



# AGENDA

EL SEGUNDO CITY COUNCIL  
REGULAR MEETING  
TUESDAY, MAY 17, 2022

4:00 PM CLOSED SESSION  
*(OR AS SOON THEREAFTER UPON THE CONCLUSION  
OF THE SPECIAL MEETING NOTICED FOR THIS DATE)*

6:00 PM OPEN SESSION

CITY COUNCIL CHAMBER  
350 MAIN STREET, EL SEGUNDO, CA 90245

**THE CITY COUNCIL CHAMBER IS NOW OPEN TO THE PUBLIC**

**Drew Boyles, Mayor**  
**Chris Pimentel, Mayor Pro Tem**  
**Carol Pirsztuk, Councilmember**  
**Scot Nicol, Councilmember**  
**Lance Giroux, Councilmember**

Tracy Weaver, City Clerk  
Matthew Robinson, City Treasurer

## Executive Team

Darrell George, Interim City Manager  
Barbara Voss, Deputy City Manager  
Jaime Bermudez, Police Chief  
Michael Allen, Dev. Services Director  
Elias Sassoon, Public Works Director  
John Jones, Interim Com. Services Dir.

Mark Hensley, City Attorney  
Joe Lillio, Chief Financial Officer  
Deena Lee, Fire Chief  
Rebecca Redyk, HR Director  
Charles Mallory, IT Director

### MISSION STATEMENT:

“Provide a great place to live, work, and visit.”

### VISION STATEMENT:

“Be a global innovation leader where big ideas take off  
while maintaining our unique small-town character.”

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 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](http://www.elsegundo.org) and additional copies will be available at the City Council meeting.

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

Those wishing to address the City Council are requested to complete and submit to the City Clerk a "Speaker Card" located at the Council Chamber entrance. You are not required to provide personal information in order to speak, except to the extent necessary for the City Clerk to call upon you, properly record your name in meeting minutes and to provide contact information for later staff follow-up, if appropriate.

***In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at 310-524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.***

**4:00 PM CLOSED 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 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 City Council to take action on any item not on the agenda. City Council and/or City Manager will respond to comments after Public Communications is closed.*

**SPECIAL ORDERS OF BUSINESS**

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

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Initiation of litigation pursuant to Government Code §54956.9 (d)(4): -1- matters

**PUBLIC EMPLOYMENT (GOV’T CODE § 54957) -1- MATTER(S)**

City Manager Recruitment

**CONFERENCE WITH CITY’S LABOR NEGOTIATOR (GOV’T CODE §54957.6): -2- MATTER(S)**

Employee Organizations: Fire Fighters Association and Police Officers Association

Agency Designated Representative: Irma Moisa Rodriguez, Interim City Manager, Darrell George, and Human Resources Director, Rebecca Redyk.

**6:00 PM – CONVENE OPEN SESSION – CALL TO ORDER / ROLL CALL**

**INVOCATION** – Reverend Dina Ferguson, St. Michael Episcopal Church

**PLEDGE OF ALLEGIANCE** – Council Member Giroux

**SPECIAL PRESENTATIONS**

1. El Segundo Women's Club Centennial
2. Recognition of Sgt. Luke Muir for Graduating from the Sherman Block Supervisory Leadership Institute

**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 MANAGER FOLLOW-UP COMMENTS – (Related to Public Communications)**

**A. PROCEDURAL MOTIONS**

**Read All Ordinances and Resolutions on the Agenda by Title Only**

Recommendation -

Approval

**B. CONSENT**

**3. City Council Meeting Minutes**

Recommendation -

1. Approve Special City Council meeting minutes of April 12, 2022 (Strategic Planning Session), Special (Budget Session) and Regular City Council meeting minutes of May 3, 2022.

**4. Warrant Demand Register for April 11, 2022 through May 01, 2022**

Recommendation -

1. Ratify payroll and employee benefit checks; checks released early due to contracts or agreements; emergency disbursements and/or adjustments; and, wire transfers.
2. Approve Warrant Demand Register numbers 20A, 20B and 21A; warrant numbers 3040305 through 3040607, and 9002482 through 9002489.

**5. Allow Adults over 21 Years of Age to Bring and Consume Alcohol at Library Park on the Days of the Summer Concerts in the Park**

Recommendation -

1. Suspend El Segundo Municipal Code Section 7-6-8 to allow adults over 21 years of age to bring and consume alcohol at Library Park on the days of the Summer Concerts in the Park events, Sundays, June 19, June 26, July 10, July 24 and August 7, 2022, from 3:00 p.m. until 7:00 p.m.

**6. Resolution Appointing a Delegate and Alternates to the Governing Board of the Independent Cities Risk Management Authority**

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Recommendation -

1. Adopt Resolution appointing Hank Lu, Risk Manager, as an alternate representative to the Independent Cities Risk Management Authority Governing Board, and maintain Joseph Lillio, Chief Financial Officer, as the primary representative and Chris Pimentel, Mayor Pro Tem, as the alternate representative.

**7. Approve Relief of Bid for Faze 1 Corporation and Award of Public Works Contract to Empire Pipe Cleaning and Equipment, Inc. for Closed Circuit Television Inspection of Sanitary Sewer Collection System Project**

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Recommendation -

1. Approve Faze 1 Corporation DBA Premier Pipe, Inc.'s relief from its bid due to clerical errors in accordance with the Public Contract Code's Relief of Bidders statutes.
2. Approve and authorize the City Manager to execute a standard Public Works Construction Contract with Empire Pipe Cleaning and Equipment, Inc. for \$388,445.03 for the Sewer Closed Circuit Television Inspection Project and authorize an additional \$39,000 as contingency funds for potential unforeseen conditions.

**8. License Agreements with Southern California Edison**

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Recommendation -

1. Approve License Agreement No. 9.4190 with Southern California Edison (SCE), which includes the SCE land located at Washington Park, along with any additional amendments approved by the City Manager, in consultation with the City Attorney.
2. Approve License Agreement No. 9.7879 with Southern California Edison, which is located at The Lakes and Topgolf, along with any additional amendments approved by the City Manager, in consultation with the City Attorney.

**9. Resolution Allowing Continued Teleconferenced Public Meetings**

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Recommendation -

1. Approve the proposed resolution to continue the City's utilization of relaxed teleconferencing requirements under the Brown Act.

**10. Convert the Communications Manager Classification from Civil Service to At-Will Status and Adopt Revised Classification Specification and Examination Plan**

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Recommendation -

1. Approve the conversion of the Communications Manager classification from Civil Service to at-will status.
2. Adopt the revised classification specification and examination plan for the Communications Manager position.

**11. A Resolution for Paying and Reporting the Value of Employer Paid Member Contribution for Police Managers' Association**

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Recommendation -

1. Adopt Resolution for paying and reporting the value of Employer Paid Member Contribution for Police Managers' Association (PMA).

**12. Fee Waiver for Boy Scout Troop 267 for Flag Day Retirement Ceremony at the Campfire Circle in Recreation Park**

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Recommendation -

1. Approve fee waiver for Boy Scout Troop 267 for a Flag Day Retirement Ceremony on Tuesday, June 14, 2022, from 5:30 p.m. - 9:00 p.m.

**C. PUBLIC HEARINGS**

**D. STAFF PRESENTATIONS**

**13. Adoption of Classification Specification and Resolution to Establish the Basic Salary Range for the Job Classification of Lifeguard Trainee (Part-time)**

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Recommendation -

1. Adopt the classification specification for the Lifeguard Trainee (Part-time) position.
2. Adopt a resolution establishing the basic salary range for the Lifeguard Trainee (Part-time) job classification.

**14. Staff Presentation and City Council Direction on a City Commercial Cannabis Tax Initiative and City Commercial Cannabis Regulatory Initiative.**

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Recommendation -

1. Receive and file a staff presentation regarding a proposed City Commercial Cannabis Tax Initiative, including an associated Cannabis Tax Ballot Resolution, and a proposed City Commercial Cannabis Regulatory Initiative.
2. Provide staff feedback and direction for both proposed initiatives.
3. Take any additional related action that may be desirable.

**E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS**

**15. El Segundo Senior Citizens Housing Corporation Board's State of the Union Presentation on Park Vista and Associated Proposed Actions.**

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Recommendation -

1. Receive annual presentation from the Board of the Senior Citizens Housing Corporation.
2. Authorize the Board to increase the parking rate charged to Park Vista residents by 2% annually until canceled by the Board.
3. Raise the Board's discretionary authority to increase rental rates annually on current tenants from 2.0% to 2.5%. Annual rental rate increases on current tenants in excess of 2.5% would require council approval.
4. Discuss possible additional funding sources to ensure that Park Vista continues providing lower-cost housing to El Segundo seniors.
5. Discuss potential options for ensuring Park Vista maintains an income stream necessary to meet future obligations and to maintain adequate reserves.

**F. REPORTS - CITY CLERK**

**G. REPORTS - CITY TREASURER**

**H. REPORTS - COUNCILMEMBERS**

COUNCILMEMBER GIROUX

COUNCILMEMBER NICOL

COUNCILMEMBER PIRSZTUK

MAYOR PRO TEM PIMENTEL

MAYOR BOYLES

**I. REPORTS - CITY ATTORNEY**

**J. REPORTS/FOLLOW-UP - CITY MANAGER**

**CLOSED SESSION**

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

**REPORT OF ACTION TAKEN IN CLOSED SESSION** (if required)

**MEMORIALS**

**ADJOURNMENT**

POSTED:

DATE: May 12, 2022

TIME: 4:00 PM

BY: Tracy Weaver, City Clerk



# Commendation

City of El Segundo, California

**WHEREAS,** The El Segundo Woman's Club was organized on May 23, 1922 by Hallie Gregory and began with only 19 members. Dues were \$2.50 a year, which was a substantial amount 100 years ago. In July 1922, members sent letters to the Los Angeles Community Development Association asking why El Segundo was not "on the map"! Additional letters were sent to the Los Angeles Times and the El Segundo Herald. It must have worked because El Segundo is "on the map"; and

**WHEREAS,** In 1931 The El Segundo Woman's Club was federated with the State, General and District Woman's Club and continues to have a strong affiliation with the Marina board. There were sections of the club devoted to art, literature, music, and the garden club, which was the most successful and contributed greatly to the community. One of their most popular functions was the "Garden Exchange." Ladies would bring seeds and plants and share them free of charge with anyone in town who wanted them. This, of course, was to help beautify this new barren little town. The exchange went on for many years and gained in popularity during the war years when Victory Gardens were started, and the plants included vegetables and fruit trees. In 1935, Garden Club members participated in the city planning for Recreation Park and joined with other city leaders to choose the city's official flower, the Fuchsia; and

**WHEREAS,** In 1936, with the dream of purchasing a building built in 1912, the members agreed to borrow a sum not to exceed \$2,000 to pay for moving the structure and getting it ready for use. Men, women, and children donated 235 days of free labor to pour the foundation, do electrical work, plastering, plumbing, etc. All this volunteer labor resulted in the first meeting being held in the new clubhouse in May of 1937, just six months after its purchase. Renovations for the Clubhouse were designed by noted Los Angeles architect, John C. Austin, who donated his services, along with his partner Frederic M. Ashley. In 1943, after many rummage sales, bridge parties, dinners, dances, plays, and raffles, the Club paid off their mortgage; and

**WHEREAS,** The 1940s found the members immersed in war work. Hours were given by the members working in the Red Cross canteen sponsoring dances for soldiers, wrapping bandages and hosting blood banks in the clubhouse, donating blood, knitting, and raising money for war bonds and the Red Cross; and

**WHEREAS,** In the 1950s, dues were raised to \$5.00 a year to donate to various charities. Christmas cards with a small donation were sent to patients at Rancho Amigo Hospital and a baby health clinic was started to give information to new mothers concerning diet, health habits, and child/parent relationships; and

**WHEREAS,** Fast forwarding to the present, the El Segundo Woman's Club continues to be a viable part of the community. The Club continues to support the projects of other nonprofit organizations, award scholarships, reach out to those in need, care about those less fortunate, support women's rights, and in general stay on the path that honors our country, state, city, families, and friends.

**NOW, THEREFORE,** on this 17 day of May, 2022, the Mayor and members of the City Council of the City of El Segundo, California, hereby commend the El Segundo Woman's Club on its 100<sup>th</sup> Anniversary.



*Mayor Drew Boyles*

*Mayor Pro Tem Chris Pimentel*  
*Council Member Scot Nicol*

*Council Member Carol Pirsztuk*  
*Council Member Lance Giroux*

SPECIAL MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL  
STRATEGIC PLANNING WORKSHOP  
EL SEGUNDO CITY COUNCIL  
TUESDAY, APRIL 12, 2022 – 1:00 PM

CLOSED SESSION – Mayor Boyles called to order at 1:14 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present at 1:20 PM
Council Member Nicol	-	Present
Council Member Giroux	-	Present

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

SPECIAL ORDER OF BUSINESS:

1. Strategic Planning Workshop to discuss the City's Strategic Goals and Top Priorities for Fiscal Year (FY) 2022-2023 through FY 2025-2026.

The Strategic Planning Workshop includes the following:

- A. Welcome from Mayor Boyles
- B. Comments from Darrell George, Interim City Manager
- C. Review Agenda – Jan Perkins, Management Partners
- D. Overview of Strategic Planning Process – Jan Perkins, Management Partners and Jarrod Burguan, Management Partners presented the item.
- E. Highlights of Input from Commissions, Committees and Boards – Barbara Voss, Deputy City Manager presented the item.
- F. Highlights of Progress and Key Factors Since Adoption of 2020 Strategic Plan – Joe Lillio, Chief Financial Officer presented the item.
- G. Review Refined Values- Darrell George, Interim City Manager and Joe Lillio, Chief Financial Officer presented the item.

Council consensus to accept the updated values.

- H Discussion of Updated Goals and Strategies – Jan Perkins, Management Partners, Jarrod Burguan, Management Partners presented, and Council gave input/suggestions.

- I. Establish Council Priorities – Council participated in the “dot” exercise by placing dots on strategies they considered a high priority for focus and attention for Fiscal Years 2023-23 and 2024-25.
- J. Review How Progress will be Reported – Darrell George, Interim City Manager explained the process.
- K. Wrap Up & Next Steps – Jan Perkins, Management Partners

Recommendation:

Receive, discuss, and provide direction regarding development of a new Strategic Plan for FY 2022-2023 through FY 2025-2026.

Attached is a Summary of the City Council Strategic Planning Workshop prepared by Management Partners.

Adjourned at 4:38 PM

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Tracy Weaver, City Clerk



To: Mr. Darrell George, Interim City Manager  
Ms. Tracy Weaver, City Clerk (Elected)  
City of El Segundo

From: Jan Perkins, Vice President  
Michelle New, Principal Management Analyst

Subject: Summary of City Council Strategic Planning Workshop Held April 12, 2022

Date: April 20, 2022

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As requested by City Clerk Tracy Weaver, this memorandum summarizes the results of the City Council Strategic Planning Workshop held on April 12, 2022. Participants in the workshop were the City Council and Executive Team. The workshop was facilitated by Management Partners (Jan Perkins, Jarrod Burguan and Michelle New).

The workshop provided an opportunity for Councilmembers to review a set of consolidated values, reach consensus on multi-year goals and strategies for each goal, and establish Council priorities for the next two years.

An agenda and draft Strategic Plan were provided in advance, along with the status of items in the prior Strategic Plan and a summary of input from commissions, committees and boards.

The session began with opening comments from the Mayor and Interim City Manager. Background and context information was then provided by the Interim City Manager and Chief Financial Officer. The Deputy City Manager reported on input received from commissions, committees and boards.

### ***Bike Rack***

The bike rack is a time management tool to track items for future discussion. Items that were placed on the bike rack are listed below.

- Provide information on “Reports on Issue” effectiveness, turnaround, time, etc.;
- Incorporate a principle of capturing true costs of CIP projects including replacement, operations and maintenance costs;
- Incorporate an environmental consideration section within staff reports to the Council; and
- Provide the status of the beach shuttle and Dial-A-Ride.

### ***Values***

The Council reviewed the suggested consolidation of the City’s values which was done in advance of the April 12, 2022 workshop by the executive team. The Council concurred with the proposed values and their definitions below.

- **Service.** We work to provide exceptional services and continuously improve our practices and processes.

- **Ethics.** We are accountable and responsible for our actions, transparent in our processes, and follow professional standards.
- **Collaboration.** We work as “one team” on behalf of our community.

### **Goals and Strategies**

Management Partners facilitated a discussion of the proposed updated goals and strategies for Council’s consideration. Following discussion, a final set of strategies associated with each of the five goals was agreed to by the Council. The revised goals and strategies are being finalized and will be included in the Strategic Plan for City Council’s adoption in June.

### **Dot Voting for City Council Priorities**

After discussing the goals and accompanying strategies, each member of Council was provided dots and asked to place a dot on strategies they considered as high priority for focus and attention for during Fiscal Years 2023-24 and 2024-25. Those strategies with three or more dots were selected as the Council’s priorities. Ten received three or more dots and are listed below.

- Enhance our proactive community engagement program to educate and inform the public about City services, programs and issues. (Goal 2, Strategy A)
- Conduct an analysis to include a response coverage study to determine the best and most cost-effective model for the Fire Department. (Goal 2, Strategy E)
- Address quality of life issues pertaining to homeless, graffiti, noise and other concerns. (Goal 2, Strategy H)
- Determine optimal staffing levels required to deliver unparalleled City services and ensure Council policies are fully implemented. (Goal 3, Strategy G)
- Identify parking solutions throughout the community. (Goal 4, Strategy B)
- Implement the capital improvement plan for parks, recreation, City facilities, library and Park Vista Senior Living Facility. (Goal 4, Strategy H)
- Encourage progress in the development of Smoky Hollow Business Zone. (Goal 5, Strategy C)
- Conduct a long-term financial analysis to identify ways to maximize and enhance fiscal sustainability from a variety of sources to support City services. (Goal 5, Strategy H)
- Identify opportunities for new revenues, enhancement of existing revenues, and exploration of potential funding options to support unfunded capital improvements and deferred maintenance to address the aging infrastructure throughout the City. (Goal 5, Strategy I)
- Develop a robust approach to connecting businesses to each other and conducting proactive outreach to grow our business community. (Goal 5, Strategy K)

### **Conclusion**

Our team appreciated the opportunity to facilitate this workshop and look forward to continuing to work with the City of El Segundo.



MEETING MINUTES OF EL SEGUNDO CITY COUNCIL SPECIAL SESSION  
BUDGET SESSION FY 2022-23  
TUESDAY, MAY 3, 2022 – 3:00 PM

CALL TO ORDER – Mayor Boyles at 3:03 PM

ROLL CALL

Mayor Boyles - Present  
Mayor Pro Tem Pimentel - Present  
Council Member Pirsztuk - Present  
Council Member Nicol - Present  
Council Member Giroux - Present

PLEDGE OF ALLIGIANCE – Council Member Pirsztuk

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

STUDY SESSION OUTLINE:

Darrell George, Interim City Manager welcomed everyone to the meeting with an overview of the budget.

City Council to conduct a Budget Study Session and provide direction, as necessary.

1. Study Session Overview – Joe Lillio, Chief Financial Officer
2. Background Items – Joe Lillio, Chief Financial Officer
  - A. FY 2021-2022 Budget Update – Joe Lillio, Chief Financial Officer
3. Proposed FY 2022-2023 Budget
  - A. City-wide Budget Summaries – Joe Lillio, Chief Financial Officer and other members of the Finance staff presented.
  - B. General Fund Estimated Revenues - by Source – Dino Marsocci, Treasury and Customer Services Manager
  - C. General Fund Proposed Appropriations - by Department – Joe Lillio, Chief Financial Officer and members of the Finance staff presented.
  - D. Capital Improvements Program (CIP) Update – briefly discussed
  - E. Reserve Policies – Joe, Lillio, Chief Financial Officer

Council discussed and agreed to a 20% General Fund Reserve along with exploring options to fund CIP (Capital Improvement Projects).

Council consensus to fully fund Economic Uncertainty Reserve at \$2 million (will require a transfer of \$100,000 from unassigned General Fund Balance).

4. Next Steps

Council Consensus to participate in a second budget session on May 17, 2022 from 3:00 to 5:00 PM. All items on the agenda were not discussed.

ADJOURNMENT at 4:59 PM

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Tracy Weaver, City Clerk

MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, MAY 3, 2022

CLOSED SESSION – Mayor Boyles called to order at 5:00 PM due to Special Budget Session from 3:00 PM – 5:00 PM.

ROLL CALL

Mayor Boyles - Present  
Mayor Pro Tem Pimentel - Present  
Council Member Pirsztuk - Present  
Council Member Nicol - Present  
Council Member Giroux - Present

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

Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (GOV'T CODE §54956.9(D)(1): -1- MATTER(S)

1. BONNER v. CITY OF EL SEGUNDO, et al. Los Angeles Superior Court, Case No. 20STCV32011

PUBLIC EMPLOYMENT (GOV'T CODE § 54957) -1- MATTER(S)

1. City Manager Recruitment

Recessed at 5:55 PM

OPEN SESSION – Mayor Boyles called to order at 6:02 PM

ROLL CALL

Mayor Boyles - Present  
Mayor Pro Tem Pimentel - Present  
Council Member Pirsztuk - Present  
Council Member Nicol - Present  
Council Member Giroux - Present

INVOCATION – Rabbi Dovid Lisbon, Jewish Community Center

PLEDGE OF ALLEGIANCE – Council Member Pirsztuk

SPECIAL PRESENTATIONS:



1. Council recognized ESHS Student Katy Durand - LA Marathon 1st Place Winner in the Women's 16-19 Age Group.
2. Council recognized the AYSO Boys U12 State Champions.
3. Council recognized Jamie Taylor retiring after 32 Years with the City of El Segundo. Michael Allen, Community Services Director presented Mr. Taylor with a plaque for his years of service.
4. Council recognized Fire Fighter of the Year, Captain Tony Del Castillo, presented by Fire Chief Lee.
5. Proclamation read by Council Member Pirsztuk proclaiming May as National Older American Month 2022 and recognized the City's Older American's and stated Elderfest will be held on May 21, 2022 from 11:00 AM to 2:00 PM at the Joslyn Center.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5-minute limit per person, 30-minute limit total)

Liz Garnholz, resident, commented on item #D20 and was curious about Prop 64 regarding banning Cannabis retail sales.

Jonatan Cvetko, non-resident, commented on item #D20 and made recommendations for and alternative initiative/measure.

CITY MANAGER FOLLOW-UP COMMENTS:

Mark Hensley, City Attorney commented on Cannabis issue and Darrell George, Interim City Manager gave an update report on the Aquatics Center heater.

- A. Read all Ordinances and Resolutions on the Agenda by Title Only.

MOTION by Council Member Giroux, SECONDED by Council Member Nicol to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOTE. 5/0

B. CONSENT:

6. Approve Special and Regular City Council Meeting minutes of April 19, 2022 and Special City Council Meeting Minutes of April 25, 2022.  
(Fiscal Impact: None)

7. Approve warrants demand register for April 4, 2022 through April 10, 2022, numbers 19B: warrant numbers 3040214 through 3040304 and, 9002479 through 9002481. Ratify Payroll and employee benefit Checks; Checks released early due to contracts or agreement; Emergency disbursements and/or adjustments; and, Wire transfers.  
(Fiscal Impact: The total of \$1,336,215.98 (\$303,513.56 in check warrants and \$1,032,702.42 in wire warrants))

8. PULLED BY COUNCIL MEMBER PIRSZTUK
9. Approve a second amendment to Professional Services Agreement No. 5913B with Kimley-Horn and Associates, Inc. for the implementation of Senate Bill 743 Regarding the Analysis of Transportation Impacts Pursuant to CEQA to increase the total not-to-exceed compensation from \$50,000 to \$62,500.  
(Fiscal Impact: The second amendment will increase the budgeted amount by an additional \$12,500; however, it is funded by the General Plan Maintenance Fund 708 (not the General Fund))
10. Receive and file the Annual Housing Element Progress Report.  
(Fiscal Impact: None)
11. PULLED AND MOVED TO THE MAY 17, 2022 CITY COUNCIL MEETING.  
Authorize the City Manager to execute Standard Public Works Contract No. XXX with Faze 1 Corporation DBA Premier Pipe, Inc. for \$254,893.74 for the Sanitary Sewer Collection System Closed Circuit Television Inspection, Project No. PW 21-12, and authorize an additional \$40,000 as contingency funds for potential unforeseen conditions.  
(Fiscal Impact: Included in Adopted FY 2021/22 Budget)
12. PULLED BY MAYOR PRO TEM PIMENTEL – TO BE DISCUSSED WITH ITEM #D19  
Amendment to Professional Services Agreement with RRM Design Group for Consulting Services to Update the Downtown Specific Plan  
(Fiscal Impact: The agreement with RRM Design Group for \$464,045, an increase of \$19,668, is funded by the General Plan Maintenance Fund (Fund 708))
13. Authorize the City Manager to execute Professional Services Agreement No. 6349 for design services with Miller Architectural Corporation for \$75,000 for the design of ADA improvements to the Civic Center Public Areas.  
(Fiscal Impact: Included in Adopted FY 2021/22 Budget)
14. Approve Resolution No. 5327 approving final Vesting Parcel Map No. 82684 (EA-1259) for a One-Lot Residential Subdivision at 436 Sierra Street to allow construction and subdivision for a Three-Unit Residential Condominium and authorize city staff and City Clerk to sign the map for recordation.  
(Fiscal Impact: None)
15. Approve the sole source purchase of three (3) AutoPulse resuscitation systems from Zoll Medical Corporation utilizing national purchasing partners cooperative pricing for \$53,335 to be reimbursed through County of Los Angeles Measure B grant funds.  
(Fiscal Impact: \$53,335 allocated Measure B funds)
16. Waive second reading of Uncodified Ordinance No. 1637 adopting the City's Military Equipment Use Policy pursuant to California Assembly Bill No. 481.

(Fiscal Impact: None)

MOTION by Council Member Giroux, SECONDED by Council Member Nicol approving Consent Agenda items 6, 7, 9, 10, 13, 14, 15, and 16. MOTION PASSED BY UNANIMOUS VOTE. 5/0

PULLED ITEMS:

8. Extension of License Agreement with El Segundo Co-Op Nursery School  
Fiscal Impact: \$1050 for FY 22/23, \$1100 for FY 23/24 and \$1150 for FY 24/25 (\$3300 over three (3) years))

Council discussed a possible future remodel of the Clubhouse that could occur within the next 3 years; therefore, Council made an amendment stating this could displace the school due to the fact the contract is for three (3) years.

MOTION by Council Member Pirsztuk, SECONDED by Council Member Giroux authorizing the City Manager to execute an amendment to Agreement No. 4698E with the El Segundo Co-Op Nursery School to extend the agreement for three (3) years to end September 30, 2025, with an increase of \$50 per year for the next three (3) years as amended with provision of a possible remodel of the Clubhouse within the next 3 years. MOTION PASSED BY UNANIMOUS VOTE. 5/0

C. PUBLIC HEARINGS: None

D. STAFF PRESENTATIONS:

17. South Bay Cities Council of Governments Local Travel Network Wayfinding and Signage Project Report.  
(Fiscal Impact: The costs associated with this project, including staff coordination time with the South Bay Cities Council of Governments, will be included in the Measure M application and will be part of the FY 22-23 budget work plan)

Michael Allen, Development Services Director, and members of the South Bay Cities Council of Governments gave a presentation.

Council Discussion

Council consensus to receive and file the presentation

MOTION by Council Member Pirsztuk, SECONDED by Council Member Nicol directing staff to work with South Bay Cities Council of Governments to implement Phase 1 (design and implement the project within the City of El Segundo and prepare a Measure M application for funding of project). MOTION PASSED BY UNANIMOUS VOTE. 5/0

18. Resident and Business 2022 Survey Results Regarding Satisfaction with City Services (Net Promoter Survey Results)

(Fiscal Impact: Included in the adopted FY22 Budget. In 2021, the City purchased a robust, cloud-based software service "Qualtrics" to conduct the Net Promoter surveys and data analysis, as well as other City surveys throughout the year for an annual fee of \$20,789)

Barbara Voss, Deputy City Manager gave a presentation and reported on the item.

#### Council Discussion

Council consensus to receive and file the presentation.

Mayor Boyles and Council Member Nicol left the dais due to a previous pull of straws due to conflicts of interest.

19. Outdoor Dining in the Public Right-of-Way in the Downtown Area  
(Fiscal Impact: Further study of outdoor dining does not have any direct fiscal impact on the City's General Fund. Staff time is included in the FY 2021-2022 Adopted Budget to advance continued study of outdoor dining. Development of a long-term outdoor dining program, if included as part of the ongoing Downtown Specific Plan Update, will require an amendment to the Professional Services Agreement (PSA) to increase the contract amount with RRM Design. The cost to amend the agreement with RRM will be brought back before City Council for consideration, and will be funded by the City's General Plan Maintenance Fund, intended to cover the costs associated with ongoing review, update, and study of the General Plan elements and associated Specific Plans.)

Michael Allen, Development Services Director, Elias Sassoon, Public Works Director and Barbara Voss, Deputy City Manager reported on the item.

#### Council Discussion

Council consensus to receive and file presentation of feedback from the April 7, 2022 community meeting, and the April 27, 2022 meeting with property owners.

The following motion is a combination of item #B12 and #D19

MOTION by Mayor Pro Tem Pimentel, SECONDED by Council Member Pirsztuk approving an amendment to Professional Services Agreement No. 6058A with RRM Design Group to increase the total not-to-exceed compensation from \$444,377 to \$464,045 for the inclusion of a parking demand study as part of the Downtown Specific Plan update, and give staff direction to bring an amendment to Professional Services Agreement with RRM Design Group back to city council for the inclusion of an outdoor dining program and potential Business Improvement District as part of the update to the Downtown Specific Plan. MOTION PASSED BY UNANIMOUS VOTE. 3/0

MOTION by Council Member Giroux, SECONDED by Mayor Pro Tem Pimentel directing City staff to provide interested parties with the process, required application materials, and application costs to establish a public initiated vacation process on the 100 and 200 blocks Richmond Street. MOTION PASSED BY UNANIMOUS VOTE. 3/0

MOTION by Council Member Pirsztuk, SECONDED by Council Member Giroux establishing December 31, 2022 for removal of the remainder of all temporary outdoor dining improvements that were allowed during the pandemic. MOTION PASSED BY UNANIMOUS VOTE. 3/0

Mayor Boyles and Council Member Nicol returned to the dais.

20. Staff Presentation and City Council Direction on City Commercial (Retail Stores) Cannabis Regulatory Initiative Ordinance  
(Fiscal Impact: The cost of presentation of the citizen initiative ordinance to the City's voters at the November 8, 2022 General Municipal Election comprises approximately \$2,513 of the total \$20,945 estimate from Los Angeles County. This cost will be included in the FY 2022-2023 budget. Additional costs would be incurred for adding City initiative measures for a commercial cannabis regulatory initiative or a commercial cannabis tax initiative and for associated due diligence and initiative or ordinance preparation work, including environmental review)

Mark Hensley, City Attorney and Michael Allen, Development Services Director reported on the item.

Council discussion

Council consensus to receive and file the presentation.

Council gave direction to staff to bring back the item at a future regular City Council meeting with a comprehensive City Commercial Cannabis Regulatory Initiative Ordinance.

E. COMMITTEES, COMISSIONS AND BOARDS PRESENTATIONS: None

F. REPORTS – CITY CLERK – No report

G. REPORTS – CITY TREASURER – Not present

H. REPORTS – COUNCIL MEMBERS

Council Member Giroux – No report

Council Member Nicol – Commented on the recent Hyperion Citizens' Forum meeting and felt accountability is still not there with the Hyperion Plant. Asked that the community and Council show strong support and attend the next quarterly meeting in June.

Council Member Pirsztuk – Reminded everyone the Hometown Fair is this Saturday, May 7, 2022 on Main Street and Library Park.

Mayor Pro Tem Pimentel –

20. Formation of an Ad Hoc City Council Subcommittee to Study Establishing a Sister City Relationship with a City in Slovakia or Hungary  
(Fiscal Impact: Government Code section 37110 authorizes the City Council to spend money from the general fund for the promotion of sister city affiliation programs. At this time, however, no expenditures are contemplated)

Mayor Pro Tem Pimentel presented the item.

Council Discussion

MOTION by Mayor Pro Tem Pimentel, SECONDED by Council Member Pirsztuk approving an ad hoc Council subcommittee to study establishing a Sister City relationship with a city in Slovakia or Hungary. MOTION PASSED BY UNANIMOUS VOTE. 5/0

Mayor Pro Tem Pimentel and Council Member Pirsztuk will serve on the subcommittee.

Mayor Boyles – No report

- I. REPORTS – CITY ATTORNEY – No report
- J. REPORTS/FOLLOW-UP – CITY MANAGER – Asked Council if they were available to attend a 2<sup>nd</sup> Budget Session on May 17, 2022 from 3:00 PM to 5:00 PM. Council consensus to hold the next budget session May 17, 2022.

MEMORIALS – None

Adjourned at 8:53 PM

Council went back into Closed Session

Closed Session adjourned at 9:19 PM

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Tracy Weaver, City Clerk



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.4

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### TITLE:

Warrant Demand Register for April 11, 2022 through May 01, 2022

### RECOMMENDATION:

1. Ratify payroll and employee benefit checks; checks released early due to contracts or agreements; emergency disbursements and/or adjustments; and, wire transfers.
2. Approve Warrant Demand Register numbers 20A, 20B and 21A: warrant numbers 3040305 through 3040607, and 9002482 through 9002489.

### FISCAL IMPACT:

The warrants presented were drawn in payment of demands included within the FY 2021-2022 Adopted Budget. The total of \$4,727,353.23 (\$1,688,039.64 in check warrants and \$3,039,313.59 in wire warrants) are for demands drawn on the FY 2021-2022 Budget.

