accessory dwelling units do not exceed the allowable density for the lot upon which the second accessory dwelling unit is located, and that second accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designation for the lot.

(D) Require the accessory dwelling units to comply with all of the following:

(i) The unit is not intended for sale separate from the primary residence and may be rented.

(ii) The lot is zoned for single-family or multifamily use and contains an existing, single-family dwelling.

(iii) The accessory dwelling unit is either attached to the existing dwelling or located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.

(iv) The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.

(v) The total area of floorspace for a detached accessory dwelling unit shall not exceed 1,200 square feet.

(vi) No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

(vii) No setback shall be required for an existing garage that is converted to a accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an accessory dwelling unit that is constructed above a garage.

(viii) Local building code requirements that apply to detached dwellings, as appropriate.

(ix) Approval by the local health officer where a private sewage disposal system is being used, if required.

(x) (I) Parking requirements for accessory dwelling units shall not exceed one parking space per unit or per bedroom. These spaces may be provided as tandem parking on an existing driveway.

(II) Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the jurisdiction.

(III) This clause shall not apply to a unit that is described in subdivision (d).
(xi) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit, and the local agency requires that those offstreet parking spaces be replaced, the replacement spaces may be located in any configuration on the same lot as the accessory dwelling unit, including, but not limited to, as covered spaces, uncovered spaces, or tandem spaces, or by the use of mechanical automobile parking lifts. This clause shall not apply to a unit that is described in subdivision (d).

(2) The ordinance shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(3) When a local agency receives its first application on or after July 1, 2003, for a permit pursuant to this subdivision, the application shall be considered ministerially without discretionary review or a hearing, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits. Nothing in this paragraph may be construed to require a local government to adopt or amend an ordinance for the creation of ADUs—permits, within 120 days after receiving the application. A local agency may charge a fee to reimburse it for costs that it incurs as a result of amendments to this paragraph enacted during the 2001–02 Regular Session of the Legislature, including the costs of adopting or amending any ordinance that provides for the creation of ADUs— an accessory dwelling unit.

(b) (4) An existing ordinance governing the creation of an accessory dwelling unit by a local agency which has not adopted an ordinance governing ADUs in accordance with subdivision (a) or (c) receives its first application on or after July 1, 1983, for a permit pursuant to this subdivision, the local agency shall accept the application and approve or disapprove the application ministerially without discretionary review pursuant to this subdivision unless it or an accessory dwelling ordinance adopted by a local agency subsequent to the effective date of the act adding this paragraph shall provide an approval process that includes only ministerial provisions for the approval of accessory dwelling units and shall not include any discretionary processes, provisions, or requirements for those units, except as otherwise provided in this subdivision. In the event that a local agency has an existing accessory dwelling unit ordinance that fails to meet the requirements of this subdivision, that ordinance shall be null and void upon the effective date of the act adding this paragraph and that agency shall thereafter apply the standards established in this subdivision for the approval of accessory dwelling units, unless and until the agency adopts an ordinance in accordance with subdivision (a) or (c) within 120 days after receiving the application. Notwithstanding Section 65901 or 65906, every local agency shall grant a variance or special use permit for the creation of a ADU if the ADU complies with all of the following: that complies with this section.

(A) The unit is not intended for sale and may be rented.

(B) The lot is zoned for single-family or multifamily use.

(C) The lot contains an existing single-family dwelling.

(D) The ADU is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.

(E) The increased floor area of an attached ADU shall not exceed 30 percent of the existing living area.

(F) The total area of floorspace for a detached ADU shall not exceed 1,200 square feet.

(G) Requirements relating to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other zoning requirements generally applicable to residential construction in the zone in which the property is located.

(H) Local building code requirements which apply to detached dwellings, as appropriate.

(I) Approval by the local health officer where a private sewage disposal system is being used, if required.
(2) No other local ordinance, policy, or regulation shall be the basis for the denial of a building permit or a use permit under this subdivision.

(3) This subdivision establishes the maximum standards that local agencies shall use to evaluate proposed ADUs on lots—a proposed accessory dwelling unit on a lot zoned for residential use which contains an existing single-family dwelling. No additional standards, other than those provided in this subdivision or subdivision (a), subdivision shall be utilized or imposed, except that a local agency may require an applicant for a permit issued pursuant to this subdivision to be an owner-occupant or the property be used for rentals of terms longer than 30 days.

(4) No changes in zoning ordinances or other ordinances or any changes in the general plan shall be required to implement this subdivision. Any local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of ADUs an accessory dwelling unit if these provisions are consistent with the limitations of this subdivision.

(5) A ADU which conforms to the requirements of An accessory dwelling unit that conforms to this subdivision shall be deemed to be an accessory use or an accessory building and shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use which is consistent with the existing general plan and zoning designations for the lot. The ADUs accessory dwelling unit shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(e) No When a local agency shall adopt an ordinance which totally precludes ADUs within single-family or multifamily-zoned areas unless the ordinance contains findings acknowledging that the ordinance may limit housing opportunities of the region and further contains findings that specific adverse impacts on the public health, safety, and welfare that would result from allowing ADUs within single-family and multifamily zoned areas and adopting the ordinance. That has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives its first application on or after July 1, 1983, for a permit to create an accessory dwelling unit pursuant to this subdivision, the local agency shall accept the application and approve or disapprove the application ministerially without discretionary review pursuant to subdivision (a) within 120 days after receiving the application.

(f) A local agency may establish minimum and maximum unit size requirements for both attached and detached second accessory dwelling units. No minimum or maximum size for a second accessory dwelling unit, or size based upon a percentage of the existing dwelling, shall be established by ordinance for either attached or detached dwellings which does not permit at least an efficiency unit to be constructed in compliance with local development standards. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(d) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile of public transit.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is part of the existing primary residence or an existing accessory structure.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle located within one block of the accessory dwelling unit.

(e) Parking requirements for ADUs shall not exceed one parking space per unit or per bedroom. Additional parking may be required provided that a finding is made that the additional parking requirements are directly related to the...
use of the ADU and are consistent with existing neighborhood standards applicable to existing dwellings. Off-street parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the jurisdiction. Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit to create within a single-family residential zone one accessory dwelling unit per single-family lot if the unit is contained within the existing space of a single-family residence or accessory structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(f) 1) Fees charged for the construction of second accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000), 66000) and Chapter 7 (commencing with Section 66012).

2) Accessory dwelling units shall not be considered new residential uses for the purposes of calculating local agency connection fees or capacity charges for utilities, including water and sewer service.

(A) For an accessory dwelling unit described in subdivision (e), a local agency shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge.

(B) For an accessory dwelling unit that is not described in subdivision (e), a local agency may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

(g) This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of ADUs, an accessory dwelling unit.

(h) Local agencies shall submit a copy of the ordinances, ordinance adopted pursuant to subdivision (a) or (c) to the Department of Housing and Community Development within 60 days after adoption.

(i) As used in this section, the following terms mean:

1) "Living area," area means the interior habitable area of a dwelling unit including basements and attics but does not include a garage or any accessory structure.

2) "Local agency" means a city, county, or city and county, whether general law or chartered.

3) For purposes of this section, "neighborhood" has the same meaning as set forth in Section 65589.5.

4) "Second "Accessory dwelling unit" means an attached or detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. A second "Accessory dwelling unit also includes the following:

(A) An efficiency unit, as defined in Section 17958.1 of Health and Safety Code.

(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

5) "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.
(j) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local government shall not be required to hold public hearings for coastal development permit applications for second-Accessory Dwelling units.

**Government Code Section 65852.22.**

(a) Notwithstanding Section 65852.2, a local agency may, by ordinance, provide for the creation of Junior Accessory Dwelling Units in single-family residential zones. The ordinance may require a permit to be obtained for the creation of a junior accessory dwelling unit, and shall do all of the following:

(1) Limit the number of junior accessory dwelling units to one per residential lot zoned for single-family residences with a single-family residence already built on the lot.

(2) Require owner-occupancy in the single-family residence in which the junior accessory dwelling unit will be permitted. The owner may reside in either the remaining portion of the structure or the newly created junior accessory dwelling unit. Owner-occupancy shall not be required if the owner is another governmental agency, land trust, or housing organization.

(3) Require the recordation of a deed restriction, which shall run with the land, shall be filed with the permitting agency, and shall include both of the following:

   (A) A prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single-family residence, including a statement that the deed restriction may be enforced against future purchasers.

   (B) A restriction on the size and attributes of the junior accessory dwelling unit that conforms with this section.

(4) Require a permitted junior accessory dwelling unit to be constructed within the existing walls of the structure, and require the inclusion of an existing bedroom.

(5) Require a permitted junior accessory dwelling to include a separate entrance from the main entrance to the structure, with an interior entry to the main living area. A permitted junior accessory dwelling may include a second interior doorway for sound attenuation.

(6) Require the permitted junior accessory dwelling unit to include an efficiency kitchen, which shall include all of the following:

   (A) A sink with a maximum waste line diameter of 1.5 inches.

   (B) A cooking facility with appliances that do not require electrical service greater than 120 volts, or natural or propane gas.

   (C) A food preparation counter and storage cabinets that are of reasonable size in relation to the size of the junior accessory dwelling unit.

(b) (1) An ordinance shall not require additional parking as a condition to grant a permit.

(2) This subdivision shall not be interpreted to prohibit the requirement of an inspection, including the imposition of a fee for that inspection, to determine whether the junior accessory dwelling unit is in compliance with applicable building standards.

(c) An application for a permit pursuant to this section shall, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits, be considered ministerially, without discretionary review or a hearing. A permit shall be issued within 120 days of submission of an application for a
permit pursuant to this section. A local agency may charge a fee to reimburse the local agency for costs incurred in connection with the issuance of a permit pursuant to this section.

(d) For the purposes of any fire or life protection ordinance or regulation, a junior accessory dwelling unit shall not be considered a separate or new dwelling unit. This section shall not be construed to prohibit a city, county, city and county, or other local public entity from adopting an ordinance or regulation relating to fire and life protection requirements within a single-family residence that contains a junior accessory dwelling unit so long as the ordinance or regulation applies uniformly to all single-family residences within the zone regardless of whether the single-family residence includes a junior accessory dwelling unit or not.

(e) For the purposes of providing service for water, sewer, or power, including a connection fee, a junior accessory dwelling unit shall not be considered a separate or new dwelling unit.

(f) This section shall not be construed to prohibit a local agency from adopting an ordinance or regulation, related to parking or a service or a connection fee for water, sewer, or power, that applies to a single-family residence that contains a junior accessory dwelling unit, so long as that ordinance or regulation applies uniformly to all single-family residences regardless of whether the single-family residence includes a junior accessory dwelling unit.

(g) For purposes of this section, the following terms have the following meanings:

(1) “Junior accessory dwelling unit” means a unit that is no more than 500 square feet in size and contained entirely within an existing single-family structure. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.

(2) “Local agency” means a city, county, or city and county, whether general law or chartered.
Section XXX1XXX: Purpose

This Chapter provides for accessory dwelling units on lots developed or proposed to be developed with single-family dwellings. Such accessory dwellings contribute needed housing to the community’s housing stock. Thus, accessory dwelling units are a residential use which is consistent with the General Plan objectives and zoning regulations and which enhances housing opportunities, including near transit on single family lots.

Section XXX2XXX: Applicability

The provisions of this Chapter apply to all lots that are occupied with a single family dwelling unit and zoned residential. Accessory dwelling units do exceed the allowable density for the lot upon which the accessory dwelling unit is located, and are a residential use that is consistent with the existing general plan and zoning designation for the lot.

Section XXX3XXX: Development Standards

Accessory Structures within Existing Space

An accessory dwelling unit within an existing space including the primary structure, attached or detached garage or other accessory structure shall be permitted ministerially with a building permit regardless of all other standards within the Chapter if complying with:

1. Building and safety codes
2. Independent exterior access from the existing residence
3. Sufficient side and rear setbacks for fire safety.

Accessory Structures (Attached and Detached)

General:

1. The unit is not intended for sale separate from the primary residence and may be rented.
2. The lot is zoned for residential and contains an existing, single-family dwelling.
3. The accessory dwelling unit is either attached to the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.
4. The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.
5. The total area of floor space for a detached accessory dwelling unit shall not exceed 1,200 square feet.
6. Local building code requirements that apply to detached dwellings, as appropriate.
7. No passageway shall be required in conjunction with the construction of an accessory dwelling unit.
8. No setback shall be required for an existing garage that is converted to a accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an accessory dwelling unit that is constructed above a garage.
9. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence and may employ alternative methods for fire protection.

Parking:

1. Parking requirements for accessory dwelling units shall not exceed one parking space per unit or per bedroom. These spaces may be provided as tandem parking, including on an existing driveway or in setback areas, excluding the non-driveway front yard setback.
2. Parking is not required in the following instances:
   - The accessory dwelling unit is located within one-half mile of public transit, including transit stations and bus stations.
• The accessory dwelling unit is located in the WWWW Downtown, XXX Area, YYY Corridor and ZZZ Opportunity Area.
• The accessory dwelling unit is located within an architecturally and historically significant historic district.
• When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.
• When there is a car share vehicle located within one block of the accessory dwelling unit.

3. Replacement Parking: When a garage, carport, or covered parking structure is demolished or converted in conjunction with the construction of an accessory dwelling unit, replacement parking shall not be required and may be located in any configuration on the same lot as the accessory dwelling unit.

Section XXX4XXX: Permit Requirements

ADUs shall be permitted ministerially, in compliance with this Chapter within 120 days of application. The Community Development Director shall issue a building permit or zoning certificate to establish an accessory dwelling unit in compliance with this Chapter if all applicable requirements are met in Section XXX3XXXX, as appropriate. The Community Development Director may approve an accessory dwelling unit that is not in compliance with Section XXX3XXXX as set forth in Section XXX5XXX. The XXXX Health Officer shall approve an application in conformance with XXXXXX where a private sewage disposal system is being used.

Section XXX5XXX: Review Process for Accessory Structure Not Complying with Development Standards

An accessory dwelling unit that does not comply with standards in Section XXX3XX may be permitted with a zoning certificate or an administrative use permit at the discretion of the Community Development Director subject to findings in Section XXX6XX

Section XXX6XXX: Findings

A. In order to deny an administrative use permit under Section XXX5XXX, the Community Development Director shall find that the Accessory Dwelling Unit would be detrimental to the public health and safety or would introduce unreasonable privacy impacts to the immediate neighbors.

B. In order to approve an administrative use permit under Section XXX5XXX to waive required accessory dwelling unit parking, the Community Development Director shall find that additional or new on-site parking would be detrimental, and that granting the waiver will meet the purposes of this Chapter.

Section XXX7XXX: Definitions

(1) “Living area means the interior habitable area of a dwelling unit including basements and attics but does not include a garage or any accessory structure.

(2) “Accessory dwelling unit” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes the following:

(A) An efficiency unit, as defined in Section 17958.1 of Health and Safety Code.

(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

(3) “Passageway” means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.

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(4) (1) "Existing Structure" for the purposes of defining an allowable space that can be converted to an ADU means within the four walls and roofline of any structure existing on or after January 1, 2017 that can be made safely habitable under local building codes at the determination of the building official regardless of any non-compliance with zoning standards.
Draft Junior Accessory Dwelling Units (JADU) – Flexible Housing

Findings:

1. Causation: Critical need for housing for lower income families and individuals given the high cost of living and low supply of affordable homes for rent or purchase, and the difficulty, given the current social and economic environment, in building more affordable housing.

2. Mitigation: Create a simple and inexpensive permitting track for the development of junior accessory dwelling units that allows spare bedrooms in homes to serve as a flexible form of infill housing.

3. Endangerment: Provisions currently required under agency ordinances are so arbitrary, excessive, or burdensome as to restrict the ability of homeowners to legally develop these units therefore encouraging homeowners to bypass safety standards and procedures that make the creation of these units a benefit to the whole of the community.

4. Co-Benefits: Homeowners (particularly retired seniors and young families, groups that tend to have the lowest incomes) – generating extra revenue, allowing people facing unexpected financial obstacles to remain in their homes, housing parents, children or caregivers; Homebuyers - providing rental income which aids in mortgage qualification under new government guidelines; Renters – creating more low-cost housing options in the community where they work, go to school or have family, also reducing commute time and expenses; Municipalities – helping to meet RHNA goals, increasing property and sales tax revenue, insuring safety standard code compliance, providing an abundant source of affordable housing with no additional infrastructure needed; Community - housing vital workers, decreasing traffic, creating economic growth both in the remodeling sector and new customers for local businesses; Planet - reducing carbon emissions, using resources more efficiently.

5. Benefits of Junior ADUs: offer a more affordable housing option to both homeowners and renters, creating economically healthy, diverse, multi-generational communities.

Therefore the following ordinance is hereby enacted:

This Section provides standards for the establishment of junior accessory dwelling units, an alternative to the standard accessory dwelling unit, permitted as set forth under State Law AB 1866 (Chapter 1062, Statutes of 2002) Sections 65852.150 and 65852.2 and subject to different provisions under fire safety codes based on the fact that junior accessory dwelling units do not qualify as “complete independent living facilities” given that the interior connection from the junior accessory dwelling unit to the main living area remains, therefore not redefining the single-family home status of the dwelling unit.

A) Development Standards. Junior accessory dwelling units shall comply with the following standards, including the standards in Table below:

1) Number of Units Allowed. Only one accessory dwelling unit or, junior accessory dwelling unit, may be located on any residentially zoned lot that permits a single-family dwelling except as otherwise regulated or restricted by an adopted Master Plan or Precise Development Plan. A junior accessory dwelling unit may only be located on a lot which already contains one legal single-family dwelling.

2) Owner Occupancy: The owner of a parcel proposed for a junior accessory dwelling unit shall occupy as a principal residence either the primary dwelling or the accessory dwelling, except when the home is held by an agency such as a land trust or housing organization in an effort to create affordable housing.

3) Sale Prohibited: A junior accessory dwelling unit shall not be sold independently of the primary dwelling on the parcel.
4) **Deed Restriction**: A deed restriction shall be completed and recorded, in compliance with Section B below.

5) **Location of Junior Accessory Dwelling Unit**: A junior accessory dwelling unit must be created within the existing walls of an existing primary dwelling, and must include conversion of an existing bedroom.

6) **Separate Entry Required**: A separate exterior entry shall be provided to serve a junior accessory dwelling unit.

7) **Interior Entry Remains**: The interior connection to the main living area must be maintained, but a second door may be added for sound attenuation.

8) **Kitchen Requirements**: The junior accessory dwelling unit shall include an efficiency kitchen, requiring and limited to the following components:
   a) A sink with a maximum waste line diameter of one-and-a-half (1.5) inches,
   b) A cooking facility with appliance which do not require electrical service greater than one-hundred-and-twenty (120) volts or natural or propane gas, and
   c) A food preparation counter and storage cabinets that are reasonable to size of the unit.

9) **Parking**: No additional parking is required beyond that required when the existing primary dwelling was constructed.

### Development Standards for Junior Accessory Dwelling Units

<table>
<thead>
<tr>
<th>SITE OR DESIGN FEATURE</th>
<th>SITE AND DESIGN STANDARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum unit size</td>
<td>500 square feet</td>
</tr>
<tr>
<td>Setbacks</td>
<td>As required for the primary dwelling unit</td>
</tr>
<tr>
<td>Parking</td>
<td>No additional parking required</td>
</tr>
</tbody>
</table>

B) **Deed Restriction**: Prior to obtaining a building permit for a junior accessory dwelling unit, a deed restriction, approved by the City Attorney, shall be recorded with the County Recorder’s office, which shall include the pertinent restrictions and limitations of a junior accessory dwelling unit identified in this Section. Said deed restriction shall run with the land, and shall be binding upon any future owners, heirs, or assigns. A copy of the recorded deed restriction shall be filed with the Department stating that:

1) The junior accessory dwelling unit shall not be sold separately from the primary dwelling unit;

2) The junior accessory dwelling unit is restricted to the maximum size allowed per the development standards;

3) The junior accessory dwelling unit shall be considered legal only so long as either the primary residence, or the accessory dwelling unit, is occupied by the owner of record of the property, except when the home is owned by an agency such as a land trust or housing organization in an effort to create affordable housing;

4) The restrictions shall be binding upon any successor in ownership of the property and lack of compliance with this provision may result in legal action against the property owner, including revocation of any right to maintain a junior accessory dwelling unit on the property.

C) **No Water Connection Fees**: No agency should require a water connection fee for the development of a junior accessory dwelling unit. An inspection fee to confirm that the dwelling unit complies with development standard may be assessed.

D) **No Sewer Connection Fees**: No agency should require a sewer connection fee for the development of a junior accessory dwelling unit. An inspection fee to confirm that the dwelling unit complies with development standard
may be assessed.

E) **No Fire Sprinklers and Fire Attenuation:** No agency should require fire sprinkler or fire attenuation specifications for the development of a junior accessory dwelling unit. An inspection fee to confirm that the dwelling unit complies with development standard may be assessed.

**Definitions of Specialized Terms and Phrases.**

"Accessory dwelling unit" means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes the following:

1. An efficiency unit, as defined in Section 17958.1 of Health and Safety Code.
2. A manufactured home, as defined in Section 18007 of the Health and Safety Code.

"Junior accessory dwelling unit" means a unit that is no more than 500 square feet in size and contained entirely within an existing single-family structure. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.
### Attachment 4: State Standards Checklist (As of January 1, 2017)

<table>
<thead>
<tr>
<th>YES/NO</th>
<th>STATE STANDARD*</th>
<th>GOVERNMENT CODE SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unit is not intended for sale separate from the primary residence and may be rented.</td>
<td>65852.2(a)(1)(D)(i)</td>
</tr>
<tr>
<td></td>
<td>Lot is zoned for single-family or multifamily use and contains an existing, single-family dwelling.</td>
<td>65852.2(a)(1)(D)(ii)</td>
</tr>
<tr>
<td></td>
<td>Accessory dwelling unit is either attached to the existing dwelling or located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.</td>
<td>65852.2(a)(1)(D)(iii)</td>
</tr>
<tr>
<td></td>
<td>Increased floor area of an attached accessory dwelling unit does not exceed 50 percent of the existing living area, with a maximum increase in floor area of 1,200 square feet.</td>
<td>65852.2(a)(1)(D)(iv)</td>
</tr>
<tr>
<td></td>
<td>Total area of floor space for a detached accessory dwelling unit dies not exceed 1,200 square feet.</td>
<td>65852.2(a)(1)(D)(v)</td>
</tr>
<tr>
<td></td>
<td>Passageways are not required in conjunction with the construction of an accessory dwelling unit.</td>
<td>65852.2(a)(1)(D)(vi)</td>
</tr>
<tr>
<td></td>
<td>Setbacks are not required for an existing garage that is converted to an accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines are not required for an accessory dwelling unit that is constructed above a garage.</td>
<td>65852.2(a)(1)(D)(vi)</td>
</tr>
<tr>
<td></td>
<td>(Local building code requirements that apply to detached dwellings are met, as appropriate.</td>
<td>65852.2(a)(1)(D)(vii)</td>
</tr>
<tr>
<td></td>
<td>Local health officer approval where a private sewage disposal system is being used, if required.</td>
<td>65852.2(a)(1)(D)(viii)</td>
</tr>
<tr>
<td></td>
<td>Parking requirements do not exceed one parking space per unit or per bedroom. These spaces may be provided as tandem parking on an existing driveway.</td>
<td>65852.2(a)(1)(D)(x)</td>
</tr>
</tbody>
</table>

* Other requirements may apply. See Government Code Section 65852.2
Attachment 5: Bibliography

Reports

ACCESSORY DWELLING UNITS: CASE STUDY (26 pp.)


Introduction: Accessory dwelling units (ADUs) — also referred to as accessory apartments, ADUs, or granny flats — are additional living quarters on single-family lots that are independent of the primary dwelling unit. The separate living spaces are equipped with kitchen and bathroom facilities, and can be either attached or detached from the main residence. This case study explores how the adoption of ordinances, with reduced regulatory restrictions to encourage ADUs, can be advantageous for communities. Following an explanation of the various types of ADUs and their benefits, this case study provides examples of municipalities with successful ADU legislation and programs. Section titles include: History of ADUs; Types of Accessory Dwelling Units; Benefits of Accessory Dwelling Units; and Examples of ADU Ordinances and Programs.

THE MACRO VIEW ON MICRO UNITS (46 pp.)

Library Call #: H43 4.21 M33 2014

The Urban Land Institute Multifamily Housing Councils were awarded a ULI Foundation research grant in fall 2013 to evaluate from multiple perspectives the market performance and market acceptance of micro and small units.

RESPONDING TO CHANGING HOUSEHOLDS: Regulatory Challenges for Micro-units and Accessory Dwelling Units (76 pp.)

By Vicki Been, Benjamin Gross, and John Infranca (2014)
New York University: Furman Center for Real Estate & Urban Policy
Library Call # D55 3 I47 2014

This White Paper fills two gaps in the discussion regarding compact units. First, we provide a detailed analysis of the regulatory and other challenges to developing both ADUs and micro-units, focusing on five cities: New York; Washington, DC; Austin; Denver; and Seattle. That analysis will be helpful not only to the specific jurisdictions we study, but also can serve as a model for those who want to catalogue regulations that might get in the way of the development of compact units in their own jurisdictions. Second, as more local governments permit or encourage compact units, researchers will need to evaluate how well the units built serve the goals proponents claim they will.

SCALING UP SECONDARY UNIT PRODUCTION IN THE EAST BAY: Impacts and Policy Implications (25 pp.)

By Jake Webmann, Alison Nemirow, and Karen Chapple (2012)
UC Berkeley: Institute of Urban and Regional Development (IURD)
Library Call # H44 1.1 S33 2012

This paper begins by analyzing how many secondary units of one particular type, detached backyard cottages, might be built in the East Bay, focusing on the Flatlands portions of Berkeley, El Cerrito, and Oakland. We then investigate the potential impacts of scaling up the strategy with regard to housing affordability, smart growth, alternative transportation, the economy, and city budgets. A final section details policy recommendations, focusing on regulatory reforms and other actions cities can take to encourage secondary unit construction, such as promoting carsharing programs, educating residents, and providing access to finance.
SECONDARY UNITS AND URBAN INFILL: A literature Review (12 pp.)

By Jake Wegmann and Alison Nemiro (2011)
UC Berkeley: IURD
Library Call # D44 4.21 S43 2011

This literature review examines the research on both infill development in general, and secondary units in particular, with an eye towards understanding the similarities and differences between infill as it is more traditionally understood — i.e., the development or redevelopment of entire parcels of land in an already urbanized area — and the incremental type of infill that secondary unit development constitutes.

YES, BUT WILL THEY LET US BUILD? The Feasibility of Secondary Units in the East Bay (17 pp.)

By Alison Nemiro and Karen Chapple (2012)
UC Berkeley: IURD
Library Call # H44.5 1.1 Y47 2012

This paper begins with a discussion of how to determine the development potential for secondary units, and then provides an overview of how many secondary units can be built in the East Bay of San Francisco Bay Area under current regulations. The next two sections examine key regulatory barriers in detail for the five cities in the study (Albany, Berkeley, El Cerrito, Oakland, and Richmond), looking at lot size, setbacks, parking requirements, and procedural barriers. A sensitivity analysis then determines how many units could be built were the regulations to be relaxed.

YES IN MY BACKYARD: Mobilizing the Market for Secondary Units (20 pp.)

By Karen Chapple, J. Weigmann, A. Nemiro, and C. Dentel-Post (2011)
UC Berkeley: Center for Community Innovation.
Library Call # B92 1.1 Y47 2011

This study examines two puzzles that must be solved in order to scale up a secondary unit strategy: first, how can city regulations best enable their construction? And second, what is the market for secondary units? Because parking is such an important issue, we also examine the potential for secondary unit residents to rely on alternative transportation modes, particular car share programs. The study looks at five adjacent cities in the East Bay of the San Francisco Bay Area (Figure 1) -- Oakland, Berkeley, Albany, El Cerrito, and Richmond -- focusing on the areas within ½ mile of five Bay Area Rapid Transit (BART) stations.

Journal Articles and Working Papers:

BACKYARD HOMES LA (17 pp.)

Regents of the University of California, Los Angeles.
City Lab Project Book.

DEVELOPING PRIVATE ACCESSORY DWELLINGS (6 pp.)

By William P. Macht. Urbanland online. (June 26, 2015)
GRANNY FLATS GAINING GROUND (2 pp.)

By Brian Barth. Planning Magazine: pp. 16-17. (April 2016)
Library Location: Serials

"HIDDEN" DENSITY: THE POTENTIAL OF SMALL-SCALE INFILL DEVELOPMENT (2 pp.)

By Karen Chapple (2011)
UC Berkeley: IURD Policy Brief.
Library Call # D44 1.2 H53 2011

California’s implementation of SB 375, the Sustainable Communities and Climate Protection Act of 2008, is putting new pressure on communities to support infill development. As metropolitan planning organizations struggle to communicate the need for density, they should take note of strategies that make increasing density an attractive choice for neighborhoods and regions.

HIDDEN DENSITY IN SINGLE-FAMILY NEIGHBORHOODS: Backyard cottages as an equitable smart growth strategy (22 pp.)


Abstract (not available in full text): Secondary units, or separate small dwellings embedded within single-family residential properties, constitute a frequently overlooked strategy for urban infill in high-cost metropolitan areas in the United States. This study, which is situated within California’s San Francisco Bay Area, draws upon data collected from a homeowners’ survey and a Rental Market Analysis to provide evidence that a scaled-up strategy emphasizing one type of secondary unit – the backyard cottage – could yield substantial infill growth with minimal public subsidy. In addition, it is found that this strategy compares favorably in terms of affordability with infill of the sort traditionally favored in the ‘smart growth’ literature, i.e. the construction of dense multifamily housing developments.

RETHINKING PRIVATE ACCESSORY DWELLINGS (5 pp.)

By William P. Macht. Urbanland online. (March 6, 2015)
Library Location: Urbanland 74 (1/2) January/February 2015, pp. 87-91.

ADUS AND LOS ANGELES’ BROKEN PLANNING SYSTEM (4 pp.)

Land-use attorney Carlyle W. Hall comments on building permits for accessory dwelling units.

News:

HOW ONE COLORADO CITY INSTANTLY CREATED AFFORDABLE HOUSING

By Anthony Flint. The Atlantic-CityLab. (May 17, 2016).

In Durango, Colorado, zoning rules were changed to allow, for instance, non-family members as residents in already-existing accessory dwelling units.

NEW HAMPSHIRE WINS PROTECTIONS FOR ACCESSORY DWELLING UNITS (1 p.)

NLIHC (March 28, 2016)

Affordable housing advocates in New Hampshire celebrated a significant victory this month when Governor Maggie Hassan (D) signed Senate Bill 146, legislation that allows single-family homeowners to add an accessory
dwelling unit as a matter of right through a conditional use permit or by special exception as determined by their municipalities. The bill removes a significant regulatory barrier to increasing rental homes at no cost to taxpayers.

NEW IN-LAW SUITE RULES BOOST AFFORDABLE HOUSING IN SAN FRANCISCO. (3 pp.)
By Rob Poole. Shareable. (June 10, 2014).

The San Francisco Board of Supervisors recently approved two significant pieces of legislation that support accessory dwelling units (ADUs), also known as "in-law" or secondary units, in the city...

USING ACCESSORY DWELLING UNITS TO BOLSTER AFFORDABLE HOUSING (3 pp.)
By Michael Ryan. Smart Growth America. (December 12, 2014).
ORDINANCE NO. 1381

AN ORDINANCE ADDING A NEW ARTICLE E TO CHAPTER 15-4 OF THE EL SEGUNDO MUNICIPAL CODE PURSUANT TO GOVERNMENT CODE § 65852.2 AFFECTING SECOND DWELLING UNITS.

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

SECTION 1 The City Council finds and declares as follows

A This Ordinance is consistent with the City's procedures and standards as set forth in the El Segundo Municipal Code ("ESMC") and State mandates regarding Second Unit housing.

B Amendments to the ESMC affecting second dwelling units complies with the Land Use Element of the General Plan by providing alternative means of housing for our divergent and expanding populace.

C Amending the ESMC will not have a significant adverse impact upon local or regional housing needs, but will help to provide a variety of housing types, from single living to convalescent care, and will aid in meeting regional housing needs.

D It is in the public interest to adopt this Ordinance in compliance with Government Code § 65852.2.

E As demonstrated in the recently adopted Circulation Element (EA No 579 and GPA No 02-1), and its accompanying FEIR (certified September 7, 2004) traffic volume continues to increase within the City's jurisdiction and numerous intersections are currently at less than desired levels of service, requiring, among other things, improvements to a number of traffic intersections, street construction, and other mitigations which are not projected to be completed for an extended period of time.

F There are currently approximately 16,033 residents in El Segundo. The residential zones in El Segundo are located within approximately 84 square miles of an approximately 5.46 square mile City which results in a relatively high density of housing in a relatively small area and resulting in intense on-street parking. The remainder of the City is zoned for industrial and commercial uses which are not suitable for housing.

G To help avoid additional significant traffic impacts, preserve the enjoyment of the R-1 Zone consistent with the goals and policies of the current General Plan, and avoid the adverse noise and parking impacts associated with increasing the density of the R-1 Zone, the City Council believes that it is in the public interest.
to continue to limit construction of second dwelling units within R-1 zones to the 
particular areas that are currently allowed under ESMC §§ 15-4A-2 (A) and (J), 
15-4B-2(B), and 15-4C-2

SECTION 2  A new definition is added to ESMC § 15-1-6 to read as follows

“Second dwelling unit’ means independent living facilities of limited 
size (based upon lot coverage which includes the size of the second 
dwelling unit as well as the primary dwelling unit on the parcel) that 
provides permanent provisions for living, sleeping, eating, cooking and 
sanitation located on the same parcel as a single-family dwelling and 
either attached or detached from the single-family dwelling but share no 
common interior passageways “

SECTION 3  A new Article E is added to ESMC Chapter 15-4 to read as follows

“ARTICLE E. SECOND DWELLING UNITS.”

15-4E-1  Purpose

This Article is adopted pursuant to Government Code § 65852 2 for the purpose 
of consolidating, clarifying, and implementing the City’s regulation of second 
dwelling units  Because second dwelling units tend to increase the volume of 
vehicle traffic within the City, street parking, noise, and other negative impacts, 
this Code restricts the location of second dwelling units within single family 
residential zones as set forth in this Article and elsewhere within this Title 
Increased traffic not only impacts existing public infrastructure, such as streets 
and intersections, but degrades air quality, increases noise, and can introduce 
pollutants into the City’s storm drains  Further, the density of housing within the 
City’s jurisdiction, when coupled with the industrial, commercial, and airport uses 
prevailed throughout the City, impacts aesthetics, public health and safety, and 
public welfare by increasing the demand for public services  Moreover, because 
of the limited parking throughout the City, this Article makes the findings needed 
by the Government Code to require additional off-street parking for second 
dwelling units in single-family residential zones

15-4E-2  Location in R-1 Zones

In accordance with § 15-4A-2(J), second dwelling units are allowed as a matter of right 
anywhere within an R-1 zone if they meet the following zone requirements

A  Lots upon which the second unit is to be constructed when the side lot line must 
form a common boundary with a lot or lots zoned for R-3 [Multi-Family 
Residential], P [Automobile Parking], C-RS [Downtown Commercial], C-2 
[Neighborhood Commercial], C-3 [General Commercial], CO [Corporate Office],
MU-N [Urban Mixed-Use North] or MU-S [Urban Mixed Use South], and,

B The real property proposed for the second unit cannot consist of more than one lot, and

C The real property cannot be more than fifty (50) feet wide, or,

D Where a single family dwelling unit containing seven hundred (700) square feet or less exists on the rear portion of the lot and was placed thereon prior to, or for which a building permit was issued prior to December 26, 1947, in conformance to the requirements of Ordinance 293 of the City a second detached unit may be erected on the front portion of the lot, whereupon the dwelling on the rear portion of the lot shall assume the status of a nonconforming use as defined herein, but may be expanded to a maximum of seven hundred (700) square feet

15-4E-3 Location in R-2 and R-3 Zones

In accordance with the requirement of §§ 15-4B-2(B) and 15-4C-2, second dwelling units are allowed as a matter of right anywhere within R-2 and R-3 Zones as these zones already allow for more than one dwelling unit. This Section 15-4E-3 does not grant additional rights to construct second dwelling units beyond the rights already set forth in Title 15

15-4E-4 General Requirements

A Lot Area All lots must conform with the lot area, width and depth requirements of the underlying zone

B Minimum Yard Requirements The minimum front, side and rear setbacks of the underlying zone provisions apply to any second unit

C Design Each unit must be designed to be compatible with the main dwelling. The design must consider the use of the same exterior materials, roof covering, colors, and other architectural features as the main residence

D The second unit must comply with applicable building, health and fire codes

E It is prohibited to have more than one second dwelling unit per lot. A second dwelling unit may only be built on a site which contains another residence or in conjunction with the construction of a main residence

F Access The second unit must be served by the same driveway access to the street as the existing main dwelling

G Common entrance If the second unit is attached to the main dwelling, both the second unit and the main dwelling must be served either by a common entrance or
a separate entrance to the second unit must be located on the side or at the rear of the main dwelling

15-4E-6 Parking for R-1 Zones

A Pursuant to Government Code § 65852.2, the City finds that the requirement that a second dwelling unit on Single-Family Residential (R-1) property maintain two parking spaces is consistent with existing neighborhood standards applicable to existing dwellings. Because the square footage of second dwelling units are not limited except by lot coverage restrictions (allowing large multi-bedroom units which tend to create the need for more than one parking space), the required parking is directly related to the use of a second dwelling unit. Requiring two parking spaces per dwelling unit is consistent with existing neighborhood standards since two parking spaces are required in all residential zones throughout the City. Off-street parking is allowed in rear and side yard setback areas in the rear third of a lot and tandem parking is also permitted.

B Offstreet Parking Off-street parking spaces must be provided for a second dwelling unit in addition to that required for the main residence. The number and type of parking spaces must comply with §§15-15-3 and 15-15-5 as they relate to two-family dwellings. The required parking space may not block any required existing enclosed space for the existing underlying zone, nor conflict with access to a required parking space.

15-4E-7 Plan review process.

A The review process is necessary to ensure that development standards are complied with and that proposed buildings, structures and uses maintain the integrity of the zone and are compatible with other buildings and structures in the zone.

B A plan must be filed with the Planning and Building Safety Department on a form supplied by that department and contains the following information:

1 The use to which the property will be put,

2 An accurately dimensioned plot plan showing existing and proposed topography, all existing and proposed buildings and structures, off-street parking, landscaping areas, walls and fences, and all existing or proposed streets adjacent to the property,

3 The dimension of all yards, setbacks, parking areas, driveways, walls and fences, and square footage of all building or other structures, and
The floor plans, sections and elevations of all buildings and structures proposed with a notation of the type of material to be used, the color, and a material sample

The applicant must pay a filing and processing fee, in an amount set by city council resolution when filing an application for plan approval

The Planning and Building Safety Director will provide the applicant with a written decision regarding the application. The decision of the director is final unless an appeal is filed in accordance with this Code

SECTION 4. The term “Two Family Dwelling” in Section 15-4A-2 (J) is replaced with the term “Second dwelling unit”

SECTION 5. 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 6. 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 7. The City Council determines that this ordinance is exempt from review 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 “State CEQA Guidelines”) because it consists only of minor revisions and clarifications to an existing zoning code and specification of procedures related thereto and will not have the effect of deleting or substantially changing any regulatory standards or findings required therefor. This ordinance is an action that does not have the potential to cause significant effects on the environment

SECTION 8. 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 (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law
SECTION 9. This Ordinance will take effect on the 31st day following its final passage and adoption.

PASSED AND ADOPTED this 15th day of February, 2005

[Signature]
Kelly McDowell, Mayor

ATTEST

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES )    SS
CITY OF EL SEGUNDO )

I, Cindy Mortesen, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five, that the foregoing Ordinance No. 1381 was duly introduced by said City Council at a regular meeting held on the 1st day of Feb., 2005 and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the 15th day of February, 2005, and the same was so passed and adopted by the following vote:

AYES: McDowell, Gaines, Boulgarides, Busch, Jacobson

NOES: None

ABSENT: None

ABSTAIN: None

NOT PARTICIPATING: None

[Signature]
Cindy Mortesen, City Clerk

APPROVED AS TO FORM
Mark D. Hensley, City Attorney

By
Karl H. Berger, Assistant City Attorney

Page 6 of 6
MINUTES OF THE MEETING
OF THE PLANNING COMMISSION
OF THE CITY OF EL SEGUNDO, CALIFORNIA

March 9, 2017

Chair Baldino called the El Segundo Planning Commission meeting to order at 5:30 p.m. in the El Segundo City Hall's Council Chambers, 350 Main Street, El Segundo, California.

CALL TO ORDER

Commissioner Nisley led the Pledge of Allegiance.

PLEDGE TO FLAG

ROLL CALL

PUBLIC COMMUNICATIONS

CONSENT CALENDAR

CALL ITEMS FROM CONSENT

Chair Baldino presented the Consent Calendar.

DIRECTOR DECISIONS FOR ADMINISTRATIVE ADJUSTMENTS, ADJUSTMENTS, and ADMINISTRATIVE DETERMINATIONS

Vice Chair Newman pulled agenda Items E-1A and E-1B

CALL ITEMS FROM CONSENT

Chair Baldino presented Agenda Item E-1, Environmental Assessment No. EA-1176, Adjustment ADJ No. 16-07, and Administrative Adjustment No. 16-08. Address: 555 South Aviation Boulevard

Applicant: Steve Minden, Senior Director of Design/Construction.

Property Owner: 555 South Aviation Property, L.P.

Assistant Planner Maria Baldenegro presented a staff report of record

DIRECTOR DECISIONS FOR ADMINISTRATIVE ADJUSTMENTS, ADJUSTMENTS, and ADMINISTRATIVE DETERMINATIONS

Vice Chair Newman moved, seconded by Commissioner Wingate, to Receive and File the Director of Planning and Building Safety’s approval of Environmental Assessment No. EA-1176, Adjustment ADJ No. 16-07, and Administrative Adjustment No. 16-08. Motion carried (5-0).

MOTION

written communications

Chair Baldino presented Agenda Item H-2, Environmental Assessment No. 1177 and Zoning Text Amendment No. 16-06. A possible ordinance amending various sections of the El Segundo Municipal Code (ESMC) related to the City’s regulation of accessory dwelling units.

written communications

Planning Manager Gregg McClain presented a staff report.

NEW BUSINESS for EA-1177; ZTA 16-06

Commissioner Wingate asked whether Accessory dwelling units are limited by the FAR on a property.

NEW BUSINESS for EA-1177; ZTA 16-06

Planning Manager McClain responded affirmatively.

NEW BUSINESS for EA-1177; ZTA 16-06

Chairperson Baldino asked whether the City can limit the locations of new
construction accessory dwelling units as it did in 2003 or whether it can impose new arbitrary limitations.

Planning Manager McClain responded that the City can do neither. Any limitations on new construction accessory dwelling units have to be based on the criteria set in the state law.

Assistant City Attorney David King clarified that the state law requires that cities approve accessory dwelling units within existing structures. However, the state law gives cities some discretion to limit the location of new construction of accessory dwelling units based on certain criteria.

Chairperson Baldino stated that the state preempted the City with regard to accessory dwelling units within existing structures, including garages. The City has to decide whether to continue to severely restrict the location of new construction of accessory dwelling units. However, he pointed out, restricting new construction accessory dwelling units would incentivize property owners to just convert their garages.

Assistant City Attorney King pointed out that the state law did not define what it meant by the term ‘existing’ structures. Taken literally, ‘existing’ could mean those structures that existed on January 1, 2017, when the new state law went into effect. He stated that the City Attorney’s interpretation is that ‘existing’ means those structures built before January 1, 2017.

Planning Manager McClain indicated that staff received written communication from a property owner of an R-2 zoned lot regarding permitting accessory dwelling units in the R-2 zone.

Chairperson Baldino asked whether R- zoned lots have the right to build an accessory dwelling unit already.

Planning Manager McClain explained that R-2 lots smaller than 4,000 square feet can only be developed with one unit currently.

Commissioner Nicol asked what the state’s goal is in requiring cities to approve accessory dwelling units.

Planning Manager McClain explained that the state wants to address the housing shortage in California.

Commissioner Nicol asked if the City were to restrict the permitted locations of accessory dwelling units whether the state would follow up with stricter regulations.

Planning Manager McClain stated that if all cities collectively restricted the development of accessory dwelling units that the state would probably follow up with stricter regulations.

Commissioner Wingate asked whether the City could restrict the use of water or sewer facilities.

Planning Manager McClain explained that the City could use that criteria for the purpose of determining areas where accessory dwelling units would be permitted. He explained further that it would require further study.
Planning Commissioner Newman asked how many people would be interested in developing accessory dwelling units on their property.

Planning Manager McClain responded that he did not know, but that the City had already received some applications to convert existing structures into accessory dwelling units.

Commissioner Newman asked Commissioner Nicol whether in his line of work as a real estate professional the subject of accessory dwelling units comes up.

Commissioner Nicol responded that it comes up all the time. Property owners typically want to have the option to have family live on the same property.

Planning Manager McClain explained that accessory dwelling units can be rented out to non-family members as well based on the state regulations.

Commissioner Nicol asked whether the City could regulate the length of rental terms.

Planning Manager McClain explained that state law allows cities to regulate rental terms and to require the property owner to reside on the property. He added that short term rentals will be addressed in a separate ordinance.

Chairperson opened public communication.

Arena Costea, architect: Ms. Costea pointed out that people are building or converting structures into accessory dwelling units whether a city permits it or not. This leads to a lot of construction that is unsafe. As a result, part of the intent behind the new state regulations is to allow people to do so in a safe manner.

Jim Stone (1208 E. Walnut Ave). Mr. Stone pointed out that he’s constructing an addition to a garage for a play room. He’s also adding a third parking space in his garage. He’s wondering whether he can modify his plans to convert the play room into an accessory dwelling units. He expressed his hope that the City would decide in favor of allowing new construction of accessory dwelling units. He pointed to the increase housing costs in the area as a factor in favor of doing so. He also expressed support for a size limit that is higher than 600 square feet.

K. C. Newton (620 Whiting Street). He explained that he would like to build a new detached garage, add a 3rd parking space in it and build an accessory dwelling units above it. He stated that the purpose for the unit would be to allow relatives to stay on the same property when they visit from out of town.

Chairperson Baldino suggested that this would be a preferable option in that it results in additional parking on a property.

Planning Manager McClain agreed and proposed that the ordinance could be drafted to permit and not discourage the provision of additional parking. He also mentioned that staff distributed some written correspondence to the dais, which is includes a request to permit accessory dwelling units in the R-2 zone.

Commissioner Nicol pointed to the difference in standards between the R-1 and R-2 zones and asked how the new state law applies to R-2 lots.
Planning Manager McClain pointed out that allowing accessory dwelling units in the R-2 zone is an option for the City, not a requirement.

Commissioner Nicol stated that it would be unfair for small R-2 zoned lots that are not permitted to have two units under the current City regulations, not to be allowed to have an accessory dwelling unit.

Commissioner Wingate asked staff to confirm whether accessory dwelling units would be subject to the R-1 zone FAR limit.

Planning Manager McClain responded that they would.

Commissioner Nicol asked whether an accessory dwelling unit would count toward the floor area for parking purposes and he mentioned that the City had just increased the threshold for requiring a 3rd parking space for a single-family residence to 3,500 square feet.

Planning Manager McClain responded that they would count toward floor area.

Resident (Imperial Avenue). He explained that he's in the process of purchasing a property. He pointed out that the property apparently has an accessory unit on it. He also made a point regarding increasing housing prices in El Segundo.

Ben (1530 E Mariposa Avenue). Mr. Ben mentioned that he has family that visits regularly and it would be great to have an extra unit for them. He also pointed out that it would be useful to him to have an extra building/unit with full shower/bath facilities on the property.

Chairperson Baldino asked whether property owners could come to the City after the fact and legalize units built and/or converted without permits.

Planning Manager McClain responded that property owners would have to apply for permits to do so and that the units would have to meet current zoning and building safety standards.

Commissioner Wingate pointed out that establishing accessory dwelling units will be a popular option for property owners.

Chairperson Baldino pointed out the dilemma between restricting the location of new construction accessory dwelling units and unintentionally encouraging garage conversions.

Commissioner Newman stated that her first reaction was to permit new construction accessory dwelling units on all R-1 lots in the hopes that property owners would provide additional parking voluntarily.

Commissioner Nisley asked if someone could build a garage and then convert it into an accessory dwelling unit.

Planning and Building Safety Director Sam Lee explained that if the ordinance defines the term existing as structures built before January 1, 2017, a property owner would not be able to convert a garage built after January 1, 2017.

Commissioner Wingate suggested restricting accessory property owners to
converting existing spaces.

Commissioner Nicol suggested allowing a large maximum size limit (above 600 square feet) to encourage property owners to maintain their garages.

Chairperson Baldino suggested encouraging building units above a garage, but not necessarily next to their garage. He proposed granting more square footage for units above a garage.

Commissioner Nicol pointed out that it would be cheaper to build a unit next to a garage as opposed to above the garage.

Chairperson Baldino expressed support for allowing new construction accessory dwelling units throughout the R-1 zone to discourage garage conversions.

Commissioner Wingate expressed support for a maximum size limit close to 600 square feet to discourage large families with multiple cars moving in.

Commissioner Nicol agreed with Chairperson Baldino’s proposal to permit new construction throughout the R-1 zone.

Commissioner Wingate pointed out that the expense of converting a garage and allowing new construction would discourage conversion of garages.

Commissioner Nicol suggested that owners of properties with alley access would be more likely to build a unit above a detached garage at the rear of a lot. He suggested that a maximum size limit of 800 square feet may be reasonable in that situation.

Chairperson Baldino expressed support for requiring the owner of a property with an accessory dwelling unit to reside on the property.

Chairperson Baldino summarized the Commissioner’s consensus regarding permitting accessory dwelling units throughout the R-1 zone with a maximum size limit between 600 and 800 square feet. He also suggested incorporating an incentive for property owners to maintain existing garages on a property.

Chairperson Baldino pointed out the small R-2 lots and expressed support for permitting small R-2 lots to have an accessory dwelling unit.

Planning Manager McClain suggested that staff could add provisions allowing certain small R-2 lots to have an accessory dwelling unit. If the Commission did not like the language at its next meeting, staff could remove or edit it.

Assistant City Attorney King encouraged the Commission to take time to deliberate the issues carefully and not rush a decision.

Chairperson Baldino asked staff whether they had adequate direction to draft an ordinance in time for the next Planning Commission meeting.

Planning Manager McClain responded that staff had clear direction. Commissioner Wingate moved, seconded by Commissioner Nicol, for the **MOTION**
Planning Commission to continue the item to the next regularly scheduled meeting on March 23, 2017. Motion carried (5-0).

None.

None.

Planning Manager McClain announced that the R-1 modulation ordinance was approved on a 3-2 vote by the City Council and would become effective on March 23, 2017.

Assistant City Attorney King reported on a recent Supreme Court case decision on whether work related emails on a personal email account or a personal device are subject to the public records act requests. The Supreme Court ruled that those emails are subject to public records act requests. He advised the Commission that if there is a public records act request, the City may need the Commissioners' help in responding to the request.

Commissioner Baldino asked the Assistant City Attorney to explain how a public record is defined.

Assistant City Attorney King explained that it is communication regarding City business. In the case of the Planning Commissioners, this would mean any communication relating to their work as Planning Commissioners.

Commissioner Nicol announced that Arbor day was coming up. He said that the Tree Muskateers would be doing maintenance and he invited the public to participate.

Chair Baldino adjourned the meeting.

The meeting adjourned at 7:02 p.m.

PASSED AND APPROVED ON THIS 26TH DAY OF JANUARY 2017.

Sam Lee, Secretary of
the Planning Commission
and Director of the
Planning and Building Safety Department

Ryan Baldino, Chairman
Planning Commission
City of El Segundo, California
Chair Baldino presented Agenda item Environmental Assessment No. 1177 and Zone Text Amendment No. 16-06. Consideration and possible action recommending approval of an ordinance amending Titles 8 and 15 of the El Segundo Municipal Code (ESMC) related to the City's regulation of accessory dwelling units. Address: Citywide. Applicant: City Initiated. Property Owners: Various.

Planning Manager Gregg McClain stated that there are currently several pending bills in Sacramento that would change the government code section that applies to accessory dwelling units if signed. He requested that staff be given time to review the bills and assess their likelihood of approval before drafting an ordinance. He requested that Chair Baldino open public communications and continue the hearing.

Chair Baldino gave a brief summary of the state law in question and the City's options and flexibility in adopting that law.

Beth Shodorf, 428 W. Palm

Ms. Shodorf asked how this would affect properties in the R-2 zone.

Ruthie Thorpe, 520 E. Walnut

Ms. Thorpe stated that is in escrow for a 1,000 square foot house, and that the intention was to build an ADU in order to be able to live together with mother as well as her husband and children. She expressed concern over the ADU's limitation of 50% of the primary dwelling. She said that since the primary dwelling was only 1,000 square feet, the ADU would only be allowed to be 500 square feet.

Roland Olbert, 937 Sheldon

Mr. Olbert stated that he was in the middle of construction to build an accessory structure attached to his garage, and that he is interested in converting it to a living unit for his handicapped father-in-law.

Tim Stone, 1208 E. Walnut

Mr. Stone stated that he would like to be able to have an ADU on his property.

Mr. Baldino asked if 600 square feet would be enough.

Mr. Stone replied that 800 would be better.
Aster Verna 115 W Maple

Mr. Verna asked why the City would consider a lower maximum ADU size than what the state is allowing. He added that his R-1 property borders an R-2 lot, which allows him to already build an ADU, provided that he builds additional parking.

Close public comunication

Ms. Newman asked about the pending bills in Sacramento.

Mr. McClain replied that there are currently 4 pending bills that affect the subject at hand, and that they are all working independently to change the language in certain ways. He said that the one that staff is watching most closely is related to garage conversions.

Assistant City Attorney David King provided further details about the bills in question, stating that the original law does not define ‘accessory structure.’ He stated that garages may not have meant to be included in the definition, and one of the bills is seeking to clarify this.

Commissioner Nicol asked staff for clarification regarding the legality of garage conversions.

Commissioner Wingate asked for clarification about which zones this will apply to.

Mr. McClain stated that the law applies to single-family residential zones only, and that in El Segundo, this means only R-1.

In response to the question about R-2 lots, Mr. McClain clarified that the state law in question only applies to R-1 zones.

In response to the question about the 50% limit to ADUs, Mr. McClain explained that this applies only to conversions of existing homes, and would not apply to additions or detached structures.

In response to the question about whether it is too late for an accessory structure that is currently under construction to be permitted as an ADU, Mr. McClain explained that the answer depends on the the final ordinance.

In response to the question about why a limit of 600 square feet is being proposed, Mr. McClain explained that the state law gives cities freedom to set lower limits for detached ADUs. He stated that currently the City’s limit on accessory structures are 600 square feet. He said that this number was recommended as a limit to ADUs so that those that have 600 square foot accessory structures would be able to convert them to ADUs. He stated that the 1,200 square foot limit only applies to the conversion of houses.
Mr. Baldino asked if there was a way to only allow non-rentable ADUs, for the use of family only.

Mr. McClain replied That that would not be possible.

Commissioner Nisley asked about those who wanted to covert their accessory structures that are over 600 square feet to ADUs.

Mr. McClain stated that such a structure would predate current code. He stated that the limitation of such a conversion might be related to the square footage of the main unit.

Ms. Newman asked how flexible staff will be on specific cases where the ADU does not meet development standards.

Planning Manager McClain stated that for the process to be ministerial, proposed ADUs would have to meet all standards. If they don’t meet all the standards, property owners would be able to apply for either a Variance or a Code Amendment.

Chairperson Baldino pointed out that the fear of losing existing garages to conversion is no longer there. As a result, the City doesn’t have a reason to incentivize new construction of ADUs. However, most members of the public that testified expressed support for the option of new construction.

Assistant City Attorney King pointed out once again the new state law is confusing and that staff has been working hard to make sense of it and present it to the Commission and the public. It is unfortunate that the state law did not clearly define the term accessory structure.

Commissioner Nicol asked what property owners can do based on the state law, while the City is deliberating on a draft ordinance.

Chairperson Baldino responded that the state law allows property owners to convert existing accessory structures and existing space in single family residences. Property owners that want to build new ADUs – except on properties where ADUs are currently permitted - will have to wait for the City to adopt an ordinance addressing new construction ADUs. He added that the City would have to decide whether to move forward with incentivizing new construction ADUs now that –it appears – garages can no longer be converted into ADUs.

Assistant City Attorney King stated that the City Attorney’s interpretation of the bill pending in the legislature is that the term “accessory structure” excludes garages.

Chairperson Baldino asked staff how much time they would need to review the pending bill and report back to the planning Commission.
Planning Manager McClain requested that the Commission continue the public hearing to the April 27, 2017 meeting to give staff enough time.

Commissioner Wingate moved, seconded by Commissioner Nicol, to continue the item to the April 27, 2017 Planning Commission meeting.

*   *   *
Chair Baldino called the El Segundo Planning Commission meeting to order at 5:30 p.m. in the El Segundo City Hall’s Council Chambers, 350 Main Street, El Segundo, California.

Commissioner Nisley led the Pledge of Allegiance.

Present: NICOL, NISLEY, BALDINO, NEWMAN, and WINGATE

None.

Mr. Baldino presented the Consent Calendar.

Ms. Wingate moved, seconded by Commissioner Nicol to approve:

January 28, 2016 Planning Commission Meeting Minutes, and

May 26, 2016 Planning Commission Meeting Minutes.

Motion carried 5-0.

Mr. Baldino moved, seconded by Commissioner Wingate to approve:

April 28, 2016 Planning Commission Meeting Minutes.

Motion carried 5-0.

Mr. Baldino pulled item E-2 – April 28, 2016 Planning Commission Meeting Minutes. He noted that he had been absent on that date and so his name should be removed.

None.

Mr. Baldino presented item number H-4: Revision A to Environmental Assessment No. 1143, Conditional Use Permit No. CUP 16-01, Administrative Use Permit No. AUP 16-01, and Off-Site Parking Covenant No. MISC 16-05; and possible adoption of an Addendum to the previously-approved Mitigated Negative Declaration. Address: 2171-2191 Rosecrans Avenue. Applicant: Continental Development Corporation. Property Owner: Rosecrans Continental Way LLC.

Principal Planner Eduardo Schonborn presented the staff report.
Ms. Wingate stated that she was concerned that one of the tenants did not have a loading zone and about trash storage.

Mr. Schonborn showed on the plans where the trash for the businesses was to be located and stated that no other department reviewing the plans had made any comments about the proposed size and location of proposed trash facilities.

Ms. Wingate asked if parking would be free.

Mr. Schonborn stated that he believed so, though the applicant would be able to provide more details.

Ms. Newman asked if there had been a new traffic study after the bank was proposed to be a restaurant instead.

Mr. Schonborn responded that the traffic study had been updated to account for the entire site being high turnover restaurants, and that the change did not cause any change in level of service.

Bob Tarnopski, Applicant, Continental Development

Ms. Wingate stated that she was concerned about parking. She stated that she thought parking would be inconvenient to customers and that people wouldn’t want to leave the surface parking lot and access the structure from the street. She asked if the structure could be accessed from the surface parking lot without drivers having to go back into the street.

Mr. Tarnopski stated that they planned on having greeters that would guide drivers to the additional available parking in the structure.

Ms. Newman asked whether the ground floor of the structure would be devoted to the new development and whether they would have valet parking.

Mr. Tarnopski affirmed both. He also stated that because of the type of restaurants going in and the development’s proximity to Continental Park, many patrons will arrive on foot.

Ms. Newman asked what type of restaurants would be moving in.

Mr. Tarnopski gave a summary of the restaurants that have signed and the types of restaurants they are seeking for the remaining units.

Ms. Newman asked if all would serve alcohol

Mr. Tarnopski specified which tenants would be likely serve alcohol.
Ms. Wingate asked if the outdoor eating areas would be shared between the restaurants.

Mr. Tarnopksi stated that the restaurants had all expressed interest in having dedicated patios.

Mr. Baldino closed public communications.

Mr. Nicol stated that he did not believe that parking or the lack of one loading zone would be an issue.

Mr. Nicol moved, seconded by Ms. Newman do adopt resolution 2815, adoption an Addendum No. 1 to the previously-approved Mitigated Negative Declaration, and approving Revision A to Environmental Assessment No. 1143, Conditional Use Permit No. CUP 16-01, Administrative Use Permit No. AUP 16-01, and Off-Site Parking Covenant No. MISC 16-05.

Mr. Baldino presented agenda item H-4: Environmental Assessment No. 1103 (Mitigated Negative Declaration and Mitigation Monitoring Reporting Program), Variance No 15-01, Parking Demand Study No. 15-01, and Miscellaneous Permit No. 15-01. Address: 1700 East Imperial Avenue. Applicant: Boeing. Property Owner: Boeing

Contract Senior Planner Trayci Nelson presented a staff report.

Ms. Wingate asked exactly when the parking study was done.

Ms. Nelson stated that the counts were taken in November of 2015 and that it was not during a holiday.

**Steve Tomko, Architect, representative of Applicant**

Mr. Tomko stated that the building will not generate much noise.

He stated in response to a question that the top deck of the parking structure has been closed off due to low demand, and to keep non-employees from parking there. He added that it is not a public building, and that they do not expect to see much traffic beyond what is generated by Boeing employees.

Mr. Tomko summarized the changes that were made to the plans in response to neighborhood comments, including the sound wall, landscaping and traffic gates.

Ms. Wingate asked if visitors were allowed onto the property.

Mr. Tomko stated that employees would have badges and that visitors
would have to be buzzed in at the gate.

Ms. Newman asked about the parking covenant with the other Boeing property on Selby.

Mr. Tomko confirmed that on-site 350 spaces were covenanted for the Boeing buildings on Selby.

Mr. Nisley inquired about the noise that the garbage collectors cause.

