



City of Covina/Covina Redevelopment
Agency/Covina Public Finance
Authority/Covina Housing Authority

Mayor John King – Mayor Pro Tem Kevin Stapleton
Council Members Walt Allen, III – Peggy Delach – Bob Low

REGULAR MEETING AGENDA

125 E. College Street, Covina, California
Council Chamber of City Hall

Tuesday, July 19, 2011

6:30 p.m.

- **The City Council/Redevelopment Agency/Public Finance Authority/Housing Authority will meet in closed session from 6:30 p.m.-7:30 p.m.**
- As a courtesy to Council/Agency/Authority Members, staff and attendees, everyone is asked to silence all pagers, cellular telephones and any other communication devices.
- Any member of the public may address the Council/Agency/Authority during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Mayor/Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located near the agendas or at the City Clerk's desk.
- Please provide 10 copies of any information intended for use at the Council/Agency/Authority meeting to the City Clerk prior to the meeting.
- **MEETING ASSISTANCE INFORMATION:** 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 (626) 384-5430. Services such as American Sign Language interpreters, a reader during the meeting, large print copies of the agenda and assisted listening devices are available. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.
- **DOCUMENT AVAILABILITY:** Any writings or documents provided to a majority of the Council/Agency/Authority regarding any item on this agenda will be made available for public inspection at the City Clerk counter at City Hall located at 125 E. College Street and the Reference Desk at the Covina Library located at 234 North Second Avenue during normal business hours. In addition, such writings and documents are available in the City Clerk's Office and may be posted on the City's website at www.covinaca.gov.
- Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the City Council/Redevelopment Agency/Public Finance Authority/Covina Housing Authority unless listed on agenda, which has been posted not less than 72 hours prior to meeting.
- If you challenge in court any discussion or action taken concerning an item on this Agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.
- The Deputy City Clerk of the Covina City Council hereby declares that the agenda for the **July 19, 2011**, meeting was posted on **July 14, 2011** near the front entrance of the City Hall, 125 East College Street, Covina, in accordance with Section 54954.2(a) of the California Government Code.

July 19, 2011

**CITY COUNCIL/REDEVELOPMENT AGENCY/
COVINA PUBLIC FINANCE AUTHORITY/COVINA HOUSING AUTHORITY
JOINT MEETING—CLOSED SESSION
6:30 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members Allen, Delach, Low, Mayor Pro Tem/Vice Chairperson Stapleton and Mayor/Chairperson King

PUBLIC COMMENTS

The Public is invited to make comment on Closed Session items only at this time. To address the Council/Agency/Authority please complete a yellow Speaker Request card located at the entrance and give it to the City Clerk. Your name will be called when it is your turn to speak. Individual speakers are limited to five minutes each.

The City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to Closed Session for the following:

CLOSED SESSION

- A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
 - Property: Northeast Corner San Bernardino Road and Park Avenue (APN: 8430-024-012)
 - Negotiating parties: Hassen Development
 - Agency negotiator: Robert Neuber, Community Development Director/CRA Deputy Director

- B. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
 - Property: 120 West Rowland (APN: 8453-001-003) and 611 S. Citrus Avenue (APN: 8453-001-001)
 - Negotiating parties: Al Sal Oil Company
 - Agency negotiator: Robert Neuber, Community Development Director/CRA Deputy Director

- C. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
 - Property: 635 S. Citrus Avenue (APN: 8453-001-906)
 - Negotiating parties: Jules Boand & Alex Alvarez
 - Agency negotiator: Robert Neuber, Community Development Director/CRA Deputy Director

- D. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms of a back-up offer:
 - Property: Southwest corner San Bernardino Rd. and Hollenbeck Avenue (APN: 8432-023-012)
 - Negotiating parties: The Curtis Company
 - Agency negotiator: Robert Neuber, Community Development Director/CRA Deputy Director

E. G.C. §54956.9(a) - CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Name of case: Donald Sipple, et al. v. City of Covina et al., Case No. BC462270

RECESS

**CITY COUNCIL/REDEVELOPMENT AGENCY/
COVINA PUBLIC FINANCE AUTHORITY/COVINA HOUSING AUTHORITY
JOINT MEETING—OPEN SESSION
7:30 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members Allen, Delach, Low, Mayor Pro Tem/Vice Chairperson Stapleton, and Mayor/Chairperson King

PLEDGE OF ALLEGIANCE

Led by Council Member Delach

INVOCATION

Led by Covina Police Chaplain David Truax

PRESENTATIONS

- Presentation by Air Quality Management District
- Proclamation – 2011 National Night Out

PUBLIC COMMENTS

To address the Council/Agency/Authority please complete a yellow Speaker Request card located at the entrance and give it to the City Clerk/Agency/Authority Secretary. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Council/Agency/Authority Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future City Council/Redevelopment Agency/Public Finance Authority/Housing Authority Agendas may do so at this time.

CITY MANAGER COMMENTS

NEW BUSINESS

NB 1. City Council/Redevelopment Agency to adopt **Urgency Ordinance No. 11-1998**, urgency ordinance determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina, and introduce and waive further reading of **Ordinance No. 11-1999**, first reading of an ordinance, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina.

Staff Recommendation:

- a) City Council/Redevelopment Agency to adopt **Urgency Ordinance No. 11-1998**, urgency ordinance determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina; and
- b) Introduce and waive further reading of **Ordinance No. 11-1999**, first reading of an ordinance, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina and schedule second reading and consideration of adoption of the Ordinance for August 16, 2011.

CONSENT CALENDAR

All matters listed under consent calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Council/Redevelopment Agency/Public Finance Authority/Housing Authority votes on them, unless a member of the Council/Agency/Authority requests a specific item be removed from the consent calendar for discussion.

- CC 1.** City Council to approve the minutes of the July 5, 2011 regular meeting of the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority.
- CC 2.** City Council to approve Payment of Demands in the amount of \$2,442,022.09.
- CC 3.** City Council to accept the letter of resignation from Eugenia Gainor of the Library Board of Trustees.
- CC 4.** City Council to adopt **City Resolution No. 11-6988**, approving the destruction of obsolete Human Resources Department and Risk Management records.
- CC 5.** City Council to adopt **City Resolution No. 11-6989**, adopting a position of support on Senate Bill 910.
- CC 6.** City Council to adopt **City Resolution No. 11-6991**, declaring its intention to authorize the annexation of territories to Community Facilities District No. 2007-1, known as Annexation No. 5 (Public Services); and adopt **City Resolution No. 11-6992**, adopting

boundary maps showing territory proposed to be annexed in the future to Community Facilities District No. 2007-1, known as Annexation No. 5 (Public Services).

- CC 7. City Council to adopt **City Resolution No. 11-6993**, approving the City of Covina Mayor's Scholarship Fund Program.
- CC 8. City Council to renew the Parking Lease Agreement between Citrus Valley Health Partners and the City of Covina.
- CC 9. City Council to receive and file report on potential fiscal impact resulting from State and Federal Legislative action.
- CC 10. City Council to receive and file the Public Works Department Monthly Activity Report.
- CC 11. City Council to approve the repayment of funds to Los Angeles County Community Development Commission on Draw Down from Community Development Block Grant (CDBG) for Joslyn Center Project.
- CC 12. Redevelopment Agency to approve Payment of Demands in the amount of \$1,032,414.07.
- CC 13. Redevelopment Agency to receive and file the report on the Operating Covenant Agreement regarding business retention and expansion at 618 Shoppers Lane, Covina, Covina Revitalization Redevelopment Project No. 1.
- CC 14. Redevelopment Agency to adopt **Agency Resolution No. 11-673**, approving an Exclusive Right to Negotiate Agreement between the Covina Redevelopment Agency and Jules Board and Alex Alvarez regarding development of the property at 635 S. Citrus Avenue, 611 S. Citrus Avenue and 120 W. Rowland Street.
- CC 15. Redevelopment Agency to adopt **Agency Resolution No. 11-686**, approving and authorizing the increase in budget and the transfer of funds from Redevelopment Project Funds for the repayment of the loans to the City from the Covina Redevelopment Agency for Fiscal Year 2010-2011.
- CC 16. City Council/Redevelopment Agency to adopt **City Resolution No. 11-6987**, approving the destruction of obsolete City Clerk Office records.
- CC 17. City Council/Redevelopment Agency to adopt **City Resolution No. 11-6990** and **Agency Resolution No. 11-685**, authorizing the destruction of obsolete records for Fiscal Year ended June 30, 2011.
- CC 18. City Council/Redevelopment Agency/Housing Authority to authorize the modification of Contingent Promissory Note for the affordable housing units in the Vintage Walk development.
- CC 19. City Council/Redevelopment Agency/Housing Authority to adopt **Agency Resolution No. 11-680**, approving modification to criteria for a Moderate Income Housing Down Payment Assistance Program.

- CC 20. City Council/Redevelopment Agency/Housing Authority to adopt **Agency Resolution No. 11-681**, amending the fiscal year 2011-2012 Covina Redevelopment Agency budget to reflect an appropriation of \$150,000 from housing set-aside undesignated funds to provide funding for the moderate Income Housing Down Payment Assistance Program.

CONTINUED PUBLIC HEARING

- CPH 1. Continued public hearing of the City Council to consider amended application Variance 10-011 related to a single-family residence located at 247 East Edna Place and determine if the required findings can be justified.

Staff Recommendation:

- a) Continue the public hearing and consider public testimony; and
- b) Consider amended application VAR 10-011, a Variance to reduce the required five (5) foot side yard area, to reduce the required fire safety access for the R-1-7500 Residential Zone, to exceed the permitted 35 percent maximum land coverage of all buildings on the site (38.6%), to reduce the rear yard setback from 25 feet to 20.9 feet, and to reduce the distance from the front property line to the garage from 75 feet to 73.5 feet; and
- c) Close the public hearing; determine if the required findings can be made. If the Council wants to approve the amended application that the applicant has submitted and related environmental determination, it can do so tonight. If the Council wants to refer this back to the Planning Commission to consider the changes, it can do so tonight. If the Council wishes to approve the initial Variance or deny the application, the Council should continue this matter to allow staff the time to prepare the appropriate findings or resolution.

- CPH 2. Continued joint public hearing of the City Council/Redevelopment Agency to consider a fifth amendment to lease real property with SAI Auto Group, LLC and WaltersBayer Automotive Group for property located at 626 and 602 S. Citrus Avenue, Covina.

Staff Recommendation:

- a) City Council/Redevelopment Agency to open the public hearing and take public testimony, and
- b) City Council/Redevelopment Agency to adopt **City Resolution No. 11-6986** and **Agency Resolution No. 11-683**, making certain findings pursuant to Health and Safety Code §33433 and approving the fifth amendment to lease for real property located at 626 and 602 S. Citrus Avenue, Covina, California.

ADJOURNMENT

The Covina City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to its next regular meeting, **Tuesday, August 16, 2011** at 6:30 p.m. for closed session and at 7:30 p.m. for open session in the Council Chamber of City Hall, 125 East College Street, Covina, California, 91723.

CITY OF COVINA/COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: NB 1

STAFF SOURCE: Robert Neiuber, Community Development Director
Elizabeth Hull, Agency Attorney

ITEM TITLE: Adopt Urgency Ordinance No. 11-1998 an Urgency Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina, and Introduce and waive further reading of Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina

STAFF RECOMMENDATION

- 1.) Adopt Urgency Ordinance No. 11-1998 an Urgency Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina; and
- 2.) Introduce and waive further reading of Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina and schedule second reading and consideration of adoption of the Ordinance for August 16th.

FISCAL IMPACT

Participation in the Voluntary Alternative Redevelopment Program requires payment of approximately \$3 million dollars in the current fiscal year 2011-2012 and approximately \$700,000 every fiscal year thereafter adjusted for increases or decreases to gross tax increment received for the Covina Redevelopment Project Areas. With the adoption of a future remittance Agreement and resolution exempting the Agency from making the full fiscal year 2011-2012 allocation to Housing Set-Aside funds, which will be considered at the second reading of this Ordinance, the payments would first be drawn from funds that would otherwise be deposited in the Housing Set-Aside fund, as allowed in the current legislation, and any shortfall would be paid from unallocated redevelopment fund balance. In future years, the funds would be paid from redevelopment tax increment or other allowable redevelopment funds as determined yearly

by the City Council/Agency Board. This taking of local funds will also impact the City's General Fund in that the services the General Fund provides for the Agency will be reduced as the budget of the Agency is reduced. The General Fund could also be impacted if the City were to try to maintain the same level of service and personnel currently supported by the Agency.

BACKGROUND

The Governor signed several budget-related bills on June 29, 2011, including AB x1 26, which eliminates redevelopment agencies, and AB x1 27, which establishes a voluntary alternative redevelopment program whereby an agency can continue to exist upon the enactment of an ordinance by the City to comply with the provisions of AB x1 27, including payment of an annual remittance to the County Auditor-Controller. Under the legislation, the County Auditor-Controller would then allocate the funding to school districts, county offices of education, charter schools, and community college districts based on information provided by the County Superintendent of Schools. This is not new or additional funding for education; it simply relieves the State of their responsibility to pay these funds.

AB x1 26 and AB x1 27 became effective immediately upon being signed by the Governor. The Covina Redevelopment Agency is now prohibited from entering into any new agreements until the City Council enacts an ordinance committing to make the payments required by AB x1 27.

The State Director of Finance will notify the City of the voluntary payment amount due by August 1. We can appeal the amount due by August 15 if we believe the amount is incorrect based on the calculations contained in AB 1x 27. Staff estimates the FY 11-12 payment will be approximately \$3 million. Payments for FY 12-13 and beyond will change, but the FY 12-13 payment is estimated at \$700,000.

The proposed Ordinances (Exhibit A and B) provide the City will participate in the Alternative Voluntary Redevelopment Program, under certain conditions, in order to enable the Agency to remain in existence and carry out the provisions of the California Community Redevelopment Law. Payments under this Program will be made under protest and without prejudice to the City's right to recover the payments if AB x1 26 and 27 are overturned. As specified further in the Ordinances, the Agency and City may enter into an agreement at a later date whereby the Agency will transfer annual portions of its tax increment to the City to enable the City to use tax increment funds, rather than general funds, to make the payments. The Urgency Ordinance will be effective immediately, if adopted by a four-fifths vote. The second Ordinance will be effective thirty days from its adoption.

The California Redevelopment Association and the League of California Cities are preparing to file a lawsuit challenging the constitutionality of the State's recent actions. They also intend to seek an injunction, or stay, to enable agencies to continue operating without opting into the alternative voluntary redevelopment program while the case is being decided.

This "voluntary" shift of local funds that allows the State to erroneously claim it passed a balanced budget will have a detrimental effect on the FY 2011-12 operating budget of the City and Redevelopment Agency. Based on initial staff review there appears to be sufficient funds under the options allowed in the current legislation to pay the exorbitant 2011-2012 payment and the ongoing payments required by AB 1x 27.

Staff will put together for the City Council and Agency Board to consider at their August 16th meeting a list of possible budget cuts that will be necessitated by agreeing to the “voluntary” shift of local funds, and although this will severely limit the Agency in its future projects and programs, not approving the shift would lead to elimination of all the projects and programs and could lead to problems with a number of ongoing projects and programs that the City and Agency have previously approved as detailed below.

AB x1 26 would seek to set-aside certain Agency actions dating back to January 1, 2011. For the Covina Redevelopment Agency this means that the State could seek to overturn the transfer of funds and property to the Housing Authority, the repayment of tax increment secured loans between the City and the Agency, agreements for providing current and future services between the Agency and the City, and the transfer of public land such as the City Yard, parking lots, and Xalapa Park from the Agency to the City. Under AB x1 26 these actions could be reversed, the Agency land could be transferred to other public jurisdictions or sold, with proceeds from asset sales being transferred to the County auditor-controller for distribution as property tax proceeds, and Housing funds could be disbursed.

AB x1 26 could also cause the State to review and potentially overturn or impact various Agency actions such as the following:

- Community improvement projects including but not limited to the 1.3 million dollar joint partnership with the Covina Valley Unified School District to construct a new Industrial Arts Center to provide jobs and train people for better jobs;
- Public Improvement Projects including but not limited to (1) Heritage Plaza Park, which will include a beautified town square courtyard, a tot lot, new restroom facilities, a historical walk, and a platform for open-air performances, and (2) the Shoppers Lane parking lot sustainability project, which will result in lower maintenance costs and take advantage of the latest in green building standards like permeable concrete and solar lighting, and the construction jobs that those projects create;
- Affordable rental housing projects including but not limited to (1) 200 W. Rowland which will result in 89 new low, very low and moderate-income covenants and substantial rehabilitation of the site and construction jobs; and (2) the Habitat for Humanity low income house on Cypress, and (3) Agency assistance for transitional housing improvements that are part of a larger YWCA WINGS program to improve and provide transitional housing for victims of domestic abuse and the jobs those funds will create;
- The Agency’s support for a transitional homelessness facility that houses up to two families at a time and has a high success rate in helping mothers and their children transition out of homelessness and into jobs;
- The Agency’s Façade Improvement Program which is responsible for helping to eliminate blight in the City’s Downtown and retain and attract jobs.

Although staff believes these projects and the third party contracts that were entered into on these projects prior to the signing of this legislation are enforceable obligations under the law, these issues could result in litigation should the Council not agree to "voluntarily" enter into the Alternate Voluntary Redevelopment Program as allowed in AB x1 27.

By agreeing to the Alternate Voluntary Redevelopment Program as allowed in AB 1x 27 we will still retain the tools and some of the funding that could allow the City and Agency in the future to try to address blight such as the two large blighted former car dealership sites in Covina's Downtown that have been vacant and underutilized for a number of years. Without a local redevelopment agency, the City may not have a way to address this blighted area, create jobs, add additional affordable housing units, and work to incorporate this area into our transit oriented town center specific plan to meet State sustainability requirements.

The Ordinances are exempt from the requirements of the California Environmental Quality Act ("CEQA") in that they are not a "project," but instead consist of the creation and continuation of a governmental funding mechanism for potential future projects and programs, and do not commit funds to any specific project or program.

RELEVANCE TO THE STRATEGIC PLAN

This shift of local funds will have a detrimental effect on the community's ability to enhance the financial stability of the City. Agency funds used previously to eliminate blight, improve access to and create affordable housing, and create jobs will be lost to the community.

EXHIBITS

- A. Urgency Ordinance No. 11-1998 an Urgency Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina;
- B. Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

URGENCY ORDINANCE NO. 11-1998

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE REDEVELOPMENT AGENCY OF THE CITY OF COVINA

WHEREAS, the City Council of the City of Covina (“City”) approved and adopted the Redevelopment Plan for the Covina Redevelopment Agency Project Area One, Project Area Two, and Project Area Two Amended Area (“Redevelopment Plan”) covering certain properties within the City (the “Project Area”); and

WHEREAS, the Redevelopment Agency of the City of Covina (“Agency”) is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”); and

WHEREAS, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and

WHEREAS, over the next few years, the Agency hopes to implement a variety of redevelopment projects and programs to continue to eliminate and prevent blight, stimulate and expand the Project Area’s economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure, to name a few; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has recently enacted and the Governor has signed, companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, specifically, AB 1X 26 prohibits agencies from taking numerous actions, effective immediately, and additionally provides that agencies are deemed to be dissolved as of October 1, 2011; and

WHEREAS, AB 1X 27 provides that a community may participate in an “Alternative Voluntary Redevelopment Program,” in order to enable a redevelopment agency within that community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code; and

WHEREAS, the Alternative Voluntary Redevelopment Program requires that the community agree to remit specified annual amounts to the county auditor-controller; and

WHEREAS, under the threat of dissolution pursuant to AB 1X 26, and upon the contingencies and reservations set forth herein, the City shall make the Fiscal Year 2011-2012 community remittance, currently estimated to be Two Million Eight Hundred Forty Thousand Two Hundred Eighty Dollars (\$2,840,280), as well as the subsequent annual community remittances; and

WHEREAS, the City reserves the right to appeal the California Director of Finance's determination of the Fiscal Year 2011-12 community remittance, as provided in Health and Safety Code Section 34194; and

WHEREAS, City understands and believes that an action challenging the constitutionality of AB 1X 26 and AB 1X 27 will be filed on behalf of cities, counties and redevelopment agencies; and

WHEREAS, while the City currently intends to make these community remittances, they shall be made under protest and without prejudice to the City's right to recover such amounts and interest thereon, in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional; and

WHEREAS, the City reserves the right, regardless of any community remittance made pursuant to this Ordinance, to challenge the legality of AB 1X 26 and AB 1X 27; and

WHEREAS, if a court of competent jurisdiction grants a stay on the effectiveness of AB 1X 26 and AB 1X 27, the City shall not be obligated to make any community remittance for the duration of the stay; and

WHEREAS, pursuant to California Government Code Section 36937(b), the City Council may adopt an urgency ordinance which is necessary for the immediate protection of the public peace, health or safety by a four-fifths vote without following the procedures otherwise required for ordinance adoption; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. **Findings.** The adoption of this Urgency Ordinance is necessary for the immediate protection of the public peace, health and safety. In accordance with California Government Code Section 36937 and in order to protect the public peace, health and safety, the City Council of the City of Covina further finds as follows:

(a) AB 1X 26 prohibits agencies from taking numerous actions, until the City Council adopts an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code, including but not limited to incurring any new monetary or legal obligations or expanding any existing monetary or legal obligations, entering into agreements with any person for any purpose or amending or modifying any existing agreements and taking any action with respect to a redevelopment plan.

(b) Prior to the effective date of an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code, the Agency will be unable to continue efforts to eliminate and prevent blight (including remediation of buildings and structures which are unhealthy or unsafe to occupy or properties with hazardous waste) stimulate and expand the Project Area's economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure.

(c) Blighting conditions in the Project Area constitute substantial threats to public peace, health and safety, and are so prevalent they cannot be eliminated without Agency action, including but not limited to the use of Agency funds and authorization of programs.

(d) During the current economic crisis, the Agency must have the ability to act and continue the efforts set forth in (b) above. As of May 2011, the unemployment rate in Los Angeles County was approximately 11% compared to a national average of 8.7%. The Agency must have all tools available in order to combat this problem, including implementation of the Agency's economic development programs including but not limited to our Facade Improvement Program, the Shop Covina program, the Broker Incentive Program, and our Business Retention and Expansion Program.

(e) Through programs including but not limited to the Housing Rehabilitation Program, our Transitional Housing Program for homeless women and children, Transitional Housing for Victims of Domestic Violence Program, Affordability Monitoring Program, and our Rent Subsidy Program the Agency is actively engaged in efforts to rehabilitate housing units, to provide assistance for property improvements and to provide safe and affordable housing. Adoption of this Urgency Ordinance will permit the Agency to continue these efforts immediately.

Section 3. Participation in the Alternative Voluntary Redevelopment Program. In accordance with Health and Safety Code Section 34193, and based on the Recitals set forth above, the City Council hereby determines that the City shall comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as enacted by AB 1X 27.

Section 4. Payment Under Protest. Except as set forth in Section 5, below, and subject to annual City budget appropriations, the City Council hereby determines that the City shall make the community remittances set forth in Health and Safety Code section 34194 *et seq.* This determination is based on an estimated community remittance for Fiscal Year 2011-2012 of Two Million Eight Hundred Forty Thousand Two Hundred Eighty Dollars (\$2,840,280).

Section 5. Effect of Stay or Determination of Invalidity. If a court of competent jurisdiction stays the effectiveness of all or any portion of AB 1X 26 or AB 1X 27, pending

resolution of one or more legal actions challenging the legality of some or all of such statutes, the City reserves the right to stay the City's participation in the Alternative Voluntary Redevelopment Program and shall not make any community remittance. Any community remittance shall be made under protest and without prejudice to the City's right to recover such amount and interest thereon in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional, illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner. If there is a final determination that AB 1X 26 and AB 1X 27 are illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner, this Ordinance shall be deemed to be null and void and of no further force or effect.

Section 6. Additional Understandings and Intent. It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the CRL, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual community remittance payments to enable the City, directly or indirectly, to make the annual remittance payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or assets to make the remittance payments.

Section 7. Implementation. The City Council hereby authorizes and directs the City Manager to take any action and execute any documents necessary to implement this Ordinance, including but not limited to notifying the Los Angeles County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the City's agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as set forth in AB 1X 27.

Section 8. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the City Clerk's office located at 125 East College Street Covina CA 91723. The custodian for these records is the City Clerk.

Section 9. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

Section 10. Certification; Publication. The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published once within 15 days of adoption in a newspaper of general circulation printed and published within the City of Covina, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code § 36933.

Section 11. Effective Date. This Ordinance shall become effective immediately upon adoption, if adopted by at least a four-fifths vote of the City Council.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

Deputy City Clerk

APPROVED AS TO FORM;

City Attorney

ORDINANCE NO. 11-1999

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE REDEVELOPMENT AGENCY OF THE CITY OF COVINA

WHEREAS, the City Council of the City of Covina (“City”) approved and adopted the Redevelopment Plan for the Covina Redevelopment Agency Project Area One, Project Area Two, and Project Area Two Amended Area (“Redevelopment Plan”) covering certain properties within the City (the “Project Areas”); and

WHEREAS, the Redevelopment Agency of the City of Covina (“Agency”) is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”); and

WHEREAS, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and

WHEREAS, over the next few years, the Agency hopes to implement a variety of redevelopment projects and programs to continue to eliminate and prevent blight, stimulate and expand the Project Area’s economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure, to name a few; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has recently enacted and the Governor has signed, companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, specifically, AB 1X 26 prohibits agencies from taking numerous actions, effective immediately, and additionally provides that agencies are deemed to be dissolved as of October 1, 2011; and

WHEREAS, AB 1X 27 provides that a community may participate in an “Alternative Voluntary Redevelopment Program,” in order to enable a redevelopment agency within that community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code; and

WHEREAS, the Alternative Voluntary Redevelopment Program requires that the community agree to remit specified annual amounts to the county auditor-controller; and

WHEREAS, under the threat of dissolution pursuant to AB 1X 26, and upon the contingencies and reservations set forth herein, the City shall make the Fiscal Year 2011-2012 community remittance, currently estimated to be Two Million Eight Hundred Forty Thousand Two Hundred Eighty Dollars (\$2,840,280), as well as the subsequent annual community remittances; and

WHEREAS, the City reserves the right to appeal the California Director of Finance's determination of the Fiscal Year 2011-12 community remittance, as provided in Health and Safety Code Section 34194; and

WHEREAS, City understands and believes that an action challenging the constitutionality of AB 1X 26 and AB 1X 27 will be filed on behalf of cities, counties and redevelopment agencies; and

WHEREAS, while the City currently intends to make these community remittances, they shall be made under protest and without prejudice to the City's right to recover such amounts and interest thereon, in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional; and

WHEREAS, the City reserves the right, regardless of any community remittance made pursuant to this Ordinance, to challenge the legality of AB 1X 26 and AB 1X 27; and

WHEREAS, if a court of competent jurisdiction grants a stay on the effectiveness of AB 1X 26 and AB 1X 27, the City shall not be obligated to make any community remittance for the duration of the stay; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. **Participation in the Alternative Voluntary Redevelopment Program.** In accordance with Health and Safety Code Section 34193, and based on the Recitals set forth above, the City Council hereby determines that the City shall comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as enacted by AB 1X 27.

Section 3. **Payment Under Protest.** Except as set forth in Section 4, below, and subject to annual City budget appropriations, the City Council hereby determines that the City shall make the community remittances set forth in Health and Safety Code section 34194 *et seq.* This determination is based on an estimated community remittance for Fiscal Year 2011-2012 of Two Million Eight Hundred Forty Thousand Two Hundred Eighty Dollars (\$2,840,280).

Section 4. Effect of Stay or Determination of Invalidity. If a court of competent jurisdiction stays the effectiveness of all or any portion of AB 1X 26 or AB 1X 27, pending resolution of one or more legal actions challenging the legality of some or all of such statutes, the City reserves the right to stay the City's participation in the Alternative Voluntary Redevelopment Program and shall not make any community remittance. Any community remittance shall be made under protest and without prejudice to the City's right to recover such amount and interest thereon in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional, illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner. If there is a final determination that AB 1X 26 and AB 1X 27 are illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner, this Ordinance shall be deemed to be null and void and of no further force or effect.

Section 5. Additional Understandings and Intent. It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the CRL, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual community remittance payments to enable the City, directly or indirectly, to make the annual remittance payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or assets to make the remittance payments.

Section 6. Implementation. The City Council hereby authorizes and directs the City Manager to take any action and execute any documents necessary to implement this Ordinance, including but not limited to notifying the Los Angeles County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the City's agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as set forth in AB 1X 27.

Section 7. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the City Clerk's office located at 125 East College Street Covina CA 91723. The custodian for these records is the City Clerk.

Section 8. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

Section 9. Certification; Publication. The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published once within 15 days of adoption in a newspaper of general circulation printed and published within the City of Covina, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code § 36933.

Section 10. **Effective Date.** This Ordinance shall become effective thirty (30) days from its adoption.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

Deputy City Clerk

APPROVED AS TO FORM;

City Attorney



MINUTES OF THE JULY 5, 2011 REGULAR MEETING OF THE COVINA CITY COUNCIL/COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCE AUTHORITY/COVINA HOUSING AUTHORITY HELD IN THE COUNCIL CHAMBER OF CITY HALL, 125 EAST COLLEGE STREET, COVINA, CALIFORNIA

CALL TO ORDER

Mayor King called the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority meeting to order at 6:35 p.m. with Mayor Pro Tem Stapleton absent. There was no public comment.

ROLL CALL

Council Members Present: ALLEN, DELACH, KING, LOW

Council Members Absent: STAPLETON (with notice)

Elected Members Present: MANNING

Staff Members Present: City Manager, Human Resources Director, City Attorney, Police Chief, Fire Battalion Chief, Community Development Director/CRA Deputy Director, Finance Director, Parks and Recreation/Library Director, Police Captain, Sr. Redevelopment Manager, Management Analyst, Human Resources Analyst, Redevelopment Manager, City Planner and Deputy City Clerk

AGENDA POSTING DECLARATION

The Deputy City Clerk of the City of Covina hereby declares that the agenda for the July 5, 2011 regular City Council/Redevelopment Agency/Public Finance Authority/Housing Authority meeting was posted on June 30, 2011 near the front entrance of City Hall, 125 East College Street, Covina, in accordance with §54954.2(a) of the California Government Code.

CONVENED THE MEETING AND RECESSED TO CLOSED SESSION

- A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
 Property: Northeast Corner San Bernardino Road and Park Avenue (APN: 8430-024-012)
 Negotiating parties: Hassen Development
 Agency negotiator: Robert Neiuber, Community Development Director/CRA Deputy Director
- B. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
 Property: 626 and 602 South Citrus (APN: 8451-001-911)
 Negotiating parties: Mike Luce
 Agency negotiator: Robert Neiuber, Community Development Director/CRA Deputy Director

- C. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
Property: 120 W. Rowland (APN: 8453-001-003) 611 S. Citrus Ave. (APN: 8453-001-001)
Negotiating parties: Al Sal Oil Company
Agency negotiator: Robert Neiuber, Community Development Director/CRA Deputy Director
- D. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
Property: 635 S. Citrus Avenue (APN: 8453-001-906)
Negotiating parties: Jules Board & Alex Alvarez
Agency negotiator: Robert Neiuber, Community Development Director/CRA Deputy Director
- E. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Negotiations to include both price and terms:
Property: 151 East College Street (APN: 8445-001-918)
Negotiating parties: Mercy Moreno
Agency negotiator: Robert Neiuber, Community Development Director/CRA Deputy Director
- F. G.C. §54956.9(a) - CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Name of case: Donald Sipple, et al. v. City of Covina et al., Case No. BC462270
- G. G.C. §54956.9(a) – CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Name of case: Badillo Heights, LLC v. City of Covina: Case No. BC448983
- H. G.C. §54956.9(a) - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Name of case: Leah Diane Sanders v. City of Covina: Case No. KCO59172

CONVENE THE MEETING

The City Council/Redevelopment Agency/Public Finance Authority/Housing Authority meeting reconvened at 7:38 p.m.

City Attorney Marco Martinez announced City/Agency/Authority met in closed session to discuss the items listed on the agenda, noting that Mayor Pro Tem Stapleton was absent. City Attorney Martinez reported that there was no reportable action related to closed session items A through H.

PLEDGE OF ALLEGIANCE

Council Member Bob Low led the pledge of allegiance.

INVOCATION

Covina Police Chaplain, David Truax, lead the invocation.

PRESENTATIONS

Mayor King and Council Member Allen invited Cathy Stevens and Yolanda Van Dyke to the lectern and recognized them for the dedicated work with the American Cancer Society Covina Relay for Life. Council Member Allen also expressed appreciation to those who participated in the event.

Mayor King recognized the participants in the 2011 Community Service Day, which included members from the following churches: Assembly of God Church, Covina United Methodist Church, Christ First Baptist Church, and First Presbyterian Church of Covina. Mayor King and Fred Feldheim of the Covina Valley Historical Society expressed appreciation to Covina Home Depot, Lowes Covina, Munchkin Donuts, Covina Albertsons, Frazee Paint, Citrus Valley Florist, House of Benny and Solo Motorsports, Inc., for monetary or material contributions towards the Covina Valley Historical Museum renovations.

PUBLIC COMMENTS

Woody Dahlen spoke regarding a dead cat found in is front yard over the weekend. Mr. Dahlen warned of possible coyotes roaming the area and wanted make residents aware to keep animals in the house.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Mayor King announced summer evening entertainment at the Covina Park band shell continues with the following weekly activities, Monday evenings enjoy free concerts beginning at 7:30 p.m., Kids Night Out each Tuesday, Wednesday evenings feature music from local church worship groups and Thursday nights enjoy Covina Concert Band.

Mayor King announced that Tuesday, August 2, 2011 neighborhoods throughout Covina would come together to take a stand against crime and drugs for the annual national night out from 5:00 p.m. to 9:00 p.m. To participate, contact the Covina Police Department Crime Prevention Unit at (626) 384-5630.

Council Member Low requested to adjourn the meeting in honor of Jacqueline Vaughan Lloyd, wife of Congressman Jim Lloyd, who grew up in Covina and passed away on June 17, 2011.

Council Member Allen expressed appreciation to those who helped with the annual swim night for the Australian team visiting for the Northview High School Australia baseball expo.

CITY MANAGER COMMENTS

City Manager Daryl Parrish reported that staff is requesting to continue four items on the agenda, consent calendar items CC11, CC12, CC13 and public hearing item PH4, to the July 19, 2011 meeting.

CONSENT CALENDAR

On a motion made by Council Member Delach, seconded by Council Member Allen, the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar items CC1, CC2, CC4, CC5, CC6, CC7, CC8, CC9, and CC10. **Motion carried 4-0, with Mayor Pro Temp Stapleton absent and Mayor King abstaining on Consent Calendar item CC2.** Consent Calendar item CC3 was removed from the agenda for further discussion and consideration. Consent Calendar items CC11, CC12 and CC13 were removed from the agenda.

- CC 1. City Council approved the minutes of the June 7, 2011 regular meeting of the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority.
- CC 2. City Council approved the minutes of the June 21, 2011 regular meeting of the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority.
- CC 3. City Council re-established the position of Support Services Manager to the Unaffiliated Group.

Council Member Low expressed a concern regarding an additional police officer being hired for management purposes, feels the City is facing economic challenges adding that all departments should realize that we have to do more with less. Council Member Low stated he finds it difficult to support the item.

Council Member Allen stated the Covina Police Department is a top-notch Department, which requires the best training and personnel and the Police Chief should be allowed to manage his Department with necessary positions.

City Manager Parrish clarified the position is part-time, non-sworn position and would fill a vacancy by replacing a staff member who retired.

Human Resources Director Anthony Arroyo reported the position is a non-sworn position, which is not subject to any benefits and the applicant would not be able to work more than 960 hours in a fiscal year.

On a motion made by Council Member Allen, seconded by Council Member Delach, the City Council/Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar item CC3. **Motion carried 3-1, with Mayor Pro Tem Stapleton absent and Council Member Low voting no.**

- CC 4. City Council approved the Memorandum of Understanding with Charter Oak Unified School District for School Resources Officer for 2011-2012 school year.
- CC 5. City Council approved the Memorandum of Understanding with Covina-Valley Unified School District for School Resource Officer for 2011-2012 school year.
- CC 6. City Council approved the Memorandum of Understanding with Azusa Unified School District for School Resource Officer for 2011-2012 school year.
- CC 7. City Council adopted **City Resolution No. 11-6984**, finding the City to be in conformance with the Congestion Management Program (CMP) and adopting the CMP Local Development Report for Los Angeles County.
- CC 8. City Council adopted **City Resolution No. 11-6985**, establishing the 2011-2012 Appropriation limit for the City of Covina.
- CC 9. City Council approved the Covina Parking Study Implementation Strategies, 1 through 6.

CC 10. City Council approved of Letter of Support for the Los Angeles County Department of Public Health grant proposal for the Community Transformation Grants (CTG).

Mayor King reported Consent Calendar Items CC11, CC12 and CC13 would be removed from the agenda to be brought back to the July 19, 2011 meeting.

CC 11. Redevelopment Agency to adopt **Agency Resolution No. 11-673**, approving an Exclusive Right to Negotiate Agreement (“ERN”) between the Covina Redevelopment Agency and Jules Boand and Alex Alvarez.

CC 12. Redevelopment Agency to adopt **Agency Resolution No. 11-680**, approving modification to criteria for a Moderate Income Housing Down Payment Assistance Program.

CC 13. City Council/Redevelopment Agency/Housing Authority to adopt **Agency Resolution No. 11-681**, amending the fiscal year 2011-2012 Covina Redevelopment Agency budget to reflect an appropriation of \$150,000 from housing set-aside undesignated funds to provide funding for the moderate Income Borrower, Down Payment Assistance Program.

PUBLIC HEARING

PH 1. Public hearing was before City Council to receive and file the proposed program for expenditure of 2011 Edward Byrne Memorial Justice Assistance Grant (JAG).

At 8:30 p.m., Mayor King opened the public hearing and took public testimony. There were no speakers.

At 8:30 p.m., Mayor King closed the public hearing.

On a motion made by Council Member Low, seconded by Council Member Delach, the City Council received and filed the proposed program for expenditure for 2011 Edward Byrne Memorial Justice Assistance Grant (JAG) awarded by the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice. **Motion 4-0, with Mayor Pro Tem Stapleton absent.**

PH 2. Public hearing was before City Council to hold second reading to consider adoption of **Ordinance No. 11-1996**, repealing Section 17.62.193 of Chapter 17.62 and adding Chapter 17.65 to Title 17 (Zoning) of the Covina Municipal Code in order to update the City’s regulations for wireless communication facilities and making various conforming changes to Title 17 (Zoning) of the Covina Municipal Code.

At 8:31 p.m., Mayor King opened the public hearing and took public testimony.

Rich Roach, representing AT&T Mobile, read from an e-mail dated June 21, 2011 regarding the proposed ordinance.

A brief discussion took place regarding minor modifications to antennas on the towers and requirements for a conditional use permit.

At 8:43 p.m., Mayor King closed the public hearing.

City Attorney Marco Martinez reported the reimbursement of consulting fees discussed in the ordinance would include the scope of service and be provided to the applicant ahead of time.

Council Member Low thanked staff for the work on the ordinance.

On a motion made by Council Member Low, seconded by Council Member Allen, the City Council adopted **Ordinance No. 11-1996**, repealing 17.62.193 of Chapter 17.62 and adding Chapter 17.65 to Title 17 (Zoning) of the Covina Municipal Code in order to update the City's regulations for wireless communication facilities and making various conforming changes to Title 17 (Zoning) of the Covina Municipal Code. **Motion carried 4-0, with Mayor Pro Tem Stapleton absent.**

- PH 3.** Public hearing was before City Council to hold second reading to consider adoption of **Ordinance No. 11-1997**, amending Chapter 5.36 of Title 5 (Business Licenses and Regulations) of the Covina Municipal Code pertaining to regulation of massage practitioners and massage establishments and amending portions of Title 17 (Zoning) of the Covina Municipal Code reclassifying "Barber and Beauty Shops" as Conditional uses.

At 8:44 p.m., Mayor King opened the public hearing and took public testimony. There were no speakers.

At 8:45 p.m., Mayor King closed the public hearing.

On a motion made by Council Member Allen, seconded by Council Member Low, the City Council adopted **Ordinance No. 11-1997**, amending Chapter 5.36 of Title 5 (Business Licenses and Regulations) of the Covina Municipal Code pertaining to regulation of massage practitioners and massage establishments and amending portions of Title 17 (Zoning) of the Covina Municipal Code reclassifying "Barber and Beauty Shops" as Conditional uses. **Motion carried 4-0, with Mayor Pro Tem Stapleton absent.**

- PH 4.** Joint public hearing was before City Council/Redevelopment Agency to consider a Fifth Amendment to lease of real property by the Agency to WaltersBayer Automotive Group.

At 8:46 p.m., Mayor King opened the public hearing and took public testimony. There were no comments.

On a motion made by Council Member Delach, seconded by Council Member Low, Mayor King continued the public hearing to the meeting of July 19, 2011. **Motion carried 4-0, with Mayor Pro Tem Stapleton absent.**

ADJOURNMENT

At 8:52 p.m., Mayor King adjourned the Covina City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority in memory of Jacqueline Vaughan Lloyd to the next regular meeting on **Tuesday, July 19, 2011** at 6:30 p.m. for closed session and at 7:30 p.m. for open session in the Council Chamber of City Hall, 125 East College Street, Covina, California, 91723.

Catherine M. LaCroix
Deputy City Clerk/Agency/Authority Secretary

Approved this 19th day of July, 2011.

John C. King, Mayor/Chairperson

**CITY OF COVINA
AGENDA ITEM COMMENTARY**

MEETING DATE: July 19, 2011

ITEM NO.: CC 2

STAFF SOURCE: Dilu De Alwis, Finance Director 

ITEM TITLE: Payment of Demands

STAFF RECOMMENDATION:

Approve Payment of Demands in the amount of: **\$2,442,022.09**

BACKGROUND:

Attached list of warrants, demands, which are being presented for approval for May 2011 are summarized as follows:

<u>DATE OF DEMANDS</u>	<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
ACCOUNTS PAYABLE WARRANTS		
May 3, 2011	91813-91945	\$128,196.04
May 5, 2011	91946	\$250.00
May 10, 2011	91947-92046	\$248,049.14
May 11, 2011	92047-92071	\$197,399.78
May 17, 2011	92072-92175	\$347,763.36
May 17, 2011	92176	\$3,435.00
May 23, 2011	92177-92272	\$193,778.71
May 25, 2011	92273-92297	\$201,984.40
 PAYROLL		
May 12, 2011	PAYROLL ADVANCE	\$390,000.00
May 12, 2011		\$124,744.25
May 26, 2011	PAYROLL ADVANCE	\$415,000.00
May 26, 2011		\$138,701.32
 VOIDS		
May 9, 2011	89067	(\$18.00)
May 25, 2011	89509,89758,90950	(\$688.00)
May 31, 2011	91730,91865,91938	(\$1,219.65)
 WORKERS COMPENSATION		
April 29, 2011	21225-21249	\$16,579.86
May 6, 2011	21250-21270	\$14,100.06
May 13, 2011	21271-21291	\$8,345.08
May 20, 2011	21292-21314	\$8,465.29
May 27, 2011	21315-21339	\$7,155.45
	GRAND TOTAL:	\$2,442,022.09

RELEVANCE TO STRATEGIC PLAN: Not applicable

EXHIBITS:

A. ACCOUNTS PAYABLE REGISTER

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00091813	V06181	ADVANTAGE ARCHERY	05/03/11	196.00	MM	OH		
AP00091814	V05055	AGI ACADEMY	05/03/11	264.60	MM	OH		
AP00091815	V07158	AGUILAR, LOURDES	05/03/11	196.00	MM	OH		
AP00091816	V07542	AKEY, MARJORIE	05/03/11	100.80	MM	OH		
AP00091817	V07014	ALAS, NINA	05/03/11	94.50	MM	OH		
AP00091818	V07157	ANGELES, LEAH	05/03/11	411.59	MM	OH		
AP00091819	V07734	ASSET RELOCATORS	05/03/11	150.00	MM	OH		
AP00091820	V01660	AT&T	05/03/11	357.22	MM	OH		
AP00091821	V06193	AYRES HOTEL	05/03/11	312.57	MM	OH		Payee Name different in Check DB
AP00091822	V00090	BAKER AND TAYLOR INC	05/03/11	560.10	MM	OH		
AP00091823	V07100	BANK OF THE WEST	05/03/11	9,395.07	MM	OH		
AP00091824	V02591	BEST BEST & KRIEGER LLP	05/03/11	22,271.28	MM	OH		
AP00091825	V01417	BEST OFFICE PRODUCTS	05/03/11	61.41	MM	OH		
AP00091826	V07139	BETHE, BETTY JO	05/03/11	122.50	MM	OH		
AP00091827	V04881	BICKMORE RISK SERVICES	05/03/11	4,500.00	MM	OH		
AP00091828	V05582	BIOMETRICS4ALL INC	05/03/11	800.00	MM	OH		
AP00091829	V00127	BRODART CO	05/03/11	180.43	MM	OH		
AP00091830	V00254	BRUNSWICK COVINA BOWL	05/03/11	157.50	MM	OH		Payee Name different in Check DB
AP00091831	V00919	BUCHANAN, PATRICK	05/03/11	500.00	MM	OH		
AP00091832	V00139	CALIBER POOL AND SPA SVC	05/03/11	1,450.00	MM	OH		
AP00091833	V06872	CALIF BUILDING STANDARDS COMM	05/03/11	282.60	MM	OH		Payee Name different in Check DB
AP00091834	V00153	CALIF, STATE OF	05/03/11	406.17	MM	OH		
AP00091835	V04970	CALIFA GROUP	05/03/11	4,088.07	MM	OH		
AP00091836	V07987	CALIFORNIA DISTRICT ATTORNEYS	05/03/11	200.00	MM	OH		
AP00091837	V07038	CALLANDRILLO JR., GEORGE	05/03/11	178.06	MM	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00091838	V07156	CALLISON, JACQUELYN	05/03/11	220.50	MM	OH		
AP00091839	V01595	CANON BUS SOLUTIONS INC	05/03/11	305.61	MM	OH		Payee Name different in Check DB
AP00091840	V07605	CARR, BECKY	05/03/11	10.99	MM	OH		
AP00091841	V00134	CAT SPECIALTIES INC	05/03/11	169.45	MM	OH		
AP00091842	V07773	CC BLUU ART	05/03/11	168.00	MM	OH		
AP00091843	V05302	CELAYA, VERA FLORES	05/03/11	274.75	MM	OH		Payee Name different in Check DB
AP00091844	V00186	CENTURY OFFICE PRODUCTS	05/03/11	40.51	MM	OH		
AP00091845	V02958	CERTIFIED UNDERCAR PARTS	05/03/11	209.54	MM	OH		
AP00091846	V00190	CHARTER OAK GYMNASTICS INC	05/03/11	2,778.30	MM	OH		
AP00091847	V04824	CHARTER OAK HARDWARE	05/03/11	59.19	MM	OH		
AP00091848	V05555	CINTAS CORP #693	05/03/11	138.83	MM	OH		
AP00091849	V00174	COCA COLA BOTTLING CO	05/03/11	367.40	MM	OH		
AP00091850	V00237	COMMUNICATIONS CENTER	05/03/11	135.00	MM	OH		
AP00091851	V07204	COON, MARK	05/03/11	250.00	MM	OH		
AP00091852	V05948	CORBIN, CLARA	05/03/11	2,394.00	MM	OH		
AP00091853	V06468	COVINA SCREEN & PATIO CO	05/03/11	570.70	MM	OH		
AP00091854	V00837	COVINA WATER & REFUSE, CITY O	05/03/11	417.62	MM	OH		Payee Name different in Check DB
AP00091855	V02742	CRAIG'S CPR&FIRST AID TRAININ	05/03/11	84.00	MM	OH		
AP00091856	V04219	CSI SERVICES INC	05/03/11	2,250.00	MM	OH		
AP00091857	V07312	DESILVA, ANURA K T	05/03/11	2,500.00	MM	OH		Payee Name different in Check DB
AP00091858	V07980	DILLARD, TERRELL	05/03/11	4.00	MM	OH		
AP00091859	V07549	DURFEE AUTO AND TRANSMISSION	05/03/11	2,405.00	MM	OH		
AP00091860	V00175	EDISON CO	05/03/11	940.35	MM	OH		
AP00091861	V07746	ENTHRALL INC	05/03/11	900.00	MM	OH		
AP00091862	V07325	ESCOBEDO, JOSEPH	05/03/11	202.13	MM	OH		

Check	Payee ID	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00091863	V00176	FEDEX	05/03/11	11.88	MM	OH		
AP00091864	V05905	FOSTER CITY, CITY OF	05/03/11	1,500.00	MM	OH		Payee Name different in Check DB
AP00091865	V05715	FRIEDENTHAL, ROBERT	05/03/11	735.05	MM	OH		
AP00091866	V06433	GALE CENGAGE LEARNING	05/03/11	185.54	MM	OH		
AP00091867	V00350	GAS COMPANY, THE	05/03/11	122.31	MM	OH		Payee Name different in Check DB
AP00091868	V06554	GIAMMARCO, ANTHONY	05/03/11	171.50	MM	OH		
AP00091869	V05550	GONZALEZ, ALEX	05/03/11	15.68	MM	OH		
AP00091870	V00374	GRAINGER	05/03/11	838.69	MM	OH		Payee Name different in Check DB
AP00091871	V00006	HOME DEPOT	05/03/11	555.66	MM	OH		
AP00091872	V07978	HORNBLLOWER CRUISES AND EVENTS	05/03/11	1,479.48	MM	OH		
AP00091873	V07173	HUNTER, JOHN L.	05/03/11	228.75	MM	OH		Payee Name different in Check DB
AP00091874	V00233	HYDRO CONNECTIONS	05/03/11	95.43	MM	OH		Payee Name different in Check DB
AP00091875	V00418	ICC INTERNATIONAL CODE COUNCI	05/03/11	9.00	MM	OH		Payee Name different in Check DB
AP00091876	V05607	INGERSOLL, SCOTT	05/03/11	248.50	MM	OH		
AP00091877	V00425	INGRAM DIST GROUP	05/03/11	401.66	MM	OH		
AP00091878	V00426	INLAND WATER WORKS	05/03/11	3,991.51	MM	OH		
AP00091879	V01113	INTEGRA TEST	05/03/11	130.00	MM	OH		
AP00091880	V00447	JOBS AVAILABLE INC	05/03/11	39.00	MM	OH		
AP00091881	V05848	JOHN CATERINO PIANO SERVICE	05/03/11	85.00	MM	OH		
AP00091882	V00441	JM LOCK CO INC	05/03/11	222.19	MM	OH		
AP00091883	V00451	KELLY PAPER CO	05/03/11	153.87	MM	OH		
AP00091884	V00458	KEYSTONE UNIFORM DEPOT	05/03/11	101.41	MM	OH		Payee Name different in Check DB
AP00091885	V02741	KYLE, PATRICIA	05/03/11	1,650.60	MM	OH		
AP00091886	V03576	LA CNTY DEPT OF PUBLIC WORKS	05/03/11	1,266.94	MM	OH		
AP00091887	V05585	LAM, LY CHOU	05/03/11	479.50	MM	OH		