### BACKGROUND:

California Government Code Section 37208 provides General Law cities flexibility in how budgeted warrants, demands, and payroll are audited and ratified by their legislative body. Pursuant to Section 37208 of the California Government Code, warrants drawn in payments of demands are certified by the City's Chief Financial Officer and City Manager as conforming to the authorized expenditures set forth in the City Council adopted budget need not be audited by the City Council prior to payment, but may be presented to the City Council at the first meeting after delivery.

In government finance, a warrant is a written order to pay that instructs a federal, state, county, or city government treasurer to pay the warrant holder on demand or after a specific date. Such warrants look like checks and clear through the banking system like checks. Warrants are issued for payroll to individual employees, accounts payable to vendors, to local governments, and to companies or individual taxpayers receiving a

**Warrant Demand Register**

**May 17, 2022**

**Page 2 of 2**

refund.

**DISCUSSION:**

The attached Warrants Listing delineates the warrants that have been paid for the period identified above. The Chief Financial Officer certifies that the listed warrants were drawn in payment of demands conforming to the adopted budget and that these demands are being presented to the City Council at its first meeting after the delivery of the warrants.

**CITY STRATEGIC PLAN COMPLIANCE:**

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

**PREPARED BY:**

Wei Cao, CPA, CPFO, Management Analyst

**REVIEWED BY:**

Joseph Lillio, Chief Financial Officer

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

1. Register 20a Summary
2. register 20b Summary
3. Register 21a Summary



CITY OF EL SEGUNDO  
WARRANTS TOTALS BY FUND

3040305 - 3040413  
0 - 0

DATE OF APPROVAL: AS OF 05/03/22

REGISTER # 20a

001	GENERAL FUND	334,559.72
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	54,565.25
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	30,024.75
110	MEASURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	25.75
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	12,287.69
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	2,733.10
502	WASTEWATER FUND	8,987.35
503	GOLF COURSE FUND	2,750.00
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	12.31
603	WORKERS COMP. RESERVE INSURANCE	21.73
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	-
703	EXPENDABLE TRUST FUND - OTHER	11,497.00
704	CULTURAL DEVELOPMENT	6.44
708	OUTSIDE SERVICES TRUST	-
TOTAL WARRANTS		<u>\$ 457,471.09</u>

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/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = 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.

CHIEF FINANCIAL OFFICER

DATE:

*Joseph Lee*  
4-19-2022

CITY MANAGER

DATE:

*Barbara Vass*  
4-22-22

VOID CHECKS DUE TO ALIGNMENT:

N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

**CITY OF EL SEGUNDO  
 PAYMENTS BY WIRE TRANSFER  
 04/11/22 THROUGH 04/17/22**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
4/11/2022	West Basin	1,841,314.66	H2O payment
4/13/2022	Cal Pers	13,602.86	EFT Retirement Safety-Fire-PEPRA New 25020
4/13/2022	Cal Pers	26,934.37	EFT Retirement Safety-Police-PEPRA New 25021
4/13/2022	Cal Pers	47,315.05	EFT Retirement Misc - PEPRA New 26013
4/13/2022	Cal Pers	38,278.47	EFT Retirement Misc - Classic 27
4/13/2022	Cal Pers	66,337.69	EFT Retirement Safety Police Classic - 1st Tier 28
4/13/2022	Cal Pers	52,566.97	EFT Retirement Safety Fire- Classic 30168
4/13/2022	Cal Pers	3,582.72	EFT Retirement Sfty Police Classic-2nd Tier 30169
4/15/2022	Mission Square	66,952.97	457 payment Vantagepoint
4/15/2022	Mission Square	550.00	IRA payment Vantagepoint
4/15/2022	ExpertPay	1,763.42	EFT Child support payment
04/04/22-04/10/22	Workers Comp Activity	73,844.41	SCRMA checks issued, less Swiss Re check reimbursement
04/04/22-04/10/22	Liability Trust - Claims	14,988.17	Claim checks issued/(voided)
04/04/22-04/10/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>2,248,031.76</u>	

DATE OF RATIFICATION: 04/18/22

TOTAL PAYMENTS BY WIRE:

2,248,031.76

Certified as to the accuracy of the wire transfers by:

Jasmine Allen 04/18/2022  
 Deputy City Treasurer II Date

Zach Carter 4-19-2022  
 Chief Financial Officer Date

Barbara Voss 4-22-22  
 City Manager Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO  
 WARRANTS TOTALS BY DEPARTMENT  
 AS OF 05/03/22  
 REGISTER # 20a

DEPT#	NAME	TOTAL
<b>GENERAL FUND DEPARTMENTAL EXPENDITURES</b>		
<b>GENERAL GOVERNMENT</b>		
1101	City Council	
1201	City Treasurer	
1300	City Clerk	5,262.24
2101	City Manager	
2102	Communications	
2103	El Segundo Media	604.84
2201	City Attorney	
2401	Economic Development	
2402	Planning	48.44
2500	Administrative Services	66,149.97
2601	Government Buildings	10,908.41
2700	Community Outreach/Planning	5,547.20
2900	Nondepartmental	5,649.64
6100	Library	10,055.38
		104,226.12
<b>PUBLIC SAFETY</b>		
3100	Police	5,492.44
3200	Fire	31,480.79
2403	Building Safety	59,830.88
2404	Plng/Bldg Sfty Administration	762.68
		97,566.79
<b>PUBLIC WORKS</b>		
4101	Engineering	135.72
4200	Streets/Park Maintenance	37,842.65
4300	Wastewater	9,342.05
4601	Equipment Maintenance	539.69
4801	Administration	3.97
		47,864.08
<b>COMMUNITY DEVELOPMENT</b>		
5100,5200	Recreation & Parks	7,826.51
5400	Centennial	
		7,826.51
<b>EXPENDITURES</b>		
CAPITAL IMPROVEMENT		12,287.69
ALL OTHER ACCOUNTS		187,699.90
<b>TOTAL WARRANTS</b>		457,471.09

CITY OF EL SEGUNDO  
WARRANTS TOTALS BY FUND

3040414 - 3040529  
9002482 - 9002485

DATE OF APPROVAL: AS OF 05/03/22

REGISTER # 20b

001	GENERAL FUND	411,142.82
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	11.43
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	236.36
110	MEASURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	67.94
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C. O. P. S. FUND	-
121	FEMA	-
122	L. A. W. A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	332.35
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	-
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	21,234.14
502	WASTEWATER FUND	133,692.38
503	GOLF COURSE FUND	4,022.10
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	3,325.41
603	WORKERS COMP. RESERVE/INSURANCE	2,360.80
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	125.05
703	EXPENDABLE TRUST FUND - OTHER	-
704	CULTURAL DEVELOPMENT	506.19
708	OUTSIDE SERVICES TRUST	-
	TOTAL WARRANTS	<u>\$ 579,378.97</u>

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/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = 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.

CHIEF FINANCIAL OFFICER

*Joseph Kato*  
4-25-2022

DATE:

CITY MANAGER

DATE:

*Rauliano Vess*  
4-28-22

VOID CHECKS DUE TO ALIGNMENT:  
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

**CITY OF EL SEGUNDO  
 PAYMENTS BY WIRE TRANSFER  
 04/18/22 THROUGH 04/24/22**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
4/18/2022	IRS	262,967.10	Federal 941 Deposit
4/18/2022	Employment Development	5,875.67	State SDI payment
4/18/2022	Employment Development	58,587.97	State PIT Withholding
4/22/2022	Cal Pers	63,138.03	EFT Retirement Safety Police Classic - 1st Tier 28
4/22/2022	Cal Pers	52,602.48	EFT Retirement Safety Fire- Classic 30168
4/22/2022	Cal Pers	50,944.21	EFT Retirement Misc - PEPRA New 26013
4/22/2022	Cal Pers	38,154.71	EFT Retirement Misc - Classic 27
4/22/2022	Cal Pers	26,921.64	EFT Retirement Safety-Police-PEPRA New 25021
4/22/2022	Cal Pers	13,622.07	EFT Retirement Safety-Fire-PEPRA New 25020
4/22/2022	Cal Pers	6,560.83	EFT Retirement Sfty Police Classic-2nd Tier 30169
04/11/22-04/17/22	Workers Comp Activity	127,526.67	SCRMA checks issued, less Swiss Re check reimbursement
04/11/22-04/17/22	Liability Trust - Claims	13,617.85	Claim checks issued/(voided)
04/11/22-04/17/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>720,519.23</u>	

**DATE OF RATIFICATION: 04/25/22**

**TOTAL PAYMENTS BY WIRE:**

**720,519.23**

Certified as to the accuracy of the wire transfers by:

*Allen* \_\_\_\_\_ 04/25/2022  
 Deputy City Treasurer II Date

*Joseph Roberts* \_\_\_\_\_ 4-25-2022  
 Chief Financial Officer Date

*Sullivan Vase* \_\_\_\_\_ 4-28-22  
 City Manager Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO  
WARRANTS TOTALS BY DEPARTMENT  
AS OF 05/03/22  
REGISTER # 20b

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
<b>GENERAL GOVERNMENT</b>		
1101	City Council	303.52
1201	City Treasurer	22.43
1300	City Clerk	6,485.16
2101	City Manager	138.05
2102	Communications	1,181.79
2103	El Segundo Media	
2201	City Attorney	62,904.72
2401	Economic Development	5,784.41
2402	Planning	48.44
2500	Administrative Services	49,617.29
2601	Government Buildings	40,474.38
2700	Community Outreach/Planning	
2900	Nondepartmental	16,104.12
6100	Library	12,298.42
		<hr/> 195,362.73
<b>PUBLIC SAFETY</b>		
3100	Police	59,122.49
3200	Fire	13,643.81
2403	Building Safety	1,086.40
2404	Plng/Bldg Sfty Administration	5,561.45
		<hr/> 79,414.15
<b>PUBLIC WORKS</b>		
4101	Engineering	3,320.55
4200	Streets/Park Maintenance	41,866.03
4300	Wastewater	461.68
4601	Equipment Maintenance	22,790.20
4801	Administration	116.43
		<hr/> 68,554.89
<b>COMMUNITY DEVELOPMENT</b>		
5100,5200	Recreation & Parks	17,134.62
5400	Centennial	
		<hr/> 17,134.62
EXPENDITURES		
CAPITAL IMPROVEMENT		
ALL OTHER ACCOUNTS		
		218,912.58
<b>TOTAL WARRANTS</b>		
		<hr/> <hr/> 579,378.97

CITY OF EL SEGUNDO  
WARRANTS TOTALS BY FUND

3040530 - 3040607  
9002486 - 9002489

DATE OF APPROVAL: AS OF 05/17/22

REGISTER # 21a

001	GENERAL FUND	354,071.74
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	279.84
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	4,075.00
110	MEASURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TOA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	18,320.00
125	STATE GRANT	11.60
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	1,058.61
127	MEASURE "M"	206,808.35
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	28,820.75
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	11,884.00
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	8,300.83
502	WASTEWATER FUND	4,137.11
503	GOLF COURSE FUND	359.70
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	1,139.24
603	WORKERS COMP. RESERVE/INSURANCE	966.88
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	12.92
703	EXPENDABLE TRUST FUND - OTHER	8,989.00
704	CULTURAL DEVELOPMENT	399.21
708	OUTSIDE SERVICES TRUST	-
TOTAL WARRANTS		<u>\$ 651,189.58</u>

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/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = 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.

CHIEF FINANCIAL OFFICER

*Joseph K...*

CITY MANAGER

*Daniel...*

DATE:

5-4-2022

DATE:

5-4-22

VOID CHECKS DUE TO ALIGNMENT:

N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

**CITY OF EL SEGUNDO  
 PAYMENTS BY WIRE TRANSFER  
 04/25/22 THROUGH 05/01/22**


<u>Date</u>	<u>Payee</u>		<u>Description</u>
4/29/2022	Cal Pers	31,357.44	2022 Replacement Benefit Contributions
4/29/2022	Mission Square	4,660.78	457 payment Vantagepoint
04/18/22-04/24/22	Workers Comp Activity	27,013.78	SCRMA checks issued, less Swiss Re check reimbursement
04/18/22-04/24/22	Liability Trust - Claims	7,730.60	Claim checks issued/(voided)
04/18/22-04/24/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>70,762.60</u>	

**DATE OF RATIFICATION: 05/02/22**

**TOTAL PAYMENTS BY WIRE:**

70,762.60

Certified as to the accuracy of the wire transfers by:

      05/02/2022  
 Deputy City Treasurer II      Date

      5-4-2022  
 Chief Financial Officer      Date

      5-4-22  
 City Manager      Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.



CITY OF EL SEGUNDO  
 WARRANTS TOTALS BY DEPARTMENT  
 AS OF 05/17/22  
 REGISTER # 21a

DEPT#	NAME	TOTAL
<b>GENERAL FUND DEPARTMENTAL EXPENDITURES</b>		
<b>GENERAL GOVERNMENT</b>		
1101	City Council	152.04
1201	City Treasurer	35.01
1300	City Clerk	34.14
2101	City Manager	26,000.00
2102	Communications	
2103	El Segundo Media	
2201	City Attorney	68,537.60
2401	Economic Development	
2402	Planning	609.38
2500	Administrative Services	15,149.68
2601	Government Buildings	20,933.75
2700	Community Outreach/Planning	
2900	Nondepartmental	34,154.29
6100	Library	
		165,605.89
<b>PUBLIC SAFETY</b>		
3100	Police	18,131.33
3200	Fire	10,763.24
2403	Building Safety	
2404	Plng/Bldg Sfty Administration	477.30
		29,371.87
<b>PUBLIC WORKS</b>		
4101	Engineering	71.89
4200	Streets/Park Maintenance	22,228.64
4300	Wastewater	
4601	Equipment Maintenance	376.44
4801	Administration	
		22,676.97
<b>COMMUNITY DEVELOPMENT</b>		
5100,5200	Recreation & Parks	3,494.04
5400	Centennial	
		3,494.04
<b>EXPENDITURES</b>		
CAPITAL IMPROVEMENT		11,884.00
ALL OTHER ACCOUNTS		418,156.81
<b>TOTAL WARRANTS</b>		651,189.58



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.5

---

### TITLE:

Allow Adults over 21 Years of Age to Bring and Consume Alcohol at Library Park on the Days of the Summer Concerts in the Park

### RECOMMENDATION:

1. Suspend El Segundo Municipal Code Section 7-6-8 to allow adults over 21 years of age to bring and consume alcohol at Library Park on the days of the Summer Concerts in the Park events, Sundays, June 19, June 26, July 10, July 24 and August 7, 2022, from 3:00 p.m. until 7:00 p.m.

### FISCAL IMPACT:

None

### BACKGROUND:

The City of El Segundo Community Services Department proudly presents an annual series of Concerts in the Park each summer, consisting of five family-friendly concerts in Library Park on Sunday evenings throughout June, July and August. Each event begins at 4:00pm with activities and food vendors and the concert begins around 4:30pm. Live entertainment varies from music styles of tribute bands, classic rock, beach music, oldies, and other popular decades and genres. Bands typically play two 45-minute sets and conclude around 6:30pm.

### DISCUSSION:

Many of the concert goers walk to the event from the adjacent neighborhoods and many families come early to enjoy games and picnics at the park. El Segundo Municipal Code Section 7-6-8 states that it is unlawful to drink any alcoholic beverage or possess an open container of any alcoholic beverage upon any public street, alley, sidewalk, pathway, parking lot, park, beach, or other public property. The California Business and Professions Code Section 25620(a) also prohibits the possession of an open container.

## **Summer Concerts in the Park**

**May 17, 2022**

**Page 2 of 2**

However, the City can take action to enact an exception within the code which states “this section does not apply where the possession is within the premises located in a park or other public place for which a license has been issued.” Consumption is allowed under State law if the municipal code is suspended. Municipal Code Section 7-6-8 was suspended for Summer Concerts in the Park in 2019 and 2021. City staff have not experienced any negative incidents allowing alcohol consumption at Concerts in the Park. Staff respectfully request that the municipal code be suspended for the 2022 concert series as it was in 2019 and 2021.

Should any adverse incident occur, City staff would recommend the appropriate liability insurance coverage that is in place. It is also recommended that proper police personnel are assigned at each event.

### **CITY STRATEGIC PLAN COMPLIANCE:**

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 2: Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

### **PREPARED BY:**

Arecia Hester, Recreation Superintendent

### **REVIEWED BY:**

John Jones, Interim Community Services Director

### **APPROVED BY:**

Barbara Voss, Deputy City Manager

### **ATTACHED SUPPORTING DOCUMENTS:**

None



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.6

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### **TITLE:**

Resolution Appointing a Delegate and Alternates to the Governing Board of the Independent Cities Risk Management Authority

### **RECOMMENDATION:**

1. Adopt Resolution appointing Hank Lu, Risk Manager, as an alternate representative to the Independent Cities Risk Management Authority Governing Board, and maintain Joseph Lillio, Chief Financial Officer, as the primary representative and Chris Pimentel, Mayor Pro Tem, as the alternate representative.

### **FISCAL IMPACT:**

None.

### **BACKGROUND:**

The Independent Cities Risk Management Authority (ICRMA) is a joint powers authority created pursuant to provisions of the Government Code and was formed to provide Liability, Workers' Compensation and Property Insurance as well as other risk management services.

The Joint Powers Agreement (JPA) provides that each Member City appoints representatives of the City to serve on the ICRMA Governing Board. In addition to the primary representative, appointment of two alternates is also authorized.

### **DISCUSSION:**

The appointment of the Risk Manager, Hank Lu, as an alternate representative to the ICRMA Governing Board will be beneficial for both the City and the Governing Board. His risk management/claims background and expertise will allow him to serve effectively as an alternate representative to the ICRMA Governing Board and allow him to

**Appointments to the Independent Cities Risk Management Authority Governing Board**

**May 17, 2022**

**Page 2 of 2**

collaborate with the Chief Financial Officer for analysis and recommendations.

**CITY STRATEGIC PLAN COMPLIANCE:**

Goal 2. Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

**PREPARED BY:**

Hank Lu, Risk Manager, Finance

**REVIEWED BY:**

Joseph Lillio, Chief Financial Officer

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

1. ICRMA Resolution

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION APPOINTING REPRESENTATIVES TO THE INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY (“ICRMA”).**

The City Council of the City of El Segundo resolves as follows:

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

- A. El Segundo is a member of the Independent Cities Risk Management Authority (“ICRMA”).
- B. Pursuant to the ICRMA By-laws and Joint Powers Agreement, the City Council may appoint a public official other than a councilmember to the ICRMA Governing Board; and two alternates for the representatives who may be a City employee;
- C. Pursuant to Section 5.1 of the ICRMA By-laws, the person(s) designated must have one of the following positions, or their equivalent: City Attorney, Assistant City Attorney, Financial Officer, City Manager, Assistant/Deputy City Manager, Assistant to City Manager, Risk Manager, Human Resources Director/Manager, or Administrative Services Director.

SECTION 2: Chief Financial Officer, Joseph Lillio is appointed as the City’s representative; City Councilmember, Chris Pimentel is appointed as the City’s alternate representative; and Risk Manager, Hank Lu is appointed as the City’s alternate representative.

SECTION 4: The individuals appointed by this Resolution are authorized to represent the City while acting as ICRMA delegates. Such authority includes the power to vote for the City on matters presented to the ICRMA Governing Board. These representatives are directed to keep the City Council regularly informed regarding ICRMA proceedings.

SECTION 5: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Drew Boyles, Mayor

ATTEST:

\_\_\_\_\_  
Tracy Weaver, City Clerk

APPROVED AS TO FORM:  
Mark Hensley, City Attorney

By: \_\_\_\_\_  
Mark Hensley,  
City Attorney



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.7

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### **TITLE:**

Approve Relief of Bid for Faze 1 Corporation and Award of Public Works Contract to Empire Pipe Cleaning and Equipment, Inc. for Closed Circuit Television Inspection of Sanitary Sewer Collection System Project

### **RECOMMENDATION:**

1. Approve Faze 1 Corporation DBA Premier Pipe, Inc.'s relief from its bid due to clerical errors in accordance with the Public Contract Code's Relief of Bidders statutes.
2. Approve and authorize the City Manager to execute a standard Public Works Construction Contract with Empire Pipe Cleaning and Equipment, Inc. for \$388,445.03 for the Sewer Closed Circuit Television Inspection Project and authorize an additional \$39,000 as contingency funds for potential unforeseen conditions.

### **FISCAL IMPACT:**

Included in Adopted FY 2021/22 Budget

Amount Budgeted: \$430,000

Additional Appropriation: None

Account Number(s): 502-400-8204-8647

### **BACKGROUND:**

On January 18, 2022, the City Council adopted the plans and specifications for the Sanitary Sewer Collection System Closed Circuit Television (CCTV) Inspection Project No. 21-12 (Project). This project will identify pipe defects in the existing underground sanitary sewer collection system and will allow staff to establish future sanitary sewer rehabilitation projects and prioritize the necessary repairs based on the severity of the defects.



## Sewer Closed Circuit Television Inspection Project

May 17, 2022

Page 2 of 4

### DISCUSSION:

On February 15, 2022, the City Clerk received and opened six bids as follows:

1. Faze 1 Corporation DBA Premier Pipe (Premier Pipe) - \$254,893.70
2. Empire Pipe Cleaning and Equipment, Inc. (Empire Pipe) - \$388,424.30
3. National Plant Services, Inc. - \$391,345.57
4. Pipe Tec, Inc. - \$396,118.23
5. Pro-Pipe, Inc. - \$412,326.12
6. DownStream - \$494,247.15

On February 17, 2022, Faze 1 Corporation DBA Premier Pipe, Inc. (Premier Pipe) submitted a written request to withdraw their bid without their bid bond. Under the California Relief of Bidders statutes for bid withdrawal after the submission deadline (Public Contract Code, § 5100 et seq.), a bidder may withdraw without affecting its bid bond if the following statutory requirements are met:

1. A mistake was made
2. The bidder provided written notice to the public entity within five working days of the bid opening
3. The mistake made the bid materially different than intended; and
4. A mistake was made in filling out the bid

State courts, including the California Supreme Court, have found clerical and typographical errors are the types typically eligible for relief under these statutes. *M.F. Kemper Construction Company v. City of Los Angeles*(1951) 37 Cal.2d 696. "Under the statutes for relief of bidders on public contracts, the only mistakes which could release from its bid are typographical or arithmetical errors. *Menefee v. County of Fresno* (1985) 163 Cal.App.3d 1175, 1181.

Under the statutes for relief of bidders on public contracts, the only mistakes which could release Brewer-Kalar from its bid are typographical or arithmetical errors.

Menefee v. Cnty. of Fresno, 163 Cal. App. 3d 1175, 1181, 210 Cal. Rptr. 99, 102 (Ct. App. 1985)

Under the statutes for relief of bidders on public contracts, the only mistakes which could release Brewer-Kalar from its bid are typographical or arithmetical errors.

Menefee v. Cnty. of Fresno, 163 Cal. App. 3d 1175, 1181, 210 Cal. Rptr. 99, 102 (Ct. App. 1985)

In its duly submitted withdrawal letter to the City, Premier Pipe cited clerical mistakes and entering wrong unit prices for several items that made the bid materially different than the contractor intended it to be. On April 20, 2022, Premier Pipe sent another letter

## Sewer Closed Circuit Television Inspection Project

May 17, 2022

Page 3 of 4

stating they would like to void their withdrawal request and move forward with the project. On April 28, 2022, Lanak & Hanna, Premiere Pipe's counsel, sent another letter and requested that Premier Pipe be relieved of its bid without forfeiting its bid bond. Copies of all letters are included with this staff report.

Staff consulted with the City Attorney's Office on the requests made by Premier Pipe and its counsel and made a determination regarding Premier Pipe's meeting the requirements of Public Contract Code Section 5100 et seq. (Section 5103's requirements are shown below in italicized font, with staff's determinations immediately below them.)

*The bidder shall establish to the satisfaction of the court that:*

*(a) A mistake was made.*

Premier Pipe stated it made mistakes entering unit prices on the bid form for 9 of the 12 bid items. Unit prices for Bid Item 2 and Bid Items 4-10 were mistakenly entered as \$0.97 per foot rather than \$1.55 per foot. The unit price for Bid Item 3 was mistakenly entered as \$0.85 instead of \$1.15 per foot.

*(b) He or she gave the public entity written notice within five working days, excluding Saturdays, Sundays, and state holidays, after the opening of the bids of the mistake, specifying in the notice in detail how the mistake occurred.*

Premier Pipe's written withdrawal request arrived within two working days of the bid opening date of February 15, 2022, within the five-working-day requirement.

*(c) The mistake made the bid materially different than he or she intended it to be.*

Premier Pipe's bid would have been \$362,223.30 with the correct unit prices, thus making their \$254,893.74 bid materially different from what they intended it to be.

*(d) The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications.*

Premier Pipe's mistakes were made with respect to filling out the bid form.

Premier Pipe appears to have satisfied Section 5103's requirements for withdrawal of their bid. To move forward with the project with a willing contractor and without further delay, staff recommends that the City Council approves withdrawal of Premier Pipe's bid and award the project to the next lowest responsible bidder, Empire Pipe Cleaning and Equipment, Inc.

If the City Council denies Premier Pipe's request for withdrawal, Premier Pipe would be authorized to initiate litigation against the City to recover any amounts forfeited due to

## **Sewer Closed Circuit Television Inspection Project**

**May 17, 2022**

**Page 4 of 4**

such denial.

Staff contacted the apparent second lowest bidder's references. The state license and DIR registration of Empire Pipe Cleaning and Equipment, Inc. are in good standing. They have satisfactorily completed sanitary sewer cleaning CCTV projects for the cities of Santa Barbara, Cerritos, La Palma, Hermosa Beach, and Redondo Beach.

At this time, staff recommends that the City Council approves the recommended actions as noted. With the City Council's authorization, the anticipated schedule for this project is as follows:

May 2022: Contract Award

July 2022: Begin CCTV Inspection

September 2022: Project Completion

### **CITY STRATEGIC PLAN COMPLIANCE:**

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

#### **PREPARED BY:**

Floriza Rivera, Principal Civil Engineer

#### **REVIEWED BY:**

Elias Sassoon, Public Works Director

#### **APPROVED BY:**

Barbara Voss, Deputy City Manager

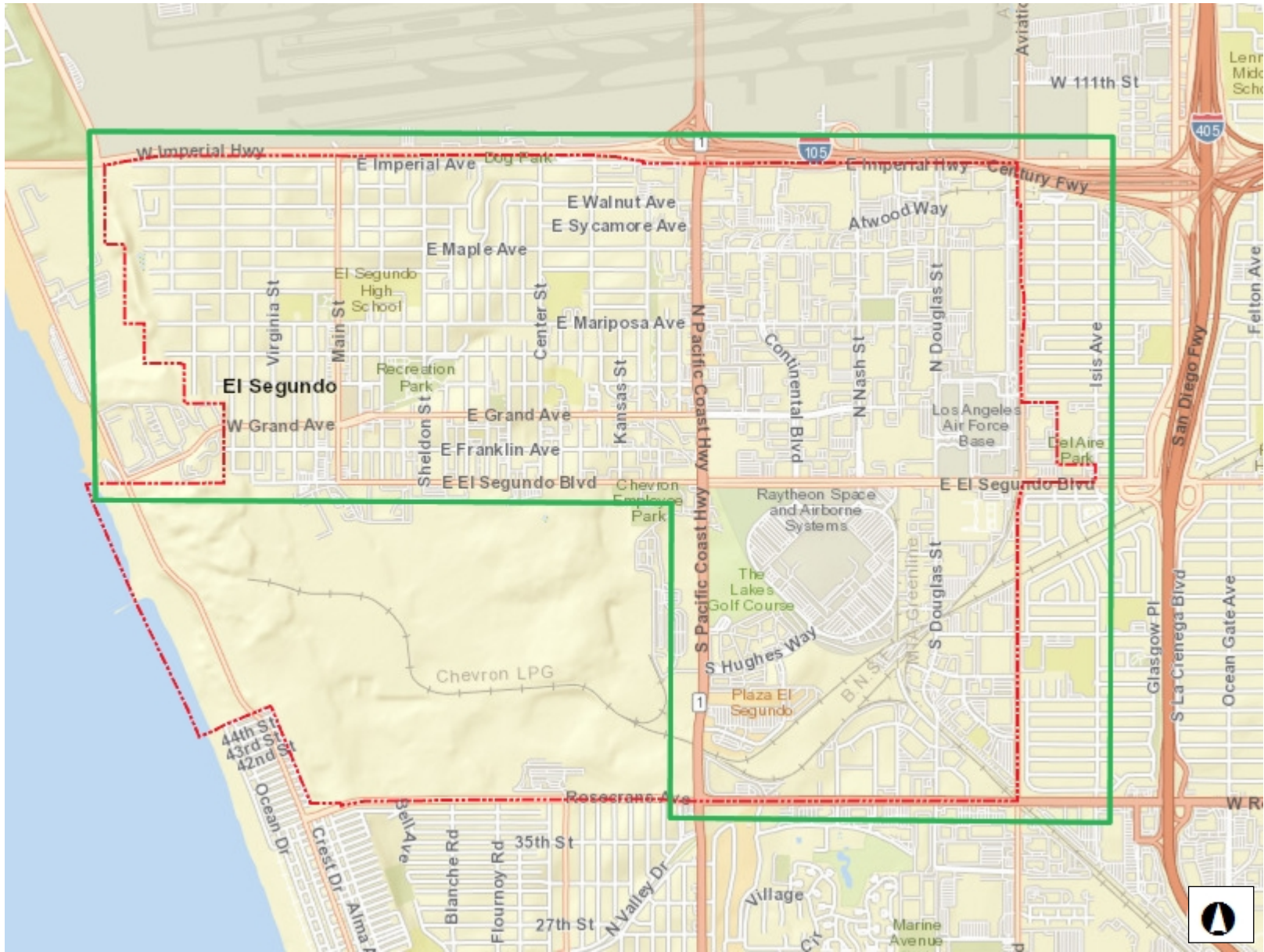
### **ATTACHED SUPPORTING DOCUMENTS:**

1. Vicinity Map PW 21-12
2. Location Map PW 21-12
3. Premier Pipe Withdrawal Request PW 21-12
4. Premier Pipe Void Withdrawal Letter PW 21-12
5. Lanak and Hanna Letter re Bid Relief PW 21-12



# Vicinity Map

## Citywide Sewer Closed Circuit Television (CCTV) Inspection Project



6,018.7 0 3,009.33 6,018.7 Feet

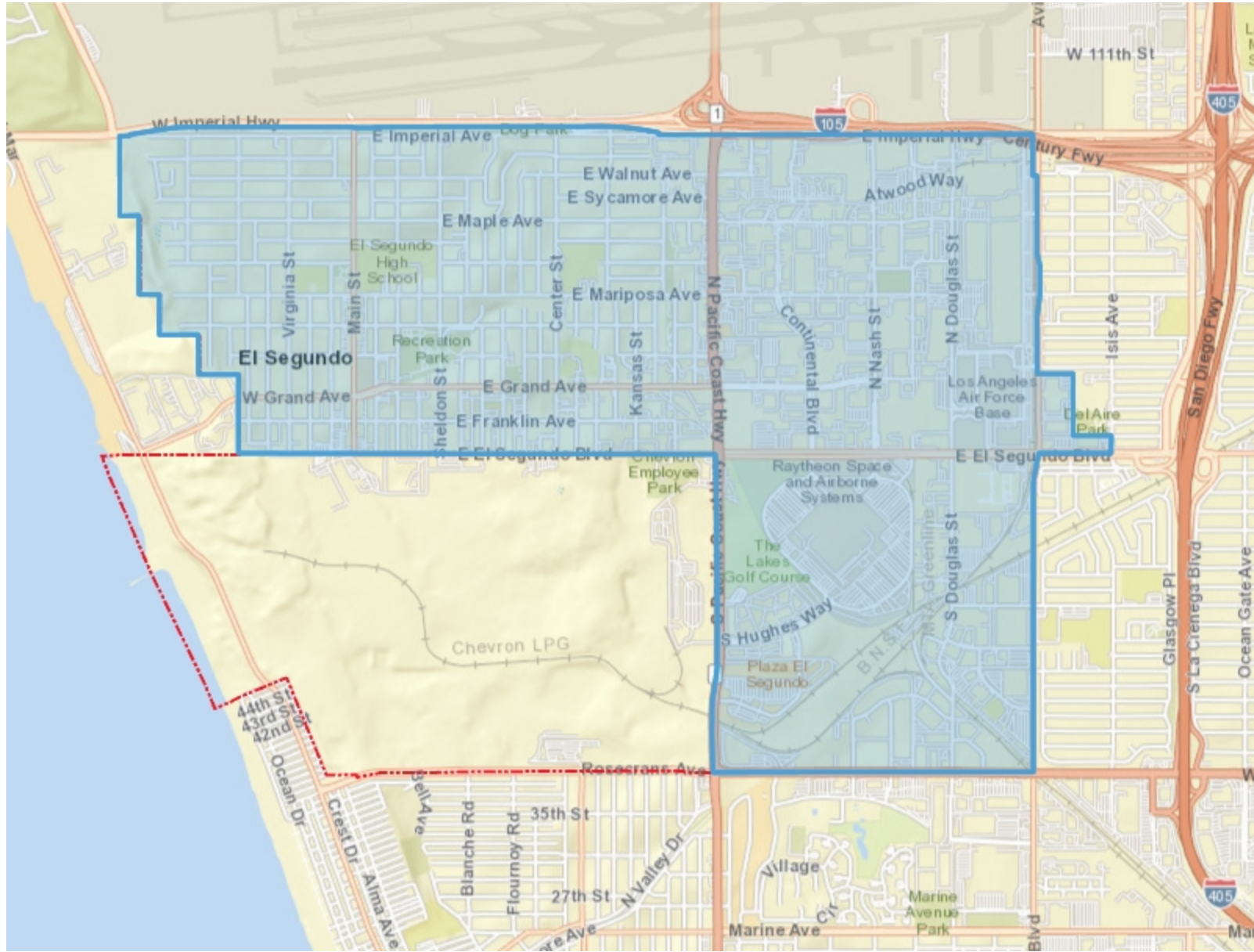
WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere

*DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.*



# Location Map

## Citywide Sewer Closed Circuit Television (CCTV) Inspection Project

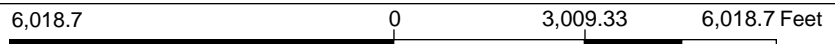


**Legend**

- City Boundary
- Project Region

**Notes**



WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere

*DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.*



Faze 1 Corp. DBA Premier Pipe  
PO Box 1578 Upland, CA 91785  
Lic. A-1054668

February 17, 2022

Public Works Department  
350 Main Street  
El Segundo, CA 90245

Subject: Bidding for Sewer Main CCTV Inspection Project No.: PW 21-12 Bid Date 02/15/2022

To Whom May Concern,

Pursuant to Public Contract Code No. 5100, et Seq., and Specifically No. 5103(b); notice is hereby given that the bid of Faze 1 corp DBA Premier Pipe, Inc. contains material clerical Mistakes. Premier Pipe, Inc. hereby requests to be relieved of its bid, which was opened February 15<sup>th</sup>, 2022.