Mr. Tomko stated that Boeing's site management is committed to moving garbage collection to a later time in the day, but wasn't sure whether they would be able to move it past 7am. He stated that he would research options.

Mr. Nicol asked about what had been done about the airport noise that will deflect off of the new building to adjacent residences.

Mr. Tomko responded that that an exterior insulation finish system is proposed for the outside of the building, which will absorb some of the noise. He stated that would absorb more noise than would steel or masonry.

Mr. Nicol asked about the proposed trees on the west side of the property.

Mr. Tomko summarized the tree types and landscaping that were proposed along the property line shared with residential.

Mr. Nicol asked about the 6-foot wall along the west property line

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Mr. Baldino presented Agenda item Environmental Assessment No. 1177 and Zoning Text Amendment No. 16-06. Consideration and possible action recommending approval of an ordinance amending Titles 8 and 15 of the El Segundo Municipal Code (ESMC) related to the City’s regulation of accessory dwelling units. Address: Citywide. Applicant: City Initiated. Property Owners: Various.

Principal Planner Paul Samaras presented the staff report.

Mathine Klein, 435 W. Acacia Ave.

Ms. Klein stated that it would help her family stay together if she were able to build an ADU on her property.

Kimberly Coal, 520 E. Walnut

Ms. Coal stated that she lived together with her daughter, son-in-law and grandkids in a small house and that she had recently bought her property with the intention of building a second dwelling in order to keep everyone
together. She added that staff’s recommendation that ADUs only be allowed as additions to the primary dwelling would preclude her from building a three-car garage with an ADU above as she has intended. She argued that such a restriction would leave her with the only option of leaving her existing one-car garage and extending the ADU into the existing open space. She also spoke against the option to define ‘existing’ as structures built before January 1, 2017. She explained that since she and her daughter both work from home, they might like to build an office and later convert it to an ADU. The proposed definition of ‘existing’ would make such plans an impossibility.

**Umberto Capiro, homebuilder**

Mr. Umberto stated that he has done a lot of work in the city. He stated that allowing ADUs is a good way to create more needed housing.

**Craig Carr, 740 Eucalyptus**

Mr. Carr stated that he had bought his house with the hope of being able to build a unit for his mother-in-law. He spoke in favor of being able to build units above garages, and said that he did not want his only option to be to make a behemoth of a house.

**Patricia Conenme, 400 block of Loma Vista St.**

Ms. Conenme stated that she has an elderly mother who she would like to be able to live with her. She stated that her mother is independent and feisty, and that it would be best if her dwelling was separated from the main dwelling. She added that she parks in her garage.

**Jesus Ranjero, 503 Concord**

Mr. Ranjero expressed his desire for his family to be able to live together. He stated that currently his old and dangerous garage faces a busy street, and that his intention was to put a new three-car garage in the back of the alley with a unit above for his daughter, her husband and their two children. He added that he would like to see the size limit increased to 1,100 or 1,200 square feet so that a family of four could comfortably fit.

**Cathy Wiley, 800 block of Bungalow Dr.**

Ms. Wiley stated that the low supply of housing is causing rents to rise, which is making the community less attractive and less welcoming to young people and young families. She stated her kids cannot afford to buy or even rent close to her, and that ADUs are a way of maintaining a family environment. Ms. Wiley added that street parking shortages are not due to ADUs, but to growing families with young adults that drive.

**Roland Olbert, 900 block of Sheldon**

Mr. Olbert spoke in favor of allowing ADUs in order for families to be able to
stay together. He stated that he had older parents and that he would like them to be able to live with him. He also stated that he had teenage kids who could also benefit from an ADU in the coming years.

**Sarwan Sutawal 1123 E Acacia**

Mr. Sutawal stated that he has college-aged kids and he would like the possibility of being able to create an ADU so that they could stay together. He added that ideally the ADU would be detached from the primary dwelling.

**Erin Shuns, 314 W Oak Ave.**

Ms. Shuns stated that here property was historically zoned R-2, but at some point had been re-zoned to R-1. She spoke in favor of allowing ADUs.

**Tahj Isa, architect**

Mr. Isa suggested the limit of ADUs be closer to eight hundred square feet, and allow units to be added to detached garages for the sake of privacy.

**Aster Verna 115 W Maple**

Mr. Verna asked whether the amendment will affect the 35 R-1 lots that currently are allowed to build ADUs.

Mr. Samaras stated that the proposed ordinance does not address lots that are already permitted to build ADUs, and that staff was seeking direction from the commission regarding these properties.

Ms. Wingate stated that she believed that the lots in question should follow the rules that were in place before January 1st.

Mr. McClain reminded the commissioners that the City would not be allowed to require parking for these properties.

**Kirk Brown, 645 Penn**

Mr. Brown asked why staff recommended that only additions were proposed to be allowed. He stated that additions can ruin the character of the house, many properties are large enough for detached ADUs and that many people have spoken in favor of allowing detached ADUs.

Mr. Baldino responded that if the City allows detached ADUs in the R-1 zone the City would not be able to control on-site parking requirements.

Mr. McClain explained that the recommendation that staff offered what they considered reasonable but very constrictive. He stated that they have provided several options for the Commission to give staff guidance on in writing the ordinance.
Assistant City Attorney David King stated that the option of allowing additions only could result in a slightly less impact than if detached structures were allowed to be built.

Mr. Brown stated that the public comments have spoken in favor of allowing detached ADUs, that it seems reasonable to allow them to be detached and that he does not agree with the recommendation that only ADUs as additions be allowed.

Ms. Wingate stated that properties outlive the current tenants. She stated that although a person may build an ADU for their own family, the next owner will have a rentable unit with no parking. She stated that ADUs increase the number of people, and they increase the number of cars with no place to put them. She added attached ADUs should have separate entrances and the fact that they are attached to the main dwelling de-incentivizes people from renting them out to non-family.

Mr. Brown added that other South Bay cities are allowing detached ADUs and that El Segundo should as well.

Ms. Newman stated that she felt the recommended ordinance to be very restrictive and suggested that additions over garages be allowed.

Mr. Baldino asked whether it was possible to restrict ADUs to above garages.

Ms. Wingate stated that the elderly parents that many of these would be built for might have trouble getting up and down the stairs.

Mr. Nisley added that a standard garage is only 400 square feet, which doesn’t leave much room for a second unit.

Mr. McClain suggested that staff look at the possibility of allowing additions to garages on the ground level.

Mr. Nicol stated that he was sympathetic to the concern over allowing ADUs and having a parking problem in the R-1 zone. He stated that despite this fear, the state is trying to address a housing shortage, many other cities are allowing ADUs with less restriction than is being proposed, and that he had noted that every public comment had been in favor of allowing them. Mr. Nicol added that if they are allowed, that the City may as well allow them without restrictions in regard to location. He stated that by allowing them as additions only would be undesirable – causing the massing of houses to extend deeper into backyards, and people regularly walking down side yards to access their units. He asked how such a restriction would benefit the City.

Ms. Newman stated that not many people are going to build that way because it is not attractive.
Mr. Nicol reiterated that if the City is going to allow attached ADUs, then it may as well allow them detached.

Mr. Baldino replied that in that case you would have two families living on a lot that was designed for one family, without any additional parking.

Mr. Nicol again asked how a very large house with two units is better than a single-unit house with a detached ADU in the rear yard that is limited to 600 or 800 square feet.

Ms. Wingate responded that if ADUs are only allowed as attached units, then fewer people would build them. She stated that if she were to build an attached ADU on her property, she would be much more likely to rent it out to family or close friends than to strangers.

Mr. Baldino stated that by entertaining staff’s recommendation of allowing ADUs as attached only, they are trying to maintain the status quo and the small-town feel of the community. He added that there is no way that El Segundo will continue to be El Segundo if every R-1 lot is allowed to have 2 units. He stated that staff’s proposal is the best the City can do to comply with the state law and maintain what El Segundo is.

Mr. Nisley suggested allowing new construction of ADUs only when attached to a garage and imposing a size limit.

The Commission agreed that the definition of ‘existing’ encompass structures that were permitted before January 1st, 2017.

The Commission agreed that the definition of an accessory structure should not include garages.

The Commission agreed that ADUs should be allowed as attachments to garages only. Further they agreed that they should be limited to 800 square feet.

The Commission agreed that ADUs should be allowed only on lots less than 4,000 square feet.

The Commission agreed that existing covenants in the R-1 zone that restrict the use of accessory structures be released at the time that building permits are issued for conversion.

Ms. Newman moved, seconded by Ms. Wingate to continue the item to the May 11, 2017 Planning Commission meeting

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NEW BUSINESS:
EA-1184, SPA 17-01
M recused herself from participating in Agenda Item E-1 for potential conflict of interests relating to the proximity of her property to the project site.

Assistant Planner Raneika Brooks presented a staff report.

**Velma Delgado, Applicant**

Mr. Baldino asked about the displayed ABC license suspension notice.

Ms. Delgado explained that the license was revoked due to nonpayment.

Mr. Baldino asked the Applicant if she had received any other citations or complaints from the ABC while maintaining the current license.

Ms. Delgado replied that she has not.

Mr. Nicol asked if the requested license was for hard liquor.

Ms. Delgado replied that it was for beer and wine only.

Commissioner Wingate moved, seconded by Mr. Nicol to receive and file Environmental Assessment No. EA 1165 and Administrative Use Permit No. AUP 16-10 (Passed 4-0).

None.

Assistant Planner Maria Baldenegro presented a staff report.

**Harry Wu**

Mr. Baldino complimented Mr. Wu on the design of the townhomes, both for their physical appearance and for meeting code.

Ms. Wingate moved, seconded by Commissioner Nisley to approve Environmental Assessment No. EA 1183, Subdivision No. SUB 17-01 for Tentative Parcel Map No. TPM 74306.

Due to a potential conflict of interests relating to the proximity of 3 of the Commissioners' properties to the project site, names were drawn in order to determine which would stay on the dais. One needed to stay in order for a majority vote to be achieved. Ms. Newman's name was drawn. Commissioner Nisley and Ms. Wingate recused themselves from the dais.

Contract Planning Technician Russell Toler presented a staff report.

Ms. Newman asked staff if there had been many proposals that seem to have been impeded by the requirement that residential tenants be tenants of the commercial units below.

Mr. Toler stated that there have not been many inquiries about new projects, though the selling of residential units that were built after the adoption of the requirement has caused concern, and is the source of the proposed amendment.

Mr. Nicol stated that he is concerned by the fact that all new construction triggers compliance with current (and higher) parking requirements. He said that this de-incentivizes redevelopment and that nonconforming parking rights should be grandfathered for redeveloped commercial properties.

Mr. Baldino noted that this could be accomplished by requiring no parking for commercial development, but asked whether this was fair to those who have already paid into the parking in-lieu fee program.

Carol Wingate, 539 Richmond St.

Ms. Wingate stated that buildings on the west side of Main Street could easily provide semi- or full-subterranean parking. She stated that the downtown area needs more parking because it is getting more crowded, and that it should be required for both commercial and residential uses.

Mr. Baldino asked staff whether under the proposed amendment parking would be required for new construction only, or for conversions as well.

Planning Manager Gregg McClain explained that the conversion of upper floor commercial space to residential space would constitute a change in use, and therefore trigger parking requirement. He noted, however, that a reduction in commercial area could work out in favor of the property owner doing such a conversion.

Ms. Newman expressed concern over requiring no parking at all for new residential units. She stated that the in-lieu fee of $17,500 didn't seem like too much when considering the total cost of a second story addition.
Ms. Wingate reiterated that parking should be required for both commercial and residential uses.

**Matt Crabbs**

Mr. Crabbs expressed his belief that a zero parking requirement for new residential units would not cause problems, and that the in-lieu fee probably would not deter much development. He stressed the importance of ensuring that the second stories that do go up are of an acceptable aesthetic quality.

Mr. Baldino asked Mr. Crabbs if he thought a zero parking requirement would spur development.

Mr. Crabbs responded that it could incentivize some development, but due to the difficulty of adding second floors within the Plan area, new development is more practical.

Mr. Baldino asked whether the City wanted to err on the side of encouraging residential units in order to help revitalize downtown or to err on the side of being overly protective of parking issues. He stated that he was torn between requiring 0 and 1 space per residential unit.

Mr. Nicol asked if 0.5 per residential unit was an option.

Mr. Baldino said that the requirement could be 0.5 spaces required per unit, which would mean that only 1 space would be required for the development of 2 residential units.

Ms. Newman asked staff if the property in question had adequate parking. Mr. Toler responded that 19 spaces were provided, though based on the commercial square footage, only 17 were required.

Mr. Nicol expressed his recommendation that 0.5 spaces be required per residential unit, with the first unit waived of any parking requirement. The developer would have the option to pay the in-lieu fee. Mr. Nicol stated that based on Mr. Crabbs comments, he did not believe that such a fee would deter development.

Ms. Newman expressed her recommendation of requiring 0.5 spaces per residential unit without the first being waived.

Mr. Baldino summarized that the Commission was in agreement that residential units should not be required to be owner-occupied, and that the amendment should only be applied to new units so that existing properties would not be adversely affected. He directed staff to prepare two versions of an Ordinance that reflect the Commission’s opinion, each with one of the proposed parking options, which would be decided on at the following Planning Commission meeting.
Ms. Newman moved, seconded by Mr. Nicol to continue item H-3 - EA 1184 and Specific Plan Amendment 17-01 to the following meeting (passed 3-0).

Mr. Nisley and Ms. Wingate rejoined the dais.

None.

None.

Planning and Building Safety Director Sam Lee stated that he appreciated the night’s discussion and that he would like to get the Downtown Subcommittee together again so that they could talk about the issues of parking and nonconformities within the downtown area.

He also spoke in favor of the parking in-lieu fee program, stating that he believed that its unpopularity is due to misunderstanding. He stated that the collected funds go into an account that is used to provide community parking within the downtown area. He reminded the commission that the recent Richmond Street improvements, which added street parking downtown, was partially funded by the in-lieu fee program funds. Mr. Lee said that there are not a lot of in-lieu funds coming in because of the allowance of the interchange of permitted commercial uses without businesses having to provide additional parking. He requested that staff prepare a presentation on the program.

Mr. Nicol asked why the City doesn’t provide parking in order to see the types of businesses that they want to see thrive. He stated that requiring businesses to provide their own on-site parking can be a deterrent to new business.

Mr. Baldino asked Mr. Lee on the status on making the City Fire Department parking lot more accessible to the public.

Mr. Lee stated that he would check with the fire chief.

Mr. Baldino asked about the status on the proposed changes to requirements regarding Accessory Dwelling Units.

Mr. McClain said that a staff report would be presented at the following meeting.

Mr. Baldino encouraged everyone to sign up for the community Run for Education which would be on April 22.

Mr. Nicol announced that Ed! Gala tickets were on sale for Friday May 12th.

Chair Baldino adjourned the meeting.
The meeting adjourned at 6:52 p.m.

PASSED AND APPROVED ON THIS 13TH DAY OF APRIL 2017.

Sam Lee, Secretary of
the Planning Commission
and Director of the
Planning and Building Safety
Department

Ryan Baldino, Chairman
Planning Commission
City of El Segundo, California
DRAFT MINUTES OF THE MEETING
OF THE PLANNING COMMISSION
OF THE CITY OF EL SEGUNDO, CALIFORNIA

May 11, 2017

Chair Baldino called the El Segundo Planning Commission meeting to order at 5:31 p.m. in the El Segundo City Hall’s Council Chambers, 350 Main Street, El Segundo, California.

Commissioner Wingate led the Pledge of Allegiance.

NICOL, NISLEY, BALDINO, NEWMAN, and WINGATE

David Atkinson: Spoke regarding Item I-2 on the agenda regarding accessory dwelling units (ADUs). Pointed to the need for affordable housing for the elderly and young adults in the community. Emphasized the rights of property owners to build on their property within the current Floor Area Ratio (FAR) limits. Spoke in favor of allowing garages to be converted into ADUs and allowing property owners to rent out an ADU to supplement their income. Spoke against restrictions to developing ADUs on properties.

Mr. Baldino presented the Consent Calendar.

None.

Commissioner Wingate moved, seconded by Commissioner Newman for the Planning Commission to approve the April 13, 2017 minutes. Motion carried (5-0)

None.

None.

Chair Baldino presented Agenda Item I-2: Environmental Assessment No. 1177 and Zoning Text Amendment No. 16-06. Consideration and possible action recommending approval of an ordinance amending Titles 8 and 15 of the El Segundo Municipal Code (ESMC) related to the City’s regulation of accessory dwelling units.

Principal Planner Paul Samaras presented a staff report.

Commissioner Wingate asked about the intent of allowing R-2 zoned lots smaller than 4,000 square feet to have an ADU.

Principal Planner Samaras explained that R-2 lots that are smaller than 4,000 square feet are allowed to have only one unit under the City’s current
regulations. Permitting these lots to have an ADU would equally as R-1 lots, which would be allowed to have a second unit under the provisions of the proposed ordinance.

Commissioner Wingate asked about how the R-1 FAR limits affect ADU development.

Principal Planner Samaras explained that the combined area of a primary dwelling and an ADU would have to maximum floor area permitted in the R-1 zone. The maximum floor area permitted in the R-1 zone is 60 percent of the lot area.

Commissioner Wingate asked whether garages count toward the FAR limit.

Principal Planner Samaras explained that garages up to 500 square feet in size do not count toward the FAR limit. Any portion of a garage above the 500 square-foot limit counts toward the FAR limit.

Commissioner Wingate asked if she added an 800 square-foot ADU on top of her garage whether the garage would count toward the FAR limit.

Principal Planner Samaras explained that only the 800 square-foot addition would count toward the FAR limit; not the existing garage space.

Commissioner Nicol asked staff to confirm whether the ordinance would allow the addition of an ADU to a detached garage.

Principal Planner Samaras explained that the ordinance contains that provision on page 7 under the section regarding ADU locations on a property.

Commissioner Newman asked what the process is for someone to legalize an ADU built without permits.

Principal Planner Samaras explained that a property owner would have to submit plans to the City for review and request permits to legalize the ADU. Mr. Samaras made clear that the ADUs would have to meet all the requirements of the proposed ordinance and other applicable regulations.

Commissioner Nisley asked if someone can add an ADU on top of a detached garage when the primary dwelling is only single story.

Principal Planner Samaras answered affirmatively.

Commissioner Nisley asked whether someone could add an ADU to the side of an existing 400 square-foot garage.

Principal Planner Samaras answered affirmatively.

Chairperson Baldino asked if a property owner could demolish an older
garage, build a new one and then attach an ADU to the new garage.

Principal Planner Samaras answered affirmatively.

Chairperson Baldino opened public communications.

Mr. Atkinson: Mr. Atkinson expressed regret that the ordinance as drafted restricts whether and how a property owner can build a detached accessory dwelling unit. He expressed support for the idea of allowing property owners to building detached accessory dwelling units in any configuration they choose. He did not object to a reasonable limit to the size of an accessory dwelling unit.

Mrs. Kimberly Kohl: Mrs. Kohl asked the Planning Commission to confirm how long it would take before an ordinance is adopted. She also observed that the nature of car ownership will change over time and, as a result, parking will be less of a concern. She encouraged the Planning Commission to be less concerned about the parking impacts resulting from the development of accessory dwelling units.

Chairperson Baldino closed public communications.

Chair Baldino asked staff when they expect an ordinance to be adopted and become effective.

Principal Planner Samaras explained the earliest possible time a new ordinance could be adopted and become effective is on July 20, 2017.

Assistant City Attorney King cautioned the audience against assuming that the ordinance would be effective that soon. He pointed out that he Planning Commission held four meetings to consider the item and that the City Council may similarly take additional time to make a decision.

Commissioner Newman expressed agreement with Mr. Atkinson’s comments regarding giving property owners more options. She asked Planning Manager McClain to explain the reason for the restrictions on accessory dwelling units that are detached from the primary dwelling.

Planning Manager McClain explained that the purpose of the restrictions on detached accessory dwelling units is to limit their proliferation in the City. The restrictions would allow everyone in the R-1 zone options to develop an accessory dwelling unit on their lot, while not making it as easy as possible.

Commissioner Newman suggested that the restrictions on detached accessory dwelling units were unnecessary, but their size was restricted by the ordinance. Therefore, it didn’t make a big difference whether they were developed as a separate detached building or attached to a detached
garage.

Commissioner Wingate pointed out that El Segundo is a residential community and that permitting the proliferation of accessory dwelling units would change the character of the community.

Chairperson Baldino agreed with Commissioner Wingate. He acknowledged that there are good reasons for individual property owners to be able to build detached accessory dwelling units, but believed that the interest of preserving the community’s single family residential character and limiting the parking impacts of accessory dwelling units was more important.

Commissioner Nicol agreed with Mr. Atkinson’s comments. He pointed out that R-1 zoned lots sell for more than R-2 lots. He also stated that the ordinance was drafted in a way that gave more options to those property owners who have a detached garage at the rear of their property, which is unfair to other property owners who have an attached garage at the front of their primary dwelling. He suggested that the ordinance should just set a maximum size limit of 800 square feet for detached accessory dwelling units and allow property owners to choose how to use that allowance.

Chairperson Baldino reiterated that the purpose of the restrictions in the ordinance was to offer some options for detached accessory dwelling units that would address the circumstances of certain properties, such as those having alley access, without encouraging the unrestricted proliferation of accessory dwelling units.

Assistant City Attorney King suggested that the Planning Commission could recommend adoption of an ordinance and staff can point out to the City Council that there was significant discussion on the topic of detached accessory dwelling units and whether or not to impose restrictions, such as requiring them to be attached to a garage.

Commissioner Nicol moved, seconded by Commissioner Wingate, to adopt MOTION Resolution No. 2809 recommending approval of EA 1177 and Zone Text Amendment No. 16-06 (passed 5-0).

None.

Planning and Building Safety Director Sam Lee wanted to report back to the Planning Commission regarding the City parking lot at the corner of Grand Avenue and Main Street. He stated that the lot is available for public parking in the evenings and on weekends. He stated staff worked with the Fire Department to arrange for City Vehicles to be moved farther away from the street, so that the spaces closest to the street are made available for public parking.

Chairperson Baldino invited the audience to the Ed Gala on the following night.
Commissioner Newman reminded everyone that the following Sunday was Mother’s Day.

Chairperson Baldino reminded the audience positions on City Commissions were open and he invited the public to submit applications.

Chair Baldino adjourned the meeting.

The meeting adjourned at 6:28 p.m.

PASSED AND APPROVED ON THIS 8TH DAY OF JUNE 2017.

Sam Lee, Secretary of
the Planning Commission
and Director of the
Planning and Building Safety Department

Ryan Baldino, Chairman
Planning Commission
City of El Segundo, California
RESOLUTION NO. 2809

A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE AMENDING TITLES 8 AND 15 OF THE EL SEGUNDO MUNICIPAL CODE RELATED TO THE CITY'S REGULATION OF ACCESSORY DWELLING UNITS.

(Environmental Assessment No. 1177 and Zone Text Amendment No. 16-06)

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

SECTION 1: The Planning Commission finds and declares that:

A. On February 15, 2005, the City Council adopted Ordinance No. 1381 which added article E to chapter 15-4 of the El Segundo Municipal Code (ESMC) pursuant to Government Code Section 65852.2 affecting Second Dwelling Units;

B. The location of second dwelling units was limited in Ordinance No. 1381 based on certain findings made by the City Council at the time. In particular, the City Council found that traffic volumes were already increasing, resulting in numerous intersections then at less-than-desired levels of service. It was found that the small residential area of the City was not prepared to handle the relatively higher density and the expected impacts related to on-street parking;

C. On September 27, 2016, Assembly Bill No. 2299 and Senate Bill No. 1069 were both approved. These bills made changes to Section 65852.2 to facilitate the development of accessory dwelling units (formerly termed second dwelling units);

D. On November 29, 2016, staff initiated an application for Environmental Assessment No. EA 1177 and Zone Text Amendment No. ZTA 16-06 to amend the City's regulations affecting Accessory Dwelling Units to ensure conformity with the State's changes to Section 65852.2;

E. The Planning and Building Safety Department scheduled the public hearing regarding the application before the Planning Commission for March 9, 2017;

F. On March 9, March 23, April 27, and May 11, 2017, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the proposed amendment, including information provided to the Planning Commission by City staff and public testimony;
G. The Planning Commission finds that the conditions that were cited in Ordinance No. 1381 that existed in the City at the time (i.e., increased traffic, relatively high density of housing in a small area, and intense on-street parking) continue to exist within the City, so it is appropriate to limit the location of accessory dwelling units to certain areas within the City as described by the proposed ordinance and pursuant to Government Code section 65852.2(a)(1)(A);

H. The Planning Commission further finds that the prospect of garages being converted into accessory dwelling units would exacerbate the City’s existing on-street parking problems, since converting garages into accessory dwelling units displaces both the required parking for the primary dwelling as well as adding street parking demand related to the tenants of the accessory dwelling unit; and

I. This Resolution and its findings are made based upon the evidence presented to the Commission at its March 9, March 23, and April 27, 2017, hearing including the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings And Conclusions. The Commission finds that implementing the proposed ordinance would result in the following:

A. Facilitate the development of accessory dwelling units in the Single-Family Residential (R-1) and Two-Family (R-2) zones;

B. Accessory dwelling units will be permitted on real property that cannot consist of more than one lot;

C. Accessory dwelling units will be permitted only on lots that contain an existing single-family dwelling, or will be constructed in conjunction with a single-family dwelling;

D. Accessory dwelling units will not be allowed to be sold separately from a primary dwelling;

E. Accessory dwelling units or primary dwellings on a lot will be required to be owner-occupied.

F. Accessory dwelling units will be restricted to the height and setback standards applicable to all other accessory structures in their respective zones;

G. Accessory dwelling units within existing primary dwellings will be restricted to a maximum size of 1,200 square feet and detached accessory dwelling
units will be limited to 800 square feet. All accessory dwelling units are subject to the total floor area ratio limitation applicable to the lot;

H. Accessory dwelling units will be required to be compatible in architectural design with the primary dwelling on a lot;

I. In accordance with Government Code Section 65852.2(d), 100 percent of residential lots that are eligible for an accessory dwelling unit within the City are within half of a mile of public transit and are, therefore, not required to provide parking for the accessory unit;

J. Accessory dwelling units will be required to comply with applicable building, health and fire codes, except where explicitly exempted by Government Code Section 65852.2.

K. Conversions of garages and carports required under the provisions of ESMC Title 15 will be prohibited.

SECTION 3: General Plan Findings. As required under Government Code Section 65860, the ESMC amendments proposed by the Ordinance are consistent with the El Segundo General Plan as follows:

A. The proposed zone text amendment is in conformity with the Land Use Element goals, objectives and policies. Specifically, the zone text amendment is consistent with Land Use Element Goal LU3 and Objectives LU3-1 and LU3-2 in that the amendment will: a) facilitate the development of accessory dwelling units in the City’s R-1 and R-2 zones as required by Section 65852.2 of the Government Code; and b) will protect single family residential uses and preserve the City's low-medium residential nature through the use of development standards, such as limits to the area, height, and setbacks for accessory dwelling units. These limits will ensure accessory dwelling units remain secondary and subordinate to primary dwellings on a property and will reduce potential negative impacts on surrounding properties; and

B. The proposed zone text amendment is consistent with the Housing Element goals, objectives and policies. Specifically, the zone text amendment is consistent with Goal No. 4 to remove governmental constraints on housing development, in that it will remove the location restrictions, lot size, and parking requirements for accessory dwelling units. In addition, the zone text amendment is consistent with the goal of assisting in the production of affordable housing and Program No. 3 in that it will facilitate the development of accessory units on R-1 zoned lots. Further, the zone text amendment is consistent with Program No. 6 to facilitate development on underutilized sites and on small lots, particularly on small lots in the R-2
zone through the elimination of parking requirements for accessory dwelling units.

SECTION 4: Zone Text Amendment Findings. In accordance with ESMC Section 15-26-4 and based on the findings set forth in Section 2, the proposed zone text amendment is consistent with and necessary to carry out the general purpose of ESMC Tile 15 as follows:

A. It is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources. In addition, it is consistent with the purpose of the R-1 and R-2 zones to promote development of single-family and two-family homes within a safe and healthy environmental for existing and future residents, in that accessory dwelling units will conform to the height and setback standards applicable to accessory structures, will be compatible architecturally with primary dwellings, and meet all applicable building, health, and fire codes; and

B. It is necessary to facilitate the development process and ensure the orderly development of accessory dwelling units on properties in the R-1 and R-2 zones that are compatible with surrounding properties and consistent with the goals, policies, and objectives of the General Plan as set forth in Section 4 above.

SECTION 5: Environmental Assessment. Because of the facts set forth in Section 2, the proposed zone text amendment is statutorily exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§15000, et seq.), because it involves the adoption of an ordinance regarding accessory dwelling units in a single-family or multifamily residential zone to implement the provisions of section 65852.2 of the Government Code as set forth in section 21080.17 of the Public Resources Code, pursuant to CEQA Guidelines section 15282(h).

SECTION 6: Recommendation. The Planning Commission recommends that the City Council adopt the ordinance in a form substantially similar to the draft attached as Exhibit "A," which is incorporated into this resolution by reference.

SECTION 7: Reliance On Record. Each and every one of the findings and determination in this Resolution are 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

SECTION 8: Limitations. The Planning Commission's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in
evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 9: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 10: The Commission secretary is directed to mail a copy of this Resolution to any person requesting a copy.

SECTION 11: This Resolution may be appealed within 10 calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED AND ADOPTED this ____ day of _____________ 2017.

________________________
Ryan Baldino, Chair
City of El Segundo Planning Commission

ATTEST:

________________________
Sam Lee, Secretary

Baldino -
Newman -
Nicol -
Nisley -
Wingate -

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

By: _______________________
    David King, Assistant City Attorney
ORDINANCE NO. ____

AN ORDINANCE AMENDING TITLES 8 AND 15 OF THE EL SEGUNDO MUNICIPAL CODE RELATED TO ACCESSORY DWELLING UNITS

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

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

A. On February 15, 2005, the City Council adopted Ordinance No. 1381 which added article E to El Segundo Municipal Code (ESMC) chapter 15-4 which provided for the creation of second dwelling units; the ordinance limited the location of second dwelling units to the R-1 zone and applied certain development standards as permitted by law;

B. The location of second dwelling units was limited in Ordinance No. 1381 based on certain findings made by the City Council at the time. In particular, the City Council found that traffic volumes were already increasing, resulting in numerous intersections then at less-than-desired levels of service. It was found that the small residential area of the City was not prepared to handle the relatively higher density and the expected impacts related to street parking;

C. In recent years, there has been considerable discussion throughout the state regarding a housing shortage in California, which is associated with rising housing costs and a shortage of affordable housing options, and increased homelessness. Accessory dwelling units by their nature are considered to be affordable units which will help to alleviate some of the lack of affordability in housing markets;

D. On September 27, 2016, Assembly Bill No. 2299 and Senate Bill No. 1069 were both approved. These bills amended Government Code Section 65852.2 to facilitate the development of accessory dwelling units (formerly termed "second dwelling units");

E. On November 29, 2016, staff initiated an application for Environmental Assessment No. EA-1177 and Zone Text Amendment No. ZTA 16-06 to amend the City's regulations affecting accessory dwelling units to ensure conformity with the State's changes to Government Code Section 65852.2;

F. 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., CEQA Guidelines), and the City's Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);
G. The Planning and Building Safety Department scheduled the public hearing regarding the application before the Planning Commission for March 9, 2017;

H. On March 9, March 23, and April 27, 2017, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the proposed amendment, including information provided by City staff and public testimony;

I. On May 11, 2017, the Planning Commission received further testimony and other evidence regarding the proposed amendment and adopted Resolution No. 2809 recommending the City Council approve Environmental Assessment No. EA-1177 and Zone Text Amendment No. ZTA 16-06;

J. On June 6, 2017, the City Council held a public hearing, considered the Planning Commission’s recommendation, and information provided by City staff and public testimony regarding this Ordinance;

K. The City Council finds that the conditions that were cited in Ordinance No. 1381 that existed in the City at the time (i.e., increased traffic, relatively high density of housing in a small area, and intense on-street parking) continue to exist within the City, so it is appropriate to limit the location of accessory dwelling units to certain areas within the City as described by this ordinance and pursuant to Government Code section 65852.2(a)(1)(A);

L. The City Council further finds that the prospect of garages being converted into accessory dwelling units would exacerbate the City’s existing on-street parking problems since converting garages into accessory dwelling units displaces both the required parking for the primary dwelling as well as adding street parking demand related to the tenants of the accessory dwelling units;

M. This Ordinance and its findings are made based upon the entire administrative record including the Planning Commission’s recommendation, testimony and evidence presented to the City Council at its June 6, 2017 hearing, and the staff report submitted by the Planning and Building Safety Department; and

SECTION 2: Factual Findings and Conclusions. The City Council finds that implementing the proposed ordinance would result in the following:

A. Facilitate the development of accessory dwelling units in the Single-Family Residential (R-1) and Two-Family (R-2) zones;

B. Accessory dwelling units will be permitted on real property that cannot consist of more than one lot;
C. Accessory dwelling units will be permitted only on lots that contain at least an existing single-family dwelling, or will be constructed in conjunction with a single-family dwelling;

D. Accessory dwelling units will not be allowed to be sold separately from a primary dwelling;

E. Accessory dwelling units or the primary dwelling units on a lot will be required to be owner-occupied;

F. Accessory dwelling units will be restricted to the height and setback standards applicable to all other accessory structures in their respective zones;

G. Accessory dwelling units within existing primary dwellings will be restricted to a maximum size of 1,200 square feet and detached accessory dwelling units will be limited to 800 square feet. All accessory dwelling units are subject to the total floor area ratio limitation applicable to the lot;

H. Accessory dwelling units will be required to be compatible in architectural design with the primary dwelling on a lot;

I. In accordance with Government Code Section 65852.2(d), 100 percent of residential lots that are eligible for an accessory dwelling unit within the City are within half of a mile of public transit and are, therefore, not required to provide parking for the accessory unit;

J. Accessory dwelling units will be required to comply with applicable building, health and fire codes, except where explicitly exempted by Government Code Section 65852.2; and

K. Conversions of garages and carports required under the provisions of ESMC Title 15 will be prohibited.

SECTION 3: General Plan Findings. As required under Government Code Section 65860, the ESMC amendments proposed by the Ordinance are consistent with the El Segundo General Plan as follows:

A. The proposed zone text amendment is in conformity with the Land Use Element goals, objectives and policies. Specifically, the zone text amendment is consistent with Land Use Element Goal LU3 and Objectives LU3-1 and LU3-2 in that the amendment will: a) facilitate the development of accessory dwelling units in the City's R-1 and R-2 zones as required by Section 65852.2 of the Government Code; and b) will protect single family residential uses and preserve the City's low-medium residential nature through the use of development standards, such as limits to the area, height, and setbacks for accessory dwelling units. These limits will ensure accessory dwelling units remain secondary and subordinate to primary
dwellings on a property and will reduce potential negative impacts on surrounding properties; and

B. The proposed zone text amendment is consistent with the Housing Element goals, objectives and policies. Specifically, the zone text amendment is consistent with Goal No. 4 to remove governmental constraints on housing development, in that it will remove the location restrictions, lot size, and parking requirements for accessory dwelling units. In addition, the zone text amendment is consistent with the goal of assisting in the production of affordable housing and Program No. 3 in that it will facilitate the development of accessory units on R-1 zoned lots. Further, the zone text amendment is consistent with Program No. 6 to facilitate development on underutilized sites and on small lots, particularly on small lots in the R-2 zone through the elimination of parking requirements for accessory dwelling units.

SECTION 4: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 and based on the findings set forth in Section 2, the proposed zone text amendment is consistent with and necessary to carry out the general purpose of ESMC Tile 15 as follows:

A. It is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources. In addition, it is consistent with the purpose of the R-1 and R-2 zones to promote development of single-family and two-family homes within a safe and healthy environmental for existing and future residents, in that accessory dwelling units will conform to the height and setback standards applicable to accessory structures, will be compatible architecturally with primary dwellings, and meet all applicable building, health, and fire codes; and

B. It is necessary to facilitate the development process and ensure the orderly development of accessory dwelling units on properties in the R-1 and R-2 zones that are compatible with surrounding properties and consistent with the goals, policies, and objectives of the General Plan as set forth in Section 4 above.

SECTION 5: Environmental Assessment. Because of the facts set forth in Section 2, the proposed zone text amendment is statutorily exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§15000, et seq.), because it involves the adoption of an ordinance regarding accessory dwelling units in a single-family or multifamily residential zone to implement the provisions of section 65852.2 of the Government Code as set forth in section 21080.17 of the Public Resources Code, pursuant to CEQA Guidelines section 15282(h).
SECTION 6: ESMC Section 8-5A-2 ( Preferential Parking Zones; Definitions) is amended as follows ( strikethrough is language proposed to be deleted, and underlined is language proposed to be added):

8-5A-2: DEFINITIONS.

For the purpose of this Article, certain words and phrases are defined as follows:

DWELLING UNIT: Any self-contained house, apartment, stock cooperative, or condominium or accessory dwelling unit occupied solely for residential purposes.

PREFERENTIAL PARKING ZONE: A residential area with streets and boundaries designated by the City Council wherein vehicles displaying a permit shall be exempt from parking restrictions established by this Article.

RESIDENT: Any person who lives in a dwelling unit located in a preferential parking zone.

VISITOR: A person visiting residents living in a dwelling unit in a preferential parking zone.

SECTION 7: ESMC Section 15-1-6 (Definitions) is amended as follows:

15-1-6: DEFINITIONS:

The following words and phrases, when used in this Title, shall have the meanings respectively ascribed to them in this Chapter:

ACCESSORY DWELLING UNIT: An attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. The unit shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. The term “accessory dwelling unit” includes:

(A) An efficiency unit, as defined in Section 17958.1 of the Health and Safety Code.
(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

SECOND DWELLING UNIT: Independent living facilities of limited size (based upon lot coverage, which includes the size of the second dwelling unit as well as the primary dwelling unit on the parcel) that provides permanent provisions for living, sleeping, eating, cooking and sanitation located on the same parcel as a single family dwelling and either attached
or detached from the single-family dwelling but share no common interior passageways.

* * *

SECTION 8: ESMC Section 15-4B-2 (Two-Family Residential (R-2) zone: Permitted uses) is amended as follows:

15-4B-2: PERMITTED USES:

A. Any use permitted in the R-1 zone.

B. A two-family dwelling, duplex, or two (2)-one-family dwellings.

C. A three-family or a four-family dwelling when the side lot line of the lot upon which it is located forms a common boundary with a lot or lots zoned for C-RS, C-2, C-3, CO, MU-N, MU-S, M-1 or M-2, but in no case shall the property used for the three-family or four-family dwelling consist of more than one lot, exceed a density of twelve (12) units per acre, or have less than three thousand five hundred (3,500) square feet of lot area per unit.

D. Other similar uses approved by the director of planning and building safety, as provided by chapter 22 of this title.

SECTION 9: ESMC Section 15-4B-3 (Two-Family Residential (R-2) zone: Permitted Accessory uses) is amended as follows:

15-4B-3: PERMITTED ACCESSORY USES:

A. Any use customarily incidental to a permitted use.

B. Detached accessory buildings and structures, including private garages.

C. An accessory dwelling unit, pursuant to Article 15-4E of this title.

D. Playhouses.

E. Other similar uses approved by the director of planning and building safety, as provided by chapter 22 of this title.
SECTION 10: ESMC Article 15-4E (Second Dwelling Units) is deleted in its entirety and replaced with the following:

ARTICLE E. ACCESSORY DWELLING UNITS

15-4E-1: PURPOSE; FINDINGS.
15-4E-2: GENERAL REQUIREMENTS.
15-4E-3: DEVELOPMENT STANDARDS.
15-4E-4: PLAN REVIEW PROCESS; FEES.
15-4E-1: PURPOSE; FINDINGS.

This Article is adopted pursuant to Government Code Section 65852.2, as amended by Assembly Bill No. 2299 (effective January 1, 2017), for the purpose of implementing the City’s regulation of accessory dwelling units.

Pursuant to Government Code Section 65852.2(a), this Article designates areas within the City where accessory dwellings are permitted. Because accessory dwelling units tend to increase the volume of vehicle traffic within the city, on-street parking, noise, and other adverse impacts, this Article restricts the location of accessory dwelling units within single-family residential zones. Increased traffic not only impacts existing public infrastructure, such as streets and intersections, but degrades air quality, increases noise, and can introduce pollutants into the city’s storm drains. Further, the increased density of housing within the city’s jurisdiction impacts public health and safety, and the public welfare by increasing the demand for public services.

15-4E-2: GENERAL REQUIREMENTS.

A. Definition of “Existing.” For purposes of this Article and defining an allowable space or structure that can be converted to an accessory dwelling unit, the term “existing” means dwellings or structures that:

1. Lawfully existed on the parcel as of January 1, 2017 or were the subject of a building permit duly issued before January 1, 2017; and

2. Can be made safely habitable under local building codes at the determination of the building official.

B. Locations. Accessory dwelling units are permitted by right throughout the R-1 zone and in the R-2 zone on lots that are less than 4,000 square feet. Accessory dwelling units must be i) contained within the existing space of a single-family residence and/or attached to a single-family residence, ii) within the existing space of an existing accessory structure, such as a pool house, studio or similar structure with four walls and a roof (but not including garages), or iii) attached to a detached garage,
subject to the requirements and development standards in this Code and state law.

C. "Grandfathered" Locations in the R-1 zone. Notwithstanding subsections (A) and (B) of this section, accessory dwelling units proposed on a lot where the side lot line forms a common boundary with a lot or lots zoned for R-3 (multi-family residential), C-2 (neighborhood commercial), and CO (corporate office) may be i) contained within other legally permitted structures (but not including garages), ii) attached to other legally permitted structures, or iii) be separate detached structures. Accessory dwelling units on these lots are subject to all other requirements and development standards in this Code and state law, with the exception of the building area standards / square footage limitations in subsections 15-4E-3(C)(1) and 15-4E-3(C)(2).

D. The real property proposed for the accessory dwelling unit may not consist of more than one lot.

E. The lot must contain an existing single-family dwelling. An accessory dwelling unit may only be constructed in conjunction with a single-family dwelling.

F. Separate Sale Prohibited. Accessory dwelling units may not be sold separately from a primary dwelling.

G. Owner Occupancy Required. The primary dwelling unit or the accessory dwelling unit must be the primary residence of the property owner of the lot. If none of the units on the lot are occupied by the owner as the owner's primary residence, the accessory dwelling unit will automatically be deemed a nonhabitable space which may not be used as a dwelling and may not be rented.

H. Covenant Required. Before the city issues a building permit for an accessory dwelling unit, the property owner must record with the county recorder a covenant running with the land stating that the accessory dwelling unit cannot be used in violation of this chapter. The covenant must be approved by the Director of Planning and Building Safety and approved as to form by the City Attorney.

I. Release of Covenant. In the event a covenant was previously recorded for a permitted accessory structure restricting the structure as non-habitable pursuant to Section 15-4A-6(H) of this Code, before the city issues a building permit for an accessory dwelling unit, the property owner must record a release of such covenant with the county recorder, in a form approved by the Director of Planning and Building Safety and the City Attorney.
J. \textit{Garage Conversions Prohibited.} Garages and carports required under this Title do not constitute "existing space of a single-family residence or an existing accessory structure" and any conversion of such a garage or carport to an accessory dwelling unit is expressly prohibited.

\textbf{15-4E-3: DEVELOPMENT STANDARDS.}

Accessory Dwelling Units must meet the development standards applicable to accessory structures in the R-1 and R-2 zones and the following standards:

A. \textit{Height:} Same as structures in the R-1 and R-2 zones.

B. \textit{Setbacks:}
   1. Attached to and/or within a primary dwelling: same as primary dwellings in the R-1 and R-2 zones.
   2. Attached to a detached garage or within an existing accessory structure: same as detached accessory structures in the R-1 and R-2 zones.
   3. Exception: No setback shall apply to a non-required portion of an existing garage or carport that is converted to an accessory dwelling unit.

C. \textit{Building area:}
   1. Attached to a primary dwelling and/or within the primary dwelling: Maximum of 49 percent of the total floor area of the combined dwellings, or 1,200 square feet, whichever is less.
   2. Detached: Maximum of 800 square feet.
   3. The total area of the primary dwelling and the accessory dwelling unit may not exceed the maximum permitted floor area of the lot.

D. \textit{Density:} One accessory dwelling unit per lot. In all cases, accessory dwelling units are only permitted on lots with a single primary residence. Properties developed with more than one unit are not permitted to also have an accessory dwelling unit.

E. \textit{Architectural Design:} Each unit, whether attached or detached, must be architecturally compatible with the primary dwelling.

F. \textit{Parking:} No parking spaces are required for accessory dwelling units within one half mile of a transit stop.

G. \textit{Separate Entrance:} If the accessory dwelling unit is attached to or within the primary dwelling, it must have independent exterior access from the primary dwelling. Such independent exterior access may not be an entrance facing the front yard. An independent and separate entrance to the accessory dwelling unit must be located on the side or at the rear of the primary dwelling.
H. The accessory dwelling unit must comply with applicable building, health and fire codes except where explicitly exempted by Government Code Section 65852.2. Fire sprinklers for accessory dwelling units are required only when they are required for the primary dwelling on the lot.

15-4E-4: APPLICATION PROCESS; FEES.

A. Pursuant to Government Code section 65852.2, any application for a building permit to create an accessory dwelling unit that conforms to this Article and is otherwise complete shall be ministerially approved within 120 days of application.

B. The applicant must pay any applicable fees, including but not limited to development impact fees imposed pursuant to Chapter 27A of this title, in an amount set by city council resolution.

SECTION 11: 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 12: 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 13: VALIDITY OF PREVIOUS CODE SECTIONS. If this entire ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this ordinance will be rendered void and cause such previous ESMC provision or other ordinance to remain in full force and effect for all purposes.

SECTION 14: 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 15: 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 15 days after the passage and adoption of this ordinance, cause it to be published or posted in accordance with California law.

SECTION 16: The City Clerk is further directed to submit a copy of this ordinance to the Department of Housing and Community Development within 60 days after adoption.
SECTION 17: This Ordinance will become effective on the thirty-first day following its passage and adoption.

PASSED AND ADOPTED this ___ day of ____________, 2017.

Suzanne Fuentes, Mayor

ATTEST:

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ___ was duly introduced by said City Council at a regular meeting held on the ___ day of ____________, 2017, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of ____________, 2017, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

________________________
Mark D. Hensley, City Attorney
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

MEETING DATE: June 6, 2017
AGENDA HEADING: Unfinished Business

AGENDA DESCRIPTION:
Consideration and possible action regarding approving Amendment No. 2 to the Lease Agreement between the City and CenterCal regarding the operation of a Top Golf facility on the driving range located at the golf course for purposes of extending the due diligence period in the Agreement. (No fiscal impact)

RECOMMENDED COUNCIL ACTION:
1. Approve Amendment No. 2; or
2. Take other related action as desirable;

ATTACHED SUPPORTING DOCUMENTS:
1. Marked up version of Lease Agreement.
2. Amendment No. 2 to Lease Agreement

FISCAL IMPACT: None.
Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:
Goal: 5 El Segundo promotes Community Engagement and Economic Vitality
Objective: Champion Economic Development and Fiscal Sustainability

PREPARED BY: Mark Hensley, City Attorney
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:
The City and ES CenterCal, LLC first entered into a Due Diligence and Ground Lease Agreement on February 2, 2016. The Agreement contemplates a long-term lease of city-owned property on the site of the driving range at the golf course subject to numerous conditions precedent and establishes a Due Diligence Period of one year during which CenterCal is expected to have satisfied all of them. Some of the conditions precedent have their own individualized deadlines that are shorter than that overall Due Diligence Period. The Agreement allows for a one-time extension of 150 days to the Due Diligence Period, for a possible total of 515 days. With the maximum allowable extension of 150 days, the Due Diligence Period would expire on July 1, 2017.

CenterCal has satisfied many of the conditions precedent and has been working towards satisfying those that remain outstanding. However, there are still conditions outstanding including the approval of the land use entitlements which are not scheduled to be be before the Council until later in July. The parties have negotiated a second amendment to the Agreement that would extend the Due Diligence Period to September 30, 2017, extend some individual
deadlines for various conditions, and eliminate one condition precedent entirely. The modified
deadlines are as follows:

- The Due Diligence Period is extended to September 30, 2017.

- The deadline for the parties to finalize “Exhibit E,” a list of permitted exceptions to the
title report, is extended to August 31, 2017.

- The deadline for obtaining sign-off from Chevron USA is extended to the end of the Due
Diligence Period.

- The deadline for the CenterCal Guarantor to demonstrate financial strength to guarantee
construction of the golf course improvements is extended to June 30, 2017.

- The deadline for preparing legal descriptions required by the Agreement is extended to
June 30, 2017.

- The condition precedent requiring the parties to obtain an extension of the SCE License
Agreement is deleted. SCE has made clear it won’t amend the license agreement for its
easement under the power lines until the license agreement is near it expiration.

In addition to the deadline modifications, Section 2.1 of the Agreement is modified such
that the initial 20 year term of the lease will begin on the Fixed Rent Commencement Date as
opposed to the Premises Turnover Date. This just clarifies that the operation term runs from
when the improvements are completed rather than when CenterCal has the right to go on the
property and commence construction. Section 8 is amended to allow the minimum insurance
requirements to be satisfied by Topgolf or any other sublessee in lieu of CenterCal.

For ease of reference, modified terms are in bold and underlined.
DUE DILIGENCE AND GROUND LEASE AGREEMENT

Between

THE CITY OF EL SEGUNDO,
a General Law Municipal corporation
(“Lessor”)

And

ES CENTERCAL, LLC,
a Delaware limited liability company
(as “Lessee”)

Dated February 2, 2016
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DUE DILIGENCE AND GROUND LEASE AGREEMENT ("LEASE")

Date: February 2, 2016 (the "Commencement Date")

Lessor: THE CITY OF EL SEGUNDO, a general law City and municipal corporation ("Lessor").

Lessee: ES CENTERCAL, LLC, a Delaware limited liability company ("Lessee").

Guarantors: CenterCal, LLC, a Delaware limited liability company ("CenterCal Guarantor")

TopGolf International, Inc. a Delaware corporation ("TGI") for the construction of the Premises Improvements and a wholly owned subsidiary of TGI ("TGI Subsidiary Guarantor") for the Operating Period ("collectively, Topgolf Guarantors")

RECITALS

A. Whereas Lessor owns or is the Licensee of certain real property in the City of El Segundo, County of Los Angeles, State of California, more particularly described in Exhibit "A" (the "Property") attached hereto and by this reference incorporated herein and delineated on the Site Plan attached hereto as Exhibit "B" and by this reference incorporated herein. A portion of the Property consists of that certain real property in the City of El Segundo, County of Los Angeles, State of California, more particularly described in Exhibit "A-1" attached hereto and by this reference incorporated herein and delineated on the Site Plan (the "Premises"). Also attached hereto as Exhibit "B-1" is a current preliminary Site Plan for the golf course and related improvements (the "Golf Course"), more particularly described in Exhibit A-2, which makes up a portion of the Property but is not part of the Premises. A portion of the Property is subject to that certain License Agreement dated June 24, 1991, by and between Southern California Edison as "Licensor" and the Lessor as Licensee, a copy of which is attached hereto as Exhibit "C" attached hereto and by this reference incorporated herein (the "License Agreement"); and,

B. Whereas subject to all of the Conditions Precedent and other terms and conditions of this Lease, Lessor desires to lease the Premises to Lessee and Lessee desires to lease the Premises from Lessor and to sublease the Premises to TopGolf USA El Segundo LLC, a Delaware limited liability company ("Topgolf El Segundo") for the purpose of operating a commercial driving range, full service restaurant, clubhouse, and event space (herein called the "Sublease") and Lessee wishes to lease the Premises from Lessor, for such use subject to all of the Conditions Precedent and other terms and conditions of this Lease; and,

C. Whereas Lessee shall be making certain improvements to the Golf Course ("Golf Course Improvements") and the Premises ("Premises Improvements") for the benefit of Lessor
and Lessee as described on Exhibit “D” attached hereto and by this reference incorporated herein; and,

D. Now Therefore Lessor and Lessee enter into this Lease based on the terms and conditions hereinafter set forth. For purposes of this Lease, Topgolf Guarantors and Topgolf El Segundo are sometimes collectively referenced as “Topgolf”).

TERMS

Section 1. Demise

Lessor and Lessee hereby enter into this Lease for purposes of allowing: Lessee to perform due diligence on the Property; and to provide an opportunity for the parties to potentially satisfy the Conditions Precedent. Upon the Premises Turnover Date Lessor shall lease the Premises to Lessee, and Lessee shall lease the Premises from Lessor, upon the terms and conditions set forth in this Lease.

Section 2. Lease Term

2.1 The “Basic Term” of this Lease shall begin and the Lessee’s leasehold interest shall become effective when all of the Conditions Precedent have been satisfied, Lessee has delivered the Due Diligence Acceptance Notice, and neither the CenterCal Guarantor nor the Topgolf Guarantors have withdrawn their Guarantees as provided in Section 5.6 hereof (“Premises Turnover Date”), and shall end on the twentieth (20th) anniversary of the Premises Turnover Date. The Basic Term shall also be referred to herein as the “Initial Term”. The parties agree to execute and record a memorandum of an addendum to this Lease setting forth the Premises Turnover Date. While the terms “Lease”, “Lessor” and “Lessee” are used throughout this agreement/Lease, the Lessee shall not be deemed to have a leasehold interest in the Premises until the Premises Turnover Date.

On the Premises Turnover Date, Lessor shall deliver to Lessee, in conformance with all applicable laws, and except as otherwise explicitly provided herein exclusive possession and control of the Premises in its “AS IS” condition except it shall be free of any and all occupants, liens, encumbrances, and security interests except for non-delinquent real estate taxes, the Parking License, the License Agreement and the Permitted Exceptions as shown on Exhibit “E.”

2.2 Lessee shall have six (6) successive options to extend the term of this Lease, each for a separate additional period of five (5) years (each, an “Option Period”), from the date upon which such term would otherwise expire, provided that Lessee shall be entitled to exercise an Option Period only if at the time of exercise Lessee is in compliance with all of the material terms of this Lease, including but not limited to all Rent payments being current and the Premises being open to the public and operating as a driving range with food/beverage service. However, to the extent Lessee has received a default notice from Lessor and is diligently curing a default in accordance with Section 20 hereof, this Lease shall not be extended until such time as the default is cured and then the term may be extended. If Lessee does not cure such default within the time periods set forth in Section 20 hereof then Lessee shall forfeit the extension rights set forth in this Section. Subject to the above limitations, unless Lessee gives Lessor at least six (6) months prior written notice of its intent not to exercise an Option Period to extend this Lease, this Lease shall
automatically be extended for an additional five (5) year term. Each such extension shall be upon
and subject to the same terms, covenants and conditions as those herein specified except that
Lessee may not again exercise any previously exercised option under this section.

The words “Lease Term, term of this lease”, “the term hereof”, or words of like import
shall be deemed to refer to the Initial Term of this Lease provided for in Section 2.1 hereof together
with any extension or renewal thereof which shall become effective pursuant to the provisions of
this Lease or by reason of the exercise of an option or right granted hereunder.

Section 3. Rent

3.1 Lessee covenants and agrees to pay to Lessor, promptly when due, without notice
or demand and without deduction or setoff of any amount whatsoever unless otherwise specifically
provided in this Lease, the following amounts: (a) the amount of Eighteen Thousand and No/100
Dollars ($18,000.00) per month (“Initial Rent”) from the Premises Turnover Date until the “Fixed
Rent Commencement Date” (as defined in Section 3.2), not to exceed One Hundred Eighty
Thousand and No/100 Dollars ($180,000) in the aggregate, and (b) the amount of Forty-Three
Thousand Seven Hundred Fifty Dollars ($43,750) per month ($525,000 per year) as rent for the
Premises from the Fixed Rent Commencement Date through the end of the Lease Term, except as
increased as specified below (the “Fixed Rent”). In addition to the Fixed Rent, Lessee shall pay
to Lessor: (i) for each calendar year during the term of this Lease, an amount equal to three percent
(3%) of the Gross Receipts from all beverages (alcoholic and non-alcoholic) sold on the Premises
during the applicable calendar year (“Variable Rent”); and (ii) its pro-rata share of the
consideration payable under the License Agreement as and when required by the License
Agreement based upon the land area of the Premises located within the area subject to the License
relative to all of the land area of the Premises and the Golf Course located within the area subject
to the License. The obligation of Lessee to pay Fixed Rent, Variable Rent and other sums
hereunder may be satisfied by any person or entity making payment of Fixed Rent, Variable Rent
or other sums to Lessor as hereinafter provided. The term “Gross Receipts” wherever used in this
Lease shall mean the aggregate amount of sales (whether for cash, on credit or otherwise) of all
alcoholic and non-alcoholic beverages made and rendered on the Premises in connection with the
business operation conducted on the Premises, but shall not include any federal, state, municipal
or other sales, value added or retailer’s excise taxes paid or accrued, regardless of whether such
taxes are collected from customers or absorbed, sales to employees, complimentary sales,
donations for charitable events, discounts afforded customers from the redemption of coupons,
fees paid to credit card issuers and processors, bulk and/or intercompany transfers of inventory
(provided no such transfer is made to avoid liability to Variable Rent), or alcohol beverage license
fees (if any).

Within one hundred (120) days after the end of each calendar year following the Variable
Rent Commencement Date (defined in Section 3.2 below), Lessee shall deliver to Landlord a
written statement setting forth the amount of Gross Receipts for the preceding calendar year.
Simultaneously with the delivery of such statement, Lessee shall pay to Landlord the Variable
Rent shown by such statement to be then due and owing. In computing the Variable Rent for the
first calendar year following the Variable Rent Commencement Date, if such calendar year shall
contain less than 365 days, then the Variable Rent shall be multiplied by fraction, the numerator
of which shall be the number of days in such shorter calendar year, and the denominator of which shall be 365.

3.2 The first installment of Initial Rent shall be payable on the Premises Turnover Date in a pro-rata amount based upon the number of days remaining in the month. The first installment of Fixed Rent shall be payable from the earlier of (i) the date that the Premises opens to the public for business or (ii) ten (10) months following the Premises Turnover Date, subject to Force Majeure as defined in Section 30 and delays caused by Lessor (the “Fixed Rent Commencement Date”). All Rent (other than Variable Rent) from and after the Fixed Rent Commencement Date shall be paid in advance, on the first day of each month. Upon termination of this Lease, Rent payable for less than a full month shall be paid in a pro-rata amount based on the number of days that the Lease was in effect for the month. The obligation to pay Variable Rent shall commence on the third anniversary of the Fixed Rent Commencement Date (“Variable Rent Commencement Date”). Within ninety days of the termination of this Lease, Lessee shall pay to Lessor all Variable Rent payments owed to the Lessor based upon the payments being made in arrears. This agreement shall not be construed as giving Lessor any partnership or other interest in Lessee’s or Topgolf’s business. It is understood and agreed by Lessor that there has been no representation of any kind whatsoever made by Lessee or Topgolf as to the amount of Gross Receipts which may or shall be made from the Premises during any year of the term of this Lease.

3.3 The Fixed Rent shall, for the first five (5) years following the Fixed Rent Commencement Date, increase at the commencement of Years 2, 3, 4, 5, and 6 by two percent (2%) and at the commencement of each five-year period thereafter (i.e., Year 11, Year 16, Year 21, etc. (assuming the term of this Lease has been extended)), the Fixed Rent shall increase by ten percent (10%) (which shall include any Option Periods that may be exercised by Tenant).

3.4 All amounts payable under Section 3.1 above, as well as all other amounts payable by Lessee to Lessor under the terms of this Lease, shall be paid at the address of Lessor set forth in Section 31.1, or at such other place within the continental limits of the United States as Lessor shall from time to time designate by written notice to Lessee, in lawful money of the United States, which shall be legal tender in payment of all debts and dues at the time of payment.

3.5 It is intended that the Initial Rent, the Fixed Rent, the Variable Rent and any Additional Rent provided for in this Lease (together “Rent”) shall be an absolutely net return to Lessor throughout the Lease Term, free of any expense, charge, or other deduction whatsoever, including all claims, demands, or setoffs of any nature whatsoever, except as otherwise explicitly provided in this Lease.

3.6 Except as may be provided in this Lease, Lessee shall also pay without notice and without abatement, deduction, or setoff, as “Additional Rent,” all sums, impositions, costs, and other payments that Lessee in any of the provisions of this Lease assumes or agrees to pay, and in the event of any nonpayment, but subject to the terms and provisions of this Lease and all applicable laws, Lessor shall have (in addition to all other rights and remedies) all the rights and remedies provided for in this Lease or by law or equity in the case of nonpayment of the Rent.

Section 4. Use
4.1 Notwithstanding any other provision of this Lease, Lessee may only use the Premises, and the Premises Improvements, for a driving range and related clubhouse with restaurant, bar, lounge, grill and event space, subject to the provisions of Section 4.2 (the "Permitted Use"). Lessee shall not be permitted to conduct any of the driving range or clubhouse operations on the Premises until the Golf Course Improvements described in Exhibit "D" are substantially completed (which for purposes hereof means that the Golf Course Improvements are completed subject to minor alterations or corrections, that is, "punch list" items and that the nine-hole course, clubhouse, pro-shop and bathrooms are capable of being open for business) as reasonably determined by Lessor. Lessor acknowledges and agrees that the operation of a Topgolf driving range, restaurant, bar, lounge, grill and event space, that is similar with regard to the current operations of that certain existing Topgolf facility located at 2700 Esperanza Crossing, Austin, Texas 78758 and is generally consistent with regard to its construction with those renderings and descriptions attached hereto as Exhibits "D" and "G" and by this reference incorporated herein (the "Prototype Facility"), including a driving range and related teaching facilities and both indoor and outdoor café / bar / grill facilities serving alcoholic beverages, and meeting and banquet facilities, also serving alcoholic beverages (referred to herein as a "Topgolf Facility") is a Permitted Use under this Section 4.1.