Check	Payee ID	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00091888	V07017	LARSEN, MICHAEL	05/03/11	81.67	MM	OH		
AP00091889	V00496	LEWIS ENGRAVING INC	05/03/11	69.14	MM	OH		
AP00091890	V00501	LIEBERT CASSIDY WHITMORE	05/03/11	563.00	MM	OH		Payee Name different in Check DB
AP00091891	V00214	LIGHTNING OIL COMPANY INC	05/03/11	1,247.00	MM	OH		Payee Name different in Check DB
AP00091892	V04792	MALINOSKI, JOHN	05/03/11	227.50	MM	OH		
AP00091893	V07981	MANZETTI, EDWARD	05/03/11	2.00	MM	OH		
AP00091894	V01928	MARTIN & CHAPMAN	05/03/11	104.50	MM	OH		
AP00091895	V04045	MEDINA, MARIA	05/03/11	154.00	MM	OH		
AP00091896	V00551	MILLERS & ISHAMS FIRE	05/03/11	164.35	MM	OH		Payee Name different in Check DB
AP00091897	V01240	MISSION LINEN SUPPLY	05/03/11	152.12	MM	OH		
AP00091898	V01829	MIU, CLARENCE	05/03/11	43.86	MM	OH		
AP00091899	V06687	NEWPORT FARMS INC	05/03/11	218.49	MM	OH		
AP00091900	V00797	OFFICE DEPOT	05/03/11	6,184.58	MM	OH		Payee Name different in Check DB
AP00091901	V06534	ON TARGET PERFORMANCE SYSTEM	05/03/11	2,500.00	MM	OH		
AP00091902	V00895	ORANGE COUNTY SHERIFFS DEPT	05/03/11	533.77	MM	OH		Payee Name different in Check DB
AP00091903	V07018	PARADA, MIGUEL	05/03/11	756.00	MM	OH		
AP00091904	V07146	PARRISH, DARYL	05/03/11	418.41	MM	OH		
AP00091905	V00623	PENWORTHY COMPANY	05/03/11	960.48	MM	OH		
AP00091906	V01471	PETERSON, GREGG	05/03/11	76.50	MM	OH		
AP00091907	V07982	RASSAC H&C INC	05/03/11	324.00	MM	OH		
AP00091908	V06114	REPUBLIC MASTER CHEFS	05/03/11	94.30	MM	OH		
AP00091909	V05907	RF CONSULTING	05/03/11	735.05	MM	OH		
AP00091910	V06642	ROMO PLANNING GROUP INC	05/03/11	1,006.25	MM	OH		
AP00091911	V05452	SALINAS, CHRISTOPHER	05/03/11	506.87	MM	OH		
AP00091912	V04066	SECURITAS SECURITY SERVICES	05/03/11	3,328.90	MM	OH		

Check ID	Payee ID	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00091913	V00880	SESESTINGHE, AJITH	05/03/11	1,484.00	MW	OH		Payee Name different in Check DB
AP00091914	V02292	SEVOLD, CHERYL	05/03/11	208.25	MW	OH		
AP00091915	V00718	SHOWCASES	05/03/11	34.50	MW	OH		
AP00091916	V00727	SMART AND FINAL IRIS CORP	05/03/11	129.45	MW	OH		
AP00091917	V06071	STAPLES BUSINESS ADVANTAGE	05/03/11	106.94	MW	OH		
AP00091918	V00007	STAPLES INC	05/03/11	68.87	MW	OH		
AP00091919	V06661	STEVENSON, ROY	05/03/11	343.00	MW	OH		
AP00091920	V05559	STEVEY, LYNLEE	05/03/11	103.32	MW	OH		
AP00091921	V00110	SUNGARD BI-TECH INC	05/03/11	6,384.03	MW	OH		Payee Name different in Check DB
AP00091922	V07188	SYNTECH	05/03/11	3,373.17	MW	OH		
AP00091923	V04142	TALX UC EXPRESS	05/03/11	250.00	MW	OH		Payee Name different in Check DB
AP00091924	V00760	TAVANNA	05/03/11	102.90	MW	OH		
AP00091925	V04460	TECHDEPOT	05/03/11	866.81	MW	OH		
AP00091926	V04501	THOMAS, TERRI	05/03/11	1,657.60	MW	OH		
AP00091927	V07901	TISUTHIMONGSE, SUCHOT	05/03/11	48.95	MW	OH		
AP00091928	V07772	TORRES, NICHOLE	05/03/11	232.75	MW	OH		
AP00091929	V05054	TRIFITT SPORTS	05/03/11	1,739.00	MW	OH		
AP00091930	V07984	TSUBOI, KARA	05/03/11	1,458.24	MW	OH		
AP00091931	V00975	TT MAILING SERVICE	05/03/11	1,150.47	MW	OH		
AP00091932	V07898	TYLER TECHNOLOGIES INC.	05/03/11	1,244.85	MW	OH		
AP00091933	V00783	ULTRA-CHEM INC	05/03/11	1,228.89	MW	OH		Payee Name different in Check DB
AP00091934	V04337	UNITED RENTALS NORTHWEST INC	05/03/11	1,717.96	MW	OH		
AP00091935	V00229	US POSTMASTER	05/03/11	617.32	MW	OH		
AP00091936	V07356	VAN LEEUWEN, JOACHIM	05/03/11	70.00	MW	OH		
AP00091937	V07985	VARGAS, JOSE	05/03/11	851.46	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00091938	V07986	VARGAS, RICARDO	05/03/11	250.00	MW		OH	
AP00091939	V07403	VERIZON CALIFORNIA	05/03/11	263.70	MW		OH	
AP00091940	V05305	VISUAL STATEMENT	05/03/11	395.10	MW		OH	Payee Name different in Check DB
AP00091941	V00158	WULCAN MATERIALS COMPANY	05/03/11	383.42	MW		OH	Payee Name different in Check DB
AP00091942	V01618	WALCZAK, RIC	05/03/11	20.42	MW		OH	Payee Name different in Check DB
AP00091943	V03567	WALMART	05/03/11	611.43	MW		OH	
AP00091944	V06602	WELLDYNERX	05/03/11	21.91	MW		OH	
AP00091945	V07473	WILSON ASSOCIATES	05/03/11	573.10	MW		OH	

G R A N D T O T A L S:

Total Void Machine Written 0.00 Number of Checks Processed: 0

Total Void Hand Written 0.00 Number of Checks Processed: 0

Total Machine Written 128,196.04 Number of Checks Processed: 133

Total Hand Written 0.00 Number of Checks Processed: 0

Total Reversals 0.00 Number of Checks Processed: 0

Total Cancelled Checks 0.00 Number of Checks Processed: 0

Total EFTs 0.00 Number of EFTs Processed: 0

G R A N D T O T A L 128,196.04

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 Check ID. Payee Name Date Check Amount Type Subs Rel To Note
 =====
 AP00091946 V07999 LOS SALAZAR 05/05/11 250.00 MM 1P
 =====

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	250.00	Number of Checks Processed:	1
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	250.00		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00091947	V04747	10-8 RETROFIT	05/10/11	474.00	MM	OH		
AP00091948	V00022	ABORTA BUG INC	05/10/11	65.00	MM	OH		
AP00091949	V06428	ADVANCED	05/10/11	1,430.10	MM	OH		
AP00091950	V06611	ADVANTEC CONSULTING ENGINEERS	05/10/11	3,900.00	MM	OH		
AP00091951	V07991	AGENCIES TOOL CENTER	05/10/11	366.88	MM	OH		
AP00091952	V00046	ALBERTSONS GROCERY WAREHOUSE	05/10/11	19.53	MM	OH		
AP00091953	V04434	ALL CITY MANAGEMENT SVC	05/10/11	3,322.10	MM	OH		
AP00091954	V07381	ALTA PLANNING & DESIGN	05/10/11	5,845.00	MM	OH		
AP00091955	V00054	AMERICAN BUS MACHINES INC	05/10/11	152.55	MM	OH		
AP00091956	V06519	AMERICAN TRAFFIC SOLUTIONS	05/10/11	16,185.00	MM	OH		
AP00091957	V00060	AMERICAN WATER WRKS ASSOC	05/10/11	231.00	MM	OH		
AP00091958	V00980	AREA D CIVIL DEFENSE /	05/10/11	2,462.70	MM	OH		Payee Name different in Check DB
AP00091959	V01660	AT&T	05/10/11	141.46	MM	OH		
AP00091960	V04888	AUDIO GO	05/10/11	8.00	MM	OH		Payee Name different in Check DB
AP00091961	V06810	AUTOZONE INC	05/10/11	69.35	MM	OH		Payee Name different in Check DB
AP00091962	V00088	AZUSA, CITY OF	05/10/11	2,022.52	MM	OH		Payee Name different in Check DB
AP00091963	V00090	BAKER AND TAYLOR INC	05/10/11	2,743.65	MM	OH		
AP00091964	V04100	BOND LOGISTIX	05/10/11	7,668.61	MM	OH		
AP00091965	V03715	CALIFORNIA SCIENCE CENTER	05/10/11	25.00	MM	OH		
AP00091966	V00186	CENTURY OFFICE PRODUCTS	05/10/11	522.81	MM	OH		
AP00091967	V02958	CERTIFIED UNDERCAR PARTS	05/10/11	212.82	MM	OH		
AP00091968	V05555	CINTAS CORP #693	05/10/11	138.83	MM	OH		
AP00091969	V07628	CLEVA TECHNOLOGIES	05/10/11	1,066.17	MM	OH		
AP00091970	V00237	COMMUNICATIONS CENTER	05/10/11	8,924.48	MM	OH		
AP00091971	V00240	COMPUTER SERVICE COMPANY	05/10/11	5,704.85	MM	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To Note
AP00091972	V02444	CONTEMPORARY INFO CORP	05/10/11	24.00	MW	OH	
AP00091973	V00248	COUNSELING TEAM, THE	05/10/11	660.00	MW	OH	Payee Name different in Check DB
AP00091974	V01736	COURTYARD MARRIOTT HOTEL	05/10/11	499.79	MW	OH	
AP00091975	V00255	COVINA CHAMBER OF COMMERCE	05/10/11	110.00	MW	OH	Payee Name different in Check DB
AP00091976	V00260	COVINA OFFICE EQUIPT	05/10/11	106.49	MW	OH	Payee Name different in Check DB
AP00091977	V00175	EDISON CO	05/10/11	33,216.36	MW	OH	
AP00091978	V07937	FAIRPLEX	05/10/11	1,000.00	MW	OH	
AP00091979	V00176	FEDEX	05/10/11	18.47	MW	OH	
AP00091980	V07990	FLYNN, ANDREW	05/10/11	4.00	MW	OH	
AP00091981	V07956	GARCIA, FRANK	05/10/11	2.00	MW	OH	
AP00091982	V07043	GLOBALSTAR LLC	05/10/11	36.90	MW	OH	
AP00091983	V00730	GOLDEN STATE WATER COMPANY	05/10/11	317.39	MW	OH	Payee Name different in Check DB
AP00091984	V07995	GRADNEY, BERNADETTE	05/10/11	20.00	MW	OH	
AP00091985	V00374	GRAINGER	05/10/11	436.17	MW	OH	Payee Name different in Check DB
AP00091986	V00378	GREENS LOCK AND SAFE	05/10/11	107.00	MW	OH	
AP00091987	V06820	HEAVISIDE, MARTHA	05/10/11	736.00	MW	OH	Payee Name different in Check DB
AP00091988	V00408	HIGSMITH CO INC, THE	05/10/11	18.43	MW	OH	Payee Name different in Check DB
AP00091989	V07294	HOLLIDAY ROCK CO INC	05/10/11	826.15	MW	OH	
AP00091990	V00006	HOME DEPOT	05/10/11	807.70	MW	OH	
AP00091991	V00414	HOSE MAN INC, THE	05/10/11	241.25	MW	OH	Payee Name different in Check DB
AP00091992	V00425	INGRAM DIST GROUP	05/10/11	585.21	MW	OH	
AP00091993	V00448	JOHNNY'S POOL SERVICE	05/10/11	181.56	MW	OH	Payee Name different in Check DB
AP00091994	V05490	JS CONSULTANTS	05/10/11	13,588.26	MW	OH	
AP00091995	V00441	JW LOCK CO INC	05/10/11	85.50	MW	OH	
AP00091996	V00451	KELLY PAPER CO	05/10/11	27.14	MW	OH	

Check	Payee ID	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00091997	V00479	LA CNTY MIA	05/10/11	462.00	MM	OH		Payee Name different in Check DB
AP00091998	V06578	LA CNTY REGISTRAR RECORDER	05/10/11	16.00	MM	OH		Payee Name different in Check DB
AP00091999	V07231	LA WORKS	05/10/11	4,373.00	MM	OH		
AP00092000	V07993	LAPNET	05/10/11	150.00	MM	OH		
AP00092001	V07730	LAW ENFORCEMENT MEDICAL	05/10/11	215.00	MM	OH		
AP00092002	V00493	LEAGUE OF CALIF CITIES	05/10/11	440.00	MM	OH		
AP00092003	V07988	LEON, JOHN	05/10/11	2.00	MM	OH		
AP00092004	V00496	LEWIS ENGRAVING INC	05/10/11	8.78	MM	OH		
AP00092005	V04721	LIGHTING RESOURCES	05/10/11	443.00	MM	OH		
AP00092006	V07947	LINE-X OF PASADENA	05/10/11	412.41	MM	OH		
AP00092007	V03481	LOWE'S COMPANIES INC	05/10/11	24.28	MM	OH		Payee Name different in Check DB
AP00092008	V05042	MEDCO SUPPLY COMPANY	05/10/11	50.21	MM	OH		
AP00092009	V01240	MISSION LINEN SUPPLY	05/10/11	376.53	MM	OH		
AP00092010	V00571	MYERS TIRE SUPPLY	05/10/11	41.78	MM	OH		
AP00092011	V00573	NAPA AUTO PARTS	05/10/11	27.09	MM	OH		
AP00092012	V00589	NOLO PRESS	05/10/11	80.53	MM	OH		
AP00092013	V07404	O REILLY AUTO PARTS	05/10/11	557.52	MM	OH		
AP00092014	V00797	OFFICE DEPOT	05/10/11	124.95	MM	OH		Payee Name different in Check DB
AP00092015	V07996	ONE WORLD RHYTHM	05/10/11	25.00	MM	OH		
AP00092016	V00623	PENWORTHY COMPANY	05/10/11	649.28	MM	OH		
AP00092017	V00638	POWELL CAMERA SHOP	05/10/11	293.91	MM	OH		
AP00092018	V01020	RADIO SHACK	05/10/11	43.89	MM	OH		
AP00092019	V07998	RAETECH	05/10/11	5,940.22	MM	OH		
AP00092020	V04406	RAMIREZ, ULRICH	05/10/11	214.01	MM	OH		
AP00092021	V00224	REGENT BOOK CO	05/10/11	47.40	MM	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092022	V06114	REPUBLIC MASTER CHEFS	05/10/11	135.34	MW	OH		
AP00092023	V01414	RIVERSIDE CNTY SHERIFF'S DEPT	05/10/11	194.00	MW	OH		Payee Name different in Check DB
AP00092024	V02961	SCERRA	05/10/11	1,000.00	MW	OH		
AP00092025	V03773	SIMPLEX GRINNELL LP	05/10/11	868.52	MW	OH		Payee Name different in Check DB
AP00092026	V00727	SMART AND FINAL IRIS CORP	05/10/11	22.85	MW	OH		
AP00092027	V07989	SMITH, ELENA	05/10/11	4.00	MW	OH		
AP00092028	V06163	SOUTHLAND TRANSIT	05/10/11	43,760.63	MW	OH		
AP00092029	V05039	SPECIALIZED ARMAMENT WAREHOUS	05/10/11	944.04	MW	OH		
AP00092030	V00007	STAPLES INC	05/10/11	91.30	MW	OH		
AP00092031	V00007	STAPLES INC	05/10/11	230.44	MW	OH		
AP00092032	V00754	SUPERB GRAPHICS INC	05/10/11	103.71	MW	OH		
AP00092033	V03248	THERMAL COMBUSTION INNOVATORS	05/10/11	105.79	MW	OH		
AP00092034	V07008	TIME WARNER CABLE	05/10/11	145.12	MW	OH		
AP00092035	V07710	TRAC, MAYA DEWI	05/10/11	18.00	MW	OH		Payee Name different in Check DB
AP00092036	V07898	TYLER TECHNOLOGIES INC.	05/10/11	51,924.02	MW	OH		
AP00092037	V05461	URBAN GRAFFITI ENTERPRISES IN	05/10/11	5,700.00	MW	OH		
AP00092038	V00229	US POSTMASTER	05/10/11	467.29	MW	OH		
AP00092039	V03657	US POSTMASTER	05/10/11	4,000.00	MW	OH		
AP00092040	V03305	V & V MANUFACTURING	05/10/11	85.44	MW	OH		
AP00092041	V07403	VERIZON CALIFORNIA	05/10/11	59.99	MW	OH		
AP00092042	V01119	WARREN DISTRIBUTING INC	05/10/11	393.95	MW	OH		Payee Name different in Check DB
AP00092043	V04643	WELLS FARGO FINANCIAL LEASING	05/10/11	1,224.48	MW	OH		
AP00092044	V00812	WEST COAST ARBORISTS INC	05/10/11	1,365.60	MW	OH		
AP00092045	V06524	WILLDAN FINANCIAL SERVICES	05/10/11	2,750.00	MW	OH		
AP00092046	V00829	XEROX CORPORATION	05/10/11	77.66	MW	OH		

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 Check Payee ID. Payee Name Date Check Amount Type Subs Rel To Note
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 G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	248,049.14	Number of Checks Processed:	100
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	248,049.14		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092047	V06191	AFLAC ACCT# YQ792	05/11/11	3,409.59	MM	OH		Payee Name different in Check DB
AP00092048	V01695	AFSCME	05/11/11	780.00	MM	OH		
AP00092049	V01681	CALIFORNIA PUBLIC EMPLOYEES'	05/11/11	58,218.93	MM	OH		Payee Name different in Check DB
AP00092050	V07727	CONSECO INSURANCE COMPANY	05/11/11	285.90	MM	OH		
AP00092051	V01686	COVINA POLICE ASSOCIATION	05/11/11	1,848.00	MM	OH		
AP00092052	V02095	COVINA POLICE ASSOCIATION	05/11/11	980.00	MM	OH		
AP00092053	V01697	COVINA, CITY OF	05/11/11	6,332.75	MM	OH		
AP00092054	V02879	COVINA, CITY OF	05/11/11	39.80	MM	OH		
AP00092055	V05506	COVINA, CITY OF	05/11/11	20,431.76	MM	OH		
AP00092056	V07287	COVINA-FSA, CITY OF	05/11/11	1,222.00	MM	OH		Payee Name different in Check DB
AP00092057	V06385	CSAC-EIA	05/11/11	4,341.10	MM	OH		
AP00092058	V06386	CSAC-EIA	05/11/11	1,599.42	MM	OH		
AP00092059	V05186	DELTA DENTAL OF CALIFORNIA	05/11/11	6,086.40	MM	OH		
AP00092060	V07259	FLEX ONE	05/11/11	25.00	MM	OH		Payee Name different in Check DB
AP00092061	V01692	GREAT WEST LIFE & ANNUITY	05/11/11	4,542.50	MM	OH		
AP00092062	V01694	HARTFORD LIFE INS	05/11/11	9.68	MM	OH		Payee Name different in Check DB
AP00092063	V01691	ICMA RETIREMENT TRUST-457	05/11/11	6,802.98	MM	OH		
AP00092064	V07302	ICMA RETIREMENT TRUST-401	05/11/11	845.47	MM	OH		
AP00092065	V01690	NATIONAL DEFERRED COMPENSATIO	05/11/11	3,242.50	MM	OH		Payee Name different in Check DB
AP00092066	V01693	PERS LONG TERM CARE PROGRAM	05/11/11	318.39	MM	OH		
AP00092067	V01687	PERS	05/11/11	73,094.52	MM	OH		
AP00092068	V04828	UNION BANK OF CALIFORNIA	05/11/11	2,211.64	MM	OH		
AP00092069	V05649	UNITED STATES TREASURY	05/11/11	200.00	MM	OH		
AP00092070	V01696	UNITED WAY OF GREATER LA	05/11/11	20.00	MM	OH		Payee Name different in Check DB
AP00092071	V06785	VISION SERVICE PLAN (CA)	05/11/11	511.45	MM	OH		

Check Payee ID. Payee Name Date Check Amount Type Subs Rel To Note
 =====
 G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	197,399.78	Number of Checks Processed:	25
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total Efts	0.00	Number of Efts Processed:	0
G R A N D T O T A L	197,399.78		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092072	V04747	10-8 RETROFIT	05/17/11	120.00	MW	OH		
AP00092073	V06110	AIR-BREE HEATING	05/17/11	170.00	MW	OH		
AP00092074	V00040	AIRGAS-WEST	05/17/11	38.47	MW	OH		Payee Name different in Check DB
AP00092075	V06155	ALL COLOR PAINT CORP	05/17/11	7.07	MW	OH		
AP00092076	V02224	AMERICAN WEST COAST SECURITY	05/17/11	100.00	MW	OH		
AP00092077	V04864	AT&T MOBILITY	05/17/11	1,095.80	MW	OH		Payee Name different in Check DB
AP00092078	V00090	BAKER AND TAYLOR INC	05/17/11	1,794.06	MW	OH		
AP00092079	V05637	BANK OF THE WEST	05/17/11	5,806.18	MW	OH		
AP00092080	V05589	BELL BUILDING MAINTENANCE CO	05/17/11	3,205.00	MW	OH		
AP00092081	V02591	BEST BEST & KRIEGER LLP	05/17/11	2,300.00	MW	OH		
AP00092082	V00114	BLAKE PAPER CO	05/17/11	43.22	MW	OH		Payee Name different in Check DB
AP00092083	V00151	CALIF, STATE OF	05/17/11	1,444.00	MW	OH		
AP00092084	V00134	CAT SPECIALTIES INC	05/17/11	570.48	MW	OH		
AP00092085	V07402	CATHOLIC CHARITIES	05/17/11	12,313.57	MW	OH		
AP00092086	V00193	CHEVRON PRODUCTS COMPANY	05/17/11	8,062.05	MW	OH		
AP00092087	V05555	CINTAS CORP #693	05/17/11	138.83	MW	OH		
AP00092088	V00962	CITRUS CAR WASH	05/17/11	410.55	MW	OH		
AP00092089	V00208	CLINICAL LAB OF SAN BERNARDIN	05/17/11	420.00	MW	OH		
AP00092090	V03950	COMMERCIAL ELECTRIC SYSTEMS	05/17/11	1,440.00	MW	OH		
AP00092091	V06119	COMMUNITY ACTION EAP	05/17/11	350.00	MW	OH		
AP00092092	V00255	COVINA CHAMBER OF COMMERCE	05/17/11	20.00	MW	OH		Payee Name different in Check DB
AP00092093	V00234	COVINA IRRIGATING CO	05/17/11	172,007.25	MW	OH		
AP00092094	CRA	COVINA REDEVELOPMENT AGENCY	05/17/11	17,966.85	MW	OH		
AP00092095	V00262	COVINA RENTS	05/17/11	351.20	MW	OH		
AP00092096	V00837	COVINA WATER & REFUSE, CITY O	05/17/11	497.04	MW	OH		Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092097	V008338	COVINA, CITY OF	05/17/11	192.28	MM	OH		Payee Name different in Check DB
AP00092098	V04305	CPGA	05/17/11	180.00	MM	OH		
AP00092099	V07412	DAVID TURCH AND ASSOCIATES	05/17/11	4,000.00	MM	OH		
AP00092100	V08002	DAVIS, THOMAS	05/17/11	23.59	MM	OH		
AP00092101	V07724	DE ALWIS, DILU	05/17/11	146.25	MM	OH		
AP00092102	V07312	DESILVA, ANURA K T	05/17/11	2,500.00	MM	OH		Payee Name different in Check DB
AP00092103	V00175	EDISON CO	05/17/11	41,539.09	MM	OH		
AP00092104	V04673	ENTERSECT	05/17/11	110.80	MM	OH		
AP00092105	V07746	ENTHRALL INC	05/17/11	725.00	MM	OH		
AP00092106	V07299	EXECUTIVE GLASS TINTING INC.	05/17/11	595.00	MM	OH		
AP00092107	V00176	FEDEX	05/17/11	5.66	MM	OH		
AP00092108	V07701	FLEET SERVICES	05/17/11	154.28	MM	OH		
AP00092109	V06433	GALE CENGAGE LEARNING	05/17/11	184.87	MM	OH		
AP00092110	V00374	GRAINGER	05/17/11	566.04	MM	OH		Payee Name different in Check DB
AP00092111	V00378	GREENS LOCK AND SAFE	05/17/11	61.67	MM	OH		
AP00092112	V03659	HAEBE, CYNTHIA	05/17/11	1,182.50	MM	OH		
AP00092113	V07294	HOLIDAY ROCK CO INC	05/17/11	1,479.01	MM	OH		
AP00092114	V00006	HOME DEPOT	05/17/11	1,802.84	MM	OH		
AP00092115	V00417	HUNTINGTON COURT REPORTERS	05/17/11	583.02	MM	OH		Payee Name different in Check DB
AP00092116	V00233	HYDRO CONNECTIONS	05/17/11	69.42	MM	OH		Payee Name different in Check DB
AP00092117	V00425	INGRAM DIST GROUP	05/17/11	1,233.27	MM	OH		
AP00092118	V06816	INTER-CON SECURITY SYSTEMS IN	05/17/11	4,987.13	MM	OH		
AP00092119	V00777	J.G. TUCKER AND SON	05/17/11	260.60	MM	OH		Payee Name different in Check DB
AP00092120	V03518	JAIME, LUIS	05/17/11	20.00	MM	OH		
AP00092121	V05839	JAMES PUBLISHING	05/17/11	79.81	MM	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092122	V00451	KELLY PAPER CO	05/17/11	275.00	MM	OH		
AP00092123	V00463	KING BOLT CO	05/17/11	10.83	MM	OH		
AP00092124	V00471	LA CNTY AGRIC COMM/R/MTS MEAS	05/17/11	331.46	MM	OH		Payee Name different in Check DB
AP00092125	V06324	LANGUAGE LINE SERVICES INC	05/17/11	9.40	MM	OH		
AP00092126	V03544	LEVEL 3 COMMUNICATIONS LLC	05/17/11	1,073.59	MM	OH		Payee Name different in Check DB
AP00092127	V03481	LOWE'S COMPANIES INC	05/17/11	651.92	MM	OH		Payee Name different in Check DB
AP00092128	V00594	MICHAEL J O'DAY AND ASSOC	05/17/11	240.00	MM	OH		Payee Name different in Check DB
AP00092129	V07005	MISS CALIFORNIA ORGANIZATION	05/17/11	700.00	MM	OH		
AP00092130	V01240	MISSION LINEN SUPPLY	05/17/11	314.58	MM	OH		
AP00092131	V07997	MORTON SAFETY	05/17/11	216.52	MM	OH		
AP00092132	V07992	NATIONAL STORMWATER CENTER	05/17/11	2,322.00	MM	OH		
AP00092133	V07124	NEW PIG CORPORATION	05/17/11	3,430.85	MM	OH		
AP00092134	V06687	NEWPORT FARMS INC	05/17/11	211.34	MM	OH		
AP00092135	V00589	NOLO PRESS	05/17/11	148.04	MM	OH		
AP00092136	V07769	NUMARA SOFTWARE	05/17/11	821.92	MM	OH		
AP00092137	V08003	O'NEILL, RAY	05/17/11	35.27	MM	OH		
AP00092138	V01136	OFFICE DEPOT	05/17/11	121.02	MM	OH		
AP00092139	V00797	OFFICE DEPOT	05/17/11	175.49	MM	OH		Payee Name different in Check DB
AP00092140	V00602	ORKIN PEST CONTROL	05/17/11	83.95	MM	OH		
AP00092141	V07967	PLUMBERS DEPOT INC	05/17/11	8,123.70	MM	OH		
AP00092142	V00650	PUENTE READY MIX INC	05/17/11	402.78	MM	OH		
AP00092143	V03295	RANDALL, KYLE	05/17/11	165.50	MM	OH		
AP00092144	V00666	RANDOM HOUSE INC	05/17/11	656.35	MM	OH		
AP00092145	V00668	RECORDED BOOKS LLC	05/17/11	250.27	MM	OH		Payee Name different in Check DB
AP00092146	V06114	REPUBLIC MASTER CHEFS	05/17/11	99.52	MM	OH		

Check	Payee ID	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00092147	V07888	RICE/ENGLANDER & ASSOCIATES	05/17/11	3,000.00	MM	OH		
AP00092148	V06617	RODRIGUEZ, ADRIAN	05/17/11	80.00	MM	OH		
AP00092149	V04895	SAN GABRIEL VALLEY TRIBUNE	05/17/11	2,880.00	MM	OH		
AP00092150	V06095	SGV EXAMINER	05/17/11	379.99	MM	OH		
AP00092151	V00718	SHOWCASES	05/17/11	224.53	MM	OH		
AP00092152	V03713	SIMPLEX GRINNELL LP	05/17/11	165.77	MM	OH		Payee Name different in Check DB
AP00092153	V00727	SMART AND FINAL IRIS CORP	05/17/11	90.57	MM	OH		
AP00092154	V00734	SOUTHEAST CONSTRUCTION INC	05/17/11	74.00	MM	OH		
AP00092155	V00007	STAPLES INC	05/17/11	16.20	MM	OH		
AP00092156	V00110	SUNGARD BI-TECH INC	05/17/11	427.20	MM	OH		Payee Name different in Check DB
AP00092157	V04460	TECHDEPOT	05/17/11	162.93	MM	OH		
AP00092158	V05229	THYSSENKRUPP ELEVATOR	05/17/11	869.40	MM	OH		
AP00092159	V05776	TOSHIBA BUSINESS SOLUTIONS	05/17/11	58.42	MM	OH		
AP00092160	V00776	TRUGREEN LANDSCAPE	05/17/11	8,932.49	MM	OH		
AP00092161	V00230	UNDERGROUND SERVICE ALERT	05/17/11	208.50	MM	OH		
AP00092162	V05462	UNITED TRAFFIC	05/17/11	6,141.09	MM	OH		
AP00092163	V00229	US POSTMASTER	05/17/11	445.59	MM	OH		
AP00092164	V03305	V & V MANUFACTURING	05/17/11	143.72	MM	OH		
AP00092165	V07403	VERIZON CALIFORNIA	05/17/11	1,930.46	MM	OH		
AP00092166	V06297	VERIZON WIRELESS	05/17/11	4,467.47	MM	OH		
AP00092167	V02304	VICTORY EXTERMINATING INC	05/17/11	220.00	MM	OH		
AP00092168	V00158	VULCAN MATERIALS COMPANY	05/17/11	858.36	MM	OH		Payee Name different in Check DB
AP00092169	V04678	WALCZAK, MARY LOU	05/17/11	80.00	MM	OH		
AP00092170	V06602	MELDYNERX	05/17/11	38.82	MM	OH		
AP00092171	V04643	WELLS FARGO FINANCIAL LEASING	05/17/11	167.94	MM	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To Note
AP00092172	V00202	WEST COVINA, CITY OF	05/17/11	975.00	MW	OH	
AP00092173	V04327	WESTERN EMULSIONS INC	05/17/11	354.65	MW	OH	
AP00092174	V03444	MOLVERINE SPORTS	05/17/11	125.94	MW	OH	
AP00092175	V00829	XEROX CORPORATION	05/17/11	19.27	MW	OH	

G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	347,763.36	Number of Checks Processed:	104
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	347,763.36		

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 Check ID. Payee Name Date Check Amount Type Subs Rel To Note
 AP00092176 V07501 RC KEMP CONSULTING LLC 05/17/11 3,435.00 MM IP
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G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	3,435.00	Number of Checks Processed:	1
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	3,435.00		

Check #	Payee ID	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092177	V04747	10-8 RETROFIT	05/24/11	6,276.99	MW		OH	
AP00092178	V05630	A-1 POWER SWEEPING CO INC	05/24/11	600.00	MW		OH	
AP00092179	V00029	ACE PELIZON PLUMBING INC	05/24/11	65.70	MW		OH	
AP00092180	V04342	ACE-1 AUTO SERVICE	05/24/11	1,263.39	MW		OH	
AP00092181	V06611	ADVANTEC CONSULTING ENGINEERS	05/24/11	14,850.00	MW		OH	
AP00092182	V00040	AIRGAS-WEST	05/24/11	353.72	MW		OH	Payee Name different in Check DB
AP00092183	V04434	ALL CITY MANAGEMENT SVC	05/24/11	5,004.00	MW		OH	
AP00092184	V05586	ALLDATA LLC	05/24/11	3,000.00	MW		OH	
AP00092185	V07381	ALTA PLANNING & DESIGN	05/24/11	6,330.00	MW		OH	
AP00092186	V03128	ASTRA INDUSTRIAL SERVICES	05/24/11	466.38	MW		OH	
AP00092187	V01660	AT&T	05/24/11	935.11	MW		OH	
AP00092188	V04888	AUDIO GO	05/24/11	290.48	MW		OH	Payee Name different in Check DB
AP00092189	V00089	B & K ELECTRIC WHOLESALE	05/24/11	13.15	MW		OH	Payee Name different in Check DB
AP00092190	V00090	BAKER AND TAYLOR INC	05/24/11	1,051.06	MW		OH	
AP00092191	V07100	BANK OF THE WEST	05/24/11	9,395.07	MW		OH	
AP00092192	V00998	BERT'S MEGA MALL	05/24/11	140.43	MW		OH	
AP00092193	V02591	BEST BEST & KRIEGER LLP	05/24/11	25,564.46	MW		OH	
AP00092194	V05481	BRASS STARR PRODUCTIONS	05/24/11	16.00	MW		OH	
AP00092195	V06683	BUILDING ELECTRONIC CONTROLS	05/24/11	75.00	MW		OH	
AP00092196	V00185	CDW GOVERNMENT INC	05/24/11	210.24	MW		OH	
AP00092197	V03815	CENTER POINT LARGE PRINT	05/24/11	1,123.87	MW		OH	
AP00092198	V02958	CERTIFIED UNDERCAR PARTS	05/24/11	354.33	MW		OH	
AP00092199	V05555	CINTAS CORP #693	05/24/11	138.83	MW		OH	
AP00092200	V06072	COLLEY FORD	05/24/11	1,382.99	MW		OH	Payee Name different in Check DB
AP00092201	V00237	COMMUNICATIONS CENTER	05/24/11	381.57	MW		OH	

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To Note
AP00092202	V00240	COMPUTER SERVICE COMPANY	05/24/11	3,200.00	MW	OH	
AP00092203	V00262	COVINA RENTS	05/24/11	175.60	MW	OH	
AP00092204	V00837	COVINA WATER & REFUSE, CITY O	05/24/11	459.34	MW	OH	Payee Name different in Check DB
AP00092205	V07312	DESIJVA, ANURA K T	05/24/11	2,500.00	MW	OH	Payee Name different in Check DB
AP00092206	V02927	DF POLYGRAPH	05/24/11	375.00	MW	OH	Payee Name different in Check DB
AP00092207	V00175	EDISON CO	05/24/11	1,417.32	MW	OH	
AP00092208	V07490	ELIFFEGUARD INC	05/24/11	630.12	MW	OH	
AP00092209	V00730	GOLDEN STATE WATER COMPANY	05/24/11	54.35	MW	OH	Payee Name different in Check DB
AP00092210	V05550	GONZALEZ, ALEX	05/24/11	118.94	MW	OH	
AP00092211	V00374	GRAINGER	05/24/11	712.23	MW	OH	Payee Name different in Check DB
AP00092212	V00375	GRAND PRINTING	05/24/11	646.43	MW	OH	
AP00092213	V05604	GUITAR CENTER	05/24/11	2,173.02	MW	OH	
AP00092214	V06820	HEAVYSIDE, MARTHA	05/24/11	672.00	MW	OH	Payee Name different in Check DB
AP00092215	V00409	HINDERLITER DELLAMAS & ASSOC	05/24/11	83.25	MW	OH	Payee Name different in Check DB
AP00092216	V00006	HOME DEPOT	05/24/11	422.60	MW	OH	
AP00092217	V00417	HUNTINGTON COURT REPORTERS	05/24/11	1,401.54	MW	OH	Payee Name different in Check DB
AP00092218	V01964	HYNES, MELODY	05/24/11	67.40	MW	OH	
AP00092219	V00424	INGLEWOOD, CITY OF	05/24/11	2,009.95	MW	OH	Payee Name different in Check DB
AP00092220	V00425	INGRAM DIST GROUP	05/24/11	99.98	MW	OH	
AP00092221	V00213	INLAND EMPIRE STAGES	05/24/11	871.50	MW	OH	
AP00092222	V00445	JEECO MFG & SUPPLY	05/24/11	134.29	MW	OH	Payee Name different in Check DB
AP00092223	V00441	JW LOCK CO INC	05/24/11	219.56	MW	OH	
AP00092224	V00451	KELLY PAPER CO	05/24/11	664.30	MW	OH	
AP00092225	V00463	KING BOLT CO	05/24/11	21.60	MW	OH	
AP00092226	V00475	LA CNTY COUNTY DEPT OF ANIMAL	05/24/11	6,596.76	MW	OH	Payee Name different in Check DB

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092227	V08001	LA MARRIOT BURBANK AIRPORT	05/24/11	242.20	MW	OH		
AP00092228	V07639	LACROIX, CATHERINE	05/24/11	124.48	MW	OH		
AP00092229	V00497	LEWIS SAW AND LAWMOWER	05/24/11	49.72	MW	OH		Payee Name different in Check DB
AP00092230	V08004	MCINTOSH, SARA	05/24/11	64.65	MW	OH		
AP00092231	V00539	MCMASER CARR SUPPLY CO	05/24/11	77.79	MW	OH		
AP00092232	V01240	MISSION LINEN SUPPLY	05/24/11	99.69	MW	OH		
AP00092233	V06427	MOORE & ASSOCIATES INC.	05/24/11	4,875.00	MW	OH		Payee Name different in Check DB
AP00092234	V04971	PARIS	05/24/11	854.57	MW	OH		
AP00092235	V04062	PAULL, MARVIN J	05/24/11	7,385.00	MW	OH		Payee Name different in Check DB
AP00092236	V05301	PEST OPTIONS INC	05/24/11	265.00	MW	OH		
AP00092237	V08010	PIONEER RESEARCH CORPORATION	05/24/11	405.65	MW	OH		
AP00092238	V05687	PROFORCE LAW ENFORCEMENT	05/24/11	4,345.83	MW	OH		
AP00092239	V00666	RANDOM HOUSE INC	05/24/11	70.24	MW	OH		
AP00092240	V06114	REPUBLIC MASTER CHEFS	05/24/11	129.62	MW	OH		
AP00092241	V08005	RHEAUME, WILLIAM	05/24/11	2.00	MW	OH		
AP00092242	V06135	ROYAL TRUCK BODY	05/24/11	23.07	MW	OH		
AP00092243	V08009	SECRETARY OF STATE	05/24/11	20.00	MW	OH		
AP00092244	V04066	SECURITAS SECURITY SERVICES	05/24/11	3,326.48	MW	OH		
AP00092245	V08006	SHERATON GATEWAY HOTEL	05/24/11	654.51	MW	OH		
AP00092246	V00727	SMART AND FINAL IRIS CORP	05/24/11	304.82	MW	OH		
AP00092247	V04531	SOFTWARE HOUSE INTERNATIONAL	05/24/11	5,853.48	MW	OH		
AP00092248	V00007	STAPLES INC	05/24/11	699.46	MW	OH		
AP00092249	V07086	SURETECK INDUSTRIAL	05/24/11	10,062.99	MW	OH		
AP00092250	V07188	SYNTECH	05/24/11	16,413.12	MW	OH		
AP00092251	V00872	THEMATIC ATTIC	05/24/11	183.81	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00092252	V00765	THREE VALLEYS MUNICIPAL	05/24/11	3,672.86	MM	OH		
AP00092253	V05229	THYSSENKRUPP ELEVATOR	05/24/11	434.70	MM	OH		
AP00092254	V05776	TOSHIBA BUSINESS SOLUTIONS	05/24/11	82.32	MM	OH		
AP00092255	V08011	TOSHIBA FINANCIAL SERVICES	05/24/11	1,287.73	MM	OH		Payee Name different in Check DB
AP00092256	V00772	TRI-XECUTEX CORP	05/24/11	161.77	MM	OH		Payee Name different in Check DB
AP00092257	V00783	ULTRA-CHEM INC	05/24/11	715.95	MM	OH		Payee Name different in Check DB
AP00092258	V04337	UNITED RENTALS NORTHWEST INC	05/24/11	182.72	MM	OH		
AP00092259	V03959	UNITED SITE SERVICES OF CA IN	05/24/11	138.01	MM	OH		Payee Name different in Check DB
AP00092260	V00229	US POSTMASTER	05/24/11	573.29	MM	OH		
AP00092261	V05896	VAL-U-CHEM INC.	05/24/11	534.22	MM	OH		
AP00092262	V00791	VALLEY TROPHY	05/24/11	329.00	MM	OH		
AP00092263	V07403	VERIZON CALIFORNIA	05/24/11	1,396.82	MM	OH		
AP00092264	V00158	VULCAN MATERIALS COMPANY	05/24/11	245.44	MM	OH		Payee Name different in Check DB
AP00092265	V04678	WALCZAK, MARY LOU	05/24/11	20.84	MM	OH		
AP00092266	V03620	WEST COVINA AUTO BODY	05/24/11	100.01	MM	OH		
AP00092267	V00232	WESTERN WATER WORKS SUPPLY	05/24/11	1,948.69	MM	OH		
AP00092268	V06524	WILLDAN FINANCIAL SERVICES	05/24/11	12,910.00	MM	OH		
AP00092269	V03444	WOLVERINE SPORTS	05/24/11	220.57	MM	OH		
AP00092270	V06911	XO COMMUNICATIONS SERVICES IN	05/24/11	5,429.16	MM	OH		
AP00092271	V07081	YELLOW CAB OF SAN GABRIEL	05/24/11	106.40	MM	OH		
AP00092272	V00432	YMCA INTERVALE SENIOR SERVICE	05/24/11	1,745.18	MM	OH		Payee Name different in Check DB

=====
 Check Payee ID. Payee Name Date Check Amount Type Subs Rel To Note
 =====
 G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	193,778.71	Number of Checks Processed:	96
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	193,778.71		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00092273	V06191	AFLAC ACCT# YG792	05/25/11	3,409.59	MW	OH		Payee Name different in Check DB
AP00092274	V01695	AFSCME	05/25/11	780.00	MW	OH		
AP00092275	V01681	CALIFORNIA PUBLIC EMPLOYEES'	05/25/11	57,766.74	MW	OH		Payee Name different in Check DB
AP00092276	V07727	CONSECO INSURANCE COMPANY	05/25/11	285.85	MW	OH		
AP00092277	V01686	COVINA POLICE ASSOCIATION	05/25/11	1,788.00	MW	OH		
AP00092278	V02095	COVINA POLICE ASSOCIATION	05/25/11	940.00	MW	OH		
AP00092279	V01697	COVINA, CITY OF	05/25/11	6,309.02	MW	OH		
AP00092280	V02879	COVINA, CITY OF	05/25/11	39.80	MW	OH		
AP00092281	V05506	COVINA, CITY OF	05/25/11	23,088.82	MW	OH		
AP00092282	V07287	COVINA-FSA, CITY OF	05/25/11	1,222.00	MW	OH		Payee Name different in Check DB
AP00092283	V06385	CSAC-EIA	05/25/11	4,394.30	MW	OH		
AP00092284	V06386	CSAC-EIA	05/25/11	1,551.36	MW	OH		
AP00092285	V05186	DELTA DENTAL OF CALIFORNIA	05/25/11	6,038.85	MW	OH		
AP00092286	V07259	FLEX ONE	05/25/11	25.00	MW	OH		Payee Name different in Check DB
AP00092287	V01692	GREAT WEST LIFE & ANNUITY	05/25/11	4,542.50	MW	OH		
AP00092288	V01694	HARTFORD LIFE INS	05/25/11	9.67	MW	OH		Payee Name different in Check DB
AP00092289	V01691	ICMA RETIREMENT TRUST-457	05/25/11	6,485.67	MW	OH		
AP00092290	V07302	ICMA RETIREMENT TRUST-401	05/25/11	845.47	MW	OH		
AP00092291	V01690	NATIONAL DEFERRED COMPENSATIO	05/25/11	3,242.50	MW	OH		Payee Name different in Check DB
AP00092292	V01693	PERS LONG TERM CARE PROGRAM	05/25/11	318.36	MW	OH		
AP00092293	V01687	PERS	05/25/11	76,217.04	MW	OH		
AP00092294	V04828	UNION BANK OF CALIFORNIA	05/25/11	1,959.62	MW	OH		
AP00092295	V05649	UNITED STATES TREASURY	05/25/11	200.00	MW	OH		
AP00092296	V01696	UNITED WAY OF GREATER LA	05/25/11	20.00	MW	OH		Payee Name different in Check DB
AP00092297	V06785	VISION SERVICE PLAN (CA)	05/25/11	504.24	MW	OH		

=====
 Check Payee ID. Payee Name Date Check Amount Type Subs Rel To Note
 =====
 G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	201,984.40	Number of Checks Processed:	25
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	201,984.40		

Check AP00089067 V07710 Payee ID. TRAC, MAYA DEWI Date 12/14/10 Check Amount 18.00 Type RV Subs Rel To Note TR Payee Name different in Check DB

G R A N D T O T A L S:

Payee Name	Date	Check Amount	Type	Subs	Rel To Note
Total Void Machine Written		0.00			Number of Checks Processed: 0
Total Void Hand Written		0.00			Number of Checks Processed: 0
Total Machine Written		0.00			Number of Checks Processed: 0
Total Hand Written		0.00			Number of Checks Processed: 0
Total Reversals		18.00			Number of Checks Processed: 1
Total Cancelled Checks		0.00			Number of Checks Processed: 0
Total EFTs		0.00			Number of EFTs Processed: 0
G R A N D T O T A L		18.00			

Check	Payee ID	Payee Name	Date	Check	Amount	Type	Subs	Rel To	Note
AP00089509	V07748	MIKE MCCRARY AND ASSOC	01/11/11		324.00	RV	TR		Payee Name different in Check DB
AP00089758	V07748	MIKE MCCRARY AND ASSOC	01/25/11		324.00	RV	TR		Payee Name different in Check DB
AP00090950	V01299	FOSTER, DAVE	04/05/11		40.00	RV	TR		Reversed

G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	688.00	Number of Checks Processed:	3
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	688.00		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
AP00091730	X3340	LOWRY, MICHAEL H	04/27/11	234.60	RV	TR		Payee Name different in Check DB
AP00091865	V05715	FRIEDENTHAL, ROBERT	05/03/11	735.05	RV	TR		Reversed
AP00091938	V07986	VARGAS, RICARDO	05/03/11	250.00	RV	TR		Reversed

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	1,219.65	Number of Checks Processed:	3
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	1,219.65		

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I, Dilu De Alwis being first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the City of Covina dated Accounts Payable for 5/03/11, 5/05/11, 5/10/11, 5/11/11, 5/17/11, 5/23/11, and 5/25/11; Payroll for 5/12/11 and 5/26/11; Voids for May 2011; Workers Compensation for 4/29/11, 5/06/11, 5/13/11, 5/20/11 and 5/27/11; know the contents thereof, and do CERTIFY as to the accuracy of the attached Demands and the availability of funds for their payment pursuant to the government Code, Section 37202.

Dilu De Alwis
Finance Director

Subscribed and sworn to before me

this _____ day of _____, 2011

CITY OF COVINA
AGENCY ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 3

STAFF SOURCE: Martha Heaviside, Deputy City Clerk's Office *MHA*

ITEM TITLE: Letter of Resignation from Eugenia Gainor of the Library Board of Trustees

STAFF RECOMMENDATION

Accept the letter of resignation from Eugenia Gainor of the Library Board of Trustees

FISCAL IMPACT

None

BACKGROUND

On July 7, 2011, the Deputy City Clerk's Office received the letter of resignation of Eugenia Gainor from the Library Board of Trustees

RELEVANCE TO THE STRATEGIC PLAN

None

EXHIBITS

- A. Resignation letter from Eugenia Gainor of the Library Board of Trustees

REVIEW TEAM ONLY	
City Attorney: <i>[Signature]</i>	Finance Director: <i>[Signature]</i>
City Manager: <i>[Signature]</i>	Other: <i>[Signature]</i>

RECEIVED BY
COVINA CITY CLERK

11 JUL -7 PM 12: 03

July 5, 2011

Amy Hall-McGrade
Covina Public Library
234 N. Second Ave.
Covina, CA 91723

Dear Amy,

This is to inform you that I won't be able to continue serving as a Trustee on the Covina Public Library Board. After the relocation of my husband's job, it has been quite difficult to keep up with my responsibilities at home and at work, making my time limited.

I have enjoyed all my experiences as a Trustee and the time shared with all the other members of the Board.