The specific detail on how the mistakes occurred includes the following:

Bid Item Number 3 was mistakenly entered as .85 per Foot, whereas it should have been 1.15 per foot. Similarly for Bid Items 2 & 4-10 were mistakenly bid at 0.97 per Foot, whereas it should have been 1.55 per foot. Consequently, our bid is substantially lower than the intended amount.

Based on the foregoing, we would like your consent to withdraw our bid from further consideration. This request is made with the understanding that our bid bond will be released without any consequences. We regret any convenience this clerical mistake on our part might have caused the City of El Segundo.

Please feel free to contact us should you require any additional information regarding this matter.

Sincerely yours,

Fayz Ashker  
President  
(909) 297-4808  
Faze 1 Corp DBA Premier Pipe, Inc.



Faze 1 corp dba Premier Pipe, Inc  
PO Box 1578 Upland, CA 91785  
CSLB# A-1054668

April, 20<sup>th</sup> 2022

Public Works Department  
350 Main Street  
El Segundo, CA 90245

Re: Bidding for Sewer Main CCTV Inspection Project No.: PW 21-12 Bid Date 2/15/2022

To Whom May Concern,

Premier Pipe, Inc. has decided to void its' withdrawal sent on February 17<sup>th</sup> and will move forward with the project as the original proposal dictated for the Sewer main CCTV Inspection. Thank you for the opportunity and we look forward to working on this project together.

If you have any comments or questions related to this project please do not hesitate to contact me.

Sincerely Yours,

Fayz Ashker  
President  
(909) 297-4808  
Faze 1 corp dba Premier Pipe, Inc.

April 28, 2022

**VIA E-MAIL AND FIRST CLASS MAIL**

Floriza Rivera  
Principal Engineer  
Public Works Department  
City of El Segundo  
350 Main Street  
El Segundo, CA 90245  
frivera@elsegundo.org

**RE: Faze 1 Corp. dba Premier Pipe Withdrawal of Bid  
PW 21-12 Sewer Main CCTV Inspection Project**

Dear Ms. Rivera:

We represent Faze 1 Corp. dba Premier Pipe (“Premier Pipe”) in connection with its request to be relieved of its bid (“Bid”) on the City of El Segundo– PW 21-12 Sewer Main CCTV Inspection Project (“Project”) because of a clerical mistake made on its Bid. We write in response to your March 17, 2022 letter and April emails related to Premier Pipe’s forfeiture of its bid bond on the Project. Your reliance on the specifications of the contract for the position that Premier Pipe automatically forfeits its bond if it withdraws its bid is incorrect. Premier Pipe is entitled to be relieved of its Bid pursuant to Public Contracts Code § 5103, without impact on bid security.

**I. SUMMARY OF FACTS**

As you know, on February 15, 2022, the bids were opened. On February 17, 2022, Premier Pipe sent the City a letter requesting Premier Pipe be relieved of its Bid because of a clerical error in Premier Pipe’s bid. Specifically, the letter explains that Bid Item Number 3 was mistakenly entered as .85 per foot, whereas it should have been 1.15 per foot. Similarly, Bid Items 2 & 4-10 were mistakenly entered at 0.97 per foot, whereas it should have been 1.55 per foot. Consequently, our bid is substantially lower than the intended amount. A copy of the Premier Pipe’s February 17, 2022, letter is attached hereto as **Exhibit 1**. This clerical error is further supported by Premier Pipe’s bid worksheet which lists Bid Item Number 3 as 1.15 per foot, and Bid Items 2 & 4-10 as 1.55 per foot. A copy of the Premier Pipe’s bid worksheet is attached hereto as **Exhibit 2**.

On March 17, 2022, the City responded by letter stating that City Council would need to approve the withdrawal and that Premier Pipe’s bid bond would be forfeited per the Specifications’ Bid Instructions, Section 11.16 on page I-B-6:

{3109 28720}



11.16 Proposals may not be withdrawn after said Bid Deadline without forfeiture of the proposal guarantee.

A copy of the City's letter is attached hereto as **Exhibit 3**.

On April 8, 2022, the City emailed Premier Pipe that City Council will vote whether to award the Project to Premier Pipe or grant the requested withdrawal and bid bond reimbursement request, at the May 3 meeting. A copy of the City's email is attached hereto as **Exhibit 4**.

## **II. LEGAL AUTHORITY**

As the awarding authority, the City has the ability to relieve Premier Pipe of its Bid. Public Contract Code section 5101 provides that upon the consent of the public entity, a bidder may be relieved of its bid. Pub. Contract Code, § 5101. However, if the public entity refuses to relieve the bidder of its bid, the bidder may bring an action against the public entity for the recovery of the amount forfeited, without interest or costs. Pub. Contract Code, § 5101. The City's contract specifications cannot abrogate the Public Contract Code and limit Premier Pipe's rights to bring an action to recover the bond.

In order to obtain relief from its bid from the court, the bidder must follow the statutory bid withdrawal procedure set forth in Public Contract Code section 5103. Section 5103 states:

The bidder shall establish to the satisfaction of the court that:

- (a) A mistake was made.
- (b) He or she gave the public entity written notice within five days after the opening of the bids of the mistake, specifying in the notice in detail how the mistake occurred.
- (c) The mistake made the bid materially different than he or she intended it to be.
- (d) The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications."

The principal objective of Public Contracts Code section 5103 is to relieve a mistaken bidder of liability on its bid. *Balliet Bros. Construction Corp. v. The Regents of the University of California* (1978) 80 Cal.App. 3d 321. California courts have stated that a "typographical or arithmetical" error of the sort that permits a penalty free withdrawal of a bid is one that is not apparent on the face of what appears to be a fully responsive bid, but which is disclosed and can be explained by reference to other data. "For example, a bidder who submits an apparently responsive bid of \$1,000 will be permitted to withdraw it upon proof, by information found in the bid documents or in other information relevant to the bid but outside the bid documents, that the stated bid amount was

erroneously inserted due to a mistake in the addition of the underlying component amounts and that the bid should have been \$1,100.” *Nevoval Enterprises, Inc. v. Board of Educ. of Fresno Unified School Bd.* (Cal. Ct. App., Apr. 25, 2003, No. F039832) 2003 WL 1957221, at \*4, as modified (May 14, 2003) citing Pub. Contract Code, §§ 5101, 5103; *Buffalo Mun. Housing Authority v. Gross Plumbing & Heating Co., Inc.* (1991) 172 A.D.2d 1030, 569 N.Y.S.2d 289, 289–290 (bidder relieved of bid where bidder failed to include the costs of certain work, which resulted in a bid lower than intended; mistake shown by reference to bidder's work sheets used to prepare the bid.) Mistakes which affect the bid price are the typical basis for relief from a bid, but are not the only basis for relief under Section 5103. *Valley Crest Landscape, Inc. v. City Council* (1996) 41 Cal.App.4th 1432. However, relief from mistakes in bids on public works projects is allowed for clerical and/or mathematical mistakes. *M.F. Kemper Const. Co. v. City of Los Angeles* (1951) 37 Cal.2d 696.

### **III. PREMIER PIPE SHOULD BE RELIEVED OF ITS BID SINCE IT HAS MET THE FOUR REQUIREMENTS OF WITHDRAWING ITS BID**

Premier Pipe has met the four requirements of withdrawing its Bid. First, unquestionably a clerical mistake was made. Premier Pipe’s team inadvertently entered an incorrect bid worksheet into the bid form. As discussed above, Bid Item Number 3 was mistakenly entered as .85 per foot, instead of 1.15 per foot as set forth in the bid worksheet. See Exhibit 2. Similarly, Bid Items 2 & 4-10 were mistakenly transcribed at 0.97 per foot, instead of 1.55 per foot as provided in the bid worksheet. See Exhibit 2. Therefore, a mistake was made.

Second, within five days after the opening of the bids, Premier Pipe gave the City notice of the mistake. The bids were opened on February 15, 2022. Within two days, on February 17, 2022, Premier Pipe gave notice of its mistake in its Bid to City.

Next, the mistake made the Bid materially different than Premier Pipe intended it to be. Specifically, Premier Pipes original bid was for a total price of \$254,893.70. The correct bid total price is \$362,222.30. The difference in the prices are significant, thus the Bid is materially different than Premier Pipe intended it to be. Additionally, Premier Pipe’s bid was significantly less than the second lowest bidder further supporting Premier Pipe’s position that the numbers in the bid were mistakes.

Lastly, the mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications. “Misstating the correct percentage of work to be done by a subcontractor is in the nature of a typographical or arithmetical error. It makes the bid *materially different* and is a *mistake in filling out the bid.*” *Valley Crest Landscape, Inc. v. City Council* (1996) 41 Cal.App.4th 1432, 1442 (Emphasis added.). Under the statutes for relief of bidders on public contracts, the only mistakes which could release a bidder from its bid are *typographical* or arithmetical errors. *Menefee v. County of Fresno* (1985) 163 Cal.App.3d 1175, 1181 (Emphasis added.).

Here, the mistake was typographical. The mistake was made when Premier Pipe transferred the numbers from an old worksheet used to prepare the Bid to the bid proposal. The mistake had nothing

to do with error in judgment, the inspection of the site or reading the plans. The mistake was simply a typographical error which can be proved by Premier Pipe's worksheet used to prepare the Bid. See Exhibit 2. Therefore, it is clear that Premier Pipe easily meets the requirements of Section 5103 if the City refuses to allow Premier Pipe to withdraw its Bid.

**V. CONCLUSION**

Therefore, we request that you grant Premier Pipes request to be relieved of its Bid and release the bid bond without consequence. The mistakes in the Bid were clearly clerical errors and Premier Pipe gave notice to the City within the statutory time that there was a gross error in its calculations.

We look forward to hearing from you and your confirmation that Premier Pipe's Bid has been withdrawn without consequence to its bid bond.

Sincerely,



COLIN K. MCCARTHY  
Attorney at Law for the Firm

Enclosures

cc: Client

# **EXHIBIT 1**



Faze 1 Corp. DBA Premier Pipe  
PO Box 1578 Upland, CA 91785  
Lic. A-1054668

February 17, 2022

Public Works Department  
350 Main Street  
El Segundo, CA 90245

Subject: Bidding for Sewer Main CCTV Inspection Project No.: PW 21-12 Bid Date 02/15/2022

To Whom May Concern,

Pursuant to Public Contract Code No. 5100, et Seq., and Specifically No. 5103(b); notice is hereby given that the bid of Faze 1 corp DBA Premier Pipe, Inc. contains material clerical Mistakes. Premier Pipe, Inc. hereby requests to be relieved of its bid, which was opened February 15<sup>th</sup>, 2022.

The specific detail on how the mistakes occurred includes the following:

Bid Item Number 3 was mistakenly entered as .85 per Foot, whereas it should have been 1.15 per foot. Similarly for Bid Items 2 & 4-10 were mistakenly bid at 0.97 per Foot, whereas it should have been 1.55 per foot. Consequently, our bid is substantially lower than the intended amount.

Based on the foregoing, we would like your consent to withdraw our bid from further consideration. This request is made with the understanding that our bid bond will be released without any consequences. We regret any convenience this clerical mistake on our part might have caused the City of El Segundo.

Please feel free to contact us should you require any additional information regarding this matter.

Sincerely yours,

Fayz Ashker  
President  
(909) 297-4808  
Faze 1 Corp DBA Premier Pipe, Inc.

# **EXHIBIT 2**

**BID SCHEDULE (REVISED 2/9/22)**

**SEWER MAIN CLOSED CIRCUIT  
TELEVISION (CCTV) INSPECTION PROJECT  
PROJECT NO.: PW 21-12**

Company Name: Faze 1 corp DBA Premier pipe, inc.

**BASE BID ITEMS**

ITEM NO.	DESCRIPTION	UNIT	QTY	UNIT PRICE IN FIGURES (\$)	AMOUNT (\$)
1	Mobilization/Demobilization	LS	1	1	1
2	CCTV inspection of 6-inch diameter) sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	4,824	1.55	7477.20
3	CCTV inspection of 8-inch sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	180,958	1.15	208101.70
4	CCTV inspection of 10-inch sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	20,575	1.55	31891.25
5	CCTV inspection of 12-inch sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	23,476	1.55	36387.80
6	CCTV inspection of 15" sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	<del>180,060</del> 18,060	1.55	27993.00

**BASE BID ITEMS, CONTINUED**

ITEM NO.	DESCRIPTION	UNIT	QTY	UNIT PRICE IN FIGURES (\$)	AMOUNT (\$)
7	CCTV inspection of 18" sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	9,754	1.55	15118.70
8	CCTV inspection of 21-inch sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	4,817	1.55	7466.35
9	CCTV inspection of 24-inch sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	8,457	1.55	13108.35
10	CCTV inspection of 27" sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	1,489	1.55	2307.95
11	CCTV inspection of 29" sanitary sewer including traffic control, cleaning, debris removal and disposal, and sewage flow diversion if necessary	LF	74	1.55	370.00
12	Caltrans Double Permit Cost as necessary	LS	1		\$12,000

TOTAL BID ITEMS 1 THROUGH 12

= \$ 362,222.30

TOTAL BID WRITTEN IN WORDS: three Hundred sixty two thousand two hundred twenty two

30/100

All work shall be per these specifications and attachments. Prevailing wage rates apply. The City of El Segundo reserves the right to reject any or all bids, to waive any irregularity, and to take all bids under advisement for a period of **ninety (90) calendar days**.



# **EXHIBIT 3**



March 17, 2022

Fayz Asker, President  
Faze 1 Corp. DBA Premier Pipe  
PO Box 1578 Upland, CA 91785  
(909) 297-4808

VIA EMAIL: fashker@premierpipeinc.com

**Subject: Faze 1 Corp. DBA Premier Pipe Request for Bid Withdrawal  
PW 21-12 Sewer Main CCTV Inspection Project**

Dear Mr. Ashker:

Thank you for your letter dated February 17, 2022, requesting to withdraw the Faze 1 Corporation DBA Premier Pipe bid. I have been informed that City Council as the awarding authority will need to approve the withdrawal. The issue will be brought to their attention at their April 19<sup>th</sup> meeting.

Regarding the request to release the bid bond without any consequences, unless City Council decides otherwise, Premier Pipe's bid bond will be forfeited per the Specifications' Bid Instructions, Section 11.16 on page I-B-6:

11.16 Proposals may not be withdrawn after said Bid Deadline without forfeiture of the proposal guarantee.

Please feel free to contact me with any questions regarding this letter at (310) 524-2361.

Sincerely,

A handwritten signature in blue ink, appearing to read "Floriza Rivera".

Floriza Rivera  
Public Works Department

# **EXHIBIT 4**

**From:** [Rivera, Floriza](#)  
**To:** [Fayz Ashker](#)  
**Subject:** FYI only: Award of Sewer CCTV project tentatively scheduled for May 3 PW 21-12  
**Date:** Friday, April 8, 2022 3:05:17 PM  
**Attachments:** [image001.png](#)

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Hello Fayz,

FYI only. City Council will vote whether to award the sewer CCTV project to Faze 1 Corporation dba Premier Pipe, or grant the requested withdrawal and bid bond reimbursement request, at their May 3 meeting.

Regards,

Floriza

**Floriza Rivera | Principal Engineer**

City of El Segundo Public Works Department  
350 Main Street • El Segundo, CA 90245  
310-524-2361  
[ElSegundo.org](http://ElSegundo.org)





## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.8

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### TITLE:

License Agreements with Southern California Edison

### RECOMMENDATION:

1. Approve License Agreement No. 9.4190 with Southern California Edison (SCE), which includes the SCE land located at Washington Park, along with any additional amendments approved by the City Manager, in consultation with the City Attorney.
2. Approve License Agreement No. 9.7879 with Southern California Edison, which is located at The Lakes and Topgolf, along with any additional amendments approved by the City Manager, in consultation with the City Attorney .

### FISCAL IMPACT:

License Agreement No. 9.4190 is included in the Adopted FY 2021/22 Budget and will be included in subsequent fiscal years' budgets.

Amount Budgeted in FY 2021-22 = \$2,069.29; FY 2022-23 = \$2,131.37; FY 2023-24 = \$2,195.30; FY 2024-25 = 2,261.17; and FY 2025-26 = \$2,329.00

Additional Appropriation for FY 2021-22: N/A

Account Number(s): 001-400-4203-6206 (Parks - Contractual Services)

License Agreement No. 9.7879 is included in the Adopted FY 2021/22 Budget at \$0 and will be included in subsequent fiscal years' budgets at \$0. The annual SCE License agreement will be fully paid for by Topgolf as part of the Topgolf Lease Agreement.

Amount Budgeted in FY 2021-22 = \$39,701.11 due upon lease approval; FY 2021-22 = \$40,892.15 due by June 24, 2022; FY 2022-23 = \$42,118.91; FY 2023-24 = \$43,382.48; and FY 2024-25 = \$41,867.64.

### BACKGROUND:

## **Approve SCE License Agreements**

**May 17, 2022**

**Page 2 of 3**

SCE owns the land that is under the power lines along Washington Park and provides a license to the City for its public parkland purposes. License agreement number 9.4190 (formerly referred to as lease number L.1426) is proposed with a five-year term that covers fiscal years 2021-22 (October 24, 2021) through 2025-26 (October 24, 2025).

SCE also owns the land that is identified on the attached map (9.7879\_New Ex A) as APN 4138-014-806. This parcel is included in the Topgolf facility and adjacent golf course ("The Lakes"). License agreement number 9.7879 (formerly referred to as lease number L.1431) is proposed for a five-year term that covers fiscal years 2020-21 (June 24, 2021) through 2024-25 (June 24, 2025).

### **DISCUSSION:**

SCE License agreement No. 9.4190 (Washington Park) expired on October 23, 2021 and has been temporarily extended through a series of amendments agreed upon by SCE and the City, which is set to expire on May 31, 2022. The new license agreement is necessary in order for the City to continue providing parkland space to residents and other City constituents.

SCE License agreement No. 9.7879 (Topgolf) expired on June 23, 2021 and has been temporarily extended through a series of amendments agreed upon by SCE and the City, which is set to expire on May 31, 2022. The new license agreement is necessary in order for the City to continue providing this land for Topgolf's operations. Topgolf has already submitted payment in full to the City for the full five years of the SCE license agreement. The City will submit payment to SCE upon City Council approval of the new agreement. Topgolf will be responsible for all future costs associated with the license agreement with SCE as long as Topgolf continues to operate in this location.

Staff recommends approving both license agreements.

### **CITY STRATEGIC PLAN COMPLIANCE:**

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

#### **PREPARED BY:**

Joseph Lillio, Chief Financial Officer

#### **REVIEWED BY:**

Joseph Lillio, Chief Financial Officer

#### **APPROVED BY:**

Barbara Voss, Deputy City Manager

**Approve SCE License Agreements**

**May 17, 2022**

**Page 3 of 3**

**ATTACHED SUPPORTING DOCUMENTS:**

1. 9.4190 - City of El Segundo (1)\_parkland
2. 9.7879 - City of El Segundo REV1\_Topgolf
3. 9.7879\_New Ex A

CITY OF EL SEGUNDO

L I C E N S E   A G R E E M E N T  
I N D E X   O F   A R T I C L E S

- 1. USE
- 2. TERM
- 3. CONSIDERATION
- 4. INSURANCE
- 5. LICENSOR'S USE OF THE PROPERTY
- 6. LICENSEE'S IMPROVEMENTS
- 7. LICENSEE'S PERSONAL PROPERTY
- 8. HEIGHT LIMITATIONS AND VERTICAL CLEARANCES
- 9. ACCESS AND CLEARANCES
- 10. PARKING
- 11. WEEDS, BRUSH, RUBBISH AND DEBRIS (WEED ABATEMENT)
- 12. FLAMMABLES, WASTE AND NUISANCES
- 13. PESTICIDES AND HERBICIDES
- 14. HAZARDOUS WASTE
- 15. SIGNS
- 16. FENCING AND EXISTING FIXTURES
- 17. PARKWAYS AND LANDSCAPING
- 18. IRRIGATION EQUIPMENT
- 19. UNDERGROUND TANKS
- 20. UNDERGROUND FACILITIES
- 21. UTILITIES
- 22. TAXES, ASSESSMENTS AND LIENS
- 23. EXPENSE
- 24. ASSIGNMENTS
- 25. COMPLIANCE WITH LAW
- 26. GOVERNING LAW
- 27. INDEMNIFICATION
- 28. TERMINATION
- 29. EVENTS OF DEFAULT
- 30. REMEDIES
- 31. LICENSEE'S PERSONAL PROPERTY UPON TERMINATION OR EXPIRATION
- 32. LIMITATION OF LIABILITY
- 33. NON-POSSESSORY INTEREST
- 34. WAIVER
- 35. AUTHORITY
- 36. ELECTRIC AND MAGNETIC FIELDS

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Licensor/Licensee



37. INDUCED VOLTAGES

38. NOTICES

39. RECORDING

40. COMPLETE AGREEMENT

41. SIGNATURE AUTHORITY

42. SURVIVAL

APPENDIX: GUIDELINES FOR STANDARD LICENSEE IMPROVEMENTS

ADDENDUM(S)

PARK USE

TREES/LANDSCAPING

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Licensor/Licensee

LICENSE AGREEMENT

THIS AGREEMENT between SOUTHERN CALIFORNIA EDISON COMPANY, a corporation organized under the laws of the State of California, called "Licensor", and CITY OF EL SEGUNDO, called "Licensee";

WITNESSETH: That Licensor, for and in consideration of the faithful performance by Licensee of the terms, covenants and agreements hereinafter set forth to be kept and performed by Licensee, does hereby give to Licensee the license to use that certain real property solely for the purpose hereinafter specified, upon and subject to the terms, reservations, covenants and conditions hereinafter set forth, hereinafter designated as "Property" on the Exhibit "A" attached hereto and made a part hereof, being a portion of Assessor's Parcel Numbers 4139-017-801 and 4139-018-800, and all of Assessor's Parcel Numbers 4139, 024-800, 4138-029-801, and 4139-014-800, situated in the City of El Segundo, County of Los Angeles, State of California, subject to any and all covenants, restrictions, reservations, exceptions, rights and easements, whether or not of record.

**Acknowledgment of License and Disclaimer of Tenancy**

Licensee acknowledges and agrees that the License constitutes a limited, revocable, non-possessory, personal and non-assignable privilege to use the Property solely for those permitted uses and activities expressly identified in the Agreement (the "License Privilege"). Licensee further acknowledges and agrees that:

- The consideration paid by Licensee pursuant to Article 3 of the Agreement is consistent with the value of the rights comprising the License Privilege; the consideration is *not* consistent with the higher market value for a greater right, privilege or interest (such as a lease) in the Property or similarly situated parcels.
- Licensee is not a tenant or lessee of Licensor and holds no rights of tenancy or leasehold in relation to the Property.
- The Agreement and/or any prior and/or future acts or omissions of Licensor shall not create (or be construed as creating) a leasehold, tenancy or any other interest in the Property.
- Licensor may terminate the License and revoke the License Privilege at any time, subject, if applicable, to a notice period agreed upon by the parties, as more particularly set forth in the Agreement.
- In consideration of Licensor's grant of the License, Licensee specifically and expressly waives, releases and relinquishes any and all right(s) to assert any claim of right, privilege or interest in the Property other than the License.
- Licensee further acknowledges and agrees that without the representations and agreements set forth herein, Licensor would not enter into the Agreement.

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Licensor/Licensee

1. Use: Licensee will use the Property for park and public recreation purposes only. Licensor makes no representation, covenant, warranty or promise that the Property, and any fixtures thereon, are fit or suitable for any particular use, including the use for which this Agreement is made and Licensee is not relying on any such representation, covenant, warranty or promise. Licensee’s use of the property for any other purpose and/or failure to utilize the Property in accordance with this License as determined by the Licensor in its sole discretion will be deemed a material default and grounds for immediate termination of this Agreement in accordance with Articles 28 and/or 30.

2. Term: Unless otherwise terminated as provided herein, this Agreement will be in effect for a term of five (5) years commencing on the first day of October, 2021 and ending on the last day of September, 2026. Licensee acknowledges that this Agreement does not entitle Licensee to any subsequent agreement, for any reason whatsoever, regardless of the use Licensee makes of the Property, the improvements Licensee places on or makes to the Property, or for any other reason.

3. Consideration: Licensee will pay to Licensor the sum of Two Thousand Sixty Nine and 29/100 Dollars (\$2,069.29) upon the execution and delivery of this Agreement with subsequent annual payments. Payment to Licensor must be in the form of a check or money order payable to Southern California Edison Company. No cash payments will be accepted by Licensor. Payment schedule:

<b>Year</b>	<b>Term</b>	<b>Yearly Amount</b>	<b>Payment Due Twenty fourth Day Of</b>
First Year	2021	\$2,069.29	October
Second Year	2022	\$2,131.37	October
Third Year	2023	\$2,195.31	October
Fourth Year	2024	\$2,261.17	October
Fifth Year	2025	\$2,329.00	October

All accounts not paid by the agreed upon due date may be subject to a late fee of up to 20% of the amount that was due on the date.

All payments subsequent to the initial payment will be paid to the Southern California Edison Company, Post Office Box 800 Rosemead, California, 91770, and Attention: Corporate Accounting Department – Accounts Receivable.

4. Insurance: During the term of this Agreement, Licensee shall maintain the following insurance:

- (a) Workers’ Compensation with statutory limits, under the laws of the State of California and Employer’s Liability with limits of not less than \$1,000,000.00 each accident, disease/each employee, and disease/policy limit. Licensee shall require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.
- (b) Commercial General Liability Insurance, including contractual liability and products liability, with limits not less than \$2,000,000.00 per occurrence and \$2,000,000.00 in

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Licensor/Licensee

the aggregate. Such insurance shall: (i) name Licensor, its officers, agents and employees as additional insureds, but only for Licensee’s negligent acts or omissions; (ii) be primary for all purposes and (iii) contain separation of insureds or cross-liability clause, and (iv) require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.

- (c) Commercial Automobile Liability insurance with a combined single limit of \$1,000,000.00. Such insurance shall cover the use of owned, non-owned and hired vehicles on the Property.
- (d) Self - Insurance: Licensee may self-insure all of the insurance requirements above if they belong to an approved Secondary Use Category and the self-insurance is maintained under a self-insurance program reasonably satisfactory to Licensor. Park and Public Recreation use is an approved Secondary Use Category; Licensee may submit written verification of self-insurance to meet the above insurance requirements.

The failure to maintain such insurance may be deemed by Licensor a material default of this Agreement and grounds for immediate termination pursuant to Articles 28 and/or 30. Licensee shall provide Licensor with proof of such insurance by submission of certificates of insurance, pursuant to Article 38 “Notices”, at least ten days prior to the effective date of this Agreement, and thereafter at least ten days prior to each insurance renewal date. Licensee must provide Licensor at least thirty (30) days notice before any such insurance will be canceled, allowed to expire, or materially reduced. However, in the event insurance is canceled for the non-payment of a premium, Licensee must provide to Licensor at least ten (10) days’ prior written notice before the effective date of cancellation. The required insurance policies shall be maintained with insurers reasonably satisfactory to Licensor, and shall be primary and non-contributory with any insurance or self-insurance maintained by Licensor.

5. Licensor's Use of the Property: Licensee agrees that Licensor, its successors and assigns, have the right to enter the Property, at all times, for any purpose, and the right to conduct any activity on the Property. Exercise of these rights by Licensor, its successors and assigns, will not result in compensation to Licensee for any damages whatsoever to personal property, structures, and/or crops located on the Property, nor shall Licensee be entitled to any compensation for any loss of use of the Property or a portion thereof, and/or any related damages, as a result of Licensor’s activities under this Article.

6. Licensee's Improvements: Licensee must submit, for Licensor's prior written approval, complete improvement plans, including, but not limited to, grading, lighting, landscaping, grounding, and irrigation plans, - identifying all existing and proposed improvements, a minimum of sixty (60) days prior to making any use of the Property. Licensee’s conceptual plans for proposed improvements shall be developed in accordance with the guidelines contained in the Appendix to this License. It is understood and agreed that the general guidelines contained in the Appendix are intended to provide a framework for the development of conceptual plans only; and that Licensor may modify or add to the conditions contained in the Appendix hereto, based on individual site characteristics, Licensor’s existing or potential operating needs or Licensee’s proposed use(s). Licensee must submit, for Licensor's prior written approval plans for any modifications to such improvements. Written approval may be modified and/or rescinded by Licensor for any reason whatsoever.

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Licensor/Licensee

To the extent Licensor reviews and/or approves any improvement plans, Licensor is doing so only for purposes of determining whether said improvements are compatible with Licensor’s use of the Property. Under no circumstances shall such review and/or approval be construed as a warranty, representation, or promise that the Property is fit for the proposed improvements, or that said improvements comply with any applicable city, state, or county building requirements, other legal requirements, or the generally accepted standard of care.

At any time, Licensor may require Licensee to modify and/or remove any or all such previously approved improvements at Licensee’s risk and expense and without compensation from Licensor. Licensor is not required, at any time, to make any repairs, improvements, alterations, changes or additions of any nature whatsoever to the Property and/or any fixtures thereon. Licensee expressly acknowledges that any expenditures or improvements will in no way alter Licensor’s right to terminate in accordance with Articles 28, and/or 30.

7. Licensee's Personal Property: (i) Licensor grants Licensee permission to place Licensee’s personal property on the Property consistent with the use identified in Article 1 and other terms of this Agreement. Such permission granted by Licensor shall be revoked upon the earlier of the termination or expiration of this Agreement. All equipment and other property brought, placed or erected on the Property by Licensee shall be and remain the property of Licensee, except as otherwise set forth herein. Licensee shall be responsible for any damage to the Property and/or Licensor’s personal property arising out of Licensee’s activities on the Property, including its use and/or removal of Licensee’s personal property. Licensee further acknowledges and agrees that Licensor is not responsible for Licensee’s personal property during the effectiveness of this Agreement, or upon termination or expiration. Licensor further assumes no duty or obligation to maintain or secure Licensee’s personal property at any time.

(ii) Unless as specifically provided for in an Addendum to this Agreement, Licensee shall not store on the Property, for a period longer than twenty-four (24) consecutive hours, any personal property owned by a non-party to this Agreement.

Licensee will defend and indemnify Licensor, its directors, officers, agents, subcontractors, and employees, and its successors and assigns, from any and all claims, loss, damage, actions, causes of action, expenses and/or liability arising from the storage of, damage to, and/or loss of use of such non-party’s personal property.

8. Height Limitations and Vertical Clearances: Any equipment used by Licensee or its agents, employees or contractors, on and/or adjacent to the Property, will be used and operated so as to maintain minimum clearances from all overhead electrical conductors as designated in the table below:

<b>Vehicle/ Equipment Vertical Clearance</b>	
500 kV	35 feet
220 kV – 66kV	30 feet
<66kV (Distribution facilities)	25 feet
Telecom	18 feet

All trees and plants on the Property will be maintained by Licensee at a maximum height of fifteen (15) feet. If requested by Licensor, Licensee will remove, at Licensee’s expense, any tree and/or other planting.

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Licensor/Licensee

9. Access and Horizontal Clearances: Licensee will provide Licensor with adequate access to all of Licensor's facilities on the Property and at no time will there be any interference with the free movement of Licensor's equipment, personnel, and materials over the Property. Licensor may require Licensee to provide and maintain access roads within the Property, at a minimum usable width of sixteen (16) feet, with commercial driveway aprons and curb depressions capable of supporting a gross load of forty (40) tons on a three-axle vehicle. The minimum width of all roads shall be increased on curves by a distance equal to 400/inside radius of curvature. All curves shall have a radius of not less than 50 feet measured at the inside edge of the usable road surface. Unless otherwise specified in writing by Licensor, Licensee will make no use of the area directly underneath Licensor's towers and will maintain the following minimum clearances:

- a. A 50-foot-radius around suspension tower legs, H-Frames and poles and 100-foot radius around dead-end tower legs, H-Frames and poles.
- b. A 25-foot-radius around all other poles.

NOTE: Additional clearance may be required by Licensor for structures.

10. Parking: Licensee will not park, store, repair or refuel any motor vehicles or allow parking, storage, repairing or refueling of any motor vehicles on the Property unless specifically approved in a writing executed by Licensor.

11. Weeds, Brush, Rubbish and Debris (Weed Abatement): Licensee will keep the Property clean, free from weeds, brush, rubbish and debris and in a condition satisfactory to Licensor.

12. Flammables, Waste and Nuisances: Unless permitted by Licensor in writing, Licensee will not, or allow others, to place, use, or store any flammable or combustible materials or waste materials on the Property or commit any waste or damage to the Property or allow any to be done. Licensee will be responsible for the control of and will be liable for any damage or disturbance, caused by any trespasser, dust, odor, flammable or waste materials, noise or other nuisance disturbances. Licensee will not permit dogs on the Property.

13. Pesticides and Herbicides: Any pesticide or herbicide applications and disposals will be made in accordance with all Federal, State, County and local laws. Licensee will dispose of all pesticides, herbicides and any other toxic substances declared to be either a health or environmental hazard, and all materials contaminated by such substances, including but not limited to, containers, clothing and equipment, in the manner prescribed by law.