4.2 Lessee shall not use or occupy, or permit or suffer all or any part of the Premises or any Premises Improvements to be used or occupied except as provided in Section 4.1 and Lessee’s use of the Premises is further restricted and cannot be used: (i) for any unlawful or illegal business, use, or purpose, or (ii) for any purpose or in any way that is in violation of a lawfully issued existing certificate of occupancy for the Premises, or of any “Legal Requirements” (as defined below), including but not limited to “Legal Requirements” respecting “Hazardous Substances” (as defined in Section 42). For the purposes of this Lease, the term “Legal Requirements” means all present and future laws, ordinances, orders, judgments, rules, regulations, and requirements of all federal, state, regional, and municipal governments, departments, agencies, commissions, boards, and officers, foreseen or unforeseen, ordinary as well as extraordinary, applicable to the Premises or to the use or manner of uses of the Premises or any Premises Improvements or the owners or users of any Premises Improvements.

4.3 Nothing contained in this Lease shall be deemed to be a gift or dedication of any portion of the Premises to the general public or for the general public or for any public purpose whatsoever, or an agreement to so, it being the intention of Lessor and Lessee that this Lease shall be strictly limited to and for the purposes herein expressed and strictly for the benefit of Lessor and Lessee. Unless required otherwise by a governmental authority, Lessee shall take commercially reasonable actions to prevent the Premises from being used by any individual or entity, or the public, from and after the Premises Turnover Date, in such manner as might reasonably make possible a claim or claims of adverse usage, adverse possession, or prescription, or of implied dedication, of the Premises or any Premises Improvements or any portion thereof.

Section 5. Due Diligence; Condition of Premises

5.1 Due Diligence Period. Unless earlier terminated pursuant to Section 5.6 or as otherwise expressly provided herein, Lessee shall have until twelve (12) months from the Commencement Date (such period, as the same may be extended hereunder, is referred to herein as the "Due Diligence Period") to complete its due diligence investigations of the Premises.
During the Due Diligence Period, Lessee and Lessee’s authorized representatives, during normal business hours, shall have the right to enter upon the Property for the purposes of conducting studies, inspections and investigations of the Property (without unreasonably interfering with the operations of the current facilities located on the Property) and analyzing all documents and matters pertaining to the Property as Lessee reasonably deems necessary or desirable in connection with its leasing of the Premises, including geotechnical, seismic, mechanical, engineering and environmental testing, and to satisfy itself in its sole and absolute discretion that the Property is suitable for the Golf Course Improvements and the Premises Improvements and Lessee’s intended use of the Premises, including without limitation, zoning classifications, building regulations, governmental entitlements, land use entitlements permitting private recreational use at the Premises (including without limitation, a general plan amendment, specific plan designation, alcohol permits, and lot line adjustments), a determination under the California Environmental Quality Act ("CEQA") on all actions subject to CEQA (including without limitation the leasehold interest that may be granted to Lessee under this Lease), and all other legal matters applicable to the Premises (collectively, the “Required Project Entitlements”), all at Lessee’s sole expense (collectively, the “Investigation”). Notwithstanding the foregoing, the Due Diligence Period may be extended by Lessee for an additional one hundred fifty (150) days in duration by Lessee providing written notice to Lessor before the end of the Due Diligence Period to secure the approvals it reasonably deems necessary for the operation of the Premises as contemplated by this Lease. If Lessor has not received a notice from Lessee that Lessee has elected to exercise a permitted extension of the Due Diligence Period, then it shall be presumed that Lessee intended not to extend the Due Diligence Period and the Due Diligence Period will be deemed to have expired and not been so extended. The Due Diligence Period shall not exceed five hundred fifteen (515) days except in the event that any person or entity that is not a party to this Lease nor a guarantor of this Lease challenges any of the Required Project Entitlements, then the Due Diligence Period shall automatically be extended to end upon the thirtieth (30th) day following the final disposition of any such challenge (i.e. the entry of a non-appealable order of a court of competent jurisdiction dismissing such challenge, granting some or all of the relief sought by such person or entity, or settlement of the challenge), provided that Lessee is diligently defending and pursuing such challenge. Except with respect to provisions that expressly survive the termination of this Agreement, upon expiration of the Due Diligence Period (which shall not be extended under any circumstance by Force Majeure), the failure to satisfy the Conditions Precedent and the termination of this Lease, all of the rights and obligations of the parties hereunder shall terminate and each party represents and warrants that it understands and agrees that it shall have no right to file a legal or equitable action against the other party if the Conditions Precedent are not satisfied during the Due Diligence Period, unless the failed condition was a condition that failed because of a breach of this Agreement by the other party or because of such party’s fraud or willful misconduct. For the avoidance of doubt, the mere exercise of discretionary authority by the City is not a breach of this Lease or fraud or willful misconduct by the City or Lessor, provided that in no event shall a party’s damages in connection with such legal or equitable action exceed One Hundred Thousand and no/100 Dollars ($100,000.00).

5.2 Cooperation and Entry Notice. Lessor and Lessee agree to reasonably cooperate during the Due Diligence Period, including but not limited to Lessor providing public information to Lessee in Lessee’s efforts to obtain approvals from other governmental agencies. Lessee agrees to make reasonable efforts to notify Lessor, a minimum of twenty-four (24) hours before each entry onto the Premises and/or contact with employees on the Premises.
5.3 Title Due Diligence. At the Premises Turnover Date, the real property comprising the Premises must be free from all easements, encumbrances, or restrictions other than those set forth on Exhibit "E", which will be finalized and attached hereto within sixty (60) days from the Commencement Date (the “Permitted Exceptions”). Lessee at its option may procure an ALTA extended leasehold owner’s policy of title insurance from Chicago Title Insurance Company (the “Title Company” or “Escrowee”) which policy must be free and clear of any exceptions or objections other than the Permitted Exceptions (the “Title Policy”). The Lessor shall have no obligation to take any action to remove any exceptions or objections that the Title Company may place on the Title Policy. The cost of a standard leasehold title policy and/or the Title Policy shall be borne by Lessee.

Lessee shall use reasonable efforts to cause the Title Company to deliver to Lessee a Preliminary Report issued by the Title Company covering the Premises (the “Preliminary Report”), together with true and legible copies of all documents evidencing matters of record shown as exceptions to title thereon (“Underlying Documents”) as soon as practicable after the Commencement Date. The Preliminary Report and Underlying Documents shall hereinafter sometimes be collectively referred to as the “Title Documents”. Lessee shall have the right to object to any exceptions contained in the Preliminary Report, in Lessee’s sole and absolute discretion by giving written notice to Lessor within fifteen (15) business days after Lessee has received the Title Documents. Lessee shall have the right to object to any matters revealed by the Survey (as defined below) by giving written notice to Lessor within fifteen (15) business days after Lessee has received the Survey. If Lessee disapproves of any matter affecting title or the Survey (the “Title Disapproval”), Lessor shall have the option until 5:00 p.m. on the day that is five (5) business days after delivery to Lessor of the Title Disapproval to elect in Lessor’s sole and absolute discretion by written notice to Lessee (“Lessor’s Title Response”) to (i) cure or remove such disapproved matter(s) on or before the Premises Turnover Date or (ii) not cure some or all of such disapproved matters, in which case Lessee may, by written notice to Lessor within five (5) business days after Lessor’s Title Response, elect to waive this contingency or terminate this Lease (in which event the parties shall have no further obligations to one another except with respect to the obligations that survive the termination of this Lease). Lessor’s failure to timely notify Lessee of its election aforesaid shall conclusively be deemed to be Lessor’s election not to cure any objection. If Lessee elects not to terminate this Lease as provided above, Lessee agrees that the matters expressly approved or waived by Lessee in writing shall added and be attached to this Lease as Exhibit “E” as the “Permitted Exceptions”). Notwithstanding the above, Lessor shall have no obligation to take any action to remove any exceptions or objections that the Title Company may place on the Title Policy, whether or not Lessee disapproves such matters. Lessee’s approval of the Preliminary Report shall be without prejudice to Lessee’s right to disapprove the “Survey” (defined below) as provided above, or any supplementary reports issued by Title Company except those that arise after the Premises Turnover Date. The cost of a standard leasehold title policy and/or the Title Policy shall be borne by Lessee.

Within five (5) business days after the Commencement Date, Lessor shall provide Lessee with a copy of any existing ALTA survey of the Real Property in Lessor’s possession, if any (the “Existing Survey”). Lessee shall be responsible, as its sole cost and expense, for thereafter obtaining and paying for any update to the Existing Survey (“Survey”) to meet the requirements of Lessee or its lender for the Title Policy.
5.4 Indemnification. All Investigations shall be at the sole risk and expense of Lessee and Lessee shall defend, indemnify and hold Lessor and its employees, agents, officers and elected officials, (collectively the "Indemnified Parties") harmless for, from and against any and all claims, causes of action, demands, injuries, damages, costs, expenses (including reasonable attorneys’ fees) or liability (collectively, the "Liability") imposed upon, suffered by, incurred by or asserted against the Indemnified Parties as a result of or relating to the Investigations conducted by or on behalf of Lessee in connection with the Property, except for damages resulting from the negligence or willful misconduct of Lessor or those acting at its request or on its behalf or the discovery of Hazardous Substances (as defined in Section 42) on the Property that were not released on the Property by Lessee or its agents. However, if Lessee takes possession of the Premises then it shall be responsible for all Hazardous Substance (as defined in Section 42) clean-up costs that are required for purposes of completing the Premises Improvements on the Property. Lessee shall maintain and shall cause any person performing work or investigation on the Premises on behalf of Lessee to maintain a policy of comprehensive general liability insurance with premiums fully paid, issued by an insurance company reasonably acceptable to Lessee in an amount not less than $2,000,000.00 to insure the risks covered by the indemnity provided above, which policy shall name the Indemnified Parties as insureds. The insurance shall not act as a limit on Lessee’s Liability. This indemnity shall survive any termination or expiration of this Lease. Notwithstanding any other provision in this Lease, in the event that the Conditions Precedent are not satisfied and Lessee does not take possession of the Premises, then Lessee shall return the Golf Course and Premises to substantially their same condition as they existed prior to the Commencement Date.

5.5 Conditions Precedent. The following shall be conditions precedent to the Premises Turnover Date and commencement of the Basic Term hereunder (items (i) through (xiv) shall be collectively referred to as the "Conditions Precedent"):

(i) (A) Lessee filed an application within ninety (90) days of the Commencement Date for the Required Project Entitlements which Required Project Entitlements the City Council may in its sole and absolute discretion either approve or disapprove and (B) prior to the end of the Due Diligence Period, Lessee has obtained such Required Project Entitlements;

(ii) Lessee has prepared and the City has approved final building plans for the Golf Course Improvements and the Premises Improvements (collectively, the "Plans and Specifications"), which Plans and Specifications for the Golf Course Improvements shall be approved by Lessor if they are consistent in all material respects with the description of the Golf Course Improvements described on Exhibit "D" and all zoning and building and safety laws and regulations, and for the Premises Improvements that shall be approved by the City if they are consistent in all material respects with the Prototype Facility and all applicable zoning and building and safety laws and regulations; Lessee shall cause the City to be named as an additional insured under the certificate(s) of insurance issued by the architects and design professionals responsible for preparing the plans for the Golf Course and Premises Improvements;

(iii) Lessee has entered into construction contracts consistent with this Lease, for the completion of the Golf Course Improvements on Exhibit “D” hereto, and Topgolf has entered into construction contracts consistent with this Lease, for the completion of the Premises Improvements as described and depicted on Exhibit “B-1” hereto but such shall not relieve Lessee as being
obligated for completing such improvements and Lessee shall cause the City to be named as an additional insured under the certificate(s) of insurance issued by the contractor(s) for construction of the Golf Course Improvements and Premises Improvements,

(iv) Lessee has entered into a Sublease of the Premises with Topgolf El Segundo that requires Topgolf to operate the Premises for at least seven (7) years in accordance with the Continuous Operation Requirement (the “Operating Period”);

(v) Lessee has delivered within ten (10) business days following the expiration of the Due Diligence Period written notice to Lessor that it desires to have this Lease become effective ("Due Diligence Acceptance Notice");

(vi) Lessor and Lessee have obtained within sixty (60) days from the Commencement Date an extension to the License in a form acceptable to the Lessor and Lessee in their respective sole and absolute discretion;

(vii) Lessee has received written confirmation from Chevron USA, Inc., a Pennsylvania corporation (“Chevron”), within thirty (30) days from the Commencement Date approving of the Premises Improvements and use of the Premises as contemplated by this Lease in a recordable form acceptable to Lessee in its sole and absolute discretion (provided that, Lessee may, in its sole discretion, grant one or more extensions of the foregoing thirty day period during which this Condition Precedent may be satisfied by delivery of written notice to Lessor setting forth the time period of any such extension(s) but in no event shall the initial thirty (30) day period and any extension thereto exceed the initial twelve month portion of the Due Diligence Period set forth in Section 5.1, plus, if applicable, the sixty day (60) day extension period); however, such approval from Chevron may not impose any obligations on the City or on the Property but may place obligations on the Lessee and the Premises during the term of this Lease which arise from Lessee’s use of the Premises;

(viii) Lessor has in its sole and absolute discretion determined within sixty (60) days from the Commencement Date that the CenterCal Guarantor has sufficient financial strength to guarantee the construction of the Golf Course Improvements, TGI has sufficient financial strength to guarantee construction of the Premises Improvements, and TGI Subsidiary Guarantor has sufficient financial strength to guarantee the operation of the Premises during the Operating Period and to guarantee Rent payments through completion of the Operating Period as expressly required by this Lease and as set forth in the Topgolf Guarantees. In the event that despite Lessor’s efforts as set forth above, the financial review of the CenterCal Guarantor and the Topgolf Guarantors cannot be completed within such 60 day period, Lessor shall notify Lessee and the 60 day period shall be automatically extended for an additional 30 days;

(ix) (A) TGI shall have executed the Guaranty for the Premises Improvements in the form attached hereto as Exhibit “H” and delivered such to the Lessor and TGI Subsidiary Guarantor shall have executed a guaranty for the operation of the Premises during the Operating Period and to guarantee Rent payments through completion of the Operating Period in the form attached hereto as Exhibit “H” and delivered such to the Lessor, and (B) the CenterCal Guarantor shall have executed the Guaranty in the form attached hereto as Exhibit “H” and delivered such to Lessor (Delivery of these Guaranties shall also constitute performance of Condition Precedent item
(xiv) provided Topgolf has received all necessary permits and approvals to commence construction of its Topgolf facility upon the Premises, Lessee shall deposit four hundred thousand dollars ($400,000) into an escrow account with the Title Company ("Escrow Holder") and entered into an escrow agreement (the "Escrow Agreement") with Lessor and Escrow Holder solely for the purpose of funding a portion of the cost to purchase and install lights on the golf course on the Property for the purpose of allowing golf to be played on the golf course during twilight and after sunset hours. The Escrow Agreement shall provide that if the City shall not have installed lights on the golf course within five (5) years from the date of the Escrow Agreement, then the funds shall be promptly returned to the Lessee. Notwithstanding any provision hereof to the contrary, the parties agree and acknowledge that in connection with obtaining the Required Project Entitlements Lessee will obtain a parking study from a third party consultant. In the event that such parking study reveals that the parking requirements for the Golf Course and the Premises require an adjustment of the total number of parking spaces needed for the Golf Course or that providing Lessor with thirty (30) exclusive parking spaces during the Golf Course’s hours of operation as described in clause (x) hereof is incompatible with the Permitted Use and Lessor’s use of the Golf Course, then prior to the end of the Due Diligence Period, the parties shall work together to modify the Parking License (and the number of parking spaces and exclusive parking spaces granted thereunder) in such a manner so as to be compatible with the Permitted Use and the Lessor’s operation of the Golf Course.

5.6 Lease Termination. Items (vi), (vii) and (viii) of Section 5.5 shall be collectively referred to as the "Preliminary Conditions Precedent." If, on or before the expiration of the time periods set forth for any of the Preliminary Conditions Precedent, Lessee shall determine in its sole and absolute discretion that any of the Preliminary Conditions Precedent will not be satisfied, then Lessee may notify Lessor of such determination at any time before or within ten (10) days after the expiration of such applicable time period that it has elected to terminate this Lease. With
respect to the Preliminary Conditions Precedent set forth in items (vi) and (viii) above, if, on or before the expiration of the time periods set forth in items (vi) and (viii) above Lessor shall determine in its sole and absolute discretion that items (vi) and (viii) will not be satisfied within the applicable time period, then Lessor may notify Lessee of such determination at any time before or within ten (10) days after the expiration of such applicable time period that it has elected to terminate this Lease. Additionally, if Lessee does not file its application for the Required Project Entitlements within the time period set forth in 5.5 (i)(A), then unless the parties agree to extend the time period in writing, this Lease shall terminate except those provisions that expressly survive a termination of this Lease. If this Lease is not so terminated by either Lessee or Lessor, then Lessee shall continue with its Investigation and shall have the right to terminate this Lease as set forth herein, including without limitation, the Conditions Precedent, and Lessor shall have also have the right to terminate this Lease by notice to Lessee if the Conditions Precedent are not satisfied within the Due Diligence Period; Lessee may terminate this Lease for any reason at any time in its sole and absolute discretion during the Due Diligence Period by notifying Lessor of such determination (the “Due Diligence Termination Notice”), whereupon any termination by Lessor or Lessee of this Lease and the obligations of the parties hereunder shall terminate (and no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive a termination of this Lease). Each party hereto agrees to diligently pursue the satisfaction of all Conditions Precedent within the time frames set forth herein. In the event that Lessee determines to proceed with the leasing of the Premises and all of the Conditions Precedent are satisfied and thereby waive its right to terminate this Lease as provided in this Section 5.6, then Lessee shall notify Lessor of such determination in writing on or before 5:00 p.m. (Pacific time) on the date that the Due Diligence Period shall expire (the “Due Diligence Acceptance Notice”). If the Lessee delivers the Due Diligence Acceptance Notice and neither the Topgolf Guarantors or the CenterCal Guarantor have withdrawn their Guarantees by providing written notice of such within five (5) business days of the Due Diligence Acceptance Notice then the Guarantees shall be deemed to be in full force and effect and the Topgolf Guarantors and the CenterCal Guarantor shall have waived any rights, if any, to claim that their respective Guarantees are not in full force and effect. If either Guarantor has given written notice of the withdrawal of their Guaranty then this Lease shall be deemed terminated and the parties shall have no further obligations under this Lease except those that expressly survive the termination of this Lease. The Due Diligence Acceptance Notice shall be deemed to be a confirmation from Lessee that the parties have entered into the Sublease of the Premises further described in clause (iv) of Section 5.5 hereof. In the event that Lessee shall fail to deliver either the Due Diligence Termination Notice or the Due Diligence Acceptance Notice to Lessor on or before 5:00 p.m. (Pacific time) on the date that is the tenth business day following the expiration of the Due Diligence Period then this Lease shall expire and the obligations of the parties hereunder shall terminate (and no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive a termination of this Lease). In addition to the foregoing, if, on or before the expiration of the Due Diligence Period the Conditions Precedent have not been satisfied or the City does not approve of the Required Project Entitlements, then this Lease and the obligations of the parties hereunder shall terminate and no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive a termination of this Lease. It is expressly understood that the City is not committing to issuance of the Required Project Entitlements, including the CEQA determination or that the Conditions Precedent shall otherwise be satisfied by executing this Lease as such are subject to a separate
discretionary land use entitlement processes, including public hearings, and/or are outside of the City’s control and/or are, as applicable, subject to the approval of the City.

Within five (5) business days of the delivery by Lessee to Lessor of the Acceptance Notice, so long as neither the Topgolf Guarantors nor the CenterCal Guarantor have provided written notice that it has withdrawn its Guarantee, Lessor and Lessee shall each execute a memorandum evidencing this Lease that may be recorded by Lessee at Lessee’s sole cost and expense and in the form of Exhibit “F.” If, for any reason at any time during the Term of this Lease the legal description of the Premises changes, Lessor and Lessee agree to execute and record a new Memorandum of Lease, modifying the original Memorandum to reflect such new legal description. Notwithstanding the foregoing sentence, the parties are under no obligation to modify the legal description of the Premises. In the event this Lease is terminated pursuant to the terms hereof the parties agree, upon written request of either party, to execute and record evidence of such termination of the above Memorandum.

Notwithstanding anything in this Lease to the contrary, Lessee shall have no right to terminate this Lease and Topgolf Guarantors and CenterCal Guarantor shall have no right to terminate or diminish their obligations under their respective guarantees following the Premises Turnover Date through the time that the Golf Course Improvements and the Premises Improvements are completed and a certificate of occupancy has been issued for the Golf Course and the Premises, except for termination due to a material default of this Lease by Lessor that Lessor has not remedied after being notified of the default and afforded the opportunity to cure it as provided in Section 19. Notwithstanding the foregoing, if, during construction of the Golf Course Improvements or the Premises Improvements, Lessee discovers that due to the discovery of Hazardous Substances (as defined in Section 42) on or under the Golf Course or Premises after the Turnover Date which: (i) could not have not been reasonably discovered by Lessee as part of its investigation of the Premises and Golf Course; or (ii) were not caused by Lessee, its agents, contractors, employees, tenants, occupants or invitees or otherwise resulting from Lessee’s use of the Premises; and Lessee is not able to construct its contemplated Premises Improvements in accordance with desired or approved plans, site plans and the Required Project Entitlements, Lessee shall be obligated to return the Golf Course and Premises to the same or better condition, including all improvements that existed thereon, they were in prior to the Premises Turnover Date and terminate this Lease and the parties shall have no further rights or obligations under this Lease except as expressly set forth herein.

Upon any termination of this Lease pursuant to this Section 5, and provided that Lessor is not in default of any material provision hereunder, Lessee shall deliver to Lessor, within ten (10) days of such termination and without any representation or warranty whatsoever as to the truth, accuracy or completeness of such information and Lessor shall rely on such information at Lessor’s sole risk and expense, originals or copies of all studies, reports, maps, documents and other material obtained by Lessee from third parties as part of Lessee’s Investigation that are in Lessee’s possession and that Lessee is not expressly prohibited from providing to Lessor.

5.7 Survival. All those provisions of this Section 5 whose full performance are not accomplished prior to any termination of this Lease shall survive such termination to allow such performance within a reasonable time. However, this provision shall not extend the Due Diligence Period, provide additional time for satisfying the Conditions Precedent or in any way result in a
leasehold or other possessory interest to be created in the Lessee or any other party with respect to the Premises or the Property.

Section 6. Liens

6.1 Except as otherwise specifically provided in this Lease, Lessee shall have no power to do any act or to make any contract that may create or be the foundation for any lien, mortgage, or other encumbrance on the reversion or other estate of Lessor, or on any interest of Lessor in the Property.

6.2 Lessee shall not suffer or permit any liens to attach to the interest of Lessor or the interest of Lessee in all or any part of the Property by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Lessee or anyone occupying or holding an interest in all or any part of any of the Golf Course Improvements on the Property or the Premises Improvements on the Premises through or under Lessee; provided, that if any such lien shall at any time be filed against the Property, Lessee shall cause the same to be discharged of record within sixty (60) days after the date of filing the same by either payment, deposit, or bond. Lessee may, however, postpone its obligation to discharge a lien arising out of work done by or for Lessee if Lessee provides Lessor or any prospective purchaser of Lessor’s fee interest with title insurance that insures Lessor’s title and either: (i) omits the lien, or (ii) insures against collection of the debt underlying the lien, and Lessee shall not be in default of its obligations under this Section 6.2 during any such period of postponement, provided such title insurance is provided within the aforesaid sixty (60) day period, at Lessee’s expense.

6.3 Subject to Section 12, unless otherwise set forth to the contrary herein, nothing in this Lease shall be deemed to be, or be construed in any way as constituting, the consent or request of Lessor, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Property or to any Golf Course Improvements or Premises Improvements, or as giving Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against Lessor’s interest in the Property or against Lessor’s interest, if any, in the Golf Course Improvements or Premises Improvements. Lessee is not intended to be an agent of Lessor for the construction of any Golf Course Improvements or Premises Improvements on the Property. Lessor shall have the right to post and keep posted at all reasonable times on the Property and on any Golf Course Improvements or Premises Improvements, any notices that Lessor shall be required to post for the protection of Lessor, the Property, and of the Golf Course Improvements or Premises Improvements from any such lien. The foregoing shall not be construed to diminish or viti ate any rights of Lessee in this Lease to construct, alter, or add to any Golf Course Improvements or Premises Improvements in accordance with the terms of this Lease.

Section 7. Utilities, Taxes, and Other Charges

7.1 Lessee shall pay or cause to be paid all charges for water, gas, electricity, garbage, telephone, sanitary sewer, storm water, drainage, and any and all other services used by Lessee in or upon the Premises or any Premises Improvements.
7.2 Subject to Section 7.7, Lessee shall pay and discharge, or cause to be paid and discharged, before any fine, penalty, interest, or cost may be added for nonpayment, all real estate taxes, personal property taxes, privilege taxes, excise taxes, business and occupation taxes, gross sales charges, assessments (including but not limited to, assessments for public improvements or benefits), and all other governmental impositions and charges of every kind and nature whatsoever, whether or not now customary or within the contemplation of the parties and regardless of whether the same shall be extraordinary or ordinary, general or special, unforeseen or foreseen, or similar or dissimilar to any of the foregoing which, at any time during the Lease Term following the Premises Turnover Date, shall be or become due and payable and which:

7.2.1 Shall be levied, assessed, or imposed against the Premises or any Premises Improvements or any interest of Lessor or Lessee under this Lease; or

7.2.2 Shall be or become liens against the Premises or any Premises Improvements or any interest of Lessor or Lessee under this Lease unless caused by or on behalf of Lessor; or

7.2.3 Shall be levied, assessed, or imposed on or against Lessor by reason of any actual or asserted engagement by Lessee, or by Lessor at the direction of, directly or indirectly, in any business, occupation, or other activity in connection with the Premises or any Premises Improvements; or

7.2.4 Shall be levied, assessed, or imposed on or in connection with the ownership, leasing, operation, management, maintenance, repair, rebuilding, use, or occupancy of the Premises or any Premises Improvements under or by virtue of any present or future Legal Requirement, it being the intention of the parties that, insofar as the same may lawfully be done, Lessor shall be free from all such expenses and all such real estate taxes, personal property taxes, privilege taxes, excise taxes, business and occupation taxes, gross sales taxes, occupational license taxes, water charges, sewer charges, assessments, and all other governmental impositions and charges of every kind and nature whatsoever (all of such taxes, water charges, sewer charges, assessments, and other governmental impositions and charges that Lessee is obligated to pay being collectively called "Tax" or "Taxes").

7.3 If by law any Tax is payable, or may at the option of the taxpayer be paid, in installments, Lessee may, whether or not interest shall accrue on the unpaid balance, pay the same, and any accrued interest on any unpaid balance, in installments as each installment becomes due and payable, but in any event before any fine, penalty, interest, or cost may be added for nonpayment of any installment or interest. With respect to any assessments for public improvements or any similar assessments, Lessee may request amortization of such assessments over the longest period permitted by governmental authority so long as such does not exceed the Basic Term or any extension thereof exercised by Lessee. Lessee shall be obligated to pay off any unpaid balance of any such installment payment plan upon the termination of this Lease.

7.4 Any Tax relating to a fiscal period of the taxing authority, a part of which is within the Lease Term and a part of which is not within the Lease Term, shall be apportioned and adjusted between Lessor and Lessee so that Lessee shall pay only the portions that correspond with the
portion of such fiscal periods included within such period. Any such adjustments shall be resolved, as applicable, at the Premises Turnover Date and the expiration of the Lease Term.

7.5 Lessee covenants to furnish to Lessor, within thirty (30) days after the last date when any Tax must be paid by Lessee as provided in this section, official receipts, if such receipts are then available to Lessee, of the appropriate taxing authority, or other proof reasonably satisfactory to Lessor, evidencing payment.

7.6 Lessee shall have the right at Lessee’s expense to contest or review the amount or validity of any Tax or to seek a reduction in the assessed valuation on which any Tax is based, by appropriate legal proceedings. Lessor may defer payment of such contested Tax on condition, however, that if such contested Tax is not paid beforehand and if such legal proceedings shall not operate to prevent the enforcement of the collection of the Tax so contested and shall not prevent the sale of the Premises or any Premises Improvements to satisfy the same, then before instituting any such proceedings, Lessee shall furnish to Lessor a surety company bond, cash deposit, or other security reasonably satisfactory to Lessor as security for the payment of such Tax, in an amount sufficient to pay such Tax, together with all interest and penalties in connection with such Tax and all charges that might be assessed against the Premises or any Premises Improvements in the legal proceedings. On termination of such legal proceedings, the security originally deposited shall be applied to the payment, removal, and discharge of the Tax and the interest and penalties in connection with the Tax and the charges and costs accruing in such legal proceedings and the balance, if any, shall be paid to Lessee. If such security shall be insufficient for this purpose, Lessee shall forthwith pay over to Lessor an amount sufficient, together with the security originally deposited, to pay the same. Lessee shall not be entitled to interest on any money deposited pursuant to this section.

7.7 Any contest as to the validity or amount of any real or personal property tax, or assessed valuation on which such tax was computed or based, whether before or after payment, may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine, and Lessor agrees that it will cooperate with Lessee in any such contest to such extent as Lessee may reasonably request, and Lessee covenants to indemnify and save Lessor harmless from any such costs or expenses. Lessee shall be entitled to any refund of any such Tax and penalties or interest that have been paid by Lessee.

7.8 Lessee shall be responsible and shall pay or cause to be paid all costs directly or indirectly related to Lessee’s development and use of the Premises and Premises Improvements constructed thereon.

7.9 The parties shall use reasonable efforts to see that all communications from governmental authorities respecting Taxes are sent directly by such authorities to Lessee. The certificate, advice, receipt, or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Tax or nonpayment of such Tax, shall be prima facie evidence that such Tax is due and unpaid or has been paid at the time of the making or issuance of such certificate, advice, receipt, or bill.

Section 8. Insurance
Lessee, at its expense, shall maintain at all times during the Lease Term commercial general liability insurance in respect of the Premises and use of the Premises with Lessor as additional insured, with five million dollars ($5,000,000.00) in “Constant Dollars” (as defined below) minimum combined single-limit coverage, or its equivalent. Such insurance shall include contractual liability coverage in such amount for Lessee’s indemnification and other obligations contained herein. Such insurance policy shall be written as a primary policy and shall not be contributing with or be in excess of the coverage that either Lessor or Lessee may carry and shall be issued in the name of Lessee, with Indemnified Parties as being included in the insurance policy definition of who is an additional insured, and shall be primary to any insurance available to Lessor. Lessee shall also maintain during the Basic Term, at no expense to Lessor, fire and extended coverage insurance sufficient to replace all Premises Improvements notwithstanding the amounts set forth below. Such policies of insurance shall be issued by good, responsible companies that are reasonably acceptable to Lessor and qualified to do business in the state of California. An insurance certificate or certificates evidencing such insurance shall be delivered to Lessor prior to the Commencement Date (evidencing coverage in the amount of two Million Dollars ($2,000,000) covering the Due Diligence Period), and thereafter prior to the Premises Turnover Date (evidencing coverage in the amount of five million dollars ($5,000,000)), and renewal policies shall be delivered to Lessor within ten (10) days before the expiration of the term of each such policy or policies. As often as any such policy or policies shall expire or terminate, renewal or additional policies shall be procured and maintained by Lessee in like manner and to like extent. All policies of insurance must contain a provision that the company writing the policy will give Lessor thirty (30) days’ written notice in advance of any cancellation, non-renewal substantial change of coverage, or the effective date of any reduction in amount of insurance.

During the term of this Lease, Lessor shall maintain, or cause to be maintained, in full force and effect, on and with respect to the Golf Course, either proof of self-insurance, or insurance through a joint powers authority, reasonably acceptable to Lessee in the amounts and with additional insured requirements set forth in this paragraph or policies of: (i) commercial general liability insurance, written on an “occurrence” policy form, with bodily injury and property damage coverage arising out of or relating to Lessor’s ownership, business operations, use or occupancy of the Golf Course, which shall name Lessee, Lessee’s first mortgagee, and Topgolf’s first mortgagee and Topgolf as additional insureds as their respective interests may appear, and (ii) first party property insurance written on a “special form” policy covering loss or damage to the improvements on the Golf Course for not less than the amount of the full replacement value of such improvements. The limits of the commercial general liability policy shall be at least five Million Dollars ($5,000,000) per person, with a combined single limit of not less than five Million Dollars ($5,000,000.00) on a “per occurrence” basis (bodily injury and property damage), or in such higher amounts and with such additional coverages as Lessor may be required pursuant to agreement with any mortgage lender of Lessor or pursuant to any other contractual agreement relating to the Golf Course or any part thereof to which Lessor is a party. At Lessee’s request, Lessor shall furnish appropriate certificates of such insurance to Lessee.

The insurance required of Lessee and Lessor by this provision or otherwise in this Lease shall not limit such party’s liability under any indemnity provision set forth in this Lease or any other liability that such party may have under this Lease.
“Constant Dollars” shall mean the value of the U.S. dollar to which such phrase refers, as adjusted from time to time. An adjustment shall occur on the 1st day of June of the sixth (6th) full calendar year following the date of this Lease, and thereafter at five (5) year intervals. Constant Dollars shall be determined by multiplying the dollar amount to be adjusted by a fraction, the numerator of which is the Current Index Number and the denominator of which is the Base Index Number. The “Base Index Number” shall be the level of the Index for the year of the Commencement Date; the “Current Index Number” shall be the level of the Index for the year immediately preceding the adjustment year; the “Index” shall be the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor for U.S. City Average, All Items (1982-84=100), or any successor index thereto as hereinafter provided. If publication of the Index is discontinued, or if the basis of calculating the Index is materially changed, then Lessor and Lessee shall substitute for the Index comparable statistics as computed by an agency of the United States Government or, if none, by a substantial and responsible periodical or publication of recognized authority most closely approximating the result which would have been achieved by the Index.

Section 9. Lessor’s Right to Perform Lessee’s Covenants

9.1 If Lessee at any time fails to pay any Tax in accordance with the provisions of this Lease or fails to make any other payment (other than Rent) or perform any other material act on its part to be made or performed (in each instance, to the extent applicable, within the applicable notice and cure periods provided in this Lease), then Lessor may (but shall be under no obligation to):

9.1.1 Obtain the same on Lessee’s behalf, and without waiving or releasing Lessee from any obligation of Lessee contained in this Lease or from any default by Lessee and without waiving Lessor’s right to take such action as may be permissible under this Lease as a result of such default, and after Lessee’s failure to obtain any required liability insurance or evidence thereof, procure such insurance and Lessee shall pay to Lessor the actual costs and expenses thereof as applicable to that period of time between the expiration of such notice and the date upon which Lessee provides such certificate or evidence of liability insurance to Lessee as required hereinafore, and any actual costs incurred by Lessor in obtaining or terminating its procured insurance; and/or

9.1.2 After ten (10) days prior written notice to Lessee which specifies what action is required, perform the same on Lessee’s behalf, make any other payment or perform any other act on Lessee’s part to be made or performed as provided in this Lease.

9.2 All sums so paid by Lessor and all actual costs and expenses incurred by Lessor, in connection with the performance of any such act, shall constitute Additional Rent payable by Lessee under this Lease and shall be paid by Lessee to Lessor on demand.

Section 10. Compliance with Legal Requirements

10.1 Throughout the Lease Term Lessee shall promptly comply with all Legal Requirements (as defined in Section 4.2). To the extent that there is any change in Legal Requirements such that the Permitted Use is no longer a lawful use of the Premises, Lessee may
terminate this Lease upon delivery of written notice to Lessor. Lessee shall pay all costs of compliance with Legal Requirements.

10.2 Lessee shall have the right, after prior written notice to Lessor, to contest by appropriate legal proceedings, diligently conducted in good faith, in the name of Lessee or Lessor or both, without cost or expense to Lessor, the validity or application of any Legal Requirement subject to the following:

10.2.1 If, by the terms of any Legal Requirement, compliance may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien, charge, or liability of any kind against all or any part of the Premises and without subjecting Lessor to any liability, civil or criminal, for failure to comply, Lessee may delay compliance until the final determination of such proceeding; or

10.2.2 If any lien, charge, or civil liability would be incurred by reason of any such delay, Lessee nevertheless may contest the matter and delay compliance, provided that such delay would not subject Lessor to criminal or civil liability or fine, and Lessee prosecutes the contest with due diligence.

10.3 Lessor shall execute and deliver any appropriate papers, as determined in the Lessor’s sole discretion, that may be necessary, proper or desirable to permit Lessee to contest the validity or application of any Legal Requirement, provided all the requirements of this section have been satisfied by Lessee.

10.4 Each party shall promptly provide the other party, in the manner provided in Section 31 below, copies of all material correspondence or other documents sent to or received from governmental agencies or other persons: (i) relating to Lessee’s development of the Premises; and/or (ii) that may materially adversely affect the fair market value of the Premises.

10.5 Lessor represents and warrants to Lessee, that as of the Commencement Date and as of the Premises Turnover Date:

10.5.1 Lessor shall not during the Lease Term initiate any action that would create any encumbrances except for taxes, assessments and fees imposed pursuant to California Constitution Articles XII C and D (or other applicable laws), that would adversely affect Lessee’s use, operation or occupancy of the Premises.

10.5.2 All persons and entities supplying labor, materials, and equipment to the Premises have been paid, there are no claims of liens and there are no service contracts applicable to the Premises.

10.5.3 To the best of Lessor’s knowledge there is no action in the nature of litigation, claim, investigation or other proceeding pending or to Lessor’s best knowledge, threatened against or affecting the Premises, the use thereof, or Lessor, or if there is, then Lessor shall promptly disclose such matter to Lessee.

10.5.4 Lessor has not committed nor obligated itself in any manner whatsoever to sell or lease the Premises to any person other than Lessee. Without limiting the generality of the
foregoing, no right of first refusal regarding the Premises exists. Lessor will not, prior to the Premises Turnover Date, offer to or enter into any backup or contingent option or other agreement to sell or lease the Premises to any other person.

10.5.5 There is an existing agreement with a company to operate and manage the Property (the “Management Agreement”), but the Lessor shall by the expiration of the Due Diligence Period provide Lessee with reasonable evidence that as of the Commencement Date and as of the Premises Turnover Date, such Management Agreement shall have been terminated with respect to the Leased Premises, and that there are no leases, tenancies, rental agreements or entitlements or use agreements, or unrecorded restrictive covenants affecting all or any portion of the Premises except for the Permitted Exceptions.

10.5.6 Lessor is not a foreign person, nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the Internal Revenue Code and the Income Tax Regulations promulgated thereunder.

10.5.7 Lessor has made no untrue statements or representations in connection with this Lease.

10.5.8 Lessor has to the best of its knowledge provided or made available to Lessee all information in Lessor’s possession that Lessee has requested, and Lessor to the best of its knowledge has provided or made available to Lessee any public information or knowledge actually obtained by Lessor of any change contemplated in any applicable laws, ordinances or restrictions, or any judicial or administrative action, or any action by adjacent landowners, or natural or artificial condition, financial or otherwise, which would prevent, limit or impede the use of the Premises as contemplated by this Lease.

10.5.9 All documents delivered or made available to Lessee by or on behalf of Lessor are to the best or Lessor’s knowledge true and correct copies of the documents in Lessor’s possession.

10.5.10 Prior to the Premises Turnover Date, and except as otherwise provided in this Lease, Lessor has: (i) performed all of its obligations under any lien indebtedness, and (ii) except as expressly permitted by this Lease, not allowed any lien to attach to the Premises or any portion thereof which is not discharged at the Premises Turnover Date, nor granted, created, modified or permitted the creation of, any easement, right-of-way, encumbrance, restriction or covenant affecting the Premises or any part thereof.

10.5.11 To Lessor’s actual knowledge, except as may be contained in the written materials delivered or made available to Lessee during the Due Diligence Period, Lessor is not aware of the existence of Hazardous Substances (as defined in Section 42), at the Property. For purposes of this Section 10.5.11, the phrase “actual knowledge” shall mean the present, actual knowledge of the City Manager (“Lessor’s Designated Representative”) with no duty of investigation, inquiry or inspection. In no event shall Lessee be entitled to assert any cause of action against Lessor’s Designated Representative, nor shall such individual have any personal liability whatsoever for any matter under or related to this Lease. Lessor represents and warrants
that Lessor's Designated Representative is the City Manager and the person on behalf of Lessor most knowledgeable about the matters which are the subject of this Section.

Section 11. Operation, Repairs and Maintenance

11.1 Lessee shall maintain and repair or cause to be maintained and repaired the Premises and any Premises Improvements Lessee constructs on the Premises, and off the Premises but in conjunction with the development of the Premises and that Lessee is required by Legal Requirements to maintain, as necessary to keep them in first-class order, condition, and repair throughout the entire Lease Term after the Premises Turnover Date, at no cost to Lessor, provided that during the periods that Topgolf is operating the Premises, this condition shall be satisfied by keeping the Premises in a condition substantially comparable to other facilities currently being operated by Topgolf. Lessor and Lessee agree that wherever in this Lease an obligation is imposed on Lessee, Lessee, without being released from any of its obligations under this Lease or requiring that the City pursue any party other than Lessee for performance of such obligations, shall have the right to delegate responsibility for performing such obligations and will delegate such responsibility for performing such obligations to Topgolf or to any other occupant of the entire Premises approved by Lessor under Section 18 of this Lease (an “Operator”) and performance of such obligation by Topgolf or the Operator in accordance with the terms of this Lease shall be deemed performance by Lessee.

11.2 During the Lease term (i) Lessee shall operate or cause to be operated the ground level (or other suitable portion) of the Premises Improvements as a driving range open for business seven days a week from at least 6:00 a.m. until at least 9:00 p.m., other than on any Specified Holidays and (ii) the remainder of the Premises Improvements, such that the same are open for business seven days a week from at least 9:00 a.m. until at least 9:00 p.m., other than on any Specified Holidays (“Continuous Operation Requirement”). The only exception to these requirements shall be during periods of damage or destruction, condemnation, or when Lessee is conducting alterations, routine repairs, maintenance and upgrades to the facilities and in such cases Lessee shall work diligently to minimize the number of hours and/or days that the driving range and/or restaurant are not open during the Continuous Operation Requirement. For purposes hereof, "Specified Holidays" means collectively, the following holidays: New Year’s Day, President’s Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. Notwithstanding anything to the contrary contained or implied in this Lease, in the event that at any time after the expiration of the Operating Period the Lessee provides written notice that the Premises will not be operated by Topgolf or another Operator for the Permitted Use (a “Non-Operation Notice”), then Lessee shall not be deemed to be in default so long as (i) it is paying Rent and any other sums owing the Lessor hereunder in a timely manner, and (ii) Lessee either terminates this Lease as provided below or reopens the Premises for business to the public, in either event within two (2) years after any Non-Operation Notice (provided that any replacement Operator of the driving range is approved by Lessor pursuant to Section 18 hereof). Following receipt of the Non-Operation Notice, Lessor may notify Lessee that Lessor has elected to operate the driving range or cause the driving range to be operated on an interim basis during the period that the Premises is not open for business to the public, then Lessor shall then operate the driving range or cause the driving range to be operated during the time period set forth in Lessor’s notice in accordance with the standards of operation set forth in this Lease until such time as Lessee finds a new Operator for the Premises. In the event that Lessor elects to operate the driving range as set
forth above, Lessor shall operate the driving range pursuant to a month to month sublease in form and content reasonably acceptable to Lessor, Lessee and Topgolf, which shall provide, among other things, for (i) the reduction of the Fixed Rent in an amount equal to the monthly net revenues that Lessor derives from its operation of the Premises (i.e. the aggregate gross revenues received by Lessor in connection with the operation of the driving range minus all reasonable third party out of pocket costs incurred by Lessor in connection with the operation of the driving range, as evidenced by monthly income and expense reports and other reasonable back-up information reasonably requested by Lessee and/or Topgolf delivered to Lessee and Topgolf by Lessor along with the monthly rental payments), and (ii) the right of termination by Lessee or Lessor of the sublease upon thirty business days’ prior written notice upon Lessee identifying an Operator that will sublease the Premises and operate the same for the Permitted Use. Notwithstanding anything herein to the contrary, in no event during Lessor’s operation of the Premises shall Lessor utilize any proprietary equipment and/or other proprietary elements of Topgolf’s business, including, without limitation, computer hardware and software and other intellecction property, located upon or about the Premises.

Following the expiration of the Operating Period, including during the two year period following delivery of the Non-Operation Notice, the Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to Lessor and shall be obligated to pay Rent and all other sums due through the date of the termination of this Lease and no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive a termination of this Lease.

11.3 Lessee shall make driving bays available for youth sports and provide a ten percent (10%) discount on golf charges for residents of the City of El Segundo that have City of El Segundo Parks and Recreation Identification Cards. This discount will be in addition to all other golfing discounts offered by Lessee such as the twenty percent (20%) golf discount offered to senior citizens and active military personnel.

11.4 During such times that Topgolf is the operator, it shall: (a) between the hours of 6:00 a.m. and 12:00 p.m. on Monday through Friday, and 6:00 a.m. and 9:00 a.m. on Saturday and Sunday, allow City of El Segundo residents that have a Parks and Recreation Card to use the portion of the Premises identified in Section 11.2(i) of this Agreement for driving range use, and charged a fee, less the applicable discounts identified in Section 11.3, that is consistent with fees charged by other driving ranges in Los Angeles County that are open to the public and that are maintained in a similar first class condition; (b) provide discounted monthly user access cards for frequent customers similar to those provided at other Topgolf facilities; (c) promote youth and junior golf programs, including but not limited to allowing the “Good Swings Happen” program to continue as well as associated camps, programs and lessons for junior and youth golfers and allow use of the driving range for such groups on the Premises at rates commensurate with those currently charged to youth groups utilizing the driving range which rates may be adjusted on an annual basis using the Los Angeles Area Consumer Price Index for All Urban Consumers; (d) employ or contract with golf professionals (at salaries or rates commensurate with amounts paid to golf professionals in Los Angeles County), including using a good faith effort to employ or contract with those golf professionals currently providing lessons and services on the Property, subject to the parties reaching mutually acceptable employment terms and Topgolf’s receipt of required employment and wage documentation from each prospective hire (Topgolf agrees to use
good faith efforts to consider employment terms commensurate with employment terms offered to similarly suited professionals in Los Angeles County), to continue to provide lessons and services in a similar manner as they are currently provided on the Property; including using a good faith effort to employ or contract with two golf professionals that are currently providing services on the Property during the time period between the Initial Term and Premises Turnover Date; (e) if the Site Plan (including the parking layout) will allow, use commercially reasonable efforts to include a putting practice element on the Premises to replace the existing putting practice element on the Property; (f) allow junior high school and high school players attending schools located in El Segundo and Manhattan Beach to use the portion of the Premises used as a driving range between the hours of 2:30 p.m. and 5:30 p.m. at no charge when such is a formal school practice event and at a rate commensurate with fees charged by other driving ranges open to the public that are maintained in a first class condition when they are practicing at other times (provided that such times are prior to 7:00 p.m. local time); and, (g) use commercially reasonable efforts to introduce the game of golf to a wider audience and work with PGA of America, PGA of Southern California, and the SCGA in this regard.

11.5 Lessor shall not be required to furnish to Lessee any facilities or services of any kind whatsoever during the Lease Term, including but not limited to, water, steam heat, gas, hot water, electricity, light, and power. Lessor shall in no event be required to make any alterations, rebuildings, replacements, changes, additions, improvements, or repairs to the Premises during the Lease Term.

11.6 Lessor assigns to Lessee such rights, if any, as Lessor may have against any parties causing damage during the Lease Term to any Premises Improvements on the Premises, to sue for and recover amounts expended by Lessee as a result of such damage.

Section 12. Development of the Golf Course Premises; Premises Improvements

12.1 Promptly following the Premises Turnover Date, Lessee shall at no cost or expense to Lessor modify and demolish, as necessary, and improve (or cause to be modified and demolished, as necessary, and improved) the Golf Course and Premises in accordance with the Golf Course Improvements and Premises Improvements as set forth in this Lease, and diligently prosecute the same to completion, provided that the Golf Course Improvements and Premises Improvements shall be substantially in accordance with the Plans and Specifications approved by Lessor as provided in this Lease, all applicable laws, building regulations, and other applicable restrictions on the use of the Premises, and further provided that Lessee shall be responsible for obtaining, at no cost or expense to Lessor, all governing and regulatory agency approvals and permits that may be required in connection with such Golf Course and Premises Improvements. Notwithstanding the foregoing, in the event that Topgolf defaults in its construction obligations under its Sublease with Lessee after the expiration of any applicable notice and cure periods set forth in this Lease, which would also constitute a default by Lessee, Lessee shall have the right in its sole and absolute discretion to either: (a) complete the Premises Improvements as provided above, or (b) terminate this Lease and return the Golf Course and Premises to the same or better condition as they were in on the Premises Turnover Date. Lessee shall not be relieved of any obligation to pay Rent or any other payment in the event of any such default by Topgolf or any other default hereunder by Lessee unless and until this Lease is terminated as set forth above in (b) and the Lessor is in possession of the Golf Course and the Premises and both have been returned to the same or better
condition as they existed prior to the Premises Turnover Date. No action by Lessee to complete the Premises Improvements shall alter or diminish the Topgolf Guarantors Guaranties. All improvements to the Golf Course and the Premises shall be completed within ten (10) months of the Premises Turnover Date, subject to events of Force Majeure and delays caused by Lessor.

12.2 Lessor and Lessee shall meet and attempt to agree on a plan, including but not limited to addressing any and all construction, operational and liability issues, that would result in keeping the Golf Course, or portions thereof, open for business during the construction of the Golf Course Improvements and the Premises Improvements, and Lessee shall be entitled to retain fifty percent (50%) of any net revenue resulting from the Golf Course operations for the period commencing on the Premises Turnover Date and ending on the Fixed Rent Commencement Date or until the Golf Course Improvements are completed and the Golf Course is capable of being operated in accordance with Section 4.1 of this Lease before the expiration of such ten month period. Notwithstanding the foregoing Lessee shall retain in its sole and absolute discretion the absolute and unconditional right to shut down the Golf Course operations or portions thereof at any time during the period commencing on the Premises Turnover Date and ending on the Fixed Rent Commencement Date. Within ninety (90) days after the Commencement Date, Lessee shall deliver to Lessor the conceptual Golf Course Improvement Plans and Specifications for Lessor’s approval as provided in Section 5.4 of this Lease.

12.3 Lessor shall review and approve the Plans and Specifications, such approval not to be unreasonably withheld, conditioned or delayed, and/or provide Lessee with its comments within thirty (30) days after Landlord’s receipt of the Plans and Specifications. If disapproved Lessee shall make all necessary revisions within ten (10) days after Lessee’s receipt thereof. This procedure will be repeated until Lessor ultimately approves the conceptual Plans and Specifications or until this Lease is terminated in accordance with Section 5.4 and/or 5.5 hereof. Notwithstanding the foregoing, the conceptual Plans and Specifications for the Premises Improvements shall be approved if they are consistent in all material respects with the Prototype Facility and all applicable zoning and building and safety laws and regulations, and the conceptual Plans and Specifications for the Golf Course Improvements shall be approved if they are consistent in all material respects with Exhibit “D” and all applicable zoning and building and safety laws and regulations.

Section 13. Title to Premises Improvements

Title to any Premises Improvements and any modifications, additions, restorations, repairs and replacements thereof hereafter placed or constructed by or through Lessee shall be and remain in Lessee until the expiration or termination of the Lease Term. On such expiration or sooner termination, title to any Premises Improvements shall automatically pass to, vest in, and belong to Lessor without further action on the part of either party and without cost or charge to Lessor in accordance with Section 26.2 hereof; provided, however, that no lien rights created or allowed by Lessee or any assignee or sublessee shall extend beyond the Lease Term. During the Lease Term, Lessee shall be entitled, for all taxation purposes, to claim cost recovery deductions and the like on any Premises Improvements.
Section 14. No Waste

Lessee shall not intentionally commit any material waste on or to the Premises.

Section 15. Inspection and Access

Lessor shall have the right to enter on the Premises and any Premises Improvements at all reasonable times during usual business hours upon not less than three (3) business days' notice for the purpose of preventing the creation of any prescriptive rights to any third person, allowing inspection by mortgagees, and, within one hundred eighty (180) days of the expiration of the Lease Term, Lessor shall have the right to enter the Premises for the purpose of showing the Premises to prospective lessees or purchasers. Notwithstanding anything to the contrary herein, any access given to Lessor to enter the Premises for the purposes explicitly stated above shall be subject to Lessee's reasonable security rules and regulations. Lessee reserves the right to accompany Lessor at all times during any entry by Lessor. Lessor shall use commercially reasonable efforts to minimize any interference with the day to day operations of the Premises in exercising any of its rights under this Section 15. In the event any subtenant has the right to abate rent, as a result of Lessor's activities under this Section 15, then Lessee shall be entitled to an abatement of Fixed Rent to the extent of such subtenant rent abatement, less any rent loss insurance proceeds received by Lessee, provided that Lessee has given Lessor prior written notice of the terms of such subtenant abatement rights.

Section 16. Lessor's and Lessee's Exculpation and Indemnity

16.1 After the Premises Turnover Date, Lessee is and shall be in exclusive control of the Premises and of any Premises Improvements, and except as otherwise provided herein, Lessor shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about the Premises or any Premises Improvements or any injury or damage to the Premises or any Premises Improvements or to any property, whether belonging to Lessee or to any other person, caused by any fire, flooding, earthquake, storm, act of God, terrorist act, breakage, leakage, defect, or bad condition in any part or portion of the Premises or of any Premises Improvements, or from steam, gas, electricity, water, or rain, that may leak into, or issue or flow from any part of the Premises or any Premises Improvements from the drains, pipes, or plumbing work of the same, or from the street, subsurface, or any place or quarter, or due to the use, misuse, or abuse of all or any of any Premises Improvements or from any kind of injury that may arise from any other cause whatsoever on the Premises or in or on any Premises Improvements, including defects in construction of any Premises Improvements, latent or otherwise. Notwithstanding the foregoing, Lessor shall indemnify, defend and hold harmless Lessee from and against all claims and all costs, expenses, and liabilities incurred in connection with all claims, including any action or proceeding brought thereon, arising from or as a result of: (i) any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person, as shall occur on or about the Premises prior to the Premises Turnover Date, except to the extent such is caused by the negligent or wrongful acts of the Lessee, (ii) any failure on the part of Lessor to perform or comply with any of the covenants, agreements, terms, provisions, conditions, or limitations contained in this Lease on its part to be performed or complied with, or (iii) any negligent act of Lessor or the agents, contractors, servants, or employees of Lessor. In case any action or proceeding is brought against Lessee by reason of any claims covered in this Section
16.1, Lessor on written notice from Lessee shall, at Lessor’s expense, resist or defend such action or proceeding by counsel approved by Lessee in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

16.2 To the extent not caused by the negligence or willful misconduct of Lessor or its official, officers, agents, employees or contractors, Lessee shall indemnify, defend and hold Lessor harmless for, from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable attorneys’ fees, that may be imposed on or incurred by or asserted against Lessor by reason of or in any way related to any of the following occurrences following the Premises Turnover Date:

16.2.1 Any work done in, on, or about all or any part of the Property by or on behalf of Lessee or Topgolf or any Premises Improvements related to the use, occupancy or development of the Property by or on behalf of Lessee or Topgolf;

16.2.2 Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Premises or any Premises Improvements;

16.2.3 Any negligence or willful misconduct on the part of Lessee or any of its agents, contractors, servants, employees, sublessees, licensees, or invitees;

16.2.4 Any accident, injury, or damage to any person or property occurring in, on, or about the Premises or any Premises Improvements; or

16.2.5 Any failure on the part of Lessee to perform or comply with any of the covenants, agreements, terms, provisions, conditions, or limitations contained in this Lease on its part to be performed or complied with.

16.3 [Intentionally Omitted]

16.4 In case any action or proceeding is brought against Lessor by reason of any claims covered in Section 16.2, Lessee on written notice from Lessor shall, at Lessee’s expense, resist or defend such action or proceeding by counsel approved by Lessor in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

16.5 If Lessor or Lessee asserts any claim against the other party by reason of the other party’s ownership interest, the party asserting the claim shall have no claim against the other party’s officers, directors, employees or agents.

16.6 The provisions of this Section 16 shall survive any termination of this Lease.

Section 17. Condemnation

17.1 If all the Premises and Premises Improvements are taken or condemned, by right of eminent domain or by purchase in lieu of condemnation, or if such portion of the Premises or any Premises Improvements shall be so taken or condemned that the portion remaining is not sufficient
and suitable for operation of a commercial driving range and restaurant, in Lessee’s reasonable judgment, to permit the restoration of any Premises Improvements following such taking or condemnation or for Lessee’s use of the Premises, then this Lease and the Lease Term, at Lessee’s option, shall cease and terminate as of the date on which the condemning authority takes possession or title (any taking or condemnation of the land described in this section being called a “Total Taking”), and the Fixed Rent and Additional Rent shall be apportioned and paid to the date of such Total Taking.

17.2 If this Lease expires and terminates as a result of a Total Taking, the rights and interests of the parties shall be determined as follows:

17.2.1 The total award or awards for the Total Taking shall be apportioned and paid to Lessee and Lessor in Proportionate Shares. For purposes hereof, the “Proportionate Shares” of Lessee and Lessor shall be expressed as a percentage of the whole and shall be calculated as of the date of the Total Taking, as follows: (i) Lessor’s Proportionate Share shall equal the percentage obtained by dividing the Land Value by the Aggregate Sum, and (ii) Lessee’s Proportionate Share shall equal the percentage obtained by dividing the Amortized Improvements Cost by the Aggregate Sum. In the event that the Golf Course is condemned then as between Lessor and Lessee (and the CenterCal Guarantor and the Topgolf Guarantors) any condemnation award with respect to the Golf Course or Golf Course Improvements shall be exclusively awarded to the City.

17.2.1.1 The term “Land Value” shall mean the fair market value of the land and the driving range improvements currently located thereon (prior to any development activity of Lessee or its sublessees or assigns) as determined as of the date of this Lease and without regard to this Lease, but encumbered by the License Agreement as the same may be amended pursuant to Section 5.4, the use restriction on the Premises imposed by Chevron in that certain Corporation Grant Deed form Chevron to Lessor, dated May 16, 1988 and recorded in the Official Records of Los Angeles County, California on May 24, 1988 as Instrument No. 88 826097 and any other liens or encumbrances existing as of the date of this Lease not including this Lease. Lessor and Lessee will work in good faith to agree upon the Land Value within 180 days from the Commencement Date. Each of Lessee and Lessor may, at its sole cost and expense, retain one or more appraisers or other valuation consultants to perform appraisals or other analyses of the Land Value and assist with the determination of the Land Value hereunder. Following the agreement of Lessor and Lessee with regard to the Land Value, such Land Value shall remain fixed and shall not be subject to adjustment hereunder.

17.2.1.2 The term “Amortized Improvements Cost” shall mean at a given point in time the then unamortized cost of the Premises Improvements (i.e. the aggregate cost of the Premises Improvements as amortized using 40 year straight line depreciation commencing on the date that rent commences under the Sublease with Topgolf El Segundo through the date of the Total Taking hereunder).

17.2.1.3 The term “Aggregate Sum” shall mean, at any given point in time, the sum of the Land Value and the Amortized Improvements Cost.
17.3 If, during the Lease Term, there is a taking or condemnation of the Premises or any Premises Improvements that is not a Total Taking and not a temporary taking of the kind described below, or if there is a change in the grade of the streets or avenues on which the Premises abuts, this Lease and the Lease Term shall not cease or terminate, but shall remain in full force and effect with respect to the portion of the Premises and of any Premises Improvements not taken or condemned (any taking or condemnation or change of grade of the kind described in this section being referred to as a “Partial Taking”), and in such event:

17.3.1 The total award or awards for the taking shall be apportioned and paid to Lessee and Lessor in Proportionate Shares (as calculated as of the date of the Partial Taking).

17.3.2 Following any such taking or condemnation, Rent shall be equitably abated based on the portion of the Premises taken.

17.4 In the event of a taking of all or a part of the Premises or any Premises Improvements for temporary use, this Lease shall continue without change, as between Lessor and Lessee, and Lessee shall be entitled to the entire award made for such use; provided that Lessee shall be entitled to file and prosecute any claim against the condemnor for damages and to recover the same, for any negligent use, waste, or injury to the Premises or any Premises Improvements throughout the balance of the then-current Lease Term. The amount of damages so recovered shall belong to Lessee.

17.5 In the event of any dispute between Lessee and Lessor regarding any issue of fact arising out of a Taking mentioned in this Section 17, such dispute shall be resolved by the same court in which the condemnation action is brought, in such proceedings as may be appropriate for adjudicating the dispute.