Thank you,


Eugenia Gainor

EXHIBIT A

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 4

STAFF SOURCE: Anthony Arroyo, Director of Human Resources
Marie Klymkiw, Risk Manager

ITEM TITLE: A Resolution approving the destruction of obsolete Human Resources Department and Risk Management records.

STAFF RECOMMENDATION:

Adopt Resolution No. 11-6988 approving the destruction of obsolete Human Resources and Risk Management records as detailed in Exhibit "B."

FISCAL IMPACT:

None.

BACKGROUND:

The Human Resources Department recently completed a review of its files to determine which records are no longer required by staff and available for destruction in accordance with the City's records retention policy. Exhibit "B" details the proposed documents to be destroyed.

Government Code 34090 permits destruction of obsolete documents after receiving written consent of the City Attorney (Exhibit A) and approval of the City Council.

EXHIBITS

- A. Written consent of the City Attorney.
- B. List of documents to be destroyed.
- C. Resolution No. 11-6988

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

AUTHORIZATION TO DESTROY OBSOLETE RECORDS

The retention period for the records listed on the attached page has expired. These records are obsolete, and do not affect the title to real property or liens thereon, are not court records, are not to my knowledge, required to be kept further by statute, are not the minutes, ordinances or resolutions of the legislative body of the City or of any City Board, Commission or Committee, and are no longer required by the City. I request authority to destroy these obsolete records pursuant to Section 34090 of the Government Code of California.

R. Anthony Araya
Department Head

HUMAN RESOURCES
Department

7/5/11
Date

I hereby consent to the destruction of the obsolete records listed:

[Signature]
City Attorney

6/28/11
Date

I hereby certify that the records listed below were destroyed.

<u>Resolution No.</u>	<u>Destruction Date</u>	<u>Method of Destruction</u>
-----------------------	-------------------------	------------------------------

<u>Name</u>	<u>Title</u>	<u>Date</u>
-------------	--------------	-------------

City of Covina – Documents to be Destroyed

Terminated Personnel files prior to 2008.

Claim and litigation files prior to 2008.

Incident reports prior to 2008

Property damage files prior to 2008

Auto damage files prior to 2008

Grievance files prior to 2008.

Personnel Advisory Board hearing files prior to 2008.

RESOLUTION NO. 11-6988

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF COVINA, CALIFORNIA, REGARDING
THE DESTRUCTION OF OBSOLETE RECORDS.**

WHEREAS, there has been submitted a request for authority to destroy certain obsolete records, of which the list is attached to this resolution as Exhibit "A"; and

WHEREAS, Section 34090 of the Government Code of the State of California provides that with the approval of the legislative body, and written consent of the City Attorney, the head of a City Department may destroy and City record, document, instrument, book or paper under the department head's charge, without making a copy thereof, if the same is no longer required, provided that said records are exempt from the provisions of said Section; and

WHEREAS, the City Attorney has given written consent to the destruction of the records herein set forth; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

SECTION 1. That the City Council does hereby give its approval for the destruction of certain records described as "City of Covina – Documents to be Destroyed" attached hereto as Exhibit "B".

SECTION 2. The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and is in force.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011.

John King, Mayor

ATTEST:

Kay Manning, City Clerk

APPROVED AS TO FORM;

City Attorney

Exhibit C

I, CATHERINE LA CROIX, Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. 11- was adopted by the Covina City Council at a regular meeting of the City Council held July 19, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine La Croix
Deputy City Clerk

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 5

STAFF SOURCE: Steve Henley, Public Works Director 
Kalieh Honish, Assistant Public Works Director
Alex Gonzalez, Senior Management Analyst

ITEM TITLE: Adopt a Position of Support on Senate Bill 910

STAFF RECOMMENDATION

Adopt **Resolution No. 11-6989**, supporting Senate Bill 910, which would require motorists to provide cyclists at least three feet of clearance when passing from behind under most circumstances.

FISCAL IMPACT

There is no General Fund impact. SB 910 does not require or allocate any public funds, or have other fiscal consequences for local governments.

BACKGROUND

On June 28, 2011 the California State Assembly Transportation Committee approved SB910 and moved the bill forward to the Assembly Appropriations Committee.

SB 910 modifies existing State law that requires a motorist to maintain an unspecified "safe distance" when overtaking and passing a cyclist, having due regard for the size and speed of the motor vehicle and the bicycle, traffic conditions, weather, and the surface and width of the highway. The California Driver's Handbook already recommends three feet of clearance when motorists overtake cyclists. Eighteen other states have enacted similar laws. SB 910 would identify a specified safe passing distance of three feet, and provides an objective and easily understood measure of what constitutes a "safe" distance that does not currently exist in the California Vehicle Code (CVC). SB910 provides law enforcement and the courts a more objective basis for enforcing California's safe passing requirement, and introduces penalties to the vehicle code for violating the designated safe passing distance.

In summary, SB 910 would affect the following situations:

- On a highway with an appropriate width to support a vehicle and a cyclist, the cyclist must ride as far to the right of the road as practicable depending on circumstances (CVC §21202) and must not impede the flow of traffic (CVC §22400). SB 910 would come into play based on a number of exceptions to CVC §21202 where a cyclist is allowed

full use of the lane (i.e. substandard lane width, obstructions or other safety hazards, etc.).

- Existing law would be modified to allow a motorist to cross double parallel lines to pass a cyclist if a substandard lane width exists.
- If conditions do not allow for a three foot clearance between a motorist and a cyclist, the motorist may pass the cyclist with due care at a speed of not more than 15 miles per hour.

RELEVANCE TO THE STRATEGIC PLAN

This item has no direct relevance to the Strategic Plan.

EXHIBITS

- A. Resolution No. 11-6989
- B. Senate Bill 910

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

Exhibit A:

RESOLUTION NO. 11-6989

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, SUPPORTING SENATE BILL 910, WHICH WOULD REQUIRE MOTORISTS TO PROVIDE CYCLISTS AT LEAST THREE FEET OF CLEARANCE WHEN PASSING FROM BEHIND UNDER MOST CIRCUMSTANCES

WHEREAS, the City of Covina supports alternative forms of transportation that create sustainable communities; and

WHEREAS, the safety of children and adults that ride bicycles on the roads and highways of the City of Covina is a priority of the City Council of Covina; and

WHEREAS, the current language of the California Vehicle Code does not clearly state a definition of a "safe distance" when a motorist overtakes a cyclist; and

WHEREAS, law enforcement officials and the courts benefit from clearly defined and objective measures to improve traffic safety; and

WHEREAS, Senate Bill 910 attempts to clarify the rules regulating motorist and cyclist interactions.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

- Section 1. That the City of Covina supports the passage of Senate Bill 910 to define three feet as a safe passing distance between motorists and cyclists in most circumstances; and
- Section 2. That the City Clerk shall certify to the adoption of this Resolution and forward a copy to the state and county elected representatives serving Covina, Los Angeles County Metropolitan Transportation Authority, Caltrans, the Southern California Association of Governments, and the California Bicycle Coalition.
- Section 3. That this resolution shall become effective immediately upon passage and adoption.

PASSED, APPROVED AND ADOPTED THIS 19TH DAY OF JULY, 2011.

ATTEST:

John C. King, Mayor

City Clerk

City Attorney

AMENDED IN ASSEMBLY JUNE 22, 2011

AMENDED IN SENATE MAY 10, 2011

AMENDED IN SENATE APRIL 26, 2011

AMENDED IN SENATE MARCH 25, 2011

SENATE BILL

No. 910

Introduced by Senator Lowenthal

February 18, 2011

An act to amend Sections 21460 and 21750 of, and to add Section 21750.1 to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 910, as amended, Lowenthal. Vehicles: bicycles: passing distance.

(1) Under existing law, a driver of a vehicle overtaking another vehicle or a bicycle proceeding in the same direction is required to pass to the left at a safe distance without interfering with the safe operation of the overtaken vehicle or bicycle, subject to certain limitations and exceptions. A violation of this provision is an infraction punishable by a fine not exceeding \$100 for a first conviction, and up to a \$250 fine for a 3rd and subsequent conviction occurring within one year of 2 or more prior infractions.

This bill would recast this provision as to overtaking *and passing* a bicycle by requiring the driver of a motor vehicle overtaking *and passing* a bicycle that is proceeding in the same direction *on a highway* to pass ~~at a safe distance, at a minimum clearance of 3 feet, or at a speed not exceeding 15 miles per hour faster than the bicycle, without interfering in compliance with specified requirements applicable to overtaking and passing a vehicle, and to do so at a safe distance that does not interfere~~ with the safe operation of the overtaken bicycle, *having due regard for*

the size and speed of the motor vehicle and the bicycle, traffic conditions, weather, and the surface and width of the highway. The bill would prohibit the driver of the motor vehicle that is overtaking or passing a bicycle proceeding in the same direction on a highway from passing at a distance of less than 3 feet between any part of the motor vehicle and any part of the bicycle or its operator, except as provided. The bill would make a violation of this provision an infraction punishable by a \$35 fine. The bill would also require the imposition of a \$220 fine on a driver if a collision occurs between a motor vehicle and a bicyclist causing bodily harm to the bicyclist, and the driver is found to be in violation of the above provisions.

(2) Existing law prohibits a person from driving a vehicle to the left of double parallel solid lines, or double parallel lines, one of which is broken, except as provided. Notwithstanding that prohibition, existing law permits a driver to cross those double parallel lines if the driver is turning to the left at any intersection or into or out of a driveway or private road or making a U-turn under the rules governing that turn.

This bill would additionally permit a driver *of a motor vehicle* to cross those double parallel lines ~~if the driver is on~~ *in* a substandard width lane, as described, ~~passing to pass a person riding operating a bicycle or operating a pedicab~~ *in the same direction, and it is safe to do so if in compliance with a specified provision.*

Because this bill would create a new crime and would expand the scope of an existing crime, this bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 21460 of the Vehicle Code is amended
- 2 to read:
- 3 21460. (a) If double parallel solid lines are in place, a person
- 4 driving a vehicle shall not drive to the left of those lines, except
- 5 as permitted in this section.

1 (b) If double parallel lines, one of which is broken, are in place,
2 a person driving a vehicle shall not drive to the left of those lines,
3 except as follows:

4 (1) The driver on that side of the roadway in which the broken
5 line is in place may cross over the double lines or drive to the left
6 of the double lines if the driver is overtaking or passing other
7 vehicles.

8 (2) As provided in Section 21460.5.

9 (c) (1) Either of the markings, as specified in subdivision (a)
10 or (b), does not prohibit a driver to whom ~~any~~ *either* of the
11 following applies from crossing the marking:

12 ~~(A) The driver is on a substandard width lane, passing a person~~
13 ~~riding a bicycle or operating a pedicab in the same direction, and~~
14 ~~it is safe to do so. For purposes of this subdivision, a "substandard~~
15 ~~width lane" is a lane that is too narrow for a bicycle and a vehicle~~
16 ~~to travel safely side by side within the lane.~~

17 ~~(B)~~

18 (A) The driver is turning to the left at any intersection or into
19 or out of a driveway or private road.

20 ~~(C)~~

21 (B) The driver is making a U-turn under the rules governing
22 that turn.

23 (2) Either of the markings as specified in subdivision (a) or (b)
24 shall be disregarded if authorized signs have been erected
25 designating offcenter traffic lanes as permitted under Section
26 21657.

27 (d) Raised pavement markers may be used to simulate painted
28 lines described in this section if the markers are placed in
29 accordance with standards established by the Department of
30 Transportation.

31 (e) (1) *The driver of a motor vehicle in a substandard width*
32 *lane on a two-lane highway may drive to the left of either of the*
33 *markings specified in subdivision (a) or (b) to pass a person*
34 *operating a bicycle proceeding in the same direction, if in*
35 *compliance with Section 21751.*

36 (2) *For purposes of this subdivision, a "substandard width*
37 *lane" means a lane that is too narrow for a bicycle and a vehicle*
38 *to travel safely side by side within the lane.*

39 SEC. 2. Section 21750 of the Vehicle Code is amended to read:

1 21750. The driver of a vehicle overtaking another vehicle
2 proceeding in the same direction shall pass to the left at a safe
3 distance without interfering with the safe operation of the overtaken
4 vehicle, subject to the limitations and exceptions set forth in this
5 article.

6 SEC. 3. Section 21750.1 is added to the Vehicle Code, to read:

7 ~~21750.1. (a) The driver of a motor vehicle overtaking a bicycle~~
8 ~~proceeding in the same direction shall pass at a safe distance, at a~~
9 ~~minimum clearance of three feet or at a speed not exceeding 15~~
10 ~~miles per hour faster than the speed of the bicycle, without~~
11 ~~interfering with the safe operation of the overtaken bicycle.~~

12 *21750.1. (a) The driver of a motor vehicle overtaking and*
13 *passing a bicycle that is proceeding in the same direction on a*
14 *highway shall pass in compliance with the provisions of this article*
15 *applicable to overtaking and passing a vehicle, and shall do so at*
16 *a safe distance that does not interfere with the safe operation of*
17 *the overtaken bicycle, having due regard for the size and speed of*
18 *the motor vehicle and the bicycle, traffic conditions, weather, and*
19 *the surface and width of the highway.*

20 *(b) A driver of a motor vehicle shall not overtake or pass a*
21 *bicycle proceeding in the same direction on a highway at a distance*
22 *of less than three feet between any part of the motor vehicle and*
23 *any part of the bicycle or its operator, except that the driver may*
24 *pass the overtaken bicycle with due care at a distance of less than*
25 *three feet at a speed not greater than 15 miles per hour, if in*
26 *compliance with subdivision (a).*

27 ~~(b)~~

28 *(c) (1) A violation of subdivision (a) is an infraction punishable*
29 *by a fine of ~~thirty-five~~ thirty-five dollars (\$35).*

30 *(2) If a collision occurs between a motor vehicle and a bicycle*
31 *causing bodily injury to the bicyclist, and the driver of the motor*
32 *vehicle is found to be in violation of subdivision (a), a two hundred*
33 *twenty dollar (\$220) fine shall be imposed on that driver.*

34 SEC. 4. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

O

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 6

STAFF SOURCE: Robert Neiuber, Director of Community Development *RN*
Nuala Gasser, Senior Redevelopment Manager *mg*

ITEM TITLE: Resolutions relating to the annexation of territory to Community Facilities District No. 2007-1 known as Annexation No. 5 (Citrus Walk)

STAFF RECOMMENDATION

- a). Adopt **Resolution No. 11-6991**, declaring its intention to authorize the annexation of territories to Community Facilities District No. 2007-1 (Public Services); and
- b). Adopt **Resolution No. 11-6992**, adopting boundary maps showing territory proposed to be annexed in the future to Community Facilities District No. 2007-1 (Public Services).

FISCAL IMPACT

There are forty-nine (49) residential units in the proposed annexation area, of which forty-one (41) are subject to the special tax. The "Special Tax" authorized by the proposed annexation to Community Facilities District 2007-1 (the "CFD") will generate \$17,903.06 annually based on the 2011-2012 tax rate of \$436.66 per unit, and will be deposited to Account No. 2740-4800-00-45800. The Special Tax shall be used to pay for the following services: police, fire protection and suppression, paramedic services, and park maintenance. The Special Tax will increase annually by the greater of two percent (2.00%), or the percentage change in the Consumer Price Index.

BACKGROUND

The purpose of the subject resolutions is to 1) notice the intent of the City to annex property to the CFD, 2) identify the boundaries of the proposed annexation, 3) identify the types of services to be funded by the CFD, and 4) notice that a public hearing will be held on September 6, 2011, where the City Council will consider the proposed annexation. The subject resolutions are hereby presented to the City Council, pursuant to the Conditions of Approval for forty-nine (49) condominiums to be built in the Citrus Walk Project, on the northeast corner of Citrus Avenue and Italia Street, Covina, CA, Vesting Tract No. 71264. Of the forty-nine units, eight will be sold as moderate-income affordable units, which are exempt from the Special Tax. The Special Tax will apply to forty-one units.

On June 5, 2007, the City Council held a public hearing and formed CFD 2007-1. Pursuant to the Conditions of Approval for development of forty-nine condominiums, at Vesting Tract No. 71264, the builder has agreed to annex to the CFD, or to pay an in-lieu fee based on the financial impact on Police, Fire, Emergency and Parks services. The builders have opted to annex into the CFD. Under the CFD, in Fiscal Year 2011-2012, any newly constructed residential units are

charged \$436.66 per year for the following services: police, fire protection and suppression, paramedic services, and park maintenance. This Special Tax appears on the annual Property Tax bill for each parcel. The Special Tax authorized by the CFD shall be levied on all parcels for which building permits were issued on or before May 1 of the preceding fiscal year.

The purpose of the CFD is to finance the aforementioned public safety and park services that are in addition to those currently provided for the territory within the District. In Fiscal Year 2011-2012, the calculated amount for these services, for each additional multi-family residential unit, is \$436.66. This program has been conceived with the intention that all future residential development, which results in a net increase of residential units, would annex to the CFD. Residential units constructed prior to formation of the CFD are not subject to the Special Tax, and affordable units are exempt from the Special Tax.

RELEVANCE TO THE STRATEGIC PLAN

This action will assist the City to reach the goal of enhancing financial stability, as the special tax assessed on all future residential development will provide some of the needed funding to provide public safety and park services.

EXHIBITS

- A. Resolution No. 11-6991
- B. Resolution No. 11-6992

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

EXHIBIT A

RESOLUTION NO. 11-6991

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, DECLARING ITS INTENTION TO AUTHORIZE THE
ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES
DISTRICT NO. 2007-1 (PUBLIC SERVICES) (ANNEXATION NO. 5)**

WHEREAS, the City Council of the City of Covina, California, (hereafter referred to as the "City Council"), at this time desires to authorize the annexation of territory to City of Covina Community Facilities District No. 2007-1 (Public Services) ("CFD No. 2007-1") pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, as amended (the "Act"); and

WHEREAS, CFD No. 2007-1 was formed to finance new police services, fire protection and suppression services, paramedic services, and park maintenance and other public services in addition to those provided in or required for the territory within CFD No. 2007-1 and will not be replacing services already available; and

WHEREAS, certain territory is proposed to be annexed to CFD No. 2007-1 and such territory shall be known and designated as Community Facilities District No. 2007-1 (Public Services), Annexation No. 5 ("Annexation No. 5").

WHEREAS, this legislative body now desires to proceed to adopt its Resolution of Intention to annex Annexation No. 5 into CFD No. 2007-1, to describe the territory proposed to be annexed, Annexation No. 5, to specify the services to be financed from the proceeds of the levy of special taxes within Annexation No. 5, to set and specify the special taxes that would be levied within the territory to finance such services, and to set a time and place for a public hearing relating to the annexation of Annexation No. 5 into CFD No. 2007-1; and

WHEREAS, a map showing the boundaries of Annexation No. 5 proposed to be annexed has been submitted, and a copy of the map shall be kept on file with the transcript of these proceedings.

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

SECTION 1 Recitals. The above recitals are all true and correct.

SECTION 2 Authorization. The proceedings for annexing Annexation No. 5 into CFD No. 2007-1 are authorized and initiated by this legislative body pursuant to the authorization of the Act.

SECTION 3 Intention to Annex. This legislative body hereby determines that the public convenience and necessity requires that Annexation No. 5 be added to CFD No. 2007-1 in order to pay the costs and expenses for the required and authorized new services generated from new

development within the City and this City Council declares its intention to annex Annexation No. 5 to CFD No. 2007-1.

SECTION 4 Boundaries. A general description of the boundaries of Annexation No. 5 proposed to be annexed is as follows:

All that territory proposed to be annexed to CFD No. 2007-1, as such property is shown on a map designated as “Annexation Map No. 5 of Community Facilities District No. 2007-1 (Public Services), City of Covina, County of Los Angeles, State of California,” attached hereto as Exhibit “A” and hereby incorporated by reference.

SECTION 5 Name of District. The name of the district is “City of Covina Community Facilities District No. 2007-1 (Public Services)” and the designation for the territory to be annexed shall be “City of Covina Community Facilities District No. 2007-1 (Public Services), Annexation No. 5.”

SECTION 6 Services Authorized to be Financed by CFD No. 2007-1, Annexation No. 5. The services that are authorized to be financed by CFD No. 2007-1 are certain services which are in addition to those provided in or required for the territory within CFD No. 2007-1 and Annexation No. 5 and will not be replacing services already available. A general description of the services to be financed by CFD No. 2007-1 and Annexation No. 5 is as follows:

PUBLIC SERVICES

New police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City staff that directly provide police services, fire protection and suppression services, paramedic services, and park maintenance respectively, and (iv) City overhead costs associated with providing such services within CFD No. 2007-1 and Annexation No. 5. The Special Tax provides only partial funding for Public Services.

The same types of services which are authorized to be financed by CFD No. 2007-1 are the types of services to be provided in Annexation No. 5. If, and to the extent possible, such services shall be provided in common within CFD No. 2007-1 and Annexation No. 5.

SECTION 7 Special Taxes. It is the further intention of this City Council body that, except where funds are otherwise available, a special tax sufficient to pay for such services to be provided in CFD No. 2007-1 and Annexation No. 5, and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in Annexation No. 5, will be levied annually within the boundaries of such Annexation No. 5. For further particulars as to the rate and method of apportionment of the proposed special tax, reference is made to the attached and incorporated Exhibit “B” (the “First Amended Rate and Method of Apportionment”), which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within proposed Annexation No. 5 to clearly estimate the maximum amount that such person will have to pay.

The special tax proposed to be levied within Annexation No. 5 for services to be supplied within Annexation No. 5 shall be equal to the special tax levied to pay for the same services in CFD No. 2007-1, to the extent that the actual cost of providing the services in Annexation No. 5 is equivalent to the cost of providing those services in CFD No. 2007-1. Notwithstanding the foregoing, the special tax may not be levied at a rate that is higher than the maximum special tax authorized to be levied pursuant to the First Amended Rate and Method of Apportionment.

The special taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the City Treasurer.

The maximum special tax rate in CFD No. 2007-1 shall not be increased as a result of the annexation of Annexation No. 5 to CFD No. 2007-1.

SECTION 8 Public Hearing. Notice is given that on the 6th day of September, 2011, at the hour of 7:30 p.m., in the regular meeting place of the City Council being the Covina City Hall located at 125 E. College Street Covina, CA 91723, a public hearing will be held where this City Council will consider the authorization for the annexation of Annexation No. 5 to CFD No. 2007-1, the proposed method and apportionment of the special tax to be levied with Annexation No. 5 and all other matters as set forth in this Resolution of Intention.

At such public hearing, the testimony of all interested persons for or against the annexation of Annexation No. 5 or the levying of special taxes within Annexation No. 5 will be heard.

At such public hearing, protests against the proposed annexation of Annexation No. 5, the levy of special taxes within Annexation No. 5 or any other proposals contained in this resolution may be made orally by any interested person. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk prior to the time fixed for the public hearing. Written protests may be withdrawn at any time before the conclusion of the public hearing.

SECTION 9 Majority Protest. If (a) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within CFD No. 2007-1, (b) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within Annexation No. 5, (c) owners of one-half or more of the area of land in the territory included in CFD 2007-1, or (d) owners of one-half or more of the area of land in the territory included in Annexation No. 5, file written protests against the proposed annexation of Annexation No. 5 to CFD No. 2007-1 and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of the decision by the City Council on the annexation of Annexation No. 5 to CFD 2007-1.

SECTION 10 Notice. Notice of the time and place of the public hearing shall be given by the City Clerk by publication in a legally designated newspaper of general circulation, in the territory

of Annexation No. 5 and CFD 2007-1 pursuant to Section 6061 of the Government Code. Said publication shall be completed at least seven (7) days prior to the date set for the public hearing and shall contain the information prescribed in Section 53322 of the Act.

SECTION 11 The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011.

John King, Mayor

ATTEST:

Deputy City Clerk, City of Covina

APPROVED AS TO FORM;

City Attorney

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. 11-6991 was adopted by the Covina City Council at a regular meeting of the City Council held this 19th day of July, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
Deputy City Clerk

EXHIBIT A
ANNEXATION MAP

ANNEXATION MAP NO. 5 OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

CITY OF COVINA
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK THIS _____
DAY OF _____, 2011.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING ANNEXATION
MAP NO. 5 OF COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SERVICES), CITY OF COVINA, COUNTY OF LOS
ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE
CITY COUNCIL OF THE CITY OF COVINA AT A REGULAR
MEETING THEREOF, HELD ON THE _____ DAY OF
_____, 2011, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF COVINA

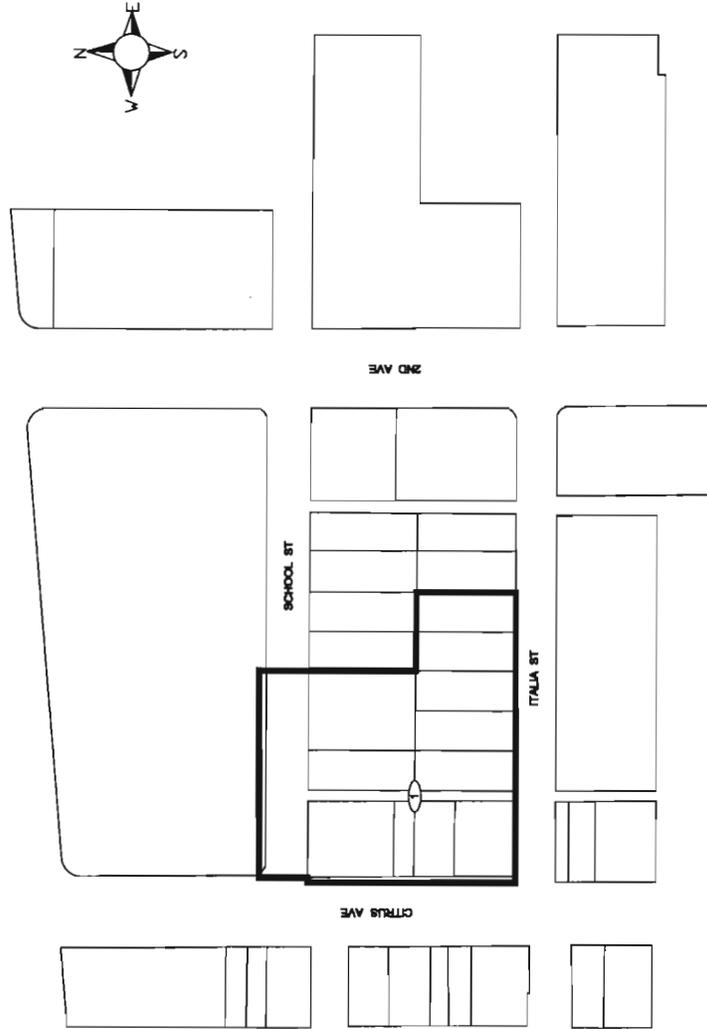
FILED THIS _____ DAY OF _____, 2011, AT THE HOUR OF
O'CLOCK _____ M. IN BOOK _____ PAGE OF
MAPS OF ASSESSMENT AND COMMUNITY FACILITIES
DISTRICTS AND AS INSTRUMENT NO. _____ IN
THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY
OF LOS ANGELES, STATE OF CALIFORNIA.

BY DEPUTY
COUNTY RECORDER
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF CITY OF
COVINA COMMUNITY FACILITIES DISTRICT NO. 2007-1
(PUBLIC SERVICES) RECORDED WITH THE LOS ANGELES
COUNTY RECORDERS OFFICE ON MAY 18, 2007, AS
DOCUMENT NO. 20071218337 IN THE BOOK OF MAPS OF
ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON
THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS
AS SHOWN ON THE LOS ANGELES COUNTY ASSESSOR'S
MAPS FOR THOSE PARCELS LISTED.

THE LOS ANGELES COUNTY ASSESSOR'S MAPS SHALL GOVERN
FOR ALL DETAILS CONCERNING THE LINES AND
DIMENSIONS OF SUCH LOTS OR PARCELS.



LEGEND

- ANNEXATION BOUNDARY
- ① MAP REFERENCE NUMBER

M.A.P. REF. NO.	LEGAL DESCRIPTION
1	VESTING TRACT NO. 71284, AS IDENTIFIED IN THE OFFICIAL RECORDS OF THE LOS ANGELES COUNTY RECORDER'S OFFICE, RECORDED ON JULY 7, 2011, IN MAP BOOK 1367 ON PAGES 7 THROUGH 11, AS DOCUMENT NO. 20110917730

EXHIBIT B
AMENDED RATE AND METHOD OF APPORTIONMENT

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT

CITY OF COVINA

COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

A special tax as hereinafter defined shall be levied on and collected for Community Facilities District No. 2007-1 (Public Services) of the City of Covina ("CFD No. 2007-1") each Fiscal Year, commencing in Fiscal Year 2007-2008, in an amount determined by the City Council of the City of Covina through the application of the appropriate Special Tax for "Developed Property," as described below. All of the real property in CFD No. 2007-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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

"Administrative Expenses" means any actual ordinary and necessary expense of the City of Covina, or designee thereof or both, to carry out the administration of CFD No. 2007-1 related to the determination of the amount of the levy of the Special Tax, the collection of the Special Tax including the expenses of collecting delinquencies, the payment of a proportional share of salaries and benefits of any City employee whose duties are directly related to the administration of CFD No. 2007-1, fees and expenses for counsel, Special Tax consultant and other consultants hired by the City in relation to CFD No. 2007-1, costs associated with responding to public inquiries regarding CFD No. 2007-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2007-1.

"Affordable Housing" means any Unit within CFD No. 2007-1 that is subject to a written and recordable covenant, deed restriction, resale restriction, regulatory agreement or similar agreement with either the City of Covina or the Redevelopment Agency of the City of Covina, which restricts the amount of rent for that Unit to "affordable rent" (as that term is defined in California Health and Safety Code Section 50053) for a period of not less than fifty-five (55) years, or which restricts the purchase price for that Unit to "affordable housing cost" (as that term is defined in California Health and Safety Code Section 50052.5) for a period of not less than forty-five (45) years. A Unit shall no longer be considered Affordable Housing following the expiration or termination of the applicable covenant, restriction or agreement.

"Annual Escalation Factor" means for the Special Tax, the greater of (i) two percent (2.00%), or (ii) the percentage change in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of CFD No. 2007-1.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor’s Parcel number.

“Base Year” means Fiscal Year ending June 30, 2008.

“Boundary Map” means the map of the boundaries for CFD No. 2007-1, as approved by the City Council, and recorded with the County in maps of assessments and community facilities districts.

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

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirements and providing for the levy and collection of the Special Tax.

“CFD No. 2007-1” means Community Facilities District No. 2007-1 (Public Services) established by the City under the Act.

“City” means the City of Covina.

“City Council” means the City Council of the City, acting as the Legislative Body of CFD No. 2007-1, or its designee.

“Consumer Price Index” means the index published by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Riverside-Orange County area.

“County” means the County of Los Angeles.

“Developed Property” means all Assessor’s Parcels within CFD No. 2007-1 for which Building Permits were issued on or before May 1 preceding the Fiscal Year for which the Special Tax is being levied, provided that a Final Map was created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the City and/or CFD administrator.

“Exempt Property” means all Assessor’s Parcels within CFD No. 2007-1 designated as being exempt from the Special Tax as determined in Section F.

“Final Map” means a subdivision of property evidenced by the recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

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

“Lot” means an individual legal lot created by a Final Map for which a Building Permit could or has been issued.

“Maximum Special Tax” means the Maximum Special Tax determined in accordance with Section C, which can be levied by CFD No. 2007-1 in any Fiscal Year on Taxable Property within CFD No. 2007-1.

“Mixed-Use Property” means all Assessor’s Parcels of Developed Property for which Building Permit(s) have been issued for purposes of constructing Non-Residential Property and Residential Property. Residential Units on Mixed-Use Property shall be classified as Multi-Family Residential.

“Multi-Family Residential” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of two or more residential Units that share common walls, including, but not limited to, duplexes, triplexes, town homes, condominiums, apartment Units, and residential Units on Assessor’s Parcels that are considered Mixed-Use Property.

“Non-Residential Property” means all Assessor’s Parcels for which a Building Permit was issued for any type of non-residential use.

“Public Property” means any property within the boundaries of CFD No. 2007-1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, CFD No. 2007-1, or other public agency. For purposes of this definition, property owned by the Redevelopment Agency of the City of Covina is **not** considered Public Property and any property owned by the Redevelopment Agency will be subject to the levy of a Special Tax in accordance with Sections C and D herein.

“Public Services” means new police services, fire protection and suppression services, paramedic services, and park maintenance, including but not limited to (i) the costs of contracting services, (ii) related facilities, equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City and Fire District staff that directly provide police services, fire protection and suppression services, paramedic services, and park maintenance, and (iv) City and Fire District overhead costs associated with providing such services within CFD No. 2007-1. The Special Tax provides only partial funding for police, fire protection services, paramedic services, and park maintenance.

“Special Tax” means any special tax authorized to be levied by CFD No. 2007-1 pursuant to the Act to fund the Special Tax Requirement.

“Single-Family Residential” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one single-family residential dwelling Unit.

“Taxable Property” means all Assessor’s Parcels within CFD No. 2007-1 that are not exempt from the levy of the Special Tax.

“Tax Class” means any of the classes listed in Table 1 below.

“Undeveloped Property” means all Assessor’s Parcels within CFD No. 2007-1 for which Building Permits have not been issued and that is not classified as Approved Property or Public Property.

“Unit” means any separate residential dwelling unit in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2007-2008, each Assessor’s Parcel within CFD No. 2007-1 shall be classified as Developed Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2007-2008, each Assessor’s Parcel of Developed Property shall be further classified as Single-Family Residential, Multi-Family Residential, or Mixed-Use Property.

C. MAXIMUM ANNUAL SPECIAL TAX

The Maximum Special Tax for each Assessor’s Parcel classified as Single-Family Residential, Multi-Family Residential, and Mixed-Use Property in Fiscal Year 2007-2008 shall be equal to the Maximum Special Tax set forth in Table 1.

TABLE 1
MAXIMUM ANNUAL SPECIAL TAX RATES
Fiscal Year 2007-2008

Tax Class	Description	Maximum Special Tax
1	Single-Family Residential	\$527 per Unit
2	Multi-Family Residential	\$395 per Unit
3	Mixed-Use Property	\$395 per Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax for each Assessor’s Parcel classified as Developed Property shall be adjusted by the Annual Escalation Factor.

Multiple Tax Classes

In some instances an Assessor’s Parcel may contain more than one Tax Class. The Maximum Special Tax levied on such Assessor’s Parcel shall be the sum of the Maximum Special Tax that can be imposed on all Tax Classes located on that Assessor’s Parcel.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing with Fiscal Year 2007-2008, and for each subsequent Fiscal Year, the Special Tax shall be levied on each Assessor’s Parcel of Developed Property at the applicable Maximum Special Tax as set forth in Section C.

E. TERMINATION OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund Public Services provided to CFD No. 2007-1.

F. EXEMPTIONS

The City shall classify as Exempt Property: (i) Public Property, (ii) Non-Residential Property, (iii) Undeveloped Property, (iv) Affordable Housing, or (v) Assessor's Parcels with public or utility easements making impractical their utilization for other purposes than those set forth in the easement.

G. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Council not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2007-1 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made, but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

H. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 2007-1 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

EXHIBIT B

RESOLUTION NO. 11-6992

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, ADOPTING BOUNDARY MAP SHOWING TERRITORY
PROPOSED TO BE ANNEXED IN THE FUTURE TO COMMUNITY
FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)
(ANNEXATION NO. 5)**

WHEREAS, the City Council of the City of Covina, California, (hereafter referred to as the "City Council"), formed a Community Facilities District, designated as Community Facilities District No. 2007-1 (Public Services) ("CFD No. 2007-1"), pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, as amended (the "Act"); and

WHEREAS, the City Council desires to initiate proceedings to annex certain territory to CFD No. 2007-1; and

WHEREAS, there has been submitted a map showing the territory proposed to be annexed to CFD No. 2007-1, said area to be designated as Community Facilities District No. 2007-1 (Public Services), Annexation No. 5 (hereafter referred to as "Annexation No. 5").

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

SECTION 1 Recitals. The above recitals are all true and correct.

SECTION 2 Annexation Map. The map showing Annexation No. 5 to be subject to the levy of a special tax upon the annexation of such territory to CFD No. 2007-1 is hereby approved and adopted. Such map is designated by the name of "Annexation Map No. 5 of Community Facilities District No. 2007-1 (Public Services), City of Covina, County of Los Angeles, State of California."

SECTION 3 Certificate. A certificate shall be endorsed on the original and on at least one (1) copy of the map of Annexation No. 5, evidencing the date and adoption of this Resolution, and within fifteen days after the adoption of the Resolution of Intention fixing the time and place of the Public Hearing to annex Annexation No. 5 to CFD No. 2007-1, a copy of said map shall be filed with the correct and proper endorsements thereon with the Los Angeles County Recorder, all in the manner and form provided for Section 3111 of the Streets and Highways Code of the State California.

SECTION 4 The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011.

John King, Mayor

ATTEST:

Deputy City Clerk, City of Covina

APPROVED AS TO FORM;

City Attorney

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. 6992 was adopted by the Covina City Council at a regular meeting of the City Council held this 19th day of July, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
Deputy City Clerk

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 17, 2011

ITEM NO.: CC 7

STAFF SOURCE: Daryl Parrish, City Manager *DP*

ITEM TITLE: Adopt Resolution No. 11-6993 Approving the City of Covina Mayor's Scholarship Fund Program

STAFF RECOMMENDATION

Adopt Resolution No. 11-6993 approving the City of Covina's Mayor's Scholarship Fund Program.

FISCAL IMPACT

The fiscal impact for the 2011-12 fiscal year will be \$800. Funds are available in the contingency account that was approved by the City Council when the 2011-12 budget was adopted on June 21, 2011. It is anticipated \$800 will be made available for the scholarship fund on an annual basis.

BACKGROUND

As part of the Honorable Mayor and City Council's effort to promote community service and education, a scholarship fund is being recommended for Covina Valley Unified School District, Charter Oak School District and Azusa Unified School District students who will be attending a two-year or four-year college or a trade/vocational school. Students who are Covina residents already enrolled in a two-year college and who are transferring to a four-year college will also be eligible for the scholarship. The person selected for the scholarship will be determined by the sitting Mayor once per fiscal year.

The recommended intent is to select an individual for the scholarship who has invested themselves in Covina by encouraging and rewarding those who provide community service. The individual selected will be able to use the scholarship money for any qualified expense (i.e., tuition and fees or books, supplies and equipment required for the courses selected) incurred in pursuing education at an accredited college, university or trade/vocational school. Statistics confirm that individuals who pursue a college education and are rewarded with a degree will earn more than others who do not possess a college degree.

RELEVANCE TO THE STRATEGIC PLAN

None.

EXHIBITS

A. Resolution No. 11-6993.

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: <i>DP</i>
City Manager: <i>DP</i>	Other: _____

RESOLUTION NO. 11-6993

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA APPROVING THE CITY OF COVINA MAYOR'S
SCHOLARSHIP FUND PROGRAM**

WHEREAS, the City Council is desirous of promoting community service by offering a scholarship to qualified individuals; and

WHEREAS, the Honorable Mayor and City Council have always recognized the importance of education and promoted its many benefits; and

WEHREAS, the Mayor and City Council recognize the importance of encouraging and recognizing the community service efforts of Covina students and resident.

WHEREAS, the Mayor's Scholarship Fund Program will assist, reward and encourage local students who will be attending a two-year or four-year college or residents already attending a two-year or four-year college; and

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Covina, as follows:

SECTION 1. The recitals contained in this resolution are hereby adopted as if fully set forth.

SECTION 2. That the \$800 scholarship will be provided every fiscal year through the City of Covina's contingency account or other account identified by city staff.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and is in force.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011.

John C. King, Mayor

ATTEST:

Deputy City Clerk

EXHIBIT A

APPROVED AS TO FORM;

City Attorney

CERTIFICATION

I, Catherine LaCroix, Deputy City Clerk of the City of Covina, hereby CERTIFY that Resolution No. 10-6888 was adopted by the Covina City Council at a regular meeting of the City Council held November 2, 2010, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine LaCroix
Deputy City Clerk

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 8

STAFF SOURCE: Steve Henley, Public Works Director
Kalieh Honish, Assistant Director of Public Works
Alex Gonzalez, Senior Management Analyst



ITEM TITLE: Renewal of Parking Lease Agreement between Citrus Valley Health Partners and the City of Covina

STAFF RECOMMENDATION

Renew Parking Lease Agreement between Citrus Valley Health Partners and the City of Covina for twenty (20) parking spaces at the current parking rate, and authorize the City Manager or his designee to execute all related documents.

FISCAL IMPACT

Annual income in the amount of \$4,800 to the Municipal Parking District, account number 2600-2800-00-43280, if approved, which represents 23% of annual Municipal Parking District parking permit sales for Fiscal Year 2010-2011. This Lease renewal represents an annual revenue increase of \$1,200 to the Municipal Parking District, based on current parking rates.

BACKGROUND

In 1999 Citrus Valley Health Partners (CVHP) entered into an agreement with the City of Covina to lease: fifteen (15) parking spaces in the Municipal Parking Lot located at 129 West College Street and five (5) parking spaces in the Municipal Parking Lot located at 130 West College Street. This Lease Agreement was extended in 2002, renewed in 2006, and extended in 2009 with the current termination date of July 30, 2011.

Citrus Valley Health Partners expressed their strong desire to City staff during the public input process of the Downtown Parking Study to maintain these spaces and renew their Lease Agreement at the current market rate for municipal parking. The increase of \$1,200 in annual revenue with the Lease Agreement renewal is tied to the City Council's decision on January 18, 2010 to maintain monthly Municipal Parking Lot parking fees at \$20 a month, while eliminating discounts for bulk parking permit purchases.

In addition, as detailed in the Lease Agreement, CVHP will assume responsibility for these parking spaces and indemnify the City for Loss or Damages. In fairness to CVHP, City staff provided CHVP the option of purchasing bulk permits similar to other Municipal Parking Lot Stakeholders and not requiring CVHP's assumption of responsibility or liability for the parking spaces. CVHP elected to continue the Lease Agreement as written in 1999 with an adjustment for current parking rates to best accommodate the needs of their clients.

RELEVANCE TO THE STRATEGIC PLAN

This item has no direct relevance to the Strategic Plan.

EXHIBITS

A. Parking Lease Agreement

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: 

**PARKING LEASE AGREEMENT BETWEEN THE CITY OF COVINA
AND CITRUS VALLEY HEALTH PARTNERS**

This Lease Agreement (this "Lease") is made effective as of July 19, 2011 by and between the City of Covina, a municipal corporation ("Lessor"), and Citrus Valley Health Partners, a California Corporation ("Lessee"). The parties agree as follows:

PURPOSE. The purpose of the Lease is for Lessee to use the designated parking spaces for vehicle parking by the Lessee, its customers, invitees, and employees, for no other purpose.

PREMISES. Lessor, in consideration of the lease payments provided in this Lease, leases to Lessee twenty (20) parking spaces in the municipal parking lot (the "Premises") located at 129 and 130 West College Street.

TERM. The lease term begins August 1, 2011 and will terminate on August 1, 2014. The Lease may be renewed by the Lessee for one (1) additional three (3) year period at the Lessee's option. The Lease may be terminated by either party, for any reason or for no reason upon thirty- (30) days notice to the other party.

LEASE PAYMENTS. Lessee shall pay to Lessor one payment of \$4800 per year, payable on the yearly anniversary of the Lease. Lease payments shall be made to the Lessor at 125 East College Street, Covina, California, 91723.

POSSESSION. Lessee shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Lessor on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

AS-IS CONDITION. The parking spaces are leased in an "as-is" condition.

RIGHT OF ENTRY. Each Party shall permit the other Party or its employees, agents, etc. to enter upon the parking lot at a reasonable time for inspection and maintenance purposes..

NO INTERFERENCE. Except Lessee's exclusive use of the parking spaces, Lessee shall make every effort not to interfere with the City's use of the parking lot.

ASSIGNMENTS AND SUBLETTING. Lessee may not assign this Lease or any rights hereunder to any other party without City Manager's prior written consent.

OPERATION AND MAINTENANCE RESPONSIBILITIES. Lessee shall be responsible for restriping the parking stalls initially and installing appropriate signage as approved by the Lessor. Lessee shall maintain the striping and signage during the term of the Lease. The Lessee shall have sole responsibility for enforcement related to the use of the leased premises by unauthorized persons. The Lessor shall be responsible for maintenance of the pavement.

INDEMNITY OF LESSOR FOR LOSS OR DAMAGES. Lessee agrees to indemnify, defend with counsel approved by Lessor and save harmless Lessor, its officers, officials, employees, agents and volunteers from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury or property damage arising from or connected with Lessee's operations or its use of the Premises hereunder, including any workers' compensation suits, liability or expense arising from or connected with services performed on behalf of Lessee by any person pursuant to this Lease, except for any act or omission attributable to Lessor's negligence or wrongful act or omission.

Lessor agrees to indemnify, defend with counsel approved by Lessee, and save harmless Lessee, its officers, officials, employees, agents and volunteers from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury or property damage arising from or connected with Lessor's operations or its use of the Premises hereunder, including any workers compensation suits, liability or expense arising from or connected with services performed on behalf of Lessor by any person pursuant to this Lease, except for any act or omission attributable to Lessee's negligence or wrongful act or omission.

ATTORNEY'S FEES. In the event of any action or proceeding to enforce or construe any provision of this Agreement, the prevailing party shall be entitled at attorneys' fees.

INSURANCE. Lessee shall procure and maintain for the duration of the Lease insurance against claims for injuries to persons or damages to property that may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

Minimum Scope of Insurance

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Minimum Limits of Insurance

Lessee shall maintain limits no less than:

General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general limit shall be twice the required occurrence limit.

Other Insurance Provisions

The general liability policy is to contain, or be endorsed to contain, the following provisions:

1. The City of Covina, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of premises owned, occupied or used by the Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the City of Covina, its officers, officials, employees or volunteers.
2. The lessee's insurance coverage shall be primary insurance as respects the City of Covina, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Covina, its officers, officials, employees or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City of Covina, its officers, officials, employees or volunteers.
4. Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City of Covina.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Verification of Coverage

Lessee shall furnish the City of Covina with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the City of Covina. All endorsements are to be received and approved by the City of Covina before work commences. As an alternative to the City of Covina's forms, the Lessee's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

DEFAULTS. Lessee shall be in default of this Lease, if Lessee fails to fulfill any lease obligation or term by which Lessee is bound. Subject to any governing provisions of law to the

contrary, if Lessee fails to cure any financial obligation within fifteen (15) days (or any other obligation within thirty (30) days) after written notice of such default is provided by Lessor to Lessee, Lessor may take possession of the Premises without further notice.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LESSOR:

Name: City of Covina
Attn: Public Works Director
Address: 125 E. College Street
Covina, CA 91723-2199

LESSEE: Citrus Valley Health Partners
Attn: EVP-COO of Healthcare Delivery
Address: 210 W. San Bernardino Road
Covina, CA 91722

Such addresses may be changed from time to time by either party by providing notice as set forth above.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are not other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, than such provision shall be deemed to be written, construed and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, this Lease Agreement has been duly authorized and executed by the parties hereto on the day and year first herein above written.

"LESSOR"
City of Covina

By: _____
Daryl Parrish
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

"LESSEE"
Citrus Valley Health Partners

By: _____
Elvia Foulke,
EVP & COO

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 9

STAFF SOURCE: Daryl Parrish, City Manager

Dilu de Alwis, Finance Director *DA*

ITEM TITLE: Potential Fiscal Impact Resulting From State & Federal Legislative Action.

STAFF RECOMMENDATION

Receive and file and declare formal opposition where applicable to the legislation specified below.

FISCAL IMPACT

The fiscal impact is unknown at this point since the bills are pending or being discussed in various committees. If these bills come close to being signed into law, staff will inform the Council immediately.

BACKGROUND

Over the past few years the State Legislature has looked to local government to solve its budget problems. Additionally over the past 30 years the voters of the State of California have passed propositions that have restricted the ability of local governments to generate local revenue. Some of these propositions are;

- Proposition 13 (1978) 2/3 voter approval required for "special tax" and property tax otherwise limited to the 1% of assessed value;
- Proposition 62 (1986) majority voter approval required for "general taxes" in general law cities and counties; and
- Proposition 218 (1996) majority voter approval required for "general tax" and 2/3 voter approval for "special tax" in general law cities, charter cities and counties; property-owner approval required for assessments and property related fees and charges.

In addition to the above there currently are discussions in Sacramento on proposed legislation that could impact the City of Covina. Please note the list of bills below that we believe shall have detrimental effects upon local government in general and perhaps on Covina specifically.

State

- AB 438 (Williams) - This bill would place additional burdens and restrictions on certain cities if they want to contract out their library services.
- AB 506 (Wieckowski) - This bill would create additional steps that a city must abide by before it could seek bankruptcy protections.
- AB 781 (Speaker Perez) - This is the bill that is double-joined to the Speakers AB 46, the legislation that would disincorporate the City of Vernon. AB 781 is the companion measure that the Speaker committed to the committee two weeks ago that

would answer all the outstanding questions that members of the Legislature have raised as concerns with AB 46.