14. Hazardous Waste: Licensee will not engage in, or permit any other party to engage in, any activity on the Property that violates federal, state or local laws, rules or regulations pertaining to hazardous, toxic or infectious materials and/or waste. Licensee will indemnify and hold Licensor, its directors, officers, agents and employees, and its successors and assigns, harmless from all claims, loss, damage, actions, causes of action, expenses and/or liability arising from leaks of, spills of, and/or contamination by or from hazardous materials as defined by applicable laws or regulations, which may occur during and after the Agreement term, and are attributable to the actions of, or failure to act by, Licensee or any person claiming under Licensee.

15. Signs: Licensee must obtain written approval from Licensor prior to the construction or placement of any sign, signboard or other form of outdoor advertising. Licensee shall within three (3)

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Licensor/Licensee

days from the date on which the Licensee learns of the graffiti remove any signs containing graffiti or shall otherwise remove such graffiti from the signs in a manner reasonably acceptable to Licensor. Notwithstanding any other language in this Article, Licensee shall not advertise on any sign any product, service, or good which is (i) not directly related to Licensee's use of the Property, (ii) offensive to the public, or (iii) which Licensor, in its reasonable discretion, deems objectionable.

16. Fencing and Existing Fixtures: Licensor disclaims any and all express or implied warranties for any fencing and/or other fixtures affixed to the Property, and further disclaims any liability arising from any disrepair of the same. Licensee may install fencing on the Property with prior written approval from Licensor. Such fencing will include double drive gates, in locations specified by Licensor, a minimum of twenty (20) feet in width, and designed to accommodate separate Licensor and Licensee locks. Licensee will maintain and repair all fencing and other fixtures affixed to the Property, including any grounding of the same as deemed necessary by Licensor, in a manner acceptable to Licensor. Grounding plans must be prepared and stamped by a licensed electrical engineer and submitted to Licensor.

17. Parkways and Landscaping: Licensee will keep parkway and sidewalk areas adjacent to the Property free of weeds, brush, rubbish and debris. Licensee will maintain parkways on the Property and provide landscaping that is compatible with adjoining properties and that is satisfactory to Licensor.

18. Irrigation Equipment: Any irrigation equipment located on the Property prior to the commencement of this Agreement, including but not limited to pipelines, well pumping equipment and other structures, is the property of Licensor and will remain on and be surrendered with the Property upon termination of this Agreement. Should Licensee desire to use the irrigation equipment, Licensee will maintain, operate, repair and replace, if necessary, all irrigation equipment at its own expense.

19. Underground and Above-Ground Tanks: Licensee will not install underground or above-ground storage tanks, as defined by any and all applicable laws or regulations, without Licensor's prior written approval.

20. Underground Facilities: Any underground facilities must be approved by Licensor pursuant to Article 6. Licensee must contact Dig Alert and comply with the applicable processes, policies and/or procedures of Dig Alert, prior to any underground installation. Any underground facilities installed or maintained by Licensee on the Property must have a minimum cover of three feet from the top of the facility and be capable of withstanding a gross load of forty (40) tons on a three-axle vehicle. Licensee will compact any earth excavated to a compaction of ninety percent (90%). Licensee will relocate its facilities at its own expense so as not to interfere with Licensor's proposed facilities.

21. Utilities: Licensee will pay all charges and assessments for, or in connection with, water, electric current or other utilities which may be furnished to or used on the Property.

22. Taxes, Assessments and Liens: Licensee will pay all taxes and assessments which may be levied upon any crops, personal property, and improvements, including but not limited to, buildings, structures, and fixtures on the Property. Licensee will keep the Property free from all liens, including but not limited to, mechanics liens and encumbrances by use or occupancy by Licensee, or any person claiming under Licensee. If Licensee fails to pay the above-mentioned taxes, assessments or liens when due, Licensor may pay the same and charge the amount to the Licensee. All accounts not paid within thirty (30) days of the agreed upon due date will be charged a "late fee" on all amounts outstanding up to the maximum rate allowed by law.

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Licensor/Licensee

23. Expense: Licensee will perform and pay all obligations of Licensee under this Agreement. All matters or things required by Licensee will be performed and paid for at the sole cost and expense of Licensee, without obligation by Licensor to make payment or incur cost or expense for any such matters or things.

24. Assignments: This Agreement is personal to Licensee, and Licensee will not assign, transfer or sell this Agreement or any privilege hereunder in whole or in part, and any attempt to do so will be void and confer no right on any third party.

25. Compliance with Law: Licensee will comply with all applicable federal, state, county and local laws, all covenants, conditions and restrictions of record and all applicable ordinances, zoning restrictions, rules, regulations, orders and any requirements of any duly constituted public authorities now or hereafter in any manner affecting the Property or the streets and ways adjacent thereto. Licensee will obtain all permits and other governmental approvals required in connection with Licensee's activities hereunder. Licensee shall hold harmless, defend and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or resulting from any violation of this provision.

26. Governing Law: The existence, validity, construction, operation and effect of this Agreement and all of its terms and provisions will be determined in accordance with the laws of the State of California.

27. Indemnification: Licensee shall hold harmless, defend and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or growing out of loss or damage to property, including that of Licensor, or injury to or death of persons, including employees of Licensor resulting in any manner whatsoever, directly or indirectly, by reason of this Agreement or the use or occupancy of the Property by Licensee or any person claiming under Licensee.

28. Termination: Licensor or Licensee may terminate this Agreement, at any time, for any reason, upon thirty (30) days notice in writing. Additionally, Licensor may immediately terminate this Agreement pursuant to Article 30. Termination does not release Licensee from any liability or obligation (indemnity or otherwise) which Licensee may have incurred. Upon termination, Licensor may immediately recover from Licensee all amounts due and owing hereunder, plus interest at the maximum rate permitted by law on such amounts until paid, as well as any other amount necessary to compensate Licensor for all the detriment proximately caused by Licensee's failure to perform its obligations under this Agreement. Licensee's continued presence after termination shall be deemed a trespass. In the event of a termination for any reason other than non-payment of the License fee, Licensor shall refund any previously collected/pre-paid License fees covering the unused portion of the remaining term, to the extent such fees exceed any offset claimed by Licensor under the Agreement

29. Events of Default: In addition to material defaults otherwise described herein, the occurrence of any of the following shall constitute a material default and breach of this Agreement by Licensee:

- (a) Any failure by Licensee to pay the consideration due under Article 3, or to make any other payment required to be made by Licensee when due.

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Licensor/Licensee



- (b) The abandonment or vacating of the Property by Licensee.
- (c) Any attempted assignment or subletting of this Agreement by Licensee in violation of Article 24.
- (d) The violation by Licensee of any resolution, ordinance, statute, code, regulation or other rule of any governmental agency for Licensee’s activities under this Agreement.
- (e) Any attempt to exclude Licensor from the licensed premises.
- (f) The making by Licensee of any general assignment for the benefit of creditors; the appointment of a receiver to take possession of substantially all of Licensee's assets located on the Property or of Licensee's privileges hereunder where possession is not restored to Licensee within five (5) days; the attachment, execution or other judicial seizure of substantially all of Licensee's assets located on the Property or of Licensee's privileges hereunder, where such seizure is not discharged within five (5) days.
- (g) Any case, proceeding or other action brought against Licensee seeking any of the relief mentioned in "clause f" of this Article which has not been stayed or dismissed within thirty (30) days after the commencement thereof.
- (h) Any claim by Licensee that it has a possessory interest and/or irrevocable license in the Property.
- (i) With respect to items not otherwise listed in Article 29.a-h, the failure by Licensee to observe and perform any other provision of this Agreement to be observed or performed by Licensee. Licensor shall provide written notice of such failure and Licensee shall be considered in material default where such failure continues for a total of ten (10) or more consecutive days from the date of the notice. Further, with respect to items not otherwise listed in Article 29.a-h, Licensee shall be considered in material default should Licensee fail to observe or perform any other provision of this Agreement for more than fifteen (15) days during the entire Term of the Agreement in the aggregate, after Licensor provides an initial written notice of such failure. After providing initial notice under this provision, Licensor will not be required to provide any subsequent notice of breach of this Agreement.

30. Remedies: Notwithstanding the notice requirement in Article 28, in the event of any material default by Licensee, then in addition to any other remedies available to Licensor at law or in equity, Licensor shall have the option to immediately terminate this Agreement and all rights of Licensee hereunder by giving written notice of such immediate termination to Licensee.

31. Licensee’s Personal Property Upon Termination or Expiration: In the event that this Agreement is terminated, whether termination is effected pursuant to Article 28 and/or 30, or in the event this Agreement expires pursuant to Article 2, Licensee shall, at Licensee’s sole cost and expense and prior to the earlier of the effective termination date or expiration date, remove all weeds, debris, and waste from the Property and peaceably quit, surrender and restore the licensed Property to the condition it was in prior to the Licensee’s use of the Property, in a manner satisfactory to Licensor.

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If Licensee fails or refuses to remove any of Licensee’s personal property, building(s), fixture(s) or structure(s) from the Property prior to the earlier of the termination date or expiration date, said personal property, building(s), fixture(s) or structure(s) shall be deemed abandoned by the Licensee, and the Licensor shall have the right, but not the obligation, to remove, destroy, sell or otherwise dispose of them with no further notice to Licensee. Licensor shall not be required to seek and/or obtain judicial relief (including, but not limited to, the filing of an unlawful detainer action), nor shall Licensor be responsible for the value of Licensee’s personal property.

Licensor shall have the right to charge and recover from Licensee all costs and expenses incurred by Licensor related to (i) the removal, disposal or sale of Licensee’s personal property, building(s), fixture(s) or structure(s), (ii), the removal of any waste, weeds, or debris on the Property, (iii) environmental studies and environmental remediation and/or cleanup attributable to Licensee’s use of the Property, and (iv) the restoration of the Property to the condition it was in prior to Licensor’s initial use of the Property. Licensee agrees to pay such expenses to Licensor upon demand.

32. Limitation of Liability:

**IN ORDER FOR LICENSEE TO OBTAIN THE BENEFIT OF THE FEE IDENTIFIED IN ARTICLE 3, WHICH INCLUDES A LESSER ALLOWANCE FOR RISK FUNDING FOR LICENSOR, LICENSEE AGREES TO LIMIT LICENSOR’S LIABILITY PURSUANT TO THIS AGREEMENT. AS SUCH, IF LICENSEE IS ENTITLED TO ANY RELIEF FOR LICENSOR’S NEGLIGENCE, INCLUDING GROSS NEGLIGENCE, FOR DAMAGE OR DESTRUCTION OF LICENSEE’S PERSONAL PROPERTY, BUILDING(S), STRUCTURE(S) OR FIXTURE(S) AFTER THE TERMINATION OR EXPIRATION OF THIS AGREEMENT, THE TOTAL LIABILITY OF LICENSOR SHALL NOT EXCEED THE TOTAL FEES ACTUALLY PAID BY LICENSEE TO LICENSOR DURING THE TERM OF THIS AGREEMENT.**

**FURTHER, IN NO EVENT SHALL LICENSOR BE LIABLE UNDER ANY CIRCUMSTANCES FOR INJURY OR DAMAGE TO LICENSEE’S BUSINESS, IF ANY, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF RENTS OR OTHER EVENTS, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL OR LOSS OF USE, IN EACH CASE, HOWEVER OCCURRING, RELATED TO THIS AGREEMENT.**

33. Non-Possessory Interest: Licensor retains full possession of the Property and Licensee will not acquire any possessory interest, whether temporary, permanent, or otherwise by reason of this Agreement, or by the exercise of the permission given herein. Licensee will make no claim to any such interest and Licensee will not claim that it has or ever had an irrevocable license in the Property.

34. Waiver: Licensor shall not be deemed to waive any provision of this Agreement orally or by conduct. Any waiver by Licensor of any provision of this Agreement must be in a writing signed by Licensor. No waiver by Licensor of any provision shall be deemed a waiver of any other provision or of any subsequent breach by Licensee of the same or any other provision. Licensor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Licensor's consent to or approval of any subsequent act by Licensee. Licensor’s acceptance of payment after providing notice of termination to Licensee shall not constitute a waiver of Licensor’s termination of the Agreement.

35. Authority: This Agreement is executed subject to General Order No. 69-C of the Public Utilities Commission of the State of California dated and effective July 10, 1985, incorporated by this reference. As set forth in General Order 69-C, this License is made conditional upon the right of the Licensor either on order of the Public Utilities Commission or on Grantor’s own motion to resume the

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use of that property (including, but not limited to the removal of any obstructions) whenever, in the interest of Licensor’s service to its patrons or consumers, it shall appear necessary or desirable to do so. Licensee agrees to comply with all federal, state and local laws and regulations. This Agreement should not be construed as a subordination of Licensor’s rights, title and interest in and to its fee ownership, nor should this Agreement be construed as a waiver of any of the provisions contained in said License or a waiver of any costs of relocation of affected Licensor facilities.

36. Electric and Magnetic Fields (“EMF”): There are numerous sources of power frequency electric and magnetic field (“EMF”), including household or building wiring, electrical appliances and electric power transmission and distribution facilities. There have been numerous scientific studies about the potential health effects of EMF. Interest in a potential link between long-term exposures to EMF and certain diseases is based on this scientific research and public concerns.

While some 40 years of research have not established EMF as a health hazard, some health authorities have identified magnetic field exposures as a possible human carcinogen. Many of the questions about diseases have been successfully resolved due to an aggressive international research program. However, potentially important public health questions remain about whether there is a link between EMF exposures in homes or work and some diseases including childhood leukemia and a variety of other adult diseases (e.g. adult cancers and miscarriages). While scientific research is continuing on a wide range of questions relating to exposures at both work and in our communities, a quick resolution of the remaining scientific uncertainties is not expected.

Since Licensee plans to license or otherwise enter Licensor property that is in close proximity to Licensor electric facilities, Licensor wants to share with Licensee and those who may enter the property under this agreement, the information available about EMF. Accordingly, Licensor has attached to this document a brochure that explains some basic facts about EMF and that describes Licensor policy on EMF. Licensor also encourages Licensee to obtain other information as needed to assist in understanding the EMF regarding the planned use of this property.

37. Induced Voltages: Licensee hereby acknowledges that any structures (including, but not limited to, buildings, fences, light poles) that exist or may be constructed on the Property licensed herein, (hereinafter, the “Structures”) in close proximity to one or more high voltage (66 kilovolt or above) electric transmission lines and/or substation facilities may be susceptible to induced voltages, static voltages and/or related electric fault conditions (hereinafter collectively referred to as “Induced Voltages”) unless appropriate grounding or other mitigation measures are incorporated into the Structures. If not properly mitigated, Induced Voltages can cause a variety of safety and/or nuisance conditions including, but not limited to, electric shocks or other injuries to individuals contacting the Structures or other utilities connected to the Structures (including, but not limited to, natural gas lines, water lines or cable television lines), or interference with or damage to sensitive electronic equipment in or around the Structures. Measures to mitigate Induced Voltages, if required, will vary from case to case because of factors such as electric facility configuration and voltage, other utilities involved, or sensitivity of electronic equipment. Licensee will be responsible to determine what Induced Voltages mitigation measures should be undertaken regarding the Structures and to implement such mitigation measures at its sole cost and expense.

Licensee agrees for itself and for its contractors, agents, licensees, invitees, and employees, to save harmless and indemnify Licensor, its parent, subsidiaries and affiliated entities and their respective officers and employees against all claims, loss, damage, actions, causes of action, expenses and/or liability arising from or growing out of loss or damage to property, including Licensor’s own personal

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property, or injury to or death of persons, including employees of Licensor caused by or resulting from or connected to Induced Voltages on or related to the Structures.

38. Notices: All notices required to be given by either party will be made in writing and deposited in the United States mail, first class, postage prepaid, addressed as follows:

To Licensor: Southern California Edison Company  
Vegetation & Land Management  
Land Management – Metro Region  
2 Innovation Way  
Pomona, CA 91768

To Licensee: City of El Segundo  
350 Main Street  
El Segundo, CA 90245

Business Telephone No. (310) 524-2716

Notice will be deemed effective on the third calendar day after mailing. A party will immediately notify the other party in writing of any address change.

39. Recording: Licensee will not record this Agreement.

40. Complete Agreement: Licensor and Licensee acknowledge that the foregoing provisions and any appendix, addenda and exhibits attached hereto constitute the entire Agreement between the parties. This Agreement may not be modified, amended, contradicted, supplemented or altered in any way by any previous written or oral agreements or any subsequent oral agreements or unsigned written agreements. This Agreement may be modified or amended only by way of a writing executed by both parties.

41. Signature Authority: Each of the persons executing this Agreement warrants and represents that he or she has the full and complete authority to enter into this Agreement on behalf of the Party for which he or she is signing, and to bind said party to the agreements, covenants and terms contained herein.

42. Survival: Any provision of this Agreement that imposes an obligation after termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

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Licensor/Licensee

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate.

LICENSOR:

SOUTHERN CALIFORNIA EDISON COMPANY

By \_\_\_\_\_

FRANK ORTIZ  
Real Estate Specialist  
Land Management – Metro Region  
Vegetation & Land Management

\_\_\_\_\_  
Date

LICENSEE:

CITY OF EL SEGUNDO

By \_\_\_\_\_

DREW BOYLES, Mayor

\_\_\_\_\_  
Date

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**APPENDIX**

Guidelines for Standard Licensee Improvements

The following criteria are provided to aid in developing a conceptual plot plan to be submitted to Southern California Edison Company herein after referred to as “Licensor” for consideration and approval prior to the start of any construction on “Licensor” property.

Plans should be developed indicating the size and location of all planned improvements. The plan should specify the dimensions of all planned improvements and the distance of all planned improvements from property lines and all adjacent “Licensor” towers, poles, guy wires or other “Licensor” facilities.

The plan must show the locations of all “Licensor” towers and poles, 16-foot wide access roads, main water lines and water shut-off valves, electrical service lines and parking areas. All plans must indicate adjacent streets and include a “north arrow” and the Licensee’s name.

SHADE STRUCTURES

*(Definition: A non-flammable frame covered on the top with a material designed to provide shade to aid in growing plants)*

1. Shade structures must maintain minimum spacing of 50 feet between shade structure locations, should be placed perpendicular to Licensor’s overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
  - a. 100 feet in length
  - b. 50 feet in width
  - c. 15 feet in height
2. Shade structures will not be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames and poles
  - d. 25-foot radius around anchors/guy wires, poles and wood poles
3. Shade structures must utilize the following design:
  - a. Temporary/slip joint construction only
  - b. Non-flammable frame only
  - c. Adequately grounded by a licensed electrical engineer
  - d. Shade covering must be non-flammable and manufactured with non-hydrocarbon materials.

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SHADEHOUSES/HOTHOUSES

*(Definition: A simple, non-flammable, enclosed structure designed to control temperature **without** the benefit of heating and/or air conditioning units to aid in propagating and/or growing plants)*

1. Shadehouses/hothouses must maintain minimum spacing of 50 feet between shadehouse/hothouse locations, should be placed in perpendicular to Licensor’s overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
  - a. 100 feet in length
  - b. 50 feet in width
  - c. 15 feet in height
2. Shadehouses/hothouses will not be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames and poles
  - d. 25-foot radius around anchors/guy wires, poles and wood poles
3. Shadehouses/hothouses must utilize the following design:
  - a. Temporary/slip joint construction only
  - b. Non-flammable frame only
  - c. Adequately grounded by a licensed electrical engineer
  - d. Covering must be non-flammable and manufactured with non-hydrocarbon materials

GREENHOUSES

*(Definition: An enclosed structure designed to control temperature and/or humidity by the use of heating and/or air conditioning units to aid in propagating and/or growing plants)*

Greenhouses will be considered on a case-by-case basis.

IRRIGATION SYSTEMS / WELLS

1. Maximum diameter of pipe: 3 inches
2. All pipe must be plastic Schedule 40 or better
3. No irrigation system will be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50 -foot radius around suspension tower legs, H-Frames and poles

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- c. 100-foot radius around dead-end tower legs, H-Frames and poles
- 4. Sprinkler and drip irrigation controllers must be located at the edge of the right of way
- 5. Suitable identification markers will be required on main controllers and valves
- 6. Locations of main shut off valve will be provided and shown on a plot plan
- 7. Underground facilities must have a minimum cover of three feet
- 8. Earth disturbed must be compacted to ninety percent (90%)

LANDSCAPING

- 1. No trees will be permitted under the overhead electrical conductors or within 20 feet of the “drip line” of the conductors
- 2. Trees must have slow to moderate growth, and must be of a variety that grows to a maximum height of only 40 feet and must be maintained by the Licensee at a height not to exceed 15 feet
- 3. Placement of large rocks (boulders) must be approved in writing by Licensor
- 4. Any mounds or change of grade must be approved in writing by Licensor
- 5. No cactus or thorny shrubs will be permitted
- 6. Retaining walls, planters, etc. may be considered on a case by case basis and must be approved in writing by Licensor

TRAILERS (*Definition: Removable / portable office modules are not permitted without Licensor’s prior permission. Trailers must meet the following criteria to be considered:* Trailers must meet the following criteria:

- a. Must have axles and wheel and be able to be moved
- b. Maximum length: 40 feet
- c. Maximum height: 15 feet
- d. Maximum width: 12 feet
- 2. No trailers will be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames and poles
  - d. 25-foot radius around anchors/guy wires, poles and wood poles
  - e. Under or within 10 feet of the conductor “drip lines”

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- 3. Sewer or gas lines to trailers must be approved in writing by Licensor
- 4. Location of all electrical and telephone lines must be approved in writing by Licensor
- 5. Electrical lines must be installed by a licensed -general contractor.
- 6. Trailers shall not be used for residential purposes
- 7. Toxic or flammable materials will not be permitted in trailers
- 8. Adequately grounded by a licensed -general contractor

PARKING AREAS

Parking areas should not be designed under the overhead electrical conductors or within 10 feet of the “drip lines” without Licensor’s prior written approval. Parking spaces to be identified under the approved site plan. “No Parking” striping may be required in areas where additional clearance is required.

MATERIAL STORAGE

- 1. If an emergency occurs, Licensee must immediately relocate all materials specified by Licensor to provide Licensor clear access to its facilities.
- 2. Licensee must provide Licensor with a list of material stored on the right of way
- 3. No toxic or flammable materials will be permitted
- 4. No materials shall be stored within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50 - foot radius around suspension tower legs, H-Frames and poles
  - c. 100 - foot radius around dead-end tower legs, H-Frames and poles
  - d. 25 feet from anchors/guy wires, poles and wood poles
- 5. Storage of materials not to exceed a maximum height of 15 feet
- 6. No storage of gasoline, diesel or any other type of fuel will be permitted
- 7. Any fencing around the storage areas must have Licensor’s prior written approval.

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A D D E N D U M

**PARK USE**

- A. Licensee must obtain the prior written approval from Licensor for the installation of any improvements, including any subsequent modifications. Licensee will maintain all improvements in a safe condition satisfactory to Licensor.
- B. At any time, Licensor may require the removal, modification, or relocation of any portion of the improvements. Licensee will remove, modify, or relocate same, at its expense, to a location satisfactory to Licensor within sixty (60) days after receiving notice to remove, modify, or relocate from Licensor.
- C. Licensee must submit, for Licensor's prior written approval, complete improvement plans, including, but not limited to, grading, lighting, landscaping, grounding, and irrigation plans, that identify all existing and proposed improvements.
- D. At Licensee's expense, Licensee will post signs at all access points to the Property that read: "No Kite Flying, Model Airplanes, unmanned aerial vehicles (UAV's or Drones), or Metallic Balloons Permitted, High Voltage Wires Overhead."
- E. At Licensee's expense, Licensee will post signs at all access points of the Property that read: "No Motorcycles, Motorbikes, Horseback Riding or Hunting Permitted."
- F. At Licensee's expense, Licensee will post signs at all access points of the Property that read: "Dogs are required to be on leash at all times."
- G. Licensee must close the park at any time Licensor deems it necessary for the safety of the general public or for maintenance of Licensor's facilities. If it is necessary to close the park for a period of more than three days, Licensee will notify the general public of the closure by posting at all access points to the property.
- H. At Licensee's expense, Licensee will install removable post-type barriers designed to accommodate Licensor's locks, to prevent unauthorized vehicular use or parking, including but not limited to, motorcycles, off-road vehicles, and "all-terrain" vehicles.
- I. Trespass discouragers shall be installed on Licensor's towers. The discourager installation will be performed by Licensor. Licensee shall pay Licensor in advance, for all Licensor's direct and indirect costs associated with the engineering, purchase, and installation of the discouragers. All towers shall be equipped with signs so worded as to warn the public of the danger of climbing the towers. Such signs shall be placed and arranged so that they may be read from the four corners of the structure. Such signs shall be neither less than 8 feet nor more than 20 feet above the ground except where the lowest horizontal member of the tower or structure is more than 20 feet above the ground in which case the sign shall be not more than 30 feet above the ground.
- J. Licensee must design and construct all walkways, underground sprinkler systems, lighting facilities, and drains to be capable of withstanding a gross load of forty (40) tons on a three-axle vehicle.

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Licensor/Licensee

A D D E N D U M

**TREES/LANDSCAPING**

- A. Existing landscaping improvements (trees, plants, and shrubs) have been inspected and approved by Licensor. This written approval may be modified and/or rescinded by Licensor for any reason whatsoever.
- B. At any time, Licensor may require Licensee to modify and/or remove any or all such previously approved improvements at Licensee’s risk and expense and without any compensation from Licensor.
- C. Licensee agrees and accepts full responsibility for the maintenance and/or removal of all trees, plants, and shrubs (vegetation) located on the property. All costs associated with the maintenance and/or removal of trees/vegetation will be the sole burden of Licensee.
- D. Periodically, the Property will be inspected by Licensor, and upon determination that any tree/vegetation requires trimming or removal, Licensee will be notified by Licensor. Failure by Licensee to trim or remove said tree/vegetation in the time allotted, that results in Licensor’s contractor performing the work, Licensee will be billed by Licensor for the contractor’s expense; and Licensee may be subject to termination under the terms and conditions of the Permit or License.
- E. Trees/vegetation must be slow growing and maintained by Licensee to not exceed fifteen (15) feet in height.
- F. Failure by Licensee to maintain all permit or license clearance requirements will require removal at Licensee’s expense.
- G. Unless authorized in writing by Licensor, Licensee agrees not to plant any additional trees, plants, or shrubs within the Property. If additional authorization is requested by Licensee and prior written authorization is received by Licensor, no tree or plant species that is protected by federal or state law shall be planted within Licensor’s land and no cactus or thorny shrubs/plants will be permitted.
- H. Any improvements or alterations, including retaining walls, planters, placement of large rocks, etc. and any mounds or changes of grade, require prior written approval by Licensor.
- I. Licensee will keep the Property clean, free from weeds, rubbish and debris, and in a condition satisfactory to Licensor.
- J. Upon permit or license termination, Licensee agrees to remove all trees/vegetation and improvements and restore the Property to a condition satisfactory to Licensor, at the sole expense of Licensee.

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Licensor/Licensee

CITY OF EL SEGUNDO

L I C E N S E   A G R E E M E N T  
I N D E X   O F   A R T I C L E S

- 1. USE
- 2. TERM
- 3. CONSIDERATION
- 4. INSURANCE
- 5. LICENSOR’S USE OF THE PROPERTY
- 6. LICENSEE’S IMPROVEMENTS
- 7. LICENSEE’S PERSONAL PROPERTY
- 8. HEIGHT LIMITATIONS AND VERTICAL CLEARANCES
- 9. ACCESS AND CLEARANCES
- 10. PARKING
- 11. WEEDS, BRUSH, RUBBISH AND DEBRIS (WEED ABATEMENT)
- 12. FLAMMABLES, WASTE AND NUISANCES
- 13. PESTICIDES AND HERBICIDES
- 14. HAZARDOUS WASTE
- 15. SIGNS
- 16. FENCING AND EXISTING FIXTURES
- 17. PARKWAYS AND LANDSCAPING
- 18. IRRIGATION EQUIPMENT
- 19. UNDERGROUND TANKS
- 20. UNDERGROUND FACILITIES
- 21. UTILITIES
- 22. TAXES, ASSESSMENTS AND LIENS
- 23. EXPENSE
- 24. ASSIGNMENTS
- 25. COMPLIANCE WITH LAW
- 26. GOVERNING LAW
- 27. INDEMNIFICATION
- 28. TERMINATION
- 29. EVENTS OF DEFAULT
- 30. REMEDIES
- 31. LICENSEE’S PERSONAL PROPERTY UPON TERMINATION OR EXPIRATION
- 32. LIMITATION OF LIABILITY
- 33. NON-POSSESSORY INTEREST
- 34. WAIVER
- 35. AUTHORITY
- 36. ELECTRIC AND MAGNETIC FIELDS

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Licensor/Licensee

37. INDUCED VOLTAGES

38. NOTICES

39. RECORDING

40. COMPLETE AGREEMENT

41. SIGNATURE AUTHORITY

42. SURVIVAL

APPENDIX: GUIDELINES FOR STANDARD LICENSEE IMPROVEMENTS

ADDENDUM(S)

PARK USE

TREES

TREES/LANDSCAPING

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Licensor/Licensee

LICENSE AGREEMENT

THIS AGREEMENT between SOUTHERN CALIFORNIA EDISON COMPANY, a corporation organized under the laws of the State of California, called "Licensor", and CITY OF EL SEGUNDO, called "Licensee";

WITNESSETH: That Licensor, for and in consideration of the faithful performance by Licensee of the terms, covenants and agreements hereinafter set forth to be kept and performed by Licensee, does hereby give to Licensee the license to use that certain real property solely for the purpose hereinafter specified, upon and subject to the terms, reservations, covenants and conditions hereinafter set forth, hereinafter designated as "Property" on the Exhibit "A" attached hereto and made a part hereof, being a portion of Assessor's Parcel Number 4138-014-806, situated in the City of El Segundo, County of Los Angeles, State of California, subject to any and all covenants, restrictions, reservations, exceptions, rights and easements, whether or not of record.

**Acknowledgment of License and Disclaimer of Tenancy**

Licensee acknowledges and agrees that the License constitutes a limited, revocable, non-possessory, personal and non-assignable privilege to use the Property solely for those permitted uses and activities expressly identified in the Agreement (the "License Privilege"). Licensee further acknowledges and agrees that:

- The consideration paid by Licensee pursuant to Article 3 of the Agreement is consistent with the value of the rights comprising the License Privilege; the consideration is *not* consistent with the higher market value for a greater right, privilege or interest (such as a lease) in the Property or similarly situated parcels.
- Licensee is not a tenant or lessee of Licensor and holds no rights of tenancy or leasehold in relation to the Property.
- The Agreement and/or any prior and/or future acts or omissions of Licensor shall not create (or be construed as creating) a leasehold, tenancy or any other interest in the Property.
- Licensor may terminate the License and revoke the License Privilege at any time, subject, if applicable, to a notice period agreed upon by the parties, as more particularly set forth in the Agreement.
- In consideration of Licensor's grant of the License, Licensee specifically and expressly waives, releases and relinquishes any and all right(s) to assert any claim of right, privilege or interest in the Property other than the License.
- Licensee further acknowledges and agrees that without the representations and agreements set forth herein, Licensor would not enter into the Agreement.

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1. Use: Licensee will use the Property for golf course purposes only. Licensor makes no representation, covenant, warranty or promise that the Property, and any fixtures thereon, are fit or suitable for any particular use, including the use for which this Agreement is made and Licensee is not relying on any such representation, covenant, warranty or promise. Licensee’s use of the property for any other purpose and/or failure to utilize the Property in accordance with this License as determined by the Licensor in its sole discretion will be deemed a material default and grounds for immediate termination of this Agreement in accordance with Articles 28 and/or 30.

2. Term: Unless otherwise terminated as provided herein, this Agreement will be in effect for a term of five (5) years commencing on the twenty fourth day of June, 2021 and ending on the last day of May, 2026. Licensee acknowledges that this Agreement does not entitle Licensee to any subsequent agreement, for any reason whatsoever, regardless of the use Licensee makes of the Property, the improvements Licensee places on or makes to the Property, or for any other reason.

3. Consideration: Licensee will pay to Licensor the sum of Thirty Nine Thousand Seven Hundred One and 11/100 Dollars (\$39,701.11) upon the execution and delivery of this Agreement with subsequent annual payments. Payment to Licensor must be in the form of a check or money order payable to Southern California Edison Company. No cash payments will be accepted by Licensor. Payment schedule:

<b>Year</b>	<b>Term</b>	<b>Yearly Amount</b>	<b>Payment Due Twenty fourth Day Of</b>
First Year	2021	\$39,701.11	June
Second Year	2022	\$40,892.15	June
Third Year	2023	\$42,118.91	June
Fourth Year	2024	\$43,382.48	June
Fifth Year	2025	\$41,867.64	June

All accounts not paid by the agreed upon due date may be subject to a late fee of up to 20% of the amount that was due on the date.

All payments subsequent to the initial payment will be paid to the Southern California Edison Company, Post Office Box 800 Rosemead, California, 91770, and Attention: Corporate Accounting Department – Accounts Receivable.

4. Insurance: During the term of this Agreement, Licensee shall maintain the following insurance:

- (a) Workers’ Compensation with statutory limits, under the laws of the State of California and Employer’s Liability with limits of not less than \$1,000,000.00 each accident, disease/each employee, and disease/policy limit. Licensee shall require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.

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- (b) Commercial General Liability Insurance, including contractual liability and products liability, with limits not less than \$2,000,000.00 per occurrence and \$2,000,000.00 in the aggregate. Such insurance shall: (i) name Licensor, its officers, agents and employees as additional insureds, but only for Licensee’s negligent acts or omissions; (ii) be primary for all purposes and (iii) contain separation of insureds or cross-liability clause, and (iv) require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.
- (c) Commercial Automobile Liability insurance with a combined single limit of \$1,000,000.00. Such insurance shall cover the use of owned, non-owned and hired vehicles on the Property.