Section 18. Assignment and Sublease

18.1 Lessee shall have the right, to assign this Lease or any interest therein, and shall further have the right to sublease or sublet all or any portion or portions of the Premises or any interest therein, with the Lessor’s consent which may be withheld in the Lessor’s reasonable discretion based upon the financial strength of the proposed assignee or subtenant and its experience in operating commercial driving ranges and restaurants. Any such assignment or subletting by Lessee shall also be subject to all the following provisions:

18.1.1 Lessee shall not then be in default under this Lease beyond the expiration of any applicable notice and cure period;

18.1.2 The assignee of Lessee shall expressly assume in writing all of Lessee’s obligations hereunder from and after the effective date of any such assignment;

18.1.3 Any sublease shall be subject to the terms and provisions of this Lease with respect to such subtenant’s or occupant’s use and occupancy of the premises in question and shall not work to alter any term or condition of this Lease;

18.1.4 Except as provided hereinbelow, no such subleasing or assignment shall relieve Lessee from liability for payment of Rent herein provided or from the obligations to
observe and be bound by the terms, conditions, and covenants of this Lease. No transfer of corporate shares of Lessee, if Lessee is a corporation, unless such transfer of shares will result in a change in the present voting control of the Lessee by the person or persons owning a majority of said corporate shares on the date of this Lease, shall constitute an assignment and be subject to the conditions of this Section 18.2. Notwithstanding the foregoing, after completion of the Golf Course Improvements and the Premises Improvements and payment of all Rent owing as of the effective date of the assignment, Lessee shall be released from any and all further liabilities under this Lease from and after the effective date of an assignment of this Lease to either: (i) an assignee entity, that is not a so called “special purpose entity,” which has a net current worth and net tangible assets at the time of the assignment, determined according to generally accepted accounting principles consistently applied, of not less than Ten Million Dollars ($10,000,000.00) in Constant Dollars as defined in Section 8, or (ii) an approved assignee entity (as provided above), that is a so called “special purpose entity,” which is able to demonstrate to Lessor’s reasonable satisfaction the prospective financial ability and fiscal resources (which may include, but shall not be limited to, the cash flow from the business operations conducted or to be conducted on the Premises) to fulfill the monetary obligations of Lessee under this Lease; so long as the assignee also has significant experience in operating a commercial driving range and restaurant. Lessee’s release from liability pursuant to subsection (ii) of this Section 18.2.4 (i) shall be effective only if Lessee provides Lessor within thirty (30) days of request therefor a copy of the assignment and reasonable evidence of the assignee’s qualifications hereunder (and Lessor shall have sixty (60) days thereafter to review such evidence and render a reasonable determination in writing to the Lessee); and

18.1.5 Provided that Lessee, within sixty (60) days following final execution of any sublease or other occupancy agreement for the Premises, provides Lessor with a copy of such sublease or occupancy agreement certified by Lessee to be a true and correct copy thereof, and further provided that Lessee does not thereafter amend such sublease or occupancy agreement without providing to Lessor a similar certification within sixty (60) days following final execution thereof along with a copy of the sublease or occupancy agreement as amended as well as such other and further documentation that is reasonable and necessary to adequately review the financial strength and experience of the proposed sublessee, Lessor shall have sixty (60) days to provide written notice to Lessor of its approval or rejection of such sublease or other occupancy agreement. If Lessor approves of such subtenant or other occupancy agreement, within sixty (60) days following Lessee’s written request therefor, Lessor shall execute such other documents or instruments as may be reasonably requested by any subtenant or occupant of the Premises affirming and evidencing Lessor’s recognition of the sublease or occupancy agreement in question as provided hereinabove so long as: (i) the term of the sublease, inclusive of renewal options, shall not exceed the Lease Term, (ii) the subtenant’s permitted use is not in violation of Section 4 hereof, and (iii) the subtenant certifies that the sublease is subject to the terms and provisions of this Lease with respect to such subtenant’s or occupant’s use and occupancy of the premises in question.

Notwithstanding the foregoing, the sublease of the Premises to Topgolf El Segundo shall prohibit the assignment of the Sublease by Topgolf El Segundo until the expiration of the Operating Period, except in connection with a “Permitted Topgolf Transfer” (as such term is hereinafter defined). Topgolf El Segundo shall have the right at any time to assign the Sublease without the consent of Lessor or Lessee to: (a) any business entity which may, as the result of a reorganization, merger, consolidation, or sale of assets succeed to substantially all of the business
carried on by TGI, (b) any affiliate of TGI ("Affiliate" means any entity directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with TGI. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of TGI, whether through the ownership of voting securities, by contract or otherwise), (c) any entity which may, as a result of a reorganization, merger, consolidation or sale of assets, succeed to substantially all of the Topgolf business now carried on by TGI, and (d) any entity which acquires 50% or more of the issued and outstanding voting stock or ownership interests (or such lesser percentage as shall be sufficient to acquire voting control) of Topgolf El Segundo or of the corporation or other entity which controls Topgolf El Segundo. Each of the above (a) through (d) referred to herein is a "Permitted Topgolf Transfer."

Lessor hereby approves the sublease of the Premises to Topgolf El Segundo so long as such Sublease does not alter the terms or conditions of this Lease. Lessor also agrees that in the event that Lessor terminates this Lease as a result of any Event of Default by Lessee, it shall deliver written notice to Topgolf Guarantors and Topgolf of such termination and shall provide Topgolf with thirty (30) days in which to determine whether to enter into a lease of the Premises on the identical rental and other terms and conditions as this Lease (and Lessor shall afford Topgolf the opportunity to enter into such lease during such thirty (30) day period) which shall take effect immediately upon termination of this Lease; provided that (i) in connection with its execution and delivery of such lease, Topgolf Guarantor or Topgolf pays Lessor any unpaid Rent owing by Lessee to Lessor under this Lease (as determined without regard to any acceleration of or addition to any such Rents pursuant to Section 20.2.4 hereof) and cures any existing defaults that are capable of being cured by a person or entity other than the Lessee or CenterCal Guarantor, and (ii) in the event that Lessee disputes any such termination of this Lease, and Lessor and/or Lessee bring legal action to determine its rights hereunder, Topgolf (and Operator) shall have the right to continue to occupy the Premises during the pendency of such legal action (provided they continue to pay Rent and other sums to Lessor as they become due hereunder, as determined without regard to any acceleration or addition to Rents pursuant to Section 20.2.4 hereof) and Lessor shall provide Topgolf Guarantors or Topgolf, as applicable, the right to enter into the new lease as described above during the thirty (30) day period after a court of competent jurisdiction determines that this Lease has terminated or Lessee agrees or otherwise concludes that this Lease has terminated.

18.2 If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 USC § 101, et seq. (the "Bankruptcy Code"), any and all monies or other consideration payable or otherwise to be delivered to Lessor shall (subject to the Bankruptcy Code) be and remain the exclusive property of Lessor and shall not constitute property of Lessee within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Lessor’s property under the preceding sentence not paid or delivered to Lessor shall be held in trust for the benefit of Lessor and be promptly paid or delivered to Lessor. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to assume all of the obligations arising under this Lease. Any such assignee shall upon demand execute and deliver to Lessor an instrument confirming such assumption.
18.3 The exercise of any right or other action under this Section 18 shall not diminish or alter the obligations of Topgolf Guarantors or CenterCal Guarantor under their respective guaranties.

Section 19. Lessor Default; Remedies

19.1 If Lessor, whether by action or inaction, is in default of any of its obligations under this Lease and such default continues and is not remedied within thirty (30) days after Lessee has given Lessor written notice of the same (or, in the case of a default that can be cured but not within such period of thirty (30) days, if Lessor has not: (i) commenced curing such default within such thirty (30) day period, (ii) notified Lessee within such thirty (30) day period of Lessor’s intention to cure the default, and (iii) continuously and diligently completed the cure of the default), except as otherwise expressly set forth in this Lease Lessee shall be entitled to pursue any right or remedy available to Lessee under this Lease, at law or in equity, including, without limitation: (a) the right to specific performance, and (b) the right to cure such default and deduct the cost of curing such default from the Rent payable under this Lease.

19.2 No failure by Lessee to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent on a breach, and no payment of Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessor, and no breach by Lessor, shall be waived, altered, or modified, except by a written instrument executed by Lessee. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach.

19.3 Each right and remedy provided for in this Lease in favor of Lessee shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lessee of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, shall not preclude the simultaneous or later exercise by the party in question of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 20. Lessee Default; Remedies

20.1 The occurrence of any one or more of the following shall constitute a breach of this Lease by Lessee and an “Event of Default”:

20.1.1 If Lessee defaults in the payment of Rent or any other payment due and payable by Lessee or the provision of insurance, and such default continues for ten (10) days after Lessor has given Lessee a written notice specifying the same; or
20.1.2 If Lessee, whether by action or inaction, is in default of any of its obligations under this Lease (other than a default in the payment of Rent or the provision of insurance by Lessee) and such default continues and is not remedied within thirty (30) days after Lessor has given Lessee a written notice specifying the same, or, in the case of a default that can be cured but not within a period of thirty (30) days, if Lessee has not: (i) commenced curing such default within such thirty (30) day period, (ii) notified Lessor of Lessee’s intention to cure the default, and (iii) continuously and diligently completed the cure of the default, not to exceed five (5) months with respect to a failure to comply with the Continuous Operation Requirement. For purposes of this provision, except for the Continuous Operation Requirement, the filing of and diligent prosecution of successful litigation by Lessee against any sublessee to effect such cure (including any such litigation to gain possession of the Premises from Topgolf or its successor) shall constitute commencement of and continuous and diligent completion of cure of default so long as Rent is paid when due hereunder.

20.2 On the occurrence of an Event of Default and subject to Lessor’s obligations as provided under this Lease and under California law to mitigate Lessor’s damages, Lessor shall be entitled to pursue any right or remedy available to Lessor under this Lease, at law or in equity, including, without limitation: (a) the right to specific performance, and (b) any one or more of the remedies set forth in this section or any other remedy specifically set forth in this Lease.

20.2.1 Subject to Section 20.2.3, Lessor or Lessor’s agents and employees may immediately, or at any time thereafter, reenter the Premises either by summary eviction proceedings or by any available action or proceeding at law or equity, without being liable to indictment, prosecution, or damages (except for any damages caused by their negligence or willful misconduct), and may repossess the same, and may remove any person from the Premises, to the end that Lessor may have, hold, and enjoy the Premises.

20.2.2 Lessor may relet the whole or any part of the Premises from time to time, either in the name of Lessor or otherwise, to such lessees, for such terms ending before, on, or after the termination of the Lease.

20.2.3 Whether or not Lessor retakes possession or relets the Premises, Lessor has the right to recover its damages, including, without limitation, all lost rentals, all reasonable costs incurred by Lessor in restoring the Premises or otherwise preparing the Premises for reletting, and all reasonable costs incurred by Lessor in reletting the Premises.

20.2.4 To the extent permitted under California law: (i) Lessor may sue periodically for damages as they accrue without barring a later action for further damages; and (ii) Lessor may, in one action, recover accrued damages plus damages attributable to the remaining Lease Term equal to the difference between the Rent reserved in this Lease for the balance of the Lease Term after the time of award, and the fair rental value of the Premises for the same period, discounted at the time of award at a reasonable rate not to exceed twelve percent (12%) per annum. To avoid a multiplicity of actions, Lessor may obtain a decree of specific performance requiring Lessee to pay the damages stated in Sections 20.2.3 and 20.2.4 as they accrue.

20.2.5 Termination of this Lease shall not constitute a waiver of Lessor’s other remedies nor an election of remedies.
20.3 No failure by Lessor to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent on a breach, and no acceptance of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, shall be waived, altered, or modified, except by a written instrument executed by Lessor. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach.

20.4 Each right and remedy provided for in this Lease in favor of Lessor shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, shall not preclude the simultaneous or later exercise by the party in question of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 21. No Abatement of Rent; Encroachments

21.1 Except as otherwise specifically provided in this Lease, no abatement, refund, diminution, or reduction of Rent or other compensation shall be claimed by or allowed to Lessee, or any person claiming under it.

21.2 Unless directly or indirectly caused by or on behalf of Lessor, if any adjoining building or structure encroaches on the Premises, no claim, demand, or objection of any kind shall be made by Lessee against Lessor by reason of such encroachments and no claim for abatement of Rent due under this Lease shall be made by reason of such encroachments or acts of, or in connection with, removal of the encroachments. The rights, liabilities, and obligations of the parties shall be the same as if there were no encroachments. In any related legal proceedings, the Premises may properly and without prejudice be described according to the description previously used without reference to any such encroachments. Lessor agrees to fully cooperate at Lessee's expense with Lessee in any proceedings sought by Lessee to remove such encroachments.

Section 22. Leasehold Mortgages

22.1 Lessee shall have the right, in addition to any other rights granted and without any requirement to obtain Lessor's consent, to mortgage or grant a security interest in Lessee's interest in this Lease and the Premises and the Premises Improvements and any subleases, under one or more leasehold mortgages or pursuant to a sale-leaseback financing arrangement to one or more "Lending Institutions" (as defined in Section 22.2), and/or under one or more purchase-money leasehold mortgages, and to assign this Lease and any subleases as collateral security for such leasehold mortgages or pursuant to the sale-leaseback financing arrangement, on the condition that all rights acquired under such leasehold mortgages or pursuant to the sale-leaseback financing arrangement shall be subject to each and all of the covenants, conditions, and restrictions set forth in this Lease and to all rights and interests of Lessor, none of which covenants, conditions,
22.2 Any mortgage or sale-leaseback financing arrangement made pursuant to this section is referred to as a "Permitted Leasehold Mortgage," and the holder of or secured party under a Permitted Leasehold Mortgage is referred to as a "Permitted Leasehold Mortgagee." The Permitted Leasehold Mortgage that is prior in lien or interest among those in effect is referred to as the "First Leasehold Mortgage," and the holder of or secured party under the First Leasehold Mortgage is referred to as the "First Leasehold Mortgagee." For the purposes of any rights created under this section, any so-called wraparound lender shall be considered a First Leasehold Mortgagee. If a First Leasehold Mortgage and a Permitted Leasehold Mortgage that is second in priority in lien or interest among those in effect are both held by the same Permitted Leasehold Mortgagee, the two Permitted Leasehold Mortgages are collectively referred to as the "First Leasehold Mortgage." A Permitted Leasehold Mortgage includes, without limitation, mortgages and trust deeds as well as financing statements, security agreements, sale-leaseback instrumentation, and other documentation that the lender may require. The words "Lending Institution," as used in this Lease, mean any commercial, national, or savings bank, savings and loan association, trust company, pension trust, foundation, or insurance company, and any other entity, person, corporation or partnership making a loan on the security of Lessee's interest in this Lease or all or any part of the Premises Improvements.

22.3 If a Permitted Leasehold Mortgagee sends to Lessor written notice specifying the name and address of the Permitted Leasehold Mortgagee, then provided this Lease is still in effect and as long as such Permitted Leasehold Mortgage remains unsatisfied of record or until written notice of satisfaction is given by the holder to Lessor, the following provisions shall apply (in respect of such Permitted Leasehold Mortgage and of any other Permitted Leasehold Mortgages):

22.3.1 There shall be no amendment, or modification, except those explicitly contemplated by this Lease, of this Lease without in each case the prior consent in writing of the Permitted Leasehold Mortgagee and the Subtenant under the Sublease described in Section 5.4(iv). Nor shall any merger result from the acquisition by, or devotion on, any one entity of the fee and the leasehold estates in the Premises.

22.3.2 Lessor shall, upon delivering Lessee any notice, whether of default or any other matter, simultaneously deliver a copy of such notice to the Permitted Leasehold Mortgagee, and no such notice to Lessee shall be deemed delivered unless a copy is so delivered to the Permitted Leasehold Mortgagee in the manner provided in this Lease for giving notices.

22.3.3 In the event of any default by Lessee under this Lease, each Permitted Leasehold Mortgagee shall have the same concurrent period as Lessee has to remedy or cause to be remedied or commence to remedy and complete the remedy of the default complained of for such default, and Lessor shall accept such performance by or at the instigation of such Permitted Leasehold Mortgagee as if the same had been done by Lessee. Each notice of monetary default given by Lessor will state the amounts of whatever Rent or other payments are then claimed to be in default. Nothing herein shall require any Permitted Leasehold Mortgagee to cure any Event of Default. No such cure shall constitute an assumption of any liability by such Permitted Leasehold
Mortgagee (unless the Permitted Leasehold Mortgagee assumes this Lease or enters into a new lease with Lessor in their respective sole discretion) unless a liability arises directly from a negligent or wrongful act of the Permitted Leasehold Mortgagee and in such a case the Permitted Leasehold Mortgagee shall have the obligation to defend and indemnify the Lessor consistent with the Lessee’s obligation to defend and indemnify Lessor, nor prejudice the right of such Permitted Leasehold Mortgagee and/or Lessee to later contest or continue to contest the validity of the claim of the Event of Default.

22.3.4 Lessor agrees that the name of the Permitted Leasehold Mortgagee may be added to the “Loss Payable Endorsement” of any and all insurance policies required to be carried by Lessee.

22.3.5 Except as otherwise explicitly provided in this Lease, no liability for the payment of Rent or the performance of any of Lessee’s covenants and agreements shall attach to or be imposed on the Permitted Leasehold Mortgagee (other than any obligations expressly assumed by the Permitted Leasehold Mortgagee), all such liability (other than any obligations expressly assumed by the Permitted Leasehold Mortgagee) being expressly waived by Lessor.

22.3.6 Lessor, within thirty (30) days after a request in writing by Lessee or any Permitted Leasehold Mortgagee, shall furnish a written statement, duly acknowledged, that this Lease is in full force and effect and unamended, or if there are any amendments, such statement will specify the amendments, and that there are no defaults by Lessee that are known to Lessor, or if there are any known defaults, such statement shall specify the defaults Lessor claims exist.

22.3.7 Intentionally Omitted

22.3.8 Attornment

Lessor, on request, shall execute, acknowledge, and deliver to each Permitted Leasehold Mortgagee an agreement prepared at the sole cost and expense of Lessee, in form satisfactory to the Permitted Leasehold Mortgagee and Lessor, among Lessor, Lessee, and the Permitted Leasehold Mortgagee, agreeing to all the provisions of this section. Lessor shall attorn to any Permitted Leasehold Mortgagee or any other person who becomes Lessee by, through, or under a Permitted Leasehold Mortgage, to the extent such is consistent with Section 18.1.5 and as long as (i) all Rent and other monetary payments due under this Lease have been made; and (ii) the Permitted Leasehold Mortgage has sufficient net worth, subject to the reasonable approval of the Lessor, to operate the driving range and restaurant on the Premises.

22.3.9 Lessor shall at no time be required to subordinate its interest in the Premises to the lien of any leasehold mortgage, including any Permitted Leasehold Mortgage, nor to mortgage its fee simple interest in the Premises as collateral or additional security for any leasehold mortgage, including any Permitted Leasehold Mortgage.

22.3.10 If following completion of the Golf Course Improvements and the Premises Improvements Lessee is declared bankrupt or insolvent and this Lease is thereafter lawfully canceled or rejected, Lessor shall to the extent permitted by law promptly execute a new lease with Topgolf El Segundo under the identical terms and conditions as this Lease, provided (i) all Rent and other monetary payments due under this Lease have been made; (ii) all defaults that
are capable of being cured by a person or entity other than the Lessee or CenterCal Guarantor have been cured, and (ii) the replacement lessee or a guarantor of its obligations hereunder has a net worth of at least $10,000,000.00.

22.3.11 If Lessor declares bankruptcy and Lessor’s bankruptcy trustee rejects this Lease when there is a Permitted Leasehold Mortgagee, Lessee’s right to elect to terminate this Lease or to retain its rights pursuant to 11 USC § 365(h)(1) shall be exercised by the Permitted Leasehold Mortgagee.

22.3.12 No filing of bankruptcy by Lessee, a sublessee, assignee, or Permitted Leasehold Mortgagee or any other party, other than Lessor, under, subject to or otherwise having rights or obligations under or through this Lease, shall relieve the CenterCal Guarantor or the Topgolf Guarantors of their respective obligations.

Section 23. Lessor’s Right to Encumber

Lessor, during the Lease Term, may encumber or mortgage its fee simple interest in the Premises so long as Lessee has reasonably consented, which consent shall be promptly granted if each of the following conditions have been satisfied: (i) Lessee has received thirty (30) days prior written notice of any such encumbrance, (ii) the holder of any such encumbrance executes with Lessee a mutually agreeable nondisturbance and attornment agreement, and (iii) at no time shall the aggregate amount of all such encumbrances of Lessor’s fee simple interest in the Premises exceed a seventy percent (70%) loan to value ratio (using the land value only without Premises Improvements). Except as explicitly provided above, Lessor covenants and agrees that Lessor shall not permit any liens to attach to the Premises that are created by, through or under Lessor. If any such liens do attach to the Premises, Lessor shall immediately pay off such liens; provided that if any such liens are not paid off by Lessor within thirty (30) days of the date that Lessor receives written notice from Lessee that such liens are recorded against the Premises and a demand that they be removed, Lessee may, at its option, pay off such liens and deduct the payment from Fixed Rent.

Section 24. Nonmerger

There shall be no merger of this Lease, or of the leasehold estate created by this Lease, with the fee estate in the Premises by reason of the fact that this Lease, the leasehold estate created by this Lease, or any interest in this Lease or in any such leasehold estate, may be held, directly or indirectly, by or for the account of any person who shall own the fee estate in the Premises or any interest in such fee estate, and no such merger shall occur, unless and until all persons at the time having an interest in the fee estate in the Premises and all persons having an interest in this Lease, or in the leasehold estate created by this Lease, shall join in a written instrument effecting such merger and shall duly record the same.

Section 25. Quiet Enjoyment

Lessee, on paying the Rent and observing and keeping all covenants, agreements, and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Lease Term without hindrance or molestation by anyone claiming by, through, or under Lessor as such, subject, however, to the exceptions, reservations, and conditions of this Lease.
Section 26. Surrender

26.1 Except as otherwise provided, Lessee, on the last day of the Lease Term or upon any earlier termination, shall surrender and deliver up the Premises and any Premises Improvements to the possession and use of Lessor, free and clear of all liens and encumbrances other than those, if any, existing on the Premises Turnover Date or created or consented to in writing by Lessor that Lessor expressly agreed would remain following termination of this Lease, without any payment or allowance whatsoever by Lessor on account of any Premises Improvements on the Premises, and in a broom clean as-is condition and with the Premises in its then condition being capable of being operated as a driving range generally consistent with the operation of the driving range in existence as of the Premises Turnover Date (a “Driving Range”). Subject to the preceding and Lessee’s other obligations under this Lease:

26.2 When furnished by or at the expense of Lessee, fixtures, and equipment may be removed by Lessee at or before this Lease terminates. For purposes hereof, Lessee’s fixtures and equipment include the outfield target equipment, golf balls, any proprietary technology in the golf ball dispensers and touch screens, and other proprietary or related technology equipment. Notwithstanding the foregoing, Lessee shall ensure that the Premises are capable of being operated as a Driving Range on the last day of the Lease Term or upon any earlier termination and Rent shall be due and payable until Driving Range is operational.

26.3 Any personal property of Lessee that shall remain on the Premises after the termination of this Lease and the removal of Lessee from the Premises may, at the option of Lessor, be deemed to have been abandoned by Lessee, and may either be retained by Lessor as its property or be disposed of, without accountability, in such manner as Lessor may see fit, or if Lessor gives written notice to Lessee to such effect, such personal property shall be removed by Lessee at Lessee’s sole cost and expense. If this Lease terminates early for any reason other than the default of Lessee, then, anything to the contrary notwithstanding, Lessee shall have ninety (90) days thereafter to remove its personal property and Lessee shall be responsible for paying all Rent and other costs required hereunder until the Premises are delivered to the Lessor.

26.4 Lessor shall not be responsible for any loss or damage occurring to any property owned by Lessee unless such loss or damage is caused by Lessor’s negligence or willful misconduct, or that of its agents, employees or contractors.

26.5 If, with the written consent of Lessor, Lessee fails to vacate the Premises after the expiration of the Lease Term, or any earlier termination hereof, Lessee shall become a tenant from month to month upon the terms of this Lease; provided, however, that Rent shall be adjusted beginning on the first day after the expiration or earlier termination to be one hundred ten percent (110%) of the Rent then in effect under this Lease.

26.6 Notwithstanding anything contained herein to the contrary, Lessee shall be liable to Lessor for any and all actual and direct damages caused by its failure to vacate the Premises after the expiration or any earlier termination of this Lease hereof, but not including incidental and consequential damages to Lessor. Lessee shall pay such damages within thirty (30) days of demand. Lessee shall not be subject to the preceding liability to the extent that Lessor has elected
to allow Lessee to continue as a month-to-month tenant beyond the expiration or earlier termination of this Lease.

26.7 The provisions of this Section 26 shall survive any termination of this Lease.

Section 27. Invalidity of Particular Provisions

If any term or provision of this Lease or the application of the Lease to any person or circumstances is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 28. No Representations

Lessee acknowledges that it has examined the Premises and that no representations as to the condition of the Premises or as to any other matters have been made by Lessor or any agent or person acting for Lessor except as expressly provided in this Lease.

Section 29. Estoppel Certificate

Either party, within twenty (20) days after a request from time to time made by the other party and without charge, shall give a certification in writing to any person, firm, or corporation reasonably specified by the requesting party stating: (i) that this Lease is then in full force and effect and unmodified, or if modified, stating the modifications; (ii) that Lessee is not in default in the payment of Rent to Lessor, or if in default, stating such default; (iii) that as far as the maker of the certificate knows, neither party is in default in the performance or observance of any other covenant or condition to be performed or observed under this Lease, or if either party is in default, stating such default; (iv) that as far as the maker (if Lessor) of the certificate knows, no event has occurred that authorized, or with the lapse of time will authorize, Lessee to terminate this Lease, or if such event has occurred, stating such event; (v) that as far as the maker of the certificate knows, neither party has any offsets, counterclaims, or defenses, or, if so, stating them; (vi) the dates to which Rent have been paid; and (vii) any other matters that may be reasonably requested by the requesting party. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or encumbrancer of the interest of Lessee hereunder. A party’s failure to deliver such statement within such time shall be conclusive upon such party: (a) that this Lease is in full force and effect without modification, except as may be represented by the party requesting the certificate, and (b) that there are no uncured defaults in such requesting party’s performance.

Section 30. Force Majeure

If the performance by either of the parties of their respective obligations under this Lease (excluding Rent or other monetary obligations) is delayed, or prevented in whole or in part by any acts of God, fire or other casualty, floods, storms or other natural disasters, explosions, accidents, epidemics, war, civil disorders, labor strikes, shortage or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, third party legal challenges, actions taken by governmental agencies, that could not have been reasonably anticipated by and timely resolved by
a party ("Force Majeure"), the party’s obligation to perform shall be delayed for a time period equivalent to the Force Majeure (excluding any monetary obligation). Notwithstanding the foregoing, in no event shall an event of Force Majeure extend the Due Diligence Period (except in the case of certain third party challenges to Required Project Entitlements as more particularly described in Section 5.1).

Section 31. Notices

31.1 Any notice required or permitted by the terms of this Lease shall be in writing and shall be deemed given: (i) when delivered personally to an officer or other authorized representative of the party to be notified, or (ii) after deposit in the United States mail as certified mail, postage prepaid, return-receipt requested, or (iii) sent by reputable overnight courier, and addressed as follows:

If to Lessor: The City of El Segundo
350 Main Street
El Segundo, CA 90245-4635
Attention: City Clerk

With a copy (which shall not constitute notice) to:

The City of El Segundo
350 Main Street
El Segundo, CA 90245-4635
Attention: City Manager

If to Lessee And/or Guarantors: ES CenterCal, LLC,
1600 East Franklin Street
El Segundo, CA 90245
Attention: Jean Paul Wardy

CenterCal, LLC,
1600 East Franklin Street
El Segundo, CA 90245
Attention: Fred W. Bruning

TopGolf USA El Segundo, LLC
8750 N. Central Expressway, Suite 1200
Dallas, Texas 75231
Attn: Zach Shor, Vice President of Real Estate

TopGolf USA El Segundo, LLC
8750 N. Central Expressway, Suite 1200
Dallas, Texas 75231
Attn: Elizabeth Bonesio, Corporate Counsel
With a copy (which shall not constitute notice) to:

Griffin Fletcher & Herndon, LLP
6857 Amber Lane
Carlsbad, CA 92009
Attention: Edward Krasnove, Esq.

Dentons US LLP
2000 McKinney Avenue, Suite 1900
Dallas, Texas 75201
Attn: Donald A. Hammett, Jr.

Or such other addresses as may be designated by either party by written notice to the other. Notwithstanding anything in this section to the contrary, any notice sent or mailed to the last designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease or this section, shall not be deemed ineffective if actual delivery cannot be made due to a change of address of the person or party to which the notice is directed or if such notice is rejected by such party.

Section 32. Venue

32.1 The venue for any claim, controversy, or dispute between the parties arising out of or relating to this Lease, or to the interpretation or breach thereof, shall be the Los Angeles Superior Court. The parties may, but are not required to, engage in mediation prior to the initiation of any litigation.

Section 33. Entire Agreement

This Lease contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Lessee and Lessor that there are no verbal agreements, representations, warranties, or other understandings affecting this Lease. This Agreement was negotiated by and jointly drafted by the parties and the language contained herein shall not be construed against either party hereto based upon any presumption or evidence that particular language was drafted by one of the parties hereto. All Exhibits referenced in the Lease and attached hereto are incorporated into and are considered a part of this Lease.

Section 34. Applicable Law

This Lease shall be governed by, and construed in accordance with, the laws of the state of California.

Section 35. License Agreement
Lessor represents and warrants to Lessee that as of the date of this Lease, there are no uncured defaults under the License Agreement and, to Lessor’s knowledge, no events have occurred, which with the giving of notice or the passage of time could become a default under the License Agreement.

Lessor and Lessee agree not to take any action that would result in the termination of the License Agreement or to modify the License Agreement without both parties written consent. Lessor and Lessee agree to perform all of their respective obligations under the License Agreement in a timely manner so as not to cause the termination of the License Agreement. If Lessor or Lessee receives a notice of default from Licensor, then the party receiving the notice shall promptly give notice of the default to other party, which notice shall include a copy of any such notice of default that is so given or received.

In the event of a default by Lessor or Lessee under the License Agreement, both parties shall have the right, but not the obligation, to cure the default of the other party by giving notice thereof to the other party, and any reasonable costs incurred by non-defaulting party in curing such default shall be borne by the defaulting party.

Section 36. Late Charge

Lessee acknowledges that late payment by Lessee to Lessor of any Rent or other payments due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs may include, without limitation, processing and accounting charges and late charges which may be imposed on Lessor. Accordingly, if any Rent payment is not received by Lessor within ten (10) days after receipt by Lessee of notice from Lessor that such Fixed Rent is past due, Lessee shall pay to Lessor a late charge equal to four percent (4%) of the unpaid Fixed Rent (the “Late Charge”). The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs incurred by Lessor by reason of the late payment by Lessee. Acceptance of any Late Charge by Lessor shall, in no event, constitute a waiver of Lessee’s default with respect to the overdue amount in question, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

Section 37. Nonwaiver

No provision of this Lease shall be deemed to have been waived by Lessor or Lessee, unless such waiver is in writing signed by Lessor or Lessee, as applicable. Waiver of a breach of any term or condition of this Lease shall not be deemed a waiver of any subsequent breach. Acceptance of any Rent or other payments shall not be deemed a waiver of such breach.

Section 38. Brokerage

Lessor and Lessee represent to each other that they have not employed any brokers in negotiating and consummating the transaction set forth in this Lease, but have negotiated directly with each other. Lessor represents and warrants to Lessee, and Lessee represents and warrants to Lessor, that no other broker or finder has been engaged by it, respectively, in connection with this Lease. In the event of any claims for additional brokers’ or finders’ fees or commissions in connection with the negotiation, execution, or consummation of this Lease, then Lessee shall
indemnify, hold harmless, and defend Lessor from and against such claims if they shall be based on any statement or representation or agreement by Lessee, and Lessor shall indemnify, hold harmless, and defend Lessee if such claims shall be based on any statement, representation, or agreement made by Lessor.


39.1 Lessee shall have the right in its sole and absolute discretion to obtain, at its cost, a lot line adjustment approval, as part of the Required Project Entitlements process which comprise the Conditions Precedent, to reconfigure the lots currently comprising the Premises to a reconfiguration reasonably agreed upon with Lessor. As part of or separate from this process, Lessor and Lessee shall reasonably cooperate with each other in their efforts to subdivide the Premises.

39.2 Except as expressly set forth in this Lease, Lessee shall have the right to choose the name of the project in its sole and absolute discretion.

Section 40. Covenants to Bind and Benefit Parties

Subject to the limitations set forth in Section 18, the covenants and agreements contained in this Lease shall bind and inure to the benefit of Lessor, its successors and assigns, and Lessee, its successors and assigns.

Section 41. Captions and Table of Contents

41.1 The captions of this Lease are for convenience and reference only, and in no way define, limit, or describe the scope or intent of this Lease or in any way affect this Lease.

41.2 The table of contents preceding this Lease but under the same cover is for the purpose of convenience and reference only, and is not to be deemed or construed in any way as part of this Lease, nor as supplemental or amendatory.

Section 42. Hazardous Materials

The term “Hazardous Substances” shall mean and refer to the following: petroleum products and fractions thereof, asbestos, asbestos containing materials, urea formaldehyde, polychlorinated biphenyls, radioactive materials and all other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials, substances and wastes listed or identified in, or regulated by, any Environmental Law. The term “Environmental Laws” shall mean and refer to the following: all federal, state, county, municipal, local and other statutes, laws, ordinances and regulations which relate to or deal with human health or the environment, all as may be amended from time to time. The term “Release” shall mean and refer to any spilling, leaking, pumping, pouring, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including the abandonment or discarding of barrels, drums, containers, tanks, or other receptacles containing or previously containing any Hazardous Substance.

Section 43. Audit
Lessor shall have the right no more than once annually, to conduct an audit of the Gross Receipts for the immediately preceding calendar year or prior two years with a qualified Certified Public Account. The audit shall be conducted with at least ninety (90) days prior notice to Lessee and during regular business hours at Lessee’s or Topgolf’s corporate office, solely for the purpose of determining the accuracy of the Variable Rent calculations and payments for the preceding calendar year or prior two years. Any such audit shall not unreasonably interfere with Lessee’s business operations. Any such audit by Lessor shall be at Lessor’s own expense. If such audit reveals that the Lessor was underpaid by three percent (3%) or more for the audited period, Lessor shall pay Lessor the reasonable cost of the audit together with the amount of the underpayment plus a four percent (4%) penalty on the amount of the underpayment within thirty days of being presented with a copy of the audit from the Lessor. Except as required by law, Lessor agrees not to divulge to any person or persons, firm or corporation, the amount of Gross Receipts made from the Premises except to the taxing authorities and to the extent necessary, Lessor’s attorneys, accountants (and other professional advisors), provided that the public disclosure of the amount of Variable Rent paid by Lessee shall not be a violation of this provision. If the City receives a request for such information it shall immediately notify Lessee of such request and if the City determines the information requested is a matter of public record then the City shall immediately notify the Lessee in writing of such determination and deliver to Lessee copies of all correspondence received by City relating to such request. If Lessee provides written notification to the City within five (5) business days that it disagrees with the City’s determination, then the City shall not release the information and in the event there is litigation filed against the City for not releasing the information then the City shall immediately notify Lessee in writing of such litigation, and deliver to Lessee copies of all pleadings, and the Lessee shall be responsible for paying all of the City’s reasonable legal fees and costs as well as monetary award, including legal fees and costs, that a court of competent of jurisdiction awards to the plaintiff or petitioner, provided that any counsel selected by the City must be acceptable to Lessee and be independent counsel free of any conflict of interest. In the alternative, Lessee shall have the right to retain its own counsel and upon written notice to the City, take over the litigation, provided that any counsel selected by Lessee must be acceptable to the City and be independent counsel free of any conflict of interest. In the event of any litigation with respect to this matter each party shall reasonably cooperate with the other party, without cost, expense or liability (other than de minimis costs) with respect to any such request for information and/or litigation.

Section 44. Counterparts

This Lease may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one Lease.

Section 45. Consent and Approval Rights

Except as otherwise expressly set forth in this Lease or provided by law, references in this Lease to “consent,” “approval,” “acceptable,” and “satisfactory” shall not be interpreted as justifying arbitrary rejection but shall imply a good faith, reasonable application of judgment taking into consideration customary leasing practice and commercial custom.
Section 46. Prevailing Wages

Lessee shall pay prevailing wages as defined by the California Labor Code and applicable regulations for all the Golf Course Improvements and the Premises Improvements and other work performed on the Property. Lessee shall provide to Lessor all records required by state law, including but not limited to the California Labor Code and applicable regulations, to prove that prevailing wages are being paid, including without limitation maintaining and providing weekly certified payroll records to the Lessor evidencing that Lessee paid prevailing wage for all of the Premises Improvements and Golf Course Improvements and other work performed on the Property.

Section 47. Golf Course

Lessor shall maintain the appearance of the Golf Course in accordance with the same standards that it is maintained as of the execution of this Lease. In the event that the use of the Golf Course changes the Lessor shall maintain the appearance of the property that comprises the Golf course in a clean and aesthetically reasonable manner. The Lessee’s sole remedy for a breach of this Section shall be specific performance. In addition, in the event that all or any portion of the Golf Course is used for business of a sexually oriented nature, such as a strip club or adult novelty store, then in such event Fixed Rent shall be reduced by fifty percent (50%) for as long as such use continues on the Golf Course.

Section 48. Business License Taxes

Lessee hereby waives and agrees it shall have no right to offset the amount of business license taxes owed to the City pursuant to El Segundo Municipal Code Chapters 3 or 4 based upon sales tax the City receives from operations occurring on the Premises during the term of this Lease, and any such applicable sales tax credits are hereby waived.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Lease to be executed by their duly authorized representatives.

Lessor: THE CITY OF EL SEGUNDO, a general law City and Municipal corporation

By: ________________________________
Name: ______________________________

Attest:
Tracy Weaver, City Clerk

Approved as Form:

Mark D. Hensley, City Attorney

Lessee:

ES CENTERCAL, LLC,
a Delaware limited liability company

By: CENTERCAL, LLC,
a Delaware limited liability company

By: CENTERCAL ASSOCIATES, LLC,
a Delaware limited liability company

By ____________________________
Print Name ____________________________
Print Title: Its Manager

Exhibit “A” – Legal Description
Exhibit “A-1” – The Premises
Exhibit “A-2” – The Golf Course
Exhibit “B” – Site Plan
Exhibit “B-1” – Preliminary Site Plan
Exhibit “C” – License Agreement
Exhibit “D” – Golf Course and Premises Improvements
Exhibit “E” – Permitted Exceptions
Exhibit “F” – Form of Memorandum of Lease
Exhibit “G” – Prototype Facility
Exhibit “H” – Form of Guaranties
EXHIBIT “A”

LEGAL DESCRIPTION
EXHIBIT A-1

THE PREMISES

THIS EXHIBIT TO BE PREPARED WITHIN ONE HUNDRED TWENTY DAYS OF COMMENCEMENT DATE AND ATTACHED HERETO.
EXHIBIT A-2
THE GOLF COURSE

THIS EXHIBIT TO BE PREPARED WITHIN ONE HUNDRED TWENTY DAYS OF THE COMMENCEMENT DATE AND ATTACHED HERETO.
EXHIBIT “B”
SITE PLAN
EXHIBIT "B-1"

PRELIMINARY SITE PLAN
EXHIBIT “C”

SCE LICENSE AGREEMENT
EXHIBIT “D”

GOLF COURSE AND PREMISES IMPROVEMENTS
EXHIBIT "E"

PERMITTED EXCEPTIONS

[TOT BE FINALIZED AND ATTACHED WITHIN 60 DAYS FROM THE COMMENCEMENT DATE]
EXHIBIT "F"

FORM OF MEMORANDUM OF LEASE

THIS EXHIBIT TO BE PREPARED PRIOR TO EXECUTION OR CONDITION PRECEDENT TO BE ADDED REQUIRING THAT IT BE PREPARED WITHIN NINETY DAYS AND ATTACHED HERETO.
AMENDMENT NO. 2 to the
DUE DILIGENCE AND GROUND LEASE AGREEMENT

Between the City of El Segundo, a General Law Municipal corporation
(“Lessor” or "City") and ES CenterCal, LLC, a Delaware limited liability company
(“Lessee”)

Dated February 2, 2016

This Amendment No.2 to Due Diligence and Ground Lease Agreement (this “Amendment”) is
entered into this ______ day of June, 2017 by and between Lessor and Lessee.

RECITALS

1. Lessor and Lessee (collectively, the “Parties”) entered into a Due Diligence and
Ground Lease Agreement (the “Lease”) on February 2, 2016, as amended by that
certain Amendment No.1 to Due Diligence and Ground Lease Agreement by and
between Lessor and Lessee dated December 20, 2016 (collectively, the “Original
Lease”). The Original Lease sets forth a number of deadlines for specific actions
required to be taken by the Parties. The Parties now wish to extend some of these
deadlines.

2. The Lease contemplates that the Parties will have negotiated an extension to the
License Agreement between the City of El Segundo as Licensee and Southern
California Edison as Licensor, within 60 days. The Parties wish to delete this item as
a condition precedent.

3. The Lease gives Lessor 60 days to review and approve CenterCal’s Guarantor’s,
TGI’s and TGI’s Subsidiary Guarantor’s financial condition and ability to
respectively guaranty the construction of the Premises Improvements, the Golf Course
Improvements, and the operation of the Premises during the Operating Period and to
guarantee Rent payments through completion of the Operating Period as expressly
required by the Lease and as set forth in the Topgolf Guaranties. The Parties wish to
extend this deadline to June 30, 2017.

4. The Parties wish to extend the deadline for the Due Diligence Period to September
30, 2017.

5. The Original Lease provides that the “Permitted Exceptions” be finalized and
attached to this Lease by February 28, 2017. The Parties would like to extend this
deadline to August 31, 2017

6. Capitalized terms used but not otherwise defined herein shall have the same meanings
as set forth for such terms in the Original Lease.
7. The Parties desire to amend the Original Lease as provided herein.

NOW, THEREFORE, in consideration of the foregoing, the Parties agree as follows:

1. Section 2.1: The term “Premises Turnover Date” at the end of the first sentence of Section 2.1 is hereby deleted and the following is inserted in lieu thereof: “Fixed Rent Commencement Date”.

2. Section 5.1: The following language is added to the end of Section 5.1 of the Original Lease: “Notwithstanding anything to the contrary contained or implied in this Lease, the outside date for the expiration of the Due Diligence Period is hereby extended to September 30, 2017. Lessee shall use diligent efforts to complete its due diligence for the Premises and determine whether it shall proceed with the leasing of the Premises or terminate this Lease expeditiously, but in no event later than September 30, 2017.”

3. Section 5.3: The first sentence of Section 5.3 of the Original Lease is hereby deleted and the following is set forth in lieu thereof: “At the Premises Turnover Date, the real property comprising the Premises must be free from all easements, encumbrances, or restrictions other than those set forth on Exhibit “E”, which will be finalized and attached hereto on or before August 31, 2017 (the “Permitted Exceptions”).”

4. Section 5.5 of the Lease is hereby amended to read as follows:

“5.5 Conditions Precedent. The following shall be conditions precedent to the Premises Turnover Date and commencement of the Basic Term hereunder (items (i) through (xiv) shall be collectively referred to as the “Conditions Precedent”):

(i) (A) Lessee filed an application by December 15, 2016 for the Required Project Entitlements which Required Project Entitlements the City Council may in its sole and absolute discretion either approve or disapprove and (B) prior to the end of the Due Diligence Period, Lessee has obtained such Required Project Entitlements;

(ii) Lessee has prepared and the City has approved final building plans for the Golf Course Improvements and the Premises Improvements (collectively, the “Plans and Specifications”), which Plans and Specifications for the Golf Course Improvements shall be approved by Lessor if they are consistent in all material respects with the description of the Golf Course Improvements described on Exhibit “D” and all zoning and building and safety laws and regulations, and for the Premises Improvements that shall be approved by the City if they are consistent in all material respects with the Prototype Facility and all applicable zoning and building and safety laws and regulations; Lessee shall cause the City to be named as an additional insured under the certificate(s) of insurance issued by the architects and design professionals responsible for preparing the plans for the Golf Course and Premises Improvements;

(iii) Lessee has entered into construction contracts consistent with this Lease, for the completion of the Golf Course Improvements on Exhibit “D” hereto, and Topgolf has entered into construction contracts consistent with this Lease, for the completion of the Premises Improvements as described and depicted on Exhibit “B-1” hereto but such shall not relieve Lessee as being
obligated for completing such improvements and Lessee shall cause the City to be named as an additional insured under the certificate(s) of insurance issued by the general contractor(s) for construction of the Golf Course Improvements and Premises Improvements;

(iv) Lessee has entered into a Sublease of the Premises with Topgolf El Segundo that requires Topgolf to operate the Premises for at least seven (7) years in accordance with the Continuous Operation Requirement (the “Operating Period”);

(v) Lessee has delivered within ten (10) business days following the expiration of the Due Diligence Period written notice to Lessor that it desires to have this Lease become effective ("Due Diligence Acceptance Notice");

(vi) **Intentionally Omitted:**

(vii) Lessee has received written confirmation from Chevron USA, Inc., a Pennsylvania corporation (“Chevron”), prior to the expiration of the Due Diligence Period approving of the Premises Improvements and use of the Premises as contemplated by this Lease in a recordable form acceptable to Lessee in its sole and absolute discretion; however, such approval from Chevron may not impose any obligations on the City or on the Property but may place obligations on the Lessee and the Premises during the term of this Lease which arise from Lessee’s use of the Premises;

(viii) Lessor has in its sole and absolute discretion determined by **June 30, 2017** that the CenterCal Guarantor has sufficient financial strength to guarantee the construction of the Golf Course Improvements, TGI has sufficient financial strength to guarantee construction of the Premises Improvements, and TGI Subsidiary Guarantor has sufficient financial strength to guarantee the operation of the Premises during the Operating Period and to guarantee Rent payments through completion of the Operating Period as expressly required by this Lease, together with all amendments hereto, and as set forth in the Topgolf Guaranties. In the event that despite Lessor’s efforts as set forth above, the financial review of the CenterCal Guarantor and the Topgolf Guarantors cannot be completed by **June 30, 2017**, Lessor shall notify Lessee and the period shall be automatically extended for an additional 30 days;

(ix) (A) TGI shall have executed the Guaranty for the Premises Improvements in the form attached hereto as Exhibit “H” and delivered such to the Lessor and TGI Subsidiary Guarantor shall have executed a guaranty for the operation of the Premises during the Operating Period and to guarantee Rent payments through completion of the Operating Period in the form attached hereto as Exhibit “H” and delivered such to the Lessor, and (B) the CenterCal Guarantor shall have executed the Guaranty in the form attached hereto as Exhibit “H” and delivered such to Lessor (Delivery of these Guaranties shall also constitute performance of Condition Precedent item (iv); and neither the Topgolf Guarantors nor the CenterCal Guarantor shall have withdrawn such Guarantees within five (5) business days as set forth in Section 5.5 of this Lease; in addition, all guarantees shall extend to, cover, and include all relevant obligations set forth in or modified by any subsequent amendments to this Lease);

(x) Lessee shall have entered into an irrevocable license with the Lessor that grants the Lessor ingress and egress to and from the parking lot located on the Premises and the right to use
seventy (70) parking spaces on the parking lot on the Premises and provides that up to thirty (30) of such seventy (70) parking spaces will be marked with appropriate signage to indicate that they are to be used exclusively by the patrons of the Golf Course during the Golf Course’s hours of operation as provided in Exhibit “D” ("Parking License”);

(xi) Lessor and Lessee have entered into an Access Agreement granting Lessee the right to have access to the Golf Course to construct the Golf Course Improvements;

(xii) Lessee shall have prepared at its expense by June 30, 2017, the legal descriptions for Exhibits “A-1” and “A-2” for Lessor’s approval;

(xiii) Lessor and Lessee shall have agreed upon the Land Value (as defined in Section 17.2.1.1 hereof) in their respective sole and absolute discretion by the end of the Due Diligence Period; and

(xiv) provided Topgolf has received all necessary permits and approvals to commence construction of its Topgolf facility upon the Premises, Lessee shall deposit four hundred thousand dollars ($400,000) into an escrow account with the Title Company ("Escrow Holder") and entered into an escrow agreement (the “Escrow Agreement”) with Lessor and Escrow Holder solely for the purpose of funding a portion of the cost to purchase and install lights on the golf course on the Property for the purpose of allowing golf to be played on the golf course during twilight and after sunset hours. The Escrow Agreement shall provide that if the City shall not have installed lights on the golf course within five (5) years from the date of the Escrow Agreement, then the funds shall be promptly returned to the Lessee. Notwithstanding any provision hereof to the contrary, the parties agree and acknowledge that in connection with obtaining the Required Project Entitlements Lessee has obtained a parking study from a third party consultant. In the event that such parking study reveals that the parking requirements for the Golf Course and the Premises require an adjustment of the total number of parking spaces needed for the Golf Course or that providing Lessor with thirty (30) exclusive parking spaces during the Golf Course’s hours of operation as described in clause (x) hereof is incompatible with the Permitted Use and Lessor’s use of the Golf Course, then prior to the end of the Due Diligence Period, the parties shall work together to modify the Parking License (and the number of parking spaces and exclusive parking spaces granted thereunder) in such a manner so as to be compatible with the Permitted Use and the Lessor’s operation of the Golf Course.”

5. **Section 8:** The first paragraph of Section 8 of the Original Lease is hereby deleted in its entirety and the following is inserted in lieu thereof: “Lessee, at its expense, shall maintain or **cause to be maintained by Topgolf or any other sublessee** at all times during the Lease Term commercial general liability insurance in respect of the Premises and use of the Premises with Lessor as additional insured, with five million dollars ($5,000,000.00) minimum combined single-limit coverage, or its equivalent. Such insurance shall include contractual liability coverage in such amount for Lessee’s indemnification and other obligations contained herein. Such insurance policy shall be written as a primary policy and shall not be contributing with or be in excess of the coverage that either Lessor or Lessee may carry and shall be issued in the name of Lessee, with Indemnified Parties as being included in the insurance policy definition of who is an additional insured, and shall be primary to any insurance available to Lessor. Lessee shall also maintain or cause to be maintained by **Topgolf or any other sublessee** during the
Basic Term, at no expense to Lessor, fire and extended coverage insurance sufficient to replace all Premises Improvements notwithstanding the amounts set forth below. Such policies of insurance shall be issued by good, responsible companies that are reasonably acceptable to Lessor and qualified to do business in the state of California. An insurance certificate or certificates evidencing such insurance shall be delivered to Lessor prior to the Commencement Date (evidencing coverage in the amount of two Million Dollars ($2,000,000) covering the Due Diligence Period), and thereafter prior to the Premises Turnover Date (evidencing coverage in the amount of five million dollars ($5,000,000)), and renewal policies shall be delivered to Lessor within ten (10) days before the expiration of the term of each such policy or policies. As often as any such policy or policies shall expire or terminate, renewal or additional policies shall be procured and maintained by Lessee in like manner and to like extent. All policies of insurance must contain a provision that the company writing the policy will give Lessor thirty (30) days' written notice in advance of any cancellation, non-renewal substantial change of coverage, or the effective date of any reduction in amount of insurance.”

6. Except as modified by Amendment No. 1 and this Amendment No. 2 (collectively, the “Amendments”), all other terms and conditions of the Original Lease shall remain the same. The Original Lease and the Amendments constitute the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersede all prior written agreements of the Parties with respect to the subject matter hereof. Neither Lessor nor Lessee is relying upon any statement, promise or representation not herein expressed, and the Original Lease as amended by the Amendments is in full force and effect in accordance with all of its terms, except as expressly modified by this Amendment No. 2, and may not be modified or altered in any respect except by a writing executed and delivered in the same manner as required by the Original Lease.

7. This Amendment may be executed in counterparts each of which shall be deemed an original.

8. Subject to the limitations set forth in Section 18 of the Original Lease, the covenants and agreements contained in this Amendment shall bind and inure to the benefit of Lessor, its successors and assigns, and Lessee, its successors and assigns.

[THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK: SIGNATURE PAGE TO FOLLOW]
IN WITNESS WHEREOF, Lessee and Lessor have caused this Amendment to be executed by their duly authorized representatives as of the date first hereinabove written.

**Lessor:**

THE CITY OF EL SEGUNDO, a general law City and municipal corporation

By: __________________________
Name: __________________________

Attest:

Tracy Weaver, City Clerk

Approved as Form:

Mark D. Hensley, City Attorney

**Lessee:**

ES CENTERCAL, LLC,
a Delaware limited liability company

By: CENTERCAL, LLC,
a Delaware limited liability company

By: CENTERCAL ASSOCIATES, LLC,
a Delaware limited liability company

By __________________________
Print Name __________________________
Print Title: Its Manager
AGENDA DESCRIPTION:
Consideration and possible action to receive and file an annual report of the Library Board of Trustees.

(Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Recommendation: City Council receive and file an annual report of the Library Board of Trustees Report;
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: None

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STRATEGIC PLAN:

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<th>Goal:</th>
<th>El Segundo provides unparalleled service to internal and external customers.</th>
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<td>Objective:</td>
<td>City services are convenient and user-friendly for all residents and businesses.</td>
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ORIGINATED BY: Debra Brighton, Director of Library Services
REVIEWED BY: Debra Brighton, Director of Library Services
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

The Library Board of Trustees is a five (5) member advisory Board appointed by the City Council for a three-year term. The Board review City Library operations, programs and services, and make recommendations to staff and the City Council for improvements to benefit the entire community.

This is an annual report of past year Library accomplishments and achievements, as well as proposed goals for the coming 2017/18 fiscal year.
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**Total Warrants:** $3,026,342.78

**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 fund 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:**

---

**Notes:**
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<td>EFT Retirement Safety - Classic</td>
</tr>
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<td>Joint Council of Teamsters</td>
<td>Vision Insurance payment</td>
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<tr>
<td>5/12/2017</td>
<td>Health Comp</td>
<td>Weekly claims</td>
</tr>
<tr>
<td>5/19/2017</td>
<td>Manufacturers &amp; Traders</td>
<td>457 payment Vantagepoint</td>
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<td>5/19/2017</td>
<td>Manufacturers &amp; Traders</td>
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<td>5/24/2017</td>
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<td>5/24/2017</td>
<td>Cal Pers</td>
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<td>Payroll Transfer</td>
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<tr>
<td>5/11/17-5/7/17</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
</tr>
<tr>
<td>5/8/17-5/14/17</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
</tr>
<tr>
<td>5/15/17-5/21/17</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
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<td>Liability Trust - Claims</td>
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<tr>
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<td>Retiree Health Insurance</td>
<td>Health Reimbursement checks issued</td>
</tr>
<tr>
<td>5/15/17-5/21/17</td>
<td>Retiree Health Insurance</td>
<td>Health Reimbursement checks issued</td>
</tr>
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</table>

DATE OF RATIFICATION: 5/25/17  
TOTAL PAYMENTS BY WIRE: 3,549,134.14

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.
MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MAY 16, 2017 – 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 Boyles - Present
Council Member Dugan - Present
Council Member Brann - Present
Council Member Pirsztuk - Present

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

SPECIAL ORDER OF BUSINESS:

Mayor Fuentes announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

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): -0- matters

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

1. POA claim concerning the EPMC

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

1. Public Employee Performance Evaluation
   Title: City Manager

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): -4- matters

1. Employee Organizations: Police Management Association; Supervisory, Professional Employees Association; City Employee Association and Executive Group.

   Agency Designated Representative: Steve Filarsky and City Manager, Greg Carpenter

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, MAY 16, 2017 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Fuentes at 7:00 PM

INVOCATION – Pastor Lee Carlile, United Methodist Church

PLEDGE OF ALLEGIANCE – Council Member Dr. Don Brann

PRESENTATIONS

a) Proclamation read by Council Member Dugan, proclaiming May 21-27, 2017 as National Public Works Week. Ken Berkman, Public Works Director, accepted the Proclamation and introduced Beto Moreno, Public Works Employee of the Year and Engineer, Lufan Xu.


c) Presentation by Steve Koester, Environmental Safety Manager, El Segundo Fire Department, regarding Chevron El Segundo Refinery’s New Safety Program.

d) Presentation by Ian Guthrie, LADWP Project Manager and Dawn Cotterell, Senior Public Relations Specialist regarding LADWP Scattergood Unit 3 Decommissioning Project.

e) Presentation by Crista Binder, Treasurer and Dino Marsocci, Deputy City Treasurer II, the March 2017 Investment Portfolio report.

ROLL CALL

<table>
<thead>
<tr>
<th>Mayor</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Fuentes</td>
<td>Present</td>
</tr>
<tr>
<td>Mayor Pro Tem Boyles</td>
<td>Present</td>
</tr>
<tr>
<td>Council Member Dugan</td>
<td>Present</td>
</tr>
<tr>
<td>Council Member Brann</td>
<td>Present</td>
</tr>
<tr>
<td>Council Member Pirsztuk</td>
<td>Present</td>
</tr>
</tbody>
</table>

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

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 Council Member Brann, SECONDED by Council Member Dugan to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

1. Consideration and possible action regarding adoption of Addendum No. 1 to an approved Mitigated Negative Declaration and approval of Environmental Assessment No. EA-1184 and Specific Plan Amendment No. SPA 17-01 to amend the Downtown Specific Plan as follows: 1) Remove the requirement that upper-floor residential occupants must also be commercial tenants or owners of the business below; 2) Establish a new parking requirement for new residential units; and 3) Miscellaneous cleanup. Applicant: Bill Ruane (Fiscal Impact: None)

Mayor Fuentes stated this was the time and place to conduct a public hearing and receive public testimony regarding approval of Environmental Assessment No. EA-1184 and Specific Plan Amendment No. SPA 17-01 to amend the Downtown Specific Plan as follows: 1) Remove the requirement that upper-floor residential occupants must also be commercial tenants or owners of the business below; 2) Establish a new parking requirement for new residential units; and 3) Miscellaneous cleanup.

Clerk Weaver stated that proper notice had been given in a timely manner and that written communication had been received in the City Clerk’s office.

Greg Carpenter, City Manager and Council Member Pirsztuk rescued themselves due to possible conflict of interest.

Sam Lee, Planning and Building Safety Director, introduced the item.

Gregg McClain, Planning Manager gave a presentation and answered questions.

Public Comment - None

MOTION by Council Member Dugan, SECONDED by Council Member Brann to close the hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council Discussion

Mark Hensley, City Attorney, read by title only:
ORDINANCE NO. 1549

AN ORDINANCE ADOPTING ADDENDUM NO. 1 TO AN APPROVED MITIGATED NEGATIVE DECLARATION (ENVIRONMENTAL ASSESSMENT NO. 474) AND AMENDING THE DOWNTOWN SPECIFIC PLAN REGARDING RESIDENTIAL USES

Council Member Brann introduced the item. Second reading and adoption of the Ordinance is scheduled for June 6, 2017.

C. UNFINISHED BUSINESS

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.

2. Approve Warrant Numbers 3016311 through 3016460 on Register No. 15 in the total amount of $515,185.20 and Wire Transfers from 4/24/17 through 5/7/17 in the total amount of $1,369,673.10. Ratified Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

3. Approve Regular Meeting Minutes of May 2, 2017 and Special Meeting Minutes of May 9, 2017.

4. Approve Final Vesting Map No. 71582, subject to the conditions in Exhibit A Conditions of Approval with D.R. Horton Homes CA2 Inc., a residential subdivision comprised of 34 multi-family dwelling units and 24 single-family dwelling units, and private streets, located at 540 East Imperial Avenue and authorize the appropriate City Official(s) to sign and record said Map. (Fiscal Impact: N/A)

5. PULLED BY MAYOR PRO TEM BOYLES

6. Approve the two-year renewal of the cost sharing Agreement No. 5334 with BCT for operation of Transit Line 109 and a one-time contribution towards the Real-Time Information System and authorize the Mayor to execute Transit Service Operation Agreement in a form approved by the City Attorney. (Fiscal Impact: $43,417 for FY17/18 and not to exceed $25,689 for FY18/19 Proposition C funds)
7. Approve the Examination Plan for the Personnel Merit System job classification of Plan Check Engineer.
   (Fiscal Impact: None)

MOTION by Mayor Pro Tem Boyles, SECONDED by Council Member Pirzstuk to approve Consent Agenda items 2, 3, 4, 6, and 7. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

PULLED ITEMS:

5. Consideration and possible action authorizing the Fire Department to purchase a new 2017 Chevy Suburban All Wheel Drive Command Vehicle, Agreement No. 5333
   (Fiscal Impact: $77,634.33)

Chief Donovan answered Council questions concerning the item.

Council Discussion

MOTION by Mayor Pro Tem Boyles, SECONDED by Council Member Pirzstuk to waive the formal bidding process and authorize the Fire Department to piggy-back off of the Los Angeles County ISD Request for Bid Number: RFB-IS-17201166-1, for the purchase of a new command vehicle, authorize the City Manager to execute an agreement, in a form approved by the City Attorney, to purchase one 2017 Chevy Suburban AWD SUV command vehicle with available equipment replacement funds. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

F. NEW BUSINESS

8. Consideration and possible action to oppose SB649 (Hueso) Wireless Telecommunication Facilities & Proposed Amendments to Install Small Cells by Right.
   (Fiscal Impact: None)

Greg Carpenter, City Manager, introduced the item.

Ken Berkman, Director of Public Works, reported on the item.

Council Discussion

MOTION by Council Member Brann, SECONDED by Mayor Pro Tem Boyles directing staff to prepare an opposition letter to be signed by the Mayor and sent to State Senator Ben Hueso (sponsor), with copies sent to local representatives State Senator Ben Allen and State Assembly Member Autumn Burke. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0
   (Fiscal Impact: Increase of $769,003 to the General Fund Expenditures and a decrease of $229,242 to the General Fund Revenues for a net reduction of $998,245 to the General Fund undesignated reserve balance; an increase of $847,830 to other funds’ expenditures; and an increase of $1,062,709 to other funds’ revenues)

   Greg Carpenter, City Manager, introduced the item.

   Joseph Lillio, Finance Director, gave a presentation.

   Council Discussion

   Council consensus to receive and file FY 2016-17 2nd Quarter Financial Review.

   MOTION by Council Member Pirsztuk, SECONDED by Mayor Pro Tem Boyles to approve the appropriation requests itemized in Attachment A. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

10. Consideration and possible action to receive an informational report on the Strategic Work Plan quarterly update and the Key Performance Indicators (KPIs) for the month of April 2017.
    (Fiscal Impact: none)

   Greg Carpenter, City Manager, introduced the item.

   Joseph Lillio, Finance Director and Ken Berkman, Public Works Director, gave a presentation.

   Council Discussion

   Council consensus to receive and file the report the Strategic Work Plan quarterly update and receive and file the report on April KPIs.