- AB 788 (Campos) – This bill Removes Authority to Appoint Members to Merit Commissions. This bill interferes with constitutionally protected municipal affairs related to employee matters by eliminating local government authority to appoint all of the members to the personnel commissions. The area’s largest labor union would be given the authority to appoint half of the members of the commission.
- AB 646 (Atkins) - Imposes Impasse Procedures at Request of Employee Union Only. This bill undermines a local agency’s authority to establish local rules for resolving impasse and delays the conclusion of contract negotiations, which will inevitably create a more adversarial relationship between the negotiating parties.
- SB 46 (Correa) – Duplicating Existing Compensation Disclosure Requirements. This bill would require anyone who files a statement of economic interest under the Political Reform Act to additionally file an annual compensation disclosure form created by the State Controller.
- SB 931 (Vargas) – Unreasonably Restricts Right to Legal Counsel. Sponsored by AFSCME, this bill would unreasonably limit public agency’s ability to seek legal counsel and interferes with attorney-client privilege and right to counsel.
- AB 46 & AB 781 (Perez) – Vernon Disincorporation and Implementation. This bill would dis-incorporate the City of Vernon in Los Angeles County.
- AB 710 (Skinner) – Local Planning. Infill and Transit-Oriented Development. This bill would limit a city’s parking standard to one parking space per 1,000 square feet of non-residential improvements and one space per unit of residential improvements for any new development project in transit intensive areas.
- AB 1220 (Alejo) – Land Use and Planning: Cause of Actions: Time Limitations. This bill would expand adoption of a housing element from over one year to five years to sue a city or county, challenging the adoption of a housing element or a number of related ordinances. It will encourage a broad array of expensive lawsuits that do not differentiate between major noncompliance with state law and a small difference in interpretation.
- SB 244 (Wolk) – Land Use: General Plan: Disadvantaged Unincorporated Communities. This bill would require cities or counties to update elements of the general plan to address the presence of island, fringe, or legacy unincorporated communities, upon the next revision of the housing element. The bill would also prevent an annexation to a city where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged community has also been filed.
- SB 469 (Vagas) – Public Works Contracts. Retention Proceeds. This bill would limit local agency’s ability to set retention rates to no more than 5% in public contracts. Cities use retention in public contracts to assure that work is done in compliance with the contract document and serves as a financial incentive for contractors to complete a project. Requested amendments would remove these provisions from the bill.
- AB 506 (Wieckowski) – State Intrusion into Local Affairs: Fiscal and Employee Relations. Currently stripped to intent language, this bill is the state’s attempt to mandate state intervention into local financial and labor disputes. Cities should continue to watch this issue closely, which has been pursued legislatively the past two sessions. Given the sponsors of AB 506, firefighter unions unhappy with their experience in the City of Vallejo, the potential for unworkable language to re-emerge remains.

Federal

- HR 1002 – Wireless Tax Fairness Act. This federal legislation proposes to place a five-year moratorium on collection of utility users taxes on wireless service (see letter of opposition attached).

In some positive legislative news, we are pleased to report that SB 432 (Hall), a measure that would have placed significant burdens on communities that utilize red-light cameras has officially been declared a two-year bill. This was a bill that we have engaged the author's office alongside the League of California Cities.

The legislature is currently on summer recess but they shall be coming back for the end of the legislative session and the many bills that await hearing.

RELEVANCE TO STRATECIG PLAN

The legislative actions often have negative/positive impacts on local government and reporting of these pending legislations is in keeping with the financial stability of the City of Covina.

EXIBITS

A – Letter of opposition to Wireless Tax Fairness Act of 2011 (H.R. 1002)

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

**National Association of Counties
National League of Cities
United States Conference of Mayors
International City/County Management Association
Government Finance Officers Association
National Association of Telecommunications Officers and Advisors**

July 13, 2011

The Honorable John Conyers, Jr.
House Judiciary Committee
United States House of Representatives
2426 Russell House Office Building
Washington, DC 20510

Dear Congressman Conyers:

We write to express our strong opposition to the *Wireless Tax Fairness Act of 2011* (H.R. 1002), that preempts state and local taxing authority at a time when most jurisdictions are facing severe budget shortfalls in addition to record cutbacks and eliminations in federal assistance. This legislation represents an unwarranted federal intrusion, as it carves out one sector of the communications industry for favorable tax treatment. It creates an uneven playing field and unfair competition for other communications service providers.

Moreover, the bill would cause great damage to our system of federalism and the fiscal health of state and local governments while purporting to solve a problem – the supposed dampening effect of taxes on wireless service growth – that simply doesn't exist. In fact, the wireless industry has yet to present any data indicating that state and local wireless taxes have had any adverse effect on wireless service subscribership, revenue or investment. Quite the contrary, wireless industry subscribership, revenue and investment continue to soar even as the industry complains about its state and local tax burden.

The wireless industry is just one of many industries requesting that Congress preempt state and local taxing authority. Any one industry's plea for federally mandated tax favoritism will open the door for other industries asking Congress for similar preemption. If H.R. 1002 becomes law, Congress will continue to be flooded with demands from other industries, such as rental car and online travel companies, seeking exemption from state and local taxes.

In order for states and local communities to continue to recover from the Great Recession, they must have at their disposal all the tools and resources available to balance their budgets, preserve and create jobs and provide essential services, like police, fire and education. What this bill does is take away one of these tools – to tax the wireless industry – at the expense of other taxpayers and businesses. It is incumbent for all members of Congress to support their state and local partners and preserve their taxing authority.

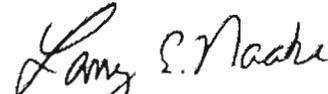
State and local governments remain willing partners in efforts to reform communications taxes. This is evidenced, in fact, by the several states that have undertaken such reform initiatives in recent years. However, mandating that state and local governments provide favorable treatment to the wireless industry – as this bill does – over other sectors of the communications industry and other industries generally, will not encourage additional state and local communications tax reform initiatives. It creates an obstacle to such reform.

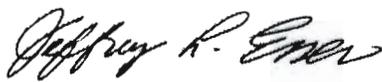
July 13, 2011
Page Two

For these reasons, we urge you to oppose H.R. 1002.

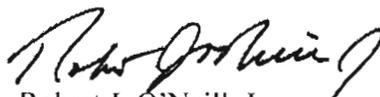
Respectfully submitted,


Donald J. Borut
Executive Director
National League of Cities


Larry E. Naake
Executive Director
National Association of Counties


Jeffrey L. Esser
Executive Director
Government Finance Officers Association


Tom Cochran
Executive Director, United States
Conference of Mayors


Robert J. O'Neill, Jr.
Executive Director, International
City/County Management Association


Stephen Traylor
Executive Director, National
Association of Telecommunications
Officers and Advisors

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 10

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Assistant Director of Public Works
Paul Hertz, Public Works Superintendent



ITEM TITLE: Public Works Department Monthly Activity Report

STAFF RECOMMENDATION

Receive and file the Public Works Department Monthly Activity Report

FISCAL IMPACT

This report is informational only and has no budgetary impact.

BACKGROUND

Attached for the City Council's review and information are the Public Works Department's Monthly Activity Report for June.

In conjunction with the implementation of a revised Zone Maintenance Program in 2007, the Department implemented a renewed focus on Key Performance Indexing (KPI). KPI is a useful tool for developing a measurement system of organizational effectiveness by identifying activities important to the community and tracking their output over time.

During June, the following trends were noted:

- Environmental Services saw a dramatic increase in the number of compost bins and used oil containers distributed as a result of staff participating in the "summer evenings in the park program." The weekly event held in Covina Park is an ideal opportunity for the Division to educate the community and promote the use of both items.
- The Water Division saw a large amount of activity in the areas of consumer response turn-ons and turn-offs and also with door hanger placement in the field as the division continues to work through each of nine billing cycles. The continued increase in activity is due to the large scale of water customers settling outstanding delinquent water utility accounts as a result of the door hanging as well as mailing of bills, delinquent notices, and phone calls to all delinquent accounts.
- The Street Maintenance Division saw a drop in the areas of sidewalk ramping and grinding from last month as the Division focused on removing a large amount of illegally dumped debris and items from the public right-of-way. An activity that was previously supplemented with assistance from the LA Works Crew.

- Code Enforcement continued to trend upward from May in the number of signs removed from the public right of way from last month, as more yard sale signs were posted illegally with the warmer Spring and Summer weather.

RELEVANCE TO THE STRATEGIC PLAN

The Public Works Department consists of the Water Division, Streets and Sewer Division, Central Equipment Division, Building Maintenance, and Development Services which includes Engineering, Environmental Services, Building and Safety, as well as Code Enforcement. The combined activities of each of the divisions continually strives to enhance the safety, development and infrastructure needs of the community in the most cost effective and responsive way possible. In this way, while not directly responsive to any of the currently identified objectives of the Strategic Plan the activities which are reported on herein support several of the specific Strategic Plan's Goals, as follows: Improve and promote customer service; Enhance financial stability; Become an environmentally sustainable community; and Provide efficient, visible and responsive public safety.

EXHIBITS

A. Public Works Department Monthly Activity Report – June 2011

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

**CITY OF COVINA
PUBLIC WORKS DEPARTMENT MONTHLY ACTIVITY REPORT
JUNE 2011**

DIVISION	ACTIVITY	QUANTITY
Water Utility	Meter reads	90
	Meter replacements	1
	Consumer responses	660
	Backflow tests	4
	Flushed blow-offs	15
	Service line repair/replace	17
	Main line repair/replace	4
	Fire hydrant repair/replace	5
	Isolation valves exercised	6
	Dig alert responses	58
	Emergency call outs	2
Equipment Maintenance	Preventative Maintenance service	37
	Safety inspections	37
	Daily demand repairs	76
	Tire repairs	14
	Major repairs over \$1000	4
	Emergency call outs	21
Street Maintenance	Traffic sign remove/replace/install	15
	Potholes repaired	60
	Curb and gutter remove/replace (LF)	90
	Sidewalk remove/replace (SF)	57
	Curb painted (LF)	0
	Illegally dumped items picked up (LBS.)	10,000
	Utility cuts repaired	5
	Trees trimmed	0
	Trees removed	4
Emergency call outs	1	
Environmental Services	Used oil containers distributed	95
	Compost bins distributed	15
	NPDES violations investigated	11
	NPDES Permit Inspections	17
	Waste management consumer contacts	0
	Industrial Waste Permit Inspections	17
	Plans checked for environmental compliance	7
	Environmental legislation & regulations reviewed	15
	Special Waste collection events promoted	2
Engineering Inspection	Permits issued	40
	Inspections conducted	58
	Complaint responses	2
	Jobsite meetings	6
	Plan checks conducted	23
	Document research requests	11
	Value of plans prepared	0
Building Maintenance	Service requests completed	45
	Facility heat/air conditioning repairs	1
	Facility lighting/electrical repairs	0
	Emergency call outs	0

**CITY OF COVINA
PUBLIC WORKS DEPARTMENT MONTHLY ACTIVITY REPORT
JUNE 2011**

DIVISION	ACTIVITY	QUANTITY
Transportation	Bus passes sold	92
	Covina Transit passengers	1,526
	Metrolink monthly permits sold	690
	Metrolink Avg. daily permits sold	72
	Municipal lots blue zone permits sold	97
	Municipal lots monthly machine revenues	\$581
Code Enforcement	Number of Inspections	982
	Number of signs pulled from public right-of-way	525
	Number of resolved cases	98
	Number of open cases	304
	Industrial waste cases open	64
	Liens filed	0
	Liens released	4
	Total homes in foreclosure	255
	Foreclosed homes registered	9
Cases referred for possible litigation	11	
Building & Safety	Pre/Post permit counter visits	127
	Pre/Post Activity (hours)	19.05
	Permits issued	73
	Inspections conducted	424
	Plan checks conducted	15
	Permit valuation	\$25,188,489
Sewer Maintenance	Manholes inspected	89
	Linear feet of main cleaned	68,462
	Hot-spot locations cleaned	33
	Sewer overflow responses	0
	Manholes treated for vermin infestation	61
	Manholes treated for rodent infestation	12
	Routine pump station checks	30
Special Activities of Note	Graffiti removed from traffic signs	39
	Fallen tree limbs picked up	12
	Building Maintenance Counters/Kiosk installed	2
	Sewer lift station complete service by in house staff	1

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 11

STAFF SOURCE: Dilu de Alwis, Director of Finance ^{DB}
Robert Neiuber, Director of Community Development

ITEM TITLE: Repayment of Funds to Los Angeles County Development Commission on Draw Down From CDBG for Joslyn Center Project.

STAFF RECOMMENDATION

Authorize the payment of \$158,657 to the Los Angeles County Development Commission (LACDC) from the General Fund.

FISCAL IMPACT

There is a General Fund impact of \$158,657 for this action. Staff recommends that Council authorize the City Manager to use current year excess revenues over expenditures to execute this payment which has to be paid no later than July 29, 2011. In the event that there isn't sufficient excess revenues, staff requests Council authorization to process this payment from reserves and include this item in the year-end budget balancing resolution.

BACKGROUND

On August 18, 2009, the City Council approved Item No. CC 14, providing for a contract with Allana Buick & Bers, Incorporated, a qualified engineering firm, to provide preliminary engineering and design of the improvements needed to alleviate the problems associated with the building envelope of the Joslyn Senior Center.

On May 4, 2010, the City Council approved Item No. CC 3, authorizing an amendment to the above contract by \$55,348 for a total contract amount of \$163,348. This cost was paid for using CDBG funds and the City was reimbursed by CDBG.

However, due to the magnitude of the project and its associated costs which is estimated to be upwards of \$2 million, staff has not been able to secure a confirmed funding source as of June 30, 2011. LACDC has determined that since funding has not been secured, and the construction portion of the project has not begun, the funds paid for by CDBG towards the project has to be returned using non-CDBG funds (see attached letter). LACDC has confirmed that these funds will be deposited in an unallocated fund for the City of Covina for a future qualified CDBG project.

Council did authorize the City Manager to secure bids for this project and staff is currently working towards that end. However it is estimated that this step will not be completed during the first quarter of the new fiscal year. Since we have received a set of drawings from Allana Buick & Bers that will be used for the specs for the bidding as well as the construction phase of the

project, the Council is assured that the \$158,657 to be paid from the General Fund is for a usable end product.

EXHIBITS

A. LACDC Letter

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: 



COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

June 30, 2011

Robert Neuber, Community Development Director
City of Covina
125 East College Street
Covina, CA 91723-2199

Dear Mr. Neuber:

JOSLYN SENIOR CENTER IMPROVEMENTS PROJECT (NO. 601199-09)

This letter responds to your June 13, 2011 correspondence requesting an extension to the June 30, 2011 end date for the subject-referenced Community Development Block Grant (CDBG) project.

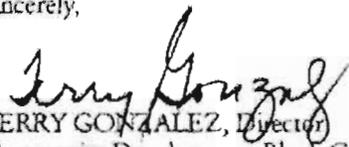
As Angelica Contreras, of my staff, conveyed to you during the June 27th telephone conference call, we cannot time extend this project because your City has not secured the leverage funding necessary to complete the construction phase, and all contracts and amendments for CDBG projects to be funded in Fiscal Year 2011-2012 must be executed by June 30, 2011. Therefore, since we have confirmed that the Joslyn Senior Center is not being used exclusively for activities that benefit seniors, we will cancel the current-year *Exhibit A* contract document, and your City will need to return the \$158,657 funds which we have already disbursed for the design phase to your CDBG unprogrammed funds balance. By July 29, 2010, please remit a check in the amount of \$158,657, payable to the Community Development Commission (CDC), along with a *Return Funds Transmittal Form* (enclosed).

As Ms. Contreras stated to you during the June 27th conference call, should the City wish to use CDBG funds to pay for the construction phase of this project, your staff will need to initiate a new *Exhibit A*. Prior to doing so, however, please contact Greg Jordan, CDBG Program Manager, once the following conditions are met:

- The funding necessary to complete this phase of the work has been secured; and
- The cost breakdown, clearly separated by CDBG-eligible and -ineligible categories, has been finalized.

Thank you for your continued partnership in the Los Angeles Urban County CDBG Program. If you have any questions, please contact Mr. Jordan at (323) 890-7175 or by email at: Greg.Jordan@lacdc.org.

Sincerely,


TERRY GONZALEZ, Director
Community Development Block Grant Division

TG:ACvu
KACDBG COMMONWEALTH/City of Covina Joslyn Senior Center Project Time Extension

Enclosure





**Community Development Commission
County of Los Angeles**

**RETURN FUNDS TRANSMITTAL FORM
(FOR PROGRAM INCOME AND DISALLOWED COSTS)**

Agency Name _____

Project Title _____ Project No. _____ Amount of _____

Project Title _____ Project No. _____ Amount of _____

Project Title _____ Project No. _____ Amount of _____

Project Title _____ Project No. _____ Amount of _____

Project Title _____ Project No. _____ Amount of _____

If additional space required, please complete a second form.

Enclosed Check No. _____ Total Amount \$ _____

Prior Permission Received to Apply to Eligible Program Costs

REASON FOR RETURN:

Total Program Income - Enter detail below:

If additional space required, please complete a second form.

<u>Amount</u>	<u>Project No.</u>		Homeowner's Name
_____	_____	Loan Repayment	
_____	_____	Loan Repayment	_____
_____	_____	Loan Resale	
_____	_____	Usage Fees	
_____	_____	Earned interest	
_____	_____	Special Assessments	
_____	_____	Other (Check box)	
		Bid Package fees <input type="checkbox"/>	Meals <input type="checkbox"/>
		Donations <input type="checkbox"/>	Other: _____

\$ _____ Resulting from disallowed Costs - Enter detail below:

<u>Amount</u>	<u>Project No.</u>	
_____	_____	Program Monitoring Findings
_____	_____	Financial Review Findings
_____	_____	Single Audit Findings
_____	_____	Disallowed Interest

PREPARED BY: _____ PHONE: _____
Print name/Signature

TITLE: _____ DATE: _____

FOR CDC USE ONLY			
Account No.	_____	Project No.	_____ Amount _____
Account No.	_____	Project No.	_____ Amount _____
Account No.	_____	Project No.	_____ Amount _____
Account No.	_____	Project No.	_____ Amount _____
			Total _____
Reviewed by:	_____	Approved by:	_____ Date: 9/29/2009

**COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY**

MEETING DATE: July 19, 2011

ITEM NO.: CC 12

STAFF SOURCE: Dilu De Alwis, Finance Director 

ITEM TITLE: Payment of Demands

STAFF RECOMMENDATION:

Approve Payment of Demands in the amount of **\$1,032,414.07**

BACKGROUND:

Attached list of warrants, demands, which are being presented for approval for May, 2011 are summarized as follows:

<u>DATE OF DEMANDS</u>	<u>DEMAND NUMBERS</u>	<u>AMOUNT</u>
ACCOUNTS PAYABLE WARRANTS		
May 5, 2011	6475-6488	\$667,577.44
May 12, 2011	6489-6499	\$45,252.88
May 19, 2011	6500-6512	\$135,690.77
May 25, 2011	6513-6515	\$124,139.46
May 25, 2011	6516	\$5,343.46
May 12, 2011	(Reimburse PR Insurance)	\$9,075.55
May 26, 2011	(Reimburse PR Insurance)	\$9,050.10
PAYROLL		
May 12, 2011		\$26,340.46
May 26, 2011		\$26,036.37
VOIDS		
May 25, 2011	6477	(\$700.00)
May 25, 2011	5739,5940,6168	(\$15,392.42)
GRAND TOTAL:		\$1,032,414.07

RELEVANCE TO STRATEGIC PLAN: Not applicable

EXHIBITS:

A. ACCOUNTS PAYABLE REGISTER

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
RA00006475	CRA00626	ANDY GUMP INC	05/05/11	19.86	MM	OH		
RA00006476	CRA00549	BEST BEST & KRIEGER LLP	05/05/11	937.60	MM	OH		
RA00006477	CRA00036	COVINA DOWNTOWN ASSOC	05/05/11	700.00	MM	OH		
RA00006478	CRA00128	COVINA, CITY OF	05/05/11	1,833.75	MM	OH		Payee Name different in Check DB
RA00006479	CRA00128	COVINA, CITY OF	05/05/11	385.88	MM	OH		Payee Name different in Check DB
RA00006480	CRA00128	COVINA, CITY OF	05/05/11	110,000.00	MM	OH		Payee Name different in Check DB
RA00006481	CRA00034	DH MAINTENANCE SERVICES	05/05/11	275.00	MM	OH		
RA00006482	CRA00027	EDISON CO	05/05/11	40.20	MM	OH		
RA00006483	CRA00288	LA CNTY AUDITOR CONTROLLER	05/05/11	522,960.00	MM	OH		Payee Name different in Check DB
RA00006484	CRA00070	LEWIS OPERATING CORP	05/05/11	4,639.00	MM	OH		
RA00006485	CRA00097	RJS FINANCIAL	05/05/11	24,999.00	MM	OH		Payee Name different in Check DB
RA00006486	CRA00437	SO CALIF GAS COMPANY	05/05/11	55.23	MM	OH		
RA00006487	CRA00212	VERIZON CALIFORNIA	05/05/11	59.92	MM	OH		
RA00006488	CRA00394	VISTA POINTE APARTMENTS	05/05/11	672.00	MM	OH		
G R A N D T O T A L S:								
Total Void Machine Written				0.00				Number of Checks Processed: 0
Total Void Hand Written				0.00				Number of Checks Processed: 0
Total Machine Written				667,577.44				Number of Checks Processed: 14
Total Hand Written				0.00				Number of Checks Processed: 0
Total Reversals				0.00				Number of Checks Processed: 0
Total Cancelled Checks				0.00				Number of Checks Processed: 0
Total EFTs				0.00				Number of EFTs Processed: 0
G R A N D T O T A L				667,577.44				

Check	Payee ID	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
RA00006489	CRA00545	AL-SAL OIL COMPANY INC	05/12/11	7,333.33	MM	OH		
RA00006490	CRA00543	BANK OF THE WEST	05/12/11	1,392.60	MM	OH		
RA00006491	CRA00549	BEST BEST & KRIEGER LLP	05/12/11	27,351.75	MM	OH		
RA00006492	CRA00656	CATHOLIC CHARITIES	05/12/11	2,606.74	MM	OH		
RA00006493	CRA00128	COVINA, CITY OF	05/12/11	4,601.17	MM	OH		Payee Name different in Check DB
RA00006494	CRA00027	EDISON CO	05/12/11	188.64	MM	OH		
RA00006495	CRA00049	GEOGRAPHICS	05/12/11	164.48	MM	OH		Payee Name different in Check DB
RA00006496	CRA00004	HOME DEPOT	05/12/11	44.65	MM	OH		
RA00006497	CRA00155	MORENO, MERCY	05/12/11	264.00	MM	OH		
RA00006498	CRA00273	UNITED SITE SERVICES OF CA IN	05/12/11	105.52	MM	OH		Payee Name different in Check DB
RA00006499	CRA00125	YMCA WINGS SHELTER	05/12/11	1,200.00	MM	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	45,252.88	Number of Checks Processed:	11
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	45,252.88		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
RA00006500	CRA00530	BRANCHEAU, LISA	05/19/11	25.00	MW	OH		
RA00006501	CRA00219	CAT SPECIALTIES INC	05/19/11	48.29	MW	OH		Payee Name different in Check DB
RA00006502	CRA00147	COVINA CHAMBER OF COMMERCE	05/19/11	450.00	MW	OH		Payee Name different in Check DB
RA00006503	CRA00129	COVINA WATER & REFUSE, CITY O	05/19/11	142.95	MW	OH		Payee Name different in Check DB
RA00006504	CRA00128	COVINA, CITY OF	05/19/11	229.00	MW	OH		Payee Name different in Check DB
RA00006505	CRA00128	COVINA, CITY OF	05/19/11	1,211.19	MW	OH		Payee Name different in Check DB
RA00006506	CRA00049	GEOGRAPHICS	05/19/11	1,285.77	MW	OH		Payee Name different in Check DB
RA00006507	CRA00056	HIMES AND HIMES INC	05/19/11	2,400.00	MW	OH		Payee Name different in Check DB
RA00006508	CRA00057	HINDERLITER DELLMAS & ASSOC	05/19/11	1,500.00	MW	OH		Payee Name different in Check DB
RA00006509	CRA00696	J & G INDUSTRIES INC.	05/19/11	119,605.50	MW	OH		
RA00006510	CRA00708	RAETECH	05/19/11	8,522.81	MW	OH		
RA00006511	CRA00273	UNITED SITE SERVICES OF CA IN	05/19/11	68.63	MW	OH		Payee Name different in Check DB
RA00006512	CRA00642	XO COMMUNICATIONS	05/19/11	201.63	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	135,690.77	Number of Checks Processed:	13
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	135,690.77		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel	To Note
RA00006513	CRA00128	COVINA, CITY OF	05/25/11	111,964.21	MM	OH		Payee Name different in Check DB
RA00006514	CRA00709	IRVINDALE CHAMBER OF COMMERCE	05/25/11	15.00	MM	OH		
RA00006515	CRA00116	US BANK	05/25/11	12,160.25	MM	OH		

G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	124,139.46	Number of Checks Processed:	3
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	124,139.46		

=====
 Check ID. Payee Name Date Check Amount Type Subs Rel To Note
 RA00006516 CRA00249 BROWN-HEIGEL, HARRY 05/25/11 5,343.46 MW 1P
 =====

G R A N D T O T A L S :

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	5,343.46	Number of Checks Processed:	1
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	5,343.46		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
				0.00				Number of Checks Processed: 0
				0.00				Number of Checks Processed: 0
				0.00				Number of Checks Processed: 0
				0.00				Number of Checks Processed: 0
				700.00				Number of Checks Processed: 1
				0.00				Number of Checks Processed: 0
				0.00				Number of EFTs Processed: 0
G R A N D T O T A L				700.00				

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
RA00005739	CRA00582	COVINA-VALLEY USD	01/14/10	657.16	RV	TR		Payee Name different in Check DB
RA00005940	CRA00530	BRANCHEAU, LISA	05/26/10	8.00	RV	TR		Reversed
RA00006168	CRA00580	MTSAC COLLEGE DISTRICT	10/28/10	14,727.26	RV	TR		Reversed

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	15,392.42	Number of Checks Processed:	3
Total Cancelled Checks	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
G R A N D T O T A L	15,392.42		

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I, Dilu De Alwis being first duly sworn, declare that I am the Finance Director of the City of Covina and have read the attached Register(s) of Audited Demands for the Covina Redevelopment Agency dated Accounts Payable for 5/05/11, 5/12/11, 5/19/11, 5/25/11 and 5/26/11; Payroll for 5/12/11 and 5/26/11; Voids for May 2011; know the contents thereof, and do CERTIFY as to the accuracy of the attached Demands and the availability of funds for their payment pursuant to the government Code, Section 37202.

Dilu De Alwis,
Finance Director

Subscribed and sworn to before me

this _____ day of _____, 2011

COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 13

STAFF SOURCE: Robert Neiuber, Deputy Executive Director *RN*
Nuala Gasser, Sr. Redevelopment Manager *NG*

ITEM TITLE: Report on the Operating Covenant Agreement regarding business retention and expansion at 618 Shoppers Lane, Covina, Covina Revitalization Redevelopment Project No. 1

AGENCY STAFF RECOMMENDATION

Receive and file the report on the Operating Covenant Agreement between the Covina Redevelopment Agency ("Agency") and Maria Griselda Roman, Jimmy Roman, Jose Asuncion Hernandez, doing business as Fonda Don Chon Restaurant, Incorporated, a California Corporation

FISCAL IMPACT

A one-time payment of Fifteen Thousand Dollars (\$15,000) is funded through the Covina Redevelopment Account No. 5011-4600-00-53785 (Business Assistance). Funds are available in this cost center.

BACKGROUND

Fonda Don Chon, the business located at 618 S. Shoppers Lane, Covina opened in the fall of 2008, to unprecedented success. The restaurant business quickly outgrew the capacity of the building, and the owners were looking at expansion possibilities. An opportunity was presented to expand to the building to the north of the existing site. The location, at 616 S. Shoppers Lane, is occupied by Bella Nail Salon. The Redevelopment Agency wished to retain the restaurant in the City and continue and expand the jobs created by the successful business at the site, and entered negotiations to assist with the expansion of the restaurant.

On June 7, 2011, the Agency Board concluded negotiations regarding 616 S. Shoppers Lane, and agreed to provide \$15,000 to allow the restaurant expansion. This amount is to be forgiven incrementally over three years following expansion into the 1,100 square foot site and the attorney was authorized to prepare an agreement.

The Operating Covenant Agreement (OCA), attached as Exhibit A, is contingent upon a separate three-party agreement to be executed between the owner of the adjoining building at 616 S. Shoppers Lane, the existing tenant in that building, and the restaurant, Fonda Don Chon. This agreement has been executed.

The OCA provides for a one-time payment of \$15,000 to Fonda Don Chon to continue to operate in the City for a minimum of three years. The funding will be forgiven at the rate of \$5,000 per year, and will be fully forgiven at the end of the three year period of operation. The three year period, the "Operating Period" will start on the date that improvements in the expanded area are complete and the space is open to the general public.

The OCA provides that the expansion activity is to be complete, and the new area open for business, within twelve months.

RELEVANCE TO THE STRATEGIC PLAN

Providing opportunities for economic development contributes to the City strategic plan objective of enhancing financial stability.

EXHIBITS

A. Operating Covenant Agreement

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

EXHIBIT A

OPERATING COVENANT AGREEMENT

by and between the

COVINA REDEVELOPMENT AGENCY,

a public body, corporate and politic,

and

FONDA DON CHON RESTAURANT, INC.,

a California corporation

[Dated June 7, 2011 for reference purposes only]

OPERATING COVENANT AGREEMENT

THIS OPERATING COVENANT AGREEMENT (this "**Agreement**") is dated as of June 7, 2011 ("**Effective Date**"), and is entered into by and between the COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Agency**"), and MARIA GRISELDA ROMAN, JIMMY ROMAN, AND JOSE ASUNCION HERNANDEZ, DBA FONDA DON CHON RESTAURANT, INC., a California corporation ("**Owner**"). The Agency and Owner enter into this Agreement with reference to the following recited facts (each a "**Recital**"):

RECITALS

A. The Agency is engaged in activities necessary to execute and implement the redevelopment plan ("**Redevelopment Plan**") for the Agency's Project Area One ("**Project Area**") pursuant to the provisions of the California Community Redevelopment Law (Health & Safety Code Sections 33000 et seq.) ("**CRL**"); and

B. Owner owns a restaurant commonly referred to as Fonda Don Chon Restaurant, Inc., a California corporation ("**Business**") which is located in the Project Area at 618 Shoppers Lane SW, Covina, California, as further described in Exhibit A-1 attached hereto and incorporated herein by this reference ("**Existing Property**"), pursuant to an existing lease with Maria Griselda Roman, Jimmy Roman, and Jose Asuncion Hernandez, dba Fonda Don Chon Restaurant LLC, a California limited liability company, as the fee simple owners of the Existing Property ("**Landlord**"); and

C. Owner is currently negotiating the lease ("**Adjacent Property Lease**") of real property adjacent to the Existing Property at 616 Shoppers Lane SW, Covina, California (Assessor's Parcel Number 8451-001-032), as further described in Exhibit A-2 attached hereto and incorporated herein by this reference ("**Adjacent Property**"), with Betty J. Lidle, Trustee for the Betty J. Lidle Revocable Living Trust, as the owner of the Adjacent Property ("**Adjacent Property Landlord**"); and

D. The Adjacent Property Lease shall, at a minimum, provide Owner with a leasehold interest in the Adjacent Property for a period of no less than three (3) years subsequent to the Opening Date, as defined in Section 1.26, and will allow Owner to complete certain tenant improvements on the Adjacent Property to allow for the operation of the Business on the Adjacent Property; and

E. The Adjacent Property is currently leased to Tony Hung Nguyen dba Bella Nail Design ("**Adjacent Property Tenant**") pursuant to a lease agreement due to terminate on October 31, 2012; and

F. A three-party agreement, dated June 7, 2011 ("**Three-Party Agreement**"), was executed by and between Owner, Adjacent Property Landlord, and Adjacent Property Tenant for the purpose of terminating Adjacent Property Tenant's leasehold interest in the Adjacent Property and requiring him to vacate the Adjacent Property no later than August 31, 2011, subject to the completion of: (1) the execution of the Adjacent Property Lease by and between Owner and Adjacent Property Landlord; and (2) payment of Thirty Thousand Dollars (\$30,000)

from Owner to the Adjacent Property Tenant in consideration for the early termination of Adjacent Property Tenant's existing lease: and

G. Upon execution of the Adjacent Property Lease and the vacation of the Adjacent Property Tenant, Owner intends to expand the Business to incorporate both the Existing Property and Adjacent Property (collectively, the "**Leased Premises**") by completing certain improvements to the Leased Premises, as further described in Exhibit B attached hereto and incorporated herein by this reference ("**Improvements**"); and

H. Agency and Owner now desire to enter into this Agreement to provide, upon the completion of the Improvements, for the long-term operation and maintenance of the Business on the Leased Premises; and

I. Owner has requested financial assistance from the Agency in an amount of Fifteen Thousand Dollars (\$15,000) ("**Covenant Payment**"), and in consideration for the Covenant Payment, Owner has agreed to open and operate the Business on the Leased Premises for a period of no less than three (3) years from the Opening Date ("**Operating Period**"), and

J. The Agency has determined that this Agreement will further the Agency's activities in redeveloping the Project Area by:

1. Assisting with business development and tourism in the redevelopment project area; and
2. Creating job opportunities for City residents; and
3. Generating tax revenue to the Agency that will assist the Agency in providing additional redevelopment in the Project Area; and
4. Preserving property within the Project Area.

TERMS

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND COVENANTS SET FORTH IN THIS AGREEMENT, AGENCY AND OWNER AGREE, AS FOLLOWS:

1. Definitions. All initially capitalized terms used in this Agreement shall have the meanings set forth in this Section 1 or, if not defined in this Section 1, where such term first appears in this Agreement, unless the context of usage clearly requires another meaning.

1.1 **Agency.** The Covina Redevelopment Agency, a public body, corporate and politic.

1.2 **Agency Parties.** Collectively, the Agency, its elected officials, employees, attorneys and other agents.

1.3 **Agency Party.** Individually, the Agency, its elected officials, employees, attorneys or other agents.

1.4 **Affiliate.** In reference to any Person means any other Person Controlling or Controlled by or under common Control with the specified Person. “**Affiliated**” shall have the correlative meaning.

1.5 **Approval.** Any license, permit, approval, consent, certificate, ruling, variance, authorization, conditional use permit, or amendment to any of the foregoing, as shall be necessary or appropriate under any Law to construct the Improvements or operate the Business.

1.6 **City.** The City of Covina, a California municipal corporation and general law city.

1.7 **Claim.** Any claim, loss, cost, damage, expense, liability, lien, action, cause of action (whether in tort, contract, under statute, at law, in equity or otherwise), charge, award, assessment, fine or penalty of any kind (including consultant and expert fees and expenses and investigation costs of whatever kind or nature, challenge to the Agency’s authority to enter into or perform this Agreement or approval of this Agreement in any form, if an Indemnitor improperly fails to provide a defense for an Indemnitee, then Legal Costs of counsel retained by the Indemnitee), and any judgment.

1.8 **Control.** The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of Equity Interests, by contract, or otherwise.

1.9 **Controlling and Controlled.** Exercising or having Control.

1.10 **Covenant Payment.** Fifteen Thousand Dollars (\$15,000).

1.11 **Default.** Defined in Section 9.

1.12 **Default Interest.** Interest at an annual rate equal to the lesser of: (a) eight percent (8%) per annum; or (b) the Usury Limit.

1.13 **Equity Interest.** All or any part of any direct or indirect equity or ownership interest(s) (whether stock, partnership interest, beneficial interest in a trust, membership interest in a limited liability company, or other interest of an ownership or equity nature) in any entity, at any tier of ownership, that directly or indirectly owns or holds any ownership or equity interest in a Person.

1.14 **Executive Director.** The Executive Director of the Agency or his or her designee or successor in function.

1.15 **Federal.** The federal government of the United States of America.

1.16 **Government.** Each and every governmental agency, authority, bureau, department, quasi-governmental body, or other entity or instrumentality having or claiming

jurisdiction over the Leased Premises (or any activity this Agreement allows), including the Federal government, the State, the County of Los Angeles, and their subdivisions and municipalities, including the City and the Agency, and all other applicable governmental agencies, authorities, and subdivisions thereof. "**Government**" shall also include any planning commission, board of standards and appeals, department of buildings, city council, zoning board of appeals, design review board or committee or similar body having or claiming jurisdiction over the Leased Premises or any activities on or at the Leased Premises.

1.17 **Indemnify.** Where this Agreement states that any Indemnitor shall "indemnify" any Indemnitee from, against, or for a particular matter, that the Indemnitor shall indemnify the Indemnitee and defend and hold the Indemnitee harmless from and against any and all Claims: (a) from, as a result of, or on account of the particular matter; or (b) in enforcing the Indemnitor's indemnity obligation.

1.18 **Indemnitee.** Any Person entitled to be indemnified under this Agreement.

1.19 **Indemnitor.** A Party that agrees to Indemnify any other Person pursuant to this Agreement.

1.20 **Law.** Every law, ordinance, requirement, order, proclamation, directive, rule, and regulation of any Government applicable to the Leased Premises or the Business, in any way, including any development, use, maintenance, taxation, operation, or occupancy of, or environmental conditions affecting the Leased Premises or the Business, or relating to any taxes, or otherwise relating to this Agreement or any Party's rights, obligations or remedies under this Agreement, or any Transfer of any of the foregoing, whether in force on the Effective Date or passed, enacted, modified, amended or imposed at some later time, subject in all cases, however, to any applicable waiver, variance, or exemption.

1.21 **Legal Costs.** All reasonable costs and expenses such Person incurs in any legal proceeding (or other matter for which such Person is entitled to be reimbursed for its Legal Costs), including reasonable attorneys' fees, court costs and expenses and consultant and expert witness fees and expenses.

1.22 **Maintenance Standards.** (1) Regular and professional landscape maintenance, which shall include, without limitation: water/irrigation; fertilization, mowing, edging, trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement as needed, of all plant materials; control of weeds in all planters, shrubs, lawns ground covers, or other planters areas, and staking for support of trees; and (2) regular and professional clean-up maintenance, which shall include, without limitation: maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris, or other matter which is unsafe or unsightly; removal of all trash, litter, abandoned shopping carts, and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cutting, weeds, leaves and other debris are properly disposed of by maintenance workers; and (3) regular and professional building

maintenance consistent with the municipal code, and the California Building Code, which shall include, without limitation; maintenance of exterior building, façades, windows, and roof.

1.23 **Notice.** Any approval, consent, demand, designation, election, notice, or request relating to this Agreement, including any Notice of Default or termination of this Agreement. Notices shall be delivered, and shall become effective, only in accordance with Section 18.

1.24 **Notify.** Give a Notice.

1.25 **Operating Period.** The time period beginning on the Opening Date and ending on the third (3rd) anniversary of the Opening Date.

1.26 **Opening Date.** The date that the Improvements are completed and the Business located on the Leased Premises is open to the general public, which shall occur no later than twelve (12) months from the Start Date.

1.27 **Owner.** Fonda Don Chon Restaurant, Inc., a California corporation.

1.28 **Owner Official Action.** The official action of Owner authorizing Owner's entry into and performance of this Agreement, in substantially the form attached to this Agreement as Exhibit D, signed by the authorized representative(s) of Owner.

1.29 **Owner Parties.** Collectively, Owner, its Affiliates, shareholders, members, partners, directors, officers, employees, attorneys or other agents.

1.30 **Owner Party.** Individually, Owner, its Affiliates, shareholders, members, partners, directors, officers, employees, attorneys or other agents.

1.31 **Parties.** Collectively, Owner and the Agency.

1.32 **Party.** Individually, Owner or the Agency, as applicable.

1.33 **Person.** Any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization or other entity of any kind.

1.34 **Prevailing Wage Action.** Any of the following: (a) any determination by the State Department of Industrial Relations that prevailing wage rates should have been paid, but were not, (b) any determination by the State Department of Industrial Relations that higher prevailing wage rates than those paid should have been paid, (c) any administrative or legal action or proceeding arising from any failure to comply with any of California Labor Code Sections 1720 through 1781, as amended from time to time, regarding prevailing wages, including maintaining certified payroll records pursuant to California Labor Code Section 1776, or (d) any administrative or legal action or proceeding to recover wage amounts at law or in equity, including pursuant to California Labor Code Section 1781.

1.35 **Security Instrument.** A UCC-1 Financial Statement.

1.36 **State.** The State of California.

1.37 **Transfer.** Any right, obligation or property means any of the following, whether by operation of law or otherwise, whether voluntary or involuntary, and whether direct or indirect: (a) any assignment, conveyance, grant, hypothecation, mortgage, pledge, sale, or other transfer, whether direct or indirect, of all or any part of such right, obligation or property, or of any legal, beneficial, or equitable interest or estate in such right, obligation or property or any part of it (including the grant of any easement, lien, or other encumbrance); (b) any conversion, exchange, issuance, modification, reallocation, sale, or other transfer of any direct or indirect Equity Interest(s) in the owner of such right, obligation or property by the holders of such Equity Interest(s); (c) any transaction described in “(b)” affecting any Equity Interest(s) or any other interest in such right, obligation or property or in any such owner (or in any other direct or indirect owner at any higher tier of ownership) through any manner or means whatsoever; or (d) any transaction that is in substance equivalent to any of the foregoing. A transaction affecting Equity Interests in a Person, as referred to in clauses “(b)” through “(d),” shall be deemed a Transfer by such Person even though that Person is not technically the transferor. A “Transfer” shall not, however, include any of the foregoing (provided that the other Party to this Agreement has received Notice thereof) relating to any Equity Interest: (a) that constitutes a mere change in form of ownership with no material change in beneficial ownership and constitutes a tax-free transaction under Federal income tax law and the State real estate transfer tax; (b) to member(s) of the immediate family(ies) of the transferor(s) or trusts for their benefit; or (c) to any Person that, as of the Effective Date, holds an Equity Interest in the Person whose Equity Interest is being transferred.

1.38 **Unavoidable Delay.** Delay in either Party performing any obligation under this Agreement, except payment of money except when due to one of the causes described below that prevents or materially limits the ability to transfer funds by or between financial institutions, arising from or on account of any cause whatsoever beyond the Party’s reasonable control, including strikes, labor troubles or other union activities, casualty, war, acts of terrorism, riots, litigation, Government action or inaction, regional natural disasters, or inability to obtain materials. Unavoidable Delay shall not include delay caused by a Party’s financial condition, illiquidity, or insolvency.

1.39 **Usury Limit.** The highest rate of interest, if any, that Law allows under the circumstances.

2. Start Date.

2.1 **Definition.** This Agreement shall be binding on the Parties as of the Effective Date; provided, however, that the following shall occur no later than July 30, 2011 (the “**Start Date**”):

(a) *Signature and Delivery of Agreement by Owner.* Three (3) originals of this Agreement are signed by the authorized representative(s) of Owner and delivered to the Agency; and

(b) *Official Action.* An original of the Owner Official Action is signed by the authorized representative(s) of Owner and delivered to Agency; and

(c) *Landlord's Consent.* An original signed copy of the Landlord's consent form, which is attached hereto as Exhibit C and incorporated herein by this reference ("**Landlord's Consent**"), is delivered by Owner to Agency; and

(d) *Adjacent Property Lease.* An executed copy of the Adjacent Property Lease signed by Owner and Adjacent Property Landlord and delivered to Agency; and

(e) *Approval of Agreement by Agency Board.* This Agreement is approved by the Agency Board at a public meeting of the Agency Board, following all legally required notices and hearings; and

(f) *Signature and Delivery of Agreement by Agency.* One (1) original of this Agreement is signed by the authorized representative(s) of the Agency and delivered to Owner.

2.2 Failure of Conditions. If the Start Date does not occur on or before July 30, 2011, then no part of this Agreement shall become binding on or enforceable against either Party with the exception that Owner shall continue to be liable for and shall immediately repay the Covenant Payment to Agency, in full.

3. Operating Covenants.

3.1 Use Restrictions. The Leased Premises shall be devoted to uses consistent with this Agreement and the Redevelopment Plan and shall not, in whole or in part, be devoted to any use inconsistent herewith or prohibited hereby. Owner covenants to the Agency that the Leased Premises shall be used for the sole purpose of operating the Business during the Operating Period.

3.2 Covenant to Maintain Business. Owner covenants to the Agency that the Owner shall maintain or cause to be maintained the Business and all improvements thereto in accordance with the Maintenance Standards.

(a) Owner shall either staff or contract with and hire licensed and qualified personnel to perform all necessary maintenance, and shall provide all labor, equipment, materials, support facilities and all other items necessary to comply with the Maintenance Standards.

(b) All maintenance work shall conform with all applicable Federal and State Laws, including but not limited to Occupation Safety and Health Act standards and regulations, for the performance of maintenance.

(c) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied in strict accordance with all Laws. Precautionary measures shall be employed in all areas open to public access.

(d) The Improvements and all subsequent improvements to the Business shall be maintained in conformance and in compliance with approved construction and architectural plans, as the same may be amended from time to time with the approval of the City or Agency, as applicable.

(e) The Improvements and all subsequent improvements to the Business shall be maintained in a manner comparable to the standard of maintenance followed in other restaurants of comparable size and quality located within Los Angeles County, California.

3.3 Business Modifications. Owner covenants to comply with all Laws and the Redevelopment Plan, as may be amended from time to time, in conducting any modification, reconstruction, remodel or improvement to the Business. Owner covenants that any modification, reconstruction, remodel or improvements to the landscaping shall comply with all Laws.

3.4 Continuous Operation Covenant. Owner covenants to the Agency to continuously operate (no period of inoperation of more than thirty (30) consecutive days) the Business on the Leased Premises throughout the entirety of the Operating Period. Owner shall, for the entirety of the Operating Period, at Owner's sole cost and expense, obtain and maintain all franchises, permits, contractual arrangements, licenses, and registrations necessary for the continuous operation of the Business.

(a) For the duration of the Operating Period, Owner covenants to the Agency to operate the Business in accordance with reasonable and customary restaurant practices within Los Angeles County and in a commercially reasonable and prudent manner.

(b) For the duration of the Operating Period, Owner covenants to the Agency to purchase all required or desirable equipment and furnishings for the Business and hire all required or desirable personnel for operation of the Business, in accordance with applicable Laws.

4. Obligation to Refrain from Discrimination. Pursuant to California Health and Safety Code Section 33435, Owner shall refrain from restricting the rental, sale, or lease of the Leased Premises or the Business on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code. All deeds, leases or contracts relative to the Leased Premises or the Business shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses. The covenants of this Section 4 shall be a covenant running with Owner's leasehold interest in the Leased Premises, in perpetuity.

5. Owner Covenant to Defend this Agreement. The Owner acknowledges that the Agency is a "public entity" and/or a "public agency" as defined under applicable California law. Therefore, the Agency must satisfy the requirements of certain California statutes relating to the actions of public entities and redevelopment agencies, including, without limitation, CEQA. Also, as a public body, the Agency's action in approving this Agreement may be subject to proceedings to invalidate this Agreement or mandamus. The Owner assumes the risk of delays

and damages that may result to the Owner from any third-party legal actions related to the Agency's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, even in the event that an error, omission or abuse of discretion by the Agency is determined to have occurred. If a third-party files a legal action regarding the Agency's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, the Agency may terminate this Agreement on thirty (30) days written notice to the Owner of the Agency's intent to terminate this Agreement, referencing this Section 5, without any further obligation to perform the terms of this Agreement and without any liability to the Owner resulting from such termination, unless the Owner unconditionally agrees to indemnify and defend the Agency, with legal counsel acceptable to the Agency, against such third-party legal action, as provided in the next sentence. Within thirty (30) days of receipt of the Agency's notice of intent to terminate this Agreement, as provided in the preceding sentence, the Owner may offer to defend the Agency, with legal counsel acceptable to the Agency, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. Any such offer from the Owner must be in writing and reasonably acceptable to the Agency in both form and substance. Nothing contained in this Section 5 shall be deemed or construed to be an express or implied admission that the Agency is liable to the Owner or any other person or entity for damages alleged from any alleged or established failure of the Agency to comply with any statute, including, without limitation, CEQA. The defense of such third party actions as described in this Section 5 shall constitute an Unavoidable Delay.

6. Survival and Enforcement of Covenants.

6.1 **Survival.** Each covenant set forth in Sections 3, 4 and 5 shall be a covenant running with Owner's leasehold interest in the Leased Premises and binding on Owner and all successors-in-interest to the Leased Premises for the Operating Period. Further, each covenant set forth in Sections 3, 4, and 5 shall survive the execution, recordation or issuance of each and every document (i.e., certificate of completion, certificate of occupancy, etc.) related to the Leased Premises or the Business for the Operating Period.

6.2 **Enforcement.** The covenants set forth in Sections 3, 4 and 5 may be enforced by the Agency regardless of whether or not the Agency currently owns or continues to own an interest in any property benefited by any such covenants. Owner agrees that breach of any of the covenants set forth in Section 3, 4 and 5 will result in great and irreparable injury to the Agency, will violate the public policy and the purposes of this Agreement and will result in injury to the Agency that is not compensable by monetary damages. Accordingly, upon the breach of any of the covenants set forth in Section 3, 4 and 5 in addition to the provisions regarding Remedies, the Agency may institute an action for injunctive relief regarding and/or specific performance of any such covenant.

7. Covenant Payment. In consideration for Owner's performance of its covenants and other obligations pursuant to this Agreement, the Agency shall pay the Covenant Payment to Owner, and the Covenant Payment shall be repaid or forgiven, as follows:

7.1 **Payment.** Within seven (7) days of receipt of an executed Security Instrument by Owner, Agency shall pay the Covenant Payment to Owner.

7.2 **Repayment.** Provided that Owner is not in default of this Agreement, Agency agrees to forgive one-third of the Covenant Payment on the first anniversary of the Opening Date, and on each anniversary thereafter. Notwithstanding the foregoing, if the Opening Date does not occur within twelve (12) months of the Start Date, the Covenant Payment shall be immediately due and payable, in full, to the Agency. The Opening Date may be extended by Agency, in Agency's sole and exclusive discretion, upon receipt of a written request for such extension by Owner.

8. Adequate Consideration.

8.1 **Exchange of Consideration.** The Parties determine and agree that: (i) the Covenant Payment represents fair consideration to Owner for entering into and performing its covenants and other obligations under this Agreement; and (ii) Owner's performance of its covenants and other obligations under this Agreement represent fair consideration to the Agency for the Covenant Payment and performance of the Agency's other obligations under this Agreement.

8.2 **No Unstated Consideration.** Owner acknowledges and agrees that Owner will receive no compensation under this Agreement other than the Covenant Payment. Owner shall not be entitled to any reimbursement or other compensation from the Agency for any costs incurred by Owner in performing or preparing to perform its covenants or other obligations under this Agreement.