The failure to maintain such insurance may be deemed by Licensor a material default of this Agreement and grounds for immediate termination pursuant to Articles 28 and/or 30. Licensee shall provide Licensor with proof of such insurance by submission of certificates of insurance, pursuant to Article 38 “Notices”, at least ten days prior to the effective date of this Agreement, and thereafter at least ten days prior to each insurance renewal date. Licensee must provide Licensor at least thirty (30) days notice before any such insurance will be canceled, allowed to expire, or materially reduced. However, in the event insurance is canceled for the non-payment of a premium, Licensee must provide to Licensor at least ten (10) days’ prior written notice before the effective date of cancellation. The required insurance policies shall be maintained with insurers reasonably satisfactory to Licensor, and shall be primary and non-contributory with any insurance or self-insurance maintained by Licensor.

5. Licensor's Use of the Property: Licensee agrees that Licensor, its successors and assigns, have the right to enter the Property, at all times, for any purpose, and the right to conduct any activity on the Property. Exercise of these rights by Licensor, its successors and assigns, will not result in compensation to Licensee for any damages whatsoever to personal property, structures, and/or crops located on the Property, nor shall Licensee be entitled to any compensation for any loss of use of the Property or a portion thereof, and/or any related damages, as a result of Licensor’s activities under this Article.

6. Licensee's Improvements: Licensee must submit, for Licensor's prior written approval, complete improvement plans, including, but not limited to, grading, lighting, landscaping, grounding, and irrigation plans, - identifying all existing and proposed improvements, a minimum of sixty (60) days prior to making any use of the Property. Licensee’s conceptual plans for proposed improvements shall be developed in accordance with the guidelines contained in the Appendix to this License. It is understood and agreed that the general guidelines contained in the Appendix are intended to provide a framework for the development of conceptual plans only; and that Licensor may modify or add to the conditions contained in the Appendix hereto, based on individual site characteristics, Licensor’s existing or potential operating needs or Licensee’s proposed use(s). Licensee must submit, for Licensor's prior written approval plans for any modifications to such improvements. Written approval may be modified and/or rescinded by Licensor for any reason whatsoever.

To the extent Licensor reviews and/or approves any improvement plans, Licensor is doing so only for purposes of determining whether said improvements are compatible with Licensor’s use of the Property. Under no circumstances shall such review and/or approval be construed as a warranty, representation, or promise that the Property is fit for the proposed improvements, or that said improvements comply

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with any applicable city, state, or county building requirements, other legal requirements, or the generally accepted standard of care.

At any time, Licensor may require Licensee to modify and/or remove any or all such previously approved improvements at Licensee’s risk and expense and without compensation from Licensor. Licensor is not required, at any time, to make any repairs, improvements, alterations, changes or additions of any nature whatsoever to the Property and/or any fixtures thereon. Licensee expressly acknowledges that any expenditures or improvements will in no way alter Licensor’s right to terminate in accordance with Articles 28, and/or 30.

7. Licensee's Personal Property: (i) Licensor grants Licensee permission to place Licensee’s personal property on the Property consistent with the use identified in Article 1 and other terms of this Agreement. Such permission granted by Licensor shall be revoked upon the earlier of the termination or expiration of this Agreement. All equipment and other property brought, placed or erected on the Property by Licensee shall be and remain the property of Licensee, except as otherwise set forth herein. Licensee shall be responsible for any damage to the Property and/or Licensor’s personal property arising out of Licensee’s activities on the Property, including its use and/or removal of Licensee’s personal property. Licensee further acknowledges and agrees that Licensor is not responsible for Licensee’s personal property during the effectiveness of this Agreement, or upon termination or expiration. Licensor further assumes no duty or obligation to maintain or secure Licensee’s personal property at any time.

(ii) Unless as specifically provided for in an Addendum to this Agreement, Licensee shall not store on the Property, for a period longer than twenty-four (24) consecutive hours, any personal property owned by a non-party to this Agreement.

Licensee will defend and indemnify Licensor, its directors, officers, agents, subcontractors, and employees, and its successors and assigns, from any and all claims, loss, damage, actions, causes of action, expenses and/or liability arising from the storage of, damage to, and/or loss of use of such non-party’s personal property.

8. Height Limitations and Vertical Clearances: Any equipment used by Licensee or its agents, employees or contractors, on and/or adjacent to the Property, will be used and operated so as to maintain minimum clearances from all overhead electrical conductors as designated in the table below:

<b>Vehicle/ Equipment Vertical Clearance</b>	
500 kV	35 feet
220 kV – 66kV	30 feet
<66kV (Distribution facilities)	25 feet
Telecom	18 feet

All trees and plants on the Property will be maintained by Licensee at a maximum height of fifteen (15) feet. If requested by Licensor, Licensee will remove, at Licensee’s expense, any tree and/or other planting.

9. Access and Horizontal Clearances: Licensee will provide Licensor with adequate access to all of Licensor's facilities on the Property and at no time will there be any interference with the free movement of Licensor's equipment, personnel, and materials over the Property. Licensor may require

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Licensee to provide and maintain access roads within the Property, at a minimum usable width of sixteen (16) feet, with commercial driveway aprons and curb depressions capable of supporting a gross load of forty (40) tons on a three-axle vehicle. The minimum width of all roads shall be increased on curves by a distance equal to 400/inside radius of curvature. All curves shall have a radius of not less than 50 feet measured at the inside edge of the usable road surface. Unless otherwise specified in writing by Licensor, Licensee will make no use of the area directly underneath Licensor's towers and will maintain the following minimum clearances:

- a. A 50-foot-radius around suspension tower legs, H-Frames and poles and 100-foot radius around dead-end tower legs, H-Frames and poles.
- b. A 25-foot-radius around all other poles.

NOTE: Additional clearance may be required by Licensor for structures.

10. Parking: Licensee will not park, store, repair or refuel any motor vehicles or allow parking, storage, repairing or refueling of any motor vehicles on the Property unless specifically approved in a writing executed by Licensor.

11. Weeds, Brush, Rubbish and Debris (Weed Abatement): Licensee will keep the Property clean, free from weeds, brush, rubbish and debris and in a condition satisfactory to Licensor.

12. Flammables, Waste and Nuisances: Unless permitted by Licensor in writing, Licensee will not, or allow others, to place, use, or store any flammable or combustible materials or waste materials on the Property or commit any waste or damage to the Property or allow any to be done. Licensee will be responsible for the control of and will be liable for any damage or disturbance, caused by any trespasser, dust, odor, flammable or waste materials, noise or other nuisance disturbances. Licensee will not permit dogs on the Property.

13. Pesticides and Herbicides: Any pesticide or herbicide applications and disposals will be made in accordance with all Federal, State, County and local laws. Licensee will dispose of all pesticides, herbicides and any other toxic substances declared to be either a health or environmental hazard, and all materials contaminated by such substances, including but not limited to, containers, clothing and equipment, in the manner prescribed by law.

14. Hazardous Waste: Licensee will not engage in, or permit any other party to engage in, any activity on the Property that violates federal, state or local laws, rules or regulations pertaining to hazardous, toxic or infectious materials and/or waste. Licensee will indemnify and hold Licensor, its directors, officers, agents and employees, and its successors and assigns, harmless from all claims, loss, damage, actions, causes of action, expenses and/or liability arising from leaks of, spills of, and/or contamination by or from hazardous materials as defined by applicable laws or regulations, which may occur during and after the Agreement term, and are attributable to the actions of, or failure to act by, Licensee or any person claiming under Licensee.

15. Signs: Licensee must obtain written approval from Licensor prior to the construction or placement of any sign, signboard or other form of outdoor advertising. Licensee shall within three (3) days from the date on which the Licensee learns of the graffiti remove any signs containing graffiti or shall otherwise remove such graffiti from the signs in a manner reasonably acceptable to Licensor. Notwithstanding any other language in this Article, Licensee shall not advertise on any sign any product,

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service, or good which is (i) not directly related to Licensee’s use of the Property, (ii) offensive to the public, or (iii) which Licensor, in its reasonable discretion, deems objectionable.

16. Fencing and Existing Fixtures: Licensor disclaims any and all express or implied warranties for any fencing and/or other fixtures affixed to the Property, and further disclaims any liability arising from any disrepair of the same. Licensee may install fencing on the Property with prior written approval from Licensor. Such fencing will include double drive gates, in locations specified by Licensor, a minimum of twenty (20) feet in width, and designed to accommodate separate Licensor and Licensee locks. Licensee will maintain and repair all fencing and other fixtures affixed to the Property, including any grounding of the same as deemed necessary by Licensor, in a manner acceptable to Licensor. Grounding plans must be prepared and stamped by a licensed electrical engineer and submitted to Licensor.

17. Parkways and Landscaping: Licensee will keep parkway and sidewalk areas adjacent to the Property free of weeds, brush, rubbish and debris. Licensee will maintain parkways on the Property and provide landscaping that is compatible with adjoining properties and that is satisfactory to Licensor.

18. Irrigation Equipment: Any irrigation equipment located on the Property prior to the commencement of this Agreement, including but not limited to pipelines, well pumping equipment and other structures, is the property of Licensor and will remain on and be surrendered with the Property upon termination of this Agreement. Should Licensee desire to use the irrigation equipment, Licensee will maintain, operate, repair and replace, if necessary, all irrigation equipment at its own expense.

19. Underground and Above-Ground Tanks: Licensee will not install underground or above-ground storage tanks, as defined by any and all applicable laws or regulations, without Licensor's prior written approval.

20. Underground Facilities: Any underground facilities must be approved by Licensor pursuant to Article 6. Licensee must contact Dig Alert and comply with the applicable processes, policies and/or procedures of Dig Alert, prior to any underground installation. Any underground facilities installed or maintained by Licensee on the Property must have a minimum cover of three feet from the top of the facility and be capable of withstanding a gross load of forty (40) tons on a three-axle vehicle. Licensee will compact any earth excavated to a compaction of ninety percent (90%). Licensee will relocate its facilities at its own expense so as not to interfere with Licensor's proposed facilities.

21. Utilities: Licensee will pay all charges and assessments for, or in connection with, water, electric current or other utilities which may be furnished to or used on the Property.

22. Taxes, Assessments and Liens: Licensee will pay all taxes and assessments which may be levied upon any crops, personal property, and improvements, including but not limited to, buildings, structures, and fixtures on the Property. Licensee will keep the Property free from all liens, including but not limited to, mechanics liens and encumbrances by use or occupancy by Licensee, or any person claiming under Licensee. If Licensee fails to pay the above-mentioned taxes, assessments or liens when due, Licensor may pay the same and charge the amount to the Licensee. All accounts not paid within thirty (30) days of the agreed upon due date will be charged a "late fee" on all amounts outstanding up to the maximum rate allowed by law.

23. Expense: Licensee will perform and pay all obligations of Licensee under this Agreement. All matters or things required by Licensee will be performed and paid for at the sole cost and expense of

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Licensee, without obligation by Licensor to make payment or incur cost or expense for any such matters or things.

24. Assignments: This Agreement is personal to Licensee, and Licensee will not assign, transfer or sell this Agreement or any privilege hereunder in whole or in part, and any attempt to do so will be void and confer no right on any third party.

25. Compliance with Law: Licensee will comply with all applicable federal, state, county and local laws, all covenants, conditions and restrictions of record and all applicable ordinances, zoning restrictions, rules, regulations, orders and any requirements of any duly constituted public authorities now or hereafter in any manner affecting the Property or the streets and ways adjacent thereto. Licensee will obtain all permits and other governmental approvals required in connection with Licensee's activities hereunder. Licensee shall hold harmless, defend and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or resulting from any violation of this provision.

26. Governing Law: The existence, validity, construction, operation and effect of this Agreement and all of its terms and provisions will be determined in accordance with the laws of the State of California.

27. Indemnification: Licensee shall hold harmless, defend and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or growing out of loss or damage to property, including that of Licensor, or injury to or death of persons, including employees of Licensor resulting in any manner whatsoever, directly or indirectly, by reason of this Agreement or the use or occupancy of the Property by Licensee or any person claiming under Licensee.

28. Termination: Licensor or Licensee may terminate this Agreement, at any time, for any reason, upon thirty (30) days notice in writing. Additionally, Licensor may immediately terminate this Agreement pursuant to Article 30. Termination does not release Licensee from any liability or obligation (indemnity or otherwise) which Licensee may have incurred. Upon termination, Licensor may immediately recover from Licensee all amounts due and owing hereunder, plus interest at the maximum rate permitted by law on such amounts until paid, as well as any other amount necessary to compensate Licensor for all the detriment proximately caused by Licensee's failure to perform its obligations under this Agreement. Licensee's continued presence after termination shall be deemed a trespass. In the event of a termination for any reason other than non-payment of the License fee, Licensor shall refund any previously collected/pre-paid License fees covering the unused portion of the remaining term, to the extent such fees exceed any offset claimed by Licensor under the Agreement

29. Events of Default: In addition to material defaults otherwise described herein, the occurrence of any of the following shall constitute a material default and breach of this Agreement by Licensee:

- (a) Any failure by Licensee to pay the consideration due under Article 3, or to make any other payment required to be made by Licensee when due.
- (b) The abandonment or vacating of the Property by Licensee.

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- (c) Any attempted assignment or subletting of this Agreement by Licensee in violation of Article 24.
- (d) The violation by Licensee of any resolution, ordinance, statute, code, regulation or other rule of any governmental agency for Licensee’s activities under this Agreement.
- (d) Any attempt to exclude Licensor from the licensed premises.
- (f) The making by Licensee of any general assignment for the benefit of creditors; the appointment of a receiver to take possession of substantially all of Licensee's assets located on the Property or of Licensee's privileges hereunder where possession is not restored to Licensee within five (5) days; the attachment, execution or other judicial seizure of substantially all of Licensee's assets located on the Property or of Licensee's privileges hereunder, where such seizure is not discharged within five (5) days.
- (g) Any case, proceeding or other action brought against Licensee seeking any of the relief mentioned in "clause f" of this Article which has not been stayed or dismissed within thirty (30) days after the commencement thereof.
- (h) Any claim by Licensee that it has a possessory interest and/or irrevocable license in the Property.
- (i) With respect to items not otherwise listed in Article 29.a-h, the failure by Licensee to observe and perform any other provision of this Agreement to be observed or performed by Licensee. Licensor shall provide written notice of such failure and Licensee shall be considered in material default where such failure continues for a total of ten (10) or more consecutive days from the date of the notice. Further, with respect to items not otherwise listed in Article 29.a-h, Licensee shall be considered in material default should Licensee fail to observe or perform any other provision of this Agreement for more than fifteen (15) days during the entire Term of the Agreement in the aggregate, after Licensor provides an initial written notice of such failure. After providing initial notice under this provision, Licensor will not be required to provide any subsequent notice of breach of this Agreement.

30. Remedies: Notwithstanding the notice requirement in Article 28, in the event of any material default by Licensee, then in addition to any other remedies available to Licensor at law or in equity, Licensor shall have the option to immediately terminate this Agreement and all rights of Licensee hereunder by giving written notice of such immediate termination to Licensee.

31. Licensee’s Personal Property Upon Termination or Expiration: In the event that this Agreement is terminated, whether termination is effected pursuant to Article 28 and/or 30, or in the event this Agreement expires pursuant to Article 2, Licensee shall, at Licensee’s sole cost and expense and prior to the earlier of the effective termination date or expiration date, remove all weeds, debris, and waste from the Property and peaceably quit, surrender and restore the licensed Property to the condition it was in prior to the Licensee’s use of the Property, in a manner satisfactory to Licensor.

If Licensee fails or refuses to remove any of Licensee’s personal property, building(s), fixture(s) or structure(s) from the Property prior to the earlier of the termination date or expiration date, said personal property, building(s), fixture(s) or structure(s) shall be deemed abandoned by the Licensee, and the

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Licensors shall have the right, but not the obligation, to remove, destroy, sell or otherwise dispose of them with no further notice to Licensee. Licensors shall not be required to seek and/or obtain judicial relief (including, but not limited to, the filing of an unlawful detainer action), nor shall Licensors be responsible for the value of Licensee’s personal property.

Licensors shall have the right to charge and recover from Licensee all costs and expenses incurred by Licensors related to (i) the removal, disposal or sale of Licensee’s personal property, building(s), fixture(s) or structure(s), (ii), the removal of any waste, weeds, or debris on the Property, (iii) environmental studies and environmental remediation and/or cleanup attributable to Licensee’s use of the Property, and (iv) the restoration of the Property to the condition it was in prior to Licensors’s initial use of the Property. Licensee agrees to pay such expenses to Licensors upon demand.

32. Limitation of Liability:

**IN ORDER FOR LICENSEE TO OBTAIN THE BENEFIT OF THE FEE IDENTIFIED IN ARTICLE 3, WHICH INCLUDES A LESSER ALLOWANCE FOR RISK FUNDING FOR LICENSOR, LICENSEE AGREES TO LIMIT LICENSOR’S LIABILITY PURSUANT TO THIS AGREEMENT. AS SUCH, IF LICENSEE IS ENTITLED TO ANY RELIEF FOR LICENSOR’S NEGLIGENCE, INCLUDING GROSS NEGLIGENCE, FOR DAMAGE OR DESTRUCTION OF LICENSEE’S PERSONAL PROPERTY, BUILDING(S), STRUCTURE(S) OR FIXTURE(S) AFTER THE TERMINATION OR EXPIRATION OF THIS AGREEMENT, THE TOTAL LIABILITY OF LICENSOR SHALL NOT EXCEED THE TOTAL FEES ACTUALLY PAID BY LICENSEE TO LICENSOR DURING THE TERM OF THIS AGREEMENT.**

**FURTHER, IN NO EVENT SHALL LICENSOR BE LIABLE UNDER ANY CIRCUMSTANCES FOR INJURY OR DAMAGE TO LICENSEE’S BUSINESS, IF ANY, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF RENTS OR OTHER EVENTS, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL OR LOSS OF USE, IN EACH CASE, HOWEVER OCCURRING, RELATED TO THIS AGREEMENT.**

33. Non-Possessory Interest: Licensors retain full possession of the Property and Licensee will not acquire any possessory interest, whether temporary, permanent, or otherwise by reason of this Agreement, or by the exercise of the permission given herein. Licensee will make no claim to any such interest and Licensee will not claim that it has or ever had an irrevocable license in the Property.

34. Waiver: Licensors shall not be deemed to waive any provision of this Agreement orally or by conduct. Any waiver by Licensors of any provision of this Agreement must be in a writing signed by Licensors. No waiver by Licensors of any provision shall be deemed a waiver of any other provision or of any subsequent breach by Licensee of the same or any other provision. Licensors’s consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Licensors’s consent to or approval of any subsequent act by Licensee. Licensors’s acceptance of payment after providing notice of termination to Licensee shall not constitute a waiver of Licensors’s termination of the Agreement.

35. Authority: This Agreement is executed subject to General Order No. 69-C of the Public Utilities Commission of the State of California dated and effective July 10, 1985, incorporated by this reference. As set forth in General Order 69-C, this License is made conditional upon the right of the Licensors either on order of the Public Utilities Commission or on Grantor’s own motion to resume the use of that property (including, but not limited to the removal of any obstructions) whenever, in the interest of Licensors’s service to its patrons or consumers, it shall appear necessary or desirable to do so. Licensee agrees to comply with all federal, state and local laws and regulations. This Agreement should

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not be construed as a subordination of Licensor’s rights, title and interest in and to its fee ownership, nor should this Agreement be construed as a waiver of any of the provisions contained in said License or a waiver of any costs of relocation of affected Licensor facilities.

36. Electric and Magnetic Fields (“EMF”): There are numerous sources of power frequency electric and magnetic field (“EMF”), including household or building wiring, electrical appliances and electric power transmission and distribution facilities. There have been numerous scientific studies about the potential health effects of EMF. Interest in a potential link between long-term exposures to EMF and certain diseases is based on this scientific research and public concerns.

While some 40 years of research have not established EMF as a health hazard, some health authorities have identified magnetic field exposures as a possible human carcinogen. Many of the questions about diseases have been successfully resolved due to an aggressive international research program. However, potentially important public health questions remain about whether there is a link between EMF exposures in homes or work and some diseases including childhood leukemia and a variety of other adult diseases (e.g. adult cancers and miscarriages). While scientific research is continuing on a wide range of questions relating to exposures at both work and in our communities, a quick resolution of the remaining scientific uncertainties is not expected.

Since Licensee plans to license or otherwise enter Licensor property that is in close proximity to Licensor electric facilities, Licensor wants to share with Licensee and those who may enter the property under this agreement, the information available about EMF. Accordingly, Licensor has attached to this document a brochure that explains some basic facts about EMF and that describes Licensor policy on EMF. Licensor also encourages Licensee to obtain other information as needed to assist in understanding the EMF regarding the planned use of this property.

37. Induced Voltages: Licensee hereby acknowledges that any structures (including, but not limited to, buildings, fences, light poles) that exist or may be constructed on the Property licensed herein, (hereinafter, the “Structures”) in close proximity to one or more high voltage (66 kilovolt or above) electric transmission lines and/or substation facilities may be susceptible to induced voltages, static voltages and/or related electric fault conditions (hereinafter collectively referred to as “Induced Voltages”) unless appropriate grounding or other mitigation measures are incorporated into the Structures. If not properly mitigated, Induced Voltages can cause a variety of safety and/or nuisance conditions including, but not limited to, electric shocks or other injuries to individuals contacting the Structures or other utilities connected to the Structures (including, but not limited to, natural gas lines, water lines or cable television lines), or interference with or damage to sensitive electronic equipment in or around the Structures. Measures to mitigate Induced Voltages, if required, will vary from case to case because of factors such as electric facility configuration and voltage, other utilities involved, or sensitivity of electronic equipment. Licensee will be responsible to determine what Induced Voltages mitigation measures should be undertaken regarding the Structures and to implement such mitigation measures at its sole cost and expense.

Licensee agrees for itself and for its contractors, agents, licensees, invitees, and employees, to save harmless and indemnify Licensor, its parent, subsidiaries and affiliated entities and their respective officers and employees against all claims, loss, damage, actions, causes of action, expenses and/or liability arising from or growing out of loss or damage to property, including Licensor’s own personal property, or injury to or death of persons, including employees of Licensor caused by or resulting from or connected to Induced Voltages on or related to the Structures.

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38. Notices: All notices required to be given by either party will be made in writing and deposited in the United States mail, first class, postage prepaid, addressed as follows:

To Licensor: Southern California Edison Company  
Vegetation & Land Management  
Land Management – Metro Region  
2 Innovation Way  
Pomona, CA 91768

To Licensee: City of El Segundo  
350 Main Street  
El Segundo, CA 90245

Business Telephone No. (310) 524-2356

Notice will be deemed effective on the third calendar day after mailing. A party will immediately notify the other party in writing of any address change.

39. Recording: Licensee will not record this Agreement.

40. Complete Agreement: Licensor and Licensee acknowledge that the foregoing provisions and any appendix, addenda and exhibits attached hereto constitute the entire Agreement between the parties. This Agreement may not be modified, amended, contradicted, supplemented or altered in any way by any previous written or oral agreements or any subsequent oral agreements or unsigned written agreements. This Agreement may be modified or amended only by way of a writing executed by both parties.

41. Signature Authority: Each of the persons executing this Agreement warrants and represents that he or she has the full and complete authority to enter into this Agreement on behalf of the Party for which he or she is signing, and to bind said party to the agreements, covenants and terms contained herein.

42. Survival: Any provision of this Agreement that imposes an obligation after termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate.

LICENSOR:

SOUTHERN CALIFORNIA EDISON COMPANY

By \_\_\_\_\_

JOY GLASSER  
Senior Manager  
Real Estate & Facilities  
Vegetation & Land Management

\_\_\_\_\_  
Date

LICENSEE:

CITY OF EL SEGUNDO

By \_\_\_\_\_

DREW BOYLES, Mayor

\_\_\_\_\_  
Date

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**APPENDIX**

Guidelines for Standard Licensee Improvements

The following criteria are provided to aid in developing a conceptual plot plan to be submitted to Southern California Edison Company herein after referred to as “Licensor” for consideration and approval *prior to the start of any construction on “Licensor” property.*

Plans should be developed indicating the size and location of all planned improvements. The plan should specify the dimensions of all planned improvements and the distance of all planned improvements from property lines and all adjacent “Licensor” towers, poles, guy wires or other “Licensor” facilities.

The plan must show the locations of all “Licensor” towers and poles, 16-foot wide access roads, main water lines and water shut-off valves, electrical service lines and parking areas. All plans must indicate adjacent streets and include a “north arrow” and the Licensee’s name.

SHADE STRUCTURES

*(Definition: A non-flammable frame covered on the top with a material designed to provide shade to aid in growing plants)*

1. Shade structures must maintain minimum spacing of 50 feet between shade structure locations, should be placed perpendicular to Licensor’s overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
  - a. 100 feet in length
  - b. 50 feet in width
  - c. 15 feet in height
2. Shade structures will not be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames and poles
  - d. 25-foot radius around anchors/guy wires, poles and wood poles
3. Shade structures must utilize the following design:
  - a. Temporary/slip joint construction only
  - b. Non-flammable frame only
  - c. Adequately grounded by a licensed electrical engineer
  - d. Shade covering must be non-flammable and manufactured with non-hydrocarbon materials.

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SHADEHOUSES/HOTHOUSES

*(Definition: A simple, non-flammable, enclosed structure designed to control temperature **without** the benefit of heating and/or air conditioning units to aid in propagating and/or growing plants)*

1. Shadehouses/hothouses must maintain minimum spacing of 50 feet between shadehouse/hothouse locations, should be placed in perpendicular to Licensor’s overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
  - a. 100 feet in length
  - b. 50 feet in width
  - c. 15 feet in height
2. Shadehouses/hothouses will not be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames and poles
  - d. 25-foot radius around anchors/guy wires, poles and wood poles
3. Shadehouses/hothouses must utilize the following design:
  - a. Temporary/slip joint construction only
  - b. Non-flammable frame only
  - c. Adequately grounded by a licensed electrical engineer
  - d. Covering must be non-flammable and manufactured with non-hydrocarbon materials

GREENHOUSES

*(Definition: An enclosed structure designed to control temperature and/or humidity by the use of heating and/or air conditioning units to aid in propagating and/or growing plants)*

Greenhouses will be considered on a case-by-case basis.

IRRIGATION SYSTEMS / WELLS

1. Maximum diameter of pipe: 3 inches
2. All pipe must be plastic Schedule 40 or better
3. No irrigation system will be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50 -foot radius around suspension tower legs, H-Frames and poles

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Licensor/Licensee

- c. 100-foot radius around dead-end tower legs, H-Frames and poles
- 4. Sprinkler and drip irrigation controllers must be located at the edge of the right of way
- 5. Suitable identification markers will be required on main controllers and valves
- 6. Locations of main shut off valve will be provided and shown on a plot plan
- 7. Underground facilities must have a minimum cover of three feet
- 8. Earth disturbed must be compacted to ninety percent (90%)

LANDSCAPING

- 1. No trees will be permitted under the overhead electrical conductors or within 20 feet of the “drip line” of the conductors
- 2. Trees must have slow to moderate growth, and must be of a variety that grows to a maximum height of only 40 feet and must be maintained by the Licensee at a height not to exceed 15 feet
- 3. Placement of large rocks (boulders) must be approved in writing by Licensor
- 4. Any mounds or change of grade must be approved in writing by Licensor
- 5. No cactus or thorny shrubs will be permitted
- 6. Retaining walls, planters, etc. may be considered on a case by case basis and must be approved in writing by Licensor

TRAILERS *(Definition: Removable / portable office modules are not permitted without Licensor’s prior permission. Trailers must meet the following criteria to be considered:* Trailers must meet the following criteria:

- a. Must have axles and wheel and be able to be moved
- b. Maximum length: 40 feet
- c. Maximum height: 15 feet
- d. Maximum width: 12 feet
- 2. No trailers will be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames and poles
  - d. 25-foot radius around anchors/guy wires, poles and wood poles
  - e. Under or within 10 feet of the conductor “drip lines”

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Licensor/Licensee

3. Sewer or gas lines to trailers must be approved in writing by Licensor
4. Location of all electrical and telephone lines must be approved in writing by Licensor
5. Electrical lines must be installed by a licensed -general contractor.
6. Trailers shall not be used for residential purposes
7. Toxic or flammable materials will not be permitted in trailers
8. Adequately grounded by a licensed -general contractor

PARKING AREAS

Parking areas should not be designed under the overhead electrical conductors or within 10 feet of the “drip lines” without Licensor’s prior written approval. Parking spaces to be identified under the approved site plan. “No Parking” striping may be required in areas where additional clearance is required.

MATERIAL STORAGE

1. If an emergency occurs, Licensee must immediately relocate all materials specified by Licensor to provide Licensor clear access to its facilities.
2. Licensee must provide Licensor with a list of material stored on the right of way
3. No toxic or flammable materials will be permitted
4. No materials shall be stored within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot wide access roads
  - b. 50 - foot radius around suspension tower legs, H-Frames and poles
  - c. 100 - foot radius around dead-end tower legs, H-Frames and poles
  - d. 25 feet from anchors/guy wires, poles and wood poles
5. Storage of materials not to exceed a maximum height of 15 feet
6. No storage of gasoline, diesel or any other type of fuel will be permitted
7. Any fencing around the storage areas must have Licensor’s prior written approval.

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Licensor/Licensee

ADDENDUM

**PARK USE**

- A. Licensee must obtain the prior written approval from Licensor for the installation of any improvements, including any subsequent modifications. Licensee will maintain all improvements in a safe condition satisfactory to Licensor.
- B. At any time, Licensor may require the removal, modification, or relocation of any portion of the improvements. Licensee will remove, modify, or relocate same, at its expense, to a location satisfactory to Licensor within sixty (60) days after receiving notice to remove, modify, or relocate from Licensor.
- C. Licensee must submit, for Licensor's prior written approval, complete improvement plans, including, but not limited to, grading, lighting, landscaping, grounding, and irrigation plans, that identify all existing and proposed improvements.
- D. At Licensee's expense, Licensee will post signs at all access points to the Property that read: "No Kite Flying, Model Airplanes, unmanned aerial vehicles (UAV's or Drones), or Metallic Balloons Permitted, High Voltage Wires Overhead."
- E. At Licensee's expense, Licensee will post signs at all access points of the Property that read: "No Motorcycles, Motorbikes, Horseback Riding or Hunting Permitted."
- F. At Licensee's expense, Licensee will post signs at all access points of the Property that read: "Dogs are required to be on leash at all times."
- G. Licensee must close the park at any time Licensor deems it necessary for the safety of the general public or for maintenance of Licensor's facilities. If it is necessary to close the park for a period of more than three days, Licensee will notify the general public of the closure by posting at all access points to the property.
- H. At Licensee's expense, Licensee will install removable post-type barriers designed to accommodate Licensor's locks, to prevent unauthorized vehicular use or parking, including but not limited to, motorcycles, off-road vehicles, and "all-terrain" vehicles.
- I. Trespass discouragers shall be installed on Licensor's towers. The discourager installation will be performed by Licensor. Licensee shall pay Licensor in advance, for all Licensor's direct and indirect costs associated with the engineering, purchase, and installation of the discouragers. All towers shall be equipped with signs so worded as to warn the public of the danger of climbing the towers. Such signs shall be placed and arranged so that they may be read from the four corners of the structure. Such signs shall be neither less than 8 feet nor more than 20 feet above the ground except where the lowest horizontal member of the tower or structure is more than 20 feet above the ground in which case the sign shall be not more than 30 feet above the ground.
- J. Licensee must design and construct all walkways, underground sprinkler systems, lighting facilities, and drains to be capable of withstanding a gross load of forty (40) tons on a three-axle vehicle.

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Licensor/Licensee

A D D E N D U M

**TREES**

1. Licensee agrees and accepts full responsibility for the maintenance and/or removal of existing trees/shrubs located on the licensed property. All costs associated with the maintenance and/or removal of trees/shrubs will be the sole burden of Licensee.
2. Periodically, the licensed area will be inspected by Licensor, and upon determination that any tree/shrub requires trimming or removal; Licensee will be notified and provided with a cost estimate for the required work to be done by Licensor’s contractor.
3. Licensee has the option of using Licensor’s contractor or choosing their own; however failure of Licensee to contact Licensor within 30 days of notice indicating their choice, will result in licensor’s contractor performing the work and billing Licensee for the costs. Should Licensee decide to perform the work, all work must be completed within 60 days of written notice. Failure to do so will result in Licensor’s contractor performing the work and billing Licensee.
4. Trees/shrubs will be maintained at maximum 15’ height limit. Failure to do so will require removal at Licensee’s expense.
5. Upon expiration or cancellation of License Agreement, or sale of your adjacent property to a new owner, Licensee agrees to remove all trees/shrubs at the sole expense of Licensee.
6. Unless authorized in writing by Licensor, Licensee agrees not to plant any additional trees/shrubs within licensed area.

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Licensor/Licensee

A D D E N D U M

**TREES/LANDSCAPING**

- A. Existing landscaping improvements (trees, plants, and shrubs) have been inspected and approved by Licensor. This written approval may be modified and/or rescinded by Licensor for any reason whatsoever.
- B. At any time, Licensor may require Licensee to modify and/or remove any or all such previously approved improvements at Licensee’s risk and expense and without any compensation from Licensor.
- C. Licensee agrees and accepts full responsibility for the maintenance and/or removal of all trees, plants, and shrubs (vegetation) located on the property. All costs associated with the maintenance and/or removal of trees/vegetation will be the sole burden of Licensee.
- D. Periodically, the Property will be inspected by Licensor, and upon determination that any tree/vegetation requires trimming or removal, Licensee will be notified by Licensor. Failure by Licensee to trim or remove said tree/vegetation in the time allotted, that results in Licensor’s contractor performing the work, Licensee will be billed by Licensor for the contractor’s expense; and Licensee may be subject to termination under the terms and conditions of the Permit or License.
- E. Trees/vegetation must be slow growing and maintained by Licensee to not exceed fifteen (15) feet in height.
- F. Failure by Licensee to maintain all permit or license clearance requirements will require removal at Licensee’s expense.
- G. Unless authorized in writing by Licensor, Licensee agrees not to plant any additional trees, plants, or shrubs within the Property. If additional authorization is requested by Licensee and prior written authorization is received by Licensor, no tree or plant species that is protected by federal or state law shall be planted within Licensor’s land and no cactus or thorny shrubs/plants will be permitted.
- H. Any improvements or alterations, including retaining walls, planters, placement of large rocks, etc. and any mounds or changes of grade, require prior written approval by Licensor.
- I. Licensee will keep the Property clean, free from weeds, rubbish and debris, and in a condition satisfactory to Licensor.
- J. Upon permit or license termination, Licensee agrees to remove all trees/vegetation and improvements and restore the Property to a condition satisfactory to Licensor, at the sole expense of Licensee.