G. REPORTS – CITY MANAGER – mentioned the State of the City event held today and welcomed Ken Berkman, the new Public Works Director. Joe Lillio, Finance Director, updated the Council on the CalPERS Ad-Hoc committee. Chief Tavares reported on the crosswalks at Campus El Segundo and Ken Berkman answered questions concerning the crosswalk possibilities.

H. REPORTS – CITY ATTORNEY - None

I. REPORTS – CITY CLERK – Mentioned the Clerk’s office will present a report concerning SB415 and what it means to El Segundo in the upcoming months.
J. REPORTS – CITY TREASURER – Gave a report earlier in the meeting under Presentations.

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann – Attended the ED! Gala, attended Elderfest, attended Public Safety Day, attended the BizNow event and saluted PSM for their work with the City of El Segundo. Mentioned a few items of concern; Dr. Brann would like to research the possibility of receiving TOT for short term rentals in the City, would like an updated report on what the City provides/supports for the School District and would like to adopt the Centennial Seal as the new seal for the City.

Council Member Pirsztuk – Thanked the Fire and Police Department’s for a great Public Safety Day, attended the ED! Gala, gave an IT Committee update and would like to have the various Boards and Committees give quarterly reports to the Council.

Council Member Dugan – Commented on the CUPA update concerning Chevron and questions the benefits of CUPA.

Mayor Pro Tem Boyles – Attended Public Safety Day, attended the State of the City event and attended the ED! Gala

Mayor Fuentes – Mentioned the COG was looking into the short term rentals situation, attended the Home Town Fair, attended the BizNow Event, attended the ribbon cutting for Two Guns, attended the State of the City event and thanked Barbara Voss, Economic Development Manager and the Chamber of Commerce for a job well done, would like to have Council Members report on the information obtained from the Commissions and Boards they attend, recently appointed to the South Bay Council of Governments Steering Committee and gave a shout out to the Police Department on the recent lockdown drill at the High School.

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

MEMORIALS – None

ADJOURNMENT at 9:57 PM

Tracy Weaver, City Clerk
AGENDA DESCRIPTION:
Consideration and possible action to approve a change order in the contract with Letner Roofing Co. for $533,000.00 to complete the Police Station Roof Replacement Project, No. PW 15-18. (Fiscal Impact: $600,000.00)

RECOMMENDED COUNCIL ACTION:
1. Approve a change order in the contract with Letner Roofing Co. for $533,000.00 to complete the Police Station Roof Replacement Project, and authorize an additional contingency of $67,000.00 for unforeseen conditions.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None

FISCAL IMPACT: Included in the FY 2016-17 Budget

<table>
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<tr>
<th>Amount Budgeted</th>
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<tbody>
<tr>
<td>$400,000 for Police Building Roof Repairs</td>
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<td>$200,000 Mid-Year Adjustment for Police Building Roof Repairs</td>
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<tr>
<th>Additional Appropriation</th>
<th>Account Number(s):</th>
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<tbody>
<tr>
<td>No</td>
<td>301-400-8201-8513 (Police Roof Replacement)</td>
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STRATEGIC PLAN:

<table>
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<tr>
<th>Goal:</th>
<th>Objective:</th>
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<tr>
<td>4</td>
<td>Develop Quality Infrastructure and Technology</td>
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<tr>
<td>1</td>
<td>El Segundo’s physical infrastructure supports an appealing, safe, and effective City</td>
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ORIGINATED BY: Cheryl Ebert, Senior Civil Engineer
REVIEWED BY: Ken Berkman, Director of Public Works
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On May 17, 2016, City Council adopted plans and specifications for the removal and replacement of the Police Department roof and Fire Station 1 roof and authorized staff to advertise for receipt of construction bids. Two bids were received by the City Clerk’s office on June 14, 2016; both were rejected on June 21, 2016 due to the higher than anticipated costs. A summary of those bids are as follows:
Staff reached out to the bidding Contractors to better understand the basis for the high bids. Using the information gleaned from the contractor’s feedback, staff revised the specifications to eliminate interior protection of the buildings and it was rebid. Since the structure that the existing roof adheres to consists of light-weight concrete and metal pans, interior protection was not needed. New bids were received by the City Clerk’s office on July 19, 2016 as follows:

<table>
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<tr>
<th>Bidder</th>
<th>Police Department Roof</th>
<th>Fire Department Roof</th>
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<tbody>
<tr>
<td>Best Contracting Services Inc.</td>
<td>$570,275.00</td>
<td>$534,150.00</td>
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<tr>
<td>Chapman Coast Roof Co., Inc.</td>
<td>$629,575.00</td>
<td>$388,882.00</td>
</tr>
<tr>
<td>Letner Roofing Co.</td>
<td>$533,000.00</td>
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<tr>
<td>Best Contracting Services Inc.</td>
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<td>ADCO Roofing, Inc.</td>
<td>$646,124.00</td>
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<td>Pueblo Construction, Inc.</td>
<td>$747,075.00</td>
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The lowest bid received in July for Fire Station 1 was significantly lower than the bid received in June ($115,882 less). However, all of the bids received for the Police Department were still higher than the anticipated amount in the adopted budget. On September 6, 2016, City Council awarded a standard Public Works contract to Letner Roofing Co. for $806,000, with contingency of $60,000 to complete the Fire Station 1 roof and issue a change order of $533,000 deduction to delete the Police Roof from the scope. On April 24th, 2017, Letner Roofing Co. began work on the Fire Station 1 roof project and to date has met or exceeded the specifications and expectations of staff.

The Police roof, however, is still in dire need of replacement. As evidenced during the past rainy season, which was historically strong for our region, an increasing number of significant leaks are intruding into the building, while the corrugated metal roof base material, with its longitude channels, makes it nearly impossible to determine where leaks are entering. Additionally, recent roof inspections show open joints along the parapet walls, blisters throughout the roof, and compromised roof drains. These roofs have met and exceeded their 20-25 year life expectancies and are in critical need of replacement prior to the next rainy season.

Recognizing that budget constraints have prevented the project from moving forward and the opportunity presented itself to take advantage of the currently mobilized roofing contractor working on the adjacent Fire Station, staff brought forward a request for $200,000 of additional funding for the project within the May 16th Mid-Year Budget Review, which City Council approved, providing a total amount available of $600,000.00. A consultant was retained to visually investigate roof leaks, water damaged areas, and clarify the Police roof scope of work. After minor scope of work adjustments and the Mid-Year Budget Review, staff believes the current budget will adequately address the roof replacement and damage related to water intrusion inside the building.

Therefore, staff respectfully recommends City Council approve a change order for Letner Roofing Company in the amount of $533,000.00 to complete the Police Station Roof Replacement Project, and authorize an additional contingency of $67,000.00 for unforeseen conditions.

With Council approval, construction is expected to begin in July and be completed in August.
AGENDA DESCRIPTION:

Consideration and possible action regarding adoption of Addendum No. 1 to an approved Mitigated Negative Declaration and approval of Environmental Assessment No. EA-1184 and Specific Plan Amendment No. SPA 17-01 to amend the Downtown Specific Plan as follows:
1. Remove the requirement that upper-floor residential occupants must also be commercial tenants or owners of the business below;
2. Establish a new parking requirement for new residential units; and
3. Miscellaneous cleanup.
   (Fiscal Impact: None) (Applicant: Bill Ruane)

RECOMMENDED COUNCIL ACTION:

1. Waive second reading and adopt Ordinance No. 1549 for Environmental Assessment No. EA-1184, Specific Plan Amendment No. SPA 17-01.; and/or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance No. 1549
   a. Exhibit A – Addendum No. 1 to EA/MND
2. City Council Staff Report Dated May 16, 2017

FISCAL IMPACT: None

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:

Goal: 4(a) El Segundo’s physical infrastructure supports an appealing, safe, and effective City

Objective: The City engages in new initiatives that continue to move the City forward
The City engages in prospective thinking that allows the City to do more than keep up

ORIGINATED BY: Gregg McClain, Planning Manager
REVIEWED BY: Sam Lee, Planning and Building Safety Director
APPROVED BY: Greg Carpenter, City Manager
On May 16, 2017, the City Council introduced an Ordinance to approve Environmental Assessment No. EA-1184 and Specific Plan Amendment No. SPA 17-01. The ordinance makes certain amendments to the Downtown Specific Plan relating to residential uses and their parking requirements.
The Council may waive second reading and adopt the Ordinance. If adopted, Ordinance No. 1549 will become effective in 30 days.
ORDINANCE NO. 1549

AN ORDINANCE ADOPTING ADDENDUM NO. 1 TO AN APPROVED MITIGATED NEGATIVE DECLARATION (ENVIRONMENTAL ASSESSMENT NO. 474) AND AMENDING THE DOWNTOWN SPECIFIC PLAN REGARDING RESIDENTIAL USES

(SPECIFIC PLAN AMENDMENT NO. 17-01)

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

SECTION 1: The Council finds and declares as follows:

A. On May 25, 2000 the Planning Commission adopted Resolution 2475, recommending the City Council adopt the Downtown Specific Plan (DSP).

B. On June 20, 2000, staff presented the draft DSP to the City Council, which included the recommendation that 2 residential dwelling units per 25-foot wide lot be allowed, and that 2 on-site parking spaces be provided per unit. The Council continued the item to the July 18, 2000 Council meeting, and directed staff to study the feasibility of requiring that the residential unit above a commercial space be occupied only by the owner of the business below.

C. On July 18, 2000, based on The City Attorney's office advise that such a requirement would be unenforceable, the City Council directed staff to delete the allowance for residential units within the DSP.

D. On August 1, 2000, the City Council approved Environmental Assessment No. 474 and Resolution No. 2475, adopting the Mitigated Negative Declaration for the Downtown Specific Plan. The approved Downtown Specific Plan prohibited residential dwelling units in the downtown area.

E. On February 6, 2001, the City Council directed staff to amend the DSP to allow the development of dwelling units on the second floor of buildings for tenants/business owners of the first floor businesses only.

F. On April 12, 2001 the Planning Commission questioned the enforcement of the restriction and discussed the benefits of residential use downtown (i.e. eyes on the street, reduction of vehicle usage and the enhanced cash flow to the business owner). As a result, the Commission recommended that the Plan be amended to allow unrestricted residential use above the first floor within the DSP area.

G. On May 1, 2001, the City Council considered the Planning Commission's recommendation to permit residential units within the DSP with no restrictions. However, after deliberation, the City Council voted to amend the DSP in accordance with its original direction to staff, to allow development of
upper-level dwelling units in the downtown, provided they are only occupied by tenants/business owners of the first floor businesses. The amended DSP also established a density of one unit per 3,500 square feet of lot area; and, because the commercial tenant below would be the same person living upstairs, residential parking was not required.

H. On December 12, 2016, Bill Ruane initiated the process to amend the Downtown Specific Plan (DSP) development standards regarding upper-floor residential units;

I. On April 27, 2017, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including information provided by city staff; and, adopted Resolution No. 2814 recommending that the City Council approve the proposed amendments;

J. On May 16, 2017, the City Council held a public hearing and considered the information provided by City staff and public testimony regarding this Ordinance; and

K. This Ordinance and its findings are made based upon the entire administrative record including testimony and evidence presented to the City Council at the public hearing and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings and Conclusions. After considering the above facts, the City Council finds as follows:

A. The properties affected by the proposed ordinance are located within the boundaries of the Downtown Specific Plan (DSP) area. The DSP area encompasses the properties located on the 100 through 500 blocks of Main Street, the 100 through 200 blocks of Richmond Street, the west side of the 300 block of Richmond Street, a portion of the east side of the 300 block of Richmond Street, the lots fronting the 100 and 200 blocks of West Grand Avenue from Concord Street to Main Street, and a portion of the 100 block of East Grand Avenue from Main Street to the alley west of Standard Street.

B. The General Plan Land Use designation for this area is DSP.

C. The DSP includes the following districts: Main Street District, Main Street Transitional District, North Richmond Street District, Richmond Street District, Grand Avenue District, West Grand Avenue Transitional District (north) and West Grand Avenue Transitional District (south).

D. The land uses permitted in the DSP include a variety of commercial uses, residential uses above the first floor, and recreational uses.
E. Surrounding land uses in the area generally consist of multi-family residential dwellings to the north, west and east; offices and industrial uses to the east, and industrial uses to the south. The surrounding area is a fully developed urban environment.

F. The proposed amendments would amend DSP Chapter I – Introduction, Chapter VI – Development Standards and Chapter VII – Parking.

G. The proposed amendments will: 1) remove the requirement that upper-floor residential occupants must be tenants or owners of the business below; 2) amend related language accordingly; and 3) clarify language regarding limits to height and residential density.

SECTION 3: General Plan and Specific Plan Findings. As required under Government Code § 65454 the proposed amendment of the DSP is consistent with the City's General Plan as follows:

A. The El Segundo General Plan land use designation is Downtown Specific Plan (DSP). This designation permits community-serving retail and service uses, and offices in a pedestrian-oriented environment.

B. The amendment is consistent with the "philosophy and concept" section of the DSP (a vision-based list adopted by the Downtown Task Force as part of the Specific Plan Concept Document which was adopted February 22, 2000). In removing barriers to live within the DSP the proposed amendment can help maintain and enhance the pedestrian-friendly environment. Further, more street activity and an increased number of "eyes on the street" have the potential to increase safety.

C. The proposed amendment is also consistent with the General Plan's Economic Development Element Goal ED3, Objective ED3-1, Policy ED3-1.2, Policy ED3-1.4, and Policy ED3-1.5 in that it prioritizes the area's economic viability. Added residential units will stimulate pedestrian traffic and add support for local businesses.

D. The proposed amendment to the Downtown Specific Plan is consistent with several General Plan Land Use Element Goals, Objectives and Policies. Specifically, it is consistent with Land Use Element Objective LU1-2 in that it will help prevent deterioration and blight by increasing real estate potential. Currently, the restriction of who can rent which units is a deterrent to development. Under the proposed amendment, developers as well as existing property owners will be better able to keep their units occupied. The amendment is also consistent with Land Use Objective 1-4 which seeks to "Preserve and maintain the City's Downtown and historic areas as integral to the City's appearance and function." If upper-floor residential units may be rented to those who are not connected with the business below, more people will be able to live within the Downtown area. An increase in residential
population will be beneficial to local businesses, helping the Downtown area function as an active center. The proposed amendment does not change the allowable density or building height. Nor does it allow any new uses. Upper-floor residential is currently allowed. The proposed amendment simply removes the requirement that upper-floor residential units can only be leased by the commercial tenant below.

E. The proposed amendment is a direct response to Land Use Element Objective LU4-4, which states that the City should “Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.” The downtown area is the most obvious part of the City for such an environment. However, the current DSP language severely limits such a potential by providing a barrier to renting upper-floor residential units.

SECTION 4: Environmental Assessment; Adoption of Addendum No. 1 to Mitigated Negative Declaration. The Downtown Specific Plan was evaluated by an adopted Mitigated Negative Declaration (Environmental Assessment No. 474) (“MND”) on August 1, 2000. Addendum No. 1 to the MND, attached hereto as Exhibit “A” and incorporated by this reference, determined that the proposed amendments to the Downtown Specific Plan would not result in any new or different impacts that were not identified in the prior MND. None of the conditions described in CEQA Guidelines Section 15164 (14 CCR § 15164), which identifies when a subsequent MND is required, has been met, and therefore the City prepared an Addendum to the previously approved MND. The City Council, as responsible agency, has received and considered the Addendum, and finds that the Addendum was prepared in accordance with CEQA Guidelines Section 15164 and that none of the conditions warranting either supplemental or subsequent review, under CEQA Guidelines Sections 15162 or 15163, respectively, have been triggered. The City Council in its independent judgment has reviewed and considered the MND and the Addendum. Based on these findings and all of the evidence in the record, the City Council adopts Addendum No. 1 to the MND.

SECTION 5: Downtown Specific Plan, Chapter I (Introduction), Section A (Specific Plan Project Description) is amended to delete the following language:

The final Plan will not allow the development of any new residential units, although the existing units may continue and may be rebuilt if accidentally destroyed.

SECTION 6: Downtown Specific Plan, Chapter VI (Development Standards), Section A (Main Street District – (300-400 Blocks Main Street)), subsection 2 (Permitted Uses), sub-part c, sub-sub-part ii is amended as follows:

ii) Business-tenant/owner-occupied residential units - Residential units
SECTION 7: Downtown Specific Plan, Chapter VI (Development Standards), Section A (Main Street District – (300-400 Blocks Main Street)), subsection 7 (Site Development Standards), sub-part c is amended as follows:

c. Height:
New structures abutting a street must be a minimum of 25 feet in height, and may not exceed 30 feet and two stories in height, as measured from the peak or the highest point of the roof vertically to the existing grade directly below. This height shall be measured at the front and street side property lines. Structures shall not exceed 45 feet, or three stories, in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below.

i) Upsloping lots – For lots that slope up from the street, the 45-foot height limit shall be measured vertically from the existing grade at the front and streetside property lines to the peak or the highest point of the structure. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

ii) Downsloping lots – For lots that slope down from the street, the 45-foot height limit shall be measured from the peak or the highest point of the roof vertically to the existing grade directly below. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

iii) To the extent a building exceeds 30 feet in height, the front portion of the building that exceeds 30 feet in height must be setback 25 feet from the front property line.

c. Height: New structures may not exceed 30 feet (and two stories) in front. A 45-foot (and three-story) limit begins 25 feet from front property line. For ascending lots, height is measured from grade along front and street-side property lines; for descending lots, height is measured from existing grade directly below. Maximum height on corner lots shall be determined through the Downtown Design Review process.

SECTION 8: Downtown Specific Plan, Chapter VI (Development Standards), Section A (Main Street District – (300-400 Blocks Main Street)), subsection 7 (Site Development Standards), sub-part f, sub-sub-part ii is amended as follows:

ii) Residential -The maximum residential density shall not exceed one dwelling unit per 3,500 square feet of lot area. If the lot is less than 3,500 square feet, one unit is allowed.

SECTION 9: Downtown Specific Plan, Chapter VI (Development Standards), Section B (Main Street Transitional District – (100-200 & 500 Blocks Main Street)), subsection 2 (Permitted Uses), sub-part c, sub-sub-part ii is amended as follows:

ii) Business tenant/owner-occupied residential units Residential units
SECTION 10: Downtown Specific Plan, Chapter VI (Development Standards), Section B (Main Street Transitional District – (100-200 & 500 Blocks Main Street)), Subsection 7 (Site Development Standards), sub-part c is amended as follows:

c. Height:
New structures abutting a street may not exceed 30 feet and two stories in height, as measured from the peak or the highest point of the roof vertically to the existing grade directly below. This height shall be measured at the front and streetside property lines. Structures shall not exceed 45 feet, or three stories, in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below.

i) Upsloping lots—For lots that slope up from the street, the 45-foot height limit shall be measured vertically from the existing grade at the front and streetside property lines to the peak or the highest point of the structure. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

ii) Downsloping lots—For lots that slope down from the street, the 45-foot height limit shall be measured from the peak or the highest point of the roof vertically to the existing grade directly below. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

iii) To the extent a building exceeds 30 feet in height, the front portion of the building that exceeds 30 feet in height must be setback 25 feet from the front property line.

c. Height: New structures may not exceed 30 feet (and two stories) or less in front. A 45-foot (and three-story) limit begins 25 feet from front property line. For ascending lots, height is measured from grade along front and street-side property lines; for descending lots, height is measured from existing grade directly below. Maximum height on corner lots shall be determined through the Downtown Design Review process.

SECTION 11: Downtown Specific Plan, Chapter VI (Development Standards), Section B (Main Street Transitional District – (100-200 & 500 Blocks Main Street)), Subsection 7 (Site Development Standards), sub-part f, sub-sub-part ii is amended as follows:

ii) Residential -The maximum residential density shall not exceed one dwelling unit per 3,500 square foot [feet of lot area]. If the lot is less than 3,500 square feet, one unit is allowed.

SECTION 12: Downtown Specific Plan, Chapter VI (Development Standards), Section C (Richmond Street District – (100-200 Blocks Richmond Street)), subsection 2 (Permitted Uses), sub-part c, sub-sub-part ii is amended as follows:
ii) Business-tenant/owner-occupied residential units

SECTION 13: Downtown Specific Plan, Chapter VI (Development Standards), Section C (Richmond Street District – (100-200 Blocks Richmond Street)), subsection 7 (Site Development Standards), sub-part c is amended as follows:

c. Height:
New structures abutting a street may not exceed 30 feet and two stories in height, as measured from the peak or the highest point of the roof vertically to the existing grade directly below. This height shall be measured at the front and streetside property lines. Structures shall not exceed 45 feet, or three stories, in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below.

i) Upsloping lots—For lots that slope up from the street, the 45-foot height limit shall be measured vertically from the existing grade at the front and streetside property lines to the peak or the highest point of the structure. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

ii) Downsloping lots—For lots that slope down from the street, the 45-foot height limit shall be measured from the peak or the highest point of the roof vertically to the existing grade directly below. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

iii) To the extent a building exceeds 30 feet in height, the front portion of the building that exceeds 30 feet in height must be setback 25 feet from the front property line.

c. Height: New structures may not exceed 30 feet (and two stories) in front. A 45-foot (and three-story) limit begins 25 feet from front property line. For ascending lots, height is measured from grade along front and street-side property lines; for descending lots, height is measured from existing grade directly below. Maximum height on corner lots shall be determined through the Downtown Design Review process.

SECTION 14: Downtown Specific Plan, Chapter VI (Development Standards), Section C (Richmond Street District – (100-200 Blocks Richmond Street)), subsection 7 (Site Development Standards), sub-part f, sub-sub-part ii is amended as follows:

ii) Residential -The maximum residential density shall not exceed one dwelling unit per 3,500 square feet of lot area. If the lot is less than 3,500 square feet, one unit is allowed.

SECTION 15: Downtown Specific Plan, Chapter VI (Development Standards), Section D (North Richmond Street District – (300 Block west side Richmond Street)), subsection 2 (Permitted Uses), sub-part c, sub-sub-part ii is amended as follows:
ii) Business-tenant/owner-occupied residential units

SECTION 16: Downtown Specific Plan, Chapter VI (Development Standards), Section D (North Richmond Street District – (300 Block west side Richmond Street)), subsection 7 (Site Development Standards), sub-part c is amended as follows:

c. Height:
New structures abutting a street may not exceed 30 feet and two stories in height, as measured from the peak or the highest point of the roof vertically to the existing grade directly below. This height shall be measured at the front and streetside property lines. Structures shall not exceed 45 feet, or three stories, in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below.

i) Upsloping lots – For lots that slope up from the street, the 45-foot height limit shall be measured vertically from the existing grade at the front and streetside property lines to the peak or the highest point of the structure. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

ii) Downsloping lots – For lots that slope down from the street, the 45-foot height limit shall be measured from the peak or the highest point of the roof vertically to the existing grade directly below. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

iii) To the extent a building exceeds 30 feet in height; the front portion of the building that exceeds 30 feet in height must be setback 25 feet from the front property line.

c. Height: New structures may not exceed 30 feet (and two stories) in front. A 45-foot (and three-story) limit begins 25 feet from front property line. For ascending lots, height is measured from grade along front and street-side property lines; for descending lots, height is measured from existing grade directly below. Maximum height on corner lots shall be determined through the Downtown Design Review process.

SECTION 17: Downtown Specific Plan, Chapter VI (Development Standards), Section D (North Richmond Street District – (300 Block west side Richmond Street)), subsection 7 (Site Development Standards), sub-part f, sub-sub-part ii is amended as follows:

ii) Residential -The maximum residential density shall not exceed one dwelling unit per 3,500 square feet feet of lot area. If the lot is less than 3,500 square feet, one unit is allowed.

SECTION 18: Downtown Specific Plan, Chapter VI (Development Standards), Section E (Grand Avenue District – (300 Block east side Richmond Street – former Ralph’s market
and adjacent lots)), subsection 2 (Permitted Uses), sub-part c, sub-sub-part ii is amended as follows:

ii) Business-tenant/owner-occupied residential-units: Residential units

SECTION 19: Downtown Specific Plan, Chapter VI (Development Standards), Section E (Grand Avenue District – (300 Block east side Richmond Street – former Ralph’s market and adjacent lots)), subsection 7 (Site Development Standards), sub-part c is amended as follows:

c. Height:
New structures abutting a street may not exceed 30 feet and two stories in height, as measured from the peak or the highest point of the roof vertically to the existing grade directly below. This height shall be measured at the front and streetside property lines. Structures shall not exceed 45 feet, or three stories, in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below. A variety of building heights must be provided throughout the site.

i) Upsloping lots—For lots that slope up from the street, the 45-foot height limit shall
be measured vertically from the existing grade at the front and streetside property lines to the peak or the highest point of the structure. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

ii) Downsloping lots—For lots that slope down from the street, the 45-foot height limit shall be measured from the peak or the highest point of the roof vertically to the existing grade directly below. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

iii) Vertical towers or appendages—These structures, if located near the corner of Grand Avenue and the alley and the northwest side of the property abutting Richmond Street, may be 45 feet, or two floors, in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below.

iv) To the extent a building exceeds 30 feet in height, the front portion of the building that exceeds 30 feet in height must be setback 25 feet from the front property line.

c. Height: New structures may not exceed 30 feet (and two stories) in front. A 45-foot (and three-story) limit begins 25 feet from front property line. For ascending lots, height is measured from grade along front and street-side property lines; for descending lots, height is measured from existing grade directly below. A variety of building heights must be provided throughout the site. Towers or appendages may be located on the corner of Grand Avenue and the alley, and the northwest side of the property abutting Richmond Street, and may
be 45 feet (and two stories) tall. Maximum height on corner lots shall be determined through the Downtown Design Review process.

SECTION 20: Downtown Specific Plan, Chapter VI (Development Standards), Section E (Grand Avenue District – (300 Block east side Richmond Street – former Ralph’s market and adjacent lots)), subsection 7 (Site Development Standards), sub-part f, sub-sub-part ii is amended as follows:

ii) Residential - The maximum residential density shall not exceed one dwelling unit per 3,500 square feet feet of lot area. If the lot is less than 3,500 square feet, one unit is allowed.

SECTION 21: Downtown Specific Plan, Chapter VI (Development Standards), Section F (West Grand Avenue Transitional District – (North 200 Block of West Grand Avenue between Concord Street and the alley West of Richmond Street)), subsection 2 (Permitted Uses), sub-part c, sub-sub-part ii is amended as follows:

ii) Business-tenant/owner-occupied residential units Residential units

SECTION 22: Downtown Specific Plan, Chapter VI (Development Standards), Section F (West Grand Avenue Transitional District – (North 200 Block of West Grand Avenue between Concord Street and the alley West of Richmond Street)), subsection 7 (Site Development Standards), sub-part c is amended as follows:

e. Height:

New structures abutting a street must be a minimum of 25 feet in height, and may not exceed 30 feet and two stories in height, as measured from the peak or the highest point of the roof vertically to the existing grade directly below. Height measurements are made at the front and streetside property lines. Structures cannot exceed a maximum of 2 stories, not to exceed 36 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below.

i) Upsloping lots – For lots that slope up from the street, the 36-foot height limit is measured vertically from the existing grade at the front and streetside property lines to the peak or the highest point of the structure. Additionally, the structure may not exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

ii) Downsloping lots – For lots that slope down from the street, the 36-foot height limit is measured from the peak or the highest point of the roof vertically to the existing grade directly below. Additionally, the structure cannot exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade at the front and streetside property lines.

iii) To the extent a building exceeds 30 feet in height, the front portion of the building that exceeds 30 feet in height must be setback 25 feet from the front property line.
c. Height: New structures must be between 25-30 feet (two stories) in front. A 36-foot height limit begins 25 feet from front property line. For ascending lots, height is measured from grade along front and street-side property lines; for descending lots, height is measured from existing grade directly below. Maximum height on corner lots shall be determined through the Downtown Design Review process.

SECTION 23: Downtown Specific Plan, Chapter VI (Development Standards), Section F (West Grand Avenue Transitional District – (North 200 Block of West Grand Avenue between Concord Street and the alley West of Richmond Street)), subsection 7 (Site Development Standards), sub-part f, sub-sub-part ii is amended as follows:

ii) Residential - The maximum residential density shall not exceed one dwelling unit per 3,500 square foot feet of lot area. If the lot is less than 3,500 square feet, one unit is allowed.

SECTION 24: Downtown Specific Plan, Chapter VI (Development Standards), Section G (West Grand Avenue Transitional District – (South 200 Block of West Grand Avenue between Concord Street and the alley west of Richmond street)), subsection 2 (Permitted Uses), sub-part c, sub-sub-part ii is amended as follows:

ii) Business-tenant/owner-occupied residential units Residential units

SECTION 25: Downtown Specific Plan, Chapter VI (Development Standards), Section G (West Grand Avenue Transitional District – (South 200 Block of West Grand Avenue between Concord Street and the alley west of Richmond street)), subsection 7 (Site Development Standards), sub-part c is amended as follows:

e. Height:
New structures abutting a street must be a minimum of 25 feet in height, and may not exceed 30 feet and two stories in height, as measured from the peak or the highest point of the roof vertically to the existing grade directly below. Structures cannot exceed a maximum of 2 stories, not to exceed 30 feet in height as measured from the peak or the highest point of the roof vertically to the existing grade directly below.

c. Height: New structures must be between 25-30 feet (two stories). Height is measured from existing grade directly below. Maximum height on corner lots shall be determined through the Downtown Design Review process.

SECTION 26: Downtown Specific Plan, Chapter VI (Development Standards), Section G (West Grand Avenue Transitional District – (South 200 Block of West Grand Avenue between Concord Street and the alley west of Richmond street)), subsection 7 (Site Development Standards), sub-part f, sub-sub-part ii is amended as follows:
ii) Residential - The maximum residential density shall not exceed one
dwelling unit per 3,500 square feet of lot area. If the lot is less
than 3,500 square feet, one unit is allowed.

SECTION 27: Downtown Specific Plan, Chapter VII (Parking), Section 3, subsection a,
sub-part i is deleted and replaced with the following:

i) Dwelling units – 0.5 spaces per unit.

SECTION 28: Downtown Specific Plan, Chapter VII (Parking), Section 3, subsection c,
sub-part ii, sub-sub-part f is added:

f. The total in-lieu parking fee is based on the required number of spaces, rounded to
the nearest whole number.

SECTION 29: Downtown Specific Plan, Chapter VII (Parking), Section 3, subsection a,
sub-part x is amended as follows:

x. Places of Public Assembly (including but not limited to, theaters,
auditoriums, banquet facilities, meeting rooms, clubs, lodges and mortuaries) –
With fixed seats-1 space for every 5 seats (areas having fixed benches or pews
shall have 1 seat for each 18 inches of length. Dining areas shall have 1 seat for
each 24 inches of booth length, or major portion thereof.) Without fixed seats-1
space for every 50 sq. ft. of floor area used for assembly purposes.

SECTION 30: Reliance on Record. Each and every one of the findings and
determination in this Ordinance are 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 City
Council in all respects; and

SECTION 31: Limitations. The City Council’s analysis and evaluation of the project is
based on information available at the time of the decision. It is inevitable that in
evaluating a project that absolute and perfect knowledge of all possible aspects of the
project will not exist. In all instances, best efforts have been made to form accurate
assumptions.

SECTION 32: 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 33: 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 15 days after the passage and adoption of this Ordinance, cause it to be
published or posted in accordance with California law.
SECTION 34: This Ordinance will become effective on the 31st day following its passage and adoption.
PASSED AND ADOPTED this ___ day of ____________, 2017.

Suzanne Fuentes, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA   )
COUNTY OF LOS ANGELES )  SS
CITY OF EL SEGUNDO   )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ________ was duly introduced by said City Council at a regular meeting held on the ___ day of ___________ 2017, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of __________, 2017, and the same was so passed and adopted by the following vote:

AYES: 
NOES: 
ABSENT: 
ABSTAIN:

______________________________
Tracy Weaver, City Clerk

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EXHIBIT “A”

ADDENDUM NO. 1 TO ENVIRONMENTAL ASSESSMENT/ MITIGATED NEGATIVE DECLARATION ORIGINALLY ADOPTED UNDER EA 474, GPA 99-2, ZC 99-2 & ZTA 99-5

June 6, 2017

On August 1, 2000, the City Council approved Environmental Assessment No. 474 and Resolution No. 2475, adopting the Mitigated Negative Declaration for the Downtown Specific Plan. The MND was circulated for public comment from April 21 to May 11, 2000. The City Council found that there was no evidence that the project would have the potential for an adverse effect on wildlife resources or the habitat on which the wildlife depends, because the project is infill development in a built-out urban environment.

Standard of Review
Under CEQA, an Addendum to an adopted Mitigated Negative Declaration is needed if minor technical changes or modifications to the proposed project occur (CEQA Guidelines §15164). An addendum is appropriate only if these minor technical changes or modifications do not result in any new significant impacts or a substantial increase in the severity of previously identified significant impacts. The Addendum need not be circulated for public review (CEQA Guidelines §15164[c]), however, an addendum is to be considered by the decision-making body prior to making a decision on the project (CEQA Guidelines §15164[d]).

This Addendum to the previously adopted Mitigated Negative Declaration demonstrates that the environmental analysis, impacts, and mitigation requirements identified during the preparation of the Downtown Specific Plan remain substantively unchanged despite project revisions described herein, and supports the finding that the proposed project does not raise any new issues and does not exceed the level of impacts identified in the previous Mitigated Negative Declaration.

Project Revisions
The proposed amendment would make minor changes to the Specific Plan by removing the restriction that residential units be owner-occupied. This does not change the currently-allowed residential density within the Specific Plan. Further, no new information shows that: there is one or more new or increased significant impacts; or, that new or different mitigation measures are feasible to reduce the impacts.

Impact Comparison
The approved MND (adopted August 1st, 2000) identified potential impacts to geology and soils due to the fact that all of Southern California is subject to the risk of seismic shaking. It was determined to have a less-than-significant impact due to adherence with building code requirements that ensure buildings are constructed to withstand seismic activity. According to the Official Maps of Seismic Hazard Zones provided by the State
of California Department of Conservation, the specific plan area is not located within an earthquake-induced landslide zone or a liquefaction zone. Notwithstanding, numerous controls would be imposed on development through the permitting process. Thus, since the proposed amendment makes no change to allowed land uses or development standards, no new significant impacts or substantial increase in the severity of impacts would occur in regards to geology and soils as a result of project revisions.

The adopted MND also identified potential impacts to transportation/traffic. It was determined to have a less-than-significant impact with mitigation. In 2000, the MND identified the intersection of Imperial Highway and Main Street (which is outside the boundaries of the Specific Plan area) to be operating at LOS E, but identified that improvements to this intersection were planned. According to the traffic impact analysis conducted in 2012 for the approved 540 Imperial residential development project, the intersection now operates at LOS A. Thus, since the proposed amendments do not make any changes to allowed uses, allowed density or to any other development standards within the Plan, the amendments will not result in an increase in traffic generation. Therefore, no new significant impacts or substantial increase in the severity of impacts would occur in regards to transportation/traffic as a result of project revisions.

**Conclusion**
As such, the City Council has independently reviewed this item and determined that the proposed amendments do not constitute a substantial change to the Specific Plan and that there have been no substantial changes with respect to the circumstances under which Specific Plan amendments are undertaken. The proposed amendment is within the scope of Environmental Assessment No. 474. Further, future proposals would be subject to review as required by CEQA. As a result, no further environmental review is necessary other than the approval of this Addendum.
AGENDA DESCRIPTION:

Consideration and possible action regarding adoption of Addendum No. 1 to an approved Mitigated Negative Declaration and approval of Environmental Assessment No. EA-1184 and Specific Plan Amendment No. SPA 17-01 to amend the Downtown Specific Plan as follows:

1. Remove the requirement that upper-floor residential occupants must also be commercial tenants or owners of the business below;
2. Establish a new parking requirement for new residential units; and
3. Miscellaneous cleanup.
   (Fiscal Impact: None) (Applicant: Bill Ruane)

RECOMMENDED COUNCIL ACTION:

1. Conduct a public hearing;
2. Take testimony and other evidence as presented;
3. Introduce and waive first reading of an Ordinance (Specific Plan Amendment No. SPA 17-01) amending the Downtown Specific Plan regarding residential uses;
4. Schedule second reading and adoption of the Ordinance on June 6, 2017; and/or
5. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Draft Ordinance
   a. Exhibit A – Addendum No. 1 to EA/MND
3. Planning Commission Staff Report and Minutes Dated April 13, 2017
4. Planning Commission Staff Report Dated April 27, 2017
5. City Council Staff Report and Minutes Dated May 1, 2001
6. City Council Staff Report and Minutes Dated May 15, 2001

FISCAL IMPACT: None

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:

Goal: 4(a) El Segundo’s physical infrastructure supports an appealing, safe, and effective City

Objective: The City engages in new initiatives that continue to move the City forward
The City engages in prospective thinking that allows the City to do more than keep up

ORIGINATED BY: Gregg McClain, Planning Manager
REVIEWED BY: Sam Lee, Planning and Building Safety Director
BACKGROUND AND DISCUSSION

Prior to the adoption of the Downtown Specific Plan (DSP), the area was zoned Downtown Commercial (CR-S). This zoning permitted residential units only as upper-floor accessory uses at a density of 1 unit per 4,356 square feet of lot area. The code at the time required 2 parking spaces per unit.

In 1998, the City Council created the Downtown Task Force comprised of community and business leaders appointed by the City Council. In November 1998, the Task Force presented a summary report entitled "Developing a Vision for Downtown El Segundo." The City Council reviewed the report and recommendations, and later directed staff to begin the preparation of a Downtown Specific Plan to implement the vision plan document. In July 1999, the City Council re-formed the Downtown Task Force to develop a Specific Plan and Vision Statement for future development of the Downtown area. The aim of the Specific Plan was the revitalization of the core area of the City, in order to make the Downtown more walkable and livable. The Downtown Task Force conducted numerous public meetings and workshops, resulting in a Specific Plan Concept Document and Vision Statement, which included allowing residential units on the second floor of commercial buildings. The draft Specific Plan document was presented to the Planning Commission, which then made a recommendation that the City Council adopt the DSP.

On June 20, 2000, the City Council considered the draft DSP, which included a recommendation that two residential units per 25-foot wide lot be allowed, and that two on-site parking spaces be provided per unit. The Council directed staff to investigate the feasibility of requiring that the residential unit above a commercial space be occupied only by the owner of the business below.

The City Attorney's office then opined that such a development standard would be unenforceable, and the City Council directed staff to delete the allowance for residential units within the DSP. Thus, on August 1, 2000, the City Council adopted a DSP that did not list residential as a permitted use, effectively prohibiting residential uses and development in the downtown area.

The following year, however, the City Council directed staff to amend the DSP to allow the development of dwelling units on the second floor of buildings for tenants/business owners of the first floor businesses only. As part of the Planning Commission's review, the Commission questioned the enforceability of the amendment and discussed the benefits of residential use downtown (i.e. eyes on the street, reduction of vehicle usage and the enhanced cash flow to the business owner). As a result, the Commission instead recommended that the DSP be amended to allow unrestricted residential use above the first floor within the DSP area.

On May 1, 2001 the City Council considered the Planning Commission's recommendation to permit residential units within the DSP with no restrictions. However, after deliberation, the City Council voted to amend the DSP in accordance with its original direction to staff, to allow development of upper-level dwelling units in the downtown, provided they are only occupied by tenants/business owners of the first floor businesses. The amended DSP also established a density of one unit per 3,500 square feet of lot area; and, because the commercial tenant below would be the same person living upstairs, residential parking was not required.
On April 13, 2017, the Planning Commission considered an application by local real estate agent, Bill Ruane, requesting an amendment to the DSP to remove the restriction on upper-floor residential units. A public hearing was held and three members of the Planning Commission heard public testimony (Commissioners Nisley and Wingate recused themselves from participation due to conflicts of interest; Vice Chair Newman also had a conflict of interest, but was randomly selected to participate to achieve a quorum of the Commission). The commissioners agreed that the restriction on upper-level residential units should be removed.

Staff also sought direction on parking requirements for new residences in the downtown area. Based on its discussion, the Planning Commission concluded that parking should not be what is typically required of residential developments (i.e., 2 spaces per unit) and that a lower ratio is justified. As a result, the Planning Commission directed staff to return with a resolution offering the following two options for consideration:

1) Require 0.5 space per new residential unit.

2) Require no spaces for the first new residential unit on a property, and 0.5 per each additional unit on a property.

On April 27, 2017 the Planning Commission unanimously adopted a resolution, recommending the City Council adopt the ordinance, which would remove the upper-level residential restriction, and establish a new residential parking requirement of 0.5 spaces per unit (the first option).

It is worth noting that the DSP allows developers to pay a fee under the City’s parking in-lieu fee program rather than provide the required parking space. The program currently requires $17,500 per space, which can be paid over a maximum period of 20 years. Funds collected by the City from such payment is deposited in a special fund and used by the City only to acquire and/or develop additional parking and related facilities that are determined by the City Council to be necessary to serve the downtown area, such as recent improvements on Richmond Street. The proposed amendment makes no change to this program.

OTHER PROPOSED CHANGES TO THE DSP

In addition to this amendment, staff is proposing that other sections of the DSP be amended to clarify certain sections of the document since it is important that that the DSP be clear in all related language and standards. As a result, the following changes are proposed:

1. **Introduction:** The DSP contains the following statement: “The final Plan will not allow the development of any new residential units, although the existing units may continue and may be rebuilt if accidentally destroyed.” The statement will be removed since it is language left from the original DSP that was never removed when new residential units became allowed in 2001.

2. **Height:** the current DSP height standard for each district is verbose and difficult to understand. Staff proposes simplified wording that does not change the standards required.

3. **Residential density:** the current limit to residential density is worded ambiguously. It states: “The maximum residential density shall not exceed one dwelling unit per 3,500 square foot lot. If the lot is less than 3,500 square feet, one unit is allowed.” A strict reading
prohibits more than one residential unit per lot regardless of lot size. Staff believes that such a reading constitutes a misinterpretation of the intent of the standard, and therefore new language is proposed.

4. **Parking**: the DSP explains that additional parking is not required for upper-floor residential units because “People who occupy the residential units will be the ones working in the commercial units”. Because this is not consistent with the amendment, staff proposes that the explanatory language be removed.

5. **Parking in-lieu fees**: staff believes that it is important to clearly state that parking in-lieu fees are rounded together up to the whole number of required parking spaces to be waived.

6. **Parking required for public assembly**: this section references the outdated Uniform Building Code. Staff proposes that this reference be removed.

**FINDINGS**

*Consistency with the El Segundo Municipal Code.*

Pursuant to ESMC Title 15, Chapter 26 (Amendments), in order to recommend City Council approval of the proposed amendments, the Planning Commission must find that the amendments are necessary to carry out the general purpose of ESMC Title 15. The purpose of this Title (ESMC § 15-1-1) is to serve the public health, safety, and general welfare and to provide economic and social advantages resulting from an orderly planned use of land resources. Planning staff believes that the Planning Commission can make the findings in order to recommend City Council approval of the proposed amendment. The findings are discussed in the proposed resolution.

*Consistency with the El Segundo General Plan*

ESMC § 15-1-1 (Purpose, Title) states that Title 15 is the primary tool for implementation of the goals, objectives, and policies of the El Segundo General Plan. Accordingly, the Planning Commission must find that the proposed Specific Plan Amendment is consistent with those goals, objectives, and policies. Planning staff believes that the Planning Commission can make the findings in order to recommend City Council approval of the proposed amendment. The findings are discussed in the proposed resolution.

**ENVIRONMENTAL REVIEW**

The Downtown Specific Plan was evaluated by an adopted Mitigated Negative Declaration (Environmental Assessment No. 474) (“MND”) on August 1, 2000. Addendum No. 1 to the MND, attached to the proposed ordinance as Exhibit “A” and incorporated by this reference, determined that the proposed amendments to the Downtown Specific Plan would not result in any new or different impacts that were not identified in the prior MND. None of the conditions described in CEQA Guidelines Section 15164 (14 CCR § 15164), which identifies when a subsequent MND is
required, has been met, and therefore the City prepared an Addendum to the previously approved MND. The proposed ordinance would adopt Addendum No. 1 to the MND.

RECOMMENDATION

Staff recommends that the City Council introduce and waive first reading of a draft Ordinance, and schedule a second reading and adoption of the Ordinance to occur on June 6, 2017. If adopted, the Ordinance would take effect 30 days after adoption.
AGENDA DESCRIPTION:
Consideration and possible action to 1) award a standard Public Works Contract to Stephen Doreck Equipment Rentals, Inc. for the Center Street Water Main Improvement Project from Pine Ave. to El Segundo Blvd., Project No. PW 17-22, and 2) award a standard Public Works Professional Services Agreement to AKM Consulting Engineers, Inc. for construction inspection services. (Fiscal Impact: $871,000.00)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Stephen Doreck Equipment Rentals, Inc. in the amount of $680,745.00 for the Center Street Water Main Improvement Project from Pine Ave. to El Segundo Blvd., Project No. PW 17-22, and authorize an additional $102,110.00 for construction related contingencies; and,

2. Authorize the City Manager to execute a standard Public Works Professional Services Agreement, in a form as approved by the City Attorney, with AKM Consulting Engineers, Inc. in the amount of $78,145.00 for construction inspection and testing services, and authorize an additional $10,000.00 for construction related contingencies; or,

3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Location Map

FISCAL IMPACT: $870,995.00

Amount Budgeted: $3,000,000.00 (Water CIPs)
Additional Appropriation: No
Account Number(s): 501-400-7103-8206 (Water Enterprise Fund)

STRATEGIC PLAN:
Goal: 4  Develop Quality Infrastructure and Technology
Objective: 1  El Segundo’s physical infrastructure supports an appealing, safe, and effective City

ORIGINATED BY: John Gilmour, Senior Engineering Associate
REVIEWED BY: Ken Berkman, Director of Public Works
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The City is the owner of and responsible for maintaining its water transmission and distribution system. Standard practices call for replacing lines every 50-70 years due to natural degradation from soil chemistry and chlorinated potable water sources. Staff regularly evaluates the conditions...
of the pipes to develop and prioritize a replacement schedule each year. The water main on Center Street has experienced several breakages over the past years. Staff evaluated subsequently its condition and determined that the segment between Pine Avenue and El Segundo Boulevard (~2,100 feet) is in urgent need of replacement. This work was identified and approved in FY 2016/17 Budget as part of the Capital Improvement Program and will advance our ultimate goal to replace all of our aging water infrastructure.

On April 18, 2017, City Council adopted the plans and specifications for the Project and authorized staff to advertise for construction bids. On May 16, 2017, the City Clerk received and opened seven (7) bids as follows:

1. Stephen Doreck Equipment Rentals, Inc. $680,745
2. Kana Pipeline, Inc. $746,000
3. Sully-Miller Contracting Co. $845,000
4. Ramona, Inc. $852,555
5. Ampco Contracting, Inc. $939,650
6. Blois Construction, Inc. $1,045,900
7. Colich & Sons LP $1,142,700

The lowest responsive and responsible bidder was Stephen Doreck Equipment Rentals, Inc. Staff has been satisfied with the work Doreck has performed for the City in the past and checked additional references to verify satisfactory performance for other agencies, and confirmed the contractor’s license is active.

Staff has contracted with AKM Consulting Engineers, Inc. for inspection and testing services on several similar projects and has found them to be highly competent at providing these services. Staff has also verified that AKM Consulting Engineers, Inc.’s rates are typical of the market for this type of service.

Staff therefore respectfully recommends that City Council:

1) Authorize the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Stephen Doreck Equipment Rentals, Inc. in the amount of $680,745.00 and approve an additional $102,110.00 for construction-related contingencies; and,
2) Authorize the City Manager to execute a standard Public Works Professional Services Agreement in a form as approved by the City Attorney with AKM Consulting Engineers in the amount of $78,145.00 for construction inspection and geotechnical (compaction) oversight and testing, and approve an additional $10,000.00 for related contingencies

With Council’s approval, construction is expected to start in late June or early July and be completed in October 2017. Note that the segment north of Grand Avenue will be occur first to ensure construction is completed before school returns to session.

Any remaining funds will be returned to the Water Enterprises Fund.
AGENDA DESCRIPTION:
Consideration and possible action to accept as complete the George E. Gordon Clubhouse Playground Resurfacing Project, Project No. PW 14-10. (Fiscal Impact: $48,950.00)

RECOMMENDED COUNCIL ACTION:
1. Accept the work performed by Robertson Industries, Inc. for Project No. PW 14-10 as complete; and
2. Authorize the City Clerk to file Notice of Completion in the County Recorder’s office; or
3. Alternatively, discuss and take other possible actions related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Notice of Completion

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $52,000.00  
Additional Appropriation: N/A  
Account Number(s): 125-400-8202-8326 (Playground Surface Replacement)

STRATEGIC PLAN:
Goal: 4 Develop Quality Infrastructure and Technology
Objective: 1 El Segundo’s physical infrastructure supports an appealing, safe, and effective City
Goal: 1 Enhance Customer Service and Engagement
Objective: 2 City services are convenient, efficient and user-friendly for all residents, businesses, and visitors

ORIGINATED BY: John Gilmour, Senior Engineering Associate
REVIEWED BY: Ken Berkman, Director of Public Works  
Meredith Petit, Director of Recreation & Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
On May 17, 2016, City Council adopted the plans and specifications for George E. Gordon Clubhouse Playground Resurfacing Project (Project No. PW 14-10) and authorized staff to advertise the project for receipt of construction bids. This project proposed to completely resurface the upper playground area with new rubber, and partially resurface the lower playground under the swings with new rubber. The project funding would be covered by a Los Angeles County Parks Grant.
On November 1, 2016, the City Clerk received zero bids for the proposed project. In accordance with Public Contracting Code, the Public Works Department then requested direct quotes from several contractors experienced in playground improvements. On December 20, 2016, the City Council awarded a standard public works contract to the lowest responsible bidder, Robertson Industries, Inc., for $44,666.60 and approved an additional $6,700.00 for construction-related contingencies.

Construction began on April 5, 2017 and was successfully completed by Robertson Industries, Inc. on May 1, 2017. A final inspection for the contractor’s work was performed and it was determined that the project was completed per the plans and specifications and to the satisfaction of the Public Works Department.

Staff respectfully recommends City Council accept the work performed by Robertson Industries, Inc. for Project No. PW 14-10 as complete and authorize the City Clerk to file Notice of Completion in the County Recorder’s office.

**Accounting Summary:**

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<th>Amount</th>
<th>Description</th>
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<tr>
<td>$44,666.60</td>
<td>Robertson Industries, Inc. Contract Amount</td>
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<tr>
<td>$4,283.40</td>
<td>Robertson Industries, Inc. Change Order and Construction Contingency Utilized</td>
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<tr>
<td><strong>$48,950.00</strong></td>
<td><strong>Total Funds Spent</strong></td>
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<td>$52,000.00</td>
<td>Amount Budgeted for the project</td>
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<tr>
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<td>Total Fiscal Impact</td>
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<tr>
<td><strong>$3,050.00</strong></td>
<td><strong>Unspent Budgeted Amount Returned to the Recreation &amp; Parks Department Grant Fund Accounts</strong></td>
</tr>
</tbody>
</table>
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: George E. Gordon Clubhouse Playground Resurfacing Project

Project No.: PW 14-10  Contract No. 5243

Notice is hereby given pursuant to State of California Civil Code Section 3093 et seq that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of El Segundo

3. The full address of the owner is: City Hall, 350 Main Street, El Segundo, CA, 90245

4. The nature of the interest of the owner is: Public Facilities

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on May 1, 2017. The work done was: George E. Gordon Clubhouse Playground Resurfacing Project.

6. On June 6, 2017, City Council of the City of El Segundo accepted the work of this contract as being complete and directed the recording of this Notice of Completion in the Office of the County Recorder.

7. The name of the Contractor for such work of improvement was: Robertson Industries, Inc.

8. The property on which said work of improvement was completed is in the City of El Segundo, County of Los Angeles, State of California, and is described as follows: George E. Gordon Clubhouse Playground

9. The street address of said property is: 300 E Pine Ave., El Segundo, CA 90245

Dated: __________________________

Ken Berkman
Public Works Director

VERIFICATION

I, the undersigned, say: I am the Director of Public Works of the City El Segundo, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

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

Executed on ________________, 2017 at El Segundo, California. 90245

______________________________
Ken Berkman
Public Works Director
Consideration and possible action to award a standard Public Works Contract to FieldTurf USA, Inc. for the El Segundo Athletic Fields Turf Replacement Project, Project No. PW 17-10. (Fiscal Impact: $1,142,440.20)

RECOMMENDED COUNCIL ACTION:

1. Waive minor irregularities in the bid from FieldTurf USA, Inc.
2. Authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with FieldTurf USA, Inc. in the amount of $1,038,582.00 and authorize an additional $103,858.20, for construction related contingencies.
3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Protest Letter from Sprinturf, dated May 1, 2017
City Response to Protest Letter, dated May 30, 2017

FISCAL IMPACT: Included In the FY2016/17 Budget

- Amount Budgeted: $1,202,600
- Additional Appropriation: No.
- Account Number(s): $580,000 from 301-400-8201-8998 (Campus El Segundo Athletic Fields)
  $622,600 from 601-400-2901-8104 (Athletic Field Turf Replacement)

STRATEGIC PLAN:

- Goal: 4 Develop Quality Infrastructure and Technology
- Objective: 1 City infrastructure is well maintained
- Goal: 1 Enhance Customer Service and Engagement
- Objective: 2 City services are convenient, efficient and user-friendly for all residents, businesses, and visitors

ORIGINATED BY: Cheryl Ebert, Senior Civil Engineer
REVIEWS BY: Ken Berkman, Public Works Director
Meredith Petit, Recreation and Parks Director
APPROVED BY: Greg Carpenter, City Manager
BACKGROUND AND DISCUSSION:

The construction of the El Segundo Athletic Field facility was completed in July 2007 which included two synthetic turf fields, used for soccer, lacrosse, and flag football. Synthetic fields are typically built to last between 8-10 years, with normal use on the fields. The Campus El Segundo fields are heavily utilized given the high demand, low rental cost and sports lighting. The funds to replace the worn turf have been identified and adopted in the FY 2016/17 budget with a total allocation of $1,202,600.

On April 4, 2017, the City Council adopted the plans and specifications for Project No. PW 17-10, El Segundo Athletic Fields Turf Replacement Project, and authorized staff to advertise for receipt of construction bids.

On April 25, 2017, the City Clerk received and opened two (2) bids as follows:

1. FieldTurf USA, Inc.: $704,980.71
2. Sprinturf, LLC: $736,169.00

The lowest responsive and responsible bidder is FieldTurf USA, Inc. (FieldTurf). Staff checked the Contractor’s license status and references, and found FieldTurf and subcontractors have satisfactorily met the City’s requirements and has successfully completed similar projects for other public agencies.

Optional Alternative Bid Item

An optional alternative bid item to install FieldTurf Vertex Prime was included in the bid documents to provide a more durable and better quality turf system, should the budget allow. The Vertex Prime system offers several advantages over the base bid item, including better durability, more natural feel, better ball movement, superior aesthetic appearance, and greater infill encapsulation that reduces displacement of the rubber and sand infill. The Vertex Prime system also uses cryogenic rubber instead of ambient rubber, which is cryogenically frozen and then shattered into small, smooth-edged particles. The smooth shape facilitates a consistent flow of water through the infill without raising and displacing any rubber while allowing rubber and sand to remain in suspension in a layered system, providing an optimal mix for a safe and consistent playing surface. Additionally, a top coat of CoolPlay will be added, which is green in color to help keep the playing field cooler in temperature, as well as providing some relief in the perception that the rubber is a health hazard.

The Recreation and Parks Commission not only supports staff’s recommendation to continue to utilize a rubber system (versus an alternative infill such as coconut coir or cork which would be less costly), but also recommended replacing the turf fields with the best quality, most durable rubber system that the allocated budget will allow to ensure that the field maintains its original qualities as long as possible.

FieldTurf bid the alternative item for $874,582.00 and the base bid item #5 of FieldTurf Vertex for $540,980.71. Awarding the alternative bid item in lieu of the base bid item #5 will bring the total contract amount to $1,038,582.00. Staff recommends the alternative bid item of FieldTurf Vertex Prime to be awarded in place of the base bid item of FieldTurf Vertex, along with the rest of the bid items. There is sufficient funding in the budget to cover the extra cost of the alternative bid item.
Bid Protest

A bid protest was received on May 2nd, 2017 (dated May 1st, 2017) from Sprinturf, LLC (Sprinturf). Among the items that Sprinturf protested was that FieldTurf checked a box on their bid proposal indicating they are not registered in accordance with Labor Code 1725.5, and that FieldTurf printed their name but did not sign on the Bidder’s Statement of Past Contract Disqualifications form. City staff verified that FieldTurf is in fact registered with Labor Code 1725.5 and the box was checked erroneously. After review of the protest letter in cooperation with the City Attorney’s Office, staff concluded that FieldTurf remains the lowest responsive and responsible bidder. The protest and City response letters are attached.

In an abundance of caution, however, staff recommends that the following items to be identified as a minor irregularity and waived by the City Council:

1. The lowest bidder, FieldTurf USA Inc. erroneously checked a box on their bid proposal indicating they are not registered with Department of Industrial Relation while in fact FieldTurf USA Inc. is registered in accordance with Labor Code 1725.5.

2. The lowest bidder, FieldTurf USA Inc., neglected to sign the Bidder’s Statement of Past Contract Disqualifications; however, FieldTurf USA Inc. principals did sign other documents within the bid documents. FieldTurf’s failure to sign would not allow it to be relieved of its bid; therefore, FieldTurf did not gain an unfair advantage by failing to sign.

Recommendation

Staff respectfully recommends City Council waive the minor irregularities in the bid proposal from FieldTurf and authorize the City Manager to execute a standard Public Works Contract in a form approved by the City Attorney with FieldTurf USA, Inc. in the amount of $1,038,582.00, which is the amount for the FieldTurf Vertex Prime product, and authorize an additional $103,858.20 for construction related contingencies.

Construction is slated to commence in late July and be completed in August 2017.
May 1st, 2017

City of El Segundo, Ca.
Office of the City Clerk
Public Works Department
Attn: Cheryl Ebert, Mona Shilling, Ken Berkman
350 Main St. El Segundo, Ca. 90245

Re: Formal Protest of Bid: El Segundo Athletic Fields Turf Replacement. Project no. PW 17-10

To: Cheryl Ebert, Project Manager

This is a formal protest submitted by Sprinturf, LLC for solicitation project El Segundo Athletic Fields Turf Replacement Project no. PW 17-10. Sprinturf LLC should be awarded as the low responsive bidder. Fieldturf USA failed to properly fill out the bid forms as required and the bid was non-competitive based on California Contract Code 9.2.1 which clearly states that the purpose of public contract law is to clarify and ensure full compliance with competitive bidding requirements but also to “eliminate favoritism, fraud, and corruption in the awarding of public contracts.”

Fieldturf USA failed to sign the Bidders Statement of Past Contract Disqualifications and is not registered with Labor Code 1725.5. Per the bid documents, The City of El Segundo states they will reject Fieldturf USA as nonresponsive if not registered. Fieldturf clearly marked the box “no” for not being registered.

The bid documents were changed several times giving Fieldturf USA a bidding advantage by allowing the Fieldturf Vertex Prime to be sole sourced as the base bid. After objection, this was changed to allow all alternate products/vendors as the base bid. However, Fieldturf Vertex Prime became the only alternate, again allowing Fieldturf a bidding advantage with no other vendors/products as alternates. At the prebid meeting, several turf vendors expressed their concerns of the Fieldturf product being the ONLY alternate. This made the bid effective “sole source” and non-competitive. Fieldturf will not give competitors pricing and competitors will not carry a Fieldturf price. This could also be considered collusion. Sprinturf was not able to bid an alternate. It was announced at the prebid meeting by the City Project Manager, Cheryl Ebert that there will not be an alternate bid item. The next day an addendum was issued with the Fieldturf Vertex Prime as an alternate bid item (Optional to bidders) but not allowing for an “or equal product” and making the bid effectively a sole source and non-competitive process. El Segundo staff
publicly mentioned several times, they wanted the Fieldturf Vertex Prime, again allowing a bidding advantage. Fieldturf clearly altered their bid. This does not meet the competitive bidding requirements set forth by the Public Contact code. California contract code 9.2.1 clearly states that the purpose of public contract law is to clarify and ensure full compliance with competitive bidding requirements but also to "eliminate favoritism, fraud, and corruption in the awarding of public contracts."

Sprinturf submitted a very detailed and document supported substitution request for equal or superior product to the Fieldturf Vertex Prime. Documentation provided that Fieldturf states their own vertex product lines can only with stand less than 2,000 hours of use per year. An average field usage is 3,000+ hours per year. It is assumed Campus fields are scheduled well over this. Sprinturf request for equal was rejected.

In addition, Fieldturf failed to list a subcontractor for the removal and recycling of the current turf and infill system. There is no way to know if they intent to comply with this requirement, nor can their pricing be fairly compared to other bidders because there is no way to know who is performing the work, or where and how is the turf being disposed.

"10-0. DISPOSAL OF REMOVALS
All removed materials shall become the property of the Contractor. Materials shall be legally discarded away from the site of work."
Note: There are no authorized dump facilities within the City of El Segundo

"SCOPE OF WORK
A. The work shall be comprised of removing the current infill and turf system for recycling, minor regrade of the sand leveling course and porous aggregate base and installation of new synthetic turf surface as specified herein."

The material defects in Fieldturf's Bid makes Sprinturf LLC is the lowest responsive and responsible bidder meeting the requirements set forth in City of El Segundo Athletic Fields Turf Replacement Project No. PW 17-10 and should be awarded the project based on the solicitation you provided and addenda for this project.

Thank you for your consideration of this protest and we look forward to hearing from you in a timely manner.