9. Defaults. Subject to any extensions of time provided for in this Agreement for Unavoidable Delay, the occurrence of any of the following events shall constitute a "**Default**":

9.1 **Monetary Default.** The failure by any Party to perform any obligation of such Party under this Agreement for the payment of money, if such failure is not cured within fifteen (15) days after the non-performing Party's receipt of Notice from the injured Party that such obligation was not performed, as and when due; or

9.2 **Non-Monetary Default.** The failure by any Party to perform any of its obligations set forth in this Agreement, other than obligations subject to Section 9.1, if such failure is not cured within thirty (30) days after the non-performing Party's receipt of Notice from the injured Party that such obligation was not performed, as and when due, or, if such failure is of a nature that cannot reasonably be cured within thirty (30) days, the failure by such Party to commence such cure within thirty (30) days after receipt of such Notice and to, thereafter, diligently prosecute such cure to completion.

10. Agency's Remedies. For any Default, pursue any available legal or equitable action or remedy to: (i) recover damages to the Agency arising from such Default, including, without limitation, to collect any amount of money due to the Agency from Owner including the collection of the Covenant Payment pursuant to the Security Instrument; or (ii) preclude a breach of this Agreement or compel Owner to perform in accordance with the requirements of this Agreement, following the notice and opportunity to cure provided in Section 9; and

10.1 **Legal Actions.** In addition to any other rights or remedies, any Party may institute legal action to cure, correct or remedy any Default, to recover general or consequential damages for any Default, or to obtain any other remedy available to that Party under this Agreement or at law or in equity.

11. Owner's Remedy. Subject to the Notice and opportunity to cure requirements of Section 9 and notwithstanding any other provision of this Agreement to the contrary, Owner's sole and exclusive remedy regarding a Default by the Agency shall be the forgiveness of the Covenant Payment.

12. Indemnification.

12.1 **Owner Indemnity Obligations.** In addition to any other specific indemnification or defense obligations of the Owner set forth in this Agreement, the Owner agrees to indemnify, defend (upon written request by the Agency and with counsel reasonably acceptable to the Agency) and hold harmless the Agency, its governing board, commissions, agents, officers, employees and attorneys from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs and expenses, including, but not limited to reasonable attorney's fees of counsel retained by the Agency, expert fees, costs of staff time, and investigation costs, of whatever kind or nature, that are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault or negligence, whether active or passive, of the Owner or the Owner's officers, agents, employees, independent contractors or subcontractors of any tier, relating in any manner to this Agreement, any work to be performed by the Owner related to this Agreement, the Leased Premises, or the Business, or any authority or obligation exercised or undertaken by the Owner under this Agreement. Without limiting the generality of the foregoing, the Owner's obligation to indemnify the Agency shall include injury or death to any person or persons, damage to any property, regardless of where located, including the Leased Premises of the Agency, any workers' compensation or prevailing wage determination, claim or suit or any other matter arising from or connected with any goods or materials provided or services or labor performed regarding the Business on behalf of the Owner by any person or entity.

12.2 **Owner Prevailing Wage Indemnity Obligations.** Owner shall Indemnify the Agency Parties against any Prevailing Wage Action relating to this Agreement and all Claims to the extent such Claims arise from any wrongful intentional act or negligence of the Owner Parties.

12.3 **Independent of Insurance Obligations.** Neither Party's indemnification obligations under this Agreement shall be construed or interpreted as in any way being restricted, limited or modified by any insurance coverage carried by such Party.

12.4 **Survival of Indemnification and Defense Obligations.** The indemnity and defense obligations of the Parties under this Agreement shall survive the expiration or earlier termination of this Agreement, until any and all actual or prospective Claims regarding any matter subject to an indemnity obligation under this Agreement are fully, finally, absolutely and completely barred by applicable statutes of limitations.

12.5 **Indemnification Procedures.** Wherever this Agreement requires any Indemnitor to Indemnify any Indemnitee:

(a) *Prompt Notice.* The Indemnitee shall promptly Notify the Indemnitor of any Claim.

(b) *Selection of Counsel.* Indemnitor shall select counsel reasonably acceptable to Indemnitee. Counsel to Indemnitor's insurance carrier that is responding to such Claim shall be deemed satisfactory, except in the event of an actual or potential conflict of interest for such counsel regarding the representation of any Owner Party or any Agency Party or where such counsel proves to be incompetent regarding the representation. Even though Indemnitor shall defend the action, Indemnitee may engage separate counsel to advise it regarding the Claim and its defense, at Indemnitee's expense, unless Indemnitor has made a reservation of rights with respect to the indemnity, in which case Indemnitor shall be responsible for Legal Costs for the separate counsel directly related to the matter. Such counsel may attend all proceedings and meetings. Indemnitor's counsel shall actively consult with Indemnitee's counsel.

(c) *Cooperation.* The Indemnitee shall reasonably cooperate with the Indemnitor's defense of the Indemnitee.

(d) *Settlement.* The Indemnitor may only settle a Claim with the Indemnitee's consent, not to be unreasonably withheld.

13. Agency Representative. The Executive Director shall administer this Agreement on behalf of the Agency. The Executive Director may designate any member or members of the Agency staff to carry out such responsibilities. Except as otherwise expressly provided in this Agreement, the Executive Director has the authority to approve or consent to those matters in this Agreement requiring the Agency's approval or consent and to make all other decisions on behalf of the Agency, subject to the Executive Director's sole and absolute discretion to seek Agency Board approval of any such matter.

14. Governing Law. The substantive and procedural laws of the State shall govern the interpretation and enforcement of this Agreement, without application of conflicts or choice of laws principles.

15. Transfer. Owner may only Transfer its rights or obligations under this Agreement with the prior written consent of the Agency, which shall not be unreasonably withheld, delayed or conditioned. Any Transfer of any of Owner's rights or obligations under this Agreement shall not change or waive any conditions precedent to the Covenant Payment under this Agreement nor relieve Owner of any obligation under this Agreement.

16. No Effect on Agency's Authority. Nothing in this Agreement shall limit or restrict the authority of the Agency Board to take any other actions with respect to the Business or the Leased Premises or Owner without notice to or consent from Owner, except as may otherwise be expressly provided by applicable Law. The approval of this Agreement by the Agency shall not be binding on the Agency Board, or any other commission, committee, board or body of the Agency regarding any Approvals regarding the Leased Premises or Business required by such bodies. No action by the Agency with reference to this Agreement or any related documents shall be deemed to constitute issuance or waiver of any required Agency Approval regarding the Leased Premises or Business.

17. Non-liability of Agency Officials and Employees. No elected official, officer, contractor, consultant, attorney, employee or agent of the Agency shall be personally liable to Owner, any voluntary or involuntary successor or assign of Owner, or any lender or other Person holding an interest in Owner, in the event of any Default or breach of this Agreement by the Agency, or for any amount that may be or become due to Owner or its successors or assigns under this Agreement, or on any obligations arising under this Agreement. No shareholder, member, partner, principal, officer, attorney, employee or agent of Owner shall be personally liable to the Agency, any voluntary or involuntary successor or assign of the Agency, in the event of any Default or breach of this Agreement by Owner, or for any amount that may be or become due to the Agency or its successors or assigns under this Agreement, or on any obligations arising under this Agreement.

18. Notices.

18.1 **Delivery.** Any and all Notices submitted by either Party to the other Party pursuant to or as required by this Agreement shall be in writing and addressed to the Agency or Owner (and their designated copy recipients) as set forth in Section 18.2. Notices (including any required copies) shall be delivered personally, by Federal Express, United Parcel Service or other nationally recognized overnight (one-night) courier service or by registered or certified United States mail, return receipt requested and postage prepaid, to the addresses set forth in Section 18.2, in which case they shall be deemed delivered on the date of delivery (or when delivery has been attempted twice, as evidenced by the written report of the courier service) to such address(es) or on the fourth (4th) day following deposit with the United States Postal Service for delivery. Either Party may change its address for delivery of Notices by Notice in compliance with this Agreement. Notice of a change of address shall be effective only upon receipt. Any Party giving a Notice may request that the recipient acknowledge receipt of such Notice. The recipient shall promptly comply with any such request, but failure to do so shall not limit the effectiveness of any Notice. Any attorney may give any Notice on behalf of its client.

18.2 **Addresses.** The following are the authorized addresses for the submission of Notices, demands or communications to the Parties, under this Agreement, as of the Effective Date:

To Agency: Covina Redevelopment Agency
125 East College Street
Covina, CA 91723
Attn: Executive Director

With a copy to: Best Best & Krieger LLP
5 Park Plaza Suite, 1500
Irvine, CA 92615
Attention: Elizabeth Hull, Esq.

To Owner: Fonda Don Chon Restaurant, Inc.
618 S. Shoppers Lane
Covina, CA 91723
Attn: Jimmy Roman

With a copy to: _____

Attn: _____

19. Jurisdiction and Venue. The Parties each acknowledge and agree that this Agreement is entered into and is to be fully performed in the City of Covina, County of Los Angeles, State of California, and that all legal actions arising from this Agreement shall be filed in the Superior Court of the State of California in and for the County of Los Angeles, California, or the United States District Court with jurisdiction in the County of Los Angeles, California.

20. Tax Consequences. Owner acknowledges that it may experience tax consequences as a result of its receipt of the Covenant Payment provided for in this Agreement and agrees that it shall bear any and all responsibility, liability, costs, and expenses connected in any way therewith.

21. Incorporation of Recitals. The Recitals of fact set forth preceding this Agreement are true and correct and are incorporated into this Agreement, in their entirety, by this reference.

22. Principles of Interpretation. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this Agreement. The Parties have both participated substantially in the negotiation, drafting, and revision of this Agreement, with advice from legal counsel and other advisers of their own selection. A term defined in the singular in this Agreement may be used in the plural, and vice versa, all in accordance with ordinary principles of English grammar, which also govern all other language in this Agreement. The words "include" and "including" shall be construed to be followed by the words: "without limitation." Each collective noun shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to any document, including this Agreement, refers to such document as modified from time to time (excepting any modification that violates this Agreement), and includes all exhibits, schedules, addenda and riders to such document. The word "or" includes the word "and."

23. Counterpart Originals; Integration. This Agreement may be executed in multiple counterpart originals, each of which is deemed to be an original, but all of which taken together shall constitute one and the same instrument. This Agreement and the exhibits attached to this Agreement represent the entire understanding of the Parties and supersede all previous negotiations, letters of intent, memoranda of understanding or agreements between the Parties with respect to all or any part of the subject matter of this Agreement.

24. Severability. If any term or provision of this Agreement or its application to any Person or circumstance shall to any extent be invalid or unenforceable, then the remainder of this Agreement or the application of such term or provision to Persons or circumstances, except those as to which it is invalid or unenforceable, shall not be affected by such invalidity. All remaining provisions of this Agreement shall be valid and be enforced to the fullest extent Law allows.

25. No Waiver. Failure by a Party to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers under this Agreement at any one time or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

26. Time is of the Essence. Time is of the essence in the performance of the Parties' obligations under this Agreement.

27. Unavoidable Delay; Extension of Time of Performance.

27.1 **Notice.** Performance by either Party under this Agreement shall not be deemed, or considered to be in Default, where any such Default is due to an Unavoidable Delay. Any Party claiming Unavoidable Delay shall Notify the other Party: (a) within ten (10) days after such Party knows of any such Unavoidable Delay; and (b) within five (5) days after such Unavoidable Delay ceases to exist. To be effective, any Notice of an Unavoidable Delay must describe the Unavoidable Delay in reasonable detail. The extension of time for an Unavoidable Delay shall commence on the date of the occurrence of the Unavoidable Delay and shall continue until the end of the condition causing the Unavoidable Delay. The Party seeking to be excused from performance shall exercise its best efforts to cure the condition causing the Unavoidable Delay, within a reasonable time.

27.2 **Assumption of Economic Risks.** ANYTHING IN THIS AGREEMENT TO THE CONTRARY NOTWITHSTANDING, THE PARTIES EXPRESSLY ASSUME THE RISK OF UNFORESEEABLE CHANGES IN ECONOMIC CIRCUMSTANCES OR MARKET DEMAND/CONDITIONS AND WAIVE, TO THE GREATEST LEGAL EXTENT, ANY DEFENSE, CLAIM, OR CAUSE OF ACTION BASED IN WHOLE OR IN PART ON ECONOMIC NECESSITY, IMPRACTICABILITY, CHANGED ECONOMIC CIRCUMSTANCES, FRUSTRATION OF PURPOSE, OR SIMILAR THEORIES. EACH PARTY AGREES THAT ADVERSE CHANGES IN ECONOMIC CONDITIONS, EITHER OF SUCH PARTY SPECIFICALLY OR THE ECONOMY GENERALLY, OR CHANGES IN MARKET CONDITIONS OR DEMANDS, SHALL NOT OPERATE TO EXCUSE OR DELAY THE STRICT OBSERVANCE OF EACH AND EVERY OF THE OBLIGATIONS, COVENANTS, CONDITIONS AND REQUIREMENTS OF THIS AGREEMENT. THE

PARTIES EXPRESSLY ASSUME THE RISK OF SUCH ADVERSE ECONOMIC OR MARKET CHANGES, WHETHER OR NOT FORESEEABLE AS OF THE REFERENCE DATE.

INITIALS OF AUTHORIZED AGENCY
REPRESENTATIVE(S)

INITIALS OF AUTHORIZED OWNER
REPRESENTATIVE(S)

28. No Third Party Beneficiaries. The performance of the Parties' respective obligations under this Agreement are not intended to benefit any Person other than the Agency and Owner, except as may be expressly provided otherwise in this Agreement. No Person not a signatory to this Agreement shall have any rights or causes of action against any Party to this Agreement as a result of that Party's performance or non-performance under this Agreement, except as otherwise expressly provided in this Agreement.

29. No Other Representations or Warranties. Except as expressly set forth in this Agreement, no Party makes any representation or warranty material to this Agreement to any other Party.

30. Warranty Against Payment of Consideration for Agreement. Owner represents and warrants to the Agency that: (a) it has not employed or retained any Person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees of Owner and Third Persons to whom fees are paid for professional services related to documentation of this Agreement; and (b) no gratuities, in the form of entertainment, gifts or otherwise have been or will be given by Owner or any of its agents, employees or representatives to any elected or appointed official or employee of the Agency in an attempt to secure this Agreement or favorable terms or conditions for this Agreement. Breach of the representations or warranties of this Section 30 shall entitle the Agency to terminate this Agreement upon seven (7) days Notice to the Owner. Upon any such termination of this Agreement, Owner shall immediately refund any payments made to or on behalf of Owner by the Agency pursuant to this Agreement or otherwise related to the Leased Premises or the Business, prior to the date of any such termination.

31. Relationship of Parties. The Parties agree and intend that the Agency and Owner are independent contracting entities and do not intend by this Agreement to create any partnership, joint venture, or similar business arrangement, relationship or association between them.

32. Survival of Agreement. All of the provisions of this Agreement shall be applicable to any dispute between the Parties arising from this Agreement, whether prior to or following expiration or termination of this Agreement, until any such dispute is finally and completely resolved between the Parties, either by written settlement, entry of a non-appealable judgment or expiration of all applicable limitations periods and all terms and conditions of this Agreement relating to dispute resolution and limitations on damages or remedies shall survive any expiration or termination of this Agreement.

[Signatures on following page]

**SIGNATURE PAGE
TO
OPERATING COVENANT AGREEMENT**

AGENCY:

COVINA REDEVELOPMENT AGENCY, a
public body, corporate and politic

By: _____
Daryl Parrish, Executive Director

Attest:

By: _____
Agency Secretary

Approved as to form:

Best Best & Krieger LLP

By: _____
Agency General Counsel

OWNER:

FONDA DON CHON RESTAURANT,
INC., a California corporation

By: _____
Maria Griselda Roman

By: _____
Jimmy Roman

By: _____
Jose Asuncion Hernandez

EXHIBIT "A-1"
TO
OPERATING COVENANT AGREEMENT

Existing Property Description

APN: 8451-001-033
618 S. Shoppers Lane, Covina, CA

Lot 5 of Tract 18945, as per map recorded in Book 579, Pages 25 and 26 of Miscellaneous Records, in the office of the County Recorder of said County. Except therefrom the Northerly 10 feet thereof.

EXHIBIT "A-2"
TO
OPERATING COVENANT AGREEMENT

Adjacent Property Description

APN: 8451-001-032
616 S. Shoppers Lane, Covina, CA

A portion of:

Lot 4 of Tract 18945, as per map recorded in Book 579, Pages 25 and 26 of Miscellaneous Records, in the office of the County Recorder of said County, and

The Northerly 10 feet of Lot 5, Tract 18945, as per map recorded in Book 579, Pages 25 and 26 of Miscellaneous Records, in the office of the County Recorder of said County.

EXHIBIT "B"
TO
OPERATING COVENANT AGREEMENT

Improvements

The following tenant improvements shall be constructed on the Leased Premises:

- An additional 1,100 square feet of seating space and additional prep area, which shall allow for additional seating for dining and ability to serve larger groups.
- Construction of a juice bar and bionicos.

EXHIBIT "C"
TO
OPERATING COVENANT AGREEMENT

LANDLORD'S CONSENT FORM

The undersigned Maria Griselda Roman, Jimmy Roman, and Jose Asuncion Hernandez, dba Fonda Don Chon Restaurant, LLC, a California limited liability company ("Landlord"), as the owners of that certain real property located at 618 Shoppers Lane SW, in the City of Covina, California, 91723 ("Property") pursuant to that agreement, hereby acknowledges and agrees that, under the Lease, Owner has the authority to enter into that certain Operating Covenant Agreement, dated June 29, 2011, by and between the Owner and the Covina Redevelopment Agency ("Agreement"), and to complete the Improvements on the Property, as such term is defined in the Agreement. Landlord further acknowledges and agrees that the term of the Lease is for a period of no less than three (3) years from the anticipated completion date of the Improvements, which shall occur no later than twelve (12) months from the Start Date of the Agreement.

The undersigned acknowledge and agree that we have received a copy of the Agreement, executed by and between the Agency and the Owner, which requires Owner to make the Improvements to the Property and to continue to operate on the Property for a period of no less than three (3) years from the completion of the Improvements on the Property. As of the date set forth below, we acknowledge and agree that the terms and conditions of the Agreement are in conformance with the Lease and that Owner has the ability, under the Lease, to agree to the terms and conditions of the Agreement.

Date: _____

By: _____
Maria Griselda Roman

By: _____
Jimmy Roman

By: _____
Jose Asuncion Hernandez

EXHIBIT "D"
TO
OPERATING COVENANT AGREEMENT

OWNER OFFICIAL ACTION

The undersigned Maria Griselda Roman, Jimmy Roman, and Jose Asuncion Hernandez, dba Fonda Don Chon Restaurant, Inc ("Owner"), as the owners of that certain restaurant business located at 618 Shoppers Lane SW, in the City of Covina, California, 91723 ("Property") hereby acknowledges and agrees that Owner has the authority to enter into that certain Operating Covenant Agreement, dated June 29, 2011, by and between the Owner and the Covina Redevelopment Agency ("Agreement"), and to complete the Improvements on the Property, as such term is defined in the Agreement. Owner further acknowledges and agrees that the term of the Lease is for a period of no less than three (3) years from the anticipated completion date of the Improvements, which shall occur no later than twelve (12) months from the Start Date of the Agreement.

The undersigned acknowledge and agree that we have received a copy of the Agreement, executed by and between the Agency and the Owner, which requires Owner to make the Improvements to the Property and to continue to operate on the Property for a period of no less than three (3) years from the completion of the Improvements on the Property. As of the date set forth below, we acknowledge and agree that the terms and conditions of the Agreement are in conformance with the Lease and that Owner has the ability, under the Lease, to agree to the terms and conditions of the Agreement.

Date: _____

By: _____
Maria Griselda Roman

By: _____
Jimmy Roman

By: _____
Jose Asuncion Hernandez

COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 14

STAFF SOURCE: Robert Neiuber, Deputy Executive Director *RN*
Nuala Gasser, Sr. Redevelopment Manager *NG*

ITEM TITLE: Approval of an Exclusive Right to Negotiate Agreement regarding development of the property at 635 S. Citrus Avenue, 611 S. Citrus Avenue and 120 W. Rowland Street, Covina Revitalization Redevelopment Project No. 1

AGENCY STAFF RECOMMENDATION

Adopt **Resolution No. 11-673** approving an Exclusive Right to Negotiate Agreement (“ERN”) between the Covina Redevelopment Agency (“Agency”) and Jules Boand and Alex Alvarez (“Developer”).

FISCAL IMPACT

None. Granting of an ERN does not obligate funding.

BACKGROUND

The subject site includes 635 S. Citrus Avenue, a parcel in Project Area One (Parcel One), and two additional adjacent parcels, 611 S. Citrus Avenue and 120 W. Rowland Street Covina (Parcel Two), which are under long-term lease by the Redevelopment Agency (collectively, the “Property”).

On July 20, 2010 and January 18, 2011, the Agency Board approved Exclusive Right to Negotiate (ERN) Agreements with Jules Boand and Alex Alvarez (Developer) on Parcel One and Parcel Two. The second ERN expired on June 30, 2011, and the Developer has requested a new ERN for a period of One Hundred Sixty-Six (166) days, through December 31, 2011. Jules Boand and Alex Alvarez (“Developer”) are proposing to develop the Property with a single retail/service use on the site that is consistent with the adopted General Plan. Agency staff recommends that an ERN for the development and use of the Property be entered into with Developer. The ERN also requires that the Developer agrees to negotiate exclusively with the Agency.

The developer is interested in purchasing Parcel 1 and assuming the lease on Parcel 2, as shown on the attached Site Map (Exhibit B). Staff believes that entering into an ERN with Developer may bring about the development of a retail/service development to the site. The ERN will provide a period of one hundred sixty-six days (through December 31, 2011) in which the Developer will further define the proposal. Assuming the Agency and Developer are making progress on a proposed development, the ERN contemplates a possible sixty (60) day extension.

Section 15.1 of the ERN references possible changes in California law that would affect the ability of the Redevelopment Agency to operate, and states that if there is a change in the law, the

Agency can terminate the ERN without cost or penalty by delivering written notice to the Developer.

RELEVANCE TO THE STRATEGIC PLAN

Providing opportunities for economic development contributes to the City strategic plan objective of enhancing financial stability.

EXHIBITS

- A. Resolution No. 11-673
- B. Site Location Map
- C. Exclusive Right to Negotiate Agreement

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

EXHIBIT A

RESOLUTION 11-673

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY APPROVING AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT BETWEEN THE COVINA REDEVELOPMENT AGENCY AND JULES BOAND AND ALEX ALVEREZ

WHEREAS, pursuant to the California Community Redevelopment Law (Health & Safety Code Sections 33000, *et seq.*) ('CRL'), the City Council of the City of Covina ('City' ('City Council')) approved and adopted a Redevelopment Plan ("Redevelopment Plan") for the redevelopment Project Area known as the Revitalization Project No. 1 ("Project Area"); and

WHEREAS, the Governing Board of the Redevelopment Agency of the City of Covina ('Agency') is engaged in activities to implement the Redevelopment Plan for the Project Area pursuant to the provisions of the CRL; and

WHEREAS, the Agency is engaged in activities necessary to execute and implement the General Plan and Five-Year Implementation Plan under the Agency's Redevelopment Plan; and

WHEREAS, in order to implement the Redevelopment Plan, the Agency proposes to enter into an Exclusive Right to Negotiate (ERN) to explore the development of an approximate 3 acre retail project on the southwest corner of Citrus Avenue and Rowland Street, and

WHEREAS, Jules Boand and Alex Alvarez ("Developer") is proposing to develop the site with a single retail/service use.

NOW, THEREFORE, BE IT RESOLVED BY THE COVINA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Agency hereby approves the ERN, attached hereto and incorporated herein by reference, together with non-substantive changes as many be approved by the Executive Director and Agency Attorney.

SECTION 2. The Board hereby authorizes and directs the Executive Director to execute the ERN and for the Executive Director and the Agency Attorney to take any action and execute any documents necessary to implement the ERN.

SECTION 3. The Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in full force.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011.

John C. King, Chairperson

ATTEST:

Agency Secretary

APPROVED AS TO FORM;

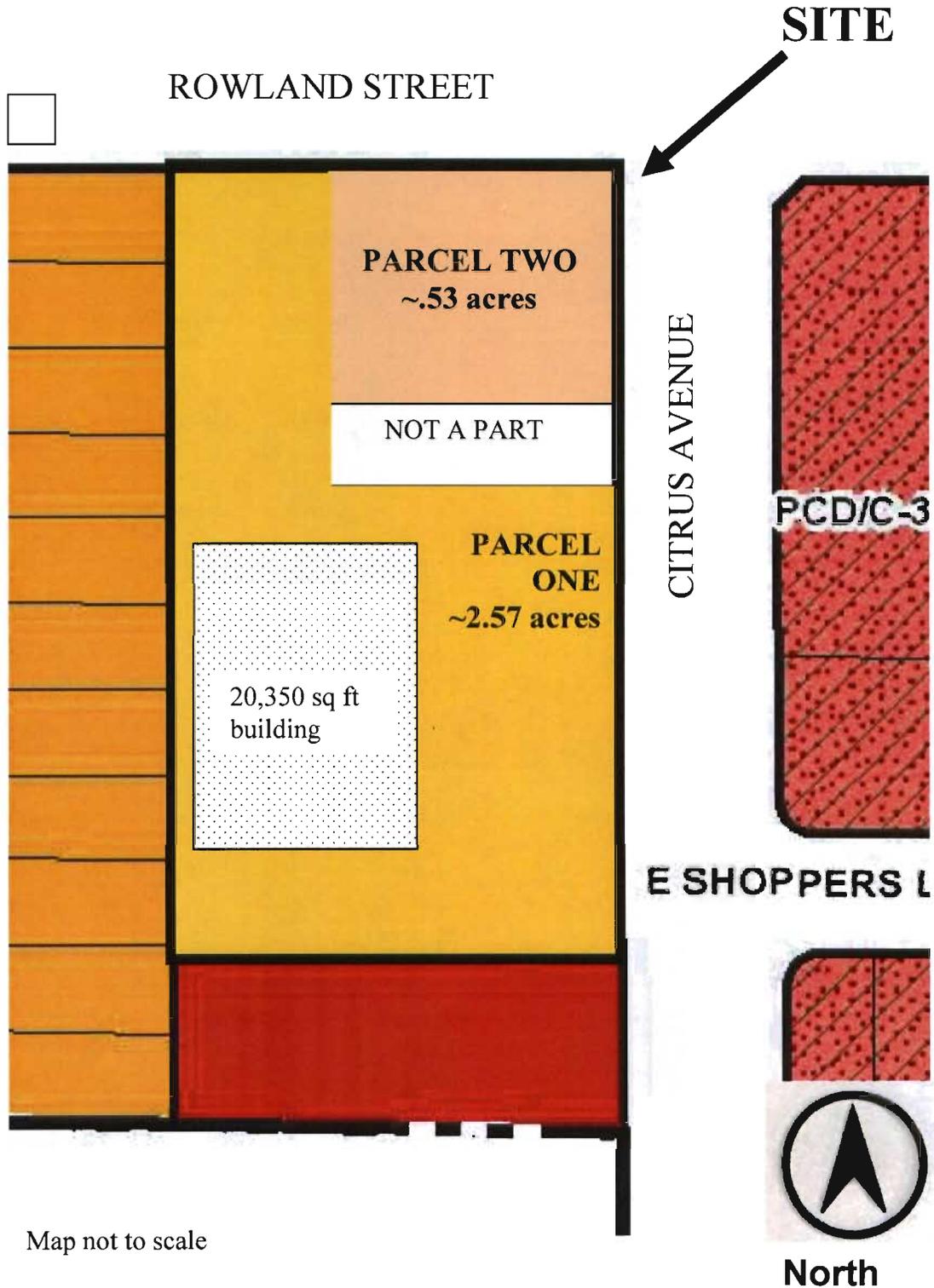
Agency Attorney

I, _____ Secretary of the Covina Redevelopment Agency, hereby CERTIFY that Resolution No. 11-673 was adopted by the Covina Redevelopment Agency at a regular meeting of the Agency held July 19, 2011, and was approved and passed by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Agency Secretary

EXHIBIT B SITE MAP



Map not to scale

EXHIBIT C

EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

This EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT (“ERN” OR “Agreement”) is entered into as of July 19, 2011 by and between the COVINA REDEVELOPMENT AGENCY (“Agency”), a public body corporate and politic (‘Agency’), existing and acting pursuant to the California Community Redevelopment Law (Health and Safety Code Sections 33000, *et seq.*) (‘CRL’), and Jules Boand and Alex Alvarez (Developer).

RECITALS

A. The City of Covina, California (‘City’), approved and adopted the redevelopment plan (‘Redevelopment Plan’) for the for the redevelopment project area known as Project Area One covering a certain geographic area within the City (‘Project Area’); and

B. The Agency acquired fee title in 1990 to and remains the current owner of certain real property located within the Project Area and generally located at 635 S. Citrus Avenue, and has a long-term lease on two additional adjacent parcels, 611 S. Citrus Avenue and 120 W. Rowland Street, Covina; and

C. The Developer has proposed the redevelopment of the Property; and

D. The intent of both the Agency and the Developer in entering into this Agreement is to establish a specific, limited period of time to negotiate regarding a future agreement between them governing the potential sale of the Property from the Agency to the Developer and development of the Property, all subject to mutually agreeable terms, conditions, covenants, restrictions and agreements to be negotiated and documented a future disposition and development agreement (‘DDA’).

NOW, THEREFORE, IN VIEW OF THE GOALS AND OBJECTIVES OF THE AGENCY RELATING TO THE IMPLEMENTATION OF THE REDEVELOPMENT PLAN AND THE PROMISES OF THE AGENCY AND THE DEVELOPER SET FORTH IN THIS AGREEMENT, THE AGENCY AND THE DEVELOPER AGREE, AS FOLLOWS:

1. PROPERTY

1.1 Property (Site)

Agency agrees to negotiate with Developer regarding certain real property (the “Site”) which is shown on the Site Map, Attachment No. 1 attached hereto and made a part hereof, and which is legally described on Attachment No. 2 attached hereto and made a part hereof. Entering into this ERN is not a determination to acquire any real property or interest therein.

2. AGREEMENT

2.1 Good Faith Negotiations

The Agency and the Developer agree for the period set forth below to negotiate diligently and in good faith to prepare a DDA to be entered into between the Agency and the Developer concerning the Site which is shown on the Site Map. For the period herein provided, the Agency agrees to negotiate exclusively with the Developer, and not with any other person or entity, with regard to disposition of the Site currently owned and leased by the Agency. For the period herein provided, the Developer agrees to negotiate exclusively with the Agency, and not with any other person or entity, with regard to a site for the Project (defined below).

2.2 Period of Negotiations

The Agency agrees to negotiate with the Developer for a period of One Hundred Sixty-Six (166) days from the date this ERN is approved by the Agency. If a DDA is so signed and submitted by the Developer (together with such deposit and documents as may be required) to the Agency Executive Director within such period, then this ERN is extended for 60 days from the date of such submittal to enable the Agency to (1) determine whether it desires to enter into such DDA, (2) take the actions necessary to authorize the Agency Executive Director to sign such DDA if the Agency desires to do so, and (3) sign the DDA. If the Agency Executive Director has not signed the DDA by such 60th day, then the ERN shall automatically terminate, unless the 60-day period has been mutually extended in writing by the Agency Executive Director or his Designee and the Developer. Either Party may terminate without cause this ERN on thirty (30) days written notice to the other Party.

3. PROPOSED DEVELOPMENT

3.1 Development Concept

The proposed development to be negotiated hereunder shall be for a single retail/service use for the whole of the property (the "Project").

4. PURCHASE PRICE AND/OR OTHER CONSIDERATION

4.1 Purchase Price

The Developer and the Agency shall negotiate a purchase price for the Agency-owned portion of the Site prior to and as part of the DDA.

The Purchase Price will be based upon such factors as market conditions and any other matters relevant to establishing the fair market value for the purpose

permitted to be developed.

The Agency and Developer with the assistance of the Agency's reuse appraiser shall negotiate a final purchase price as part of the DDA under which the Developer will pay the Agency for the Agency-owned portion of the Site. The Developer acknowledges that the Agency and the City are seeking to maximize their financial return on any land sale and development plan. Developer shall cooperate in this effort by providing information as to estimated or actual costs, revenues, sales, financing, of the proposed development to the Agency and its consultants.

4.2 Land Use and Zoning

The Agency shall request that the Planning Commission and City Council favorably consider Land Use Element and Zoning Ordinance amendments, if necessary, which will permit the development proposed by Developer on the Site.

Such initial recommendation by the Agency shall not in any way pre-commit the Agency, Planning Commission or City Council to any decision or course of action relative to this proposed development.

5. The Developer

5.1 Nature of Developer

Jules Boand and Alex Alvarez will be the Master Developer for the Project, overseeing all aspects of the development. Jules Boand and Alex Alvarez development responsibilities will be shared between all principals. The principals thereof will be the managing and controlling general partners in the development entity. The Developer shall not transfer or assign this ERN or any part hereof without prior written approval of the Agency.

Action by the Developer to assign or transfer this agreement or part thereof shall constitute a termination of the ERN.

5.2 Offices of the Developer and Agency

The principal office of the Developer and Agency are located at:

Developer

Jules Boand and Alex Alvarez
P.O. Box 2869
San Gabriel. Ca. 91776

Agency

Covina Redevelopment Agency
125 East College Street

Covina, CA 91723
Attention: Robert Neiuber, Deputy Director of Redevelopment
(626) 384-5440

All communications shall be forwarded to the Developer and Agency at their respective addresses set forth above, by and of the following methods: first class U.S. mail or overnight express, postage prepaid, or by facsimile copy, or by personal delivery. Delivery shall be complete three (3) days after mailing or upon personal delivery, whichever is earlier. Delivery by facsimile copy must include confirmation of transmission to be effective.

6. Hold Harmless

6.1 Developer agrees to indemnify and hold the Agency and City including their officers, employees, and agents harmless for any claims, injuries, or damages arising out of any activity of the Developer, its agents, employees, and contractors, performed on or adjacent to the Site or in any way connected with or arising out of this ERN.

6.2 Agency agrees to indemnify and hold the Developer harmless for any claims, injuries, or damages arising out of any activity of the Agency, its agents, employees, and contractors, arising out of the ERN.

7. FINANCIAL CAPACITY OF THE DEVELOPER

7.1 Financial Statement

The Developer shall provide Agency with such financial materials that will permit the Agency to reasonably determine that the Developer has the financial capacity to successfully develop the Site. Developer shall update such statement(s) as new information becomes available during the course of the negotiations.

7.2 Full Disclosure

The Developer will be required to make and maintain full disclosure to the Agency of all methods of financing (construction, permanent) and the financing documents including land acquisition to be used in the development and shall make such information available to the Agency.

The Developer acknowledges the Agency's desire for an attractive, successful development of the Site, and the Agency's concern that the Project is and will be economically feasible for the long term, and will therefore provide to the Agency and consultant full information which will permit an evaluation of the Project's potential.

8. PLANNING AND ZONING REQUIREMENTS

8.1 California Environmental Quality Act

The Developer agrees to supply all information to the Agency and the Agency's consultants and to process all documents necessary to satisfy requirements of the California Environmental Quality Act. The Developer agrees to provide information to assist the Agency and its consultant in preparing appropriate environmental documents as applicable, and related traffic circulation studies, utility impact analysis, or other reports required by the City or Agency to assess or process this proposed Project.

8.2 Planning and Building Fees

The Developer at his expense shall prepare and pay all fees for processing of Tentative Tract Maps, Precise Plan Reviews, Development Impact Fees, Design Reviews, zone changes, or any other modifications as may be necessary to complete this planning and development process.

9. PUBLIC HEARING

If the negotiations hereunder culminate in a DDA, such DDA becomes effective only if and when such DDA has been considered and approved by the Agency and the City Council after public hearing, and is executed by the Agency. Nothing herein shall require either the Agency or City Council to approve the ERN or DDA. The Developer will cooperate with the Agency and Council in the preparations for and conduct of public meetings or hearings on any required environmental documents, the DDA, Final Development Plan, and any other related reports.

10. REAL ESTATE COMMISSION

The Agency shall not be liable for any real estate commissions or brokerage fees which may arise herefrom. The Agency represents that it has engaged no broker, agent or finder in connection with this transaction, and the Developer agrees to hold the Agency harmless from any claim by any broker, agent or finder retained by the Developer. The Agency in the future will not utilize such services without the Developer's prior consent.

11. NOT A DEVELOPMENT AGREEMENT

This ERN shall not be construed to represent a "Development Agreement" with the City of Covina within the meaning of Sections 65864 through 65869.5 of the California Government Code.

12. PARTICIPATION BY EXISTING OWNERS AND TENANTS

Developer recognizes that certain tenant(s) or owner have or may express interest

in participating in redevelopment of the Site and Developer agrees to consider such requests with Agency in evaluating such tenant and/or owner participation. This ERN shall not preclude Agency negotiations with such owners or tenants during the period of this ERN.

13. LIMITATION ON DAMAGES AND REMEDIES.

13.1 THE DEVELOPER AND THE AGENCY ACKNOWLEDGE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY THE DEVELOPER UPON THE BREACH OF THIS AGREEMENT BY THE AGENCY. HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES THE DEVELOPER WOULD SUFFER UPON THE BREACH OF THIS AGREEMENT BY THE AGENCY, THE DEVELOPER AND THE AGENCY AGREE THAT A REASONABLE ESTIMATE OF THE DEVELOPER'S DAMAGES IN SUCH EVENT IS TWO THOUSAND DOLLARS (\$2,000) (THE "LIQUIDATED DAMAGES AMOUNT"). THEREFORE, UPON THE BREACH OF THIS AGREEMENT BY THE AGENCY, THE AGENCY SHALL PAY THE LIQUIDATED DAMAGES AMOUNT TO THE DEVELOPER AND THIS AGREEMENT SHALL TERMINATE. RECEIPT OF THE LIQUIDATED DAMAGES AMOUNT SHALL BE THE DEVELOPER'S SOLE AND EXCLUSIVE REMEDY ARISING FROM ANY BREACH OF THIS AGREEMENT BY THE AGENCY.

<hr/> Initials of Authorized Representative of Agency	<hr/> Initials of Authorized Representative of Developer
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(a) THE AGENCY AND THE DEVELOPER EACH ACKNOWLEDGE AND AGREE THAT THE AGENCY WOULD NOT HAVE ENTERED INTO THIS AGREEMENT, IF IT WERE TO BE LIABLE TO THE DEVELOPER FOR ANY MONETARY DAMAGES, MONETARY RECOVERY OR ANY REMEDY OTHER THAN TERMINATION OF THIS AGREEMENT AND PAYMENT OF THE LIQUIDATED DAMAGES AMOUNT. ACCORDINGLY, THE AGENCY AND THE DEVELOPER AGREE THAT THE DEVELOPER'S SOLE AND EXCLUSIVE RIGHT AND REMEDY UPON THE BREACH OF THIS AGREEMENT BY THE AGENCY IS TO TERMINATE THIS AGREEMENT AND RECEIVE THE LIQUIDATED DAMAGES AMOUNT.

(b) THE DEVELOPER ACKNOWLEDGES THAT IT IS AWARE OF THE MEANING AND LEGAL EFFECT OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM

OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(c) CALIFORNIA CIVIL CODE SECTION 1542 NOTWITHSTANDING, IT IS THE INTENTION OF THE DEVELOPER TO BE BOUND BY THE LIMITATION ON DAMAGES, RECOVERY AND REMEDIES SET FORTH IN THIS SECTION 13, AND THE DEVELOPER HEREBY RELEASES ANY AND ALL CLAIMS AGAINST THE AGENCY FOR MONETARY DAMAGES, MONETARY RECOVERY OR OTHER LEGAL OR EQUITABLE RELIEF RELATED TO ANY BREACH OF THIS AGREEMENT, EXCEPT RECEIPT OF THE LIQUIDATED DAMAGES AMOUNT, WHETHER OR NOT ANY SUCH RELEASED CLAIMS WERE KNOWN OR UNKNOWN TO THE DEVELOPER AS OF THE EFFECTIVE DATE OF THIS AGREEMENT. THE DEVELOPER SPECIFICALLY WAIVES THE BENEFITS OF CALIFORNIA CIVIL CODE SECTION 1542 AND ALL OTHER STATUTES AND JUDICIAL DECISIONS (WHETHER STATE OR FEDERAL) OF SIMILAR EFFECT WITH REGARD TO THE LIMITATIONS ON DAMAGES AND REMEDIES AND WAIVERS OF ANY SUCH DAMAGES AND REMEDIES CONTAINED IN THIS SECTION 13.

<hr/> Initials of Authorized Representative of Agency	<hr/> Initials of Authorized Representative of Developer
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14. DEFAULT.

14.1 Failure or delay by either Party to perform any material term or provision of this Agreement shall constitute a default under this Agreement. If the Party who is claimed to be in default by the other Party cures, corrects or remedies the alleged default within fifteen (15) calendar days after receipt of written notice specifying such default, such Party shall not be in default under this Agreement. The notice and cure period provided in the immediately preceding sentence shall not, under any circumstances, extend the Negotiation Period. If there are less than fifteen (15) days remaining in the Negotiation Period, the cure period allowed pursuant to this Section 14 shall be automatically reduced to the number of days remaining in the Negotiation Period.

14.2 The Party claiming that a default has occurred shall give written notice of default to the Party claimed to be in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default. However, the injured Party shall have no right to exercise any remedy for a default under this Agreement, without first delivering written notice of the default.

14.3 Any failure or delay by a Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

14.4 If a default of either Party remains uncured for more than fifteen (15) calendar days following receipt of written notice of such default, a "breach" of this Agreement by the defaulting Party shall be deemed to have occurred. In the event of a breach of this Agreement, the sole and exclusive remedy of the Party who is not in default shall be to terminate this Agreement by serving written notice of termination on the Party in breach and, in the case of a breach by the Agency, the Developer shall also be entitled to receive the Liquidated Damages Amount.

15. Acknowledgments and Reservations.

15.1 The Agency and the Developer agree that, if this ERN expires or is terminated for any reason, or a future DDA is not approved and executed by both the Agency and the Developer, for any reason, neither the Agency nor the Developer shall be under any obligation, nor have any liability to each other or any other person regarding the sale or other disposition of the Property or the redevelopment of the Project or the Property.

Termination as a Result of Change in Law. Developer acknowledges that on January 10, 2011 Governor Jerry Brown proposed legislation to eliminate Redevelopment Agencies and the related funding source. On June 28, the Governor signed into law AB 1x26 and AB 1x 27 which purport to eliminate Redevelopment Agencies effective October 1 and prohibit Agencies from taking certain actions prior to their elimination, including entering into contracts or encumbering assets. AB 1x 27 provides, in part, that if the City makes certain payments, the Agency may continue to operate and will not be impacted by the elimination provisions of AB 1x 26. Developer acknowledges that the City has taken the necessary steps to adopt the AB 1x 27 ordinance as an urgency measure. Developer also acknowledges that AB 1x 26 and 27 will likely be the subject of litigation. As such, Developer and Agency agree that if, in Agency's reasonable discretion, the Agency determines the adoption of AB 1x 26 or 27, the litigation, or the adoption of other related legislation interferes with or prevents the Agency from performing Agency's obligations hereunder, the Agency may terminate this Agreement without cost or penalty by delivering a written notice of termination to the Developer.

15.2 The Agency reserves the right to reasonably obtain further information, data and commitments to ascertain the ability and capacity of the Developer to lease, develop and operate the Property. The Developer acknowledges that it may be requested to make certain financial disclosures to the Agency, its staff, legal counsel or other consultants, as part of the financial due diligence investigations of the Agency relating to the potential sale of the Property and redevelopment of the Property by the Developer and that any such disclosures may become public records. The Agency shall maintain the confidentiality of financial information of the Developer to the extent allowed by law, as determined by the City Attorney.

15.3 The Developer shall not discriminate against nor segregate any person, or group of persons on account of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry in undertaking its obligations under this Agreement.

16. Warranty Against Payment of Consideration for Agreement. The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 15, shall not include persons to whom fees are paid for professional services, if rendered by attorneys, financial consultants, accountants, engineers, architects and other consultants, when such fees are considered necessary by the Developer.

17. No Third-Party Beneficiaries. Nothing in this Agreement is intended to benefit any person or entity other than the Agency or the Developer.

18. Governing Law. The Agency and the Developer acknowledge and agree that this Agreement was negotiated, entered into and is to be fully performed in the City of Covina, California. The Agency and the Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California, without application of such laws' conflicts of laws principles.

19. Attorneys' Fees. If either Party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, then the prevailing Party shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorneys' fees as fixed by the court, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees. For the purposes hereof the words 'reasonable attorneys' fees' mean and include, in the case of Agency, salaries and expenses of the lawyers employed by Agency (allocated on an hourly basis) who may provide legal services to Agency in connection with the representation of Agency in any such matter.

IN WITNESS WHEREOF, the Agency and the Developer have executed this Negotiation Agreement as of the date and year set opposite their signatures.

COVINA REDEVELOPMENT AGENCY,
a public body

Date: _____

By: _____

Daryl Parrish
Executive Director

ATTEST:

Date: _____

By: _____

Catherine LaCroix
Agency Secretary

DEVELOPER

Date: _____

By: _____

Its: _____

Date: _____

By: _____

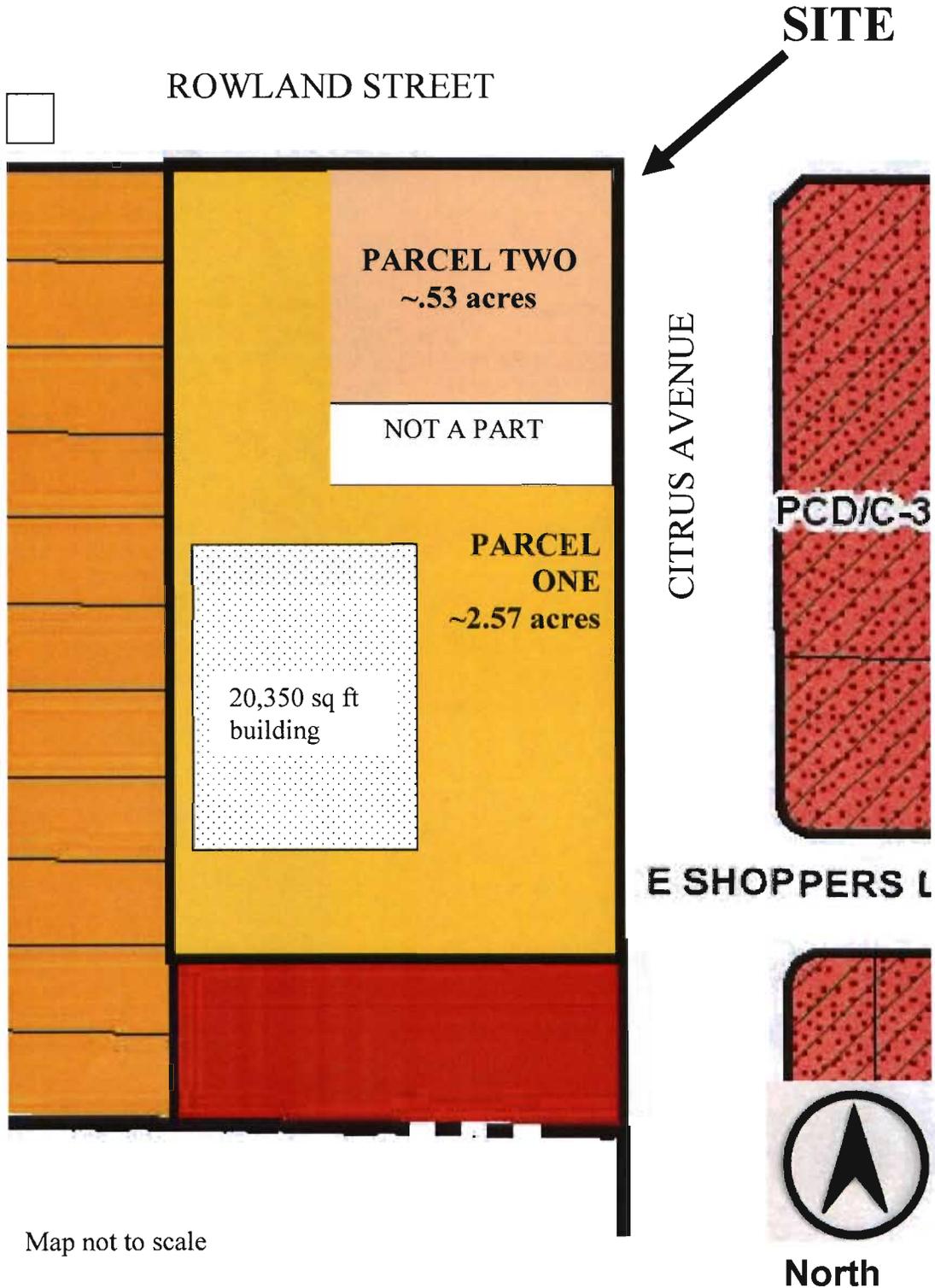
Its: _____

APPROVED AS TO FORM:

Agency General Counsel

ATTACHMENT NO. 1

SITE MAP



Map not to scale

ATTACHMENT 2

LEGAL DESCRIPTION

Parcel One

THAT PORTION OF LOT 1, BLOCK 22 OF PHILLIPS TRACT, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9 PAGES 3 AND 4 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID LOT, DISTANT THEREON SOUTH 89 DEGREES 15 MINUTES 40 SECONDS EAST 335.35 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 1; THENCE NORTH 661.05 FEET, MORE OR LESS, TO A POINT IN THE CENTER LINE OF ROWLAND AVENUE, 99.00 FEET WIDE, AS SAID AVENUE IS SHOWN ON SAID MAP; THENCE ALONG SAID CENTER LINE, SOUTH 89 DEGREES 15 MINUTES 40 SECONDS EAST 98.92 FEET, MORE OR LESS, TO A POINT IN SAID CENTER LINE OF ROWLAND AVENUE, DISTANT THEREON NORTH 89 DEGREES 15 MINUTES 40 SECONDS WEST

233 FEET FROM THE INTERSECTION THEREON WITH THE CENTER LINE OF CITRUS STREET, 66.00 FEET WIDE, AS SAID STREET IS SHOWN ON SAID MAP; THENCE SOUTH PARALLEL WITH SAID CENTER LINE OF CITRUS STREET 249.50 FEET; THENCE PARALLEL WITH THE NORTHERLY LINE OF SAID LOT, SOUTH 89 DEGREES 15 MINUTES 40 SECONDS EAST 233 FEET TO THE CENTER LINE OF SAID CITRUS STREET; THENCE SOUTH ALONG SAID CENTER LINE TO THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT AND PROLONGATION THEREOF, NORTH 89 DEGREES 15 MINUTES 40 SECONDS WEST 331.92 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE SOUTHERLY 115.00 FEET, MEASURED ALONG THE EASTERLY LINE THEREOF.