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Licensor/Licensee



119' (TO EL SEGUNDO BOULEVARD)

SEPULVEDA BOULEVARD

119'

130'

130'

115'

PARCEL MAP NO. 17749  
M.B. 207/56-60  
PARCEL 1

THE LAKES AT EL SEGUNDO  
GOLF COURSE  
DRIVING RANGE

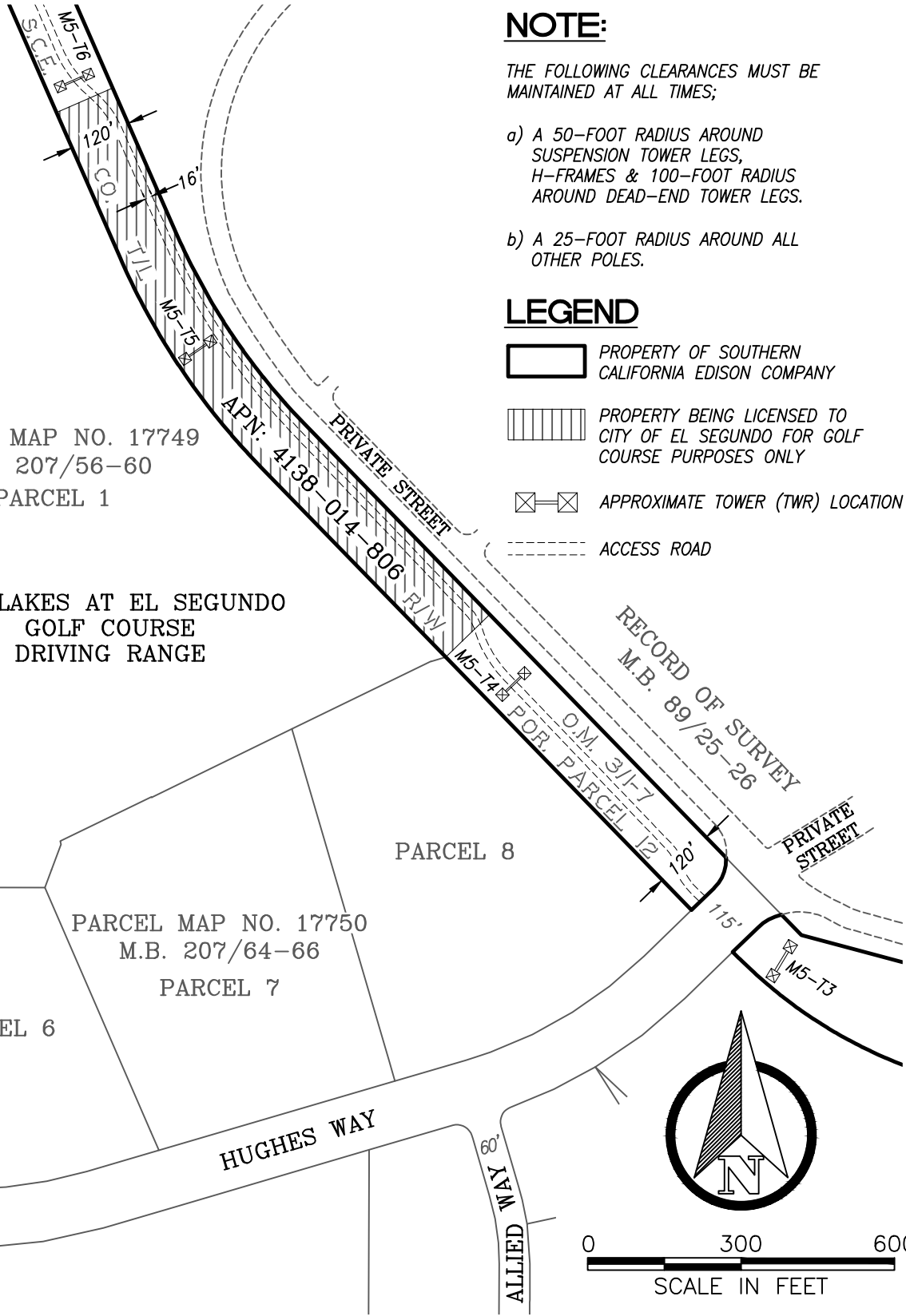
PARCEL MAP NO. 17750  
M.B. 207/64-66  
PARCEL 7

PARCEL 6

PARCEL 8

HUGHES WAY

ALLIED WAY



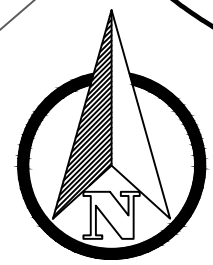
**NOTE:**

THE FOLLOWING CLEARANCES MUST BE MAINTAINED AT ALL TIMES;

- a) A 50-FOOT RADIUS AROUND SUSPENSION TOWER LEGS, H-FRAMES & 100-FOOT RADIUS AROUND DEAD-END TOWER LEGS.
- b) A 25-FOOT RADIUS AROUND ALL OTHER POLES.

**LEGEND**

- PROPERTY OF SOUTHERN CALIFORNIA EDISON COMPANY
- PROPERTY BEING LICENSED TO CITY OF EL SEGUNDO FOR GOLF COURSE PURPOSES ONLY
- APPROXIMATE TOWER (TWR) LOCATION
- ACCESS ROAD



**EXHIBIT "A"**

FACILITY NAME: EL NIDO - SEPULVEDA - CULVER 220 KV T/L R/W		LICENSED AREA (GROSS)	SQ.FT.: 156,380	AC.: 3.59
LICENSEE: CITY OF EL SEGUNDO		CONTRACT NO.: 9.7879	ACCOUNT NO.: N/A	
CITY: EL SEGUNDO	COUNTY: LOS ANGELES	STATE: CA	T.G.: 732/H2	M.S.: 049-082
APN(S): 4138-014-806		SCE DOCUMENT NO.: 56004/016		
SCE SANDERS MAP: 520580	SCE LAND BOOK: N/A	REF: 1991/EXHIBIT "A"		
R.P. LAND AGENT: F. ORTIZ	LANDBASE MAPPING: WESTLAND GROUP, INC.	CHECKED BY: N. MICHEL		
ORDER NO.: 801167420	NOT. NO.: 202715217	DATE: 03/08/2022	FILE NAME: 9.7879.DWG	





## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.9

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### **TITLE:**

Resolution Allowing Continued Teleconferenced Public Meetings

### **RECOMMENDATION:**

1. Approve the proposed resolution to continue the City's utilization of relaxed teleconferencing requirements under the Brown Act.

### **FISCAL IMPACT:**

The proposed action will have no significant fiscal impact.

### **BACKGROUND:**

Assembly Bill No. 361 ("AB 361") amended certain provisions of the Ralph M. Brown Act governing open meetings to allow teleconferencing, including internet-based video conferencing, in a manner similar to previously-issued gubernatorial executive orders. AB 361 allows a legislative body to continue utilizing teleconferencing to conduct public meetings under certain circumstances, provided it makes certain findings outlined in Government Code § 54953(e). Government Code § 54953(f) allows the municipal, but not state, legislative bodies to continue such teleconferencing until the earlier of the lifting of the Governor's state of emergency declaration or December 31, 2023, so long as certain findings are made every 30 days.

### **DISCUSSION:**

Since the Governor's state of emergency is still effective and the County of Los Angeles continues to strongly recommend certain masking and social distancing measures, the necessary findings can be made for the City Council to adopt the proposed Resolution allowing the continued use of "hybrid" teleconferenced meetings pursuant to Government Code §§ 54953(e) and 54953(f) for a period of 30 days from the date of adoption of the proposed Resolution.

**Teleconferencing Resolution**

**May 17, 2022**

**Page 2 of 2**

**CITY STRATEGIC PLAN COMPLIANCE:**

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

**PREPARED BY:**

Joaquin Vasquez, Assistant City Attorney

**REVIEWED BY:**

Mark Hensley, City Attorney

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

1. ES- Reso AB 361 Extension 05172022

**RESOLUTION NO. \_\_\_\_\_ -**

**A RESOLUTION OF THE CITY COUNCIL OF CITY OF EL SEGUNDO FINDING THAT CERTAIN CONDITIONS EXIST TO CONTINUE CONDUCTING PUBLIC MEETINGS VIA TELECONFERENCING PURUSANT TO GOVERNMENT CODE SECTION §§ 54953(e) AND 54953(f).**

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

**SECTION 1.** *Findings.* The City Council finds and declares as follows:

- A. On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of the COVID-19 pandemic and such State of Emergency has not been rescinded by either the Governor or the California Legislature.
- B. This gubernatorial proclamation, among other things, suspended local government emergency declaration, reporting, and extension requirements of Government Code § 8630 for the duration of the COVID-19 pandemic.
- C. Effective September 16, 2021, Assembly Bill No. 361 (“AB 361”) took effect which, among other things, amends certain provisions of the Ralph M. Brown Act (“Brown Act”) governing open meetings to allow teleconferencing, including internet-based video conferencing, in a manner similar to previously issued gubernatorial executive orders.
- D. During a proclaimed state of emergency, AB 361 allows a legislative body, like the City Council, to continue utilizing teleconferencing to conduct public meetings under certain circumstances, provided the legislative body makes certain findings.
- E. The City Council has previously adopted and made findings to continue meeting via teleconferencing pursuant to AB 361 and seeks to make additional findings under Government Code § 54953(e) to continue such teleconferencing use.
- F. The Los Angeles County Department of Public Health issued an order, effective March 4, 2022, that lifted its indoor mask order given the county’s coronavirus community level dropping into the “low” category, but maintained that masks are “strongly recommended” in indoor settings to prevent transmission of COVID-19.

**SECTION 2.** *Teleconferencing; Ratification.*

A. Pursuant to Government Code § 54953(e), the City Council has reconsidered the circumstances of the state of emergency finds as follows:

1. California continues to be in a declared state of emergency pursuant to Government Code § 8625 (the California Emergency Services Act; see Government Code § 54953(e)(3); see also Governor's Proclamation dated March 4, 2020 and Executive Order N-04-22 dated February 25, 2022); and
2. Based upon the most recent Order of the Health Officer for County of Los Angeles Department of Public Health (dated March 3, 2022 and effective March 4, 2022), masks are strongly recommended to curb the spread of COVID-19 (Government Code § 54953(e)(3)(B)(ii)).

B. Accordingly, to protect public health and safety the City Council:

1. Finds that it is in the public interest to conduct City Council meetings via teleconference as defined by Government Code § 54953;
2. Authorizes City Council members to appear at regular and special meetings in person; and
3. Authorizes public officials, designated by the City Manager, or designee, to attend such City Council meetings if presenting matters to the legislative body or if the official's presence at the meeting is otherwise deemed necessary by the City Manager or designee.

C. The City Council will adhere to all requirements of Government Code § 54953 governing teleconferencing during the emergency including, without limitation, posting agendas; allowing for real-time public comment via either call-in or internet-based; allowing for written communications that will be either read or summarized into the record during the meeting as determined by the City Council; and protecting the statutory and constitutional rights of all persons appearing before the legislative body.

**SECTION 3.** *Environmental Review.* This Resolution itself and the actions anticipated herein were reviewed pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the "CEQA Guidelines"). Based upon that review, this action is exempt from further review pursuant to CEQA Guidelines § 15269(a) because the protection of public

and private property is necessary to maintain service essential to the public, health and welfare.

**SECTION 4. Reporting.** Every 30 days following adoption of this Resolution, the City Council will reconsider the extension of the teleconferencing method of public meetings in accordance with Government Code § 54953(e)(3). Such determinations may be placed on the consent calendar.

**SECTION 5. Electronic Signatures.** This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

**SECTION 6. Signature Authority.** The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 7. Effective Date.** This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

**SECTION 8. City Clerk Actions.** The City Clerk will certify to the passage and adoption of this Resolution, enter it in the City’s book of original Resolutions, and make a record of this action in the meeting’s minutes.

PASSED AND ADOPTED this \_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Drew Boyles, Mayor

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, hereby certify that the whole number of members of the City Council of the City is five; that the foregoing Resolution No. \_\_\_\_\_ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the \_\_\_\_\_ day of \_\_\_\_\_, 2022, and the same was so passed and adopted by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Tracy Weaver, City Clerk

APPROVED AS TO FORM:  
MARK HENSLEY, CITY ATTORNEY

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Joaquin Vazquez, Deputy City Attorney



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.10

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### **TITLE:**

Convert the Communications Manager Classification from Civil Service to At-Will Status and Adopt Revised Classification Specification and Examination Plan

### **RECOMMENDATION:**

1. Approve the conversion of the Communications Manager classification from Civil Service to at-will status.
2. Adopt the revised classification specification and examination plan for the Communications Manager position.

### **FISCAL IMPACT:**

There is no budget impact associated with this item. Sufficient funding for the current fiscal year is available in the adopted budget. No change to the salary range for the position is required.

### **BACKGROUND:**

The Human Resources Department is committed to improving and enhancing recruitment, selection and retention initiatives using industry best practices. An evaluation of the classification specification, accompanying examination plan, and salary survey of comparable positions provides an opportunity to make any necessary adjustments while the position is vacant.

Currently, the Communications Manager is a Civil Service position requiring successful completion of a one-year probationary period to achieve permanent status and is included in the unrepresented Management and Confidential Group. The City has been converting Division Manager level classifications to an at-will status as positions become vacant. Consistent with this practice, staff is also recommending conversion of the Communications Manager.

The attached revised classification specification includes updated experience and



## **Communications Manager Classification**

**May 17, 2022**

**Page 2 of 3**

education requirements to align internally with other Manager positions within the city as well as standardized language and formatting. The experience requirement is updated from four (4) years to five (5) years of increasingly responsible experience in journalism, public relations, English, public administration, or closely related field; including two (2) years of management and supervisory experience. The education requirement for a bachelor's degree remains the same.

Currently, the examination plan consists a structured technical and career preparation interview weighted at 100% of the total score. This is an appropriate examination plan for a Division Manager level position and no changes are recommended. A salary survey conducted among our survey cities found the position is competitively compensated in the market and no changes to the salary range are recommended.

### **DISCUSSION:**

A Division Manager position holds a significant level of responsibility and is key in succession planning as an employee in this role has the potential to become a Department Director or gain further experience by rotating to another Manager position within the City. At-will status provides an incentive to maintain a higher level of performance and prepares an employee to progress in their career.

Staff is recommending converting the Communications Manager position from Civil Service to at-will to align with Division Manager positions in other departments. In reviewing the classification specification, updates are recommended to include the at-will designation and standardized language regarding driver's license and disaster service worker requirements.

Staff recommendations provided above align with the City's Strategic Plan Goals 1 and 3, to enhance customer service, provide unparalleled service to internal and external customers and to consistently hire for the future.

### **CITY STRATEGIC PLAN COMPLIANCE:**

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future,

## **Communications Manager Classification**

**May 17, 2022**

**Page 3 of 3**

with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

**PREPARED BY:**

Rebecca Redyk, Human Resources Director

**REVIEWED BY:**

Rebecca Redyk, Human Resources Director

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

1. Communications Manager Examination Plan
2. Communications Manager Classification Specification

# Examination Plan

## **Communications Manager (At-Will)**

Open-Competitive and/or Closed Promotional

Structured Technical and Career Preparation Interview                      Weighted 100%

May include a structured writing/analysis skills test; and/or other professional skills examination included within the overall applicant testing process, as may be deemed appropriate

## **Communications Manager (At-Will)**

**DEFINITION:** Under general supervision, is responsible for implementation of the City's communications plan. Incumbent will plan and administer the City's communications program, including: write and distribute press releases, public announcements, news articles, newsletters, bulletins, and other materials related to public relations; coordinate media, community outreach, and public information activities and events; coordinate and monitor placement of information on the City's communications channels; respond to public information related inquiries; and support citywide internal and external communications as assigned.

**SUPERVISION RECEIVED AND EXERCISED:** Receives general supervision from the Deputy City Manager. Supervises full-time and part-time staff in the Communications Division.

**ESSENTIAL JOB FUNCTIONS:** Essential functions, as defined under the Americans with Disabilities Act, may include the following duties and responsibilities, knowledge, skills and other characteristics. This list of duties and responsibilities is ILLUSTRATIVE ONLY and is not a comprehensive listing of all functions and tasks performed by positions in this class.

### **Characteristic Duties and Responsibilities:**

Positions in this classification typically perform a full range of duties at a level of complexity represented by the following types of responsibilities:

Plans, develops, executes, and manages the City's communications program, including community outreach, media relations, marketing, internal bulletins, newsletters, social media and website communications.

Implements the City's communications plan to advance the City's brand, image and positive identity; broaden awareness of its programs, initiative and priorities, and increase the visibility of messages and programs across key stakeholder audiences.

Develop citywide style guide and communications policies and procedures to ensure consistent and professional image of all City communication.

Provides support and guidance on issues of interest to the media, manages media contacts, assists departments and elected officials in responding to media inquiries, and in promoting city programs, services, events and policies.

Manages the City's portfolio of media tools, including press releases, speeches, website, and social media content. Prepares talking points, speeches, key messages, media alerts, public announcements, and other informational materials related to public relations, and communications.

Administers and oversees the coordination of requests from City departments for review and approval of their communications efforts. Provides assistance and guidance to departments' staff and ensures compliance with City guidelines and standards relating to communications and dissemination of information.

Gathers information and writes news releases, articles, and postings, which describe and highlight the City, including opportunities, accomplishments, and projects.

Develops and implements public relations strategy to ensure media coverage for City events,

City of El Segundo  
Communications Manager  
Class Code: 1303

services, and programs.

Develops, implements and maintains City presence on website and social media platforms.

Oversees City's presence on cable television access channels, including annual programming objectives and special video production requests.

Manages all activities related to public information, intergovernmental relations, neighborhood relations, cable and digital video programming, and City Council support.

Guides the development of various informational materials to promote and publicize programs, services, activities, and events, providing support with the effective presentation of program information, services, and activities, and assisting with media relations.

Identifies, analyzes, and evaluates emerging issues and activities and develops communications strategies to deal effectively with situations.

Regularly and predictably attends work.

Performs related duties as assigned.

### **KNOWLEDGE, SKILLS AND OTHER CHARACTERISTICS:**

To perform this job successfully, an individual must be able to perform each essential function. The requirements listed below are representative of the knowledge, skill, and/or ability required.

#### **Knowledge of:**

Principles and practices of public information, media relations, and media dynamics.

Techniques and methods relating to the dissemination of information. Knowledge of relevant organization and procedures of City government and community.

Trends and developments in information dissemination and social media. Media outlets and communication technology.

Writing and editing techniques.

English grammar, spelling, punctuation, and effective use of vocabulary.

Methods and techniques used in graphic arts, website design, and various media used in publicity.

#### **Skill in:**

Writing press releases, columns, newsletters, information flyers, website and social media content and letters.

Leadership and management of comprehensive strategic communications and marketing.

Technical proficiency in Content Management Systems and communications-related software services and platforms.

Gaining cooperation through discussion and persuasion.

Appearing for work on time.

Following directions from a supervisor.

Understanding and following posted work rules and procedures.

Accepting constructive criticism.

Working under pressure, handling significant problems and tasks that arise simultaneously or unexpectedly.

Establishing and maintaining effective working relationships with staff, other City employees and the public.

**QUALIFICATIONS:**

A combination of experience and training that would likely provide the required knowledge, skills and abilities may be qualifying. A typical way to obtain the knowledge and abilities would be:

**Experience:** Five (5) years increasingly responsible experience in journalism, public relations, English, public administration or a closely related field; including two (2) years of management and supervisory experience;

**Education:** Bachelor's degree in Communications, English, Media Studies or a related field.

Experience in a government agency is desirable.

**License/Certificates:** Due to the performance of some field duties which requires the operation of a personal or City vehicle, valid and appropriate California driver's license and acceptable driving record are required.

**Disaster Service Worker:** In accordance with Government Code Section 3100, City of El Segundo employees, in the event of a disaster, are considered disaster service workers and may be asked to respond accordingly.

The City of El Segundo is an Equal Opportunity Employer, committed to supporting Diversity, Equity and Inclusion initiatives to build and sustain an environment that values diversity, welcomes opportunities to engage and understand others, and fosters a sense of belonging.

Unrepresented Management and Confidential  
Revision Date: May 17, 2022  
December 12, 2019



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.11

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### **TITLE:**

A Resolution for Paying and Reporting the Value of Employer Paid Member Contribution for Police Managers' Association

### **RECOMMENDATION:**

1. Adopt Resolution for paying and reporting the value of Employer Paid Member Contribution for Police Managers' Association (PMA).

### **FISCAL IMPACT:**

There is no additional fiscal impact. The City has been paying and reporting its retirement contributions based on the current 3% Employer Paid Member Contribution as outlined in the PMA Memorandum of Understanding (MOU) that was adopted and approved by City Council on November 5, 2019.

### **BACKGROUND:**

The City contracts with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits. Retirement benefits are funded through employee and employer designated contributions. Employee contributions paid by an employer on the employee's behalf may be reported as additional compensation for "Classic" members (members enrolled in CalPERS prior to the Pension Reform Act of 2013). This benefit is known as Employer Paid Member Contributions (EPMC). The City and the PMA met and conferred and came to an agreement on the provisions reflected in the current MOU which included a schedule of percentages for City paid EPMC contributions. CalPERS requires that these EPMC percentages be adopted a City Council resolution.

### **DISCUSSION:**

Section 22.02 of the PMA MOU includes a schedule of yearly adjustments to the City paid EPMC resulting in a 0% contribution effective the pay period that includes October 1, 2022. Resolution No. 5257 adopted by City Council on April 20, 2021, included three

**Employer Paid Member Contribution for Police Managers' Association**

**May 17, 2022**

**Page 2 of 2**

of the four adjustments outlined in the MOU. The attached resolution reflects the final reduction. Upon City Council adoption, Human Resources will file the approved resolution with CalPERS.

**CITY STRATEGIC PLAN COMPLIANCE:**

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

**PREPARED BY:**

Rebecca Redyk, Human Resources Director

**REVIEWED BY:**

Rebecca Redyk, Human Resources Director

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

1. Resolution Paying and Reporting the Value of EPMC for PMA



**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTION FOR POLICE MANAGERS' ASSOCIATION**

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

SECTION 1: Recitals:

- A. The City Council of the City of El Segundo has the authority to implement Government Code Section 20636(c)(4) (special compensation) pursuant to Section 20691;
- B. The City Council of the City of El Segundo has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation; and
- C. One of the steps in the procedures to implement Section 20691 is the adoption by the City Council of the City of El Segundo of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); pursuant to CCR title 2 section 571(a)(1).

SECTION 2: Conditions. The City Council of the City of El Segundo has identified the following conditions for the purpose of its election to pay EPMC:

- A. This benefit shall apply to all "Classic" employees of the Police Managers' Association.
- B. This benefit shall consist of Employer paying 0% of the normal member contributions as EPMC and reporting the same percent (value) of the compensation earnable (excluding Government Code Section 20636(c)(4)) as additional compensation, effective September 24, 2022.
- C. The effective date of this Resolution shall be May 17, 2022.

SECTION 3: Election to Pay EPMC. The governing body of the City of El Segundo elects to pay EPMC, as set forth above.

SECTION 4: *Electronic Signatures.* This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 5: *Signature Authority.* The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 6: *City Clerk Actions.* The City Clerk will certify to the passage and adoption of this Resolution, enter it in the City's book of original Resolutions, and make a record of this action in the meeting's minutes.

SECTION 7: *Effective Date.* This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

**PASSED AND ADOPTED this \_\_\_ day of May, 2022. .**

\_\_\_\_\_  
Drew Boyles, 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 Resolution No. \_\_\_\_ was duly passed, approved and adopted by said City Council at a regular meeting held on the \_\_\_\_ day of May, 2022, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

MARL D. HENSLEY, CITY ATTORNEY

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Joaquin Vazquez, Deputy City Attorney



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Consent

Item Number: B.12

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### **TITLE:**

Fee Waiver for Boy Scout Troop 267 for Flag Day Retirement Ceremony at the Fire Circle in Recreation Park

### **RECOMMENDATION:**

1. Approve fee waiver for Boy Scout Troop 267 for a Flag Day Retirement Ceremony on Tuesday, June 14, 2022, from 5:30 p.m. - 9:00 p.m.

### **FISCAL IMPACT:**

The resident non-profit organization fee for use of the fire circle at Recreation Park for the timeframe of this event is \$141.75. If approved, this fee will not be collected.

### **BACKGROUND:**

The United States Flag Code states, "The flag, when it is in such condition that it is no longer a fitting emblem for display, should be destroyed in a dignified way, preferably by burning." In accordance with this guidance, local area Boy Scout Troops accept flags from residents and businesses to dispose of them with dignity. Each year on Flag Day, Troop 267 (or another local Troop) holds a ceremony at El Segundo Recreation Park to properly destroy flags that are no longer suitable for display.

### **DISCUSSION:**

The Boy Scouts perform this important community service at no charge and have received hundreds of flags from the El Segundo community to dispose of in a respectful manner. Boy Scout Troop 267 has requested the waiver of \$141.75 in fees to properly dispose of flags donated for destruction at a Flag Retirement Ceremony on Flag Day, June 14, 2022, at the fire circle in Recreation Park.

### **CITY STRATEGIC PLAN COMPLIANCE:**

**Recreation Park Fire Circle Fee Waiver**

**May 17, 2022**

**Page 2 of 2**

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

**PREPARED BY:**

Anjello Sotelo, Executive Assistant to City Manager

**REVIEWED BY:**

Barbara Voss, Deputy City Manager

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

None



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Staff Presentations

Item Number: D.13

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### **TITLE:**

Adoption of Classification Specification and Resolution to Establish the Basic Salary Range for the Job Classification of Lifeguard Trainee (Part-time)

### **RECOMMENDATION:**

1. Adopt the classification specification for the Lifeguard Trainee (Part-time) position.
2. Adopt a resolution establishing the basic salary range for the Lifeguard Trainee (Part-time) job classification.

### **FISCAL IMPACT:**

Sufficient funding is available in the adopted FY 21-22 budget. No additional funding is required.

### **BACKGROUND:**

Community Services Department programs and activities have been significantly impacted over the last two years due to the COVID-19 pandemic, resulting in fewer recreational classes being offered. Staffing needs during this time were reduced and the focus was to provide as many events as possible while adhering to safety precautions. Recruitment and retention for seasonal positions proved challenging.

As the City of El Segundo moves to restore recreational programming to pre-pandemic levels, addressing concerns related to attracting and retaining qualified part-time staff in the Recreation Division, specifically in the Lifeguard classification series, is a high priority. Human Resources and Community Services staff met to discuss these challenges and develop new strategies to recruit qualified part-time employees for the entry-level Lifeguard classification.

## **Lifeguard Trainee (Part-time) Classification**

**May 17, 2022**

**Page 2 of 3**

### **DISCUSSION:**

The Human Resources Department is committed to improving and enhancing recruitment, selection and retention initiatives with best practices. Attracting high caliber candidates, maintaining service levels while filling vacancies, and retaining the individual selected for the position are essential to providing long-term stability and uninterrupted service to our residents and business community.

The minimum requirements of the Lifeguard position include possession of American Red Cross certifications in the following areas: First Aid, CPR and AED for the Professional Rescuer, and Lifeguard. For candidates seeking immediate employment, the time and expense in obtaining these certifications can be a factor in their decision to apply. We are jointly recommending a Lifeguard Trainee position be created to provide a minimum wage while taking the necessary courses (taught by City of El Segundo staff) to obtain certification. In addition to the American Red Cross coursework, candidates would complete a Recreation Division orientation and work shifts alongside experienced staff to provide on-the-job training. As candidates progress through the program and become more confident in their skills, they may be appointed to the position of Lifeguard.

Attracting and retaining talent has become increasingly difficult post-pandemic, requiring more flexibility and creativity to fill positions. Offering a Trainee position is a solution-based strategy that addresses the qualifications gap, provides for a more expeditious hiring process, encourages employee retention through the Lifeguard classification series, and provides better service to the community while consistently hiring for the future.

### **CITY STRATEGIC PLAN COMPLIANCE:**

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

**Lifeguard Trainee (Part-time) Classification**

**May 17, 2022**

**Page 3 of 3**

**PREPARED BY:**

Rebecca Redyk, Human Resources Director

**REVIEWED BY:**

Rebecca Redyk, Human Resources Director

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

1. Lifeguard Trainee Classification Specification
2. Resolution Establishing Basic Hourly Salary Range



## **Lifeguard Trainee (Part-Time)**

**DEFINITION:** This is a trainee position designed to assess the skill set necessary to be a Lifeguard. Incumbents participate in a multi-day training program to learn how to properly perform swim rescues, provide emergency medical treatment; assist in the maintenance of facilities and equipment; and perform a variety of technical tasks relative to the assigned area of responsibility.

This seasonal, part-time, hourly, at-will position requires working mornings, afternoons, evenings, weekends, and holiday shifts. Attendance is mandatory at all training dates to obtain the required certifications. After successful completion of the program, the Lifeguard Trainee may be appointed to a Lifeguard position.

**SUPERVISION RECEIVED AND EXERCISED:** Receives supervision from the Aquatics Recreation Supervisor, Aquatics Recreation Coordinator, Senior Lifeguard, or other assigned supervisory staff.

**ESSENTIAL JOB FUNCTIONS:** Essential functions, as defined under the Americans with Disabilities Act, may include the following duties and responsibilities, knowledge, skills, and other characteristics. This list of duties and responsibilities is ILLUSTRATIVE ONLY and is not a comprehensive listing of all functions and tasks performed by positions in this class.

### **Characteristic Duties and Responsibilities:**

Attend mandatory training, education and seminars provided by the City of El Segundo Recreation Division;

Learn how to observe swimmers in the pool and the surrounding area;

Undergo written and physically administered tests necessary for certification;

Successfully complete and pass American Red Cross certification programs for First Aide, CPR and AED for the Professional Rescuer and Lifeguarding;

Provide first aid, CPR, and/or pool rescue skills as needed at the conclusion of the training program;

Learn how to perform preventative maintenance and repairs on facilities and equipment, including monitoring chemical balance in pools, backwashing pools, and related functions;

Maintain records on activities and operations; document information in logbooks;

Regularly and predictably attend work; and

Perform related duties as assigned.

### **KNOWLEDGE, SKILLS, AND OTHER CHARACTERISTICS:**

To perform this job successfully, an individual must be able to perform each essential function. The requirements listed below are representative of the knowledge, skill and/or ability required:

**Knowledge of:**

Principles and practices of basic pool lifeguarding and first aid; and

Swimming strokes and diving techniques.

**Skill in:**

Swimming with endurance and proficiency at a level necessary to perform assigned duties;

Learning American Red Cross methods and techniques required to become a Lifeguard;

Adequately pass written and physical examinations;

Performing a wide variety of swimming and diving skills;

Communicating clearly and concisely, both orally and in writing;

Handling stressful or sensitive situations with tact and diplomacy;

Appearing for work on time;

Following oral and written instructions;

Understanding and follow posted work rules and procedures;

Accepting constructive criticism; and

Establish and maintaining cooperative working relationships with those contacted in the course of work, specifically the public, staff, committee members and public officials.

**QUALIFICATIONS:** A combination of experience and training that would likely provide the required knowledge, skills and abilities may be qualifying. A typical way to obtain the knowledge and abilities would be:

**Experience:** Some experience working with the public and previous aquatics experience. Must be 15 years of age.

**Training:** Athletic conditioning as part of a school, traveling or other sports team and/or other athletic background in an individual sport or fitness pursuit.

**Please Note:** Individuals in this classification are required to successfully pass a background check that complies with Public Resources Code section 5164, which mandates that a city that hires a person to work at a park, playground, recreational center or beach, in a position having supervisory or disciplinary authority over a minor, shall complete an application that inquires whether that individual has been convicted of specified criminal offenses.

**Working Conditions:** Work is regularly performed indoors and outdoors in variable weather conditions. May be required to work a varied schedule, including days, evenings, weekends, and holidays. Required to wear a uniform while on duty.

CITY OF EL SEGUNDO

Class Code:

**Disaster Service Worker:** In accordance with Government Code Section 3100, City of El Segundo employees, in the event of a disaster, are considered disaster service workers and may be asked to respond accordingly.

The City of El Segundo is an Equal Opportunity Employer, committed to supporting Diversity, Equity, and Inclusion initiatives to build and sustain an environment that values diversity, welcomes opportunities to engage and understand others, and fosters a sense of belonging.

Unrepresented, Part-time, Hourly  
Established: May 17, 2022

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION ESTABLISHING BASIC HOURLY SALARY RANGE  
FOR A PART TIME JOB CLASSIFICATION**

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

**SECTION 1:** The City Council approves the following basic salary range:

Classification	Salary Range
Lifeguard Trainee (Part-time)	\$15.00 Hour

**SECTION 2:** *Authority.* The City Manager or his designee is authorized to take any steps necessary in order to effectuate this Resolution.

**SECTION 3:** *Construction.* This Resolution must be broadly construed in order to achieve the purposes stated in this Resolution. 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 Resolution.

**SECTION 4:** *Severability.* If any part of this Resolution 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 5:** *Electronic Signatures.* This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

**SECTION 6:** *Signature Authority.* The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

**SECTION 6:** *City Clerk Actions.* The City Clerk will certify to the passage and adoption of this Resolution, enter it in the City's book of original Resolutions, and make a record of this action in the meeting's minutes.