Sincerely,

Bruce Cheskin
Executive Vice President
Sprinturf, LLC
May 30, 2017

Sprinturf, LLC
Attn: Bruce Cheskin, Executive Vice President
550 Long Point Rd. Suite 205
Mount Pleasant, SC 29464
bcheskin@sprinturf.com

RE: Response to Bid Protest for El Segundo Athletic Fields Turf Replacement (PW 17-10)

Dear Mr. Cheskin,

In response to the protest letter from Sprinturf, LLC, dated May 1, 2017, for the above-referenced project which had a bid opening on April 25, 2017, the City of El Segundo has thoroughly investigated the protest items raised in the letter and has come to the following conclusions:

1. **Sprinturf’s allegation**: “Fieldturf USA failed to sign the Bidders Statement of Past Contract Disqualifications and is not registered with Labor Code 1725.5.”

**City’s response**: Field Turf USA is registered with the California Department of Industrial Relations (registration number of 1000004625). FieldTurf apparently mistakenly checked off the wrong box in the bid form in error. The erroneous marking of the box “no” is a minor irregularity in the bid that may be waived by the City Council when it considers the award of contract at a public hearing.

Similarly, FieldTurf printed a name on the Bidder’s Statement of Past Contract Disqualifications but did not sign. But the signatures of FieldTurf principals appear at other locations in the bid documents, and the failure to sign would not allow FieldTurf to be relieved of its bid; therefore, FieldTurf did not gain an unfair advantage by failing to sign the document. Thus, the failure to sign the Bidders Statement of Past Contract Disqualifications is a minor irregularity that may be waived by the City Council.

2. **Sprinturf’s allegation**: “Fieldturf Vertex Prime became the only alternate [which] made the bid effectively ‘sole source’ and non-competitive. ... This could also be considered collusion.”

350 Main Street, El Segundo, California 90245-3813
Phone (310) 524-2300
City’s response: As stated in the specifications and in compliance with California law, any material that was specified by brand, trade or proprietary name is deemed to be followed by the words “or equal.” As Sprinturf is aware, the City allowed bidders to submit proposed “equal” items pursuant to the process outlined in Section 4-1.6 of the bid.

On April 17, 2017, in Addendum #1 issued by the City, Sprinturf’s request for substitution of “Sprinturf Ultrablade Dual Fiber Elite (DFE) with CoolCap” was deemed acceptable as an alternative bid product, but not acceptable as a base bid substitute product. After April 17, staff determined that because no equivalent product for Vertex Prime had been identified, the City issued Addendum #2, to make FieldTurf Vertex CoolPlay and Sprinturf DFE Extreme CoolCap as the base bid items. In fact, the City issued Addendum #2 to allow more bidders the opportunity to bid on the base bid items in an effort to avoid a potential “sole source” situation. In other words, the City issued Addendum #2 to encourage more prospective bidders to bid on the project, to ensure as much as practicable, a competitive bidding process. No collusion occurred between the City and FieldTurf.

3. Sprinturf’s allegation: “Fieldturf failed to list a subcontractor for the removal and recycling of the current turf and infill system.”

City’s response: The bid documents did not require the bidder to list a separate subcontractor for the removal and recycling of current turf and infill. Because FieldTurf did not list a subcontractor, FieldTurf effectively certified that it is qualified to perform and will perform that portion of the work, and that the estimated amount of this work is included on their submitted bid schedule. Thus, the City can fairly compare the bids, and this does not constitute a material defect.

For the reasons set forth above, the City of El Segundo does not find substantial reason to reject FieldTurf USA’s bid. At the June 6, 2017, regular council meeting, City staff will recommend that the City Council award the contract to FieldTurf USA. You are welcome to attend the meeting, held at 7:00 p.m. in the City Hall Council Chambers.

Sincerely,

David King
Assistant City Attorney

CC: Greg Carpenter, City Manager
Mark D. Hensley, City Attorney
Ken Berkman, Public Works Director
Michael Mirante, California Sales Manager, mmirante@sprinturf.com
AGENDA DESCRIPTION:
Consideration and possible action to authorize the City Manager to execute professional services agreements with Prosum and Dyntek in a combined overall amount not to exceed $150,000 to provide project management and technical/helpdesk support for various IS projects including, but not limited to, the implementation of a Recreation and Parks Management system, IS Fiber Expansion project, and the Finance Cashiering system. (Fiscal Impact: $150,000)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute professional services agreements with Prosum and Dyntek in a combined overall amount not to exceed $150,000 to provide project management and technical/helpdesk services; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
- Proposal for services from Dyntek
- Proposal for services from Prosum

FISCAL IMPACT: None – Included in adopted budget
   Amount Budgeted: $150,000
   Additional Appropriation: No – Request to reallocate from IS Salary (Savings)
   Account Number(s): 001-400-2505-6214 Professional / Technical

STRATEGIC PLAN:
   Goal: 4. Develop Quality Infrastructure & Technology
   Objective: 5. Improve efficiency and effectiveness

ORIGINATED BY: Brian Evanski, Captain
REVIEWED BY: Mitch Tavera, Chief of Police
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The Information Systems Division currently has three vacant positions including the IS Director, an IS Specialist and an IS Network Assistant. Additionally, the City is moving forward with several projects including the replacement of Recreation and Park’s Management Software system, a citywide Cashiering system, and the completion of the Fiber Expansion project. With these vacancies, and the ongoing complex projects, Staff would like to employ contracted services for both project management, and technical helpdesk support.
Based on the complexity of several planned and/or ongoing City projects, as well as the current limited IS staffing levels, the Technology Committee unanimously recommended utilizing contracted services to assist with project management and technical/helpdesk support.

Staff obtained quotes from two consulting firms that provide project management and technical support services based on a project by project basis. The respective fees for the identified services are as follows:

- Dyntek – Project Management = $100/hour; Technical/Helpdesk = $50/hour
- Prosum – Project Management = $125/hour; Technical/Helpdesk = $50/hour

Staff would like to enter into contracts with both Dyntek and Prosum for information technology related services. Staff will utilize the appropriate consulting firm to provide the necessary services based on the task at hand and availability.

Staff recommends authorizing the City Manager to execute professional services agreements with Dyntek and Prosum in a combined overall amount not-to-exceed $150,000 to provide project management and technical/helpdesk services for the City. Funding for these services is available and will be reallocated from salaries savings as a result of the vacant positions.
May 18, 2017

Dear Captain Evansi and Mr. Kim,

Thank you for considering using DynTek to provide support under contract to the City of El Segundo. DynTek’s multi-disciplinary practices consist of:

- **Data Center & Network Infrastructure Practice**
  - Strategic Vendor – Cisco
  - Certifications – Cisco Gold DVAR Certified Partner/National Partner (less than 28 nationally)
    - IP Communications
    - Network Management
    - Wireless Networks
    - LAN/WAN

- **Microsoft Practice**
  - Certifications – Microsoft Gold Certified Partner/National Partner (less than 34 nationally)
  - 6 Gold Competencies: Windows & Devices, Cloud Platform, Cloud Productivity, Datacenter, Messaging, EMM
    - Active Directory / Exchange
    - Systems Management / Operations
    - SharePoint
    - Databases / SQL

- **Storage & Virtualization**
  - Strategic Vendors – Citrix, VMware, HyperV – Hitachi, EMC, NetApp, Dell, HP
  - Certifications – Citrix Platinum Solution Advisor, VMware Premier Partner
  - Awards - Citrix Partner of the Year West, Citrix Authorized Learning Center of the Year
    - Secure Application
    - Virtualization / Optimization / Streaming
    - Single sign-on
    - On-demand Collaboration

- **EndPoint Computing**
  - Strategic Vendor – Citrix
    - VDI, EMM, BYOD

- **Security**
  - Strategic Vendors – McAfee, FireEye, Tanium, Cylance, Crowdstrike, Varonis
  - Awards – Government, Healthcare, and Education Partner of the Year 2010 & 2011
    - Microsoft Office System
    - Microsoft SharePoint Products and Technology
    - Microsoft Content Management Server
DynTek’s primary business focus is servicing the information management and technology needs of public sector clients. DynTek has an extensive background providing cutting edge IT solutions to government and educational institutions in California, Nevada and nationwide. The DynTek Team is committed to being more than “just a vendor,” with a focus on maintaining and growing our strategic relationship with The City of El Segundo. We know that you will be extremely satisfied with our response time, skill sets, and the level of service we provide to our customers!

DynTek as an entity has been doing business continuously since 1989. DynTek is headquartered in Newport Beach, California, with a large regional office in Las Vegas and the additional cities noted below:

Currently, DynTek has 300 company employees and an additional 100 subcontractors that comprise our total company staff. Out of our 300 company employees of our internal staff, about 2/3rds of the members of our team are technical or engineering oriented to support our customer’s IT operations, provide project based delivery and partner on new customer IT initiatives. The remaining people comprise our sales, business operations and customer support.

With a strong and extensive local presence in Southern California and Nevada, DynTek is a leading provider of professional technology services to government, education, and commercial customers throughout the region and nationwide.

**Bill Rates:**

While DynTek professional bill rates are normally $225 per hour, we are prepared to charge the City of El Segundo $175 per hour with our Project Management hourly rate at $100. A list of our type of support and certifications is in the chart below. We know you discussed technician rates, however, every one of our professionals on staff are certified in their respective fields. If there is a need for large blocks of technician type of work
which cannot be done by in house staff, we can secure subcontractors at a reduced rate on a project by project basis.

<table>
<thead>
<tr>
<th>Type of Support</th>
<th>Hourly fee for Certified Consultant</th>
<th>Type and Level of Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management Service</td>
<td>$ 100</td>
<td>PMP, Microsoft Project Certification, Levels 1 &amp; 2</td>
</tr>
<tr>
<td>On-Site Help Desk Technician</td>
<td>$ 50</td>
<td></td>
</tr>
<tr>
<td>Design, Technology Selection, Upgrade and Implementation Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Infrastructure</td>
<td>$ 175</td>
<td>CCIE Route Switch, CCNP, CCDA, MCSE, Palo Alto ACE</td>
</tr>
<tr>
<td>Wireless</td>
<td>$ 175</td>
<td>Meraki CMNA</td>
</tr>
<tr>
<td>Data Center &amp; Cloud</td>
<td>$ 175</td>
<td>MCSE, EMCTA, VNX, NetApp NCDA, DCASI, DCASI, CCIE DataCenter, MCSE</td>
</tr>
<tr>
<td>Database</td>
<td>$ 175</td>
<td>MCSE, MCSA</td>
</tr>
<tr>
<td>Storage Area Network</td>
<td>$ 175</td>
<td>EMCTA, VNX</td>
</tr>
<tr>
<td>Email</td>
<td>$ 175</td>
<td>MCSE, MCSA</td>
</tr>
<tr>
<td>Virtualization</td>
<td>$ 175</td>
<td>VCP DataCenter/Networking</td>
</tr>
<tr>
<td>Disaster Recovery</td>
<td>$ 175</td>
<td>EMCTA, VNX, NetApp NCDA</td>
</tr>
<tr>
<td>Back Up</td>
<td>$ 175</td>
<td>EMCTA, VNX, NetApp NCDA</td>
</tr>
<tr>
<td>Unified Communications</td>
<td>$ 175</td>
<td>CCIE Voice, CCNP Voice</td>
</tr>
<tr>
<td>Security</td>
<td>$ 175</td>
<td>CISSP, CPHIMS, CCIE Security</td>
</tr>
<tr>
<td>Application Development</td>
<td>$ 175</td>
<td>MCSE, MCSA</td>
</tr>
<tr>
<td>Technical Documentation</td>
<td>$ 175</td>
<td>Combination of all</td>
</tr>
<tr>
<td>Operation Reviews</td>
<td>$ 175</td>
<td>Combination of all</td>
</tr>
<tr>
<td>Strategic Planning - CIO, CTO Outsourced</td>
<td>$ 225</td>
<td>Combination of all</td>
</tr>
</tbody>
</table>

A representative list of our current Federal, State and Local Government is on the next page.
We are happy to provide you with specific references as well.

We look forward to supporting you!

Sincerely,

**Tawny Stanton**

Tawny Stanton  
Sr. Account Manager  
Cell: (949) 734-9161  
Direct: (949) 271-9714
Infrastructure Support

Block of Hours

Statement of Work

May 23, 2017

This addendum is incorporated into Master Services Agreement dated June 25, 2013 between City of El Segundo and Prosum, Inc. This Addendum defines the agreement for Prosum, Inc. (hereinafter referred to as "Prosum") to provide technology consulting services to City of El Segundo (hereinafter referred to as "City of El Segundo" or "Client").
Contents

1. Overview & Scope.......................................................... 3
   City of El Segundo Contact Information.................................. 3
2. Prosum Qualifications.................................................... 4
3. Prosum Project Team Members........................................... 5
4. Assumptions/Risks.......................................................... 5
5. Client Responsibilities..................................................... 6
6. Schedule & Cost............................................................. 7
7. Change Order............................................................... 7
8. Acceptance................................................................. 8
1. Overview & Scope

The City of El Segundo (hereinafter referred to as "City of El Segundo" or "Client"), is in the process of several technology projects and would like to use Prosum's technical expertise and resources from time to time for support. As a result of multiple projects conducted by Prosum previously, Prosum consultants have a good understanding and familiarity with many components of City of El Segundo’s infrastructure. Therefore, City of El Segundo would like a mechanism to request Prosum’s assistance with both unanticipated issues and scheduled enhancements.

As a result, City of El Segundo and would like to structure a flexible arrangement in which various Prosum subject matter experts can be applied as appropriate, in the form of a “block of hours” support agreement. Prosum’s Headquarters is also located in El Segundo and as a result, resources can quickly be dispatched to support City of El Segundo’s IT infrastructure.

The following outlines the approach and estimated costs for this pre-paid “block of hours” support. Prosum will provide services on a time and material basis to draw against this pre-paid block of hours. Prosum will work at the direction of City of El Segundo and the scope of this engagement will be defined as necessary by City of El Segundo. Any deliverables for this engagement will be collaboratively defined between City of El Segundo & Prosum.

City of El Segundo Contact Information:

<table>
<thead>
<tr>
<th>Contact Name:</th>
<th>Scott Kim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>IT Manager</td>
</tr>
<tr>
<td>Street Address:</td>
<td>350 Main Street</td>
</tr>
<tr>
<td>City, State, Zip:</td>
<td>El Segundo, CA 90245</td>
</tr>
<tr>
<td>E-Mail Address:</td>
<td><a href="mailto:skim@elsegundo.org">skim@elsegundo.org</a></td>
</tr>
<tr>
<td>Phone#:</td>
<td>310-524-2375</td>
</tr>
</tbody>
</table>
2. Prosum Qualifications

The following outlines several key reasons that Prosum is particularly well qualified to assist in support City of El Segundo infrastructure:

**Microsoft Gold Managed Partner:**

In addition to being a Gold certified partner with Microsoft, Prosum is one of only a handful of infrastructure service providers in the Los Angeles area to have obtained 'Managed Partner' status with Microsoft. The 'Managed Partner' designation is reserved for a select number of partners in Southern California who have strong knowledge of Microsoft technologies, proven excellence in the implementation of these technologies, and high customer satisfaction ratings. Managed Partners enjoy a direct relationship with the local Microsoft channel and technical teams. In addition, Prosum has ties with a number of key personnel and Management in Redmond, Washington. Members of the Team have been selected to work with the Microsoft product teams on current and future Microsoft technology. This helps us guide our customers toward solutions which will not only meet their needs today, but will also be positioned to blend with technology advancements from Microsoft in the future.

Prosum's strong relationship with Microsoft will benefit City of El Segundo in a variety of ways:

- Prosum is well versed in Microsoft's technology roadmap and has early access to information and product enhancements relevant to this project.
- Prosum can leverage the Microsoft product groups directly for guidance, troubleshooting, or access to special programs.
- Prosum has access to more direct channels for technical support that are not available to partners of lower status.
- Prosum has direct access to, and works alongside, local Southern California Microsoft Technical Specialists.
- Prosum enjoys the support of the local Southern California Microsoft Channel team and product groups.

**Extensive experience with Microsoft SQL product, configurations and optimizations:**

Both Prosum and the specific team members that will be assigned to this project have carried out numerous Microsoft design, tuning, deployment, and troubleshooting projects.

**Expert-level project personnel:**

The team members proposed for this project are all core full-time Prosum employees with specific experience that is directly relevant the support of City of El Segundo's infrastructure – with expertise in key topics such as SQL, Active Directory, Exchange, SharePoint, Lync/Skype, use of migration tools, SAN integration, and network engineering.

**Expertise in related areas critical to project success:**

In addition, the Prosum team members are also proficient in the following areas:

- Microsoft authored and 3rd party Migration Tools
- Applications and databases
- SQL Database / Server Administration and development
- Microsoft Cloud Solutions: Office365 and Azure
- Server virtualization: VMware and Hyper-V
- Microsoft Lync
- Network Security, Cisco networking and VPNs
- High Availability and Disaster Recovery
- System Center Suite: Configurations Manager, Operations Manager, Service Manager, Virtual Machine Manager, Orchestrator, Data Protection Manager, App Controller
- Windows Intune for mobile device management integrated with SCCM
- SQL Database / Server Administration and development
- NAS, SAN and hierarchical storage options
- Citrix and Terminal Services

3. **Prosum Project Team Members**

The following roles will be provided by Prosum and required for this engagement. Multiple roles can be held by a single resource.

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Manager</td>
<td>Managing overall client satisfaction, negotiating contract terms, and acts as the escalation point for client concerns</td>
</tr>
<tr>
<td>Project Manager</td>
<td>Responsible for providing support to City of El Segundo, depending on the request the appropriate Project Manager will be deployed to assist City of El Segundo.</td>
</tr>
<tr>
<td>Infrastructure Architect</td>
<td>Responsible for providing support to City of El Segundo, depending on the request the appropriate Subject Matter Expert (SME) Architect will be deployed to assist City of El Segundo.</td>
</tr>
<tr>
<td>Senior System Engineer</td>
<td>Responsible for providing support to City of El Segundo, depending on the request the appropriate Subject Matter Expert (SME) System Engineer will be deployed to assist City of El Segundo.</td>
</tr>
<tr>
<td>Helpdesk Support</td>
<td>Responsible for providing support to City of El Segundo, depending on the request the appropriate Subject Matter Expert (SME) Helpdesk Support will be deployed to assist City of El Segundo.</td>
</tr>
</tbody>
</table>

4. **Assumptions/Risks**

This statement of work was based on the following assumptions. If these assumptions are discovered to be incorrect after the project is accepted, the project schedule and/or estimated costs and resources may vary from that provided to City of El Segundo in this Block of Hours.

1. This Block of Hours will not require Prosum staff on-site for every step of this engagement.
2. Subject to City of El Segundo’s policies, procedures and other directives, Prosum staff will have access to certain relevant client documentation. This documentation may include organization, planning, and technical material, and any other existing documentation deemed appropriate for this project.

3. Should issues occur that cannot be resolved by the Prosum team with due care and diligence, a support ticket may need to be opened with Microsoft or other vendor. Prosum will open and work the ticket; however, client must have a valid support contract for Prosum to use. If no support contract exists, then upon client’s prior written approval Prosum will pay for the support ticket and invoice client for the actual cost. All costs to remedy any issues caused by Prosum shall be the responsibility of Prosum and Prosum shall promptly pay such costs at the direction of City of El Segundo in addition to using its best efforts to resolve said issues.

4. All travel within Southern California is included. Travel outside of this area and associated expenses, both of which shall be subject to client’s written pre-approval, will be invoiced as a pass-through.
   a. All professional services during this engagement will be performed remotely.
   b. If the issue cannot be resolved remotely, Prosum will come onsite to City of El Segundo

5. Estimates contained in this SOW are based on an assumption that client staff schedules and resources are available to support this Project as required. Should schedules deem that resources are not available at required times, the deployment schedules will be impacted.

6. Subject to City of El Segundo’s policies, procedures and other directives, Client will provide Prosum personnel with reasonable access to relevant external and internal systems, as Prosum may reasonably request

7. All work will be completed on a Time & Materials basis and will not exceed the pre-paid block of hours amount.

8. This agreement shall be renewable by City of El Segundo in the form of a Change Order for additional hours as often as desired.

**Exclusions from Scope:**

9. Anything not specifically stated in the above Project Scope section of this document is outside the scope of this SOW.

### 5. Client Responsibilities

The following client responsibilities are assumed in the creation of this SOW. If client fails to meet any of the following responsibilities, Prosum reserves the right to terminate its performance under this SOW. Client is responsible for providing to the Prosum team, in a timely manner, the following resources and information required to complete the tasks in this SOW:

1. Client shall designate a representative to be the Primary Point of Contact (PoC). This representative shall be the focal point for all communications relative to this partnership and shall have the authority to act on Client’s behalf in matters regarding this engagement.
   a. This single point of contact will be responsible for facilitating communications between the Prosum support team and client to ensure that support requests are effectively managed. The timeliness of communications and review will directly affect Prosum’s ability to meet agreed upon schedule deadlines.
b. Client will also make available one (1) technical representative on an as needed basis to work in conjunction with Prosum on this project.

2. Client shall provide relevant diagrams and configuration diagram relating to City of El Segundo's Infrastructure

6. Schedule & Cost

The following table outlines the estimated cost for the scope described in this document. This engagement consists of a pre-paid block of hours for a grand total of $150,000. This agreement shall be renewable by City of El Segundo in the form of a Change Order for additional hours as often as desired.

<table>
<thead>
<tr>
<th>Project / Resource</th>
<th>Estimated Hours</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project: Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Manager</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Manager</td>
<td></td>
<td>$125.00</td>
<td></td>
</tr>
<tr>
<td>Infrastructure Architect</td>
<td></td>
<td>$185.00</td>
<td></td>
</tr>
<tr>
<td>Senior System Engineer</td>
<td></td>
<td>$165.00</td>
<td></td>
</tr>
<tr>
<td>Helpdesk Support</td>
<td></td>
<td>$50.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$150,000.00</td>
</tr>
</tbody>
</table>

Note: the above rates are discounted to City of El Segundo, due to an SOW over $100,000.

7. Change Order

Once the Statement of Work has been signed, any modifications to the scope described herein will require a change order. A change order will define new requirements and impact on delivery time and cost.
8. Acceptance

This document will be deemed accepted upon receipt of a signed copy thereof. Contents of this document supersede all other documents related to the services described herein. If this document correctly states our agreement, please sign below and return to Prosum.

Agreed and accepted,

City of El Segundo

BY: ____________________________
    (Authorized Signature)

PRINT: __________________________

TITLE: __________________________

DATE: __________________________

Prosum

BY: ____________________________
    (Authorized Signature)

PRINT: Rick Tyner

TITLE: VP, Business Development

DATE: 5/23/17
AGENDA DESCRIPTION:
Consideration and possible action to extend the provisional appointment for the position of Recreation Supervisor for a 30-day period. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Approve the 30-day extension for the provisional appointment of Acting Recreation Supervisor per El Segundo Municipal Code Section 1-6-13(c); and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. El Segundo Municipal Code Section 1-6-13(c)

FISCAL IMPACT: Included in Adopted FY 16/17 Budget

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): 001-400-5203-4101

STRATEGIC PLAN:

Goal: 3a El Segundo is a City employer of choice and consistently hires for the future

Objective: 3 The City has a comprehensive, intentional plan for staff development, training and succession

ORIGINATED BY: Meredith Petit, Director of Recreation and Parks
REVIEWED BY: Meredith Petit, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Over the past six months, three full-time positions within the Recreation Division in the Recreation and Parks Department have become vacant, one Recreation Superintendent and two Recreation Supervisors. The Recreation Superintendent position was filled and assumed in mid-March.

To ensure continuity in services, daily operations and oversight, the Department made appointments to Acting assignments. One such position, the Recreation Supervisor position in the Cultural Arts programs at the George E. Gordon Clubhouse, responsible for class registration processes, daily deposits, youth drama, recreation classes and summer day camps, has yet to be permanently filled. The Recreation Supervisor recruitment closed on May 11th and applications are currently under department review. Oral interviews are scheduled for June 6th.
Recreation Coordinator Shaunna Hunter has been assigned this provisional position, effective November 28, 2017. In accordance with El Segundo Municipal Code Section 1-6-13(c), no person shall be employed by the City under provisional appointment for more than six (6) months in any fiscal year, or May 28, 2017 in this case. The Code further states the provisional appointment may be extended for not more than thirty (30) days with Council approval. Staff is requesting a thirty (30) day extension through June 28, 2017. It is the Recreation and Parks Department’s intent to request additional thirty (30) day extensions until a permanent appointment has been selected and the incumbent assumes the role, which is anticipated to occur by the end of July.
El Segundo, California
City Code

1-6-13: APPOINTMENT IN CLASSIFIED SERVICE:

C. Provisional Appointment: In the absence of appropriate employment lists, a provisional appointment may be made of a person meeting the qualifications established for the classification. Any employment list shall be established within six (6) months, for any permanent position filled by provisional appointment. No person shall be employed by the City under provisional appointment for a total of more than six (6) months in any fiscal year except that the City Manager may, with approval of the City Council, extend the period of any provisional appointment for not more than thirty (30) days by any one action.
EL SEGUNDO CITY COUNCIL

AGENDA ITEM STATEMENT

MEETING DATE: June 6, 2017

AGENDA HEADING: Consent Agenda

AGENDA DESCRIPTION:
Consideration and possible action regarding sponsorship of the El Segundo Corporate Games, (Fiscal Impact: Approximately $540 in fee waivers for use of the Richmond Field)

RECOMMENDED COUNCIL ACTION:
1. Review and approve the request to co-sponsor the El Segundo Corporate Games along with OMNI Consulting; and/or,
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS: None

FISCAL IMPACT: Approximately $540 in fee waivers for use of the Richmond Field

<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>

STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal:</th>
<th>5a</th>
<th>El Segundo promotes economic growth and vitality for businesses and the community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective:</td>
<td>1</td>
<td>Implement a comprehensive economic development strategy to ensure the City encourages a vibrant business climate that is accessible, user-friendly and welcoming to all residents and visitors</td>
</tr>
</tbody>
</table>

PREPARED BY: Meredith Petit, Recreation and Parks Director

Barbara Voss, Economic Development Manager

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
OMNI Consulting Solutions (OMNI) has requested a partnership with the City of El Segundo to host the first El Segundo Corporate Games. OMNI is a Service Disabled Veteran Owned Small Business (SDVOSB) located in El Segundo. Founded in 2011, the company provides acquisition consulting services to both industry partners and federal government agencies in support of major defense acquisitions. OMNI’s expertise includes a variety of acquisition functional disciplines, including program, contract, and financial management.

The vision of the El Segundo Corporate Games is to enhance economic development by creating business-to-business networking opportunities and building relationships within the city’s business community. In addition, it will give the over 50,000 employees who travel to El Segundo for work an opportunity to experience other aspects of the city through participation in friendly competition with other companies. These sporting events will create more foot traffic in our downtown area, and increase the awareness of the many amenities our city has to offer. This effort is not for profit, and all of the funds collected from the teams and sponsors will be used to host the event.
The long term objective of the El Segundo Corporate Games is to host a variety of sporting events each year. The “pilot” event will be a co-ed Kickball Tournament on July 1st, 2017 at Richmond Field from 9am to 5pm. This tournament will consist of eight teams of 10-16 players battling it out for the title of Corporate Competitor Champions. Each entry fee will provide teams a minimum of two games, team t-shirts, and lunch from the local El Segundo restaurant, Beach Mex. The City of El Segundo logo will be featured on the team t-shirts, as well as on promotional materials and invitations for the event.

Staff recommends that the City Council co-sponsor the El Segundo Corporate Games, and that the full reservation fee, estimated to be $540, be waived this year to support the event.
AGENDA DESCRIPTION:
Consideration and possible action regarding the acceptance of additional grant funding from the United States Department of Homeland Security, Federal Emergency Management Agency, Grants Program Directorate (DHS) under Fiscal Year 2015 Urban Area Security Initiative Grant Program (UASI) to pursue a Regional Training Group Intelligence Chief. (Fiscal Impact: $100,000)

RECOMMENDED COUNCIL ACTION:
1. Authorize the acceptance of an additional $100,000 in grant funds from the UASI 2015 grant program.
2. Authorize the City Manager to sign an Amendment to the Sub-Recipient Agreement #5000 with the City of Los Angeles, who will serve as the grant administrator for the grant;
3. Following a Request For Proposal (RFP), authorize the City Manager to execute an agreement, in a form approved by the City Attorney, between the City of El Segundo and Michael T. Little, serving as a consultant of the Regional Training Group.
4. Authorize and approve additional appropriation to expense account 124-400-3785-6214
5. Alternately, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. UASI 2015 Sub-recipient Agreement #5000 and authorization to increase City of El Segundo’s contract amount by $100,000.
2. Request for Proposal #17-01 Regional Training Group Intelligence Chief
3. Professional Services Agreement

FISCAL IMPACT: $100,000
Amount Budgeted: $0
Additional Appropriation: $100,000
Account Number(s): 124-300-3202-3785 (UASI)
124-400-3785-6214 (UASI Professional/Technical)

STRATEGIC PLAN:
Goal: 2 El Segundo is a safe and prepared city
Objective: 1 The City has a proactive approach to risk and crime that is outcome focused

ORIGINATED BY: Carol Lynn Anderson, Senior Management Analyst
REVIEWED BY: Chris Donovan, Fire Chief
APPROVED BY: Greg Carpenter, City Manager
BACKGROUND AND DISCUSSION:

The Urban Areas Security Initiative (UASI) Grant Program of 2015 provides federal grant funds through the United States Department of Homeland Security, Federal Emergency Management Agency, Grants Program Directorate (DHS). The State of California, through the Governor’s Office of Emergency Services acts as the “pass-through entity” for sub-award to the City of Los Angeles for the benefit of the Los Angeles/Long Beach Urban Area cities.

Eligible fire department projects are applied for through the Los Angeles Area Fire Chiefs (LAAFCA) group, with the goal of funding programs that benefit the region. On March 16, 2016 the El Segundo City Council approved UASI 2015 funding for the purchase of Urban Search and Rescue (USAR) equipment and funding to cover overtime and back-fill expenses associated with staff attending Homeland Security Exercise Programs. At this time the City of Los Angeles is reallocating additional funds and increasing El Segundo’s contract amount by $100,000 to cover the costs of an Intelligence Officer position that will serve as a consultant to the Regional Training Group (RTG) and fire chiefs within the region.

On March 01, 2017 the City of El Segundo went out to bid seeking proposals from qualified parties to provide the consulting services of an Intelligence Officer to the RTG and Los Angeles Area Fire Chiefs’ Association (LAAFCA). This new position will integrate with the RTG and assist with, support, and further develop the training and response readiness of Los Angeles area fire agencies for incidents of national significance including, but not limited to: acts of terrorism, natural disasters, public health threats, cyber-attacks, major crime, and other large-scale incidents that pose a threat to public or first-responder safety. On April 03, 2017, the Department received one responsive bid that met all of the bid requirements and is the responsible bidder. Staff recommends the approval of the professional services agreement as it is in alignment with the scope of work needed to perform such services.

In accordance with the City Council Policy regarding grant submissions:
1. The grant award is made by the United States Department of Homeland Security, Federal Emergency Management Agency, Grants Program Directorate (DHS). The grant is administered by the City of Los Angeles.
2. The total amount being requested is: $100,000
3. Matching Funds Cost-Share: $100,000
4. Source of Matching Funds Cost Share: UASI 2015 Grant Funds (LA City Council File No. 15-0734)
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 City of Los Angeles. Once the contract is complete, the grant supported Intelligence Officer Consultant position will have no impact on the El Segundo general fund.
SUBAWARD AGREEMENT

Subrecipient: City of El Segundo

Title: FY 2015 Urban Area Security Initiative (UASI) Grant Program

City Contract Number C-127369
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AGREEMENT NUMBER 12799 OF CITY CONTRACTS

BETWEEN

THE CITY OF LOS ANGELES
AND THE CITY OF EL SEGUNDO

This subaward agreement ("Agreement" or "Contract") is made and entered into by and between the City of Los Angeles, a municipal corporation (the "City"), and the City of El Segundo, a municipal corporation (the "Subrecipient"). In consideration of the mutual covenants set forth herein and the mutual benefits to be derived therefrom, the City and Subrecipient (each a "Party" and collectively, the "Parties") agree as follows:

I. GENERAL INFORMATION

§1.1 Federal Award Information
The "Federal award" (as such term is defined in the Code of Federal Regulations ("CFR"), 2 CFR §200.38, and used in this Agreement) is the Fiscal Year (FY) 2015 Urban Area Security Initiative Grant Program, FAIN #EMW-2015-SS-00078, CFDA #97.067, Federal Award Date July 28, 2015.

The "Federal awarding agency" (as such term is defined in 2 CFR §200.36 and used in this Agreement) is the United States Department of Homeland Security, Federal Emergency Management Agency, Grants Program Directorate ("DHS").

The State of California, through its Governor's Office of Emergency Services ("CalOES"), acts as the "pass-through entity" (as such term is defined in 2 CFR §200.74 and used in this Agreement) for the subaward of the Federal award to the City for the benefit of the Los Angeles/Long Beach Urban Area ("LA/LBUA") in the amount of $55,600,000.00.

The City, acting through its Mayor's Office of Public Safety ("Mayor's Office"), acts as the pass-through entity for this subaward of the Federal award to Subrecipient.

§1.2 Subaward Information and Period of Performance

Subrecipient hereby accepts the following subaward ("Subaward") of the Federal award upon the terms and conditions set forth in this Agreement:

Subaward amount: $35,700.00

Subaward Period of Performance ("Term"): September 1, 2015 to May 31, 2018

Match Requirement: None
The term of this Agreement shall be the “Term” as set forth in this Section 1.2.

§1.3 Parties and Notice

The Parties to this Agreement, and their respective representatives who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

Party: City of Los Angeles
Authorized Representative: Jeff Gorell, Deputy Mayor
Authorized Department: Mayor’s Office of Public Safety
Address, Phone, Fax, E-mail: 200 N. Spring Street, Room 303
Los Angeles, CA 90012
Phone: (213)978-0687
Email: jeff.gorell@lacity.org

Party: City of El Segundo
Authorized Representative: Carol Lynn Anderson, Sr. Management Analyst
Authorized Department: El Segundo Fire Department
Address, Phone, Fax, E-mail: 314 Main Street
El Segundo, CA 90245
Phone: (310) 524-2278
Email:canderson@elsegundo.org

Formal notices, demands and communications to be given hereunder by either Party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accordance with this section, within five (5) business days of said change.

§1.4 Authorities

The Los Angeles City Council and the City’s Mayor have accepted the Federal award and have authorized the City to execute this Agreement (C.F. #15-0734, 1/26/16.)

Subrecipient warrants that it has obtained written authorization from its city council, governing board, or authorized body to execute this Agreement and accept and use the Subaward. Subrecipient further warrants that such written authorization specifies that Subrecipient and the city council, governing board or authorized body agree:

a. To provide all matching funds required under the Subaward and that any cash match will be appropriated as required.
b. That any liability arising out of the performance of this Agreement shall be the responsibility of Subrecipient and the city council, governing board or authorized body.

c. That Subaward funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body.

d. That the official executing this Agreement is, in fact, authorized to do so.

Subrecipient shall maintain this proof of authority on file and make it readily available upon demand.

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II. SUBAWARD TERMS AND CONDITIONS

§2.1 Summary of Requirements

By executing this Agreement, Subrecipient hereby agrees that it shall comply with all terms and conditions set forth in this Agreement, which includes all guidance, regulations and requirements (collectively, "Requirements") of the Federal awarding agency and CalOES that are applicable to a recipient and/or subrecipient of a Federal award or grant. Such Requirements are set forth in the following documents and incorporated herein by this reference: (1) Department of Homeland Security FY 2015 Homeland Security Grant Program Notice of Funding Opportunity ("DHS NOFO"), (2) FY 2015 DHS Standard Terms and Conditions ("DHS Standard Conditions"), (3) FEMA Information Bulletins ("IB"), (4) CalOES 2015 Homeland Security Grant Program California Supplement to the Federal Notice of Funding Opportunity ("CalOES Supplement"), (5) CalOES 2015 Standard Assurances for All CalOES Federal Grant Programs ("CalOES Assurances"), (6) CalOES Grant Management Memos ("GMM"), and (6) the cost principles, uniform administrative requirements and audit requirements for federal grant programs as housed in Title 2, Part 200 of the Code of Federal Regulations ("CFR") and in updates issued by the Office of Management and Budget ("OMB") on http://www.whitehouse.gov/omb/.

Subrecipient hereby certifies that it has the legal authority to execute this Agreement, accept the Subaward given through this Agreement, and has the institutional, managerial and financial capability to ensure proper planning, management and completion of its projects being funded by the Subaward.

Subrecipient hereby acknowledges that it is responsible for reviewing and adhering to all Requirements referenced above. For reference and without limitations, certain of the Requirements are set forth in more detail in the sections below.

§2.2 City Administrative Requirements

A. Subrecipient acknowledges and agrees that the City is acting as a “pass-through entity” (as such term is defined in 2 CFR §200.74 and used in this Agreement) for this Subaward and that the City shall have the rights and obligations relating to this Subaward and its administration as set forth in this Agreement and in 2 CFR Part 200.

B. Subrecipient and the City have previously completed a mutually approved Financial Management Forms Workbook which was approved by CalOES prior to the execution of this Agreement (the "Workbook") and which is attached hereto as Exhibit B. The Workbook contains detailed listings of items and projects and the amount of Subaward funds allocated for such items and projects. Subrecipient shall use the Subaward funds strictly in accordance with the Workbook, and any expenditures not so made shall be deemed disallowed under this Subaward.
The City shall provide Subrecipient with an electronic Workbook of Subrecipient's projects. Any request by Subrecipient to modify the Workbook must be made in writing and accompanied by a completed Modification Request Form, attached hereto as Exhibit C, and a revised Workbook showing such modification and containing all supporting documentation as required. Workbook modification requests must be submitted to the City no often than once a month and prior to deadlines set by the City. Requests submitted after any such deadline will be returned to Subrecipient and will not be accepted until the following submission period. The City will notify Subrecipient in writing if Workbook modification requests are inaccurate and/or incomplete. Inaccurate and/or incomplete requests shall be returned to the Subrecipient for revision and shall be accepted by the City when such requests are accurate and complete. Subrecipient shall not expend any funds on modified Workbook items until such modification is approved by the City and CalOES.

C. Subrecipient previously submitted to the City a Project Application in connection with the Subaward, which included a Project Timeline ("Project Timeline") setting forth details regarding the milestone and completion dates for Subrecipient projects funded under the Subaward. Subrecipient shall manage its Subaward funded projects in accordance with the Project Timeline and provide, in a timely manner, any plans and reports requested by the City regarding the status of such projects. In the event a Workbook modification request requires a modification to the Project Timeline, Subrecipient shall update the Project Timeline accordingly and submit it along with its Workbook modification request for approval. Failure to meet any milestones or deadlines as set forth in Subrecipient's Project Timeline may result in the City reducing Subaward funds allocated to the Subrecipient.

D. Subrecipient shall complete and deliver to the City all forms required by CalOES in connection with the implementation of Subrecipient's projects under the Subaward. Such forms, which are collectively attached hereto as Exhibit D, include: (1) an aviation equipment request form, (2) a watercraft equipment request form, (3) an Emergency Operations Center request form, (4) an Environmental and Historical Preservation ("EHP") request form, and (5) a sole source procurement request form. Subrecipient acknowledges that all such forms must be completed, delivered and approved by the City and CalOES prior to the purchase of said equipment, implementation of the project, or the completion of a sole source procurement, as the case may be. Approval of such requests and forms shall be made by the City and CalOES in their respective sole discretion. Failure to gain approval of such completed requests and forms by the City and CalOES may disallow any costs incurred by Subrecipient under this Subaward in connection with such equipment, project or procurement.
E. Subrecipient agrees that any equipment, product, service or activity funded with this Subaward shall comply with any and all technological and/or interoperability specifications and standards as may be approved by the LA/LBUA region, and any such equipment, product, service or activity not so compliant shall be not eligible for funding by this Subaward. A list of technological standards currently approved by the LA/LBUA region is attached as Exhibit E. Subrecipient shall further ensure that it retains from its contractors, subcontractors, and vendors all rights related to inventions, copyrightable materials, and data for which the Federal awarding agency and CalOES has rights to, as more fully set forth in 2 CFR §315 Agreement and Section 2.3.P. of this Agreement.

F. Any “equipment” (as such term is defined in 2 CFR §200.33 and used in this Agreement) acquired or obtained with Subaward funds: (1) Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the LA/LBUA, and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan; (2) Shall be consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that Strategy; and (3) Shall have an LA/LBUA identification decal affixed to it, and, when practical, shall be affixed where it is readily visible and prominently marked as follows: “Purchased with funds provided by the U.S. Department of Homeland Security.”

Subrecipient shall take a physical inventory of all equipment acquired or obtained with Subaward funds and reconcile the results with equipment records at least once every year.

G. This Subaward is not a “fixed amount award” as such term is defined in 2 CFR §200.45. Subrecipient agrees that disbursement of this Subaward to Subrecipient shall be made on a reimbursement method. In the event Subrecipient requests advance payment of Subaward funds, Subrecipient shall comply with, and provide evidence to the City of compliance with, the criteria and obligations related to the use of advance payments as set forth in 2 CFR §200.305 as well as satisfying any other City and CalOES requirements for advance payments.

In requesting reimbursement from Subaward funds, Subrecipient shall prepare, maintain and provide to the City a completed Reimbursement Request Form (attached hereto as Exhibit C) along with invoices, purchase orders, proof of delivery, proof of payment and payroll records, timesheets, receipts and any other supporting documentation necessary
to fully and accurately describe the expenditure of funds for which reimbursement from the Subaward is requested (collectively, the "Reimbursement Request"). All such supporting documentation for the Reimbursement Request shall satisfy applicable Federal, State and City audit and review standards and requirements. Such documentation shall be prepared at the sole expense and responsibility of Subrecipient, and the City and the Subaward will not reimburse the Subrecipient for any costs incurred for such preparation. The City may request, in writing, changes to the content and format of such documentation at any time, and the City reserves the right to request additional supporting documentation to substantiate costs incurred at any time. The City will notify Subrecipient in writing if a Reimbursement Request is inaccurate and/or incomplete. Inaccurate and/or incomplete Reimbursement Requests shall be returned to Subrecipient for revision and shall be accepted by the City when Reimbursement Requests are accurate and complete.

Reimbursement Requests must be submitted to the City on a monthly basis. The City shall forward a Reimbursement Request to CalOES for payment within thirty (30) days of receipt of such Reimbursement Request, provided such request is deemed accurate and complete. The City shall forward reimbursement payment on a Reimbursement Request to Subrecipient within thirty (30) days of receipt of such reimbursement payment from CalOES to the City.

Final Reimbursement Requests for this Subaward must be received by the City no later than one hundred twenty (120) days prior to the end of the Term to allow the City sufficient time to complete close-out activities for this Subaward (the "Reimbursement Deadline"). Any Reimbursement Request submitted after the Reimbursement Deadline shall be rejected unless, prior to the the submission of such request, the Mayor’s Office, in its sole discretion, has approved in writing the submission of such request after the Reimbursement Deadline. After the Reimbursement Deadline, any unexpended Subaward funds may be re-directed to other needs across the LA/LBUA region. The City will notify Subrecipient, in writing, when unexpended Subaward funds may be re-directed.

H. Subrecipient acknowledges that the City makes no commitment to disburse Subaward funds beyond the terms set forth herein and that funding for all periods during the Subaward Term is subject to the continuing availability to the City of federal funds for this Subaward from CalOES and the Federal awarding agency. This Agreement may be terminated immediately upon written notice to Subrecipient of such loss or reduction of Subaward funds.

§2.3 DHS and CalOES Requirements
Subrecipient shall comply with all Requirements promulgated by DHS (which is the Federal awarding agency for this Subaward) and CalOES which are applicable to this particular Subaward. These include, without limitation, (1) the Requirements for recipients and subrecipients set forth in the DHS NOFO and the DHS Standard Conditions, and (2) the Requirements for “Applicant” and subrecipients set forth in the CalOES Supplement and the CalOES Assurances. For reference, the DHS Standard Conditions and the CalOES Assurances are both attached hereto as Exhibit A and incorporated herein. Some of these DHS and CalOES Requirements are set forth below in this Section 2.3.

A. Subrecipient will not use Subaward funds to supplant (replace) funds that have been budgeted for the same purpose through non-federal sources. Upon request by the City, CalOES and/or the Federal awarding agency, Subrecipient shall be required to demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Subaward funds. Subrecipient shall not charge any costs allocable under this Subaward to any other Federal award to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of Federal awards, or for other reasons. Subrecipient shall not be delinquent in the repayment of any Federal debt. Subrecipient must request instruction from the City and CalOES for proper disposition of any original or replacement equipment acquired with Subaward funds.

B. Subrecipient shall comply with the requirement of 31 U.S.C. Section 3729, which sets forth that no subgrantee, recipient or subrecipient of federal funds or payments shall submit a false claim for payment, reimbursement or advance. Subrecipient agrees to be subject to the administrative remedies as found in 38 U.S.C. Section 3801-3812 for violations of this requirement.

C. Subrecipient shall comply with the provisions of DHS Specific Acknowledgements and Assurances section set forth in the DHS Standard Conditions and the Reporting Accusations and Findings of Discrimination section of the CalOES Assurances.

D. Subrecipient shall comply with the provisions of the Lobbying and Political Activities section set forth in the CalOES Assurances. In connection thereto, Subrecipient hereby certifies that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of Subrecipient, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the
entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, Subrecipient shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.

c. Subrecipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

E. As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Subrecipient shall provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government. Subrecipient hereby certifies that it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

b. Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph 2.3.G.c. above; and

d. Have not within a three-year period preceding this Agreement had one or more public transactions (Federal, State, or local) terminated for cause or default.

F. Subrecipient shall comply with the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.) which is adopted at 2 CFR Part 3001. In connection thereto, Subrecipient hereby certifies that it will or will continue to provide a drug-free workplace and a drug-free awareness program as outlined in such Act.
G. Subrecipient shall comply with all Federal statutes relating to non-discrimination, including, without limitation, those statutes and provisions set forth in the *Non-Discrimination and Equal Employment Opportunity* section of the CalOES Assurances.

Subrecipient hereby certifies that it will comply with the Americans with Disabilities Act, 42 USC §12101 *et seq.*, and its implementing regulations (ADA), the Americans with Disabilities Act Amendments Act of 2008 (ADAAA), Pub. L. 110-325 and all subsequent amendments, Section 504 of the Rehabilitation Act of 1973 (Rehab. Act), as amended, 29 USC 794 and 24 CFR Parts 8 and 9, the Uniform Federal Accessibility Standards (UFAS), 24 CFR, Part 40, and the Fair Housing Act, 42 U.S.C. 3601, *et seq.;* 24 CFR Parts 100, 103, and 104 (FHA) and all implementing regulations. Subrecipient will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the ADA, the ADAAA, the Rehab Act, the UFAS and the FHA and all subsequent amendments. Subrecipient will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any contract entered into by Subrecipient (or any subcontract thereof), relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

H. Subrecipient shall comply with the provisions set forth in the *Environmental Standards* section of the CalOES Assurances.

I. Subrecipient shall comply with the provisions set forth in the *Reporting-Accountability* section of the CalOES Assurances, which relate to compliance with the Federal Funding Accountability and Transparency Act and statutory requirements for whistleblower protections.

J. Subrecipient shall comply with the provisions set forth in the *Human Trafficking* section of the CalOES Assurances, which relate to compliance with the Trafficking Victims Protection Act (TVPA) of 2000.

K. Subrecipient shall comply with the provisions set forth in the *Labor Standards* section and *Worker’s Compensation* section of the CalOES Assurances, which relate to compliance with various Federal statutes regarding labor standards and State worker’s compensation requirements.

L. Subrecipient shall comply with the provisions set forth in the *Property-Related* section of the CalOES Assurances and the provisions applicable to construction projects as set forth in the *Certifications Applicable to*
Federally-Funded Construction Projects section of the CalOEs Assurances.

M. Subrecipient acknowledges the applicability of the Freedom of Information Act and the California Public Records Act to certain information as more fully set forth in the Freedom of Information Act section and the California Public Records Act section of the CalOES Assurances.

N. When collecting Personally Identifiable Information (PII), Subrecipient must have a publicly-available policy that describes what PII it collects, how it plans to use the PII, whether it shares PII with third parties, and how individuals may have their PII corrected where appropriate.

O. Subrecipient shall comply with the provisions set forth in the Acknowledgement of Federal Funding from DHS and Use of DHS Seal, Logo and Flags section of the CalOES Assurances, which relate to requirements for acknowledging the use of federal funds and obtaining approval for use of various DHS seals and logos.

P. Subrecipient shall affix applicable copyright notices as required under the Copyright section of the CalOES Assurances and shall be subject to the provisions set forth in the Patents and Intellectual Property Rights section of the DHS Standard Conditions.

Q. Subrecipient shall comply with the provisions set forth in the Contract Provisions for Non-federal Entity Contracts under Federal Awards section of the DHS Standard Conditions.

R. Subrecipient shall comply with the SAFECOM Guidance for Emergency Communication Grants when using Subaward funds in connection with emergency communication equipment, including provisions on technical standards that ensure and enhance interoperable communications.

S. Subrecipient shall establish safeguards to prohibit employees from using their positions for a purpose that constitutes, or presents the appearance of personal or organizational conflict of interest or personal gain. Subrecipient shall comply with all Federal and State conflict of interest laws and regulations.

T. Subrecipient shall comply with the provisions set forth in the following sections of the CalOES Assurances: (1) the Energy Policy and Conservation Act, (2) the Hotel and Motel Fire Safety Act of 1990, (3) the Terrorist Financing E.O. 13224, and (4) the USA Patriot Act of 2001.

§2.4 Uniform Requirements for Federal Awards
Subrecipient acknowledges that this Subaward is a "Federal award" as such term is defined in 2 CFR §200.38 and that Subrecipient's use of this Subaward is subject to the uniform administrative requirements, cost principles, and audit requirements for Federal awards which are codified in 2 CFR Part 200 (the "Uniform Requirements"). Subrecipient agrees that it is considered a "non-Federal entity" and a "subrecipient" as such terms are defined in 2 CFR §§200.69 and 200.93, respectively. Thus, Subrecipient hereby agrees to comply with, and be subject to, all provisions, regulations and requirements applicable to a "subrecipient" and a "non-Federal entity" as set forth in the Uniform Requirements. Further, Subrecipient agrees that the City and CalOES are each a "pass-through entity" as such term is defined in 2 CFR §200.74 and that each of them shall have the rights and remedies of a "pass-through entity" in relation to this Subaward and Subrecipient as set forth in the Uniform Requirements. Without limitation, some of these Uniform Requirements are set forth below in this Section 2.4.

A. Subrecipient shall disclose to the City any potential conflict of interest in connection to this Subaward and its use in accordance with 2 CFR §200.112.

B. Subrecipient shall comply with the mandatory disclosure requirements for violations of Federal criminal law involving fraud, bribery, or gratuity as set forth in 2 CFR §200.113.

C. Subrecipient acknowledges that the City may impose additional specific conditions to this Subaward in accordance with 2 CFR §200.207, and Subrecipient shall comply with such conditions. Subrecipient shall also submit any annual certifications and representations deemed required by the City in accordance with 2 CFR §200.208.

D. Financial Management and Internal Controls
   Subrecipient shall comply with the requirements for a non-Federal entity regarding financial management and the establishment of a financial management system, all as more fully set forth in 2 CFR §200.302. Further, Subrecipient shall comply with the requirements set forth in 2 CFR §200.303, which relate to certain obligations required of Subrecipient to maintain internal controls over the use of this Subaward.

E. In the event this Subaward requires cost sharing or matching of funds from Subrecipient, Subrecipient shall comply with the cost sharing and matching requirements set forth in 2 CFR §200.306.

F. Subrecipient shall comply with the requirements relating to program income as more fully set forth in 2 CFR §200.307.

G. Property Standards
   When property (real, tangible or intangible) is, in whole or in part, improved, developed, purchased or otherwise acquired with Subaward
funds, Subrecipient shall comply with the regulations set forth in 2 CFR §§200.310 through 200.316 ("Property Regulations"). These Property Regulations include, without limitation, provisions related to the following:

1. Requirements for insurance coverage for real property and equipment.
2. Requirements for title, use, disposition and transfer of title of "real property" (as defined in 2 CFR §200.85).
3. Regulations involving Federally-owned and exempt property.
4. Requirements for title, use, management (including recordkeeping, inventory, control systems and maintenance procedures), and disposition of "equipment" (as defined in 2 CFR §200.33).
5. Requirements for title, use and disposition of "supplies" (as defined in 2 CFR §200.94).
6. Requirements for title, rights, use and disposition of "intangible property" (as defined in 2 CFR §200.59). Such requirements include, without limitation, (a) a reservation of rights by the Federal awarding agency to a royalty-free, non-exclusive and irrevocable right to use certain copyrighted work or work subject to copyright, (b) the rights of the Federal government to data produced under the Subaward, (c) the applicability of the Freedom of Information Act to certain research data produced or acquired under the Subaward, and (d) Subrecipient's compliance with applicable regulations governing patents and inventions, including government wide regulations codified at 37 CFR Part 401.

Subrecipient agrees that it shall hold in trust all real property, equipment and intangible property acquired, developed or improved with Subaward funds in accordance with the provisions set forth in 2 CFR §200.316.

H. Procurement and Contracting Regulations

When procuring and/or contracting for property and/or services that are to be paid or reimbursed by any amount of Subaward funds, Subrecipient shall comply with all regulations applying to "non-Federal entities" as set forth in 2 CFR §§200.318 through 200.326 (the "Procurement Regulations"). These Procurement Regulations include, without limitation, provisions requiring the following:

1. Documentation and use of procurement procedures in compliance with Procurement Regulations.
2. Contracting oversight and maintenance of written standards of conduct covering conflicts of interest.
3. Compliance with federal standards regarding procurement and award of contracts, competition, and procurement methods.
4. Affirmative steps required to encourage contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

5. Compliance with Section 6002 of the Solid Waste Disposal Act in the procurement of recovered materials.

6. Requirement to perform a cost or price analysis in connection with procurements.

7. Bonding requirements.

8. Requirement to make procurement documentation available for review by the City, CalOES and the Federal awarding agency.

In addition, Subrecipient must include in all of its contracts paid or reimbursed in whole or in part with Subaward funds the provisions set forth in Appendix II to 2 CFR Part 200 (Contract Provisions for non-Federal Entity Contracts under Federal Awards) as required by 2 CFR §200.326.

I. Financial and Performance Monitoring and Reporting

Subrecipient shall comply with the monitoring requirements for a non-Federal entity as set forth in 2 CFR §200.328, which requires the Subrecipient to oversee the operations of its activities supported by the Grant and monitor such activities to assure compliance with applicable Federal requirements and performance expectations are being achieved. Further, Subrecipient shall comply with the financial and performance reporting requirements for a non-Federal entity as set forth in 2 CFR §§200.327 to 200.329 and any other reporting requirements that may be promulgated by the Federal awarding agency, CalOES or the City in accordance with such regulations. Such reporting requirements include, without limitation, the provision of any information required for the assessment or evaluation of any activities funded by the Subaward and the reporting of information related to real property in which the Federal government retains an interest.

Subrecipient acknowledges that the City, as a “pass-through entity,” may make various findings, determinations, evaluations and reports regarding Subrecipient and its use of Subaward funds, as set forth in 2 CFR §§200.330 to 200.332. In accordance with such regulations, Subrecipient shall comply with, and timely grant to the City and its auditors, any monitoring requests, requests for on-site access to facilities, equipment and personnel, and requests for any other information as may be authorized under such regulations. Subrecipient shall also timely grant to the City and its auditors access to Subrecipient’s records and financial statements as required under 2 CFR §200.331(a)(5). In addition, Subrecipient shall comply with any conditions that may be placed upon Subrecipient as part of the City’s risk evaluation of Subrecipient under 2 CFR §200.331.
CFR §200.331(b).

J. Record Retention and Access

Subrecipient shall comply with all records retention, maintenance, storage, transmission, and collection requirements applicable to a non-Federal entity as set forth in 2 CFR §§200.333 to 200.335. Such regulations require, without limitation, that Subrecipient retain financial records, supporting documents, statistical records, and all other records of Subrecipient that are related and/or pertinent to Subrecipient’s use of Subaward funds in a manner and for a duration of time as prescribed in such regulations and that Subrecipient collect, transmit and store Subaward-related information in a manner as set forth in 2 CFR §200.335.

In accordance with the provisions set forth in 2 CFR §200.336, Subrecipient hereby grants the Federal awarding agency, the Inspectors General, the Comptroller General of the United States, CaOES, and the City, or any of their authorized representatives, the right of access to any documents, papers, or other records of Subrecipient which are pertinent to the Subaward, in order to make audits, examinations, excerpts, and transcripts. This right also includes timely and reasonable access to Subrecipient’s personnel for the purpose of interview and discussion related to such documents. These access rights shall not be limited to any required record retention period but last as long as the records are retained, and access shall not otherwise be limited unless as specifically permitted under 2 CFR §§200.336 to 200.337.

Subrecipient shall require any of its subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with the provisions of this Section.

K. Cost Principles

Subrecipient shall comply with the cost principles for federal awards as set forth in 2 CFR Part 200 Subpart E (“Cost Principles”). Subrecipient acknowledges and agrees that any costs incurred by Subrecipient may only be charged to or reimbursed by Subaward funds if it is incurred in compliance with all Requirements for the Subaward and is also deemed allowable and allocable under the Subaward in accordance with the provisions set forth in the Cost Principles.

L. Audit Requirements

By virtue of using Subaward funds, Subrecipient acknowledges and agrees that it is subject to the provisions set forth in 2 CFR Part 200 Subpart F (“Audit Requirements”). Subrecipient shall comply with all provisions applicable to a non-Federal entity and an “auditee” (as defined in 2 CFR §200.6) as set forth in such Audit Requirements, including the requirement to conduct a single audit if applicable.
M. Closeout and Post Closeout

Subrecipient shall comply with the obligations applicable to a non-Federal entity as it pertains to the closeout of this Subaward as set forth in 2 CFR §200.343. Subrecipient acknowledges and agrees that it shall continue to comply with the post closeout obligations set forth in 2 CFR §200.344 after closeout of the Subaward and expiration of the Term of this Agreement.

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III. STANDARD PROVISIONS

§3.1 Independent Party
Subrecipient is acting hereunder as an independent party, and not as an agent or employee of the City. No employee of Subrecipient is, or shall be, an employee of the City by virtue of this Agreement, and Subrecipient shall so inform each employee organization and each employee who is hired or retained under this Agreement. Subrecipient shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City by virtue of this Agreement.

§3.2 Construction of Provisions and Titles Herein
All titles, subtitles, or headings in this Agreement have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. The word "Subrecipient" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Subrecipient as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

§3.3 Applicable Law, Interpretation and Enforcement
Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, the County and City of Los Angeles, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Agreement shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. Subrecipient shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement.

In any action arising out of this Agreement, Subrecipient consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state and federal courts located in Los Angeles County, California.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining parts, terms or provisions of this Agreement shall not be affected thereby.

§3.4 Integrated Agreement
This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.
§3.5 Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§3.6 Breach

Except for excusable delays as described in §3.5 herein, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§3.7 Prohibition Against Assignment or Delegation

Subrecipient may not, unless it has first obtained the written permission of the City:

A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or

B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§3.8 Indemnification

Each of the parties to this Agreement is a public entity. In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities, solely by reason of such entities being parties to an Agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization contained in Sections 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above-stated purpose, each party indemnifies and holds harmless the other party solely by virtue of said Section 895.2. The provision of Section 2778 of the California Civil Code is made a part hereto as if fully set forth herein. Subrecipient certifies that it has adequate self insured retention of funds to meet any obligation arising from this Agreement.
A. Pursuant to Government Code Sections 895.4 and 895.6, the parties shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by any negligent or wrongful act or omission occurring in the performance of this Agreement.

B. Each party indemnifies and holds harmless the other party for any loss, costs, or expenses that may be imposed upon such other party by virtue of Government Code section 895.2, which imposes joint civil liability upon public entities solely by reason of such entities being parties to an agreement, as defined by Government Code section 895.

C. In the event of third-party loss caused by negligence, wrongful act or omission by both Parties, each party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

§3.9 Subcontractor Assurances

Subrecipient shall contractually obligate all of its contractors, subcontractors and vendors funded by Subaward funds as may be required to ensure that Subrecipient can comply with all of the Requirements and other provisions of this Agreement.

§3.10 Remedies for Noncompliance

Subrecipient acknowledges and agrees that, in the event Subrecipient fails to comply with the terms and conditions of this Agreement or with any Requirements referenced in Section 2.1 above, the Federal awarding agency, CalOES or the City shall have the right to take one or more of the actions set forth in 2 CFR §200.338. Such actions may include, without limitation, the withholding of cash payments, suspension and/or termination of the Subaward, and the disallowance of certain costs incurred under the Subaward. Any costs incurred by Subrecipient during a suspension or after termination of the Subaward shall not be considered allowable under the Subaward unless allowed under 2 CFR §200.342. Subrecipient shall be liable to the Federal awarding agency, CalOES and the City for any Subaward funds the Federal awarding agency or CalOES determines that Subrecipient used in violation of any Requirements reference in Section 2.1 above, and Subrecipient shall indemnify and hold harmless the City for any sums the Federal awarding agency or CalOES determines Subrecipient used in violation of such Requirements.

Subrecipient shall be granted the opportunity to object to and challenge the taking of any remedial action by the Federal awarding agency, CalOES or the City in accordance with the provisions set forth in 2 CFR §200.341.

§3.11 Termination

Subrecipient acknowledges and agrees that the Subaward, and any obligation to disburse to or reimburse Subrecipient in connection thereto, may be terminated.
in whole or in part by the Federal awarding agency, CalOES or the City as set forth in 2 CFR §200.339. Subrecipient shall have the right to terminate the Subaward only as set forth in 2 CFR §200.339. In the event the Subaward is terminated, all obligations and requirements of this Agreement and the Grant shall survive and continue in full force and effect in connection with any portion of the Subaward remaining prior to such termination, including, without limitation, the closeout and post closeout requirements set forth in this Agreement.