ALSO EXCEPT THEREFROM THE INTEREST IN THAT CERTAIN STRIP OF LAND 17.00 FEET WIDE CONVEYED TO THE CITY OF COVINA BY DEED RECORDED JUNE 12, 1958 AS INSTRUMENT NO. 3887 IN BOOK D-125 PAGE 938 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ASO EXCEPT THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF LOT 1, DISTANT THEREON SOUTH 89 DEGREES 15 MINUTES 40 SECONDS EAST 335.35 FEET FROM THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH 661.05 FEET, MORE OR LESS, TO A POINT IN THE CENTER LINE OF ROWLAND AVENUE 99.00 FEET WIDE, AS SAID AVENUE IS SHOWN ON SAID MAP; SAID POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION, THENCE SOUTHERLY

ALONG SAID COURSE OF NORTH 661.05 FEET, A DISTANCE OF 225.58 FEET, THENCE EASTERLY PARALLEL WITH SAID CENTER LINE OF SAID ROWLAND AVENUE 99.00 FEET WIDE AS SHOWN ON SAID MAP, A DISTANCE OF 73.91 FEET, THENCE NORTHERLY PARALLEL WITH SAID COURSE OF NORTH 661.05 FEET, A DISTANCE OF 225.58 FEET, MORE OR LESS TO THE CENTER LINE OF SAID ROWLAND AVENUE, 99.00 FEET WIDE AS SHOWN ON SAID MAP, THENCE WESTERLY ALONG SAID CENTER LINE 73.91 FEET TO THE TRUE POINT OF BEGINNING.

Also known as 635 S. Citrus Avenue, Covina, CA
APN 8453-001-900 and 8453-001-906

Parcel Two

THAT PORTION OF LOT 1, BLOCK 22 OF THE PHILLIPS TRACT, IN THE CITY OF COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 9, PAGES 3 AND 4 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE CENTERLINE OF ROWLAND AVENUE, 99.00 FEET WIDE, WITH THE CENTERLINE OF CITRUS STREET, 66.00 FEET WIDE, AS SAID AVENUE AND SAID STREET ARE SHOWN ON SAID MAP; THENCE NORTH 89 DEGREES, 15 MINUTES 40 SECONDS WEST 233.00 FEET; THENCE SOUTH PARALLEL WITH SAID CENTERLINE OF CITRUS STREET 249.50 FEET; THENCE PARALLEL WITH THE NORTHERLY LINE OF SAID LOT SOUTH 89 DEGREES, 15 MINUTES, 40 SECONDS EAST 233.00 FEET TO THE SAID CENTERLINE OF SAID CITRUS STREET; THENCE NORTH ALONG SAID CENTERLINE OF CITRUS STREET 249.50 FEET TO THE POINT OF BEGINNING.

EXCEPT THE SOUTH 50 FEET THEREOF.

Also known as:
611 S. Citrus Avenue and 120 Rowland Street, Covina, CA
APN 8453-001-001 and 003

COVINA REDEVELOPMENT AGENCY **AGENDA ITEM COMMENTARY**

MEETING DATE: July 19, 2011

ITEM NO.: CC 15

STAFF SOURCE: Robert Neuber, Deputy Executive Director *RN*
Dilu de Alwis, Finance Director *DA*

ITEM TITLE: Consideration of repayment of loans by the Agency for Project Nos. One and Two to the City.

STAFF RECOMMENDATION:

Redevelopment Agency to adopt **Resolution No. 11-686**, approving and authorizing the increase in budget and the transfer of funds from Redevelopment Project Funds for the repayment of the loans to the City from the Covina Redevelopment Agency for Fiscal Year 2010-2011.

FISCAL IMPACT:

Principal amount of \$1,297,430 and interest of \$44,600 would be repaid to the City's General Fund.

BACKGROUND:

In prior years, the Agency has borrowed money from the City for both Project Areas One and Two in order to provide operating funds for ongoing project expenses, as well as to establish sufficient debt to secure the Agency's tax increment. Consequently, the City has received interest income for these loans at rates equal to or higher than what would have been earned via the Local Agency Investment Fund (LAIF).

In prior years, the Agency earned enough tax increment revenue to repay the loans in full with interest. When the budget for Fiscal Year 2010-2011 was adopted, it was anticipated that Project Area One would not have enough tax increment remaining, after making the SERAF payment to the State, to repay the loan in full, and only \$1,788,180 was budgeted for repayment. The budget will be increased for the difference.

In order to repay the General Fund in full, unallocated fund balance in the Project funds will be used to transfer money to the Debt Service funds to repay the entire balance remaining. There is sufficient unallocated fund balance.

Project Area One.

The Agency will repay the loan from the City to the Agency for Project Area One for the fiscal year 2010-2011.

- Loan Repayment (Principal). A loan of \$2,215,000 was originally loaned from the City in September, 2010. On March 10, 2011, \$1,061,600 of this amount was repaid. The remaining \$1,153,400 is to be repaid.

- Loan Repayment (Interest). The interest rate is set at 8.25 percent. Estimated interest payments of \$39,648 will be paid to the City.

Project Area Two.

The Agency will repay the loan from the City to the Agency for Project Area Two for the fiscal year 2010-2011.

- Requested Loan (Principal). A loan of \$275,000 was originally loaned from the City in September, 2010. On March 10, 2011, \$130,970 of this amount was repaid. The remaining \$144,030 is to be repaid.
- Requested Loan (Interest). The interest rate is set at 8.25 percent. Estimated interest payments of \$4,951 will be paid to the City.

RELEVANCE TO THE STRATEGIC PLAN:

None.

EXHIBITS:

- A. Agency Resolution 11-686

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: <u>DP</u>	Other: _____

RESOLUTION NO. 11-686

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING REPAYMENT OF LOANS FROM THE CITY OF COVINA FOR FISCAL YEAR 2010-2011

WHEREAS, the CITY OF COVINA ("City") is assisting the Covina Redevelopment Agency ("Agency") in carrying out the Revitalization Redevelopment Project No. 1 ("Project No. 1") and the Revitalization Redevelopment Project No. 2 ("Project No. 2") and has authorized a loan to the Agency; and

WHEREAS, the budget for Project Area No. 1 must be increased by \$426,820 to repay the entire amount of the loan from the City; and

WHEREAS, the Agency desires to repay the remaining outstanding balance of the loans previously received from the City; and

NOW, THEREFORE, BE IT RESOLVED BY THE COVINA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Project Area No. 1 Note remaining balance of \$1,153,400 is authorized to be repaid to the City.

SECTION 2. The Project Area No. 2 Note remaining balance of \$144,030 is authorized to be repaid to the City.

SECTION 3. The budget for Project Area No. 1 (3501-8100-00-56410) will be increased by \$426,820.

SECTION 4. Funds will be required to be transferred from the Project Area No. 1 Project Fund to make this repayment. The budget for Project Area No. 1 Project Fund (5011-4400-00-59130) and Debt Service Fund (3501-8100-00-49140) will be increased by \$1,153,400.

SECTION 5. Funds will be required to be transferred from the Project Area No. 2 Project Fund to make this repayment. The budget for Project Area No. 2 Project Fund (5021-4650-00-59130) and Debt Service Fund (3502-8100-00-49140) will be increased by \$144,030.

SECTION 6. The Secretary shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and be in force.

APPROVED AND ADOPTED this 19th day of July, 2011.

Chairperson, Covina Redevelopment Agency

ATTEST:

Secretary, Covina Redevelopment Agency

APPROVED AS TO FORM:

City Attorney

I, Catherine M. LaCroix, Secretary of the Redevelopment Agency of the City of Covina, hereby CERTIFY that this resolution No. 11-686 was adopted by the Covina Redevelopment Agency at a regular meeting of the Covina Redevelopment Agency held July 19th, 2011, and was duly adopted and passed by the following vote:

AYES:

NOES:

ABSENT:

Catherine M. LaCroix
Secretary of the Covina Redevelopment Agency

CITY OF COVINA/COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 16

STAFF SOURCE: Martha Heaviside, City Clerk's Office *MAT*

ITEM TITLE: Resolution Authorizing the Destruction of Obsolete Records (Public Records Request, Agenda Packets and Audio Tapes)

STAFF RECOMMENDATION

a.) Adopt **Resolution No. 11-6987** approving the destruction of obsolete records.

FISCAL IMPACT

The exact cost of records destruction is unknown, and will depend on the number of boxes to be destroyed. However, this is a budgeted item within the 2011-2012 adopted budget and will paid for out of the City Clerk's other budget (1010-0700-00-53990).

BACKGROUND

The City Clerk's Department recently completed a review of files to determine which records are no longer required by staff and available for destruction in accordance with the Government Code retention policy. All files listed in Exhibit "B & C" are outside of the Government Code mandated retention period.

Government Code Section 34090 states that with the approval of the legislative body and written consent of the City Attorney, the head of a City Department may destroy any City record, document, instrument, book or paper under his charge, without making a copy thereof, if the same is no longer required, provided that certain records are exempt from the provisions of said section. (Public Records Request & Agenda Packets).

Government Code Section 54953.5 states audio or video recordings of open and public meetings may be erased or destroyed within 30 days after the recording. Staff finds that the recording media records set forth in Exhibit B, attached hereto and incorporated herewith, are eligible, under the provisions of Government Code Section 34090.7, for destruction as the records are older than 90 days and are considered duplicate records of the official minutes of the legislative body. (Audio & Video Recordings).

RELEVANCE TO THE STRATEGIC PLAN

None

EXHIBITS

- A. Summary list of records to be destroyed (Public Records Request & Agenda Packets)
- B. Summary list of records to be destroyed (Audio & Video Recordings)
- C. Authorization to destroy obsolete records
- D. Resolution No. 11-6987

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

LIST OF BOXES FOR DESTRUCTION
PUBLIC RECORDS REQUEST / AGENDA PACKETS

- BOX 1: Public Records Request 2002 – 2005
- BOX 2: Public Records Request 2006
- BOX 3: Public Records Request 2007
- BOX 4: Public Records Request 2008
- BOX 5: Agenda Packets 2006
- BOX 6: Agenda Packets July – December 2006
- BOX 7: Agenda Packets January – July 2007
- BOX 8: Agenda Packets August – December 2007
- BOX 9: Agenda Packets January – June 2008

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 1 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting VHS Tape 1 of 2	29-Jun-98
	City Council Meeting VHS Tape 2 of 2	29-Jun-98
	City Council Meeting VHS Tape 1 of 3	20-Jun-00
	City Council Meeting VHS Tape 2 of 3	20-Jun-00
	City Council Meeting VHS Tape 3 of 3	20-Jun-00
	City Council Meeting VHS Tape	7-Mar-01
	City Council Meeting VHS Tape	7-Mar-01
	City Council Meeting VHS Tape 1 of 1	5-Jun-01
	City Council Meeting VHS Tape 1 of 1	7-Aug-01
	City Council Meeting VHS Tape 1 of 1	18-Sep-01
	City Council Meeting VHS Tape 1 of 1	2-Oct-01
	City Council Meeting VHS Tape 1 of 1	16-Oct-01
	City Council Meeting VHS Tape 1 of 1	6-Nov-01
	City Council Meeting VHS Tape 1 of 1	4-Dec-01
	City Council Meeting VHS Tape 1 of 1	5-Feb-02
	City Council Meeting VHS Tape 1 of 1	19-Feb-02
	City Council Meeting VHS Tape 1 of 2	5-Mar-02
	City Council Meeting VHS Tape 2 of 2	5-Mar-02
	City Council Meeting VHS Tape 1 of 1	21-May-02
	City Council Meeting VHS Tape 1 of 2	4-Jun-02
	City Council Meeting VHS Tape 2 of 2	4-Jun-02
	City Council Meeting VHS Tape 1 of 1	6-Jun-02
	City Council Meeting VHS Tape 1 of 1	18-Jun-02
	City Council Meeting VHS Tape 1 of 1	2-Jul-02
	City Council Meeting VHS Tape 1 of 2	16-Jul-02
	City Council Meeting VHS Tape 2 of 2	16-Jul-02
	City Council Meeting VHS Tape 1 of 1	17-Sep-02
	City Council Meeting VHS Tape 1 of 1	1-Oct-02
	City Council Meeting VHS Tape 1 of 2	5-Nov-02
	City Council Meeting VHS Tape 2 of 2	5-Nov-02
	City Council Meeting VHS Tape 1 of 1	21-Jan-03
	City Council Meeting VHS Tape 1 of 1	1-Apr-03
	City Council Meeting VHS Tape 1 of 1	2-Dec-03

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 2 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting VHS Tape 1 of 1	04-Nov-03
	City Council Meeting VHS Tape 1 of 1	16-Dec-03
	City Council Meeting VHS Tape 1 of 1	20-Jan-04
	City Council Meeting VHS Tape 1 of 1	29-Jan-04
	City Council Meeting VHS Tape 1 of 1	16-Mar-04
	City Council Meeting VHS Tape 1 of 1	06-Jul-04
	City Council Meeting VHS Tape 1 of 1	20-Jul-04
	City Council Meeting VHS Tape 1 of 1	17-Aug-04
	City Council Meeting VHS Tape 1 of 2	07-Sep-04
	City Council Meeting VHS Tape 2 of 2	07-Sep-04
	City Council Meeting VHS Tape 1 of 1	05-Oct-04
	City Council Meeting VHS Tape 1 of 1	19-Oct-04
	City Council Meeting VHS Tape 1 of 1	07-Dec-04
	City Council Meeting VHS Tape 1 of 2	21-Dec-04
	City Council Meeting VHS Tape 2 of 2	21-Dec-04
	City Council Meeting VHS Tape 1 of 1	18-Jan-05
	City Council Meeting VHS Tape 1 of 1	01-Mar-05
	City Council Meeting VHS Tape 1 of 1	15-Mar-05
	City Council Meeting VHS Tape 1 of 1	05-Apr-05
	City Council Meeting VHS Tape 1 of 1	19-Apr-05
	City Council Meeting VHS Tape 1 of 1	03-May-05
	City Council Meeting VHS Tape 1 of 1	17-May-05
	City Council Meeting VHS Tape 1 of 1	07-Jun-05
	City Council Meeting VHS Tape 1 of 1	21-Jun-05
	City Council Meeting VHS Tape 1 of 2	05-Jul-05
	City Council Meeting VHS Tape 2 of 2	05-Jul-05
	City Council Meeting VHS Tape 1 of 1	19-Jul-05
	City Council Meeting VHS Tape 1 of 1	03-Aug-05
	City Council Meeting VHS Tape 1 of 1	16-Aug-05
	City Council Meeting VHS Tape 1 of 1	06-Sep-05
	City Council Meeting VHS Tape 1 of 1	20-Sep-05
	City Council Meeting VHS Tape 1 of 1	04-Oct-05
	City Council Meeting VHS Tape 1 of 1	18-Oct-05
	City Council Meeting VHS Tape 1 of 1	01-Nov-05
	City Council Meeting VHS Tape 1 of 2	15-Nov-05
	City Council Meeting VHS Tape 2 of 2	15-Nov-05

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 2 OF 9

<u>FILE NO.</u>	<u>DESCRIPTION</u>	<u>DATE</u>
	City Council Meeting VHS Tape 1 of 1	3-Feb-04
	City Council Meeting VHS Tape 1 of 1	17-Feb-04
	City Council Meeting VHS Tape 1 of 1	2-Mar-04
	City Council Meeting VHS Tape 1 of 1	6-Apr-04
	City Council Meeting VHS Tape 1 of 1	20-Apr-04
	City Council Meeting VHS Tape 1 of 1	4-May-04
	City Council Meeting VHS Tape 1 of 2	18-May-04
	City Council Meeting VHS Tape 2 of 2	18-May-04
	City Council Meeting VHS Tape 1 of 1	1-Jun-04
	City Council Meeting VHS Tape 1 of 1	15-Jun-04

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 3 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting VHS Tape 1 of 1	02-Oct-07
	City Council Meeting VHS Tape 1 of 1	16-Oct-07
	City Council Meeting VHS Tape 1 of 1	06-Nov-07
	City Council Meeting VHS Tape 1 of 1	20-Nov-07
	City Council Meeting VHS Tape 1 of 1	04-Dec-07
	City Council Meeting VHS Tape 1 of 2	05-Feb-08
	City Council Meeting VHS Tape 2 of 2	05-Feb-08
	City Council Meeting VHS Tape 1 of 2	04-Mar-08
	City Council Meeting VHS Tape 2 of 2	04-Mar-08
	City Council Meeting VHS Tape 1 of 1	18-Mar-08
	City Council Meeting VHS Tape 1 of 1	01-Apr-08
	City Council Meeting VHS Tape 1 of 1	15-Apr-08
	City Council Meeting VHS Tape 1 of 1	06-May-08
	City Council Meeting VHS Tape 1 of 1	20-May-08
	City Council Meeting VHS Tape 1 of 1	10-Jun-08
	City Council Meeting VHS Tape 1 of 2	17-Jun-08
	City Council Meeting VHS Tape 2 of 2	17-Jun-08
	City Council Meeting VHS Tape 1 of 1	01-Jul-08
	City Council Meeting VHS Tape 1 of 1	15-Jul-08
	City Council Meeting VHS Tape 1 of 1	19-Aug-08
	City Council Meeting VHS Tape 1 of 1	02-Sep-08
	City Council Meeting VHS Tape 1 of 1	16-Sep-08
	City Council Meeting VHS Tape 1 of 1	21-Oct-08
	City Council Meeting VHS Tape 1 of 1	18-Nov-08
	City Council Meeting VHS Tape 1 of 1	16-Dec-08

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 4 OF 9

<u>FILE NO.</u>	<u>DESCRIPTION</u>	<u>DATE</u>
	City Council Meeting VHS Tape 1 of 1	17-Jan-06
	City Council Meeting VHS Tape 1 of 1	07-Feb-06
	City Council Meeting VHS Tape 1 of 1	21-Feb-06
	City Council Meeting VHS Tape 1 of 1	07-Mar-06
	City Council Meeting VHS Tape 1 of 1	21-Mar-06
	City Council Meeting VHS Tape 1 of 1	04-Apr-06
	City Council Meeting VHS Tape 1 of 1	18-Apr-06
	City Council Meeting VHS Tape 1 of 1	02-May-06
	City Council Meeting VHS Tape 1 of 1	16-May-06
	City Council Meeting VHS Tape 1 of 1	06-Jun-06
	City Council Meeting VHS Tape 1 of 1	20-Jun-06
	City Council Meeting VHS Tape 1 of 1	19-Jul-06
	City Council Meeting VHS Tape 1 of 1	15-Aug-06
	City Council Meeting VHS Tape 1 of 1	05-Sep-06
	City Council Meeting VHS Tape 1 of 1	19-Sep-06
	City Council Meeting VHS Tape 1 of 1	03-Oct-06
	City Council Meeting VHS Tape 1 of 1	17-Oct-06
	City Council Meeting VHS Tape 1 of 1	07-Nov-06
	City Council Meeting VHS Tape 1 of 1	27-Nov-06
	City Council Meeting VHS Tape 1 of 1	05-Dec-06
	City Council Meeting VHS Tape 1 of 2	19-Dec-06
	City Council Meeting VHS Tape 2 of 2	19-Dec-06
	City Council Meeting VHS Tape 1 of 1	16-Jan-07
	City Council Meeting VHS Tape 1 of 1	06-Feb-07
	City Council Meeting VHS Tape 1 of 1	20-Feb-07
	City Council Meeting VHS Tape 1 of 1	20-Mar-07
	City Council Meeting VHS Tape 1 of 1	03-Apr-07
	City Council Meeting VHS Tape 1 of 1	05-Jun-07
	City Council Meeting VHS Tape 1 of 2	19-Jun-07
	City Council Meeting VHS Tape 2 of 2	19-Jun-07
	City Council Meeting VHS Tape 1 of 2	17-Jul-07
	City Council Meeting VHS Tape 2 of 2	17-Jul-07
	City Council Meeting VHS Tape 1 of 1	21-Aug-07
	City Council Meeting VHS Tape 1 of 1	04-Sep-07
	City Council Meeting VHS Tape 1 of 2	18-Sep-07
	City Council Meeting VHS Tape 2 of 2	18-Sep-07

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 5 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting VHS Tape 1 of 1	07-Mar-00
	City Council Meeting VHS Tape 1 of 1	04-Apr-00
	City Council Meeting VHS Tape 1 of 1	18-Apr-00
	City Council Meeting VHS Tape 1 of 1	01-Aug-00
	City Council Meeting VHS Tape 1 of 1	15-Aug-00
	City Council Meeting VHS Tape 2 of 2	05-Sep-00
	City Council Meeting VHS Tape 1 of 1	19-Sep-00
	City Council Meeting VHS Tape 1 of 1	21-Nov-00
	City Council Meeting VHS Tape 1 of 1	19-Dec-00
	City Council Meeting VHS Tape 1 of 2	19-Dec-00
	City Council Meeting VHS Tape 1 of 2	20-Feb-01
	City Council Meeting VHS Tape 2 of 2	20-Feb-01
	City Council Meeting VHS Tape 1 of 1	15-May-01
	City Council Meeting VHS Tape 1 of 1	18-Dec-01
	City Council Meeting VHS Tape 1 of 1	06-Aug-02
	City Council Meeting VHS Tape 1 of 1	20-Aug-02
	City Council Meeting VHS Tape 1 of 1	03-Sep-02
	City Council Meeting VHS Tape 1 of 1	15-Oct-02
	City Council Meeting VHS Tape 1 of 1	19-Nov-02
	City Council Meeting VHS Tape 1 of 1	03-Dec-02
	City Council Meeting VHS Tape 1 of 1	04-Feb-03
	City Council Meeting VHS Tape 1 of 1	18-Feb-03
	City Council Meeting VHS Tape 1 of 1	18-Mar-03
	City Council Meeting VHS Tape 1 of 1	15-Apr-03
	City Council Meeting VHS Tape 1 of 1	06-May-03
	City Council Meeting VHS Tape 1 of 1	20-May-03
	City Council Meeting VHS Tape 1 of 2	17-Jun-03
	City Council Meeting VHS Tape 2 of 2	17-Jun-03
	City Council Meeting VHS Tape 1 of 1	19-Aug-03
	City Council Meeting VHS Tape 1 of 1	02-Sep-03
	City Council Meeting VHS Tape 1 of 1	07-Oct-03
	City Council Meeting VHS Tape 1 of 1	21-Oct-03
	City Council Meeting VHS Tape 1 of 1	18-Nov-03
	City Council Meeting VHS Tape 1 of 1	01-Feb-05
	City Council Meeting VHS Tape 1 of 1	06-Dec-05
	City Council Meeting VHS Tape 1 of 1	20-Dec-05

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 6 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting VHS Tape 1 of 2	21-Mar-00
	City Council Meeting VHS Tape 2 of 2	21-Mar-00
	City Council Meeting VHS Tape 1 of 1	16-May-00
	City Council Meeting VHS Tape 1 of 2	18-Jul-00
	City Council Meeting VHS Tape 2 of 2	18-Jul-00
	City Council Meeting VHS Tape 1 of 2	05-Sep-00
	City Council Meeting VHS Tape 1 of 2	16-Jan-01
	City Council Meeting VHS Tape 2 of 2	16-Jan-01
	City Council Meeting VHS Tape 1 of 2	06-Feb-01
	City Council Meeting VHS Tape 2 of 2	06-Feb-01
	City Council Meeting VHS Tape 1 of 1	20-Mar-01
	City Council Meeting VHS Tape 1 of 1	03-Apr-01
	City Council Meeting VHS Tape 1 of 1	01-May-01
	City Council Meeting VHS Tape 1 of 2	20-Nov-01
	City Council Meeting VHS Tape 2 of 2	20-Nov-01
	City Council Meeting VHS Tape 1 of 2	04-Dec-01
	City Council Meeting VHS Tape 2 of 2	04-Dec-01
	City Council Meeting VHS Tape 1 of 1	16-Apr-02
	City Council Meeting VHS Tape 1 of 2	07-May-02
	City Council Meeting VHS Tape 2 of 2	07-May-02

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 7 OF 9

FILE NO.	DESCRIPTION	DATE
	Adj. Meeting Cassette Tape 1 of 1	10-Oct-89
	City Council/ Plann. Comm. Meeting Cassette Tape 1 of 1	24-Sep-97
	City Council Meeting Cassette Tape 1 of 1	29-Jun-98
	City Council Meeting Cassette Tape 1 of 1	07-Jul-98
	City Council Meeting Cassette Tape 1 of 1	04-Aug-98
	City Council Meeting Cassette Tape 1 of 1	01-Sep-98
	City Council Meeting Cassette Tape 1 of 1	15-Sep-98
	City Council Meeting Cassette Tape 1 of 1	15-Sep-98
	CRA Cassette Tape 1 of 1	06-Oct-98
	City Council Meeting Cassette Tape 1 of 1	01-Mar-99
	Special City Council Meeting Cassette Tape 1 of 1	11-Mar-99
	City Council Reorganization/ Regular Meeting Cassette Tape 1 of 1	16-Mar-99
	City Council Meeting Cassette Tape 1 of 1	06-Apr-99
	City Council Meeting Cassette Tape 1 of 2	20-Apr-99
	City Council Meeting Cassette Tape 2 of 2	20-Apr-99
	City Council Meeting Cassette Tape 1 of 1	04-May-99
	City Council Budget Study Cassette Tape 1 of 1	12-May-99
	Council/CRA Budget Cassette Tape 1 of 1	17-May-99
	City Council Meeting Cassette Tape 1 of 1	06-Jul-99
	City Council/CRA Meeting Cassette Tape 1 of 1	27-Jul-99
	City Council Meeting Cassette Tape 1 of 1	03-Aug-99
	City Council Meeting Cassette Tape 1 of 2	17-Aug-99
	City Council Meeting Cassette Tape 2 of 2	17-Aug-99
	City Council Meeting/CRA Cassette Tape 1 of 1	31-Aug-99
	Planning Commission Meeting Cassette Tape 1 of 1	14-Sep-99
	City Council Meeting Cassette Tape 1 of 1	21-Sep-99
	City Council Meeting Cassette Tape 1 of 1	19-Oct-99
	Council/CRA/Planning Comm. Cassette Tape 1 of 1	25-Oct-99
	City Council Meeting Cassette Tape 1 of 1	02-Nov-99
	Chamber system Cassette Tape 1 of 1	10-Nov-99
	Council sound system Cassette Tape 1 of 1	10-Nov-99
	Council/Plann. Comm. Adj. Meeting Cassette Tape 1 of 1	10-Nov-99
	Joint PC/CC Meeting Cassette Tape 2	10-Nov-99
	City Council Meeting Cassette Tape 1 of 1	16-Nov-99
	City Council Meeting Cassette Tape 1 of 1	07-Dec-99
	City Council Meeting Cassette Tape 1 of 1	16-Oct-01

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 7 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council/CRA/Library Board Meeting Cassette Tape 1 of 2	25-Jun-96
	City Council/CRA/Library Meeting Cassette Tape 2 of 2	25-Jun-96
	City Council/CRA Meeting Cassette Tape 1 of 2	26-Jun-96
	Jnt. City Council Meeting Cassette Tape 2 of 2	26-Jun-96
	City Council Meeting Cassette Tape 1 of 2	18-Aug-98
	City Council Meeting Cassette Tape 2 of 2	18-Aug-98
	City Council Meeting Cassette Tape 1 of 1	05-Jan-99
	City Council Meeting Cassette Tape 1 of 1	02-Feb-99
	City Council Meeting Cassette Tape 1 of 1	16-Feb-99
	City Council/CRA Budget Study Cassette Tape 1 of 1	19-May-99
	City Council/CRA Budget Cassette Tape 1 of 1	24-May-99
	City Council Budget Cassette (cordless Sanyo) Tape 1 of 2	02-Jun-99
	City Council Budget Cassette (cordless Sanyo) Tape 2 of 2	02-Jun-99
	City Council Budget Cassette Tape 1 of 2	02-Jun-99
	City Council Budget Cassette Tape 2 of 2	02-Jun-99
	City Council Meeting Cassette Tape 1 of 2	15-Jun-99
	City Council Meeting Cassette Tape 2 of 2	15-Jun-99
	Joint CC/CRA Meeting Cassette Tape 1 of 1	09-Sep-99
	City Council Meeting Cassette Tape 1 of 1	05-Oct-99
	Special Jnt. Council/CRA Meeting Cassette Tape 1 of 1	30-Nov-99
	City Council Meeting Cassette Tape 1 of 1	21-Dec-99
	City Council Meeting Cassette Tape 1 of 2	18-Jan-00
	City Council Meeting Cassette Tape 2 of 2	18-Jan-00
	City Council Meeting Cassette Tape 1 of 1	15-Feb-00
	City Council Meeting Cassette Tape 1 of 1	18-Apr-00
	City Council Meeting Cassette Tape 1 of 1	16-May-00
	City Council Meeting Cassette Tape 1 of 1	06-Jun-00
	City Council Meeting Cassette Tape 1 of 2	20-Jun-00
	City Council Meeting Cassette Tape 2 of 2	20-Jun-00
	City Council Meeting Cassette Tape 1 of 1	01-Aug-00
	City Council Meeting Cassette Tape 1 of 1	15-Aug-00
	City Council Meeting Cassette Tape 1 of 1	17-Oct-00
	Adj. Reg Council Meeting Cassette Tape 1 of 1	09-Nov-00
	City Council Meeting Cassette Tape 1 of 1	19-Dec-00
	City Council Meeting Cassette Tape 1 of 1	16-Jan-01
	City Council Meeting Cassette Tape 1 of 1	19-Feb-02

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 7 OF 9

FILE NO.	DESCRIPTION	DATE
	Hearing Cassette Tape 1 of 1	26-Jun-91
	Unlabeled Cassette Tape 1 of 1	11-Dec-93
	R-39 Meeting Cassette Tape 1 of 1	27-Jul-95
	City Council Meeting (crossed out) Cassette Tape 1 of 1	19-Nov-96
	City Council Meeting Cassette Tape 1 of 1	07-Mar-00
	City Council Meeting Cassette Tape 1 of 1	21-Mar-00
	City Council Meeting Cassette Tape 1 of 1	04-Apr-00
	Regular CC/CRA Meeting Cassette Tape 1 of 1	06-Feb-01
	Joint CC/CRA Budget Study Session Cassette Tape 1 of 1	28-Feb-01
	Recount Proceedings Cassette Tape 1 of 1	15-Mar-01
	City Council Meeting Cassette Tape 1 of 1	20-Mar-01
	Adj. City Council Meeting (Citygate) Cassette Tape 1 of 1	27-Mar-01
	City Council Meeting Cassette Tape 1 of 1	03-Apr-01
	City Council Meeting Cassette Tape 1 of 1	17-Apr-01
	City Council Meeting Cassette Tape 1 of 1	01-May-01
	City Council Meeting Cassette Tape 1 of 1	15-May-01
	City Council Meeting Cassette Tape 1 of 1	23-May-01
	City Council Meeting Cassette Tape 1 of 1	05-Jun-01
	City Council Meeting Cassette Tape 1 of 1	19-Jun-01
	City Council Meeting Cassette Tape 1 of 1	16-Jul-01
	City Council Meeting Cassette Tape 1 of 1	17-Jul-01
	City Council Meeting Cassette Tape 1 of 1	07-Aug-01
	City Council Meeting Cassette Tape 1 of 1	21-Aug-01
	City Council Meeting Cassette Tape 1 of 1	04-Sep-01
	City Council Meeting Cassette Tape 1 of 1	18-Sep-01
	City Council Meeting Cassette Tape 1 of 1	02-Oct-01
	City Council Meeting Cassette Tape 1 of 1	06-Oct-01
	City Council Meeting Cassette Tape 1 of 1	20-Nov-01
	Adjourned City Council Meeting Cassette Tape 1 of 1	03-Jan-02
	City Council Meeting Cassette Tape 1 of 1	12-Jan-02
	City Council Meeting Cassette Tape 1 of 1	15-Jan-02
	City Council Meeting Cassette Tape 1 of 1	29-Jan-02
	City Council Meeting Cassette Tape 1 of 1	05-Feb-02
	City Council Meeting Cassette Tape 1 of 1	09-Feb-02
	City Council Meeting Cassette Tape 1 of 1	05-Mar-02
	City Council Meeting Cassette Tape 1 of 1	19-Mar-02

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 7 OF 9

<u>FILE NO.</u>	<u>DESCRIPTION</u>	<u>DATE</u>
	City Council Meeting Cassette Tape 1 of 1	06-Oct-98
	City Council Meeting Cassette Tape 1 of 1	20-Oct-98
	City Council Meeting Cassette Tape 1 of 1	17-Nov-98
	City Council Meeting Cassette Tape 1 of 1	01-Dec-98
	City Council Meeting Cassette Tape 1 of 1	15-Dec-98
	City Council Meeting Cassette Tape 1 of 1	20-Jul-99
	City Council Meeting Cassette Tape 1 of 2	07-Sep-99
	City Council Meeting Cassette Tape 2 of 2	07-Sep-99
	City Council Meeting Cassette Tape 1 of 1	01-Feb-00
	City Council Meeting Cassette Tape 2	01-Feb-00
	Joint Council/CRA/Library Board Meeting Cassette Tape 1 of 1	16-Mar-00
	City Council Meeting Cassette Tape 1 of 1	02-May-00
	Adj. Joint Council/CRA Meeting Budget Cassette Tape 1 of 1	22-May-00
	Adj. Budget Session Cassette Tape 2	25-May-00
	Adj. Council/CRA Budget Cassette Tape 1 of 1	25-May-00
	Adj. Council/CRA Meeting Budget Cassette Tape 1 of 2	30-May-00
	Adj. Council/CRA Meeting Budget Cassette Tape 2 of 2	30-May-00
	Adj. Council/CRA Meeting Budget Cassette Tape 1 of 1	01-Jun-00
	Adj. Joint Budget Session Cassette Tape 2	01-Jun-00
	City Council Meeting Cassette Tape 1 of 1	05-Jul-00
	City Council Meeting Cassette Tape 1 of 1	18-Jul-00
	City Council Meeting Cassette Tape 1 of 2	05-Sep-00
	City Council Meeting Cassette Tape 2 of 2	05-Sep-00
	City Council Meeting Cassette Tape 1 of 1	19-Sep-00
	Jnt. CC/CRA Meeting Policy Study Session Cassette Tape 1 of 2	23-Sep-00
	Jnt. CC/CRA Meeting Policy Study Session Cassette Tape 2 of 2	23-Sep-00
	City Council Meeting Cassette Tape 1 of 1	03-Oct-00
	Adj. City Council Meeting Cassette Tape 1 of 1	01-Nov-00
	City Council Meeting Cassette Tape 1 of 1	21-Nov-00
	City Council Meeting Cassette Tape 1 of 1	20-Feb-01
	Adjourned City Council Meeting Cassette Tape 1 of 1	02-Jul-01
	City Council Meeting Cassette Tape 1 of 1	03-Jul-01
	City Council Meeting Cassette Tape 1 of 1	06-Nov-01
	City Council Meeting Cassette Tape 1 of 1	04-Dec-01
	Council/CRA Adjourned Joint Meeting Cassette Tape 1 of 1	08-Dec-01
	City Council Meeting Cassette Tape 1 of 1	18-Dec-01

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting Cassette Tape 1 of 1	05-Apr-94
	City Council Meeting Cassette Tape 1 of 1	20-Dec-94
	City Council Meeting Cassette Tape 1 of 1	03-Jan-95
	City Council Meeting Cassette Tape 1 of 1	17-Jan-95
	Adj. City Council Meeting (fire report) Cassette Tape 1 of 1	31-Jan-95
	City Council Meeting Cassette Tape 1 of 1	19-Dec-95
	City Council Meeting Cassette Tape 1 of 1	18-Feb-97
	City Council Meeting Cassette Tape 1 of 1	03-Mar-97
	City Council Reorganization Meeting Cassette Tape 1 of 1	11-Mar-97
	City Council Meeting Cassette Tape 1 of 1	18-Mar-97
	City Council Meeting Cassette Tape 1 of 1	01-Apr-97
	City Council Meeting Cassette Tape 1 of 1	15-Apr-97
	City Council Meeting Cassette Tape 1 of 1	06-May-97
	City Council Meeting Cassette Tape 1 of 1	20-May-97
	Adj. Jnt. City Council Budget Meeting Cassette Tape 1 of 1	29-May-97
	City Council Meeting Cassette Tape 1 of 1	03-Dec-97
	City Council Meeting Cassette Tape 1 of 1	16-Dec-97
	City Council Meeting Cassette Tape 1 of 1	06-Jan-98
	City Council Meeting Cassette Tape 1 of 1	20-Jan-98
	City Council Meeting Cassette Tape 1 of 1	27-Jan-98
	City Council Meeting Cassette Tape 1 of 1	03-Feb-98
	City Council Meeting Cassette Tape 1 of 1	17-Feb-98
	Adj. City Council Meeting (Water Rates) Cassette Tape 1 of 1	19-Feb-98
	City Council Meeting Cassette Tape 1 of 1	03-Mar-98
	Adj. City Council Meeting (Reorganization) Cassette Tape 1 of 1	16-Mar-98
	City Council Meeting Cassette Tape 1 of 2	07-Apr-98
	City Council Meeting Cassette Tape 2 of 2	07-Apr-98
	City Council Meeting Cassette Tape 1 of 1	21-Apr-98
	City Council Meeting Cassette Tape 1 of 1	19-May-98
	Adj. Joint Council/CRA Meeting Budget Study Cassette Tape 1 of 1	26-May-98
	Adj. Jnt. Council/CRA Meeting Budget Study Cassette Tape 1 of 1	27-May-98
	City Council Meeting Cassette Tape 1 of 1	02-Jun-98
	City Council Meeting Cassette Tape 1 of 1	16-Jun-98
	City Council Meeting Cassette Tape 1 of 1	21-Jul-98
	City Council Meeting Cassette Tape 1 of 1	02-Nov-98
	Special City Council Meeting Cassette Tape 1 of 1	23-Jun-98

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	Adj. Joint Council/Planning Cassette Tape 1 of 2	25-Apr-94
	Joint CC/Planning Comm. Cassette Tape 2 of 2	25-Apr-94
	City Council Meeting Cassette Tape 1 of 1	03-May-94
	City Council Meeting Cassette Tape 1 of 1	17-May-94
	Adj. Joint Council/Agency Budget Review Cassette Tape 1 of 1	25-May-94
	Budget Session Cassette Tape 1 of 1	31-May-94
	Adj. Jnt. Council/Agency Budget Meeting Cassette Tape 1 of 1	06-Jun-94
	City Council Meeting Cassette Tape 1 of 2	07-Jun-94
	City Council Meeting Cassette Tape 2 of 2	07-Jun-94
	Adj. Joint Council/CRA/Budget Cassette Tape 1 of 1	13-Jun-94
	Budget Session Cassette Tape 1	13-Jun-94
	CC/CRA/Budget (blank) Cassette Tape 1 of 1	15-Jun-94
	CC/CRA/Budget Cassette Tape 1 of 1	16-Jun-94
	CC/CRA/Budget Cassette Tape 1 of 1	20-Jun-94
	City Council Meeting Cassette Tape 1 of 1	21-Jun-94
	Adj. Joint Council/Agency Contingency Plan Cassette Tape 1 of 1	27-Jun-94
	City Council Meeting Cassette Tape 1 of 1	05-Jul-94
	City Council Meeting Cassette Tape 1	07-Jul-94
	Adj. Joint Council/CRA (Contingency) Cassette Tape 1 of 1	11-Jul-94
	City Council Meeting Cassette Tape 1 of 1	19-Jul-94
	Adj. Jnt.Council/CRA Meeting (Contingency) Cassette Tape 1 of 1	26-Jul-94
	City Council Meeting Cassette Tape 1 of 1	02-Aug-94
	Adj. City Council Meeting Cassette Tape 1 of 1	03-Aug-94
	City Council Meeting Cassette Tape 1 of 1	16-Aug-94
	City Council Meeting Cassette Tape 1 of 1	06-Sep-94
	Adj. City Council Meeting Cassette Tape 1 of 1	07-Sep-94
	City Council Meeting Cassette Tape 1 of 2	20-Sep-94
	City Council Meeting Cassette Tape 2 of 2	20-Sep-94
	City Council Meeting Cassette Tape 1 of 1	04-Oct-94
	Jnt. City Council/Plann. Comm. Meeting Cassette Tape 1 of 1	10-Oct-94
	City Council Meeting Cassette Tape 1 of 1	12-Oct-94
	City Council Meeting Cassette Tape 1 of 2	18-Oct-94
	City Council Meeting Cassette Tape 2 of 2	18-Oct-94
	City Council Meeting Cassette Tape 1 of 1	01-Nov-94
	City Council Meeting Cassette Tape 1 of 1	15-Nov-94
	City Council Meeting Cassette Tape 1 of 1	06-Dec-94

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting Cassette Tape 1 of 1	19-Apr-94
	City Council Meeting Cassette Tape 1 of 1	05-Dec-95
	City Council Meeting Cassette Tape 1 of 1	02-Jan-96
	City Council Meeting Cassette Tape 1 of 1	16-Jan-96
	City Council Meeting Cassette Tape 1 of 1	06-Feb-96
	Special Council Meeting Cassette Tape 1 of 1	22-Feb-96
	City Council Meeting Cassette Tape 1 of 1	05-Mar-96
	City Council Meeting Cassette Tape 1 of 1	19-Mar-96
	City Council Meeting Cassette Tape 1 of 1	02-Apr-96
	City Council Meeting Cassette Tape 1 of 1	16-Apr-96
	City Council Meeting Cassette Tape 1 of 1	07-May-96
	City Council Meeting Cassette Tape 1 of 1	21-May-96
	Adj. Council/CRA Meeting Budget Study Cassette Tape 1 of 1	22-May-96
	City Council Budget Study Session Cassette Tape 1 of 1	28-May-96
	City Council Meeting Cassette Tape 1 of 1	04-Jun-96
	Adj. City Council Meeting Cassette Tape 1 of 1	17-Jun-96
	City Council Meeting Cassette Tape 1 of 1	18-Jun-96
	City Council Meeting Cassette Tape 1 of 1	02-Jul-96
	City Council Meeting Cassette Tape 1 of 1	16-Jul-96
	City Council Meeting Cassette Tape 1 of 1	06-Aug-96
	City Council Meeting Cassette Tape 1 of 1	01-Oct-96
	City Council Meeting Cassette Tape 1 of 1	15-Oct-96
	City Council Meeting Cassette Tape 1 of 1	05-Nov-96
	City Council Meeting Cassette Tape 1 of 1	19-Nov-96
	City Council Meeting Cassette Tape 1 of 1	21-Nov-96
	City Council Meeting Cassette Tape 1 of 1	03-Dec-96
	Special City Council Meeting Cassette Tape 1 of 1	05-Dec-96
	City Council Meeting Cassette Tape 1 of 1	17-Dec-96
	City Council Meeting Cassette Tape 1 of 1	07-Jan-97
	City Council Meeting Cassette Tape 1 of 1	21-Jan-97
	City Council Meeting Cassette Tape 1 of 1	04-Feb-97
	City Council Meeting Cassette Tape 1 of 1	03-Jun-97
	City Council Meeting Cassette Tape 1 of 1	02-Sep-97
	City Council Meeting Cassette Tape 2	21-Oct-97
	City Council Meeting Cassette Tape 1 of 1	02-Dec-97
	Adj. City Council Meeting Cassette Tape 1 of 1	26-Feb-96

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting Cassette Tape 1 of 1	07-Jul-92
	Adj. Int. City Council/CRA Cassette Tape 1 of 1	16-Jul-92
	City Council Meeting Cassette Tape 1 of 1	21-Jul-92
	Adj CC/County Representatives Cassette Tape 1 of 1	30-Jul-92
	City Council Meeting Cassette Tape 1 of 1	04-Aug-92
	City Council Meeting (Utility User Tax) Cassette Tape 1 of 2	18-Aug-92
	City Council Meeting Cassette Tape 2 of 2	18-Aug-92
	Adj. City Council Meeting Cassette Tape 1 of 1	24-Aug-92
	City Council Meeting Cassette Tape 1 of 1	01-Sep-92
	City Council Meeting Cassette Tape 1 of 1	15-Sep-92
	Adj. City Council Meeting Cassette Tape 1 of 1	20-Jan-93
	City Council Meeting Cassette Tape 1 of 1	02-Feb-93
	City Council Meeting Cassette Tape 1 of 1	15-Jun-93
	Adj. City Council Meeting Cassette Tape 1 of 1	30-Jun-93
	City Council Meeting Cassette Tape 1 of 1	06-Jul-93
	City Council Meeting Cassette Tape 1 of 1	20-Jul-93
	City Council Meeting Cassette Tape 1 of 1	03-Aug-93
	City Council Meeting Cassette Tape 1 of 1	17-Aug-93
	City Council Meeting Cassette Tape 1 of 1	07-Sep-93
	City Council Meeting Cassette Tape 1 of 1	21-Sep-93
	City Council Meeting Cassette Tape 1 of 1	05-Oct-93
	City Council Meeting Cassette Tape 1 of 1	19-Oct-93
	Adj. City Council Meeting Water Rates Cassette Tape 1 of 1	31-Jul-95
	City Council Meeting Cassette Tape 1 of 1	01-Aug-95
	Special Adj. Council Cassette Tape 1 of 1	08-Aug-95
	City Council Meeting Cassette Tape 1 of 1	15-Aug-95
	City Council Meeting Cassette Tape 1 of 1	05-Sep-95
	City Council Meeting Cassette Tape 1 of 1	19-Sep-95
	City Council Meeting Cassette Tape 1 of 1	03-Oct-95
	City Council Meeting Cassette Tape 1 of 1	17-Oct-95
	Adj./Council Meeting Cassette Tape 1 of 1	07-Nov-95
	City Council Meeting Cassette Tape 1 of 1	21-Nov-95
	Special CRA Meeting Cassette Tape 1 of 1	19-Jul-96
	City Council Meeting Cassette Tape 1 of 1	20-Aug-96
	City Council Meeting Cassette Tape 1 of 1	13-Sep-96
	City Council Meeting Cassette Tape 1 of 1	17-Sep-96

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	Special Council Meeting Cassette Tape 1 of 1	08-Mar-91
	City Council Meeting Cassette Tape 1 of 1	19-Mar-91
	City Council Meeting Cassette Tape 1 of 1	02-Apr-91
	Special City Council Meeting Cassette Tape 1 of 1	10-Apr-91
	City Council Meeting Cassette Tape 1 of 1	16-Apr-91
	City Council Meeting Cassette Tape 1 of 2	07-May-91
	City Council Meeting Cassette Tape 2 of 2	07-May-91
	City Council Meeting Cassette Tape 1 of 1	21-May-91
	City Council Meeting Cassette Tape 1 of 1	07-Jan-92
	City Council Meeting Cassette Tape 1 of 1	21-Jan-92
	Adj. Jnt. CC/Parks Comm. Cassette Tape 1 of 1	29-Jan-92
	Special Adj. Council Cassette Tape 1 of 1	04-Feb-92
	Jnt. CC/CRA Meeting Cassette Tape 1 of 1	05-Feb-92
	City Council Meeting Cassette Tape 1 of 1	18-Feb-92
	City Council Meeting Cassette Tape 1 of 1	03-Mar-92
	City Council Meeting Cassette Tape 1 of 1	17-Mar-92
	Interview for HCDA/ City Council Meeting Cassette Tape 1 of 1	07-Apr-92
	Reorganization Cassette Tape 1 of 1	21-Apr-92
	Jt. CC/CRA Meeting Preliminary Budget Cassette Tape 1 of 1	20-May-92
	City Council Meeting Cassette Tape 1 of 1	06-Oct-92
	City Council Meeting Cassette Tape 1 of 1	20-Oct-92
	City Council Meeting Cassette Tape 1 of 1	03-Nov-92
	City Council Meeting Cassette Tape 1 of 1	17-Nov-92
	City Council Meeting Cassette Tape 1 of 1	01-Dec-92
	City Council Meeting Cassette Tape 1 of 1	15-Dec-92
	City Council Meeting Cassette Tape 1 of 1	05-Jan-93
	City Council Meeting Cassette Tape 1 of 1	19-Jan-93
	City Council/CRA Budget Cassette Tape 1 of 1	09-Jun-97
	Adj. Jnt. Council/CRA Budget Meeting Cassette Tape 1 of 1	10-Jun-97
	Adj. Jnt. Council/ CRA Budget Cassette Tape 1 of 1	11-Jun-97
	City Council Meeting Cassette Tape 1 of 1	17-Jun-97
	City Council Meeting Cassette Tape 1 of 1	01-Jul-97
	City Council Meeting Cassette Tape 1 of 2	15-Jul-97
	City Council Meeting Cassette Tape 2 of 2	15-Jul-97
	City Council Meeting Cassette Tape 1 of 1	05-Aug-97
	City Council Meeting Cassette Tape 1 of 1	19-Aug-97