**SECTION 7:** *Effective Date.* This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 17th day of May, 2022.

\_\_\_\_\_  
Drew Boyles,  
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 Resolution No. \_\_\_\_ 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 \_\_\_\_\_, 2022, 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

\_\_\_\_\_  
Joaquin Vazquez, Deputy City Attorney



## City Council Agenda Statement

Meeting Date: May 17, 2022

Agenda Heading: Staff Presentations

Item Number: D.14

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### TITLE:

Staff Presentation and City Council Direction on a City Commercial Cannabis Tax Initiative and City Commercial Cannabis Regulatory Initiative

### RECOMMENDATION:

1. Receive and file a staff presentation regarding a proposed City Commercial Cannabis Tax Initiative, including an associated Cannabis Tax Ballot Resolution, and a proposed City Commercial Cannabis Regulatory Initiative.
2. Provide staff feedback and direction for both proposed initiatives.
3. Take any additional related action that may be desirable.

### FISCAL IMPACT:

No fiscal impact for FY 2021/22. If City Council provides direction to staff to move forward with a ballot measure addressing the Cannabis Tax, there will be election costs of approximately \$5,000 (\$2,513 for the County election and about \$2,487 for City Attorney and staff time) associated with each ballot measure included in the November 2022 election; sufficient funds will be included in the FY 2022-23 Budget. Additional comparable costs would be associated with the City Regulatory Initiative.

### BACKGROUND:

On April 19, 2022, the City Council adopted Resolution No. 5314, approving the City Clerk's certification of the sufficiency of the voter commercial cannabis regulatory initiative petition (the "Voter Initiative"), which was filed with the City Clerk on January 21, 2022. The City Council additionally moved to submit the Voter Initiative to the City's voters at the City's November 8, 2022 general municipal election. Finally, the City Council directed staff to craft:

- a commercial cannabis business tax measure for prospective submission to the voters at the same election ("Cannabis Business Tax "); and

## City Cannabis Initiatives

May 17, 2022

Page 2 of 5

- a City-initiated commercial cannabis regulatory initiative (“City Regulatory Initiative”) to compete with the Voter Initiative.

The purpose of this draft commercial cannabis tax ordinance ("Cannabis Business Tax") is to adopt a tax, for revenue purposes, pursuant to Sections 7284, and 7284.4 of the Revenue and Taxation Code, upon cannabis and hemp businesses that may engage in business in the City in the future should such activity be lawfully approved by voters through a ballot initiative. Approving to move forward with placing a Cannabis Business Tax on the November 2022 ballot will position the City to potentially assess and collect tax on commercial cannabis and commercial hemp activity should such commercial activity become legally permissible within El Segundo City limits at some point in the future. Having the tax measure on City books and ready to implement is good business practice.

On April 19, 2022, City Council provided staff direction to bring back additional information regarding the number of eligible parcels located in the M-1 Light Industrial Zone. Variables impacting eligibility to locate a cannabis retail establishment included proximity buffers to sensitive uses, a minimum 5,000 gross square foot facility size, and prohibition on major arterials.

### **DISCUSSION:**

#### **Cannabis Business Tax**

The draft Cannabis Business Tax is levied based upon business gross receipts except for commercial cannabis cultivation or commercial industrial hemp cultivation which shall be taxed on square footage. It is not a sales and use tax, a tax upon income, or a tax upon real property and shall not be calculated or assessed as such. The draft Cannabis Business Tax shall not be separately identified or otherwise specifically assessed or charged to any member, customer, patient, or caretaker. The draft Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's General Fund and be available for any lawful City purpose.

The intent of this draft Ordinance is to levy a tax on all cannabis or industrial hemp businesses that may operate in the City in the future, regardless of whether such business would have been legal at the time this chapter was adopted. Nothing in this chapter shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

Beginning January 1, 2023, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax. Such tax is payable regardless of whether the person has been issued a commercial cannabis business

## City Cannabis Initiatives

May 17, 2022

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license, permit, or certificate to operate lawfully in the City or is operating unlawfully. The City's acceptance of a cannabis business tax payment from a cannabis business operating illegally shall not constitute the City's approval or consent to such illegal operations.

The City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax. The City Council may, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal cannabis business tax, independent of other cannabis business tax activities. In addition, the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax on hemp or hemp products, including the initial rate of the tax on hemp or hemp products independent of other cannabis activities. Notwithstanding the foregoing, in no event shall the City Council repeal this tax or set any adjusted rate that exceeds the maximum rates calculated.

The maximum rate of the cannabis business tax shall be calculated as follows:

1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City through January 1, 2026, the annual maximum rate shall be:
  - A. Ten dollars (\$10.00) per square foot of canopy space in a facility that uses exclusively artificial lighting.
  - B. Seven dollars (\$7.00) per square foot of canopy space in a facility that uses a combination of natural and supplemental lighting as defined in Section 4-17-4 (S) of this chapter.
  - C. Four dollars (\$4.00) per square foot of canopy space in a facility that uses no artificial lighting.
  - D. Two dollars (\$2.00) per square foot of canopy space for any nursery.
2. On January 1, 2026 and on each January 1, thereafter, the maximum annual tax rates specified above (Subsection 4-17-5 (C) (1) (a)), shall increase by the percentage increase in the Consumer Price Index ("CPI") for consumers in the Los Angeles-Riverside-Orange County area as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.
3. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products the person shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts.
4. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, the person shall be subject to the maximum tax rate not to exceed six percent (6%) of gross receipts.



## City Cannabis Initiatives

May 17, 2022

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5. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, the person shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.
6. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 4-17-5 (C) (1), (2), (3), or (4) the person shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

Persons subject to the cannabis business tax shall register with the City and, if applicable, pay the registration fee adopted by resolution or ordinance by the City Council.

The total annual General Fund revenue expected to be generated by the proposed Cannabis Business Tax is between \$600,000 to \$900,000.

The proposed ballot language reads: To fund general municipal expenses such as police, fire, roads and recreation, shall the City tax cannabis or hemp businesses at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses; which is expected to generate an estimated \$600,000 to \$900,000 annually and will be levied until repealed by the voters or the City Council?

The attached proposed Cannabis Tax Ordinance and proposed Resolution approving a ballot measure are attached to this report. The proposed Ordinance and Resolution were drafted with the professional assistance of HdL. HdL has drafted well over 140 cannabis tax measures for municipalities in California. Their expertise on this subject matter was invaluable in determining the most appropriate recommendation to City Council for the various proposed tax rates for the City of El Segundo.

While the aforementioned tax rates are recommended by HdL and staff, the policy direction provided by City Council tonight will be incorporated into the final draft of the Ordinance and Resolution that will be brought back to City Council in June for approval.

Due to the Cannabis Business Tax measure being a proposed tax, State law requires a minimum of four out five City Council Members to approve the Cannabis Tax Ordinance and Resolution when it is brought back in June.

### **City Regulatory Initiative**

In order to determine eligible sites, the following variables require further analysis and direction:

#### Sensitive Use Definitions

Day Care Centers - Citizen Initiative and Health and Safety Code definition is consistent, to include a facility which includes infant centers, preschools, extended day care, and school age child care centers, but excludes family day care homes.

## **City Cannabis Initiatives**

**May 17, 2022**

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Youth Centers - Citizen Initiative includes parks, playgrounds or recreational areas, but excludes private martial arts, yoga, ballet, music, etc. studios. Health and Safety Code doesn't clearly include parks, but does include private youth member-based clubs or facilities.

Location

Zoning - City Regulatory Initiative to limit the location of retail establishments to the M-1 Light Industrial Zone.

Development Standards

Minimum Size - City Regulatory Initiative to require retail establishments to be located in facilities no less than 5,000 gross square feet.

Buffer - City Regulatory Initiative to require retail establishments to not be located along any Major Arterial, as defined by the El Segundo General Plan, Circulation Element.

Staff will provide additional information regarding feasible locations during its presentation of this item.

### **Next Steps**

Based on the City Council's direction regarding the City Cannabis Tax and the City Regulatory Initiative, City staff will finalize the text of both measures. In June, the measures will be presented for City Council consideration of submission of either or both to the City's voters at the November 8, 2022 general municipal election.

### **CITY STRATEGIC PLAN COMPLIANCE:**

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

#### **PREPARED BY:**

Joseph Lillio, Chief Financial Officer

#### **REVIEWED BY:**

Joseph Lillio, Chief Financial Officer

#### **APPROVED BY:**

Barbara Voss, Deputy City Manager

### **ATTACHED SUPPORTING DOCUMENTS:**

1. El Segundo Tax Ordinance 4.30.22
2. El Segundo Cannabis Business Tax Ballot Resolution 4.30.22

**EXHIBIT A**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF EL SEGUNDO, CALIFORNIA  
ADDING CHAPTER 17 (CANNABIS BUSINESS TAX) TO TITLE 4, OF  
THE EL SEGUNDO MUNICIPAL CODE ESTABLISHING A TAX ON  
CANNABIS AND HEMP BUSINESS ACTIVITIES WITHIN THE CITY**

**THE PEOPLE OF THE CITY OF EL SEGUNDO DO ORDAIN AS FOLLOWS:**

**SECTION 1. CODE AMENDMENT.** Chapter 17 is added to Title 4, of the El Segundo City Municipal Code to read as follows:

**CHAPTER 17**

- 4-17-1 Title.
- 4-17-2 Authority and purpose.
- 4-17-3 Intent.
- 4-17-4 Definitions.
- 4-17-5 Tax imposed.
- 4-17-6 Registration, reporting, and remittance of tax.
- 4-17-7 Payments and communications –timely remittance.
- 4-17-8 Payment – when taxes deemed delinquent.
- 4-17-9 Notice not required by City.
- 4-17-10 Penalties and interest.
- 4-17-11 Refunds and credits.
- 4-17-12 Refunds and procedures.
- 4-17-13 Personal cultivation not taxed.
- 4-17-14 Administration of the tax.
- 4-17-15 Appeal procedure.
- 4-17-16 Enforcement –action to collect.
- 4-17-17 Apportionment.
- 4-17-18 Constitutionality and legality.
- 4-17-19 Audit and examination of premises and records.
- 4-17-20 Other licenses, permits, taxes or charges.
- 4-17-21 Payment of tax does not authorize unlawful business.
- 4-17-22 Deficiency determinations.
- 4-17-23 Failure to report – nonpayment, fraud.
- 4-17-24 Tax assessment –notice requirements.
- 4-17-25 Tax assessment – hearing, application, and determination.
- 4-17-26 Relief from taxes-disaster relief.
- 4-17-27 Conviction for violation – taxes not waived.
- 4-17-28 Violation deemed misdemeanor.
- 4-17-29 Severability.
- 4-17-30 Remedies cumulative.

4-17-31 Amendment or modification.

**4-17-1 Title.**

This ordinance shall be known as the Cannabis Business Tax Ordinance. This ordinance shall be applicable in the City of El Segundo, California which shall be referred to herein as "City."

**4-17-2 Authority and Purpose.**

The purpose of this Ordinance is to adopt a tax, for revenue purposes, pursuant to Sections 7284, and 7284.4 of the Revenue and Taxation Code, upon cannabis and hemp businesses that engage in business in the City. The Cannabis Business Tax is levied based upon business gross receipts except for commercial cannabis cultivation or commercial industrial hemp cultivation which shall be taxed on square footage. It is not a sales and use tax, a tax upon income, or a tax upon real property and shall not be calculated or assessed as such. The Cannabis Business Tax shall not be separately identified or otherwise specifically assessed or charged to any member, customer, patient, or caretaker. The Cannabis Business Tax is a general tax enacted solely for general, governmental purposes of the City and not for specific purposes. All of the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any lawful City purpose.

**4-17-3 Intent.**

The intent of this Ordinance is to levy a tax on all cannabis or industrial hemp businesses that operate in the City, regardless of whether such business would have been legal at the time this chapter was adopted. Nothing in this chapter shall be interpreted to authorize or permit any business activity that would not otherwise be legal or permissible under laws applicable to the activity at the time the activity is undertaken.

**4-17-4 Definitions.**

The following words and phrases shall have the meanings set forth below when used in this chapter:

- A. An "arm's length transaction" is a sale entered into in good faith and for valuable consideration at a sales price that reflects the fair market value in the open market between two informed and willing parties, neither under any compulsion to participate in the transaction.
  
- B. "Business" shall include all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

- C. "Calendar year" means January 1 through December 31, of the same year.
- D. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" shall not include "industrial hemp," unless otherwise specified.
- E. "Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Cannabis product" also means cannabis products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medicinal cannabis products.
- F. "Canopy" means all areas occupied by any portion of a cannabis or industrial hemp plant whether contiguous or noncontiguous on any one site. When plants occupy multiple horizontal planes (as when plants are placed on shelving above other plants) each plane shall be counted as a separate canopy area.
- G. "Cannabis business" means any business activity involving cannabis or industrial hemp, including but not limited to cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, testing, dispensing, retailing, and wholesaling of cannabis, cannabis products, industrial hemp, industrial hemp products or of ancillary products and accessories, whether or not carried on for gain or profit.
- H. "Cannabis business tax" means the tax due pursuant to this chapter for engaging in a cannabis business in the City.
- I. "Commercial cannabis cultivation" means cultivation of cannabis or industrial hemp undertaken in the course of conducting a cannabis business.
- J. "Commercial cannabis permit" means a permit, license, certificate, or other approval issued by the City to a person to authorize that person to operate a cannabis business or engage in business as a cannabis business within the City.
- K. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp and includes, but is not limited to, the operation of a nursery.
- L. "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager, or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.

M. “Engaged in business as a cannabis business” means the commencing, conducting, operating, managing, or carrying on of a cannabis business, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person shall be deemed engaged in business within the City if:

1. Such person or person’s employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
2. Such person or person’s employee owns or leases real property within the City for business purposes;
3. Such person or person’s employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;
4. Such person or person’s employee regularly conducts solicitation of business within the City; or
5. Such person or person’s employee performs work or renders services in the City.

The foregoing specified activities shall not be a limitation on the meaning of “engaged in business.”

N. “Evidence of doing business” means evidence such as, without limitation, use of signs, circulars, cards, or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a cannabis business in the City.

O. “Fiscal year” means July 1, through June 30, which is the period used by the City for financial reporting and budgeting.

P. “Gross Receipts,” except as otherwise specifically provided, means, whether designated as a sales price, royalty, rent, membership fee, ATM service fee, delivery fee, slotting fee, any other fee, vaping room service charge, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, services and property of any kind or nature) received or payable for sales of goods, wares or merchandise, or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. In the event the business is involved in a “non-arms” length transaction the gross receipts will be subject to the fair market value using a methodology approved by the Tax Administrator. However, the following shall be excluded from Gross Receipts:

1. Cash discounts were allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
4. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;
5. Cash value of sales, trades or transactions between departments or units of the same business located in the City of El Segundo and if authorized by the Tax Administrator in writing in accordance with Section 4-17-14 (B);
6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;
7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded;
8. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the Tax Administrator with the names and the addresses of the others, and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees;
9. Retail sales of non-cannabis products, such as t-shirts, sweaters, hats, stickers, key chains, bags, books, posters, rolling papers, cannabis accessories such as pipes, pipe screens, vape pen batteries (without cannabis or industrial hemp) or other personal tangible property which the Tax Administrator has excluded in writing by issuing an administrative ruling per Section 4-17-14 shall not be subject to the cannabis business tax under this chapter.
10. Payments made by the tax-reporting cannabis business (Seller) to a cannabis business (Buyer) for the difference in the original acquisition price and subsequent renegotiated or finalized selling price of products or services sold to a specific end customer. This type of transaction is referred to as a "Billback". The tax-reporting

cannabis business must provide supporting documentation to substantiate the transaction in order to be eligible for an exemption.

11. Any business which sells industrial hemp and/or hemp products or offers services or activities related to industrial hemp or hemp products and /or which is not required to obtain a cannabis or industrial hemp permit or license from the City or the State for the purpose of cultivating, growing, drying, curing, manufacturing, processing, packaging, transporting, distributing, testing or selling of industrial hemp either wholesale or retail shall be exempt from the cannabis tax provided that such business does not generate more than 50% of their total gross receipts in the reporting period from the business from industrial hemp activities. However, the exemption may be amended by the City Council by resolution or ordinance pursuant to Section 4-17-5 (B) to increase or decrease the percentage of the business's hemp and/or hemp products gross receipts reporting from zero to one hundred percent. To the extent the gross receipts from the hemp activities do not meet the relevant percentage to be included, this exclusion shall reduce the gross receipts to zero for the sole purpose of calculating the cannabis tax.

Q. "Industrial hemp" means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom. However, should the federal or state legislative body increase or decrease the percentage of tetrahydrocannabinol (THC) then this new limit shall be applicable to the tax unless modified by resolution or ordinance of the City Council pursuant to Section 4-17-31.

R. "Industrial hemp products" means any raw hemp that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Hemp product" also means hemp products as defined by Section 11018.5 of the California Health and Safety Code.

S. "Lighting" means a source of light that is primarily used for promoting the biological process of plant growth. Lighting does not include sources of light that primarily exist for the safety or convenience of staff or visitors to the facility, such as emergency lighting, walkway lighting, or light admitted via small skylights, windows, or ventilation openings.

T. "Medicinal cannabis" or "medicinal cannabis product" means cannabis or a cannabis product, intended to be sold or sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, for a medicinal cannabis patient in California who possesses a physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71.

U. "Nursery" means a facility or part of a facility that is used only for producing clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis or industrial hemp.



V. A "non-arm's length transaction" is a transaction that does not meet the definition of an "arm's length transaction." In other words, the transaction is not a sale entered into in good faith and that reflects fair market value in the open market. One example of a non-arm's length transaction would be when a cultivator sells cannabis goods to a cannabis distributor at a sales price that is lower than what the same cultivator would to other cannabis distributors, or which does not reflect the fair market value in the open market.

W. "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

X. "Processing" means a cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis, industrial hemp and nonmanufactured cannabis products.

Y. "Retailer" means a person as defined in Section 4-17-4 (W) who sells cannabis, cannabis products, hemp and/or hemp products at their place of business or by delivery to an end user or customer for use or consumption rather than to another person or business for resale.

Z. "Sale" "Sell" and "to sell" means and includes any sale, exchange, or barter either as a retailer or wholesaler by a person as defined by Section 4-17-4 (W) . It shall also mean any transaction whereby, for any consideration, title to cannabis, cannabis products, industrial hemp and/or industrial hemp products are transferred from one person to another and includes the delivery of cannabis, cannabis products, industrial hemp and/or industrial hemp products pursuant to an order placed for the purchase of the same, but does not include the return of cannabis, cannabis products, industrial hemp and/or industrial hemp products to the licensee from whom the cannabis, cannabis product, industrial hemp and/or industrial hemp product was purchased.

AA. "State" means the State of California.

AB. "State license," "license," or "registration" means a state license issued pursuant to California Business & Professions Code Section 26050, and all other applicable state laws, required for operating a cannabis business.

AC. "Tax Administrator" means the **City Manager** of the City of El Segundo or his/her designee(s).

AD. "Testing Laboratory" means a cannabis business that (i) offers or performs tests of cannabis, cannabis products, industrial hemp and/or industrial hemp products (ii) offers no service other than such tests, (iii) sells no products, excepting only testing supplies and materials, (iv) is accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state and (v) is registered with the Department of Cannabis Control or other state agency.

**4-17-5 Tax Imposed.**

- A. Beginning January 1, 2023, there is imposed upon each person who is engaged in business as a cannabis business a cannabis business tax. Such tax is payable regardless of whether the person has been issued a commercial cannabis business license, permit, or certificate to operate lawfully in the City or is operating unlawfully. The City's acceptance of a cannabis business tax payment from a cannabis business operating illegally shall not constitute the City's approval or consent to such illegal operations.
  
- B. The City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax, including the initial rate of cannabis business tax. The City Council may, by resolution or ordinance, increase or decrease the rate of the medicinal cannabis business tax, including the initial rate of the medicinal cannabis business tax, independent of other cannabis business tax activities. In addition, the City Council may, by resolution or ordinance, increase or decrease the rate of the cannabis business tax on hemp or hemp products, including the initial rate of the tax on hemp or hemp products independent of other cannabis activities. Notwithstanding the foregoing, in no event shall the City Council repeal this tax or set any adjusted rate that exceeds the maximum rates calculated pursuant to this chapter.
  
- C. The maximum rate of the cannabis business tax shall be calculated as follows:
  - 1. For every person engaged in commercial cannabis cultivation, including cultivation of industrial hemp, in the City:
    - a. Through January 1, 2026, the annual maximum rate shall be:
      - i. Ten dollars (\$10.00) per square foot of canopy space in a facility that uses exclusively artificial lighting.
      - ii. Seven dollars (\$7.00) per square foot of canopy space in a facility that uses a combination of natural and supplemental lighting as defined in Section 4-17-4 (S) of this chapter.
      - iii. Four dollars (\$4.00) per square foot of canopy space in a facility that uses no artificial lighting.
      - iv. Two dollars (\$2.00) per square foot of canopy space for any nursery.
  
    - b. On January 1, 2026 and on each January 1, thereafter, the maximum

annual tax rates specified in Subsection 4-17-5 (C) (1) (a), shall increase by the percentage increase in the Consumer Price Index (“CPI”) for consumers in the Los Angeles-Riverside-Orange County area as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any tax imposed by this subsection shall be made.

2. For every person engaged in the operation of a testing laboratory for cannabis, cannabis products, industrial hemp and/or industrial hemp products the person shall be subject to the maximum tax rate not to exceed two percent (2%) of gross receipts.

3. For every person engaged in retail sales of cannabis, cannabis products, industrial hemp, and/or industrial hemp products, including as a retailer (dispensary) or non-storefront retailer (retail delivery business), or microbusiness, the person shall be subject to the maximum tax rate not to exceed six percent (6%) of gross receipts.

4. For every person engaged in distribution of cannabis, cannabis products, industrial hemp and/or industrial hemp products, the person shall be subject to the maximum tax rate not to exceed three percent (3%) of gross receipts.

5. For every person engaged in manufacturing or processing of cannabis, cannabis products, industrial hemp and/or industrial hemp products, or any other type of cannabis business not described in Section 4-17-5 (C) (1), (2), (3), or (4) the person shall be subject to the maximum tax rate not to exceed four percent (4%) of gross receipts.

D. Persons subject to the cannabis business tax shall register with the City and if applicable pay the registration fee adopted by resolution or ordinance by the City Council.

#### **4-17-6 Registration, reporting and remittance of tax.**

A. Registration of Cannabis Business. All cannabis businesses shall be required to annually register as follows:

1. All persons engaging in business as a cannabis business, whether an existing, newly established or acquired business shall register with the Tax Administrator within thirty (30) calendar days of commencing operation and shall annually renew such registration within 30 calendar days of the business registration anniversary date of each year thereafter. In registering, such persons shall furnish to the Tax Administrator a sworn statement, upon a form prescribed by the Tax Administrator, setting forth the following information:

- i. The name of the business
  - ii. The names and addresses of each owner
  - iii. The exact nature or kind of business;
  - iv. The place where such business is to be carried on; and
  - v. Any additional information which the Tax Administrator may require.
- B. An annual registration fee in accordance with the current and approved City fee schedule shall be presented with the sworn statement submitted under this chapter. **This fee shall not be considered a tax as described in Section 4-1-4** and may be adjusted annually by resolution or ordinance of the City Council.
- C. The cannabis business tax imposed by this chapter shall be paid, in arrears, on a monthly basis. Each person owing a cannabis business tax shall on or before the last day of the month following the close of each month file with the Tax Administrator a statement (“tax statement”) of the tax owed for that calendar month and the basis for calculating that tax. The Tax Administrator may require that the tax statement be submitted on a form prescribed by the Tax Administrator. The tax for each calendar month shall be due and payable on the same date that the tax statement is due.
- D. Upon cessation of a cannabis business, tax statements and payments shall be immediately due for all calendar months up through the calendar month during which cessation occurred.
- E. In the event that there is a change in ownership of any cannabis business:
  - a. The new owner is required to submit an updated registration form to the Tax Administrator;
  - b. The new owner is subject to an audit by the Tax Administrator; and
  - c. Unless otherwise provided by law, it is the joint and several liability of both the seller and buyer to remit any taxes, interest, penalties, and fees due up until the date of sale; otherwise, enforcement action may be taken pursuant to Section 4-17-16 of this chapter against both the seller and/or buyer in an amount to be determined by the Tax Administrator.
- F. The Tax Administrator may, at his or her discretion, establish alternative reporting and payment periods for any taxpayer as the Tax Administrator deems necessary to ensure effective collection of the cannabis business tax. The Tax Administrator may also require that a deposit, to be applied against the taxes for a calendar month, be made by a taxpayer at the beginning of that calendar month. In no event shall the deposit required by the Tax Administrator exceed the tax amount

he or she projects will be owed by the taxpayer for the calendar month. The Tax Administrator may require that a taxpayer make payments via a cashier's check, money order, wire transfer, or similar instrument.

**4-17-7 Payments and communications – timely remittance.**

Whenever any payment, statement, report, request, or other communication is due, it must be received by the Tax Administrator on or before the due date. A postmark will not be accepted as timely remittance. If the due date would fall on a Saturday, Sunday or a holiday observed by the City, the due date shall be the next regular business day on which the City is open to the public.

**4-17-8 Payment - when taxes deemed delinquent.**

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not received by the Tax Administrator on or before the due date as specified in Sections 4-17-6 and 4-17-7.

**4-17-9 Notice not required by the City.**

The City may as a courtesy send a tax notice to the cannabis business which owes the City a cannabis business tax. However, the Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter. Failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

**4-17-10 Penalties and interest.**

A. Any person who fails or refuses to pay any cannabis business tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent (10%) of the amount of the tax, in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1%) per month.
2. If the tax remains unpaid for a period exceeding one calendar month beyond the due date, an additional penalty equal to twenty-five percent (25%) of the amount of the tax, plus interest at the rate of one percent (1%) per month on the unpaid tax and on the unpaid penalties.
3. Interest shall be applied at the rate of one percent (1%) per month on the first day of the month for the full month and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

B. Whenever a check or electronic payment is submitted in payment of a cannabis business tax and the payment is subsequently returned unpaid by the bank for any reason, the

taxpayer will be liable for the tax amount due plus any fees, penalties, and interest as provided for in this chapter, and any other amount allowed under state law.

C. The Tax Administrator may waive the penalties imposed upon any person under this Section 4-17-10 if:

1. The person requests a waiver of penalties by submitting a written request for waiver to the Tax Administrator no later than June 30 of the second fiscal year following the fiscal year in which the tax became delinquent; and

2. The person provides evidence satisfactory to the Tax Administrator that the failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect; and the person paid the delinquent taxes, penalties, accrued interest, and fees owed prior to applying to the Tax Administrator for a waiver.

D. The waiver provisions specified in Section 4-17-10 (C) shall not apply to interest accrued on the delinquent taxes and a waiver shall be granted only once during any twenty-four month period. The Tax Administrator's decision on a request for a waiver of penalties is final and conclusive and not subject to appeal under Section 4-17-15.

#### **4-17-11 Refunds and credits.**

A. No refund shall be made of any tax collected pursuant to this chapter, except as provided in Section 4-17-12.

B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of a business.

#### **4-17-12 Refunds and procedures.**

A. Whenever the amount of any cannabis business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously collected or received by the City under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund signed under the penalty of perjury is filed with the Tax Administrator within one (1) year of the date the tax was originally due or paid, whichever came first. A person may only file a claim for refund if the person paid the tax. No person shall be entitled to a refund unless the person can support the claim by written records sufficient to show entitlement thereto. The Tax Administrator's decision on a claim for refund is final and conclusive and not subject to appeal under Section 4-17-15.

B. The Tax Administrator, his or her designee which may include a third party, or any other City officer charged with the administration of this chapter shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after requested by the Tax

Administrator to do so. The Tax Administrator may collect a fee adopted by resolution by the City Council to pay for the cost of examination and audit should the books and records be provided in a form insufficient to allow the Tax Administrator to make a determination on the claim for refund.

C. In the event that the cannabis business tax was erroneously paid in an amount in excess of the tax due, and the error is attributable to the City, the City shall refund the amount of tax erroneously paid; provided that (i) a claim for refund has been timely filed with the Tax Administrator; and (ii) the refund cannot exceed, under any circumstance, the amount of tax overpaid during the twelve months preceding the last month for which the claim states the tax was overpaid.

**4-17-13 Personal Cultivation Not Taxed.**

The provisions of this chapter shall not apply to personal cannabis cultivation or personal use of cannabis, to the extent those activities are authorized in the “Medicinal and Adult Use Cannabis Regulation and Safety Act,” as may be amended. This chapter shall not apply to personal use of cannabis that is specifically exempted from state licensing requirements, that meets the definition of personal use or equivalent terminology under state law, and provided that the individual receives no compensation whatsoever related to that personal cultivation or use.

**4-17-14 Administration of the tax.**

A. It shall be the duty of the Tax Administrator to collect the taxes, interest, penalties, fees, and perform the duties required by this chapter.

B. For purposes of administration and enforcement of this chapter generally, the Tax Administrator may from time to time promulgate such administrative interpretations, rules, and procedures consistent with the purpose, intent, and express terms of this chapter as he or she deems necessary to implement or clarify such provisions or aid in enforcement.

C. The Tax Administrator may take such administrative actions as needed to administer the cannabis business tax, including but not limited to:

1. Provide to all cannabis business taxpayers forms for the reporting of the tax;
2. Provide information to any taxpayer concerning the provisions of this chapter;
3. Receive and record all taxes remitted to the City as provided in this chapter;
4. Maintain records of taxpayer reports and taxes collected pursuant to this chapter;
5. Assess penalties and interest to taxpayers pursuant to this chapter;
6. Determine amounts owed under and enforce collection pursuant to this chapter.

**4-17-15**                      **Appeal procedure.**

A taxpayer aggrieved by a decision of the Tax Administrator with respect to the amount of tax, interest, penalties, and fees, if any, due under this chapter may appeal only if a hearing was requested and attended pursuant to Section 4-17-25. An appeal may be made by filing a notice of appeal with the City Clerk within thirty (30) calendar days of the serving or mailing of the Tax Administrator’s decision of the amount due. Upon receipt of a timely notice of appeal, the City Clerk, or his or her designee, shall fix a time and place for hearing such appeal with a **hearing officer or other appointed body by the City Council**. The City Clerk, or his or her designee, shall give at least ten (10) calendar days’ notice of the appeal hearing in writing to such taxpayer at the last known place of address. The hearing officer shall render a written decision that shall be served on the taxpayer at the last known place of address. The decision of the hearing officer shall be final and conclusive. Any amount found to be due by the hearing officer shall be immediately due and payable upon the service of the decision. If no notice of appeal is filed within the time prescribed in this Section, the Tax Administrator’s decision with respect to the amount of tax, interest, penalties, and fees due is final and conclusive.

**4-17-16**                      **Enforcement - action to collect.**

A. Any taxes, interest, penalties, and/or fees required to be paid under the provisions of this chapter shall be deemed a debt owed to the City. Any person owing money to the City under the provisions of this chapter shall be liable in an action brought in the name of the City for the recovery of such debt. The provisions of this chapter shall not be deemed a limitation upon the right of the City to bring any other action including criminal, civil and equitable actions, based upon the failure to pay the tax, interest, penalties, and/or fees imposed by this chapter or the failure to comply with any of the provisions of this chapter.

**4-17-17**                      **Apportionment.**

If a person subject to the tax is operating both within the City and outside the City, it is the intent of the City to apply the cannabis business tax so that the measure of the tax fairly reflects the proportion of the taxed activity actually carried on in the City. To the extent federal or state law requires that any tax due from any taxpayer be apportioned, the taxpayer may indicate said apportionment on his or her tax return. The Tax Administrator may promulgate administrative procedures for apportionment as he or she finds useful or necessary.

**4-17-18**                      **Constitutionality and legality.** This tax is intended to be applied in a manner consistent with the United States and California Constitutions and state law. None of the tax provided for by this chapter shall be applied in a manner that causes an undue burden upon interstate commerce, a violation of the equal protection or due process clauses of the Constitutions of the United States or the State of California or a violation of any other provision of the California Constitution or state law. If a person believes that the tax, as applied to him or her, is impermissible under applicable law, he or she may request that the Tax Administrator release him or her from the obligation to pay the impermissible portion of the tax.



**4-17-19****Audit and examination of premises and records.**

A. For the purpose of ascertaining the amount of cannabis business tax owed or verifying any representations made by any taxpayer to the City in support of his or her tax calculation, the Tax Administrator or his/her designees which may include a third party shall have the power to inspect any location where commercial cannabis activity occurs and to audit and examine all books and records (including, but not limited to bookkeeping records, access to METRC data, and/or point-of-sale data, state and/or federal income tax returns, excise tax returns, and other records relating to the gross receipts of the business) of persons engaged in cannabis businesses. In conducting such investigation, the Tax Administrator, or his/her designees which may include a third party shall have the power to inspect any equipment, such as computers, METRC data access and/or point of sale systems, that may contain such records.

B. It shall be the duty of every person liable for the collection and payment to the City of any tax imposed by this chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the City, which records the Tax Administrator or his/her designee which may include a third party shall have the right to inspect at all reasonable times.

**4-17-20****Other licenses, permits, taxes, fees, or charges.**

A. Nothing contained in this chapter shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any commercial cannabis permit, City license, permit, or other certificate required by, under or by virtue of any provision of any other Chapter of this code or any other ordinance or resolution of the City, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required under any other Chapter of this code or any other ordinance or resolution of the City. Any references made or contained in any other Chapter of this code to any licenses, permits, certificates, taxes, fees, or charges, or to any schedule of license, permit, certificate, or fees, shall be deemed to refer to the licenses, permits or certificates, and their respective taxes, fees or charges, or schedule of fees, provided for in other Chapters of this code.

B. A commercial cannabis permit issued under the El Segundo Municipal Code may be revoked, suspended or not renewed in the event that the business holding that permit has failed to (i) make a deposit required by the Tax Administrator pursuant to Section 4-17-6 or (ii) timely pay all taxes, interest and penalties owed by that business under this chapter.