§3.12 Amendments
Any change in the terms of this Agreement, including the performance period of the Subaward and any increase or decrease in the amount of the Subaward, which are agreed to by the City and Subrecipient shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

§3.13 Complete Agreement
This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein and neither verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement. This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-one (21) pages and five (5) Exhibits which constitute the entire understanding and agreement of the parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the City and Subrecipient have caused this Subaward Agreement to be executed by their duly authorized representatives.

| APPROVED AS TO FORM AND LEGALITY: | For: THE CITY OF LOS ANGELES  
| Michael N. Feuer, City Attorney | Eric Garcetti, Mayor  
| By [Signature] | Mayor's Office of Public Safety  
| Deputy City Attorney | Date 4/19/16  
| Date |  

| ATTEST: |  
| Holly L. Wollcott, City Clerk |  
| By [Signature] |  
| Deputy City Clerk | Date 4/27/16  

| APPROVED AS TO FORM: | For: The City of El Segundo, a municipal corporation  
| By [Signature] |  
| City Attorney | Date March 23, 2016  
| Date |  

| ATTEST: |  
| [Signature] |  
| City Clerk | Date 3-30-16  

City Business License Number:  
Internal Revenue Service ID Number:  
Council File/OARS File Number: C.F. #15-0734 Date of Approval 1/26/16  
City Contract Number: C-127389
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The FY 2015 DHS Standard Terms and Conditions apply to all new Federal financial assistance awards funded after December 26, 2014. When continuation awards are funded with FY2015 funds, the terms and conditions under which the original award was administered will continue to apply.

I. Assurances, Administrative Requirements and Cost Principles
Recipients of DHS federal financial assistance must complete OMB Standard Form 424B Assurances – Non-Construction Programs. Certain assurances in this document may not be applicable to your program, and the awarding agency may require applicants to certify additional assurances. Please contact the program awarding office if you have any questions.

The administrative, cost principles, and audit requirements that apply to DHS award recipients originate from 2 C.F.R. Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards, as adopted by DHS at 2 C.F.R. Part 3002.

II. Acknowledgement of Federal Funding from DHS
All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.

III. Activities Conducted Abroad
All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

IV. Age Discrimination Act of 1975
All recipients must comply with the requirements of the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

V. Americans with Disabilities Act of 1990
All recipients must comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12101-12213).

VI. Best Practices for Collection and Use of Personally Identifiable Information (PII)
All recipients who collect PII are required to have a publically-available privacy policy that describes what PII they collect, how they use the PII, whether they
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share PII with third parties, and how individuals may have their PII corrected where appropriate.

Award recipients may also find as a useful resource the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template respectively.

VII. Title VI of the Civil Rights Act of 1964
All recipients must comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Implementing regulations for the Act are found at 6 C.F.R. Part 21 and 44 C.F.R. Part 7.

VIII. Civil Rights Act of 1968
All recipients must comply with Title VIII of the Civil Rights Act of 1968, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (42 U.S.C. § 3601 et seq.), as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features (see 24 C.F.R. § 100.201).

IX. Copyright
All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations).

X. Debarment and Suspension
All recipients must comply with Executive Orders 12549 and 12689, which provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government.

XI. Drug-Free Workplace Regulations
All recipients must comply with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.) which is adopted at 2 C.F.R Part 3001, which requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. DHS has adopted the Act’s implementing regulations at 2 C.F.R Part 3001.

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XII. Duplication of Benefits
Any cost allocable to a particular Federal award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

XIII. Energy Policy and Conservation Act
All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issues in compliance with this Act.

XIV. Reporting Subawards and Executive Compensation
All recipients must report each action that obligates $25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity, unless provided in paragraph D as required by 2 CFR Part 170, "Reporting Subaward and Executive Compensation Information" and the Federal Funding Accountability and Transparency Act 2006 (FFATA). Recipients must register at www.sam.gov and report the information about each obligating action in accordance with the submission instructions posted at www.fsrs.gov.

XV. False Claims Act and Program Fraud Civil Remedies
All recipients must comply with the requirements of 31 U.S.C. §3729 which set forth that no recipient of federal payments shall submit a false claim for payment. See also 38 U.S.C. § 3801-3812 which details the administrative remedies for false claims and statements made.

XVI. Federal Debt Status
All recipients are required to be non-delinquent in their repayment of any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 and form SF-424B, item number 17 for additional information and guidance.

XVII. Fly America Act of 1974
All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretive guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.
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XVIII. Hotel and Motel Fire Safety Act of 1990

XIX. Limited English Proficiency (Civil Rights Act of 1964, Title VI)
All recipients must comply with the Title VI of the Civil Rights Act of 1964 (Title VI) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. Providing meaningful access for persons with LEP may entail providing language assistance services, including oral interpretation and written translation. In order to facilitate compliance with Title VI, recipients are encouraged to consider the need for language services for LEP persons served or encountered in developing program budgets. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (August 11, 2000), requires federal agencies to issue guidance to recipients, assisting such organizations and entities in understanding their language access obligations. DHS published the required recipient guidance in April 2011, DHS Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, 76 Fed. Reg. 21755-21768, (April 18, 2011). The Guidance provides helpful information such as how a recipient can determine the extent of its obligation to provide language services; selecting language services; and elements of an effective plan on language assistance for LEP persons. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited and additional resources on http://www.lep.gov.

XX. Lobbying Prohibitions
All recipients must comply with 31 U.S.C., §1352, which provides that none of the funds provided under an award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action concerning the award or renewal.

XXI. Non-supplanting Requirement
All recipients who receive awards made under programs that prohibit supplanting by law must ensure that Federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-Federal sources. Where federal statutes for a particular program prohibits supplanting, applicants or recipients may be required to
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demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt of expected receipt of Federal funds.

XXII. **Patents and Intellectual Property Rights**
Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards are in 37 C.F.R. Part 401 and the standard patent rights clause in 37 C.F.R. § 401.14.

XXIII. **Procurement of Recovered Materials**
All recipients must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

XXIV. **Contract Provisions for Non-federal Entity Contracts under Federal Awards**

a. **Contracts for more than the simplified acquisition threshold set at $150,000.**
All recipients who have contracts exceeding the acquisition threshold currently set at $150,000, which is the inflation adjusted amount determined by Civilian Agency Acquisition Council and the Defense Acquisition Regulation Council as authorized by 41 U.S.C. §1908, must address administrative, contractual, or legal remedies in instance where contractors violate or breach contract terms and provide for such sanctions and penalties as appropriate.

b. **Contracts in excess of $10,000.**
All recipients that have contracts exceeding $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

XXV. **SAFECOM**
All recipients who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants,
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including provisions on technical standards that ensure and enhance interoperable communications.

XXVI. **Terrorist Financing E.O. 13224**
All recipients must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of recipients to ensure compliance with the E.O. and laws.

XXVII. **Title IX of the Education Amendments of 1972 (Equal Opportunity in Education Act)**
All recipients must comply with the requirements of Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seg.), which provides that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance. Implementing regulations are codified at 6 C.F.R. Part 17 and 44 C.F.R. Part 19.

XXVIII. **Trafficking Victims Protection Act of 2000**
All recipients must comply with the requirements of the government-wide award term which implements Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104). This is implemented in accordance with OMB Interim Final Guidance, Federal Register, Volume 72, No. 218, November 13, 2007. Full text of the award term is located at 2 C.F.R § 175.15.

XXIX. **Rehabilitation Act of 1973**
All recipients of must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, as amended, which provides that no otherwise qualified handicapped individual in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. These requirements pertain to the provision of benefits or services as well as to employment.

XXX. **Universal Identifier and System of Award Management**
All recipients must maintain the currency of the information in the SAM until submission of the final financial report required under the award or receive final payment, whichever is later, as required by 2 C.F.R. Part 25.

XXXI. **USA Patriot Act of 2001**
All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c. Among other things, the USA PATRIOT Act prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a
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quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose.

XXXII. Use of DHS Seal, Logo and Flags
All recipients must obtain DHS's approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

XXXIII. Whistleblower Protection Act

XXXIV. DHS Specific Acknowledgements and Assurances
All recipients must acknowledge and agree—and require any sub-recipients, contractors, successors, transferees, and assignees acknowledge and agree—to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.

1. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS.

2. Recipients must give DHS access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance.

3. Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.

4. Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

5. If, during the past three years, the recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.

6. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English
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proficiency), sex, age, disability, religion, or familial status against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.
Standard Assurances
For All Cal OES Federal Grant Programs

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

(a) Applicable Federal Regulations (see below);
(b) Federal Program Notice of Funding Opportunity (NOFO);
(c) California Supplement to the NOFO; and
(d) Federal and State Grant Program Guidelines.

Federal Regulations
Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are housed in Title 2, Part 200 of the Code of Federal Regulations (CFR) and in updates issued by the Office of Management and Budget (OMB) on http://www.whitehouse.gov/omb/.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are called out below. The Applicant hereby agrees to comply with the following:

1. **Proof of Authority**
The Applicant will obtain written authorization from the city council, governing board or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board or authorized body agree:

   (a) To provide all matching funds required for said project and that any cash match will be appropriated as required.
   (b) That any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board or authorized body.
   (c) That grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body.
   (d) That the official executing this agreement is, in fact, authorized to do so.
This Proof of Authority must be maintained on file and readily available upon demand.

2. **Period of Performance**
   The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

3. **Lobbying and Political Activities**
   As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

   (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

   (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

   (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and §§7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Finally, the Applicant agrees that Federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor’s Office of Emergency Services (Cal OES) or the Federal awarding agency.

4. **Debarment and Suspension**
   As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government. The Applicant certifies that it and its principals:

Homeland Security Grant Program - 2015 Grant Assurances
(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
(d) Have not within a three-year period preceding this application had one or more public transaction (Federal, State, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity
The Applicant will comply with all Federal statutes relating to non-discrimination. These include, but are not limited to, the following:

(a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. §2000d et seq.) which prohibits discrimination on the basis of race, color or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
(b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
(c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
(d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA (42 U.S.C. 12101, et seq.);
(e) Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
(f) Drug Abuse Office and Treatment Act of 1972) (P.L. 92-255), as amended (P.L. 96-181), relating to nondiscrimination on the basis of Treatment or recovery from drug abuse;
(g) Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
(h) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
(i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
(j) EO 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin;

(k) EO 11375, which bans discrimination on the basis of sex in hiring and employment in both the United States federal workforce and on the part of government contractors;

(l) California Public Contract Code §10295.3, which addresses discrimination based on domestic partnerships;

(m) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and

(n) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (n), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code sections 12940, 12945, 12945.2) and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace
   As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), the Applicant certifies that it will or will continue to provide a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards
   The Applicant will comply with State and Federal environmental standards which may be prescribed pursuant to the following, as applicable:

   (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§21000-21177), to include coordination with the city or county planning agency;

   (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§15000-15387);

   (c) Federal Clean Water Act (CWA) (33 U.S.C. §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.

   (d) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Orders (EO) on the Environmental Justice Act (EO 12898) and Environmental Quality (EO 11514);

   (e) Notification of Environmental Protection Agency (EPA) violating facilities pursuant to EO 11738;

   (f) Protection of wetlands pursuant to EO 11990;
(g) Evaluation of flood hazards in floodplains in accordance with EO 11988;
(h) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.);
(i) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.);
(j) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523);
(k) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205);

Finally, the Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to §13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) finally determined to be in violation of federal law relating to air or water pollution.

8. Audits
For subrecipients expending $750,000 or more in Federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records
In accordance with 2 CFR §200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest
The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management
False Claims for Payment
The Applicant will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability
The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Chapter 1, Part 170), specifically (a) the reporting of
subawards obligating $25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.


13. Human Trafficking
The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

14. Labor Standards
The Applicant will comply with the following federal labor standards:


(b) Comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

15. Worker’s Compensation
The Applicant must comply with provisions which require every employer to be insured against liability for Worker’s Compensation before commencing performance of the work of this Agreement, as per California Labor Code §3700.

16. Property-Related
If applicable to the type of project funded by this Federal award, the Applicant will:

(a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchase.

(b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard
area to participate in the program and to purchase flood insurance if the total cost of
insurable construction and acquisition is $10,000 or more.
(c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic
Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and
protection of historic properties), and the Archaeological and Historic Preservation Act of
1974 (16 U.S.C. §469a-1 et seq.).
(d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §4831 and 24 CFR
Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of
residence structures.

17. Certifications Applicable Only to Federally-Funded Construction Projects
   For all construction projects, the Applicant will:

   (a) Not dispose of, modify the use of, or change the terms of the real property title or other
interest in the site and facilities without permission and instructions from the awarding
agency. Will record the Federal awarding agency directives and will include a covenant in
the title of real property acquired in whole or in part with Federal assistance funds to assure
nondiscrimination during the useful life of the project.

   (b) Comply with the requirements of the awarding agency with regard to the drafting, review and
approval of construction plans and specifications.

   (c) Provide and maintain competent and adequate engineering supervision at the construction
site to ensure that the complete work conforms with the approved plans and specifications
and will furnish progressive reports and such other information as may be required by the
assistance awarding agency or State.

18. Freedom of Information Act
   The Applicant acknowledges that all information submitted in the course of applying for funding
under this program or provided in the course of an entity's grant management activities which is
under Federal control is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552. The
Applicant should also consult its own State and local laws and regulations regarding the release of
information, which should be considered when reporting sensitive matters in the grant application,
needs assessment and strategic planning process.

19. California Public Records Act
   The Applicant acknowledges that all information submitted in the course of applying for funding
under this program or provided in the course of an entity's grant management activities may be
subject to the California Public Records Act (California Government Code §§6250-6276.48), which
requires inspection and/or disclosure of governmental records to the public upon request, unless
exempted by law.
HOMELAND SECURITY GRANT PROGRAM - PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

20. Personally Identifiable Information
Subrecipients collecting Personally Identifiable Information (PII) must have a publicly-available policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate.

21. Disposition of Equipment
When original or replacement equipment acquired under this award is no longer needed for the original project or program or for other activities currently or previously supported by the Department of Homeland Security/Federal Emergency Management Agency, subrecipients must request instructions from Cal OES on proper disposition of equipment.

22. Reporting Accusations and Findings of Discrimination
If, during the past three years, the subrecipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the subrecipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to Cal OES for reporting to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.

If any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion or familial status against the subrecipient, or the subrecipient settles a case or matter alleging such discrimination, subrecipients must forward a copy of the complaint and findings to Cal OES for forwarding to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

23. Acknowledgement of Federal Funding from DHS and Use of DHS Seal, Logo and Flags
All subrecipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

All subrecipients must obtain DHS’s approval prior to using DHS seal(s), Logos, crests or reproductions of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

24. Copyright
All subrecipients must affix the applicable copyright notices of 17 U.S.C. §§401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations).
25. Energy Policy and Conservation Act
   All subrecipients must comply with the requirements of 42 U.S.C. §6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issues in compliance with this Act.

   All subrecipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with Section 6 of the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225a.

27. Terrorist Financing E.O. 13224
   All subrecipients must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of subrecipients to ensure compliance with the E.O. and laws.

28. USA Patriot Act of 2001
   All subrecipients must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

IMPORTANT
The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers, including contracts under grants and cooperative agreements and subcontracts.
The undersigned represents that he/she is authorized by the above named Applicant to enter into this agreement for and on behalf of the said Applicant.

Signature of Authorized Agent: [Signature]

Printed Name of Authorized Agent: Greg Carpenter

Title: C/H Manager

Date: 3-30-14
# LA/LB UASI Modification Request Form

Please fill out the Modification Request Form, and submit it to your Grant Specialist. Include the project details for each line affected by the modification request. For new lines being created, leave the Project Letter, Item #, and Sub-Line # columns in the 'Modified To' section blank; your Grant Specialist will assign these. You MUST include the reason for the modification request. Your Grant Specialist will advise if your modification request requires additional information. Additionally, you MUST attach completed ledger(s) with the proposed changes. Formulas are embedded in the Form to automatically calculate the $ Change, and the Form is balanced when the Totals (highlighted yellow) in the 'Modified From' and the 'Modified To' sections are equal. Modification requests are submitted to CalOES on a monthly basis. To be considered for that month's modification request, please submit by the 15th of each month.

## REQUIREMENTS FOR SUBMISSION:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Department</th>
<th>Name of Representative</th>
<th>Email Address</th>
<th>Phone Number</th>
<th>Today's Date</th>
<th>Grant Year</th>
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<tbody>
<tr>
<td>Grant Specialist to complete</td>
<td>Summary and reason for modification request:</td>
<td>Are the modified ledgers attached electronically?</td>
<td>Will the project require approvals?</td>
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<td>Contract Amount</td>
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<td>Equipment Ledger</td>
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<td>Revised Amount</td>
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<td>Training Ledger</td>
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<td>Amendment Y/N?</td>
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<td>Organization Ledger</td>
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<td>25% increase</td>
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<td>Planning Ledger</td>
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<td>Cost Reduction Y/N?</td>
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<td>Exercise Ledger</td>
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<tr>
<th>Project Letter</th>
<th>Item #</th>
<th>Sub Line #</th>
<th>Project Name</th>
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<th>Solution</th>
<th>Sub-Solution</th>
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<th>$ Change</th>
<th>Action</th>
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## MOPS Use Only:

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<th>Grant Specialist</th>
<th>Date Received</th>
<th>Date Approved by MOPS</th>
<th>Modification #</th>
<th>Notes</th>
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<td>Name</td>
<td>Date Reviewed</td>
<td>Modification #</td>
<td>Notes</td>
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LA-LB UASI Modification Form 2016- USE THIS ONE.xlsx
CITY OF LOS ANGELES
URBAN AREAS SECURITY INITIATIVE GRANT
Reimbursement Request Form

Return Reimbursement Requests to:
Grant Specialist
Mayor’s Office of Public Safety
200 N. Spring Street, Room 303
Los Angeles, CA 90012

Jurisdiction:
Agency/Department:
Expenditure Period:
Prepared By:
E-Mail Address:
Phone:

REIMBURSEMENT SUMMARY
DIRECTIONS: Please submit one Reimbursement Request Form for each UASI grant year, fiscal year, and type of expenditure. Follow the Reimbursement Request Checklist to compile supporting documentation, and then complete the Typed Resource Report and the associated Roster(s). Please remember that if the reimbursement includes personnel or consultant fees, those rosters will also need to be completed.

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Authorized Total Amount</th>
<th>Previously Requested</th>
<th>Current Request</th>
<th>Cumulative Request</th>
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Please mark this box to indicate final request for reimbursement □

This reimbursement claim is in all respects true, correct, and all expenditures were made in accordance with applicable laws, rules, regulations, and grant conditions and assurances. In addition, this claim is for costs incurred within the Grant Performance Period. Also, all supporting documentation related to these expenditures will be retained in accordance with grant guidelines.

Authorized Department Approval:
Print Name
Title
Signature Date
E-Mail Phone

Please Remit Payment To:
Agency
Address (Line 1)
Address (Line 2 - Optional)
City State Zip

Mayor's Office Use Only
Invoice Tracking:
Fiscal Year:
Cash Request:
Invoice #:
Document ID:
LA/LB UASI
REQUIRED SUPPORTING DOCUMENTATION FOR EQUIPMENT CLAIM REIMBURSEMENT

IMPORTANT** In addition to the completed, signed and dated Reimbursement Request Form, you must submit this Checklist with the supporting documents. Reimbursement requests must be submitted as soon as expenses are incurred and paid, and the required supporting documents are available. Do NOT accumulate all claims and invoices to submit on the final due date. Failure to submit your claim with the required supporting documents could result in expenses not reimbursed and/or funds reallocated.

Please contact your Grant Specialist with any questions about required supporting documentation.

PROCUREMENT

☐ Competitive/Formal Procurement: Submit copies of procurement documents, as applicable, including Council approval, RFP, bids or bid recap/summary, and contract.

☐ Informal Procurement: Provide copies of informal procurement documents, as applicable. Informal procurements must comply with your Jurisdiction's policies.

☐ Sole Source Purchase:
  ☐ State Sole Source (over $100,000): Provide a copy of the State approval. There are NO retroactive approvals.
  ☐ Jurisdiction Sole Source (under $100,000): Provide a copy of your Jurisdiction's Sole Source documentation and approval.

EQUIPMENT CLAIMS MUST INCLUDE THE FOLLOWING:

☐ Purchase Order.

☐ Invoice: Must be stamped "PAID," signed with authorized signature for payment, and dated.

☐ Proof of Delivery: Packing slips should be included. If packing slips were not part of the equipment delivery (e.g., licenses), the P.O. needs to be stamped "RECEIVED" with the date received, and signature.

☐ Proof of Payment: Include proof of payment and proof the payment has CLEARED. Proof of payment must have reference to the invoice, and amount paid must match the invoice amount. If multiple invoices are being paid with one check, the invoices must be listed with corresponding amounts.

☐ Print Screen of Federal Debarment Listing: Review the Federal Debarment Listing and provide a screen shot showing that the listing was queried PRIOR to purchase. Federal Debarment Listings can be found at https://www.sam.gov/portal/public/SAM/.

☐ Grant-Funded Typed Resource Report: 'Typed Resource Report' needs to be completed, typically by the project's SME.

☐ Equipment Roster: Complete the attached 'Equipment Roster.' Submit electronically to your Grant Specialist and to HSPS.Compliance@facity.org

☐ State Approvals: EHP Approval, Watercraft Approval, Aircraft Approval, ECC Approval, as applicable. All requests must obtain State approval PRIOR to purchase. There are NO exceptions or retroactive approvals.

☐ Performance Bond: All equipment items over $250,000 or any vehicle, aircraft or watercraft MUST obtain a performance bond. A copy of the performance bond must be submitted to your Grant Specialist as soon as it is obtained, with an additional copy provided with the Reimbursement Request Form.

Completed By: __________________________ Signature: __________________________ Date: __________________________
LA/LB UASI
REQUIRED SUPPORTING DOCUMENTATION FOR
TRAINING CLAIM REIMBURSEMENT

IMPORTANT** In addition to the completed, signed and dated Reimbursement Request Form, you must submit this Checklist with the supporting documents. Reimbursement requests must be submitted as soon as expenses are incurred and paid, and the required supporting documents are available. Do NOT accumulate all claims and invoices to submit on the final due date. Failure to submit your claim with the required supporting documents could result in expenses not reimbursed and/or funds reallocated. Please contact your Grant Specialist with any questions about required supporting documentation.

PROCUREMENT

☐ Competitive/Formal Procurement: Submit copies of procurement documents, as applicable, including Council approval, RFP, bids or bid recap/summary, and contract.
☐ Informal Procurement: Provide copies of informal procurement documents, as applicable. Informal procurements must comply with your Jurisdiction's policies.
☐ Sole Source Purchase:
  ☐ State Sole Source (over $100,000): Provide a copy of the State approval. There are NO retroactive approvals.
  ☐ Jurisdiction Sole Source (under $100,000): Provide a copy of your Jurisdiction's Sole Source documentation and approval.

TRAINING PROJECTS INVOLVING A VENDOR MUST INCLUDE THE FOLLOWING:

☐ Purchase Order Or Service Contract
☐ Invoice: Must be stamped "PAID," signed with authorized signature for payment, and dated.
☐ Proof of Delivery: Submit copies of the Agenda AND submit Class Roster/Sign-in Sheets or Certificate of Completion with training date.
☐ Proof of Payment: Include proof of payment and proof the payment has CLEARED. Proof of payment must have reference to the invoice, and amount paid must match the invoice amount. If multiple invoices are being paid with one check, the invoices must be listed with corresponding amounts.
☐ Print Screen of Federal Debarment Listing: Review the Federal Debarment Listing and provide a screen shot showing that the listing was queried PRIOR to purchase. Federal Debarment Listings can be found at https://www.sam.gov/portal/public/SAM/
☐ Grant-Funded Typed Resource Report: 'Typed Resource Report' needs to be completed, typically by the project's SME.
☐ Consultant Roster: Complete the attached 'Consultant Roster.'
☐ State Approvals: Copy of ODP Approved Tracking Number is required. Copy of EHP Approval, as applicable. All requests must obtain State approval PRIOR to commencement of training. There are NO exceptions or retroactive approvals.
☐ Total No. of Grant-Funded Trainees: Total No. of Grant-Funded Instructors:

TRAINING PROJECTS FOR PERSONNEL TIME MUST INCLUDE THE FOLLOWING:

☐ Summary Sheet: Indicate employee(s), amount per employee(s), and total being claimed. This amount should tie the official payroll register to the total amount being claimed on the Reimbursement Request Form.
☐ Official Payroll Register: Indicate employee name you are seeking reimbursement for, salary, hourly rate, employee benefits, and overtime rate if applicable. If seeking reimbursement for Employee Benefits, include documentation verifying EB rates.
☐ Timecards: Indicate the # of hours charged per day, and include employee signature & supervisor signature. If claiming for Backfill, timecard needs to include the name of the person the employee was backfilling for/person who attended the training.
☐ Class Roster/Sign-in Sheets or Certificate of Completion with Training Date: If claiming for Backfill the Class Roster/Sign-in Sheet or Certificate of Completion should be for the person who attended the training.
☐ Grant-Funded Typed Resource Report: 'Typed Resource Report' needs to be completed, typically by the project's SME.
☐ State Approvals: Copy of ODP Approved Tracking Number is required. Copy of EHP Approval, as applicable. International trainings require State approval. All requests must obtain State approval PRIOR to commencement of training. There are NO exceptions or retroactive approvals.
☐ Travel (if applicable): Itemized receipts and proof of payment are required for airfare, lodging, meals and/or training/conference fees. Jurisdictions must follow their own travel policies and submit a copy of that travel policy. If no local policy exists, please see www.gsa.gov for approved per diem rates.
☐ Total No. of Grant-Funded Trainees: Total No. of Grant-Funded Instructors:

Completed By: Signature: Date:

UASI Reimbursement Request Form - April 2015
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LA/LB UASI
REQUIRED SUPPORTING DOCUMENTATION FOR
EXERCISE CLAIM REIMBURSEMENT

IMPORTANT** In addition to the completed, signed and dated Reimbursement Request Form, you must submit this Checklist with the supporting documents. Reimbursement requests must be submitted as soon as expenses are incurred and paid, and the required supporting documents are available. Do NOT accumulate all claims and invoices to submit on the final due date. Failure to submit your claim with the required supporting documents could result in expenses not reimbursed and/or funds reallocated. Please contact your Grant Specialist with any questions about required supporting documentation.

PROCUREMENT

☐ Competitive/Formal Procurement: Submit copies of procurement documents, as applicable, including Council approval, RFP, bids or bid recap/summary, and contract.
☐ Informal Procurement: Provide copies of informal procurement documents, as applicable. Informal procurements must comply with your Jurisdiction’s policies.
☐ Sole Source Purchase:
  ☐ State Sole Source (over $100,000): Provide a copy of the State approval. There are NO retroactive approvals.
  ☐ Jurisdiction Sole Source (under $100,000): Provide a copy of your Jurisdiction’s Sole Source documentation and approval.

EXERCISE PROJECTS INVOLVING A VENDOR MUST INCLUDE THE FOLLOWING:

☐ Purchase Order or Service Contract
☐ Invoice: Must be stamped “PAID,” signed with authorized signature for payment, and dated.
☐ Proof of Delivery: Submit copies of Sign-in Sheets AND submit After Action Report into HSEP portal within 60 days of event. Submit proof that the report was submitted, including date of submission.
☐ Proof of Payment: Include proof of payment and proof the payment has CLEARED. Proof of payment must have reference to the invoice, and amount paid must match the invoice amount. If multiple invoices are being paid with one check, the invoices must be listed with corresponding amounts.
☐ Print Screen of Federal Debarment Listing: Review the Federal Debarment Listing and provide a screen shot showing that the listing was queried PRIOR to purchase. Federal Debarment Listings can be found at https://www.sam.gov/portal/public/SAM/
☐ Consultant Roster: Complete the attached ‘Consultant Roster.’
☐ State Approvals: Copy of EHP Approval, as applicable. Please note that ANY exercise with an outside component, MUST get EHP approval. All requests must obtain State approval PRIOR to date of exercise. There are NO exceptions or retroactive
☐ Exercise Date: ___________________________ Number of Exercise Participants: ______________________

EXERCISE PROJECTS FOR PERSONNEL TIME MUST INCLUDE THE FOLLOWING:

☐ Summary Sheet: Indicate employee(s), amount per employee(s), and total being claimed. This amount should tie the official payroll register to the total amount being claimed in the Reimbursement Request Form.
☐ Official Payroll Register: Indicate employee name you are seeking reimbursement for, salary, hourly rate, employee benefits, and overtime rate if applicable. If seeking reimbursement for Employee Benefits, include documentation verifying EB rates.
☐ Timecards: Indicate the # of hours charged per day, and include employee signature & supervisor signature. If claiming for Backfill, timecard needs to include the name of the person the employee was backfilling for/person who attended the exercise.
☐ Sign-in Sheets or Certificate of Completion with Exercise Date: If claiming for Backfill, the Sign-in Sheet or Certificate of Completion should be for the person who attended the exercise.
☐ State Approvals: Copy of EHP Approval, as applicable. Please note that ANY exercise with an outside component, MUST get EHP approval. All requests must obtain State approval PRIOR to date of exercise. NO exceptions or retroactive approvals.
☐ Travel (if applicable): Itemized receipts and proof of payment are required for airfare, lodging, meals and/or exercise fees. Jurisdictions must follow their own travel policies and submit a copy of that travel policy. If no local policy exists, please see www.gsa.gov for approved per diem rates.
☐ After Action Report: Submit After Action Report into HSEP portal within 60 days of event. Submit proof that the report was submitted, including date of submission.
☐ Exercise Date: ___________________________ Number of Exercise Participants: ______________________

Completed By: ___________________________ Signature: ___________________________ Date: ___________________________

UASI Reimbursement Request Form - April 2015

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LA/LB UASI
REQUIRED SUPPORTING DOCUMENTATION FOR
PLANNING CLAIM REIMBURSEMENT

IMPORTANT** In addition to the completed, signed and dated Reimbursement Request Form, you must submit this Checklist with the supporting documents. Reimbursement requests must be submitted as soon as expenses are incurred and paid, and the required supporting documents are available. Do NOT accumulate all claims and invoices to submit on the final due date. Failure to submit your claim with the required supporting documents could result in expenses not reimbursed and/or funds reallocated.

Please contact your Grant Specialist with any questions about required supporting documentation.

PROCUREMENT

☐ Competitive/Formal Procurement: Submit copies of procurement documents, as applicable, including Council approval, RFP, bids or bid recap/summary, and contract.

☐ Informal Procurement: Provide copies of informal procurement documents, as applicable. Informal procurements must comply with your Jurisdiction's policies.

☐ Sole Source Purchase:
  ☐ State Sole Source (over $100,000): Provide a copy of the State approval. There are NO retroactive approvals.
  ☐ Jurisdiction Sole Source (under $100,000): Provide a copy of your Jurisdiction's Sole Source documentation and approval.

PLANNING PROJECTS INVOLVING A VENDOR MUST INCLUDE THE FOLLOWING:

☐ Purchase Order or Service Contract

☐ Invoice: Must be stamped "PAID," signed with authorized signature for payment, and dated.

☐ Proof of Delivery: Submit a copy/copies of the deliverables as outlined in the Purchase Order or Service Contract.

☐ Proof of Payment: Include proof of payment and proof the payment has CLEARED. Proof of payment must have reference to the invoice, and amount paid must match the invoice amount. If multiple invoices are being paid with one check, the invoices must be listed with corresponding amounts.

☐ Print Screen of Federal Debarment Listing: Review the Federal Debarment Listing and provide a screen shot showing that the listing was queried PRIOR to purchase. Federal Debarment Listings can be found at https://www.sam.gov/portal/public/SAM/

☐ Consultant Roster: Complete the attached 'Consultant Roster.'

PLANNING PROJECTS FOR PERSONNEL TIME MUST INCLUDE THE FOLLOWING:

☐ Summary Sheet: Indicate employee(s), amount per employee(s), and total being claimed. This amount should tie the official payroll register to the total amount being claimed on the Reimbursement Request Form.

☐ Official Payroll Register: Indicate employee name you are seeking reimbursement for, salary, hourly rate, employee benefits, and overtime rate if applicable. If seeking reimbursement for Employee Benefits, include documentation verifying EB rates.

☐ Timecards: Indicate the # of hours charged per day, and include employee signature & supervisor signature. If claiming for Backfill, timecard needs to include the name of the person the employee was backfilling for.

☐ Personnel Roster: Complete the attached 'Personnel Roster.'

☐ Final Product: Submit a copy/copies of the Final Product as outlined in the workbook OR submit intermittent deliverables as discussed with your Grant Specialist.

Completed By: ___________________________ Signature: ___________________________ Date: ___________________________
LA/LB UASI
REQUIRED SUPPORTING DOCUMENTATION FOR
ORGANIZATION CLAIM REIMBURSEMENT

IMPORTANT** In addition to the completed, signed and dated Reimbursement Request Form, you must submit this Checklist with the supporting documents. Reimbursement requests must be submitted as soon as expenses are incurred and paid, and the required supporting documents are available. Do NOT accumulate all claims and invoices to submit on the final due date. Failure to submit your claim with the required supporting documents could result in expenses not reimbursed and/or funds reallocated.
Please contact your Grant Specialist with any questions about required supporting documentation.

PROCUREMENT

☐ Competitive/Formal Procurement: Submit copies of procurement documents, as applicable, including Council approval, RFP, bids or bid recap/summary, and contract.

☐ Informal Procurement: Provide copies of informal procurement documents, as applicable. Informal procurements must comply with your Jurisdiction's policies.

☐ Sole Source Purchase:
  ☐ State Sole Source (over $100,000): Provide a copy of the State approval. There are NO retroactive approvals.
  ☐ Jurisdiction Sole Source (under $100,000): Provide a copy of your Jurisdiction's Sole Source documentation and approval.

ORGANIZATION PROJECTS INVOLVING A VENDOR MUST INCLUDE THE FOLLOWING:

☐ Purchase Order or Service Contract

☐ Invoice: Must be stamped "PAID," signed with authorized signature for payment, and dated.

☐ Proof of Delivery: Submit a copy/copies of the deliverables as outlined in the Purchase Order or Service Contract.

☐ Proof of Payment: Include proof of payment and proof the payment has CLEARED. Proof of payment must have reference to the invoice, and amount paid must match the invoice amount. If multiple invoices are being paid with one check, the invoices must be listed with corresponding amounts.

☐ Print Screen of Federal Debarment Listing: Review the Federal Debarment Listing and provide a screen shot showing that the listing was queried PRIOR to purchase. Federal Debarment Listings can be found at https://www.sam.gov/portal/public/SAM/

☐ Consultant Roster: Complete the attached ‘Consultant Roster.’

ORGANIZATION PROJECTS FOR PERSONNEL TIME MUST INCLUDE THE FOLLOWING:

☐ Summary Sheet: Indicate employee(s), amount per employee(s), and total being claimed. This amount should tie the official payroll

☐ Official Payroll Register: Indicate employee name you are seeking reimbursement for, salary, hourly rate, employee benefits, and

☐ Timecards: Indicate the # of hours charged per day, and include employee signature & supervisor signature. If claiming for Backfill,

☐ Personnel Roster: Complete the attached ‘Personnel Roster.’

☐ Federal Request: If requesting reimbursement for Overtime, include a copy of the Federal Request for Overtime. This applies

Completed By: ___________________________ Signature: ___________________________ Date: __________

UASI Reimbursement Request Form - April 2015

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Grant-Funded Type of Resource Report

<table>
<thead>
<tr>
<th>Equipment or Training</th>
<th>SAVS Type/Discipline or State/Local Discipline/Community of Interest Supported</th>
<th>NAICS Type</th>
<th>State/Local Type Resource Supported</th>
<th>Typcal Equipment Purchased</th>
<th># of Personnel Trained for Typcal Training</th>
<th># of Typcal Trainees Trained</th>
<th>Sustains Current Capability/Aid New Capability</th>
<th>Core Capability Supported</th>
<th>Additional Core Capability Supported</th>
<th>Cost of Purchase</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire / Hazmat</td>
<td>Hospital Entry Team</td>
<td>N/A</td>
<td>Type 1</td>
<td>N/A Liquid Splash-Protective CPC</td>
<td>N/A</td>
<td>N/A</td>
<td>Add New Environmental Response /Health and Safety</td>
<td>Mass Search and Rescue Operations</td>
<td>$90,000.00</td>
<td>This new PPE will increase a Type 1's ability to handle Hazmat Entry Team by fulfilling the PPE requirement for a Type 1 Hazmat. This investment completes the upgrade of this team.</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>Incident Management Team</td>
<td>N/A</td>
<td>Type 1</td>
<td>N/A</td>
<td>55</td>
<td>3</td>
<td>Sustain Current Operational Coordination</td>
<td>operational coordination</td>
<td>$150,000.00</td>
<td>The Training sustained policy awareness for a Type 1 and two Regional Teams. The training maintains emergency staff awareness that would have otherwise been out-of-date within 3 months of the training.</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>Public Health and Medical</td>
<td>N/A</td>
<td>Type 1</td>
<td>N/A</td>
<td>63</td>
<td>23</td>
<td>Sustain Current Mass Search and Rescue Operations</td>
<td>Infrastructure Support Systems</td>
<td>$75,000.00</td>
<td>63 Responders were trained in structural support to support 23 Type 1 USAR Teams. The training sustained current levels of training to anticipate of current staff reti.</td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Consulting Firm &amp; Consultant Name</td>
<td>Project &amp; Description of Services</td>
<td>Deliverable</td>
<td>Solution Area</td>
<td>Solution Area Sub-Category</td>
<td>Expeditures Category</td>
<td>Period of Expenditures</td>
<td>Fee for Deliverable</td>
<td>Itemable Hour Breakdown</td>
<td></td>
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<td>---------</td>
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<tr>
<td>A</td>
<td>XYZ and Associates</td>
<td>Develop a regional mass evacuation plan</td>
<td>Mass Evacuation Plan</td>
<td>Planning</td>
<td>Develop and Enhance Plans, Protocols &amp; Systems for Fee</td>
<td>2/1/14 - 8/1/14</td>
<td>50,000</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Project</td>
<td>Employee Name</td>
<td>Project/Deliverable</td>
<td>Discipline</td>
<td>Solution Area</td>
<td>Solution Area Sub-Category</td>
<td>Dates of Payroll Period</td>
<td>Total salary &amp; Benefits charged for this Reporting Period</td>
<td>Total Project Hours</td>
<td></td>
<td></td>
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</tbody>
</table>
CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES

AVIATION EQUIPMENT REQUEST FORM

Homeland Security Grant Program FY: _____ Grant Number: ________ Cal OES ID#: ______
Urban Area Security Initiative (UASI) FY: _____ Grant Number: ________ Cal OES ID#: ______
Project Amount: UASI: $______ SHSGP: $______
City/County/Agency Name: __________________________

1. Indicate the type of equipment for this request

   Aviation Equipment ____    Aviation Related Equipment ____

2. Provide a description of the area that will be served by the requested equipment.

3. Please justify the need for the aviation equipment and how the requested platform best meets that need as compared to other options. Include the cost, discipline, and funding source.

4. Please certify on signed letterhead that an existing aviation unit is operating and will continue to operate independent of the requested funding. Describe the active, operating aviation unit and certify that no expenses will be charged against the grant award for the general operational costs of such aviation unit.

5. Identify the applicable goals and objectives in the State/Urban Area Homeland Security Strategy that the requested aviation equipment addresses.

6. Explain how the requested aviation equipment fits into the State/Urban Area’s integrated operational plans.

7. Explain how this aviation equipment will support activities specifically related to terrorism incident prevention and response efforts.

Cal OES Form AVI

Rev 08-01-13
8. Please describe how this aviation equipment will be used operationally and which response assets will be deployed using the requested aircraft.

9. Please describe how this aviation equipment will be utilized on a regular, non-emergency basis.

10. Please certify licensing, registration fees, insurance, and all ongoing operational expenses are (a) the responsibility of the grantee or the local units of government and (b) are not allowable under this grant.
California Governor's Office of Emergency Services

WATERCRAFT REQUEST

Subgrantee Name: ________________________________

Homeland Security Grant Program FY ________ Grant Number ________ Cal OES ID# ________

Urban Area Security Initiative (UASI) FY ________ Grant Number ________ Cal OES ID# ________

Other Program FY __________________________ Grant Number ________ Cal OES ID# ________

Project Amount: UASI $_________ SHSP $_________

1. Indicate the type of equipment for this request (choose only one of the following).

Watercraft ______ Watercraft-Related Equipment ______

2. Please provide a description of the area that will be served by the requested equipment.

<table>
<thead>
<tr>
<th>Equipment &amp; Description</th>
<th>Cost</th>
<th>AEL number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

3. Please justify the need for the watercraft and how the requested platform best meets that need as compared to other options. Include the cost, discipline, and funding source.

4. Please describe the active, operating waterway patrol unit and certify on signed letterhead that no expenses will be charged against the grant award for the operation of such unit.

5. Please identify the applicable goals and objectives in your State/Urban Area Homeland Security Strategy that the requested watercraft addresses, and the waterway identified as critical asset requiring state and/or local prevention and response capabilities.

6. Please explain how the requested watercraft fits into the State/Urban Area’s integrated operational plans and vulnerability assessment.

Cal OES WRF Revised 07/11/13
California Governor's Office of Emergency Services

WATERCRAFT REQUEST

7. Please describe how this watercraft will be used operationally and which response assets will be deployed using the requested watercraft.

8. Please describe how this watercraft will be utilized on a regular, non-emergency basis.

9. Please describe what types of terrorism incident response and prevention equipment with which the requested watercraft will be outfitted. Include any specialized navigational, communications, safety, and operational equipment necessary to enable such watercraft to support the homeland security mission. Please certify on signed letterhead that licensing, registration fees, insurance, and all ongoing operational expenses are the responsibility of the grantee or the local units of government and are not allowable under this grant.

10. Attach letters of endorsement, if applicable.

Submitted by: ________________  ________________  Date: ________________

(Name)  (Signature)
California Governor’s Office of Emergency Services

ESTABLISH/ENHANCE EMERGENCY OPERATIONS CENTER (EOC) REQUEST

Subgrantee Name: ________________________________

Homeland Security Grant Program FY ______ Grant Number _____ Cal OES ID#_____

Urban Area Security Initiative (UASI) FY _______Grant Number _____ Cal OES ID#_____

Other Program FY _____________________________ Grant Number _____ Cal OES ID#_____

1. What type of EOC does your organization plan to establish/enhance? (Choose one of the following)

   Primary EOC ____  Alternate/Back-up/Duplicate EOC ____

2. Physical address of facility:

   ________________________________________________________________

3. Describe how the establishment/enhancement of an EOC improves your organization’s ability to prevent, plan for, respond to, and recover from a terrorism event (on a separate attachment).

   __________________________________________________________________________

4. Identify all other sources and uses of additional funds assisting the project in any way.

5. Identify anticipated homeland security grant costs to establish/enhance your organization’s EOC in the table below.

6. | Supplies/Equipment                                      | AEL # | Cost |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Servers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer accessories (i.e. surge protectors, battery backups, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer maintenance contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer connections and cables (including fiber optic cabling)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fax machines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lighting Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LCD projectors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projection/plasma/flat screens/monitors/televisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIS plotter and software</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial off-the-shelf (COTS) software</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installation of EOC items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous connections for EOC items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standardized mapping software</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cal OES EOCRF Revised 08/1/13

252
<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardized emergency management software</td>
<td></td>
</tr>
<tr>
<td>Installation of EOC items</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous connections for EOC items</td>
<td></td>
</tr>
<tr>
<td>Leasing Costs^2 (Indicate starting and ending dates of lease and explain the circumstances under which the moving or leasing costs will be incurred.)</td>
<td></td>
</tr>
<tr>
<td>Other (must provide list/description of &quot;other&quot; items and costs)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL - EOC Supplies and Equipment</strong></td>
<td></td>
</tr>
</tbody>
</table>

7. Explanation of “other” items:

8. Has your organization determined the costs are reasonable?

Submitted by: ___________________________  Date: ___________________________

(Name)  (Signature)
DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
ENVIRONMENTAL AND HISTORIC PRESERVATION SCREENING FORM

**Directions for completing this form:** This form is designed to initiate and facilitate the environmental and historic preservation (EHP) compliance review for your FEMA preparedness grant-funded project(s). FEMA conducts its EHP compliance reviews in accordance with National Environmental Policy Act (NEPA) and other EHP-related laws and executive orders. In order to initiate EHP review of your project, you must complete all relevant sections of this form and submit it to the Grant Programs Directorate (GPD) along with all other pertinent project information. Failure to provide requisite information could result in delays in the release of grant funds. **Be advised that completion of this form does not complete the EHP review process.** You will be notified by FEMA when your review is complete and/or if FEMA needs additional information.

*There is no need to complete and submit this form if the grant scope is limited to planning, management and administration, classroom-based training, tabletop exercises and functional exercises, or purchase of mobile and portable equipment where no installation is needed.* Information Bulletin 345, Grant Programs Directorate Programmatic Environmental Assessment, September 1, 2010, provides details on these activities.

This form should be completed electronically. The document is available in both Word and Adobe Acrobat (pdf) formats at this website:
(http://www.fema.gov/library/viewrecord.do?fromSearch=fromsearch&id=4802). The following website has additional guidance and instructions on the EHP review process and the information required for the EHP review: http://www.fema.gov/plan/ehp/ehpreview/index.shtm

Submit completed form through your grant administrator who will forward it to GPDEHPIfo@dhs.gov. Please use the subject line: EHP Submission: Project Title, location, Grant Award Number (Example, EHP Submission: Courthouse Camera Installation, Any Town, State, 12345; 2011-SS-0xxxx).
Environmental and Historic Preservation Screening Form – June 2012

SECTION A. PROJECT INFORMATION

DHS Grant Award Number: ________________________________

Grant Program: ________________________________

Grantee: ________________________________

Grantee POC: ________________________________

Mailing address: ________________________________

E-mail: ________________________________

Sub grantee: ________________________________

Subgrantee POC: ________________________________

Mailing address: ________________________________

E-mail: ________________________________

Estimated cost of project: ________________________________

Project title: ________________________________

Project location (physical address or latitude-longitude): ________________________________

Project Description. Provide a complete project description. The project description should contain a summary of what specific action is proposed, where it is proposed, how it will be implemented. Include a brief description of the objectives the project is designed to accomplish (the purpose), and the reason the project is needed. Use additional pages if necessary. If multiple sites are involved, provide the summary for each site:

SECTION B. PROJECT TYPE

Based on the proposed project activities, determine which project type applies below and complete the corresponding sections that follow. For multi-component projects or those that may fit into multiple project types, complete the sections that best apply and fully describe all major components in the project description. If the project involves multiple sites, information for each site (such as age of structure, location, ground disturbance, etc.) must be provided. Attach additional pages to this submission, if needed.

1. ☐ Purchase of equipment. Projects in this category involve the purchase of equipment that will require installation on or in a building or structure. Complete other portions of Section B as needed. Complete Section C.1.

2. ☐ Training and exercises. Projects in this category involve training exercises with any field-based components, such as drills or full-scale exercises. Complete Section C.2.

3. ☐ Renovations/upgrades/modifications or physical security enhancements to existing structures. Projects in this category involve renovations, upgrades, retrofits, and installation of equipment or systems in or on a building or structure. Examples include, but are not limited to: interior building renovations; electrical system upgrades; sprinkler systems; vehicle exhaust systems; closed circuit television (CCTV) cameras; security fencing; access control for an area, building, or room; bollards; motion detection systems;
Environmental and Historic Preservation Screening Form – June 2012

alarm systems; security door installation or upgrades; lighting; and audio-visual equipment (projectors, smart boards, whiteboards, monitors, displays, and projector screens). Complete Section C.3.

4. ☐ Generator installation. Projects in this category involve installation of new or replacement generators, to include the concrete pads, underground fuel and electric lines, and if necessary, a fuel storage tank. Complete Section C.4.

5. ☐ New construction/addition. Projects in this category involve new construction, addition to, or expansion of a facility. These projects involve construction of a new building, or expansion of the footprint or profile of a current structure. Complete Section C.5.

6. ☐ Communication towers, antennas, and related equipment. Projects in this category involve construction of new or replacement communications towers, or installation of communications-related equipment on a tower or building or in a communications shelter or building. Complete Section C.6.

7. ☐ Other. Projects that do not fit in any of the categories listed above. Complete Section C.7.

SECTION C. PROJECT TYPE DETAILS

Check the box that applies to the proposed project and complete the corresponding details.

1. ☐ Purchase of equipment. If the entire project is limited to purchase of mobile/portable equipment and there is no installation needed, this form does not need to be completed and submitted.

   a. Specify the equipment, and the quantity of each: ........................................

   b. Provide the Authorized Equipment List (AEL) number(s) (if known): ........

   c. Complete Section D.

2. ☐ Training and exercises. If the training is classroom and discussion-based only, and is not field-based, this form does not need to be completed and submitted.

   a. Describe the scope of the proposed training or exercise (purpose, materials, and type of activities required): ..............................................................

   b. Provide the location of the training (physical address or latitude-longitude): ..............................................................

   c. Would the training or exercise take place at an existing facility which has established procedures for that particular proposed training or exercise, and that conforms with existing land use designations? For further information refer to Information Bulletin #345, http://www.fema.gov/pdf/government/grant/bulletins/info345.pdf: ........................................ Yes ☐ No ☐

      • If Yes, provide the name of the facility and the facility point of contact (name, telephone number, and email address): ...................................

      • If No, provide a narrative description of the area where the training or exercise would occur (e.g., exercise area within four points defined by latitude/longitude coordinates): ..................................
Environmental and Historic Preservation Screening Form – June 2012

- Does the field-based training/exercise differ from previously permitted training or exercises in any way, including, but not limited to frequency, amount of facilities/land used, materials or equipment used, number of participants, or type of activities? .................................................. □ Yes □ No
- If Yes, explain any differences between the proposed activity and Those that were approved in the past, and the reason(s) for the change in scope: .................................................................................................................................
- If No, provide reference to previous exercise (e.g., FEMA grant name, number, and date): .................................................................................................................................

d. Would any equipment or structures need to be installed to facilitate training? .................................................. □ Yes □ No
- If Yes, complete Section D

3. □ Renovations/upgrades/modifications, or physical security enhancements to existing structures.
   a. Complete Section D.

4. □ Generator installation.
   a. Provide capacity of the generator (kW): .................................................................
   b. Identify the fuel to be used for the generator (diesel/propane/natural gas): ..
   c. Identify where the fuel for the generator would be stored (e.g. stand-alone tank, above or below ground, or incorporated in generator): ..................................................
   d. Complete Section D.

5. □ New construction/addition.
   a. Provide detailed project description (site acreage, new facility square footage/number of stories, utilities, parking, stormwater features, etc): ........
   b. Provide technical drawings or site plans of the proposed project: .................................. □ Attached
   c. Complete Section D.

6. □ Communication towers, antennas, and related equipment.
   a. Provide the current net height (in feet above ground level) of the existing tower or building (with current attached equipment): ..................................................
   b. Provide the height (in feet above ground level) of the existing tower or building after adding/replacing equipment: ..................................................

   Complete items 6.c through 6.q below ONLY if this project involves construction of a new or replacement communications tower. Otherwise continue to Section D.


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c. Provide the ground-level elevation (feet above mean sea level) of the site of the proposed communications tower: ________________________________

d. Provide the total height (in feet above ground level) of the proposed communications tower or structure, including any antennas to be mounted:
   - If greater than 199 feet above ground level, state why this is needed to meet the requirements of the project: ________________________________

e. Would the tower be free-standing or require guy wires? □ Free standing □ Guy wires
   - If guy wires are required, state number of bands and the number of wires per band: ________________________________
   - Explain why a guyed tower is needed to meet the requirements of this project: ________________________________

f. What kind of lighting would be installed, if any (e.g., white strobe, red strobe, or steady burning)? ________________________________

g. Provide a general description of terrain (e.g., mountainous, rolling hills, flat to undulating): ________________________________

h. Describe the frequency and seasonality of fog/cloud cover: ________________________________

i. Provide a list of habitat types and land use at and adjacent to the tower site (within 1/4 mile), by acreage and percentage of total (e.g., woodland conifer forest, grassland, agriculture) water body, marsh: ________________________________

j. Is there evidence of bird roosts or rookeries present within 1/4 mile of the proposed site? □ Yes □ No
   - Describe how presence/absence of bird roosts or rookeries was determined: ________________________________

k. Identify the distance to nearest wetland area (e.g., forested swamp, marsh, riparian, marine) and coastline if applicable: ________________________________

l. Distance to nearest existing telecommunication tower: ________________________________

m. Have measures been incorporated for minimizing impacts to migratory birds? □ Yes □ No
   - If Yes, describe: ________________________________

n. Has a Federal Communications Commission (FCC) registration been obtained for this tower? □ Yes □ No
   - If Yes, provide Registration #: ________________________________
   - If No, why? ________________________________

o. Has the FCC E106 process been completed? □ Yes □ No

p. Has the FCC Tower Construction Notification System (TCNS) process been completed? □ Yes □ No
   - If Yes, attach the environmental documentation submitted as part of the registration process including use of the Tower Construction
Environmental and Historic Preservation Screening Form – June 2012

Notification System (TCNS), if applicable. FRN#: .................................................................

q. Would any related equipment or structures need to be installed (e.g., backup generator and fuel source, communications shelter, fencing, or security measures)? ................................................................. □ Yes  □ No
   • If Yes, explain where and how each installation would be done. Provide details about generator capacity (kW), fuel source, fuel location and tank volume, amount of fencing, and size of communication shelter: .................................................................

r. Complete Section D.

7. □ Other. Complete this section if the proposed project does not fit any of the categories above.
   a. Provide a complete project description: .................................................................
   b. Complete Section D.

SECTION D. PROJECT DETAILS
Complete all of the information requested below.

1. □ Project installation
   a. Explain how and where renovations/upgrades/modifications would take place, or where equipment/systems will be installed: .................................................................

   b. Would ground disturbance be required to complete the project or training? ................ □ Yes  □ No
      • If Yes, provide total extent (depth, length, width) of each ground-disturbing activity. Include both digging and trenching. For example, light poles and fencing have unique ground-disturbing activities (e.g., six light poles, 24" dia. x 4' deep; trenching 12" x 500' x 18' deep; 22 fence posts, 12" diameter x 3' deep, and 2 gate posts, 18" diameter x 3' deep): .................................................................

      • If Yes, describe the current disturbed condition of the area (e.g., parking lot, road right-of-way, commercial development): .................................................................

   c. Would the equipment use the existing infrastructure for electrical distribution systems? ................................................................. □ Yes  □ No
      • If No, describe power source and detail its installation at the site: .................................................................

2. □ Age of structure/building at project site
   a. Provide the year existing building(s) or structure(s) on/in/nearest to the location involved in the proposed project was built: .................................................................
      • If the building or structure involved is over 45 years old and

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Agreement No. 5000

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significant renovation, rehabilitation, or modification has occurred, provide the year(s) modified and briefly describe the nature of the modification(s): .................................................................

b. Are there any structures or buildings that are 50 years old or older in or adjacent to the project area? ........................................................................................................... □ Yes □ No
   • If yes, provide the location of the structure(s), ground-level color photographs of the structure(s), and identify their location(s) on an aerial map: .................................................................

c. Is the project site listed in the National Register of Historic Places (National Register), or in/near a designated local or National Register Historic District? The internet address for the National Register is: http://nrrhp.focus.aps.gov ........................................................................................................... □ Yes □ No
   • If Yes, identify the name of the historic property, site and/or district and the National Register document number: .................................................................

3. □ Site photographs, maps and drawings
   a. Attach site photographs. Site photographs are required for all projects. Use the following as a checklist for photographs of your project. Attach photographs to this document or as accompanying documents in your submission.
      • Labeled, color, ground-level photographs of the project site: □ Required
      • Labeled, color photograph of each location where equipment would be attached to a building or structure: □ Required
      • Labeled, color aerial photograph of the project site: □ Required
      • Labeled, color aerial photographs that show the extent of ground disturbance (if applicable): □ Attached
      • Labeled, color ground-level color photographs of the structure from each exterior side of the building/structure (applicable only if building/structure is more than 45 years old): □ Attached
   b. Are there technical drawings or site plans available? ........................................................................................................... □ Yes □ No
      • If yes, attach: ............................................................................................... □ Attached

Appendix A has guidance on preparing photographs for EHP review

4. □ Environmental documentation
   a. Is there any previously completed environmental documentation for this project at this proposed project site (e.g., Environmental Assessment, or wetland delineation, or cultural/archaeological study)? □ Yes □ No
      • If Yes, attach documentation with this form: □ Attached
   b. Is there any previously completed agency coordination for this project (e.g., correspondence with the U.S. Fish and Wildlife Service, State Historic Preservation Office, Tribal Historic Preservation Office)? □ Yes □ No
      • If Yes, attach documentation with this form: □ Attached

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c. Was a NEPA document was prepared for this project? ......................................................... □ Yes □ No
   • If Yes, what was the decision? (Check one, and please attach):
     □ Finding of No Significant Impact (FONSI) from an Environmental Assessment (EA) or
     □ Record of Decision (ROD) from an Environmental Impact Statement (EIS).
     Name of preparing agency: ..................................................
     Date approved: ..............................................................
Appendix A. Guidance for Supporting Photographs for EHP Grant Submissions

Photographs are a vital component of the EHP review process and add an additional level of understanding about the nature and scope of the project. They also provide pre-project documentation of site conditions. Please follow the guidance provided below when preparing photographs for your EHP submission. The following pages provide examples of best practices used in earlier EHP submissions.

Minimum requirements for photographs.
1. Photographs should be in color.
2. Label all photographs with the name of facility, location (city/county, state) and physical location (physical address or latitude-longitude).
3. Label the photographs to clearly illustrate relevant features of the project, such as location of installed features (e.g., cameras, fences, sirens, antennas, generators) and ground disturbance. See examples below.
4. Identify ground disturbance. Adding graphics to a digital photograph is a means to illustrate the size, scope and location of ground disturbing activities.

Best Practices
1. Provide photographs in a separate file.
2. Place no more than 2 pictures per page.
3. Compressing pictures files (such as with Microsoft Picture Manager)\(^1\) or saving the file in pdf format will reduce the size of the file and facilitate e-mail submissions.
4. Identify the photograph file with the project name so that it can be matched to the corresponding FEMA EHP screening form.
5. Maximum file size for enclosures should not exceed 12 MB. If the total size of files for an EHP submission exceeds 12 MB, send the submission in multiple e-mails.
6. If necessary, send additional photographs or data in supplemental e-mails. Please use the same e-mail subject line with the additional label: 1 of x, 2 of x, . . . x of x.

Options for Creating Photographs
1. Obtain an aerial photo. There are multiple online sources for aerial photographs.
2. For the aerial photo, use the screen capture feature (Ctrl + Print Screen keys) and copy the image to photo editing software, such as Paint, or PhotoShop.\(^1\) Use that software to crop the image so the photo has the content necessary.
3. Open PowerPoint, or other graphics-oriented software, and paste the aerial or ground-level photograph on the canvas.
4. Use drawing tools, such as line drawing and shapes, to indicate the location of project features (for example: fencing, lighting, sirens, antennas, cameras, generators).
5. Insert text to label the features and to label the photograph.
6. Use drawing tools to identify ground-disturbing activities (if applicable).
7. Save the file with the project name or grant number so that it can be appropriately matched to the corresponding FEMA EHP screening form. Include this file with the EHP screening when submitting the project.

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A-1
Appendix A. Supporting Photographs for EHP Grant Submissions

Example Photographs

Aerial Photographs. The example in Figure 1 provides the name of the site, physical address and proposed location for installing new equipment. This example of a labeled aerial photograph provides good context of the surrounding area.

Figure 1. Example of labeled, color aerial photograph.

Ground-level photographs. The ground-level photograph in Figure 2 supplements the aerial photograph in Figure 1, above. Combined, they provide a clear understanding of the scope of the project. This photograph has the name and address of the project site, and uses graphics to illustrate where equipment will be installed.

Figure 2. Example of ground-level photograph showing proposed attachment of new equipment
Appendix A. Supporting Photographs for EHP Grant Submissions

Ground-level photograph with equipment close-up. Figure 3 includes a pasted image of a CCTV camera that would be placed at the project site. Using desktop computer software, such as PowerPoint, this can be accomplished by inserting a graphic symbol (square, triangle, circle, star, etc.) where the equipment would be installed. This example includes the name and location of the site. The site coordinates are in the degree-minute-second format.

Figure 3. Ground-level photograph with graphic showing proposed equipment installation.

Ground-level photograph with excavation area close-up. The example in Figure 4 shows the proposed location for the concrete pad for a generator and the ground disturbance to connect the generator to the building's electrical service. This information can be illustrated with either an aerial or ground-level photograph, or both. This example has the name and physical address of the project site.

Figure 4. Ground-level photograph showing proposed ground disturbance area.
Appendix A. Supporting Photographs for EHP Grant Submissions

Communications equipment photographs. The example in Figure 5 supports a project involving installation of equipment on a tower. Key elements are identifying where equipment would be installed on the tower, name of the site and its location. This example provides site coordinates in decimal format.

![Figure 5](image5.png)

Figure 5. Ground-level photograph showing proposed locations of new communications equipment on an existing tower.

Interior equipment photographs. The example in Figure 6 shows the use of graphic symbols to represent security features planned for a building. The same symbols are used in the other pictures where the same equipment would be installed at other locations in/on the building. This example includes the name of the facility and its physical address.

![Figure 6](image6.png)

Figure 6. Interior photograph showing proposed location of new equipment.

Ground-level photographs of nearby historic structures and buildings. Consultation with the State Historic Preservation Office (SHPO) may be required for projects involving structures that are more than 50 years old, or are on the National Register of Historic Places. In that event, it will be necessary to provide a color, ground-level photograph of each side of the building/structure.

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1 Use of brand name does not constitute product endorsement, but is intended only to provide an example of the type of product capable of providing an element of the EHP documentation.