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting Cassette Tape 1	19-Feb-91
	City Council Meeting Cassette Tape 1	05-Mar-91
	City Council Meeting Cassette Tape 1 of 1	02-Jun-91
	City Council Meeting Cassette Tape 1 of 1	04-Jun-91
	Adj. City Council Meeting Cassette Tape 1 of 1	10-Jun-91
	City Council Meeting Cassette Tape 1 of 1	16-Jun-91
	City Council Meeting Cassette Tape 1 of 1	18-Jun-91
	Adj. City Council Meeting Cassette Tape 1 of 2	21-Jun-91
	Adj. City Council Meeting Cassette Tape 2 of 2	21-Jun-91
	Adj Regular Meeting Cassette Tape 1 of 1	08-Aug-91
	City Council Meeting Cassette Tape 1 of 1	20-Aug-91
	City Council Meeting Cassette Tape 1 of 1	03-Sep-91
	City Council Meeting Cassette Tape 1 of 1	17-Sep-91
	City Council Meeting Cassette Tape 1 of 1	01-Oct-91
	Adj City Council Meeting Cassette Tape 1 of 1	08-Oct-91
	Adj. City Council Meeting Cassette Tape 1 of 1	21-Oct-91
	Adj Mtg w/ Supr. Antonovich Cassette Tape 1 of 1	28-Oct-91
	City Council Meeting Cassette Tape 1 of 1	05-Nov-91
	City Council Meeting Cassette Tape 1 of 1	19-Nov-91
	City Council Meeting Cassette Tape 1 of 1	03-Dec-91
	City Council Meeting Cassette Tape 1 of 1	17-Dec-91
	Adj. City Council Meeting Cassette Tape 1 of 1	23-Jun-92
	City Council Meeting Cassette (bad tape) Tape 1 of 1	06-Apr-93
	City Council Meeting Cassette Tape 1 of 1	20-Apr-93
	Adj. City Council Meeting Cassette Tape 1 of 1	28-Apr-93
	City Council Meeting Cassette Tape 1 of 1	04-May-93
	Adj. City Council Meeting Cassette Tape 1 of 1	05-May-93
	City Council Meeting Cassette Tape 1 of 1	18-May-93
	Adj Joint CC/CRA Cassette Tape 1 of 1	27-May-93
	City Council Meeting Cassette Tape 1 of 1	01-Jun-93
	Adj. City Council Meeting Budget Cassette Tape 1 of 1	09-Jun-93
	Adj. City Council Meeting Cassette Tape 1 of 1	14-Jun-93
	City Council Meeting Cassette Tape 1 of 1	04-Jan-94
	City Council Meeting Cassette Tape 1 of 2	18-Jan-94
	City Council Meeting Cassette Tape 2 of 2	18-Jan-94
	City Council/CRA Meeting Cassette Tape 1 of 1	24-Jan-94

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	Joint CC/CRA Meeting Cassette Tape 1 of 1	27-Apr-92
	City Council Meeting Cassette Tape 1 of 1	05-May-92
	City Council Meeting Cassette Tape 1 of 1	19-May-92
	Adj. Jt CC/CRA Meeting Cassette Tape 1 of 1	26-May-92
	Budget Study Session Cassette Tape 1 of 2	09-Jun-92
	Budget Study Session Cassette Tape 2 of 2	09-Jun-92
	City Council Meeting Cassette Tape 1 of 1	02-Nov-93
	City Council Meeting Cassette Tape 1 of 1	16-Nov-93
	Reorganization Meeting Cassette Tape 1 of 1	30-Nov-93
	City Council Meeting Cassette Tape 1 of 2	07-Dec-93
	City Council Meeting Cassette Tape 2 of 2	07-Dec-93
	City Council Meeting Cassette Tape 1	21-Dec-93
	City Council/CRA Meeting Wal-Mart study Cassette Tape 2	24-Jan-94
	City Council Meeting Cassette Tape 1 of 1	01-Feb-94
	City Council Meeting Cassette Tape 1 of 1	15-Feb-94
	City Council Meeting Cassette Tape 1 of 2	01-Mar-94
	City Council Meeting Cassette Tape 2 of 2	01-Mar-94
	City Council Meeting Cassette Tape 1 of 1	15-Mar-94
	Joint Meeting with LA City Cassette Tape 1 of 1	23-Mar-94
	City Council Meeting Cassette Tape 1 of 1	04-Apr-94
	City Council Meeting Cassette Tape 2	19-Apr-94
	City Council Meeting Cassette Tape 1 of 1	07-Feb-95
	City Council Meeting Cassette Tape 1 of 1	21-Feb-95
	City Council Meeting Cassette Tape 1 of 1	07-Mar-95
	City Council Meeting Cassette Tape 1 of 1	21-Mar-95
	City Council Meeting Cassette Tape 1 of 1	18-Apr-95
	Town Hall Meeting Cassette Tape 1 of 2	29-Apr-95
	Town Hall Meeting Joslyn Center Cassette Tape 2 of 2	29-Apr-95
	City Council Meeting Cassette Tape 1 of 1	02-May-95
	City Council Meeting Cassette Tape 1 of 1	16-May-95
	City Council Meeting Cassette Tape 1 of 1	16-Sep-97
	Adj. City Council/CRA/Plann. Comm. Cassette Tape 1 of 1	30-Sep-97
	City Council Meeting Cassette Tape 1 of 1	07-Oct-97
	City Council Meeting Cassette Tape 1 of 1	04-Nov-97
	City Council Meeting w/ Assemblyman Cassette Tape 1 of 1	10-Nov-97
	City Council Meeting Cassette Tape 1 of 1	18-Nov-97

LIST OF DOCUMENTS FOR DESTRUCTION

BOX 8 OF 9

FILE NO.	DESCRIPTION	DATE
	City Council Meeting Cassette Tape 1 of 1	02-Jun-92
	Adj. City Council Meeting Cassette Tape 1 of 1	10-Feb-93
	City Council Meeting Cassette Tape 1 of 1	16-Feb-93
	City Council Meeting Cassette Tape 1 of 1	02-Mar-93
	Adj. City Council Meeting Cassette Tape 1 of 2	10-Mar-93
	Adj. City Council Meeting Cassette Tape 2 of 2	10-Mar-93
	am Meeting with County Cassette Tape 1 of 1	11-Mar-93
	City Council Meeting Cassette Tape 1 of 2	16-Mar-93
	City Council Meeting Cassette Tape 2 of 2	16-Mar-93
	Adj. City Council Meeting Cassette Tape 1 of 1	24-Mar-93
	City Council Meeting Cassette Tape 1 of 1	06-Apr-93
	No Name Cassette Tape 1 of 1	11-Dec-93
	Adj Council/CRA Meeting Cassette Tape 1 of 1	25-May-95
	Adj Jt CC/CRA Meeting Budget Study Cassette Tape 1 of 1	30-May-95
	City Council Meeting Cassette Tape 1 of 2	06-Jun-95
	City Council Meeting Cassette Tape 2 of 2	06-Jun-95
	Adj Jnt Council/ CRA Budget Study Meeting Cassette Tape 1 of 1	08-Jun-95
	Adj. Council/CRA Budget #3 Cassette Tape 1 of 1	15-Jun-95
	City Council Meeting Cassette Tape 1 of 1	20-Jun-95
	City Council Meeting Cassette Tape 1 of 1	05-Jul-95
	Council Meeting Waste Reduction/Recycling Cassette Tape 1 of 1	13-Jul-95
	City Council Meeting Cassette Tape 1 of 1	18-Jul-95
	City Council Meeting Cassette Tape 1 of 1	15-Apr-97
	City Council Meeting Cassette Tape 1 of 1	18-Nov-97
	Adj Reg City Council Meeting Cassette Tape 1 of 1	04-May-98
	City Council Meeting Cassette Tape 1 of 1	19-Jan-99
	City Council Meeting Cassette Tape 1 of 1	18-May-99
	City Council Meeting Cassette Tape 1 of 2	01-Jun-99
	City Council Meeting Cassette Tape 2 of 2	01-Jun-99
	City Council Meeting Cassette Tape 1 of 1	05-Dec-00
	City Council Meeting Cassette Tape 1 of 1	26-Jan-02
	Mtg Public Comments Cassette Tape 1 of 1	29-Jan-04
	No Name Cassette Tape 1 of 1	No Date

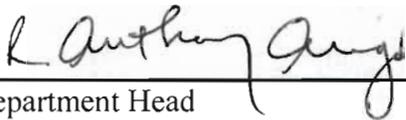
LIST OF DOCUMENTS FOR DESTRUCTION

BOX 9 OF 9

FILE NO.	DESCRIPTION	DATE
	Regular Meeting Magnetic Tape Reel	20-Oct-86
	Regular Meeting Magnetic Tape Reel	05-Jan-87
	Regular Meeting Magnetic Tape Reel	19-Sep-88
	Adj Meeting Magnetic Tape Reel	08-Nov-88
	Regular Meeting Magnetic Tape Reel	21-Nov-88
	Council Meeting Magnetic Tape Reel	05-Dec-88
	Adjourned Meeting Magnetic Tape Reel	07-Dec-88
	Regular Meeting Magnetic Tape Reel	18-Sep-89
	Adj Jnt Mtg Council/CRA Magnetic Tape Reel	25-Oct-89
	Regular Meeting Magnetic Tape Reel	04-Dec-89
	Adjourned Meeting Magnetic Tape Reel	13-Dec-89
	Regular Meeting Magnetic Tape Reel	05-Feb-90
	Regular Meeting Magnetic Tape Reel	19-Mar-90
	Regular Meeting Magnetic Tape Reel	02-Apr-90
	Regular Meeting Magnetic Tape Reel	07-May-90
	Adj Meeting Magnetic Tape Reel	24-May-90
	Regular Meeting Magnetic Tape Reel	04-Jun-90
	Adj Meeting Magnetic Tape Reel	11-Jun-90
	Adj/Reg MeetingMagnetic Tape Reel	18-Jun-90
	Regular Meeting Magnetic Tape Reel	16-Jul-90
	Regular Meeting Magnetic Tape Reel	17-Sep-90
	City Council Meeting Magnetic Tape Reel	01-Oct-90
	Regular Meeting Magnetic Tape Reel	05-Nov-90
	Regular Meeting Magnetic Tape Reel	03-Dec-90
	Regular Meeting Magnetic Tape Reel	07-Jan-91
	Regular Meeting Magnetic Tape Reel	21-Jan-91
	Regular Meeting Magnetic Tape Reel	05-Feb-91
	Blank Magnetic Tape Reel	No Date

AUTHORIZATION TO DESTROY OBSOLETE RECORDS

The retention period for the records listed on the attached page(s) has expired. These records are obsolete and do not affect the title to real property or liens thereon, are not court records, are not, to my knowledge, required to be kept further by statute, are not the minutes, ordinances or resolutions of the legislative body of the City of Covina, and are no longer required by the City. I request authority to destroy these obsolete records pursuant to Sections 34090 of the Government Code of the State of California.



Department Head

City Clerk

Department

July 19, 2011

Date

I hereby consent to the destruction of the obsolete records listed:



City Attorney

July 19, 2011

Date

I hereby certify that the records listed below were destroyed.

Resolution No.

Destruction Date

Method of Destruction

Name

Title

Date

RESOLUTION NO. 11-6987

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, APPROVING THE DESTRUCTION OF OBSOLETE
RECORDS (PUBLIC RECORDS REQUEST, AGENDA PACKETS AND
AUDIO TAPES)**

WHEREAS, there has been submitted a request for authority to destroy certain obsolete records, of which the list is attached to this resolution as Exhibit "A"; and

WHEREAS, Section 34090 of the Government Code of the State of California provides that with the approval of the legislative body and written consent of the City Attorney, the head of a City Department may destroy any City record, document, instrument, book or paper under his charge, without making a copy thereof, if the same is no longer required, provided that certain records are exempt from the provisions of said Section;

WHEREAS, Section 54953.5 of the Government Code of the State of California states audio or video recordings of open and public meetings may be erased or destroyed within 30 days after the recording and are considered duplicate records of the official minutes of the legislative body.

WHEREAS, the City Attorney has given written consent to the destruction of the records herein set forth;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Mayor and City Council of the City of Covina, as follows:

SECTION 1. The City Council does hereby approve the destruction of those certain records described in the summary list of records to be destroyed (Exhibit A).

SECTION 2. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and is in force.

PASSED, APPROVED, AND ADOPTED this 19th day of July, 2011.

John King, Mayor

ATTEST:

Kay Manning, City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT D

CITY OF COVINA/COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 17

STAFF SOURCE: Dilu de Alwis, Finance Director 
Steven Smith, Management Analyst

ITEM TITLE: Resolutions Authorizing the Destruction of Obsolete Records for Fiscal Year Ended 6/30/2011.

STAFF RECOMMENDATION

- a.) Adopt **Resolution No. 11-6990** approving the destruction of obsolete records for fiscal year ended 6/30/2011 and;
- b.) Adopt **Agency Resolution No. 11-685** approving the destruction of obsolete records for fiscal year ended 6/30/2011

FISCAL IMPACT

The exact cost of records destruction is unknown, as the costs will be shared amongst several departments and will depend on the number of boxes to be destroyed. However this is a budgeted item within the 2011-12 Adopted Budget and the Finance Department's allocation of the costs will be paid for out of the Finance - Other budget (1010-0500-00-53990).

BACKGROUND

The Finance Department recently completed a review of their respective files to determine which records are no longer required by staff and available for destruction in accordance with the City's records retention policy. All files listed in Exhibit "A" are outside of the City's mandated retention period.

Government Code 34090 permits destruction of obsolete documents after receiving written consent of the City and Agency Attorneys (Exhibits "B and C") and approval of the City Council. Destruction is in accordance with the adopted records destruction policy.

EXHIBITS

- A. Summary list of records to be destroyed
- B. Consent letter from City Attorney
- C. Consent letter from Agency Attorney
- D. Resolution No. 11-6990
- E. Agency Resolution No. 11-685

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

Summary List of Finance Records to be Destroyed as of 6/30/2011

Item	Fiscal Year(s)
AP Files	06/07
AR Files	All years prior to 08/09
Audit Files	06/07
Bank Reconciliations	04/05 - 06/07
Bank Statements	All years prior to 06/07
Budget Files	06/07 - 08/09
Cash Receipt Reports	05/06 - 06/07
Cash Reconciliation	05/06 - 06/07
Checks	All years prior to 06/07
Check Registers	04/05 - 06/07
Closed Business Licenses	Calendar year 2004
Fixed Asset Report	99/00 - 04/05
Journal Entries	04/05 - 06/07
Payroll Files	06/07
Utility Billing	All years prior to 06/07
Year-End Files	06/07
UUT Worksheets	06/07
Worker's Comp Files	04/05 - 06/07

AUTHORIZATION TO DESTROY OBSOLETE RECORDS

The retention period for the records listed on the attached page(s) has expired. These records are obsolete and do not affect the title to real property or liens thereon, are not court records, are not, to my knowledge, required to be kept further by statute, are not the minutes, ordinances or resolutions of the legislative body of the City of Covina, and are no longer required by the City. I request authority to destroy these obsolete records pursuant to Section 34090 of the Government Code of California

_____ Finance _____
Department Head Department Date

I hereby consent to the destruction of the obsolete records listed:


City Attorney 7/12/11
Date

I hereby certify that the records listed below were destroyed.

Resolution No.	Destruction Date	Method of Destruction
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Name	Title	Date
------	-------	------

AUTHORIZATION TO DESTROY OBSOLETE RECORDS

The retention period for the records listed on the attached page(s) has expired. These records are obsolete and do not affect the title to real property or liens thereon, are not court records, are not, to my knowledge, required to be kept further by statute, are not the minutes, ordinances or resolutions of the legislative body of the City of Covina, and are no longer required by the City. I request authority to destroy these obsolete records pursuant to Section 34090 of the Government Code of California

_____ Finance _____
Department Head Department Date

I hereby consent to the destruction of the obsolete records listed:

_____ _____
Agency Attorney Date

I hereby certify that the records listed below were destroyed.

_____	_____	_____
Resolution No.	Destruction Date	Method of Destruction

_____	_____	_____
Name	Title	Date

RESOLUTION NO. 11-6990

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COVINA, CALIFORNIA, APPROVING THE DESTRUCTION OF
OBSOLETE RECORDS FOR FISCAL YEAR ENDED 06/30/2011.**

WHEREAS, there has been submitted a request for authority to destroy certain obsolete records, of which the list is attached to this resolution as Exhibit "A"; and

WHEREAS, Section 34090, et. seq. of the Government Code of the State of California provides that with the approval of the legislative body and written consent of the City Attorney, the head of a City Department may destroy any City record, document, instrument, book or paper under department head's charge, without making a copy thereof, if the same is no longer required, provided that said records are not exempt from the provision of said Section; and

WHEREAS, the City Attorney has given written consent to the destruction of the records herein set forth;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Mayor and City Council of the City of Covina, as follows:

SECTION 1. The City Council does hereby approve the destruction of those certain records described in the summary list of records to be destroyed for fiscal year ended 6/30/11 (Exhibit A).

SECTION 2. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and is in force.

PASSED, APPROVED, AND ADOPTED this 19th day of July, 2011.

John C. King, Mayor

ATTEST:

Kay Manning, City Clerk

APPROVED AS TO FORM:

Marco A. Martinez, City Attorney

EXHIBIT D

RESOLUTION NO. 11-685

**A RESOLUTION OF THE COVINA REDEVELOPMENT
AGENCY OF THE CITY OF COVINA, CALIFORNIA, APPROVING THE
DESTRUCTION OF OBSOLETE RECORDS FOR FISCAL YEAR ENDED 6/30/11
(FINANCE DEPT)**

WHEREAS, there has been submitted a request for authority to destroy certain obsolete records, of which the list is attached to this resolution as Exhibit "A"; and

WHEREAS, Section 34090, et. seq. of the Government Code of the State of California provides that with the approval of the legislative body and written consent of the Agency Attorney, the head of an Agency Department may destroy any Agency record, document, instrument, book or paper under the department head's charge, without making a copy thereof, if the same is no longer required, provided that said records are not exempt from the provision of said Section, and

WHEREAS, the Agency Attorney has given written consent to the destruction of the records herein set forth;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Chairperson and Agency Directors of the Covina Redevelopment Agency, as follows:

SECTION 1. The Agency does hereby approve the destruction of those certain records described in the Record Retention List for fiscal year ended 6/30/11 (Exhibit A).

SECTION 2. The Agency Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and is in force.

PASSED, APPROVED, AND ADOPTED this 19th day of July, 2011.

John C. King, Chairperson

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Agency Counsel

EXHIBIT E

**CITY OF COVINA
COVINA REDEVELOPMENT AGENCY
COVINA HOUSING AUTHORITY**

AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 18

STAFF SOURCE: Robert Neijber, Director of Community Development/Deputy Executive Director *RN*
Nuala Gasser, Sr. Redevelopment Manager *NG*

ITEM TITLE: Agency authorization of modification of Contingent Promissory Note for the affordable housing units in the Vintage Walk development.

STAFF RECOMMENDATION

Authorize the Executive Director to modify the Contingent Promissory Note as required and based on the appraised value of the property to meet the lenders' loan-to value ratio for sale or refinancing of affordable homes in the Vintage Walk development to allow for more affordable interest rates, and authorize the Executive Director or his designee to execute related documents including subordination agreements.

FISCAL IMPACT

None. The Contingent Promissory Note is a placeholder mechanism to assure the affordable units would be preserved, but it assumed that the market would not go down in value.

BACKGROUND

When the Vintage Walk affordable houses were purchased by qualifying buyers in 2006 and 2007, the appraised value and market prices for properties were higher than the present time. To preserve the value between the market price and the sales price of the affordable housing, a Contingent Promissory Note was recorded against each property for the dollar amount of the difference. For example, a home that was valued at \$400,000 but sold for \$200,000 to a qualifying family had a lien on it for \$200,000, the value of the difference.

Today, the market price of the properties is much reduced but the lien for the difference in value based on 2006-2007 prices is recorded. When property owners seek to sell or to refinance to reduce the interest rate on their first mortgage, the lender requires a combined loan-to value ratio of less than 100% when there is a second trust deed. With the existing Contingent Promissory Note, the loan-to-value ratio is significantly over 100% and, in one case, as high as 170%.

To help the buyers with the affordability of the homes, approval is requested to authorize the Executive Director to modify the amount of the Contingent Promissory Note to meet the lenders loan-to-value ratio for refinancing or sale of the affordable homes, based on the appraised value of the property, as well as approval of the related subordination documents. At this time, a

resident is going through the refinancing process, and it is estimated that the revised Contingent Promissory Note amount will be in the range of \$10,000 to \$15,000; however, the final amount will be based on the appraisal conducted by the lender for the property prior to sale or refinance.

This approval will apply to the existing six affordable homes in Vintage Walk and to the future refinancing needs for the three homes to be built and sold in the second phase.

A "Notice of Affordability Restrictions on Transfer of Property" will also be prepared and recorded against each property that is sold where the Contingent Promissory Note is modified in order to advise interested parties that affordable housing restrictions are recorded on the property.

RELEVANCE TO THE STRATEGIC PLAN

Not applicable.

EXHIBITS:

None.

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

**CITY OF COVINA
COVINA REDEVELOPMENT AGENCY
COVINA HOUSING AUTHORITY**

AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 19

STAFF SOURCE: Robert Neiuber, Director of Community Development 
Nuala Gasser, Sr. Redevelopment Manager 

ITEM TITLE: Agency approval of revised criteria for Moderate Income Housing Down Payment Assistance Program

STAFF RECOMMENDATION

Adopt Agency **Resolution No. 11-680** approving modification to criteria for a Moderate Income Housing Down Payment Assistance Program.

FISCAL IMPACT

There is no immediate fiscal impact. The fiscal impact will be realized when a unit is sold and the unforgiven portion of the Down Payment program is refunded to the Agency, or a unit is sold and the Agency will fund the new resident's participation in the program.

BACKGROUND (See Information Tables, Exhibit A and Exhibit B)

On December 6, 2005, the Agency Board approved the Moderate Income Borrower, Down Payment Assistance Program (DPAP). The Program was modified on July 18, 2006, when the Agency Board approved an increase in the amount of assistance offered to \$30,000, and again on October 3, 2006, when the interest rate charged on the unforgiven funds was set at 1.5% simple interest.

The funds loaned under the DPAP are fully forgiven after the program participant lives in the unit for 20 years. If the program participant moves before the 20 years expires, the down payment is payable in full with interest.

Proposed Credit for Longevity

Under the current structure, the residents in this program receive no benefit for the years they have lived in the unit. It is recommended that in order to be more equitable, the residents receive 1/20 credit (\$1,500) for each full year that they live in the home, with 100% of the funds to be forgiven at the end of the twentieth year.

If approved, the action is recommended to be retroactive to include all buyers of affordable units in the Vintage Walk development who are participating in the Moderate Income Housing Down Payment Assistance Program.

Proposed Continuation of Program upon Sale of Unit

The Vintage Walk Phase One homes sold in 2006-2007. The Agency is seeing the start of the turn-over of the affordable homes. The homeowners are required to sell the homes to affordable buyers, who in some cases, have difficulty, based on the income restrictions, of qualifying for a \$200,000 + mortgage. The resale price of the property is determined by Redevelopment Law as the affordable housing cost for family size appropriate for the unit.

It is proposed that the DPAP be made available to future purchasers in the resale of the affordable homes in Vintage Walk, Phases One and Two. The program would be funded partially by the funds repaid by the sellers, with the balance to come from Redevelopment Set-Aside Funds, if available.

RELEVANCE TO THE STRATEGIC PLAN

Not applicable.

EXHIBITS:

- A. Information Matrix—current program
- B. Information Matrix—proposed program
- C. Resolution

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: _____	Other: _____

EXHIBIT A
Information Matrix—Current Program

Down Payment Assistance Program	
Amount	Covina Redevelopment Agency will carry back up to a \$30,000 second trust deed if requested by Buyer, or as required to allow the buyers to qualify as purchasers.
Forgivable over 20 years	The down payment assistance silent second is a no-interest, no-payment loan for the first twenty years the buyer lives in the home, to be forgiven at the end of 20 years of continuous occupancy by the original buyer.
Repayment Conditions	If the home is sold, rented, or transferred within the twenty-year period, the second will be payable with interest.
Interest if repaid	If repaid, interest is payable at one-and-a-half percent (1.5%) simple interest, payable from the time the loan is provided.
Subordinate to First Mortgage	The loan would be subordinate to the loan obtained by the eligible family for the purchase price other than the amount lent by the Agency.
Loan-to-Value Ratio	The loan to value ratio (i.e., the ratio between the sum of the First Lien and the Agency loan on the one hand, and the fair market value of the Property determined as the purchase price) is no more than ninety seven percent (97%).
Restriction on sale	<ul style="list-style-type: none"> ▪ For 45 years, home can be sold only to another qualified affordable buyer.
Buyer income restrictions	<ul style="list-style-type: none"> ▪ The homes are priced for moderate-income households e.g.: A household of 4 earns up to \$75,600
Affordable Housing Cost	<ul style="list-style-type: none"> ▪ Monthly payment cannot exceed an amount set by formula by state law.
Asset Restriction	<ul style="list-style-type: none"> ▪ \$50,000 in excess of the down payment required in order to meet state affordability requirements.
Priority List	<ul style="list-style-type: none"> ▪ Covina residents and workers would be given priority
Mortgage Type	<ul style="list-style-type: none"> ▪ Limited to conventional loans not to exceed a period of 40 years.

EXHIBIT B

Information Matrix—Proposed (changes are underlined)

Down Payment Assistance Program	
Amount	Covina Redevelopment Agency will carry back up to a \$30,000 second trust deed if requested by Buyer, or as required to allow the buyers to qualify as purchasers.
Forgivable over 20 years	The down payment assistance silent second is a no-interest, no-payment loan for the first twenty years the buyer lives in the home, to be forgiven at the end of 20 years of continuous occupancy by the original buyer. to be forgiven <u>at the rate of one-twentieth (1/20), or \$1,500 per year for each full year that the program participant lives in the home. At the end of 20 years of continuous occupancy by the original buyer the loan is forgiven in full.</u>
Repayment Conditions	If the home is sold, rented, or transferred within the twenty-year period, <u>the balance of the second owed</u> will be payable with interest.
Interest if repaid	If repaid, interest is payable at one-and-a-half percent (1.5%) simple interest, payable from the time the loan is provided.
Subordinate to First Mortgage	The loan would be subordinate to the loan obtained by the eligible family for the purchase price other than the amount lent by the Agency.
Loan-to-Value Ratio	The loan to value ratio (i.e., the ratio between the sum of the First Lien and the Agency loan on the one hand, and the fair market value of the Property determined as the purchase price) is no more than ninety seven percent (97%).
<u>Eligible Participants</u>	<u>The program is available to residents at the Vintage Walk Phase One and Phase Two development, as well as to resale units in that development, depending upon availability and budgeting of Redevelopment Set-Aside Funds.</u>
Restriction on sale	<ul style="list-style-type: none"> ▪ For 45 years, home can be sold only to another qualified affordable buyer.
Buyer income restrictions	<ul style="list-style-type: none"> ▪ The homes are priced for moderate-income households e.g.: A household of 4 earns up to \$75,600
Affordable Housing Cost	<ul style="list-style-type: none"> ▪ Monthly payment cannot exceed an amount set by formula by state law.

Asset Restriction	▪ \$50,000 in excess of the down payment required in order to meet state affordability requirements.
Priority List	▪ Covina residents and workers would be given priority
Mortgage Type	▪ Limited to conventional loans not to exceed a period of 40 years.

Exhibit C

COVINA REDEVELOPMENT AGENCY

RESOLUTION NO. 680

**A RESOLUTION OF THE COVINA REDEVELOPMENT
AGENCY APPROVING MODIFICATION TO CRITERIA
FOR A MODERATE INCOME HOUSING DOWN
PAYMENT ASSISTANCE PROGRAM**

WHEREAS, the Covina Redevelopment Agency (Agency) is engaged in activities necessary to execute and implement the Redevelopment Plan for the Redevelopment Project No. 1 and Redevelopment Project No. 2 (collectively referred to as the Redevelopment Projects);

WHEREAS, pursuant to the California Health and Safety Code Section 33334.2, the Agency has established a Low and Moderate Income Housing Fund (the Housing Fund) and the Agency is authorized to assist in the provision of housing for low and moderate income persons;

WHEREAS, by Resolution 05-532 the Agency established criteria for offering a down payment assistance program to home buyers purchasing homes for their residence, constructed in the Redevelopment Projects on or after January 1, 2006,

WHEREAS, by Resolution 06-548 the Agency modified the criteria for offering a down payment assistance program to home buyers purchasing homes for their residence, by increasing the amount of funding available to each borrower to \$30,000; and

WHEREAS, by Resolution 06-554 the Agency modified the down payment assistance program to reduce the interest rate and to make findings regarding subordination of its rights under the Declaration of Covenants, Conditions and Restrictions; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COVINA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Agency hereby approves the modification to the down payment assistance program set forth on Exhibit A attached hereto.

SECTION 2. Credit shall be provided against the amount of the Down-Payment Assistance Program loan at the rate of 1/20th per year for each full year the program participant lives in the home.

SECTION 3. The program shall be offered to buyers of affordable homes in the Vintage Walk development when resold, depending on availability of Agency set-aside funds.

SECTION 4. The Agency finds and determines that expenditure of housing funds for the down payment assistance program will be of benefit to the Redevelopment Projects.

SECTION 5. The Executive Director is authorized to establish the loan documents and disclosure statements to carry out the down payment assistance program for residences constructed within the Redevelopment Project after January 1, 2006.

SECTION 6. The Agency Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011 .

COVINA REDEVELOPMENT AGENCY

John C. King, Chairman

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Agency Counsel

CERTIFICATION

I, Catherine M. LaCroix, Secretary of the Redevelopment Agency of the City of Covina, does hereby CERTIFY that Resolution No. 680 was adopted by the Covina Redevelopment Agency at a regular meeting of the Agency held this 19th day of July, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
Secretary of the Covina Redevelopment Agency

EXHIBIT A

Information Matrix

Down Payment Assistance Program—Vintage Walk Development	
Amount	Covina Redevelopment Agency will carry back up to a \$30,000 second trust deed if requested by Buyer, or as required to allow the buyers to qualify as purchasers.
Forgivable over 20 years	The down payment assistance silent second is a no-interest, no-payment loan for the first twenty years the buyer lives in the home, to be forgiven at the rate of one-twentieth (1/20), or \$1,500 per year for each full year that the program participant lives in the home. At the end of 20 years of continuous occupancy by the original buyer the loan is forgiven in full.
Repayment Conditions	If the home is sold, rented, or transferred within the twenty-year period, the balance of the second owed will be payable with interest.
Interest if repaid	If repaid, interest is payable at one-and-a-half percent (1.5%) simple interest, payable from the time the loan is provided.
Subordinate to First Mortgage	The loan would be subordinate to the loan obtained by the eligible family for the purchase price other than the amount lent by the Agency.
Loan-to-Value Ratio	The loan to value ratio (i.e., the ratio between the sum of the First Lien and the Agency loan on the one hand, and the fair market value of the Property determined as the purchase price) is no more than ninety seven percent (97%).
Eligible Participants	The program is available to residents at the Vintage Walk Phase One and Phase Two development, as well as to resale units in that development, depending upon availability and budgeting of Redevelopment Set-Aside Funds.
Restriction on sale	<ul style="list-style-type: none"> ▪ For 45 years, home can be sold only to another qualified affordable buyer.
Buyer income restrictions	<ul style="list-style-type: none"> ▪ The homes are priced for moderate-income households e.g.: A household of 4 earns up to \$75,600
Affordable Housing Cost	<ul style="list-style-type: none"> ▪ Monthly payment cannot exceed an amount set by formula by state law.
Asset Restriction	<ul style="list-style-type: none"> ▪ \$50,000 in excess of the down payment required in order to meet state affordability requirements.

Priority List	▪ Covina residents and workers would be given priority
Mortgage Type	▪ Limited to conventional loans not to exceed a period of 40 years.

**CITY OF COVINA
COVINA REDEVELOPMENT AGENCY
COVINA HOUSING AUTHORITY**

AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CC 20

STAFF SOURCE: Robert Neiuber, Director of Community Development^{rn}
Nuala Gasser, Sr. Redevelopment Manager^{rtf}

ITEM TITLE: Agency approval of funding for Vintage Walk Phase Two Moderate Income Housing Down Payment Assistance Program (DPAP) and DPAP availability for resale of existing affordable units in Vintage Walk

STAFF RECOMMENDATION

Adopt Agency **Resolution No. 11-681** amending the fiscal year 2011-2012 Covina Redevelopment Agency budget to reflect an appropriation of \$150,000 from housing set-aside undesignated funds to provide funding for the Moderate Income Housing Down Payment Assistance Program.

FISCAL IMPACT

Funding for the program in the amount of \$150,000 will be budgeted in the Redevelopment Agency Low-to Moderate Income Housing Fund, Account Number 2051-4700-00-53751 (forgivable grants). The funds are being drawn down from undesignated fund balance account 2051-0000-00-33000. The budget Resolution and any agreement entered into will indicate that should Agency funds not be available then no other funding can be compelled or required by the Agreement.

BACKGROUND

On December 6, 2005, the Agency Board approved the Moderate Income Borrower, Down Payment Assistance Program (DPAP). The DPAP was modified on July 18, 2006, and October 3, 2006, and is being brought before the Agency Board for approval of modification tonight in a separate staff report.

In December 2005, funds were approved for the six affordable units in the first phase of the Vintage Walk program. The second phase of that project is under construction; it will include three affordable units. Approval is requested to fund the Moderate Income Housing Down Payment Program for Vintage Walk Phase Two, in the amount of \$90,000 to assist the homebuyers in buying the three affordable housing units.

Additional funding is requested in the event new buyers purchasing one of the existing affordable unit at Vintage Walk would like to participate in the DPAP in order to become a homeowner. Such participants would be subject to the DPAP guidelines. \$60,000 is requested to offset the

requested funding. Sellers of affordable housing will be required to reimburse the Redevelopment Set-Aside Fund the portion of their loan that is not forgiven.

RELEVANCE TO THE STRATEGIC PLAN

Not applicable.

EXHIBITS:

A. Resolution

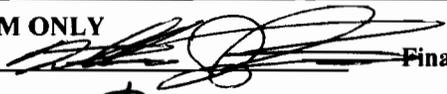
REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

EXHIBIT A

RESOLUTION NO. 11-681

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY, TO AMEND THE FISCAL YEAR 2011-2012 COVINA REDEVELOPMENT AGENCY BUDGET TO REFLECT AN APPROPRIATION OF \$150,000 FROM HOUSING SET ASIDE UNDESIGNATED FUNDS TO PROVIDE FUNDING FOR THE MODERATE INCOME HOUSING DOWN PAYMENT ASSISTANCE PROGRAM

WHEREAS, the budget for the COVINA REDEVELOPMENT AGENCY (“Agency”) for Fiscal Year commencing July 1, 2011 and ending June 30, 2012 was approved on June 21, 2011; and

WHEREAS, the approved budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State; and

WHEREAS, the reallocation of the appropriations between departmental activities may be made by the Executive Director, amendments (increases/decreases) to the Budget shall be by approval and resolution of the Agency Board; and

WHEREAS, the Agency wishes to assist in the provision of affordable housing opportunities by providing funding for the Moderate Income Housing Down Payment Assistance Program at the Vintage Walk development, and

WHEREAS, this action is based on the availability of Agency funds.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Redevelopment Agency of the City of Covina, as follows:

SECTION 1. Amend the fiscal year 2011-2012 Covina Redevelopment Agency operating budget as follows: \$150,000 from the Low-to Moderate-Income Housing Fund Undesignated Fund Balance Account 2051-0000-00-33000 to Account 2051-4700-00-53751.

SECTION 2. Should Agency funds not be available, then no other funding can be compelled or required for this project.

SECTION 3. The Agency finds and determines that the Moderate Income Housing Down Payment Assistance Program is not a project as defined under the California Environmental Quality Act (“CEQA”) (Pub. Res. Code, §§ 21000, *et seq.* and Title 14 of the California Code of Regulations, §§ 15000 *et seq.*

SECTION 4. The Agency Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011.

John C. King, Chairman

ATTEST:

Catherine LaCroix, Agency Secretary

APPROVED AS TO FORM:

Agency Counsel

CERTIFICATION

I, Catherine M. LaCroix, Secretary of the Redevelopment Agency of the City of Covina, do hereby CERTIFY that Resolution No. 681 was adopted by the Covina Redevelopment Agency at a regular meeting of the Agency held this 19th day of July, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
Secretary of the Covina Redevelopment Agency

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: July 19, 2011

ITEM NO.: CPH 1

STAFF SOURCE: Robert Neuber, Director of Community Development *RN*
Alan Carter, Associate Planner

ITEM TITLE: Consider amended application Variance 10-011 related to single family residence located at 247 East Edna Place and determine if the required findings can be justified.

STAFF RECOMMENDATION

- A. Open the Public Hearing and consider public testimony.
- B. Consider amended application VAR 10-011, a Variance to reduce the required five (5) foot side yard area, to reduce the required fire safety access for the R-1-7500 Residential Zone, to exceed the permitted 35 percent maximum land coverage of all buildings on the site (38.6%), to reduce the rear yard setback from 25 feet to 20.9 feet, and to reduce the distance from the front property line to the garage from 75 feet to 73.5 feet; and
- C. Close the Public Hearing, determine if the required findings can be made. If the Council wants to approve the amended application that the applicant has submitted and related environmental determination, it can do so tonight. If the Council wants to refer this back to the Planning Commission to consider the changes, it can do so tonight. If the Council wishes to approve the initial Variance or deny the application, the Council should continue this matter to allow staff the time to prepare the appropriate findings or resolution.

FISCAL IMPACT

None.

BACKGROUND

At the July 12, 2011 Planning Commission Meeting, the Planning Commission considered the amended Variance for a single family residence located at 247 East Edna Place that the City Council referred back to the Planning Commission. The Planning Commission considered the Variance and recommended approval of the item by a vote of four (4) to zero (0).

The original application was for a Variance to exceed the permitted 35 percent maximum land coverage of all buildings in the R-1-7500 Single Family Residential Zone (49%), to exceed the accessory building height, to exceed the floor area of accessory building(s), to reduce the required five (5) foot side yard area and to reduce the required fire safety access for the R-1-7500 Residential Zone. The buildings that would be subject to the Variance under the initial proposal

include, an addition of 284 square feet, the existing house, a new 230 square foot covered patio, a new garage addition of 525 square feet, the existing garage and an existing covered porch

Mr. Mihalka met with staff and his designer and has come forward with an amended plan that the Council reviewed initially at their June 21, 2011 City Council Meeting. The amended plan still required a Variance, though it more closely conformed to applicable zoning provisions (stated under Chapter 17.26 or the "R-1-7500/Residential Single Family Zoning District" of Title 17 of the Covina Municipal Code). Under the revised submittal, the Variance would be needed to reduce the required five (5) foot side yard area, to reduce the required fire safety access for the R-1-7500 Residential Zone, to exceed the permitted 35 percent maximum land coverage of all buildings on the site (38.6%), to reduce the rear yard setback from 25 feet to 20.9 feet, and to reduce the distance from the front property line to the garage from 75 feet to 73.5 feet. It is noted that the latter three components are typically addressed under the administrative Minor Variance process, an administrative zoning application or mechanism that has enabled many single family homeowners over the years to construct common improvements.

A Variance requires that four (4) findings can be made. Those findings are:

1. There are exceptional or extraordinary circumstances or conditions applicable to the property involved which do not apply generally to other property in the same vicinity and zone.
2. Such variance is necessary for the preservation and enjoyment of a substantial property right of the applicant, which right is possessed by other property owners under like conditions in the same vicinity and zone, and the adjustment thereby authorized shall not constitute a grant of special privilege inconsistent with the limitations upon other properties in the same vicinity and zone.
3. The granting of the variance will not be materially detrimental to the public health, safety, convenience, and welfare or injurious to property and improvement in the same vicinity and zone in which the property is located.
4. The granting of such a variance will not be contrary to the objectives of the General Plan.

Planning was able to provide facts to the Planning Commission to justify the findings for the amended application at the July 12, 2011 Planning Commission meeting (Exhibit A). Those findings are:

1. The applicant is proposing under the revised submittal what are typical, reasonable improvements to his property, which is large enough to accommodate the overall building proposal. However, the construction of the improvements would deviate from the applicable zoning provisions, thus triggering the subject Variance application requirement. Therefore, arguably special or extraordinary circumstances are applicable to the property. It is further noted that the revised plans would generally meet the intent of City Code, and the staff has approved many similar requests in the past.

2. The strict adherence to the City Code would prohibit the construction of the proposed improvements. But the Code as well as other City-related documents such as the General Plan also encourages the maintenance, preservation, and improvement to single family and other properties. In addition, the staff believes that the property is well-suited to accommodate the proposed improvements under the revision, which would enhance the appearance and functionalism of the site. Therefore, the proposed improvements could be considered to be necessary features on the property, and, accordingly, the Variance could be considered as a necessary mechanism for ensuring that the applicant's property rights are maintained.
3. As noted above, the revised building proposal under the Variance application would enhance the property and would meet the intent of the applicable Municipal Code provisions. In addition, the improvements would architecturally blend with the existing improvements on the property and should be harmonious with respect to the surroundings. No potential problems or incursions were identified with the plan revision by the staff. And the standard conditions of approval will provide the City with safeguards for ensuring that the project would sustain the welfare, character, functionalism, and appearance of the appurtenant property and the adjacent neighborhood both during construction and following completion.
4. The General Plan regards building proposals such as what the application desires under the revised plans as acceptable and necessary residential improvements. The Plan also places a strong emphasis on maintaining the appearance, character, and vitality of the community and on implementing the Covina Municipal Code or the applicable zoning provisions in an appropriate fashion. The proposal of the applicant, as noted herein, would fulfill these overall goals.

Planning staff also provided conditions of approval (Exhibit B) that the property owner must follow in order to construct the changes outlined in the amended application.

The July 12, 2011, Planning Staff report is available for review and is included in the report as, Exhibit A. Staff has asked the applicant to be available to answer Council's questions and to speak during the Public Hearing should they desire to do so.

Should the City Council determine that all of the findings can be made, the City Council can approve the amended application. On the other hand, should the City Council determine that any of the required findings for the Variance cannot be met, the City Council can deny the application. The City Council could also consider approving the initial Variance or send this item back to the Planning Commission for further review should it be determined that additional information is required.

Should the City Council approve the Variance, then an environmental determination must also be considered. Staff has reviewed the project and determined that the proposal is categorically

exempt pursuant to Class 1 (4), Section 15301 of the California Environmental Quality Act (CEQA) Guidelines.

RELEVANCE TO THE STRATEGIC PLAN

None.

EXHIBITS

- A. Planning Commission Report July 12, 2011
- B. Conditions of Approval related to amended Variance 10-011 related to single family residence located at 247 East Edna Place
- C. Amended Site Plan

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

CITY OF COVINA

STAFF REPORT

JULY 12, 2011

ITEM NUMBER 2

TO: PLANNING COMMISSION

FROM: ROBERT NEIUBER, DIRECTOR OF COMMUNITY DEVELOPMENT

COORDINATOR: ALAN CARTER, ASSOCIATE PLANNER

SUBJECT: APPLICATION VAR 10-011

APPLICANT:

James and Eva Mihalka

REQUEST:

Evaluation of the revised plan concerning application Variance (VAR) 10-011 relative to current City Council consideration of the appeal of this application

LOCATION:

247 East Edna Place

SURROUNDING LAND USES AND ZONING:

	EXISTING LAND USE	ZONING
Site	Individual House	R-1-7500 (Residential-Single Family)
North	Individual House	Same as Site
South	Multiple Houses	Same as Site
East	Individual House	Same as Site
West	Individual House	Same as Site

GENERAL PLAN DESIGNATION:

Low Density Residential

NOTIFICATION OF APPLICANT AND ADJACENT PROPERTY OWNERS:

The applicants have been mailed a copy of the staff report. All property owners within a radius of 300 feet from the appurtenant site were mailed notices of the initial City Council public hearing on the appeal of the Variance application on June 9, 2011.

ENVIRONMENTAL DETERMINATION:

The alternate proposal under consideration concerning the appeal of application Variance (VAR) 10-011 is categorically exempt from environmental review, pursuant to Class 3, Sections 15303(a) and 15303(e) of the California Environmental Quality Act (CEQA) guidelines.

PROJECT DATA:

PROJECT DATA TABLE

DATA ITEM	CORRESPONDING FACT
Site Area	6,489 square feet (0.15 acres)
Existing House Area	1,670 square feet (one-story structure)
Existing Accessory Building Area	a) Detached garage (448 square feet); b) Porch (145 square feet); and c) Total (593 square feet)
Existing Lot Coverage	35 percent
Initial and revised plan proposals	Various single family improvements that are described in Exhibit A (report from City Council meeting on June 21, 2011)
Variance requests under initial and revised plan proposals	Also described in Exhibit A (report from City Council meeting on June 21, 2011)

BACKGROUND:

Following the denial of the initial project proposal under this application by the Planning Commission on May 10, 2011 (refer to Exhibit A for all key background, previously addressed information), the applicants appealed the decision of the Commission to the City Council. Prior to presenting their appeal to the City Council on June 21, 2011, the applicants prepared an alternate plan that, while still requiring a Variance, more closely conformed to the applicable zoning provisions (refer again to Exhibit A for a contrasting of the alternate building proposal relative to the initial plan, and to Exhibit D (current project plans), for all plan-related details regarding the present building proposal). The City Council considered both the revised and the

alternate plans at its meeting on June 21st. The staff supported the alternate proposal because it was believed that the required findings could be made.

On June 21st, the City Council ultimately opted to refer the revised plan back to the Planning Commission for review and comment. The Council believed that the input of the Commission on the alternate proposal would be appropriate prior to making a final determination on the overall appeal request. The Commission today is therefore requested to evaluate the amended plan, to determine whether the revised proposal would fulfill the necessary findings, and to provide any remarks on the proposed conditions of approval. The Council will reconsider the appeal of the Variance application on July 19, 2011.

ANALYSIS AND FINDINGS:

The Variance application or project proposal pertains to the construction of multiple improvements on a single family property. Based on an analysis of the proposed project under the alternate submittal, the Planning staff believes that the following required findings for this application can be made:

1. There are exceptional or extraordinary circumstances or conditions applicable to the property involved which do not apply generally to other property in the same vicinity and zone.

Fact: The applicants are proposing under the revised submittal what are typical, reasonable improvements to his property, which is large enough to accommodate the overall building proposal. However, the construction of the improvements would deviate from the applicable zoning provisions, thus triggering the subject Variance application requirement. Therefore, arguably special or extraordinary circumstances are applicable to the property. It is further noted that the revised plan would generally meet the intent of City Code, and the staff has approved many similar requests in the past.

2. Such variance is necessary for the preservation and enjoyment of a substantial property right of the applicant, which right is possessed by other property owners under like conditions in the same vicinity and zone, and the adjustment thereby authorized shall not constitute a grant of special privilege inconsistent with the limitations upon other properties in the same vicinity and zone.

Fact: The strict adherence to the City Code would prohibit the construction of the proposed improvements. But the Code as well as other City-related documents such as the General Plan also encourages the maintenance, preservation, and improvement to single family and other properties. In addition, the staff believes that the property is well-suited to accommodate the proposed improvements under the revision, which would enhance the appearance and functionalism of the site. Therefore, the proposed improvements could be considered to be necessary features on the property, and, accordingly, the

Variance could be considered as a necessary mechanism for ensuring that the applicants' property rights are maintained.

3. The granting of the variance will not be materially detrimental to the public health, safety, convenience, and welfare or injurious to property and improvement in the same vicinity and zone in which the property is located.

Fact: As noted above, the revised building proposal under the Variance application would enhance the property and would meet the intent of the applicable Municipal Code provisions. In addition, the improvements would architecturally blend with the existing improvements on the property and should be harmonious with respect to the surroundings. No potential problems or incursions were identified with the plan revision by the staff. And the standard conditions of approval will provide the City with safeguards for ensuring that the project would sustain the welfare, character, functionalism, and appearance of the appurtenant property and the adjacent neighborhood both during construction and following completion.

4. The granting of such a variance will not be contrary to the objectives of the General Plan.

Fact: The General Plan regards building proposals such as what the applicants desire under the revised plan as acceptable and necessary residential improvements. The General Plan also places a strong emphasis on maintaining the appearance, character, and vitality of the community and on implementing the Covina Municipal Code or the applicable zoning provisions in an appropriate fashion. The proposal of the applicant, as noted herein, would fulfill these overall goals.

STAFF RECOMMENDATION:

The staff recommends that the Planning Commission a) reopen the public hearing on and consider the revised plan concerning application Variance (VAR) 10-011; b) take any public testimony that may be presented; and c) recommend to the City Council approval of the revised plan, subject to the proposed conditions of approval, in conjunction with the Council's final consideration of the appeal of the Variance application.

EXHIBITS:

- A. City Council Report on Appeal of Application VAR 10-011 from June 21, 2011 Council meeting
- B. 300-Foot Radius Map
- C. Area Map
- D. Project Plans for Revised Proposal (submitted under separate cover)

**CITY OF COVINA
APPLICATION CONDITIONS OF APPROVAL
APPLICATION VARIANCE (VAR) 10-011
AS RECOMMENDED FOR APPROVAL TO THE CITY COUNCIL
ON JULY 19, 2011**

The Variance shall allow multiple additions and improvements to the house and garage, some of which would exceed or lag certain provisions of Chapter 17.26 (Residential Single Family) of the Covina Municipal Code (listed herein), on a single-family property at 247 East Edna Place.

1.0 TIME LIMIT:

- 1.1** The approval of the Variance application shall be subject to revocation one year from the date of the affirmation of the application by the City Council if construction or pre-construction activities concerning the approved project have not commenced.

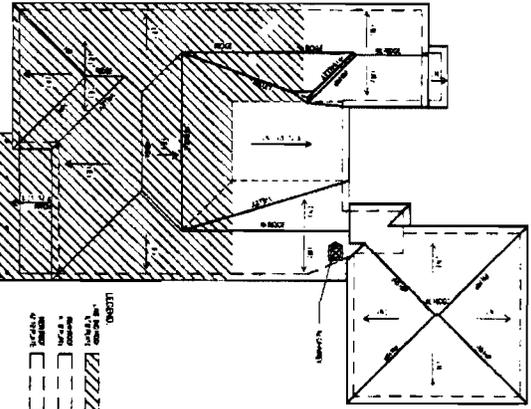
2.0 GENERAL REQUIREMENTS:

- 2.1** Under this Variance application approval, the following development standards of Chapter 17.26 (Covina Municipal Code) may be exceeded or lagged in conjunction with the property-associated building additions and improvements: a) Maximum 35 percent building/land coverage for entire site; b) Maximum 15 foot height limit for accessory buildings; c) Maximum floor area for all accessory buildings (which is 50 percent of area of house ground floor); d) Minimum 5 foot building side-yard setback; and e) Minimum 3 foot building side yard setback/fire safety access. Notwithstanding the above, other development standards may be exceeded or lagged subject to those standards being expressly acknowledged by the City Council under the approval of the application and the appurtenant (revised) project plans.
- 2.2** The subject property shall be developed, maintained, and used in full compliance with the conditions of this application, the applicable construction plans, and any laws, statutes, ordinances, or other regulations applicable to the project proposal. Failure of the applicant or property owner to cease any development or activity not in full compliance shall be a violation of these conditions. Any and all future construction or improvements on the site requiring City-related permits or approvals shall conform to all applicable development standards, requirements, and review-related procedures.