**4-17-21****Payment of tax does not authorize unlawful business.**

A. The payment of a cannabis business tax required by this chapter, and its acceptance by the City, shall not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this code and all other applicable state laws.

B. No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any local or state law.

**4-17-22 Deficiency determinations.**

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three (3) years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a cannabis business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such cannabis business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Sections 4-17-24 and 4-17-25.

**4-17-23 Failure to report—nonpayment, fraud.**

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this chapter at any time:

1. If the person has not filed a complete statement required under the provisions of this chapter;
2. If the person has not paid the tax due under the provisions of this chapter;
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this chapter; or
4. If the Tax Administrator determines that the nonpayment of any cannabis business tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise payable under this chapter and any other penalties allowed by law.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable provision of this chapter and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of

assessment. The notice shall state that the person has thirty (30) calendar days from the date of the notice to make a written request for an informal hearing before the Tax Administrator. The notice shall also state that if the person fails to timely request an informal hearing within the time allowed, the amount determined by the Tax Administrator is final and conclusive and is immediately due and payable.

**4-17-24 Tax assessment - notice requirements.**

The notice of assessment shall be served upon the person either by personal delivery, by overnight delivery by a nationally-recognized courier service, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purpose of Section 4-17-24, a service by overnight delivery shall be deemed to have occurred one (1) calendar day following deposit with a courier and service by mail shall be deemed to have occurred three (3) days following deposit in the United States mail.

**4-17-25 Tax assessment - hearing, application, and determination.**

Within thirty (30) calendar days after the date of service of the notice of assessment the person may apply in writing to the Tax Administrator for an informal hearing on the assessment. If application for an informal hearing is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within thirty (30) calendar days of the receipt of any such application for an informal hearing, the Tax Administrator shall cause the matter to be set for an informal hearing before him or her, or his/her designee, no later than thirty (30) calendar days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the informal hearing. Notice of such informal hearing shall be given by the Tax Administrator to the person requesting such informal hearing no later than five (5) calendar days prior to such informal hearing. A hearing under this section shall be informal and need not follow any formal rules of evidence. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess (if necessary) the proper amount of tax, interest, penalties, and fees to be charged and shall give written notice of the decision to the person in the manner prescribed in Section 4-17-24 for giving notice of assessment. No appeal of a notice of assessment may be made under Section 4-17-15 unless an informal hearing is timely requested and the person attends the hearing. If the person fails to appear at the informal hearing, the amount due determined by the Tax Administrator in the notice of assessment is final and conclusive.

**4-17-26 Relief from taxes – disaster relief.**

A. If a person is unable to comply with any tax requirement imposed under this chapter due to a disaster impacting its cannabis business, the person may notify the Tax Administrator of its inability to comply and request relief from the tax requirement. For purposes of this chapter, “disaster” means fire, flood, storm, tidal wave, earthquake, or similar public calamity resulting in physical damage to real property, whether or not resulting from natural causes.

B. The person shall provide any information required by the Tax Administrator including, without limitation, why relief is requested, the time period for which the relief is requested, and the reason relief is needed for the specific amount of time. The person agrees to grant the Tax Administrator or his/her designee access to the location where the cannabis business has been impacted due to a disaster.

C. The Tax Administrator, in his/her sole discretion, may provide relief from the cannabis business tax requirement for businesses whose operations have been impacted by a disaster if such tax relief does not exceed ten thousand (\$10,000) dollars. Such temporary relief may be granted for a reasonable amount of time, in the Tax Administrator’s sole discretion, and the amount and duration of relief should be based upon how long it would reasonably take for the cannabis business to recover from the disaster. The Tax Administrator may require that the cannabis business follow certain conditions to receive temporary relief from the cannabis business tax requirement. The Tax Administrator’s decision on a request for relief and the conditions that may be imposed for relief under this section are final and conclusive and not subject to appeal under Section 4-17-15.

**4-17-27 Conviction for violation - taxes not waived.**

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

**4-17-28 Violation deemed misdemeanor.**

Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor.

**4-17-29 Severability.**

If any provision of this chapter, or its application to any person or circumstance, is determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

**4-17-30 Remedies cumulative.**

All remedies and penalties prescribed by this chapter, or which are available under any other provision of this code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

**4-17-31 Amendment or modification.**

Except as set forth in Section 4-17-31, this chapter may be amended or modified but not repealed by the City Council without a vote of the people. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment that would expand, extend, or increase the rate of any tax levied pursuant to this chapter beyond the maximums set forth in this chapter. The people of the City of El Segundo affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration or adjustment of the rate of the tax to a rate that is no higher than that allowed by this chapter, in those circumstances where, among others, the City Council has previously acted to reduce the rate of the tax or is incrementally implementing an increase authorized by this chapter;

B. An action that interprets or clarifies (i) the methodology of applying or calculating the tax or (ii) any definition applicable to the tax, so long as the interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the provisions of this chapter; or

C. The collection of the tax imposed by this chapter even if the City had, for some period of time, failed to collect the tax.

**SECTION 2. SEVERABILITY.** If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The people of the City of El Segundo hereby declare that they would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

**SECTION 3. ENVIRONMENTAL COMPLIANCE.** The City Council hereby finds and determines that this resolution or ordinance is exempt from the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. ("CEQA") and 14 Cal. Code Re. Sections 15000 et seq. ("CEQA Guidelines"). The calling and noticing of an election for the submission of a ballot measure to voters is not a project within the meaning of CEQA Guidelines 15378. The tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of El Segundo would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guideline Section 15060 CEQA analysis is not required.

**SECTION 4. EFFECTIVE DATE.** Pursuant to the California Constitution, Article XIII(2)(b) and California Elections Code § 9217, if a majority of the voters voting in the election on this measure vote in favor of the adoption of this measure, this ordinance shall be deemed valid and binding and shall be considered adopted upon the date that the vote is declared by the City Council and shall go into effect ten (10) days after that date.

This Ordinance was approved and adopted by the People of the City of El Segundo at the City's November 8, 2022 statewide election.

This Ordinance was approved by Declaration of the vote by the City Council of El Segundo on \_\_\_\_\_.

\_\_\_\_\_  
Drew Boyles, Mayor

ATTEST:  
  
\_\_\_\_\_  
Tracy Weaver, City Clerk

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO SUBMITTING TO THE CITY VOTERS A BALLOT MEASURE TO ESTABLISH A BUSINESS TAX ON BUSINESSES WHICH SELL, DISTRIBUTE, MANUFACTURE, AND CULTIVATE CANNABIS INCLUDING INDUSTRIAL HEMP AND HEMP PRODUCTS; REQUESTING THAT THE LOS ANGELES BOARD OF SUPERVISORS AUTHORIZE THE COUNTY REGISTRAR RECORDER/COUNTY CLERK OFFICE TO RENDER SPECIFIED SERVICES TO THE CITY OF EL SEGUNDO RELATING TO THE CONDUCT OF THE ELECTION, AND REQUESTING CONSOLIDATION OF THIS ELECTION WITH THE GENERAL MUNICIPAL AND STATEWIDE CONSOLIDATED ELECTION TO BE HELD ON NOVEMBER 8, 2022.**

**WHEREAS**, Sections 37101 and 37100.5 of the California Government Code authorize the City to levy a license tax, for revenue purposes, upon business transacted in the City; and

**WHEREAS**, as a result of recent voter-approved changes to state law and new state regulations being implemented, there has been a very strong interest by cannabis businesses to open in the City; and

**WHEREAS**, the California Industrial Hemp Farming Act, (Government Code Section 81600 et seq. and related regulations) authorize the commercial production of Industrial Hemp in California; and

**WHEREAS**, the City Council will consider enactment of a cannabis and hemp regulatory ordinance; and

**WHEREAS**, if cannabis and hemp businesses are authorized, they are likely to create demands upon City services, and the City's current tax system does not currently impose any taxes on cultivation, manufacturing, distribution, testing lab and retail cannabis businesses, aside from generally applicable municipal taxes; and

**WHEREAS**, the City Council desires to adopt a tax ordinance in order to impose the tax upon cannabis and hemp businesses, to be known as the "Cannabis Business Tax"; and

**WHEREAS**, proceeds of the Cannabis Business Tax will be used to offset demands on City service and to augment the City's General Fund; and

**WHEREAS**, the Cannabis Business Tax cannot be imposed without majority voter approval; and

**WHEREAS**, the City Council desires to submit a Cannabis Business Tax measure to the voters of the City at a General Municipal Election to be held on Tuesday, November 8, 2022, and to be consolidated with the general municipal election and the statewide election to be held on that date.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL SEGUNDO RESOLVES AS FOLLOWS:**

**Section 1. Recitals.** The City Council hereby finds and determines that the foregoing recitals are true and correct.

**Section 2. Proposal.** The City Council hereby proposes that the voters adopt an ordinance (hereafter also referenced as “measure”) establishing a Cannabis Business Tax. The proposed ordinance submitted to the voters is entitled “An Ordinance of the City of El Segundo, California Adding Chapter 17 (Cannabis Business Tax) to Title 4 of the El Segundo Municipal Code Establishing a Tax on Cannabis and Hemp Business Activities within the City.” The full text of the ordinance is attached to this Resolution as Exhibit “A” and incorporated by reference. The full text of the proposed ordinance is not required to be printed in the Sample Ballot and Voters Pamphlet. However, the full text shall be made available to the public and to any voter at the County Registrar Recorder/County Clerk Office and the El Segundo City Clerk.

**Section 3. Election.** The City Council hereby calls for a General Election for Tuesday November 8, 2022 (the “Election”) and orders, pursuant to Section 9222 of the Elections Code, that the Cannabis Business Tax Ordinance be submitted to the voters at that election.

**Section 4. Ballot Question.** The question submitted by Section 4 of this Resolution shall appear on the ballot as follows:

To fund general municipal expenses such as police, fire, roads and recreation, shall the City tax cannabis or hemp businesses at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses; which is expected to generate an estimated \$600,000 to \$900,000 annually and will be levied until repealed by the voters or the City Council?	YES	
	NO	

**Section 5. Publication of Measure.** The City Clerk is directed to publish a synopsis of the measure at least one time not later than one week before the election in accordance with Section 12111 of the Elections Code.

**Section 6. Approval.** Under Article XIII C of the Constitution, the vote requirement for this measure to pass shall be a majority of those casting ballots on the measure (50% plus 1).

**Section 7. Consolidation.** Pursuant Section 10400 et seq. of the Elections Code, the Board of Supervisors of Los Angeles County is requested to consolidate the Election with the General Municipal Election and Statewide Election to be held on November 8, 2022.



**Section 8. California Environmental Quality Act.** The City Council hereby finds and determines that this resolution is exempt from the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. (“CEQA”) and 14 Cal. Code Re. Sections 15000 et seq. (“CEQA Guidelines”). The calling and noticing of an election for the submission of a ballot measure to voters is not a project within the meaning of CEQA Guidelines 15378. The tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of El Segundo would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guideline Section 15060 CEQA analysis is not required.

**Section 9. Canvass.** The Board of Supervisors is authorized to canvass the returns of the Election pursuant to Section 10411 of the Elections Code.

**Section 10. Conduct of Election.** Pursuant to Section 10002 of the Elections Code, the Board of Supervisors is requested to permit the County Clerk to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the City agrees to reimburse the County, in accordance with current County pro-rations and allocation procedures.

**Section 11. Filing with County.** The City Clerk shall file a certified copy of this Resolution with the County Registrar Recorder/County Clerk Office.

**Section 12. Analysis and Argument.** The City Attorney shall prepare an impartial analysis of the measure. Any person or persons may file an argument either for or against the ballot measure. An argument for or against the measure shall not exceed 300 words in length. If more than one argument is submitted for the measure, or more than one argument against the measure, the City Clerk shall select the argument to be included with the ballot materials. Rebuttal arguments shall be permitted pursuant to applicable law.

**Section 13. Implementation.** The City Clerk and City Manager are authorized to take all actions as necessary to effectuate the purposes of this resolution and the election. The City Clerk and City Attorney are authorized to make any typographical, clerical, and non-substantive corrections to this resolution as may be deemed necessary by the Los Angeles County Registrar Recorder/County Clerk.

**Section 14. Effective Date.** This Resolution shall be effective immediately upon adoption.

EXHIBIT A

Draft



## City Council Agenda Statement

**Meeting Date:** May 17, 2022

**Agenda Heading:** Committees, Commissions and Boards  
Presentations

**Item Number:** E.15

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### **TITLE:**

El Segundo Senior Citizens Housing Corporation Board's State of the Union  
Presentation on Park Vista and Associated Proposed Actions

### **RECOMMENDATION:**

1. Receive annual presentation from the Board of the Senior Citizens Housing Corporation.
2. Authorize the Board to increase the parking rate charged to Park Vista residents by 2% annually until canceled by the Board.
3. Raise the Board's discretionary authority to increase rental rates annually on current tenants from 2.0% to 2.5%. Annual rental rate increases on current tenants in excess of 2.5% would require council approval.
4. Discuss possible additional funding sources to ensure that Park Vista continues providing lower-cost housing to El Segundo seniors.
5. Discuss potential options for ensuring Park Vista maintains an income stream necessary to meet future obligations and to maintain adequate reserves.

### **FISCAL IMPACT:**

The fiscal impact to Park Vista's net operating budget as a result of the Board's proposed 2% to 2.5% increase to parking rates and rental rates, immediately or phased, are outlined in the attached Financial Scenario Comparisons.

### **BACKGROUND:**

The El Segundo Senior Citizens Housing Corporation Board is currently comprised of five members (President Paul Lanyi, Paula Rotolo, Denise Fessenbecker; Julia

**Park Vista, State of the Union**

**May 17, 2022**

**Page 2 of 2**

Newman; and Tim Whelan). The Board meets monthly, providing oversight of the City's Park Vista senior housing facility.

**DISCUSSION:**

It has been the Board's practice to annually provide City Council a presentation on the status of Park Vista. The Board intends to inform Council of major decisions made in 2021; make Council aware of foreseeable challenges arising in the future; and seek direction regarding rental rates, options to close the future financial gap; and, alternate funding sources to ensure Park Vista continues providing lower-cost housing to senior El Segundo residents.

**CITY STRATEGIC PLAN COMPLIANCE:**

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

**PREPARED BY:**

Eduardo Schonborn, AICP, Planning Manager

**REVIEWED BY:**

Michael Allen, AICP, Development Services Director

**APPROVED BY:**

Barbara Voss, Deputy City Manager

**ATTACHED SUPPORTING DOCUMENTS:**

1. Financial Scenario Comparisons

# Financial Scenario 1 (2% rent increase, 2% parking)

	Park Vista 20-year Forecast																				
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Revenue	\$810,062	\$887,592	\$933,358	\$978,815	\$1,025,181	\$1,071,275	\$1,119,514	\$1,168,719	\$1,218,907	\$1,270,099	\$1,322,315	\$1,375,576	\$1,429,901	\$1,485,313	\$1,541,833	\$1,599,484	\$1,658,288	\$1,718,267	\$1,779,447	\$1,838,850	\$1,899,441
Expenses	(\$682,040)	(\$710,466)	(\$735,266)	(\$761,130)	(\$788,029)	(\$816,022)	(\$845,130)	(\$875,415)	(\$906,930)	(\$939,729)	(\$973,867)	(\$1,009,418)	(\$1,046,430)	(\$1,084,956)	(\$1,125,078)	(\$1,166,865)	(\$1,210,394)	(\$1,255,741)	(\$1,302,988)	(\$1,352,222)	(\$1,403,472)
Net	\$128,022	\$177,126	\$198,092	\$217,685	\$237,152	\$255,253	\$274,385	\$293,303	\$311,977	\$330,370	\$348,448	\$366,158	\$383,472	\$400,357	\$416,756	\$432,619	\$447,894	\$462,527	\$476,458	\$486,628	\$495,969
Capital Expense	(\$60,000)	(\$649,501)	(\$668,985)	(\$26,250)	(\$35,272)	(\$604,171)	(\$234,868)	(\$654,881)	(\$131,319)	(\$380,436)	(\$26,250)	(\$956,539)	(\$956,539)	(\$575,076)	(\$704,720)	(\$761,387)	(\$770,242)	(\$588,117)	(\$60,538)	(\$250,000)	(\$250,000)
Transfer in From Fund 504	\$60,000	\$0	\$0	\$26,250	\$33,592	\$0	\$234,868	\$0	\$131,139	\$0	\$26,250	\$125,000	\$100,000	\$100,000	\$100,000	\$20,000					
Return to Equity	\$128,022	(\$472,374)	(\$470,893)	\$217,685	\$235,472	(\$348,918)	\$274,384	(\$361,578)	\$311,796	(\$50,066)	\$348,448	(\$465,381)	(\$473,067)	(\$74,719)	(\$187,964)	(\$308,768)	(\$322,348)	(\$125,590)	\$415,921	\$236,628	\$245,969
Beginning Equity	\$1,600,000	\$1,728,022	\$1,255,648	\$784,754	\$1,002,439	\$1,237,912	\$888,994	\$1,163,378	\$801,801	\$1,113,597	\$1,063,532	\$1,411,979	\$946,598	\$473,531	\$398,812	\$210,848	(\$97,920)	(\$420,268)	(\$545,858)	(\$129,938)	\$106,690
Ending Equity	\$1,728,022	\$1,255,648	\$784,754	\$1,002,439	\$1,237,912	\$888,994	\$1,163,378	\$801,801	\$1,113,597	\$1,063,532	\$1,411,979	\$946,598	\$473,531	\$398,812	\$210,848	(\$97,920)	(\$420,268)	(\$545,858)	(\$129,938)	\$106,690	\$352,658
City's 504 Fund (\$960,000 in 2021)	\$900,000	\$900,000	\$900,000	\$873,750	\$840,158	\$840,158	\$605,290	\$605,290	\$474,151	\$474,151	\$447,901	\$322,901	\$222,901	\$122,901	\$22,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901	\$2,901
<b>Total Funds Available to Park Vista</b>	<b>\$2,628,022</b>	<b>\$2,155,648</b>	<b>\$1,684,754</b>	<b>\$1,876,189</b>	<b>\$2,078,070</b>	<b>\$1,729,152</b>	<b>\$1,768,668</b>	<b>\$1,407,091</b>	<b>\$1,587,748</b>	<b>\$1,537,683</b>	<b>\$1,859,880</b>	<b>\$1,269,499</b>	<b>\$696,432</b>	<b>\$521,713</b>	<b>\$233,749</b>	<b>(\$95,019)</b>	<b>(\$417,367)</b>	<b>(\$542,957)</b>	<b>(\$127,037)</b>	<b>\$109,591</b>	<b>\$355,559</b>
Recommended Reserve (10% of operating expense + 2 years of capital)	\$777,705	\$1,389,533	\$768,762	\$137,635	\$718,246	\$920,641	\$974,262	\$873,742	\$602,448	\$500,659	\$1,080,176	\$2,014,020	\$1,636,258	\$1,388,291	\$1,578,614	\$1,648,315	\$1,479,398	\$774,228	\$440,837	\$635,222	\$390,347
Over or (under) recommended reserves	\$1,850,317	\$766,115	\$915,992	\$1,738,555	\$1,359,824	\$808,510	\$794,406	\$533,349	\$985,300	\$1,037,024	\$779,705	(\$744,520)	(\$939,826)	(\$866,579)	(\$1,344,865)	(\$1,743,334)	(\$1,896,766)	(\$1,317,186)	(\$567,873)	(\$525,631)	(\$34,788)

Revenue Assumptions: 2% increase in rents every year (2022 - 2042), 2% increase in parking fee every year, 4 units turning over per year & new tenants assessed at 60% of market rate

Expense Assumptions: 2% annual increase for mananement contract, 3% for utilities, 5% for all other expenses

# Financial Scenario 2 (2.5% increase in rents years 2023 - 2032 and 2% thereafter, 2.5% increase in parking fee 2023 - 2032 and 2% thereafter)

	Park Vista 20-year Forecast: 2.5% cpi in years 2023 - 2032																				
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Revenue	\$810,062	\$891,765	\$942,027	\$992,315	\$1,043,860	\$1,095,494	\$1,149,649	\$1,205,158	\$1,262,054	\$1,320,373	\$1,380,150	\$1,434,567	\$1,490,072	\$1,546,688	\$1,604,435	\$1,663,338	\$1,723,419	\$1,784,701	\$1,847,209	\$1,907,967	\$1,969,941
Expenses	(\$682,040)	(\$710,466)	(\$735,266)	(\$761,130)	(\$788,029)	(\$816,022)	(\$845,130)	(\$875,415)	(\$906,930)	(\$939,729)	(\$973,867)	(\$1,009,418)	(\$1,046,430)	(\$1,084,956)	(\$1,125,078)	(\$1,166,865)	(\$1,210,394)	(\$1,255,741)	(\$1,302,988)	(\$1,352,222)	(\$1,403,532)
Net	\$128,022	\$181,299	\$206,761	\$231,185	\$255,831	\$279,472	\$304,519	\$329,742	\$355,124	\$380,644	\$406,282	\$425,149	\$443,643	\$461,731	\$479,358	\$496,473	\$513,025	\$528,961	\$544,221	\$555,745	\$566,409
Capital Expense	(\$60,000)	(\$649,501)	(\$668,985)	(\$26,250)	(\$35,272)	(\$604,171)	(\$234,868)	(\$654,881)	(\$131,319)	(\$380,436)	(\$26,250)	(\$956,539)	(\$956,539)	(\$575,076)	(\$704,720)	(\$761,387)	(\$770,242)	(\$588,117)	(\$60,538)	(\$250,000)	(\$250,000)
Transfer in From Fund 504	\$60,000	\$0	\$0	\$26,250	\$33,592	\$0	\$234,868	\$0	\$131,139	\$0	\$26,250	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
Return to Equity	\$128,022	(\$468,201)	(\$462,225)	\$231,185	\$254,151	(\$324,699)	\$304,519	(\$325,139)	\$354,944	\$208	\$406,282	(\$431,390)	(\$412,896)	(\$13,345)	(\$125,362)	(\$264,914)	(\$257,217)	(\$59,156)	\$483,683	\$305,745	\$316,409
Beginning Equity	\$1,600,000	\$1,728,022	\$1,259,821	\$797,596	\$1,028,781	\$1,282,932	\$958,233	\$1,262,752	\$937,614	\$1,292,557	\$1,292,766	\$1,699,048	\$1,267,659	\$854,762	\$841,418	\$716,056	\$451,142	\$193,925	\$134,769	\$618,452	\$924,197
Ending Equity	\$1,728,022	\$1,259,821	\$797,596	\$1,028,781	\$1,282,932	\$958,233	\$1,262,752	\$937,614	\$1,292,557	\$1,292,766	\$1,699,048	\$1,267,659	\$854,762	\$841,418	\$716,056	\$451,142	\$193,925	\$134,769	\$618,452	\$924,197	\$1,240,607
City's 504 Fund (\$960,000 in 2021)	\$900,000	\$900,000	\$900,000	\$873,750	\$840,158	\$840,158	\$605,290	\$605,290	\$474,151	\$474,151	\$447,901	\$347,901	\$247,901	\$147,901	\$47,901	\$47,901	\$47,901	\$47,901	\$47,901	\$47,901	\$47,901
Total Funds Available to Park Vista	\$2,628,022	\$2,159,821	\$1,697,596	\$1,902,531	\$2,123,090	\$1,798,391	\$1,868,042	\$1,542,904	\$1,766,708	\$1,766,917	\$2,146,949	\$1,615,560	\$1,102,663	\$989,319	\$763,957	\$499,043	\$241,826	\$182,670	\$666,353	\$972,098	\$1,288,508
Recommended Reserve (10% of operating expense + 2 years of capital)	\$777,705	\$1,389,533	\$768,762	\$137,635	\$718,246	\$920,641	\$974,262	\$873,742	\$602,448	\$500,659	\$1,080,176	\$2,014,020	\$1,636,258	\$1,388,291	\$1,578,614	\$1,648,315	\$1,479,398	\$774,228	\$440,837	\$635,222	\$390,353
Over or (under) recommended reserves	\$1,850,317	\$770,288	\$928,834	\$1,764,896	\$1,404,844	\$877,750	\$893,780	\$669,162	\$1,164,260	\$1,266,258	\$1,066,774	(\$398,460)	(\$533,595)	(\$398,973)	(\$814,657)	(\$1,149,272)	(\$1,237,572)	(\$591,558)	\$225,517	\$336,876	\$898,154

Revenue Assumptions: 2.5% increase in rents years 2023 - 2032 and 2% thereafter, 2.5% increase in parking fee 2023 - 2032 and 2% thereafter, 4 units turning over per year & new tenants assessed at 60% of market rate  
Expense Assumptions: 2% annual increase for management contract, 3% for utilities, 5% for all other expenses

# Financial Scenario 3 (2% rent increase, 2% parking, 65% new rentals 2026+)

	Park Vista 20-year Forecast - 2% cpi/year, 60% of market rate through 2026, 65% of market rate 2027 - 2042																				
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Revenue	\$810,062	\$887,592	\$933,358	\$978,815	\$1,025,181	\$1,084,775	\$1,146,784	\$1,210,034	\$1,274,549	\$1,340,354	\$1,407,475	\$1,475,938	\$1,545,771	\$1,617,001	\$1,689,655	\$1,763,762	\$1,839,351	\$1,916,452	\$1,995,095	\$2,075,311	\$2,157,131
Expenses	(\$682,040)	(\$710,466)	(\$735,266)	(\$761,130)	(\$788,029)	(\$816,022)	(\$845,130)	(\$875,415)	(\$906,930)	(\$939,729)	(\$973,867)	(\$1,009,418)	(\$1,046,430)	(\$1,084,956)	(\$1,125,078)	(\$1,166,865)	(\$1,210,394)	(\$1,255,741)	(\$1,302,988)	(\$1,352,222)	(\$1,403,472)
Net	\$128,022	\$177,126	\$198,092	\$217,685	\$237,152	\$268,753	\$301,655	\$334,619	\$367,618	\$400,625	\$433,607	\$466,521	\$499,342	\$532,044	\$564,577	\$596,896	\$628,957	\$660,711	\$692,107	\$723,089	\$753,659
Capital Expense	(\$60,000)	(\$649,501)	(\$668,985)	(\$26,250)	(\$35,272)	(\$604,171)	(\$234,868)	(\$654,881)	(\$131,319)	(\$380,436)	(\$26,250)	(\$956,539)	(\$956,539)	(\$575,076)	(\$704,720)	(\$761,387)	(\$770,242)	(\$588,117)	(\$60,538)	(\$250,000)	(\$250,000)
Transfer in From Fund 504	\$60,000	\$0	\$0	\$26,250	\$33,592	\$0	\$234,868	\$0	\$131,139	\$0	\$26,250	\$125,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
Return to Equity	\$128,022	(\$472,374)	(\$470,893)	\$217,685	\$235,472	(\$335,418)	\$301,654	(\$320,262)	\$367,438	\$20,189	\$433,607	(\$365,018)	(\$357,197)	\$56,968	(\$40,143)	(\$164,490)	(\$141,285)	\$72,595	\$631,569	\$473,089	\$503,659
Beginning Equity	\$1,600,000	\$1,728,022	\$1,255,648	\$784,754	\$1,002,439	\$1,237,912	\$902,494	\$1,204,148	\$883,886	\$1,251,324	\$1,271,513	\$1,705,121	\$1,340,102	\$982,905	\$1,039,873	\$999,731	\$835,240	\$693,955	\$766,550	\$1,398,119	\$1,871,207
Ending Equity	\$1,728,022	\$1,255,648	\$784,754	\$1,002,439	\$1,237,912	\$902,494	\$1,204,148	\$883,886	\$1,251,324	\$1,271,513	\$1,705,121	\$1,340,102	\$982,905	\$1,039,873	\$999,731	\$835,240	\$693,955	\$766,550	\$1,398,119	\$1,871,207	\$2,374,866
City's 504 Fund (\$960,000 in 2021)	\$900,000	\$900,000	\$900,000	\$873,750	\$840,158	\$840,158	\$605,290	\$605,290	\$474,151	\$474,151	\$447,901	\$322,901	\$222,901	\$122,901	\$22,901	\$22,901	\$22,901	\$22,901	\$22,901	\$22,901	\$22,901
<b>Total Funds Available to Park Vista</b>	<b>\$628,022</b>	<b>\$2,155,648</b>	<b>\$1,684,754</b>	<b>\$1,876,189</b>	<b>\$2,078,070</b>	<b>\$1,742,652</b>	<b>\$1,809,438</b>	<b>\$1,489,176</b>	<b>\$1,725,475</b>	<b>\$1,745,664</b>	<b>\$2,153,022</b>	<b>\$1,663,003</b>	<b>\$1,205,806</b>	<b>\$1,162,774</b>	<b>\$1,022,632</b>	<b>\$858,141</b>	<b>\$716,856</b>	<b>\$789,451</b>	<b>\$1,421,020</b>	<b>\$1,894,108</b>	<b>\$2,397,767</b>
Recommended Reserve (10% of operating expense + 2 years of capital)	\$777,705	\$1,389,533	\$768,762	\$137,635	\$718,246	\$920,641	\$974,262	\$873,742	\$602,448	\$500,659	\$1,080,176	\$2,014,020	\$1,636,258	\$1,388,291	\$1,578,614	\$1,648,315	\$1,479,398	\$774,228	\$440,837	\$635,222	\$390,347
Over or (under) recommended reserves	\$1,850,317	\$766,115	\$915,992	\$1,738,555	\$1,359,824	\$822,010	\$835,176	\$615,434	\$1,123,027	\$1,245,005	\$1,072,846	(\$351,016)	(\$430,452)	(\$225,517)	(\$555,982)	(\$790,174)	(\$762,542)	\$15,223	\$980,183	\$1,258,886	\$2,007,420

Revenue Assumptions: 2% increase in rents every year (2022 - 2042), 2% increase in parking fee every year, 4 units turning over per year & new tenants assessed at 60% of market rate through 2025 & 65% thereafter (2026 - 2042)  
 Expense Assumptions: 2% annual increase for management contract, 3% for utilities, 5% for all other expenses

# — Comparison includes 504 funds

2% rent increase, 2% parking

2.5% rent and parking increase 2023-2032

2% rent increase, 2% parking, 65% new rentals 2026+

	<u>2032</u>	<u>2033</u>	<u>2034</u>
Revenue	\$1,322,315	\$1,375,576	\$1,429,901
Expenses	— (\$973,867)	— (\$1,009,418)	— (\$1,046,430)
Net	— \$348,448	— \$366,158	— \$383,472
Capital Expense	— (\$26,250)	— (\$956,539)	— (\$956,539)
Transfer in From Fund 504	— \$26,250	— \$125,000	— \$100,000
Return to Equity	— \$348,448	— (\$465,381)	— (\$473,067)
Beginning Equity	\$1,063,532	\$1,411,979	\$946,598
Ending Equity	\$1,411,979	\$946,598	\$473,531
City's 504 Fund (\$960,000 in 2021)	\$447,901	\$322,901	\$222,901
<b>Total Funds Available to Park Vista</b>	<b>\$1,859,880</b>	<b>\$1,269,499</b>	<b>\$696,432</b>
Recommended Reserve (10% of operating expense + 2 years of capital)	\$1,080,176	\$2,014,020	\$1,636,258
Over or (under) recommended reserves	\$779,705	(\$744,520)	(\$939,826)

	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
Revenue	\$1,380,150	\$1,434,567	\$1,490,072	\$1,546,688
Expenses	— (\$973,867)	— (\$1,009,418)	— (\$1,046,430)	— (\$1,084,956)
Net	— \$406,282	— \$425,149	— \$443,643	— \$461,731
Capital Expense	— (\$26,250)	— (\$956,539)	— (\$956,539)	— (\$575,076)
Transfer in From Fund 504	— \$26,250	— \$100,000	— \$100,000	— \$100,000
Return to Equity	— \$406,282	— (\$431,390)	— (\$412,896)	— (\$13,345)
Beginning Equity	\$1,292,766	\$1,699,048	\$1,267,659	\$854,762
Ending Equity	\$1,699,048	\$1,267,659	\$854,762	\$841,418
City's 504 Fund (\$960,000 in 2021)	\$447,901	\$347,901	\$247,901	\$147,901
<b>Total Funds Available to Park Vista</b>	<b>\$2,146,949</b>	<b>\$1,615,560</b>	<b>\$1,102,663</b>	<b>\$989,319</b>
Recommended Reserve (10% of operating expense + 2 years of capital)	\$1,080,176	\$2,014,020	\$1,636,258	\$1,388,291
Over or (under) recommended reserves	\$1,066,774	(\$398,460)	(\$533,595)	(\$398,973)

	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
Revenue	\$1,407,475	\$1,475,938	\$1,545,771	\$1,617,001
Expenses	— (\$973,867)	— (\$1,009,418)	— (\$1,046,430)	— (\$1,084,956)
Net	— \$433,607	— \$466,521	— \$499,342	— \$532,044
Capital Expense	— (\$26,250)	— (\$956,539)	— (\$956,539)	— (\$575,076)
Transfer in From Fund 504	— \$26,250	— \$125,000	— \$100,000	— \$100,000
Return to Equity	— \$433,607	— (\$365,018)	— (\$357,197)	— \$56,968
Beginning Equity	\$1,271,513	\$1,705,121	\$1,340,102	\$982,905
Ending Equity	\$1,705,121	\$1,340,102	\$982,905	\$1,039,873
City's 504 Fund (\$960,000 in 2021)	\$447,901	\$322,901	\$222,901	\$122,901
<b>Total Funds Available to Park Vista</b>	<b>\$2,153,022</b>	<b>\$1,663,003</b>	<b>\$1,205,806</b>	<b>\$1,162,774</b>
Recommended Reserve (10% of operating expense + 2 years of capital)	\$1,080,176	\$2,014,020	\$1,636,258	\$1,388,291
Over or (under) recommended reserves	\$1,072,846	(\$351,016)	(\$430,452)	(\$225,517)