OMB Control#: 1660-0115
FEMA Form: 024-0-1
CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES

Homeland Security Grant Program FY: __________ Grant Number: __________ CalOES ID# __________

Subgrantee name: ___________________________ Project: ___________________________

REQUEST FOR SOLE SOURCE PROCUREMENT AUTHORIZATION

1. Project name: ___________________________ Project Budget: $ ___________________________

2. Describe the project and/or activity that will be provided by the proposed sole source vendor/contractor.

3. Describe your organization's standard procedures when sole source contracting is considered, including the conditions under which a sole source contract is allowed, and any other applicable criteria (i.e. approval requirements, monetary thresholds, etc.).

4. Indicate which of the following circumstances resulted in your organization's need to enter into a sole source contract,

   a. Item/service is only available from one source (Describe the process used to make that determination. Please provide details.)

   b. A public urgency or emergency will not permit a delay resulting from competitive solicitation. According to the US Department of Homeland Security/FEMA, "Time constraints will not be considered a factor if the subgrantee has not sought competitive bids in a timely manner." (Describe the urgency or emergency. Please provide details)

   c. After solicitation of a number of sources, competition was determined inadequate. (Describe the solicitation process that determined competition was inadequate. Please provide details, and attach any relevant supporting material, Request for Proposal, etc.)

5. Did your organization confirm that the contractor/vendor is not debarred or suspended?

6. Will your organization be able to complete all activities associated with the sole source contract by the end of the grant performance period?

7. Has your organization determined the costs are reasonable?

8. Please attach a copy of the cost benefit analysis prepared for this procurement.

Submitted by ___________________________ (Name) ___________________________ (Signature) ___________________________ Date: ___________________________

Cal OES SSRF rev 8/1/13

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Technology Project Standards

1. Virtual Port (Data System Projects)
   1) Web-based software: system on browser technology instead of proprietary system
   2) API or STK software integration tools- application is typically provided by the manufacturer
   3) Exchange protocols: 128 bid encryption
   4) Dual authentication

2. Downlink Project
   1. Ability to go non-encryption for both receivers and transmitters
   2. 6.5 GHz Range
   3. High-gain antennas
   4. Moving Pictures Expert Group (M-PEG) current standards for decoding: M-PEG 4

3. SMART Classroom
   1. 2 Mbps minimum bandwidth
   2. Code-X Specs- minimum of C40 (2 video outputs)
   3. Camera Specs- 1080 dpi
   4. Firewall settings:
   5. IT personnel required for set-up/installation

4. LARCOPP

Asset Manager – Tracks personnel and equipment to shift or operational period based on availability either on duty or on overtime. Tracks all working hours and prints out overtime slips in compliance with FMAG reimbursement procedures.

Logs- Ability to create multiple logs for different ICS sections, divisions, or agencies for multiple operational periods.

Mapping – Ability to plot personnel, equipment, missions for a variety of incidents, draw perimeters, fire lines, fire progression, plume modeling etc.

Video Streamer- Ability to stream multiple videos streams from ANTARES cameras in to several locations, (EOC’s mobile command post trailers).

Message Center – Ability to have private encrypted chat rooms for operators to discuss operations, FAX service to send and receive FAXs’, Email groups ability to send and receive emails with attachments or send attachments on email.

ICS Forms - Ability to create ICS forms and complete EAP’s/IAP’s

Downlink Receiver – Ability to receive both 4.9 and 6.5 GHz downlink video

Triage App – Ability to track patients at an MCI incident both by name and location.
Tri-Korder phones - Ability to have most of the above applications on a smart phone and also the ability to use the Tri Korder phone as a GPS tracker to track personnel live on the mapping app

Re-Stat ability - to have situational awareness of all you deployed and waiting resources as well as missions

Missions – creates and tracks missions both for a pre-planned and emerging events. Ability to insert detailed instructions for personnel

Reports - Ability to print up multiple reports about personnel, missions, overtime costs.

All of these abilities are shared with all agencies participating in the LARCOPP program. There are several servers throughout the region that give us the ability to share and view everyone’s incidents and information live. It also allows us to work together on a single incident allowing multiple agencies in a unified command to have the same picture of the incident. All of this information is encrypted.

5. License Plate Recognition (LPR)

Overview:
Fixed and Mobile License Plate Recognition system should contain the following components: (a) Fixed License Plate Recognition Cameras including all necessary mounting hardware, (b) Capability to accept a network connection capable of backhauling data to city network, (c) Hardware capable of creating VPN between network connection identified in (b) and City/Agency network.

System Requirements:
- System shall have the ability to capture license plates and compare them to a database detailed by the purchasing agency;
- System shall be able to perform this analysis in varied lighting and weather conditions at an accuracy level deemed suitable by the purchasing agency;
- System shall have the ability to link or share data with other LPR systems;
- The LPR system shall have the ability to be deployed in both a mobile and fixed installation based on standards set by the agency purchasing;
- The systems timekeeping shall automatically update when time changes occur (e.g., Daylight savings time) and be consistent with correct calendar dates;
- Any system selected shall allow for the purchasing agency to be the sole owner of the data;
- Data shall be compatible with standard SQL format;
- System selected shall at a minimum have the ability for a unique user sign and audit/reporting capability;
- Still imagery must be in a non-proprietary format;
- Each read shall retain the associated metadata the minimally includes:
  o GPS location;
  o Date;
  o Time;
  o Source (vehicle ID/fixed identifier);
  o Alert reason;
• System must have the ability to retain all data captured for a period set by the purchasing agencies requirements;
• The system must be industrial/commercial grade. No prototype models will be considered;

Hardware:
• Loss of power to any hardware shall not result in the unit requiring reprogramming;
• Sudden loss of power shall not cause the loss of data;
• All wiring shall meet industry standards applicable to the wire applications and all systems must be properly grounded using the same industry standards;
• The systems shall operate under extreme hot and cold weather conditions (20 to 160 degrees Fahrenheit);
• Camera system shall capture an image of the plate and overview of the vehicle;
• Mobile systems shall support a minimum of four cameras capable of capturing license plates;
• System shall comply with the purchasing agencies' lighting standards for fixed installations;
• Cameras must operate on a filtered, regulated and short-circuit-protected power source.
• The system will be protected from damage due to input of voltage, reverse polarity, and electrical transients that may be encountered.
• Camera will need to possess sufficient internal memory such that during times of impaired network connectivity data will not be lost.
• Ruggedized exterior for camera and networking equipment
• Vibration resistant
• Rugged mounts that provide stability to all equipment

Network Conditions:
• System Network connection should be capable of sustained 250kb/s speeds.
• Human intervention shall not be required to establish/maintain the connection
• Connection should be capable of automatic reconnection in the event of power-loss or temporary issue with service provider.
• If a device is required at each network connection point, it shall be capable of encrypting data being sent back to any Agency network.

Warranty and Maintenance:
• System selected shall include a comprehensive warranty and maintenance for the maximum amount of time allowed by the grant guidelines;

Regional Sharing:
• Any agency using UASI/SHSG Grant Funding shall agree to enter into a standard Memorandum of Agreement to share data between LA-LB UASI law enforcement members (to be developed and provided prior to final grant award);
May 12, 2017

Caitlin Ishigooka  
Office of Mayor Eric Garcetti  
200 North Spring Street, Room 303  
Los Angeles, CA 90012

SUBJECT: APPROVAL OF SOLE SOURCE CONTRACT REQUEST  
FY 2015 Homeland Security Grant Program (HSGP)  
Grant #2015-0078, Cal OES ID #037-95050

Dear Ms. Ishigooka:

The California Governor’s Office of Emergency Services (Cal OES) has received, reviewed, and approved your Sole Source contract request dated April 10, 2017, based on the information your office provided regarding the proposed purchase of:

- RTG Staffing: RTC Intelligence Officer

Thank you for your work in protecting California. We look forward to your continued collaboration towards our homeland security strategy and appreciate your cooperation and support.

Sincerely,

[Signature]

URSULA HARELSON  
Supervisor, Homeland Security Grants Unit
May 12, 2017

Honorable Members of the City Council  
c/o City Clerk  
Room 395, City Hall  

Re: FY 2015 Urban Areas Security Initiative (UASI) Grant Contracting Authorities and Budget Modifications (Council File No. 15-0734)  

Dear Honorable Members:  

Transmitted herewith for City Council consideration are proposed contracting authorities and budget modifications related to the United States Department of Homeland Security (DHS) Fiscal Year 2015 Urban Areas Security Initiative (FY15 UASI) grant award. On January 26, 2016, the City Council accepted the FY15 UASI grant in the amount of $55,600,000 with a grant performance period from September 1, 2015 to May 31, 2018 (Council File No. 15-0734).  

Partner Jurisdictions  

Regional Training Group Intelligence Officer  
The Los Angeles City Fire Department (LAFD) has modified $55,000 in identified cost savings from its Hazardous Material Training, and the Los Angeles County Fire Department (LACoFD) has modified $45,000 in identified cost savings from its equipment and personnel projects to the City of El Segundo to fund a Regional Training Group (RTG) Intelligence Officer. This position will assist with, support, and further develop the training and response readiness of Los Angeles area fire agencies for incidents of national significance. The above modifications were approved by the grantor on April 3, 2017.  

Authority is being requested to modify the FY15 UASI grant budget; to conduct the necessary fiscal transfers as noted above, decrease the FY15 UASI LACoFD
Honorable Members of the City Council
May 12, 2017
Page 2 of 3

Subrecipient Agreement by $45,000, and increase the City of El Segundo Subrecipient Agreement by $100,000.

Recommendations

It is therefore requested that the City Council:

1. **Authorize** the Mayor, or designee, to:
   a. Modify the existing grant budget (Council File No. 15-0734) for the FY15 UASI grant by reallocating funds between projects as described within this report;
   b. Negotiate and execute a contract amendment with the County of Los Angeles to decrease its total contract amount by $45,000, from $18,057,678 to a new contract amount of $18,012,678, subject to the approval of the City Attorney as to form; and
   c. Negotiate and execute a contract amendment with the City of El Segundo to increase its total contract amount by $100,000, from $35,700 to $135,700, subject to the approval of the City Attorney as to form.

2. **Authorize** the Controller to:
   a. **Transfer** appropriations and create appropriation accounts within Fund 58H, FY15 UASI, as follows:

<table>
<thead>
<tr>
<th>FROM: Fund/Dept. No. 58H/46</th>
<th>Account</th>
<th>Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46M938</td>
<td>LAFD Grant Allocation Total:</td>
<td>$55,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TO: Fund/Dept. No. 58H/46</th>
<th>Account</th>
<th>Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46M668</td>
<td>Partner Jurisdictions Total:</td>
<td>$55,000.00</td>
</tr>
</tbody>
</table>
3. **Authorize** the Mayor, or designee, to prepare Controller instructions for any technical adjustments, subject to approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

Sincerely,

ERIC Garcetti  
Mayor

EG:az
MEMORANDUM

To: Council and Department Heads
From: Greg Carpenter, City Manager
Subject: Action Report - City Council Meeting of March 15, 2016

<table>
<thead>
<tr>
<th>DEPARTMENT AGENDA ITEM</th>
<th>COUNCIL DIRECTION/DUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council</td>
<td></td>
</tr>
<tr>
<td>City Manager</td>
<td></td>
</tr>
<tr>
<td>City Attorney</td>
<td></td>
</tr>
<tr>
<td>City Clerk</td>
<td>Approved.</td>
</tr>
<tr>
<td>[E2] Regular City Council Meeting Minutes of March 1, 2016</td>
<td>Directed staff to prepare a plan to consolidate future municipal elections with the statewide election in light of Senate Bill 415. (Fiscal Impact: None)</td>
</tr>
<tr>
<td>[I11] Consideration and possible action regarding the City’s plan to consolidate future municipal elections with the statewide election no later than the November 8, 2022 election, with the plan to be brought back to the City Council for its consideration by mid-2017.</td>
<td></td>
</tr>
<tr>
<td>City Treasurer</td>
<td></td>
</tr>
<tr>
<td>Economic Development</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>Approved Warrant Demand Register and authorized 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.</td>
</tr>
<tr>
<td>[E1] Warrant Numbers 3010017 through 3010222 on Register No. 11 in the total amount of $781,475.62 and Wire Transfers from 2/22/2016 through 3/6/2016 in the total amount of $874,114.29.</td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td>1) Authorized the City Manager to execute an agreement with HealthComp, as approved to form by the City Attorney, to administer the City’s Retiree Health Reimbursement Account and approve additional funding for Fiscal Year 2015-16 for related administrative fees. (Fiscal Impact: $4,000.00)</td>
</tr>
<tr>
<td>[E9] Consideration and possible action to authorize the City Manager to execute an agreement with HealthComp, as approved to form by the City Attorney, to administer the City’s Retiree Health Reimbursement Account and approve additional funding for Fiscal Year 2015-16 for related administrative fees. (Fiscal Impact: $4,000.00)</td>
<td></td>
</tr>
<tr>
<td>[F10] Consideration and possible action to change the employee group that the retired and current City Council Member’s Public Employees’ Medical and Hospital Care Act (“PEMHCA”) medical benefits are tied to from 1) Authorized to change the employee group that the retired and current Council Members’ PEMHCA medical benefits, are tied to from the Executive Management Group to the</td>
<td></td>
</tr>
</tbody>
</table>

Action Report, Council Meeting 3/15/16
Page 1 of 4

275
the Executive Management Group to the Police Support Services Employees’ Association ("PSSEA") to approximately maintain the PEMHCA medical benefits currently provided to the retired and current elected officials. Additionally, keep the City Clerk and Treasurer tied to the Executive Management group for PEMHCA medical benefits (reducing their medical benefits from $1200 per month to $125 per month) but increase their respective monthly stipends by $1,075 per month to offset the reduction in medical benefits. These potential actions arise from a change made to the Executive Management Group’s medical benefits that adversely affects the retired and current elected officials' medical benefits. (Fiscal Impact: Approximate monthly savings of $7590.79 if the Council continues to be tied to the Executive Management Group and $157.16 if the Council is tied to the PSSEA. The change to the City Clerk’s and Treasurer’s medical benefit and stipend have no net fiscal impact.)

<table>
<thead>
<tr>
<th>Planning and Building Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Works</td>
</tr>
</tbody>
</table>

**[E3]** Consideration and possible action to 1) award a standard Public Works Contract to Ramona, Inc. for Water Main Improvement at Center St., Walnut Ave. and Maple Ave., Project No. PW16-02; 2) award a standard Public Works Professional Services Agreement to AKM Consulting Engineers for construction inspection services. (Fiscal Impact: $1,750,787.00)

**[E4]** Consideration and possible action regarding Adoption of Plans and Specifications for Pavement Resurfacing of East Imperial Highway in the City of El Segundo between Sepulveda Boulevard and Aviation Boulevard. Project No.: PW 16-10 (Fiscal Impact: $728,427.00)

**[E5]** Consideration and possible action to

<table>
<thead>
<tr>
<th>Action Report, Council Meeting 3/15/16</th>
</tr>
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<tbody>
<tr>
<td>Page 2 of 4</td>
</tr>
</tbody>
</table>

1) Authorized the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Ramona, Inc. in the amount of $1,388,300.00 and approve an additional $208,245.00 for construction-related contingencies; 2) Authorized the City Manager to execute a standard Public Works Professional Services Agreement in a form as approved by the City Attorney with AKM Consulting Engineers in the amount of $144,242.00 for construction inspection and geotechnical (compaction) oversight and testing, and approve an additional $10,000.00 for related contingencies.

1) Adopted a resolution approving Plans and Specifications for Pavement Resurfacing of East Imperial Highway in the City of El Segundo between Sepulveda Boulevard and Aviation Boulevard; 2) Authorized staff to advertise the project for receipt of construction bids.

1) Adopted attached resolution approving
<table>
<thead>
<tr>
<th>Resolution/Action</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adopt a Resolution approving Plans and Specifications for the Sewer Main Repairs at Indiana, Pine, Illinois and Mariposa; Project No. PW 16-01. (Fiscal Impact: $2,000,000.00)</td>
<td>Plans and Specifications for the Sewer Main Repairs Project at Indiana, Pine, Illinois and Mariposa. Project No. PW 16-01; 2) Authorized staff to advertise the project for receipt of construction bids.</td>
</tr>
<tr>
<td>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 (&quot;ESMC&quot;) §§ 1-7-12 and 1-7A-4. (Fiscal Impact: $50,000.00)</td>
<td>Received and filed 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 (&quot;ESMC&quot;) §§ 1-7-12 and 1-7A-4.</td>
</tr>
<tr>
<td>Consideration and possible action to adopt a resolution authorizing the City Manager to (a) submit annual applications to the California Department of Resources Recycling and Recovery for Beverage Container Recycling City/County Payment Programs; (b) execute all grant documents; and (c) accept and spend grant funds. (Fiscal Impact: $Approximately $5,000.00 in annual Receipt of Grant Funds)</td>
<td>Adopted a resolution authorizing the City Manager to (a) submit annual applications to the California Department of Resources Recycling and Recovery for Beverage Container Recycling City/County Payment Programs; (b) execute all grant documents; (c) accept and spend any and all grant funds awarded to the City.</td>
</tr>
</tbody>
</table>

**Fire Department**

- Consideration and possible action regarding the acceptance of grant funding from the United States Department of Homeland Security, Federal Emergency Management Agency, Grants Program Directorate (DHS) under Fiscal Year 2015 Urban Area Security Initiative Grant Program (UASI) to pursue regional training and procure necessary Urban Search and Rescue (USAR) equipment. (Fiscal Impact: $35,700.00)
  - 1) Authorized the acceptance of $35,700 in grant funds from the UASI 2015 grant program; 2) Authorized the City Manager to sign an Agreement with the City of Los Angeles who will serve as the grant administrator for the grant.

**Police Department**

**Recreation and Parks**

**Library**

**Reports – City Manager**

**Reports – City Clerk**

**Reports – Council Member Dugan**

**Reports – Council Member Felhauer**

- Consideration and possible action to | Directed staff to implement the easiest and |
<table>
<thead>
<tr>
<th>Reports – Council Member Atkinson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports – Mayor Pro Tem Jacobson</td>
</tr>
<tr>
<td>Reports – Mayor Fuentes</td>
</tr>
</tbody>
</table>

**Electronic Distribution:**
- Mayor and Council Members
- Elected Officials
- Appointed Officials
- Department Heads
- Department Assistants
- All Managers
- Administrative Services Dept.
- Lifan Xu
- Julie DeZiel
- LaTonya Fair, Lennis Gomez, Tramika Tingle
CITY OF EL SEGUNDO
BID LOG
BID NO. RFP 17-01
City of El Segundo - Fire Department
Regional Training Group (RTG) Intelligence Chief

Date of BID Opening: Monday, April 3, 2017
Time of BID Opening: 11 AM
Place of BID Opening: City Clerk's Office

<table>
<thead>
<tr>
<th>COMPANY NAME/ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Michael T. Little</td>
</tr>
<tr>
<td>8504 Firestone Blvd., Ste. 400</td>
</tr>
<tr>
<td>Downey, CA 90241</td>
</tr>
</tbody>
</table>

| 2. |
| 3. |
| 4. |
| 5. |
| 6. |
| 7. |
| 8. |
| 9. |
| 10. |

Staff Present: City Clerk's Office
City Clerk's Office
PD Representative
Purchasing
REQUEST FOR PROPOSAL #17-01
REGIONAL TRAINING GROUP (RTG) INTELLIGENCE CHIEF
FOR EL SEGUNDO FIRE DEPARTMENT

By:
Maria Cerritos, Purchasing Agent
City of El Segundo
350 Main Street
El Segundo, CA 90245
(310) 524-2331 / (310) 322-2756 (fax)
Email: mcerritos@elsegundo.org

Project Manager:
Carol Lynn Anderson, MPA
City of El Segundo Fire Dept.
314 Main Street
El Segundo, CA 90245
(310) 524-2235 / (310) 414-0929
Email: canderson@elsegundo.org

☐ This RFP is available at the following links: www. http://www.elsegundo.org

NOTE: BIDDERS ARE RESPONSIBLE TO READ ALL INFORMATION THAT IS STATED IN THIS REQUEST FOR PROPOSAL AND PROVIDE A RESPONSE AS REQUIRED
1.0 PURPOSE/INTRODUCTION

The City of El Segundo Purchasing Division, on behalf of the Fire Department, is seeking proposals from qualified parties interested in providing the services of Regional Training Group (RTG) Intelligence Chief to Los Angeles Area Fire Chiefs’ Association (LAAFCA). This is a grant-funded position and is subject to available funding. The contract period will be for 12 months with the option to renew for two (2) years, each year shall be renewable in one-year increments by written amendment, unless terminated earlier.

2.0 SCOPE OF WORK TO BE PERFORMED

The Intelligence Chief will work with, and be directly subordinate to the Executive Director of the Regional Training Group (RTG) of the Los Angeles Area Fire Chiefs’ Association (LAAFCA). The successful candidate will develop, direct, and execute strategies to ensure effective coordination of information and intelligence sharing between Los Angeles area fire service agencies and intelligence, counter-terrorism, and homeland security stakeholders. This position will identify information and intelligence-sharing gaps and collaborate to implement solutions, along with working to strengthen and maintain existing relationships with federal and local law enforcement and intelligence agencies, including the fusion center, academia, and private sector entities, as appropriate. This position will be responsible to ensure that all source (open source through classified) intelligence informs and enhances Los Angeles area fire agencies’ understanding of existing and emerging threats and is brought to bear on training objectives.

The RTG Intelligence Chief will assist with, support, and further develop the training and response readiness of Los Angeles area fire agencies for incidents of national significance including, but not limited to: acts of terrorism, natural disasters, public health threats, cyber-attacks, major crime, and other large-scale incidents that pose a threat to public or first-responder safety. The person in this position will perform detailed and comprehensive research, collaborate on, develop, and disseminate periodic and regular finished reports, advisories, bulletins, presentations, and briefings for executive and other fire service audiences on relevant intelligence issues. Responsibilities will include sharing intelligence within the guidelines, constraints, and protocols of authoring agencies and entities. Additionally, the Intelligence Chief will assist with other RTG training, research, grant work and administrative tasks as needed.
INSTRUCTIONS TO BIDDERS

Buyer: Maria Cerritos, Purchasing Agent
Email: mcerritos@elsegundo.org
Visit our Website: www.elsegundo.org
RFP: 17-01
Telephone: (310) 524-2331

It shall be the bidder's responsibility to submit proposals that meet all specifications outlined unless an adequate substitution is provided and agreed upon by the El Segundo Fire Department contract administrator.

3.0 MANDATORY QUALIFICATIONS OF THE RTG INTELLIGENCE CHIEF

Required Qualifications:
- Bachelor's (BA/BS) degree in Intelligence and Security Studies, Emergency Management or related field of course work.
- Possess 5+ years of experience as a fire department chief officer (Battalion Chief or higher rank), police department senior officer (Police Lieutenant or higher rank) or other senior officer of a public safety or national security related field.
- Demonstrated experience with intelligence analysis and processes.
- Demonstrated experience in information and intelligence-sharing strategies.
- Demonstrated experience with training in support of the National Incident Management System (NIMS) and the Incident Command System (ICS).
- Strong personal interest in intelligence, homeland security, and counter-terrorism.
- Strong written and oral communications and presentation skills.
- Strong project management skills, detail-oriented, and well-organized.
- Strong creative and problem-solving skills, and self-driven.
- Demonstrated ability to lead through influence and collaboration.
- A Combination of work experience, formal education, training and skills may be considered for substitution of the above listed required qualifications, based on a thorough review of the applicant's curriculum vitae.

Desired Qualifications:
- Master's degree in Intelligence and Security Studies, Emergency Management or related field of course work.
- Proof of current security clearance at the Top Secret level.
- Prior experience working with or within the United States Intelligence Community.
- Prior experience in hazardous materials and/or Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) related programs.

4.0 PROPOSAL FORMAT GUIDELINES

Interested entities or consultants are to provide the City of El Segundo Fire Department with a thorough proposal using the following guidelines:

Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide "layman" explanations of technical terms that are used. Emphasis should be on conforming to the RFP instructions, responding to the RFP requirements, and providing a complete and clear description of the offer. Proposals, which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected.
INSTRUCTIONS TO BIDDERS

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Proposals must be typed uniformly on letter size (8 ½" x 11") sheets of white paper, single sided or double sided, each section clearly titled, with index dividers labeled Tabs A – E, and each page clearly and consecutively numbered. Binder capacity should be a minimum of 2” (two inches) to allow for ease of referencing various sections. (Small binders that are over stuffed or difficult to open may count against the bidder). Proposals must be clean and suitable for copying. Proposals must be specific unto themselves. For example, “See Enclosed Manual” will not be considered an acceptable proposal. Receipt of all addenda, if any, must be signed and included in the proposal.

The following proposal sections are to be included in the Proposer’s response:

a) Proposer Background information
   A signed letter of transmittal briefly stating the candidate’s understanding of the work to be completed and the commitment to perform the work, as well as a statement of why the candidate believes they are the best qualified person for this position.

b) Qualifications of Individual
   Provide all information as stated in Section 3 “Mandatory Qualifications of the RTG Intelligence Chief” of this RFP. Please include in a separate tab any additional documentation as listed under “Desirable qualifications.”

c) References – The proposal shall list and describe the individual’s qualifications for facilitating the scope of work, including three (3) or more references from clients for whom individual performed similar services. Information provided shall include:
   i. Reference Name
   ii. Project Description
   iii. Project start and end dates
   iv. Cost/Amount of contract
   v. Reference name, telephone number and e-mail address

d) Trade Secrets
   All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code section 6250 et. seq. (Public Records Act) and which are marked “trade secret,” “confidential,” or “proprietary” should be placed in this section of the bid response.

e) Fee Proposal and cost estimates in a separate sealed envelope. The bid should contain all pricing information relative to performing the duties as described in this RFP. The total all-inclusive maximum price to be proposed is to contain direct and indirect costs including estimated out-of-pocket expenses.
INSTRUCTIONS TO BIDDERS

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Visit our Website: www.elsegundo.org  RFP: 17-01
Telephone: (310) 524-2331

5.0 BIDDER INFORMATION □

Complete, sign and submit the RFP Bidder Information attached hereto as Exhibit B. Failure to complete and/or submit these forms may cause rejection of your proposal. All proposals must be contained within these forms.

6.0 SELECTION CRITERIA AND EVALUATION PROCESS □

The individual will be selected based on professional qualifications necessary for the satisfactory performance of the services required and demonstrated competence that includes a proven track record of performing intelligence gathering. The skill and ability of the individual performing the services is a key component of the selection criteria. Cost will be only one factor in determining the selection, and as such, the contract might not be awarded to the lowest responsible Bidder.

The City will undertake the following evaluation process:

a) The City will review and evaluate all submitted documents received in response to the RFP.

b) After the submittals are evaluated and ranked, the City, at its sole discretion, may elect to interview one or more respondents. Please note that respondents may be asked to submit additional documentation. In addition, the City reserves the right to select a proposal without conducting interviews.

c) If a commitment is made, it will be to the most qualified respondent with whom the City is able to successfully negotiate the compensation and terms and conditions of any and all agreements.

d) Final selection of an Intelligence Chief, terms and conditions of any and all agreements, and authority to proceed with this position, shall be at the sole discretion of the City.

e) Attachment D is the City’s standard consulting services agreement. Consultants interested in proposing on this RFP should be prepared to enter into the agreement under the standard terms and conditions should be able to provide the required insurance. If the City is unable to negotiate a satisfactory agreement, with terms and conditions the City determines to be fair and reasonable, the City may then commence negotiations with the next most qualified individual in sequence, until an agreement is reached or determination is made to reject all submittals.

7.0 CONTRACTED EXTENSION TO OTHER CITIES/AGENCIES □

Other Cities/Agencies may be interested in purchasing against an awarded contract, subject to the same price, terms and conditions offered to the City of El Segundo, and by mutual agreement by the City and the vendor. The City does not warrant any additional use of the contract by such agencies. All requirements of the specifications, purchase orders, invoices and payments with other agencies will be directly handled by the successful Bidder and the piggybacking agency.
INSTRUCTIONS TO BIDDERS

Buyer: Maria Cerritos, Purchasing Agent  Email: mcerritos@elsegundo.org
Visit our Website: www.elsegundo.org  RFP: 17-01
Telephone: (310) 524-2331

8.0 CONFIDENTIALITY □

The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement between the CITY and Los Angeles Area Fire Chiefs Association (LAFFCA). The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; CITY information or data which is not subject to public disclosure; CITY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

Subsequent to the CITY's evaluation, bids/proposals which were required to be submitted in response to the solicitation process become the exclusive property of the CITY. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code section 6250 et. seq. (Public Records Act) and which are marked "trade secret," "confidential," or "proprietary." The CITY shall not in any way be liable or responsible for the disclosure of any such records, including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction. In the event the CITY is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary" the Consultant agrees to defend and indemnify the CITY from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act. Where applicable, Federal regulations may take precedence over this language.

9.0 PROFESSIONAL SERVICES AGREEMENT □

The standard form of the City's professional services agreement is attached hereto as Exhibit C. The selected Contractor will be required to enter into this Agreement. By submitting a proposal, Contractor certifies to the City that he/she has reviewed the Specifications of the RFP and the terms of the agreement, it's insurance requirements has incorporated all direct and indirect costs of complying with the scope of work and the agreement into the Proposal.

Also, the selected Contractor must be Live Scanned (fingerprinted) before execution of an official agreement by the City of El Segundo Police Department at the Contractor's expense.
INSTRUCTIONS TO BIDDERS

Buyer: Maria Cerritos, Purchasing Agent Email: mcerritos@elsegundo.org
Visit our Website: www.elsegundo.org RFP: 17-01
Telephone: (310) 524-2331

1. Notifications: All Request For Proposal (RFP) related information will be posted to the El Segundo Fire Department's website: http://www.elsegundo.org/depts/fire/rfp_bids.asp.

2. Format: Proposal format will be in alignment with Section 4, "Proposal Format Guidelines" when submitting bids.

3. Proposal Submission: All proposals shall be submitted according to specifications set forth in this RFP. Failure to adhere to these specifications may be cause for rejection of proposal. The City will not reimburse Contractors for any costs involved in the preparation and submission of proposals. Furthermore, this RFP does not oblige the City to accept or contract for any expressed or implied services.

4. Signature: An authorized representative of the bidder MUST provide wet signature on all proposals.

5. Due Date: The proposer must submit FIVE (5) complete copies of the proposal in a sealed envelope, plainly marked in the upper, left-hand corner with the name and address of the bidder and the words "Request for Proposal # 17-XX." All proposals must be received before 11:00 a.m. on Thursday, April 03, 2017, and should be directed to:

   City of El Segundo
   City Clerk's Office
   350 Main Street, Room 5
   El Segundo, CA 90245-3813

6. Disposition of Proposals: The City reserves the right to reject any or all proposals. All responses become the property of the City. One copy of the proposal shall be retained for City files. Additional copies and materials can be returned only if requested and at the bidder's expense.

7. Prices/Notations: The Fee Proposal shall be submitted in a separate sealed envelope.

8. Currency: All references to dollar amounts in this solicitation and in vendor's response refer to United States currency.

9. Subcontractors: The Bidder must list any subcontractor that will be used, the work to be performed by them, and total number of hours or percentage of time they will spend on the project.

10. Non-Discrimination Requirement: By submitting a proposal, the Consultant represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliations or opinion, age, or medical condition.

11. Bonds: A Performance Bond must be required of the successful proposer when stated in the specification.

12. Proposal Rejection: The City may reject the proposal of any proposer who previously failed to perform properly, or complete on time, contracts of a similar nature, or to reject the proposal of a proposer who is not in a position to perform such a contract satisfactorily. The City may reject the proposal of any proposer who is in default of the payment of taxes, licenses or other monies due to the City of El Segundo.

13. Contract/Award: The contract, if awarded, shall be awarded to the lowest responsive and responsible bidder. The lowest bid shall be the lowest total of the bid prices quoted on the Bid Schedule. A responsible bidder is a bidder determined by the awarding authority:

   (1) To have the ability, capacity, experience and skill to perform the work, or provide the goods and/or services in accordance with the bid specifications;
   (2) To have the ability to perform the contract within the time specified;
   (3) To have the equipment, facilities and resources of such capacity and location to enable the bidder to perform the contract;
   (4) To have the ability to provide, as required, future maintenance, repair, parts and service for the use of goods purchased;
INSTRUCTIONS TO BIDDERS

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RFP: 17-01
Telephone: (310) 524-2331

(5) To have a record of satisfactory or better performance under prior contracts with the city or others; and
(6) To have complied with applicable laws, regulations, policies (including city council policies), guidelines and orders governing prior or existing contracts performed by the bidder.

14. **Period of Firm Pricing:** Unless stated otherwise, prices shall be firm for 120 days after the RFP closing date. If the City is required to negotiate beyond the 120-day period the City may request bidder’s prices be firm for an additional period of time to complete negotiations and award the contract.

15. **Method of Award:** The City reserves the right to reject any or all offers, to waive any discrepancy or technicality and to split or make the award in any manner determined by the City to be most advantageous. The City recognizes that prices are only one of several criteria used in judging an offer and the City is not legally bound to accept the lowest offer. The City also reserves the right to make no award.

16. **Other Terms and Conditions:** The terms and conditions as indicated in this document and/or attached are hereby included with full force and like effect as if set forth herein.

17. **Return of Bid/Closing Date/Return to:** The bid response shall be delivered to the City Clerk on behalf of the El Segundo Purchasing Division, 350 Main Street, Room 5, El Segundo, CA 90245-3813 by 11:00 a.m. PST on April 3, 2017. Bid responses not received by City Purchasing by the closing date and time indicated above will not be accepted and the Proposer will be deemed as disqualified. The closing date and time and the R.F.P. number referenced above shall appear on the outside of the sealed envelope. A duly executed copy of the signature page of this bid document must accompany Bidder(s) response. The City will not be responsible for and will not except late bids due to delayed mail delivery or courier services.

18. **Records Retention/Auditing:** The Contractor agrees that City of El Segundo or designated representatives shall have the right to review and copy any records and supporting documentation pertaining to the performance of this contract. Contractor agrees to maintain such records for possible audit for a minimum of seven (7) years after final payment, or until closure of pending matter unless a longer period of records retention is stipulated. Contractor agrees to allow auditor(s) access to such records during normal business hours and allow interviews of any employees or others who might reasonably have information related to such records.

PROPOSER TO READ

I have read, understood, and agree to the terms and conditions on all pages of this proposal. The undersigned agrees to furnish the commodity or service stipulated on this proposal as stated above.

<table>
<thead>
<tr>
<th>Company or Individual</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Signature</td>
</tr>
<tr>
<td>Title of Person Signing Bid</td>
<td>Contact number</td>
</tr>
</tbody>
</table>
# IMPORTANT TIMELINES

<table>
<thead>
<tr>
<th>TIMELINE</th>
<th>DATES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RELEASE OF REQUEST FOR PROPOSAL</strong></td>
<td>Wednesday, 03/01/2017</td>
</tr>
<tr>
<td><strong>MANDATORY PRE-BID/PROPOSAL MEETING</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>DEADLINE FOR SUBMISSION OF QUESTIONS</strong></td>
<td>Must be received in writing by:</td>
</tr>
<tr>
<td></td>
<td>Thursday, 03/22/2017 by 11:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>Responses to questions will be posted no</td>
</tr>
<tr>
<td></td>
<td>later than 5:00 p.m. on 03/23/2017</td>
</tr>
<tr>
<td></td>
<td>on the City’s website</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.elsegundo.org/depts/fire/rfp_bids/default.asp">http://www.elsegundo.org/depts/fire/rfp_bids/default.asp</a></td>
</tr>
<tr>
<td><strong>BID/PROPOSAL RESPONSES DUE</strong></td>
<td>On or before</td>
</tr>
<tr>
<td><strong>ALL PROPOSALS MUST BE DELIVERED</strong></td>
<td>Monday, 4/03/2017</td>
</tr>
<tr>
<td><strong>TO:</strong></td>
<td>Time: 11:00 a.m.</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td></td>
</tr>
<tr>
<td>City Clerk’s Office</td>
<td></td>
</tr>
<tr>
<td>RFP #17-01</td>
<td></td>
</tr>
<tr>
<td>350 Main Street, Room 5</td>
<td></td>
</tr>
<tr>
<td>El Segundo, CA 90245</td>
<td></td>
</tr>
<tr>
<td><strong>TENTATIVE DATE FOR AWARDING RFP</strong></td>
<td>The Bidders are responsible for checking</td>
</tr>
<tr>
<td>Approximately 60 to 120 days after the RFP</td>
<td>the City’s website for notice of intent to award at</td>
</tr>
</tbody>
</table>

**INQUIRIES:**
All inquiries must be submitted on or before the last day for questions. Please refer to THE ABOVE Timeline/Dates for the particular date. Inquiries must reference the section number and title from the RFP. Bidders must submit their questions VIA email canderson@elsegundo.org. All responses to Bidders questions will be posted online at http://www.elsegundo.org/depts/fire/rfp_bids/default.asp. Inquiries must be in written format with the RFP bid number, to the attention of the Purchasing agent.
SECTION 3: REQUEST FOR QUOTATION/PROPOSAL AND BIDDER REQUIRED INFORMATION.

Bidder Company: ___________________________ Date: ___________________________

Bidder Information
Provide the information requested below or indicate "not applicable," if appropriate.

A. Name and Address of Bidder

A/P Remit To: if different

Telephone: ___________________________ Telephone: ___________________________
Facsimile: ___________________________ Facsimile: ___________________________
Email: ___________________________ Email: ___________________________
Website Address: ___________________________

B. Bidder is a:

☐ California Corporation

☐ Corporation organized under the laws of the State of: _________

☐ With head offices located at: _________ and offices in California located at: _________

☐ Sole Proprietorship: _______ Proprietor

☐ Other: Attach Addendum and with explanatory details

C. Have you (or your company) previously worked for the City of El Segundo? ☐ Yes / ☐ No

If yes, please provide information on additional sheets.

D. If required Contractor’s license number & type:

E. The Bidder represents that it has not retained a person to solicit or secure a City contract (upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee) except for retention of bona fide employee or bona fide established commercial selling agencies for the purpose of securing business.

F. During the Quotation process there may be changes to the Quotation documents, which would require an issuance of an addendum or addenda. City disclaims any and all liability for loss, or damage to any Bidder who does not receive any addendum issued by City in connection with this RFP. Any Bidder in submitting a Quotation/Proposal is deemed to waive any and all claims and demands Bidder may have against City on account of the failure of delivery of any such addendum to Bidder. Any and all addenda issued by City shall be deemed included in this RFP and the provisions and instructions therein contained shall be incorporated to any Quotation submitted by Bidder.

G. The firm and individuals listed below, certify that: they do not and in the performance of this contract they will not discriminate in employment of any person because of race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person; and further certify that they are in compliance with all Federal, State and local directives and executive orders regarding nondiscrimination in employment.

Signature ___________________________ Printed Name/Title of Signer ___________________________
EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND

This AGREEMENT is entered into this XXth day of Month, 2017, by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city ("CITY") and _____, a [type of organization] ("CONSULTANT").

1. CONSIDERATION.

A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, below;

B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;

C. As additional consideration, CITY agrees to pay CONSULTANT a sum not to exceed _____ dollars ($XXX,XXX) for CONSULTANT’s services. CITY may modify this amount as set forth below. Unless otherwise specified by written amendment to this Agreement, CITY will pay this sum as specified in the attached Exhibit “A,” which is incorporated by reference.

2. SCOPE OF SERVICES.

A. CONSULTANT will perform services listed in the attached Exhibit “A,” which is incorporated by reference.

B. CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PERFORMANCE STANDARDS. While performing this Agreement, CONSULTANT will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. CITY will continuously monitor CONSULTANT's services. CITY will notify CONSULTANT of any deficiencies and CONSULTANT will have fifteen (15) days after such notification to cure any shortcomings to CITY’s satisfaction. Costs associated with curing the deficiencies will be borne by CONSULTANT.

4. PAYMENTS. For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit a detailed invoice to CITY which lists the hours worked and hourly rates for each personnel category and reimbursable costs (all as set forth in Exhibit “A”) the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, the total cost of that work during the preceding billing month and a cumulative cash flow curve showing projected and actual expenditures versus time to date.
EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT

5. NON-APPROPRIATION OF FUNDS. Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the CITY. In the event the CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this Agreement will cover only those costs incurred up to the conclusion of the current fiscal year.

6. ADDITIONAL WORK.

A. CITY’s city manager (“Manager”) may determine, at the Manager’s sole discretion, that CONSULTANT must perform additional work (“Additional Work”) to complete the Scope of Work. If Additional Work is needed, the Manager will give written authorization to CONSULTANT to perform such Additional Work.

B. If CONSULTANT believes Additional Work is needed to complete the Scope of Work, CONSULTANT will provide the Manager with written notification that contains a specific description of the proposed Additional Work, reasons for such Additional Work, and a detailed proposal regarding cost.

C. In the event the cost of such Additional Work causes the total amount of this Agreement to exceed $25,000, such Additional Work must be approved by CITY’s city council. All Additional Work will be subject to all other terms and provisions of this Agreement.

7. FAMILIARITY WITH WORK.

A. By executing this Agreement, CONSULTANT agrees that it has:

i. Carefully investigated and considered the scope of services to be performed;

ii. Carefully considered how the services should be performed; and

iii. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

B. If services involve work upon any site, CONSULTANT agrees that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONSULTANT discover any latent or unknown conditions that may materially affect the performance of the services, CONSULTANT will immediately inform CITY of such fact and will not proceed except at CONSULTANT’s own risk until written instructions are received from CITY.

8. TERM. The term of this Agreement will be from XX/XX/2017 to XX/XX/2018. Unless otherwise determined by written amendment between the parties, this Agreement will terminate in the following instances:

A. Completion of the work specified in Exhibit “A”;

B. Termination as stated in Section 16.
9. TIME FOR PERFORMANCE.

A. CONSULTANT will not perform any work under this Agreement until:

   i. CONSULTANT furnishes proof of insurance as required under Section 23 of this Agreement; and

   ii. CITY gives CONSULTANT a written notice to proceed.

B. Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any such professional services are at CONSULTANT’s own risk.

10. TIME EXTENSIONS. Should CONSULTANT be delayed by causes beyond CONSULTANT’s control, CITY may grant a time extension for the completion of the contracted services. If delay occurs, CONSULTANT must notify the Manager within forty-eight hours (48 hours), in writing, of the cause and the extent of the delay and how such delay interferes with the Agreement’s schedule. The Manager will extend the completion time, when appropriate, for the completion of the contracted services.

11. CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibit(s) will be resolved in the order in which the Exhibits appear below:

   A. Exhibit A: Scope of Work;
   B. Exhibit B: Budget; and
   C. Exhibit C: Proposal for Services.

12. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

13. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

14. PERMITS AND LICENSES. CONSULTANT, at its sole expense, will obtain and maintain during the term of this Agreement, all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

15. WAIVER. CITY’s review or acceptance of, or payment for, work product prepared by CONSULTANT under this Agreement will not be construed to operate as a waiver of any rights CITY may have under this Agreement or of any cause of action arising from CONSULTANT’s performance. A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.
16. TERMINATION.

A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause.

B. CONSULTANT may terminate this Agreement at any time with CITY’s mutual consent. Notice will be in writing at least thirty (30) days before the effective termination date.

C. Upon receiving a termination notice, CONSULTANT will immediately cease performance under this Agreement unless otherwise provided in the termination notice. Except as otherwise provided in the termination notice, any additional work performed by CONSULTANT after receiving a termination notice will be performed at CONSULTANT’s own cost; CITY will not be obligated to compensate CONSULTANT for such work.

D. Should termination occur, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT will, at CITY’s option, become CITY’s property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination, not to exceed the total costs under Section 1(C).

E. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.

F. By executing this document, CONSULTANT waives any and all claims for damages that might otherwise arise from CITY’s termination under this Section.

17. OWNERSHIP OF DOCUMENTS. All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement are CITY’s property. CONSULTANT may retain copies of said documents and materials as desired, but will deliver all original materials to CITY upon CITY’s written notice. CITY agrees that use of CONSULTANT’s completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at CITY’s own risk.

18. PUBLICATION OF DOCUMENTS. Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement, will be released by CONSULTANT to any other person or public CITY without CITY’s prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, will be approved and distributed solely by CITY, unless otherwise provided by written agreement between the parties.

19. INDEMNIFICATION.

A. CONSULTANT agrees to the following:
EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT

i. Indemnification for Professional Services. CONSULTANT will save harmless and indemnify and at CITY’s request reimburse defense costs for CITY and all its officers, volunteers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT’s officers, agents, employees, or representatives, in the performance of this Agreement, except for such loss or damage arising from CITY’s sole negligence or willful misconduct.

ii. Indemnification for other Damages. CONSULTANT indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney’s fees), injuries, or liability, arising out of this Agreement, or its performance, except for such loss or damage arising from CITY’s sole negligence or willful misconduct. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, CONSULTANT will defend CITY (at CITY’s request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.

B. For purposes of this section “CITY” includes CITY’s officers, officials, employees, agents, representatives, and certified volunteers.

C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.

D. The requirements as to the types and limits of insurance coverage to be maintained by CONSULTANT as required by Section 23, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

20. ASSIGNABILITY. This Agreement is for CONSULTANT’s professional services. CONSULTANT’s attempts to assign the benefits or burdens of this Agreement without CITY’s written approval are prohibited and will be null and void.

21. INDEPENDENT CONTRACTOR. CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which it performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

22. AUDIT OF RECORDS. CONSULTANT will maintain full and accurate records with respect to all services and matters covered under this Agreement. CITY will have free access at all reasonable
times to such records, and the right to examine and audit the same and to make transcript therefrom, and to inspect all program data, documents, proceedings and activities. CONSULTANT will retain such financial and program service records for at least three (3) years after termination or final payment under this Agreement.

23. INSURANCE.

A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONSULTANT will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial general liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Professional Liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Business automobile liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Workers compensation</td>
<td>Statutory requirement</td>
</tr>
</tbody>
</table>

B. Commercial general liability insurance will meet or exceed the requirements of the most recent ISO-CGL Form. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name CITY, its officials, and employees as “additional insureds” under said insurance coverage and to state that such insurance will be deemed “primary” such that any other insurance that may be carried by CITY will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance will be on an “occurrence,” not a “claims made,” basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to CITY.

C. Professional liability coverage will be on an “occurrence basis” if such coverage is available, or on a “claims made” basis if not available. When coverage is provided on a “claims made basis,” CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.

D. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).
EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT

E. CONSULTANT will furnish to CITY duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by CITY from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of “A:VII.”

F. Should CONSULTANT, for any reason, fail to obtain and maintain the insurance required by this Agreement, CITY may obtain such coverage at CONSULTANT’s expense and deduct the cost of such insurance from payments due to CONSULTANT under this Agreement or terminate pursuant to Section 16.

24. USE OF SUBCONTRACTORS. CONSULTANT must obtain CITY’s prior written approval to use any consultants while performing any portion of this Agreement. Such approval must approve of the proposed consultant and the terms of compensation.

25. INCIDENTAL TASKS. CONSULTANT will meet with CITY monthly to provide the status on the project, which will include a schedule update and a short narrative description of progress during the past month for each major task, a description of the work remaining and a description of the work to be done before the next schedule update.

26. NOTICES. All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

<table>
<thead>
<tr>
<th>If to CONSULTANT:</th>
<th>If to CITY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>City of El Segundo</td>
</tr>
<tr>
<td>Address</td>
<td>314 Main Street</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>El Segundo, CA</td>
</tr>
<tr>
<td>Attention: Name</td>
<td>Attention: Christopher Donovan, Fire Chief</td>
</tr>
</tbody>
</table>

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

27. CONFLICT OF INTEREST. CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, CITY’s conflict of interest regulations.

28. SOLICITATION. CONSULTANT maintains and warrants that it has not employed nor retained any company or person, other than CONSULTANT’s bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT’s bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.
29. THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT’s or CITY’s obligations under this Agreement.

30. INTERPRETATION. This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

31. COMPLIANCE WITH LAW. CONSULTANT agrees to comply with all federal, state, and local laws applicable to this Agreement.

32. ENTIRE AGREEMENT. This Agreement, and its Exhibits, sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written. There is one (1) Exhibit to this Agreement. This Agreement will bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

33. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

34. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

35. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment. CITY’s executive manager, or designee, may execute any such amendment on behalf of CITY.

36. ACCEPTANCE OF FACSIMILE SIGNATURES. The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by facsimile transmission. Such facsimile signature will be treated in all respects as having the same effect as an original signature.

37. CAPTIONS. The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

38. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

39. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties’ reasonable control, then the Agreement will immediately terminate without obligation of either party to the other.
40. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public CITY.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF EL SEGUNDO

Greg Carpenter, Name
City Manager

CONSULTANT/COMPANY NAME

Title:

ATTEST:

Tracy Weaver, Title:
City Clerk

Taxpayer ID No.

CA Entity #: XXXX

APPROVED AS TO FORM:

Mark D. Hensley,
City Attorney
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND
MICHAEL T. LITTLE

This AGREEMENT is entered into this 20TH day of June, 2017, by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city ("CITY") and MICHAEL T. LITTLE, a Sole Proprietorship ("CONSULTANT").

1. CONSIDERATION.

   A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, below;

   B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;

   C. As additional consideration, CITY agrees to pay CONSULTANT a sum not to exceed One hundred thousand dollars ($100,000) for CONSULTANT’s services. CITY may modify this amount as set forth below. Unless otherwise specified by written amendment to this Agreement, CITY will pay this sum as specified in the attached Exhibit “A,” which is incorporated by reference.

2. SCOPE OF SERVICES.

   A. CONSULTANT will perform services listed in the attached Exhibit “A,” which is incorporated by reference.

   B. CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PERFORMANCE STANDARDS. While performing this Agreement, CONSULTANT will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. CITY will continuously monitor CONSULTANT’s services. CITY will notify CONSULTANT of any deficiencies and CONSULTANT will have fifteen (15) days after such notification to cure any shortcomings to CITY’s satisfaction. Costs associated with curing the deficiencies will be borne by CONSULTANT.
4. **PAYMENTS.** For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit a detailed invoice to CITY which lists the hours worked and hourly rates for each personnel category and reimbursable costs (all as set forth in Exhibit “A”) the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, the total cost of that work during the preceding billing month and a cumulative cash flow curve showing projected and actual expenditures versus time to date.

5. **NON-APPROPRIATION OF FUNDS.** Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the CITY. In the event the CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this Agreement will cover only those costs incurred up to the conclusion of the current fiscal year.

6. **ADDITIONAL WORK.**

   A. CITY’s city manager (“Manager”) may determine, at the Manager’s sole discretion, that CONSULTANT must perform additional work (“Additional Work”) to complete the Scope of Work. If Additional Work is needed, the Manager will give written authorization to CONSULTANT to perform such Additional Work.

   B. If CONSULTANT believes Additional Work is needed to complete the Scope of Work, CONSULTANT will provide the Manager with written notification that contains a specific description of the proposed Additional Work, reasons for such Additional Work, and a detailed proposal regarding cost.

   C. Payments over $100,000 for Additional Work must be approved by CITY’s city council. All Additional Work will be subject to all other terms and provisions of this Agreement.

7. **FAMILIARITY WITH WORK.**

   A. By executing this Agreement, CONSULTANT agrees that it has:

      i. Carefully investigated and considered the scope of services to be performed;

      ii. Carefully considered how the services should be performed; and

      iii. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

   B. If services involve work upon any site, CONSULTANT agrees that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONSULTANT discover any latent or unknown conditions that may
materially affect the performance of the services, CONSULTANT will immediately inform CITY of such fact and will not proceed except at CONSULTANT’s own risk until written instructions are received from CITY.

8. TERM. The term of this Agreement will be from June 20, 2017, to December 31, 2017. Unless otherwise determined by written amendment between the parties, this Agreement will terminate in the following instances:

   A. Completion of the work specified in Exhibit “A”;

   B. Termination as stated in Section 16.

9. TIME FOR PERFORMANCE.

   A. CONSULTANT will not perform any work under this Agreement until:

      i. CONSULTANT furnishes proof of insurance as required under Section 23 of this Agreement; and

      ii. CITY gives CONSULTANT a written notice to proceed.

   B. Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any such professional services are at CONSULTANT’s own risk.

10. TIME EXTENSIONS. Should CONSULTANT be delayed by causes beyond CONSULTANT’s control, CITY may grant a time extension for the completion of the contracted services. If delay occurs, CONSULTANT must notify the Manager within forty-eight hours (48 hours), in writing, of the cause and the extent of the delay and how such delay interferes with the Agreement’s schedule. The Manager will extend the completion time, when appropriate, for the completion of the contracted services.

11. CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

   A. Exhibit A: Scope of Work;

   B. Exhibit B: Proposal for Services

12. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing,
executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

13. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

14. PERMITS AND LICENSES. CONSULTANT, at its sole expense, will obtain and maintain during the term of this Agreement, all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

15. WAIVER. CITY’s review or acceptance of, or payment for, work product prepared by CONSULTANT under this Agreement will not be construed to operate as a waiver of any rights CITY may have under this Agreement or of any cause of action arising from CONSULTANT’s performance. A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

16. TERMINATION,

A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause.

B. CONSULTANT may terminate this Agreement at any time with CITY’s mutual consent. Notice will be in writing at least thirty (30) days before the effective termination date.

C. Upon receiving a termination notice, CONSULTANT will immediately cease performance under this Agreement unless otherwise provided in the termination notice. Except as otherwise provided in the termination notice, any additional work performed by CONSULTANT after receiving a termination notice will be performed at CONSULTANT’s own cost; CITY will not be obligated to compensate CONSULTANT for such work.

D. Should termination occur, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT will, at CITY’s option, become CITY’s property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination, not to exceed the total costs under Section 1(C).

E. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.

F. By executing this document, CONSULTANT waives any and all claims for damages that might otherwise arise from CITY’s termination under this Section.
17. OWNERSHIP OF DOCUMENTS. All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement are CITY’s property. CONSULTANT may retain copies of said documents and materials as desired, but will deliver all original materials to CITY upon CITY’s written notice. CITY agrees that use of CONSULTANT’s completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at CITY’s own risk.

18. PUBLICATION OF DOCUMENTS. Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement, will be released by CONSULTANT to any other person or public CITY without CITY’s prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, will be approved and distributed solely by CITY, unless otherwise provided by written agreement between the parties.

19. INDEMNIFICATION.

A. CONSULTANT agrees to the following:

i. **Indemnification for Professional Services.** CONSULTANT will save harmless and indemnify and at CITY’s request reimburse defense costs for CITY and all its officers, volunteers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT’s officers, agents, employees, or representatives, in the performance of this Agreement, except for such loss or damage arising from CITY’s sole negligence or willful misconduct.

ii. **Indemnification for other Damages.** CONSULTANT indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney’s fees), injuries, or liability, arising out of this Agreement, or its performance, except for such loss or damage arising from CITY’s sole negligence or willful misconduct. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, CONSULTANT will defend CITY (at CITY’s request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.

B. For purposes of this section “CITY” includes CITY’s officers, officials, employees, agents, representatives, and certified volunteers.

C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.
D. The requirements as to the types and limits of insurance coverage to be maintained by CONSULTANT as required by Section 23, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

20. ASSIGNABILITY. This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

21. INDEPENDENT CONTRACTOR. CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which is it performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

22. AUDIT OF RECORDS. CONSULTANT will maintain full and accurate records with respect to all services and matters covered under this Agreement. CITY will have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcript therefrom, and to inspect all program data, documents, proceedings and activities. CONSULTANT will retain such financial and program service records for at least three (3) years after termination or final payment under this Agreement.

23. INSURANCE.

A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONSULTANT will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial general liability:</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Professional Liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Business automobile liability</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Workers compensation</td>
<td>Statutory requirement</td>
</tr>
</tbody>
</table>
B. Commercial general liability insurance will meet or exceed the requirements of the most recent ISO-CGL Form. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name CITY, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by CITY will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance will be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to CITY.

C. Professional liability coverage will be on an "occurrence basis" if such coverage is available, or on a "claims made" basis if not available. When coverage is provided on a "claims made basis," CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.

D. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

E. CONSULTANT will furnish to CITY duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by CITY from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII."

F. Should CONSULTANT, for any reason, fail to obtain and maintain the insurance required by this Agreement, CITY may obtain such coverage at CONSULTANT’s expense and deduct the cost of such insurance from payments due to CONSULTANT under this Agreement or terminate pursuant to Section 16.

24. USE OF SUBCONTRACTORS. CONSULTANT must obtain CITY’s prior written approval to use any consultants while performing any portion of this Agreement. Such approval must approve of the proposed consultant and the terms of compensation.

25. INCIDENTAL TASKS. CONSULTANT will meet with CITY monthly to provide the status on the project, which will include a schedule update and a short narrative description of progress during the past month for each major task, a description of the work remaining and a description of the work to be done before the next schedule update.
26. **NOTICES.** All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

**If to CONSULTANT:**

Michael T. Little  
8504 Firestone Blvd., Suite 400  
Downey, CA 90241

**If to CITY:**

City of El Segundo  
314 Main Street  
El Segundo, CA 90245  
Attn: Christopher Donovan, Fire Chief

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

27. **CONFLICT OF INTEREST.** CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, CITY’s conflict of interest regulations.

28. **SOLICITATION.** CONSULTANT maintains and warrants that it has not employed nor retained any company or person, other than CONSULTANT’s bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT’s bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

29. **THIRD PARTY BENEFICIARIES.** This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT’s or CITY’s obligations under this Agreement.

30. **INTERPRETATION.** This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

31. **COMPLIANCE WITH LAW.** CONSULTANT agrees to comply with all federal, state, and local laws applicable to this Agreement.

32. **ENTIRE AGREEMENT.** This Agreement, and its Attachments, sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written. There are two (2) Attachments to this Agreement. This Agreement will bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.
33. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

34. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

35. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment. CITY’s executive manager, or designee, may execute any such amendment on behalf of CITY.

36. ACCEPTANCE OF FACSIMILE SIGNATURES. The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by facsimile transmission. Such facsimile signature will be treated in all respects as having the same effect as an original signature.

37. CAPTIONS. The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

38. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

39. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties’ reasonable control, then the Agreement will immediately terminate without obligation of either party to the other.

40. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public CITY.

[Signatures on next page]
IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF EL SEGUNDO

Greg Carpenter,
City Manager

CONSULTANT/COMPANY NAME

Michael T. Little

ATTEST:

Tracy Weaver,
City Clerk

Taxpayer ID No.

CA Entity #:

APPROVED AS TO FORM:

By:

Mark D. Hensley,
City Attorney
1.0 **SCOPE OF WORK TO BE PERFORMED**

The Intelligence Chief will work with, and be directly subordinate to the Executive Director of the Regional Training Group (RTG) of the Los Angeles Area Fire Chiefs' Association (LAAFCA). The successful candidate will develop, direct, and execute strategies to ensure effective coordination of information and intelligence sharing between Los Angeles area fire service agencies and intelligence, counter-terrorism, and homeland security stakeholders. This position will identify information and intelligence-sharing gaps and collaborate to implement solutions, along with working to strengthen and maintain existing relationships with federal and local law enforcement and intelligence agencies, including the fusion center, academia, and private sector entities, as appropriate. This position will be responsible to ensure that all source (open source through classified) intelligence informs and enhances Los Angeles area fire agencies' understanding of existing and emerging threats and is brought to bear on training objectives.

The RTG Intelligence Chief will assist with, support, and further develop the training and response readiness of Los Angeles area fire agencies for incidents of national significance including, but not limited to: acts of terrorism, natural disasters, public health threats, cyber-attacks, major crime, and other large-scale incidents that pose a threat to public or first-responder safety. The person in this position will perform detailed and comprehensive research, collaborate on, develop, and disseminate periodic and regular finished reports, advisories, bulletins, presentations, and briefings for executive and other fire service audiences on relevant intelligence issues. Responsibilities will include sharing intelligence within the guidelines, constraints, and protocols of authoring agencies and entities. Additionally, the Intelligence Chief will assist with other RTG training, research, grant work and administrative tasks as needed.
EXHIBIT B
PROPOSAL FOR SERVICES

1.0 PROPOSAL FOR SERVICES □

See attached Fee Proposal for one (1) year.
Attached in a sealed envelope are my fee proposals and cost estimates for RFP #17-01. These represent my maximum price proposal for one-year, which includes direct and indirect costs as well as out-of-pocket expenses.
Fee proposals and cost estimates for RFP #17-01 are listed below. These represents my maximum price proposal for one-year and include direct and indirect costs as well as out-of-pocket expenses.

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Salary and benefits</td>
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<tr>
<td>2</td>
<td>Performance bond</td>
<td>$450</td>
</tr>
<tr>
<td>3</td>
<td>Computer and audiovisual (AV) equipment and maintenance</td>
<td>$3,500</td>
</tr>
<tr>
<td>4</td>
<td>Software and mobile apps</td>
<td>$1,000</td>
</tr>
<tr>
<td>5</td>
<td>Duplication expenses</td>
<td>$1,250</td>
</tr>
<tr>
<td>6</td>
<td>Smart phone for official RTG Intel Chief business</td>
<td>$800</td>
</tr>
<tr>
<td>7</td>
<td>Stationary, letterheads, business cards, etc.</td>
<td>$300</td>
</tr>
<tr>
<td>8</td>
<td>E-mail management system (Constant Contact or similar)</td>
<td>$1,000</td>
</tr>
<tr>
<td>9</td>
<td>Intelligence paid subscription services</td>
<td>$2,500</td>
</tr>
<tr>
<td>10</td>
<td>Trade journal subscriptions and other related publications</td>
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</tr>
<tr>
<td>11</td>
<td>Position-related association membership dues</td>
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<tr>
<td>13</td>
<td>Travel expenses and per diems</td>
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<tr>
<td>14</td>
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<td>$4,800</td>
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<tr>
<td>15</td>
<td>Vehicle fuel and maintenance</td>
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<tr>
<td>16</td>
<td>Parking fees</td>
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<tr>
<td>17</td>
<td>Incidental expenses</td>
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<tr>
<td></td>
<td>TOTAL</td>
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</tbody>
</table>