- 2.3** Final/construction plans, conforming to the plans approved by the City Council and reflecting these conditions of approval shall be submitted for review to and approval by the City Planner or his/her designee prior to building permit issuance in conjunction with the Plan Check process of the Building Division. The conditions of approval shall be printed upon the face of and included as part of the final/construction plans (see also Condition 2.18 below).
- 2.4** All new exterior wall-, ground-, and roof-mounted mechanical and utility equipment associated with the property must be screened from view by building features, landscaping, or other approved elements that match the style and color of the building and/or landscaping. The method of screening shall be identified on the applicable construction plans or any other required equipment-associated plans and is subject to staff approval.
- 2.5** Approval of this request shall not waive compliance with all sections of the Covina Municipal Code, the Covina Design Guidelines, and all other applicable City ordinances and plans as well as non-City laws and regulations in effect at the time of final application approval by the Planning Division or building permit issuance.
- 2.6** All drainage on the site must meet the applicable requirements of the Public Works Department. In addition, any project-associated grading shall be approved by the City and shall meet all applicable requirements. Please note that any newly-created grade differentials of 2½ feet or more between the site and any abutting residential property may warrant additional City review.
- 2.7** Any outside lighting on the property shall be designed, located/oriented, and illuminated in a manner that meets minimum City standards for safety and that does not generate any glare onto adjacent properties or public streets.
- 2.8** Failure to comply with any conditions of approval noted herein shall be deemed just cause for revocation of project approval by the City Council or the Planning Commission.
- 2.9** The additions and improvements to the property have been determined to be categorically exempt pursuant to the California Environmental Quality Act (CEQA). If a Notice of Exemption is filed with the City, then the period during which legal challenges can be filed based upon violations of CEQA is reduced from 180 days to 35 days. To file the Notice of Exemption, please contact the Planning Division.
- 2.10** Any new and changing ordinances adopted prior to the final approval of the project may warrant new review.

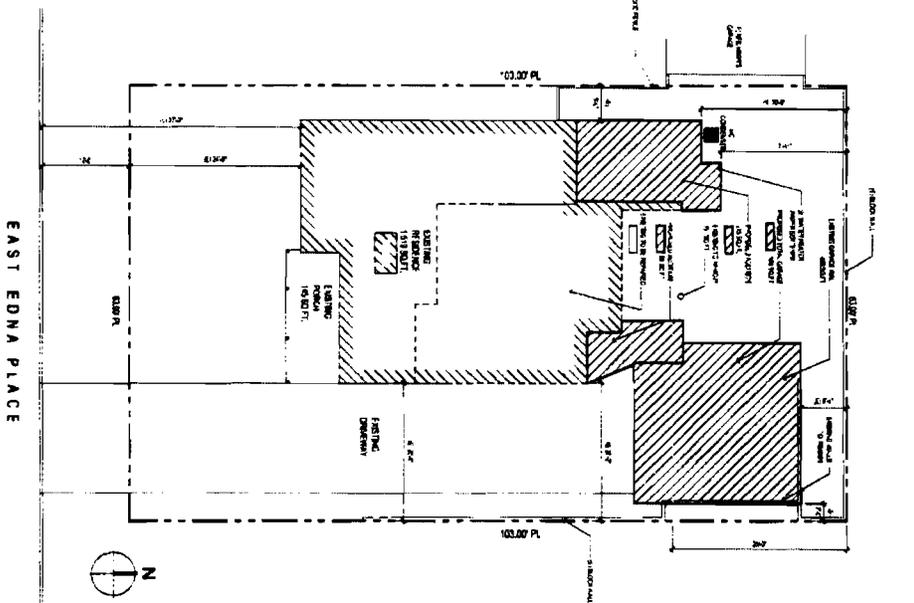
- 2.11** The City has the right of entry to inspect the premises to verify compliance with the conditions of approval and the Covina Municipal Code and the Covina Design Guidelines at any time.
- 2.12** This grant shall not be effective for any purposes until the applicant/property owner has filed with the Planning Division his affidavit stating that he is aware of, and agrees to accept, all conditions of this grant.
- 2.13** This Variance application shall not be effective until such time as the applicant/property owner obtains an Inspection and Verification Permit and the City Planner or his/her designee certifies on said Permit that the project complies with all of the terms and conditions of this grant of approval.
- 2.14** The costs and expenses of any code enforcement activities, including, but not limited to, attorneys' fees, caused by applicant/property owner's violation of any condition imposed by this Variance or any provision of the Covina Municipal Code or the Covina Design Guidelines shall be paid by the applicant/property owner.
- 2.15** Permittee shall defend, indemnify and hold harmless the City, its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void or annul this approval, which action is brought within the applicable time period of Government Code Section 65009. The City must promptly notify the permittee of any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the permittee of any claim, action or proceeding, or if the City fails to cooperate fully in the defense, the permittee shall not thereafter be responsible to defend, indemnify, or hold harmless the City.
- 2.16** The permittee shall reimburse the City for any court and attorney's fees which the City may be required to pay as a result of any claim or action brought against the City because of this grant. Although the permittee is the real party in interest in an action, the City may, at its sole discretion, participate at its own expense in the defense of the action, but such participation shall not relieve the permittee of any obligation under this condition.
- 2.17** If any provision of this grant is held or declared to be invalid, the entire approval shall be void and the privileges granted hereunder shall lapse.

- 2.18 (AS MODIFIED BY PLANNING COMMISSION DURING ADVISORY REVIEW OF REVISED APPLICATION/PLAN SUBMITTAL ON JULY 12, 2011)** The following requirements of the Public Works Department, Building Division are applicable to this project: a) Please be prepared to submit six (6) sets of originally- signed soil, lateral, and dead-load calculations from an active State-licensed design professional (e.g., an engineer or architect); b) This project must comply with the **2010** California Building Standards and the 2008 California Energy Code. Please be prepared to submit six sets of complete plans, details, and calculations to the Building Section showing compliance with these building standards; and c) The Building Division plan review process may address additional concerns.
- 2.19** The installation of any security system, as discussed under Chapter 8.20 of the Covina Municipal Code, shall be coordinated with the Covina Police Department.
- 2.20** The applicant/property owner shall perform all construction work that is associated with the project proposal only between the hours of 7:00 a.m. and 8:00 p.m., Monday through Saturday (excluding legal holidays).
- 2.21** All improvements shall be constructed and installed in a good workmanlike manner, consistent with the standard best practices of the subject trades and in a manner acceptable to the City.
- 2.22** The site, building, and landscape improvements shall be maintained in a sound and attractive condition, free of weeds, trash or debris, visible deterioration, graffiti, or other conditions that violate the Covina Municipal Code or the Covina Design Guidelines. The City may require that the applicant/property owner pay the actual and reasonable costs for code compliance services needed to address any problem conditions.
- 2.23** Prior to final project approval, the project site must be clean and free of trash and construction debris, and all construction-related equipment must be removed from the property. In addition, any project-associated broken, damaged, or blighted features of the property shall be repaired, replaced, or removed.



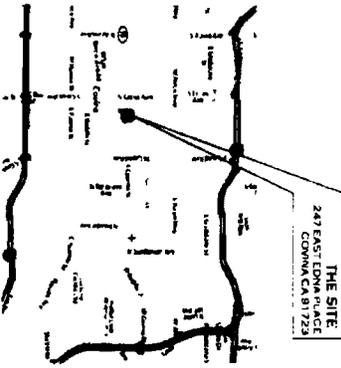
ROOF PLAN

SCALE: AS SHOWN



SITE PLAN

SCALE: AS SHOWN



VICINITY MAP

PROJECT DATA:

OWNER: THE PROJECT COMPANY OF S&B ASSOCIATES
PROJECT: PROPOSED ADDITION FOR JIM MIHALKA
ADDRESS: 247 EAST EDNA PLACE
CITY: COVINA, CA 91723
DATE: 05/18/11
DESIGNER: DRAFTING & DESIGN, LTD.
PROJECT NO.: 118118
LOT NO.: 6.00 S.F.
ZONE: R-1.5
OCCUPANCY GROUP: 1
FLOOR AREA: 118118

PERMITS: 118118
DATE: 05/18/11
SCALE: AS SHOWN
DATE: 05/18/11
SCALE: AS SHOWN

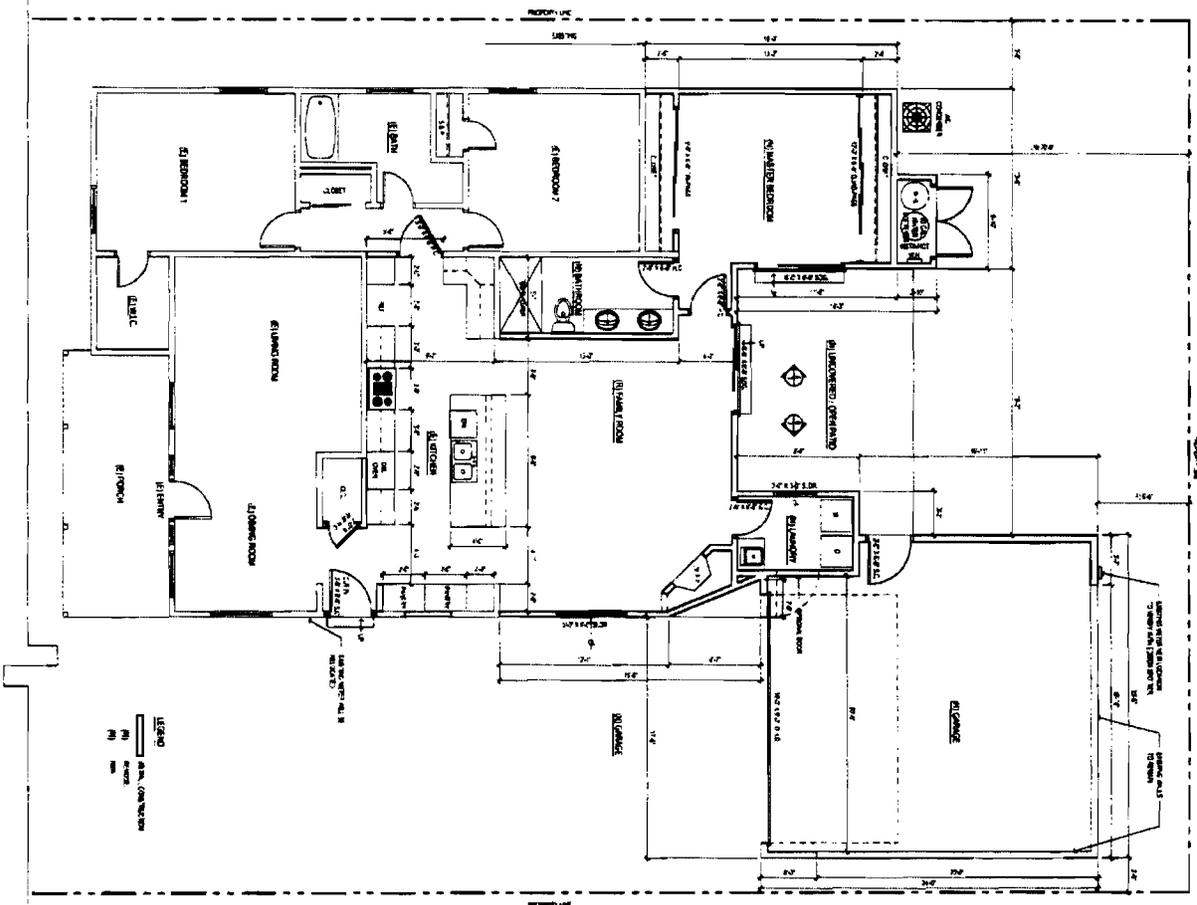
SHEET INDEX:
 SHT. 1 SITE PLAN & ROOF PLAN
 SHT. 2 FLOOR PLAN
 SHT. 3 ELEVATIONS
 SHT. 4 ELEVATIONS

PROPOSED ADDITION FOR
JIM MIHALKA
 247 EAST EDNA PLACE
 COVINA CA 91723

DRAFTING & Design, Ltd.
 158 WEST ORANGE STREET, COVINA, CA 91723-2011
 E-MAIL: DRAFTING@SIGNOFART.COM
 WWW.DRAFTINGANDDESIGNLTD.COM (626) 915-2903

SHEET NO. **1**

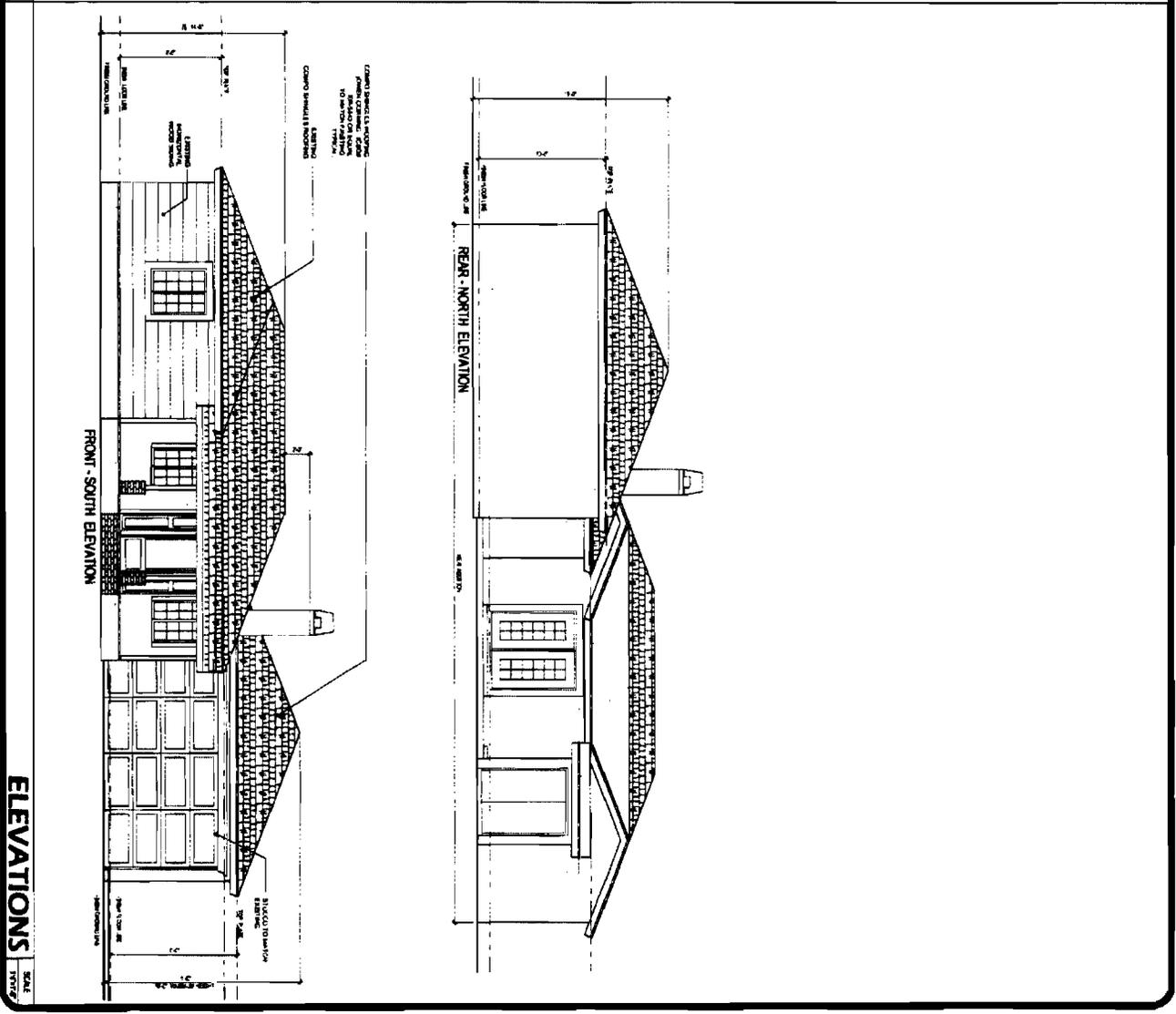
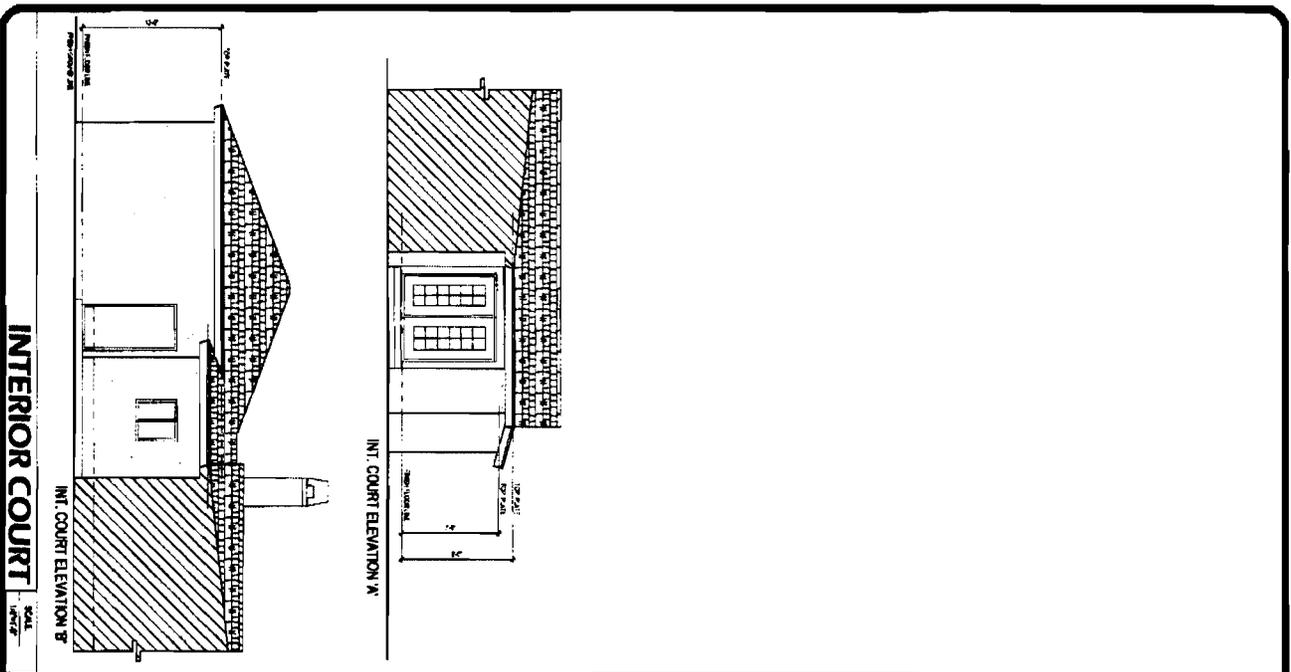
DATE: 05/18/11
 TIME: 11:58 AM
 FILE: 118118.DWG
 PLOT: 2580-A



FLOOR PLAN

SCALE: 1/8" = 1'-0"

SHEET NO. 2	PN 2835-A	09-18-11	PROPOSED ADDITION FOR JIM MIHALKA 247 EAST EDNA PLACE COVINA CA 91723	DRAFTING & Design, Ltd. 158 WEST ORANGE STREET, COVINA, CA 91723-2011 E-MAIL: DRAFTING@DDESIGNLTD.COM (626) 915-2303	<small>This project is the property of Drafting & Design, Ltd. and is not to be used, copied, or reproduced in any form without the written consent of Drafting & Design, Ltd.</small>
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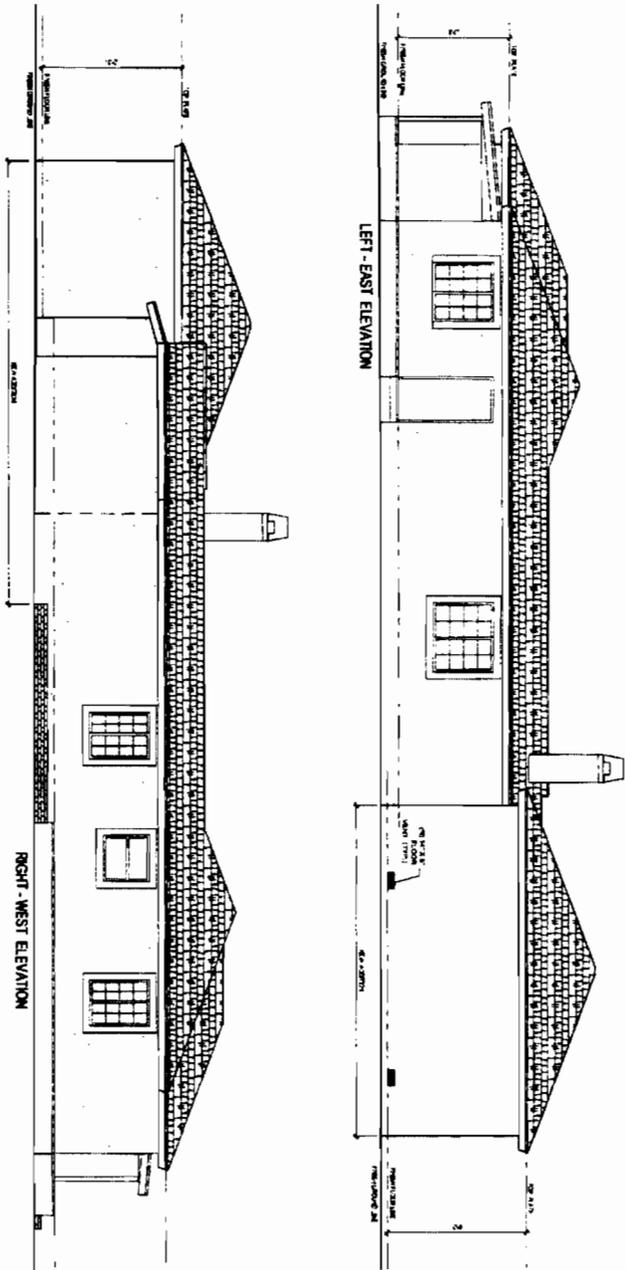


PROPOSED ADDITION FOR
JIM MIHALKA
 249 EAST EDNA PLACE
 COVINA CA 91723

DRAFTING & Design, Ltd.
 156 WEST ORANGE STREET COVINA, CA 91723-2011
 EMAIL: DRAFT_DESIGN@PARTHLINK.NET
 WWW.DRAFTINGANDDESIGNLTD.COM (626) 915-2303

DATE: 05-18-11
 TIME: 11:29:10
 PLOT: 2895-A

SHEET NO. **3**



ELEVATIONS

SCALE
1/8" = 1'-0"

PROPOSED ADDITION FOR
JIM MIHALKA
 247 EAST EDNA PLACE
 COVINA CA 91723

DRAFTING & Design, Ltd.
 158 WEST ORANGE STREET, COVINA, CA 91723-2011
 F.MAIL: DRAFT_DESIGN@ARTS.PA.NY.PY
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DATE: 10/11
 02/07/11
 11/23/10
 PN 2833-A
 SHEET NO
4

**CITY OF COVINA/
COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY**

MEETING DATE: July 19, 2011

ITEM NO.: CPH 2

STAFF SOURCE: Robert Neiuber, Deputy Executive Director/ *RN*
Director of Community Development
Elizabeth Hull, Agency Counsel
Nuala Gasser, Sr. Redevelopment Manager *MG*

ITEM TITLE: Continued Joint Public Hearing to consider a Fifth Amendment to Lease with SAI Auto Group, LLC and WaltersBayer Automotive Group for property located at 626 and 602 S. Citrus Avenue, Covina, CA

AGENCY/STAFF RECOMMENDATION

Adopt

- a. **Resolution 11-683** of the Covina Redevelopment Agency making certain findings pursuant to Health and Safety Code Section 33433 and approving the Fifth Amendment to Lease for real property located at 626 and 602 S. Citrus Avenue, Covina, California, and
- b. **Resolution 11-6986** of the City Council of the City of Covina, California, making certain findings pursuant to Health and Safety Code Section 33433 and approving the Fifth Amendment to Lease for real property located at 626 and 602 S. Citrus Avenue, Covina, California.

FISCAL IMPACT

Over a one year period, it is estimated that the benefit to the City will be approximately \$60,000. The benefit to the Redevelopment Agency will be approximately \$7,300, realized through estimated Tax Increment. Revenues will be deposited to CRA Revenue Account 5031-4450-00-43600.

BACKGROUND

The Covina Redevelopment Agency (“Agency”) and SAI Auto Group, LLC (“SAI”) are parties to a lease which was entered into on July 11, 2000, by and between the Agency and PRY Properties L.P., a California limited partnership (“Lease”) for the property at 626 S. Citrus Avenue. The Lease was amended by an Amendment, Second Amendment, Third Amendment and Fourth Amendment on January 10, 2001, December 18, 2001, June 16, 2009, and May 4, 2010, respectively. The Lease, as amended, was assigned by PRY Properties to SAI pursuant to the January 10, 2001 Amendment.

SAI wishes to assign the Lease to WaltersBayer Automotive Group (“Tenant”) under the Fifth Amendment to Lease (Fifth Amendment), attached as Exhibit D. The Lease provides for Lease assignment under Section 17.2. which states as follows:

17.2 Assignment. Tenant shall have the right to assign this Lease upon the prior written approval of Landlord; provided, however, no assignment shall be valid or effective for any purpose whatsoever until the assignee shall have delivered to Landlord a written agreement wherein such assignee assumes and agrees to be bound by each and every term, covenant and condition of this Lease, including the obligation to pay rent as herein provided and to use the Premises only for the Permitted Uses. Likewise, no further assignment shall be valid or effective until such successor assignee shall have delivered to Landlord a like assumption agreement. Any assignee shall be an experienced new automobile dealer with a franchise from an automobile manufacturer which has been doing business in the United States for not less than five years. Any assignee shall submit current financial statements and U.S. Tax returns for the two years prior to the proposed assignment and shall be financially capable of performing all obligations of this Lease. Landlord's approval shall not be unreasonably withheld.

Tenant operates many car dealerships in Georgia and Kentucky as well as in several locations in California—a Ford dealership in Chino and Hyundai dealerships in Temecula and Bakersfield. Section 2.2 of the Fifth Amendment satisfies the requirement for an assignment and assumption of the duties and obligations of the Tenant, pursuant to Section 17.2 of the Lease.

In addition to the property at 626 S. Citrus Avenue, Tenant also agrees to lease from Agency the Jack In the Box Parcel at 602 S. Citrus Avenue in “as is” condition and upon the same terms, covenants, conditions and obligations in the Lease. Agency will use its best efforts to deliver the Jack In The Box Parcel as early as possible but no later than December 31, 2011. It is Tenant’s plan to demolish the structure on the Jack In The Box Parcel and to expand the dealership in that area. The Scope of Development, attached to the Lease as Exhibit D, describes the process of submission and approval of Basic Concept Drawings and Landscape Plan for that property.

The Fifth Amendment provides

- For the continued maintenance and operation of new motor vehicle sales, service, repair and leasing business, including sales of parts, used motor vehicles, automobile insurance and financing incidental thereto (the “Permitted Uses”).
- Commencing November 1, 2017, that the lease may be extended an additional three (3) five (5) year terms, in addition to the two (2) options to extend included in the existing Lease, for a total of five (5) five year terms, subject to gross sale requirements.
- The obligations of the existing two car dealerships (Bozzani Volkswagen and Covina Valley Kia) under the existing Lease will be separated 60/40 (VW/KIA) in respect to Gross Sales Requirement under Section 58.3 of the Lease and the Revenue Guarantee under Section 62 of the Lease.
- Effective August 1, 2011, rent amount for the Kia site will be as stated in the Lease, and the next rent adjustment period in the Lease will be effective May 15, 2013, and then every year thereafter. Rent escalations in the Lease are adjusted as stated in Section 2.4 (b).
- Under Section 2.11, a transfer in the interest of Tenant to an affiliate entity.

We have learned that Tenant has created an entity to effect a “Permitted Transfer” as allowed under Section 2.11 of the Fifth Amendment. That entity which will accept assignment is WB Covina-KI, LLC, a Delaware limited liability company.

In accordance with Health and Safety Code Sections 33430 and 33431, the Agency is authorized to lease property located within redevelopment project survey areas subject to a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the property lies. In this case, a public hearing will be held on July 5, 2011, and notice was given by publication in the San Gabriel Valley Tribune on June 20, 2011 and June 27, 2011.

Health and Safety Code Section 33433 requires that in order to lease Agency-owned property, the Agency shall make available to the public a copy of the lease agreement and a summary of the following findings no later than the time of publication of the first notice of the public hearing: (i) the cost of the agreement to the Agency; (ii) the estimated value of the interest to be leased, determined at the highest and best uses permitted under the plan; (iii) the estimated value of the interest to be leased, determined at the use and with the conditions, covenants and development costs required by the lease; and (iv) an explanation of why the lease will assist in the elimination of blight supported by facts and materials. The required findings and a copy of the Fifth Amendment, which are attached hereto as Exhibit C, were provided to the public on June 20, 2011.

In addition, Health and Safety Code Section 33433 requires the City Council, as the Agency’s legislative body, to make certain findings and approve the lease agreement, which the City Council can do through the adoption of the Fifth Amendment by the adoption of City Resolution No. 11-6986, attached hereto as Exhibit B. The Agency may also act in to adopt the Fifth Amendment by the adoption of the Agency Resolution, attached hereto as Exhibit A.

Public Hearing Opened and Continued

On July 5, 2011, the Agency opened the joint public hearing as published, and continued the public hearing to July 19, 2011, due to the state budget action which removed the power of the agency to enter or modify contracts (AB1X 26) until the City enacts a Continuation Ordinance under AB1X 27, or a stay is issued by the courts. On another item tonight, the City Council will consider whether to enact a Continuation Ordinance. If approved, the Agency Board will be in a position to take action on this item.

RELEVANCE TO THE STRATEGIC PLAN

Providing opportunities for economic development contributes to the City strategic plan objective of enhancing financial stability.

EXHIBIT

- A. Agency Resolution No. 11-683
- B. City Resolution No. 11-6986
- C. Information Summary 33433 Report
- D. Lease Agreement

CPH2
July 19, 2011
Fifth Amendment Lease - 626 and 602 S. Citrus Ave.

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

EXHIBIT A

RESOLUTION NO. 11-683

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY MAKING CERTAIN FINDINGS PURSUANT TO HEALTH & SAFETY CODE SECTION 33433 AND APPROVING THE FIFTH AMENDMENT TO LEASE FOR REAL PROPERTY LOCATED AT 626 AND 602 S. CITRUS AVENUE, COVINA, CALIFORNIA

WHEREAS, the City of Covina, California (“City”), approved and adopted the redevelopment plan (“Redevelopment Plan”) for the redevelopment area known as the Covina Revitalization Redevelopment Project Area 1 covering a certain geographic area within the City (“Project Area”) pursuant to the provisions of Community Redevelopment Law (Health and Safety Code § 33000 et seq.) (“CRL”); and

WHEREAS, the Covina Redevelopment Agency (“Agency”) is undertaking a program in the interest of the health, safety, and general welfare of the people of the City pursuant to its authority under the CRL, for the redevelopment of blighted areas within the Project Area which are characterized by stagnant, improperly utilized and unproductive land which requirements redevelopment; and

WHEREAS, the Agency owns land commonly referred to as 626 S. Citrus Avenue and 602 S. Citrus Avenue, City of Covina, County of Los Angeles, State of California (Assessor Parcel No. 8451-001-911) (“Property”); and

WHEREAS, the Agency entered into a lease for the portion of the Property located at 626 S. Citrus Avenue, Covina, with PRY Properties L.P., a California limited partnership, dated July 11, 2000 (“Lease”). The Lease was amended by an Amendment, Second Amendment, Third Amendment and Fourth Amendment on January 10, 2001, December 18, 2001, June 16, 2009, and May 4, 2010, respectively. The Lease, as amended, was assigned by PRY Properties to SAI Auto Group, LLC, a California limited liability company (“SAI”), pursuant to the January 10, 2001 Amendment; and

WHEREAS, SAI wishes to assign the Lease to WaltersBayer Automotive Group (“Tenant”) under the Fifth Amendment to Lease (“Fifth Amendment”) attached as Exhibit “A” hereto, and Tenant desires to assume all of SAI’s rights, title and interests to, in and under the dealership for the portion of the Property located at 626 S. Citrus Avenue; and

WHEREAS, Tenant wishes to also lease the portion of the Property located at 602 S. Citrus Avenue, the Jack In the Box Parcel upon the same terms, covenants, conditions and obligations in the Lease. Tenant plans to demolish the existing structures at 602 S. Citrus Avenue to create a parking and display area; and

WHEREAS, Tenant possesses the qualifications and financial resources necessary to lease the Property and use the Property as described in the Lease, in accordance with the purposes and objectives of the Redevelopment Plan; and

WHEREAS, CRL Section 33430 authorizes the Agency to lease property located within redevelopment project survey areas; and

WHEREAS, CRL Section 33431 provides that any lease made pursuant to CRL Section 33430 may be made without public bidding, but only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the property lies; and

WHEREAS, CRL Section 33433(a)(1) provides that before any property of the Agency acquired in whole or in part, directly or indirectly, with tax increment moneys is leased for development pursuant to the redevelopment plan, the legislative body shall approve a lease by resolution after public hearing; and

WHEREAS, pursuant to CRL Section 33433(b), the resolution approving the lease or sale shall be adopted by a majority vote and shall contain a finding that the lease of the property will assist in the elimination of blight or provide housing for low or moderate-income persons, and is consistent with the implementation plan adopted pursuant to CRL Section 33490; and

WHEREAS, CRL Section 33433(b) also requires the City Council find that the consideration is not less than the fair market value at its highest and best use in accordance with the Redevelopment Plan or the consideration is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the sale or lease; and

WHEREAS, pursuant to CRL Sections 33431 and 33433, on June 20, 2011 and June 27, 2011, the City and Agency caused notice of the joint public hearing of the City Council and the Agency's Governing Board to be published in the San Gabriel Valley Tribune, a newspaper of general circulation within the Agency's territorial jurisdiction; and

WHEREAS, the Agency has prepared a report pursuant to CRL Section 33433(a)(2) ("33433 Report") containing a copy of the Fifth Amendment and a summary of the following: (i) the cost of the Fifth Amendment to the Agency; (ii) the estimated value of the interest to be leased, determined at the highest and best use permitted under the Redevelopment Plan; (iii) the estimated value of the interest to be leased, determined at the use and with the conditions, covenants, and development costs required by the lease; and (iv) an explanation of why the lease will assist in the elimination of blight supported by facts and materials; and

WHEREAS, the Agency has made the 33433 Report available for public inspection and copying on June 20, 2011, and

WHEREAS, the City and Agency held a noticed public hearing pursuant to CRL Sections 33431 and 33433 on July 5, 2011, which was continued to July 19, 2011; and

WHEREAS, the Agency is the lead agency concerning the Fifth Amendment pursuant to the California Environmental Quality Act (Public Resources Code § 21000 et seq.) ("CEQA") and the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.); and

WHEREAS, Agency staff has determined that the approval of the Fifth Amendment for the Property is categorically exempt pursuant to CEQA under the “Class 32” exemption, State CEQA Guidelines Section 15332 (In-fill development projects), in that the project meets the conditions that characterize in-fill development projects.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Covina Redevelopment Agency as follows:

Section 1. CEQA Findings. The Agency finds and determines based on the information made available in the staff report accompanying this Resolution, the oral presentation of staff, and other written and oral evidence presented to the Agency at or prior to the public hearing regarding the Fifth Amendment that, pursuant to State CEQA Guidelines, the lease of the Property pursuant to the Fifth Amendment is categorically exempt pursuant to CEQA under the Class 32 exemption, State CEQA Guidelines Section 15332 (In-fill development projects), in that the project meets the conditions that characterize in-fill development projects.

Section 2. 33433 Findings. The Agency finds and determines based on the information made available in the 33433 Report made pursuant to CRL Section 33433, the staff report accompanying this Resolution, the oral presentation of staff, and other written and oral evidence presented to the Agency at or prior to the public hearing regarding the Fifth Amendment, that, pursuant to CRL Section 33433:

(a) The Fifth Amendment for the lease of the Property will assist in the elimination of blight by (i) utilizing the property which would otherwise be vacant and thus underutilized; and (ii) generating tax revenue.

(b) The Fifth Amendment for the lease of the Property will be consistent with the implementation plan adopted by the Agency for the Project Area; and

(c) The consideration to the Agency for the lease of the Property is not less than the fair reuse value of the Property at the use and with the covenants, conditions and development costs authorized by the Fifth Amendment.

Section 3. Approval of the Fifth Amendment. The Agency does hereby approve the Fifth Amendment, attached to this Resolution and authorizes the Executive Director of the Agency to execute the Fifth Amendment as presented together with such changes as may be approved by the Executive Director.

Section 4. Notice of CEQA Exemption. The Agency hereby authorizes and directs Agency staff to file a Notice of Exemption with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

Section 5. Certification and Effective Date. The Agency Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011

John C. King, Chairperson
Covina Redevelopment Agency

ATTEST:

Secretary, Covina Redevelopment Agency

CERTIFICATION

I, Catherine LaCroix, Secretary of the Covina Redevelopment Agency do hereby certify that the foregoing Resolution was regularly introduced and adopted by the Covina Redevelopment Agency at a regular meeting thereof held on the 19th day of July, 2011, by the following vote of the Agency:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Covina Redevelopment Agency this 19th day of July, 2011.

[insert seal]

Catherine LaCroix
Secretary, Covina Redevelopment Agency

Exhibit "A"

**Fifth Amendment to Lease Between the Covina Redevelopment Agency
and SAI Auto Group LLC and WaltersBayer Automotive Group, LLC**

The Fifth Amendment to Lease is available in the office of the Covina City Clerk

EXHIBIT B

RESOLUTION NO. 11-6986

A RESOLUTION OF CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, MAKING CERTAIN FINDINGS PURSUANT TO HEALTH & SAFETY CODE SECTION 33433 AND APPROVING THE FIFTH AMENDMENT TO LEASE FOR REAL PROPERTY LOCATED AT 626 AND 602 S. CITRUS AVENUE, COVINA, CALIFORNIA

WHEREAS, the City of Covina, California (“City”), approved and adopted the redevelopment plan (“Redevelopment Plan”) for the redevelopment area known as the Covina Revitalization Redevelopment Project Area 1 covering a certain geographic area within the City (“Project Area”) pursuant to the provisions of Community Redevelopment Law (Health and Safety Code § 33000 et seq.) (“CRL”); and

WHEREAS, the Covina Redevelopment Agency (“Agency”) is undertaking a program in the interest of the health, safety, and general welfare of the people of the City pursuant to its authority under the CRL, for the redevelopment of blighted areas within the Project Area which are characterized by stagnant, improperly utilized and unproductive land which requires redevelopment; and

WHEREAS, the Agency owns land commonly referred to as 626 S. Citrus Avenue and 602 S. Citrus Avenue, City of Covina, County of Los Angeles, State of California (Assessor Parcel No. 8451-001-911) (“Property”); and

WHEREAS, the Agency entered into a lease for the portion of the Property located at 626 S. Citrus Avenue, Covina, with PRY Properties L.P., a California limited partnership, dated July 11, 2000 (“Lease”). The Lease was amended by an Amendment, Second Amendment, Third Amendment and Fourth Amendment on January 10, 2001, December 18, 2001, June 16, 2009, and May 4, 2010, respectively. The Lease, as amended, was assigned by PRY Properties to SAI Auto Group, LLC, a California limited liability company (“SAI”), pursuant to the January 10, 2001 Amendment; and

WHEREAS, SAI wishes to assign the Lease to WaltersBayer Automotive Group (“Tenant”) under the Fifth Amendment to Lease (“Fifth Amendment”) attached as Exhibit “A” hereto, and Tenant desires to assume all of SAI’s rights, title and interests to, in and under the dealership for the portion of the Property located at 626 S. Citrus Avenue; and

WHEREAS, Tenant wishes to also lease the portion of the Property located at 602 S. Citrus Avenue, the Jack In the Box Parcel upon the same terms, covenants, conditions and obligations in the Lease. Tenant plans to demolish the existing structures at 602 S. Citrus Avenue to create a parking and display area; and

WHEREAS, Tenant possesses the qualifications and financial resources necessary to lease the Property and use the Property as described in the Lease, in accordance with the purposes and objectives of the Redevelopment Plan; and

WHEREAS, CRL Section 33430 authorizes the Agency to lease property located within redevelopment project survey areas; and

WHEREAS, CRL Section 33431 provides that any lease made pursuant to CRL Section 33430 may be made without public bidding, but only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the property lies; and

WHEREAS, CRL Section 33433(a)(1) provides that before any property of the Agency acquired in whole or in part, directly or indirectly, with tax increment moneys is leased for development pursuant to the redevelopment plan, the legislative body shall approve a lease by resolution after public hearing; and

WHEREAS, pursuant to CRL Section 33433(b), the resolution approving the lease or sale shall be adopted by a majority vote and shall contain a finding that the lease of the property will assist in the elimination of blight or provide housing for low or moderate-income persons, and is consistent with the implementation plan adopted pursuant to CRL Section 33490; and

WHEREAS, CRL Section 33433(b) also requires the City Council find that the consideration is not less than the fair market value at its highest and best use in accordance with the Redevelopment Plan or the consideration is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the sale or lease; and

WHEREAS, pursuant to CRL Sections 33431 and 33433, on June 20, 2011 and June 27, 2011, the City and Agency caused notice of the joint public hearing of the City Council and the Agency's Governing Board to be published in the San Gabriel Valley Tribune, a newspaper of general circulation within the Agency's territorial jurisdiction; and

WHEREAS, the Agency has prepared a report pursuant to CRL Section 33433(a)(2) ("33433 Report") containing a copy of the Fifth Amendment and a summary of the following: (i) the cost of the Fifth Amendment to the Agency; (ii) the estimated value of the interest to be leased, determined at the highest and best use permitted under the Redevelopment Plan; (iii) the estimated value of the interest to be leased, determined at the use and with the conditions, covenants, and development costs required by the lease; and (iv) an explanation of why the lease will assist in the elimination of blight supported by facts and materials; and

WHEREAS, the Agency has made the 33433 Report available for public inspection and copying on June 20, 2011, and

WHEREAS, the City and Agency held a noticed public hearing pursuant to CRL Sections 33431 and 33433 on July 5, 2011, which was continued to July 19, 2011; and

WHEREAS, the Agency is the lead agency concerning the Fifth Amendment pursuant to the California Environmental Quality Act (Public Resources Code § 21000 et seq.) ("CEQA") and the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.); and

WHEREAS, Agency staff has determined that the approval of the Fifth Amendment for the Property is categorically exempt pursuant to CEQA under the “Class 32” exemption, State CEQA Guidelines Section 15332 (In-fill development projects), in that the project meets the conditions that characterize in-fill development projects.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Covina as follows:

Section 1. CEQA Findings. The City Council finds and determines based on the information made available in the staff report accompanying this Resolution, the oral presentation of staff, and other written and oral evidence presented to the City Council at or prior to the public hearing regarding the Fifth Amendment that, pursuant to State CEQA Guidelines, the lease of the Property pursuant to the Fifth Amendment is categorically exempt pursuant to CEQA under the Class 32 exemption, State CEQA Guidelines Section 15332 (In-fill development projects), in that the project meets the conditions that characterize in-fill development projects.

Section 2. 33433 Findings. The City Council finds and determines based on the information made available in the 33433 Report made pursuant to CRL Section 33433, the staff report accompanying this Resolution, the oral presentation of staff, and other written and oral evidence presented to the Agency at or prior to the public hearing regarding the Fifth Amendment, that, pursuant to CRL Section 33433:

(a) The Fifth Amendment for the lease of the Property will assist in the elimination of blight by (i) utilizing the property which would otherwise be vacant and thus underutilized; and (ii) generating tax revenue.

(b) The Fifth Amendment for the lease of the Property will be consistent with the implementation plan adopted by the Agency for the Project Area; and

(c) The consideration to the Agency for the lease of the Property is not less than the fair reuse value of the Property at the use and with the covenants, conditions and development costs authorized by the Fifth Amendment.

Section 3. Approval of the Fifth Amendment. The City Council does hereby approve the Fifth Amendment, attached to this Resolution.

Section 4. Notice of CEQA Exemption. The City Council hereby authorizes and directs City staff to file a Notice of Exemption with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

Section 5. Certification and Effective Date. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2011

John C. King, Mayor
City of Covina

ATTEST:

City Clerk, City of Covina

CERTIFICATION

I, Catherine LaCroix, City Clerk of the City of Covina, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Covina at a regular meeting thereof held on the 19th day of July, 2011, by the following vote of the Agency:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Covina this 19th day of July, 2011.

[insert seal]

Catherine LaCroix
City Clerk, City of Covina

Exhibit "A"

**Fifth Amendment to Lease Between the Covina Redevelopment Agency
and SAI Auto Group LLC and WaltersBayer Automotive Group**

The Fifth Amendment to Lease is available in the office of the Covina City Clerk.

INFORMATION SUMMARY (33433 REPORT)
FOR THE LEASE AGREEMENT
WITH WALTERSBAYER AUTOMOTIVE GROUP, LLC

Introduction

This summary is provided pursuant to Section 33433 of the California Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code). The report sets forth certain details of the proposed Fifth Amendment to Lease Agreement (“Lease”) between the following parties:

1. The Covina Redevelopment Agency (“Landlord”); and
2. WaltersBayer Automotive Group, LLC, a Delaware Limited Liability Company. (Tenant)

The purpose of the Lease is to effectuate the Project Area 1 Redevelopment Project Area Redevelopment Plan (Redevelopment Plan).

The basic terms embodied in the Lease are summarized as follows:

1. This is a Fifth Amendment to the existing lease which establishes Tenant as successor-in-interest to SAI Auto Group, LLC. Tenant is assuming the terms of the Lease and SAI Auto Group is assigning the terms of the Lease, except for the revenue guarantee and the obligations of the Deferred Rent.
2. All terms in the existing lease remain in place, with amendments as follows:
 - a) Property to be leased shall include
Parcel 1 602 S. Citrus Avenue (Jack In the Box site),
Parcel 2 626 S. Citrus Avenue (KIA Site)
a total of 129,261 square feet and (“Premises”).
 - b) On August 1, 2011, rent shall be \$9,610.70 for the Kia site and \$2,267.91 for the 602 S. Citrus site, a total of \$11,877.98.
 - c) On August 1, 2012, rent shall remain at \$11,877.98 as provided in the lease. On May 15, 2013, the minimum monthly rent shall be subject to an annual increase equal to the lesser of the following figures: (1) two percent of the then current minimum monthly rent or (2) the percent increase in the Consumer Price Index, All Urban Consumers (Revised 1982-1984) (All Items, for the Los Angeles-Anaheim-Riverside Metropolitan Area, published by the United States Department of Labor, Bureau of Statistics (“Index”) for the most recently published 12 month period. The base for computing the adjustment is the Index which is published for the month in which the Lease is executed (“Beginning Index”). If the Index published nearest preceding the adjustment date (“Extension

Index”) has increased over the Beginning Index, the minimum monthly rent for the following year shall be set by multiplying the minimum monthly rent set forth in paragraph 2b above by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index.

If the Extension Index has decreased from the Beginning Index, no adjustment shall be made.

- d) Three additional option periods are added to the lease; options to extend will total five (5) five (5) year periods. The current lease expires October 31, 2017.
- e) The site at 602 S. Citrus will be leased in its “as is” condition upon the same terms, covenants, conditions and obligations in the Lease.
- f) Development of the site at 602 S. Citrus shall be in accordance with Section 10 of the lease, “Development of the Premises.” Development shall include demolition of the existing structures, and paving, landscaping and grading as shown in the Basic Concept Drawings and Landscaping Plan, to be approved by Landlord. All costs of development on the premises shall be borne by Tenant. Before demolition, Tenant shall submit to landlord for its approval a copy of its construction contract for the demolition of existing improvements and construction of new improvements. No work demolition shall commence until Landlord approval of such contract.
- g) Previously, the tenant was required to meet a certain gross sale requirement for two dealerships in order to exercise an option to extend. As amended in the Lease, the gross sales requirement reflects that Tenant is responsible for meeting 40% of this gross sales requirement in order to extend the lease, as Tenant will only own one dealership.
- h) Previously, the Tenant was required to meet a certain revenue guarantee for two dealerships. As amended in the Lease, the revenue guarantee reflects that Tenant is credited with 40% of the excess sales and will assume 40% of the revenue guarantee arising from the two dealerships as of the date of the Lease for the dealership located at 626 S. Citrus. If a payment is due to the City at the end of the last Guarantee Year, the payment shall be made by SAI.
- i) The Lease shall become effective on the first date that the following will have occurred:
 - i. Four copies of this Lease are executed
 - ii. Following a noticed public hearing, the Lease is approved by the Agency Board
 - iii. Agency Board members execute the Lease
 - iv. Executed Lease is delivered to SAI Auto Group and Tenant.
 - v. SAI and Tenant have completed the sale, transfer and assignment of the dealership on the Premises and delivered proof of such completion to the

Agency; Tenant assuming the terms of the Lease and SAI Auto Group assigning the terms of the Lease, except for the revenue guarantee and the obligations of the Deferred Rent.

- vi. If these actions do not occur by September 30, 2011, then this Fifth Amendment becomes void and no rights shall transfer to Tenant.

Background

The Covina Redevelopment Agency and PRY Properties were parties to a prior agreement dated July 11, 2000, which lease has been amended by a First, Second, Third and Fourth Amendment dated January 10, 2001, December 18, 2001, June 16, 2009, and May 4, 2010, respectively. The Lease, as amended, has been assigned by PRY Properties to SAI Auto Group.

SAI Auto Group wishes to assign its rights under the lease to WaltersBayer Automotive Group, LLC for the purpose of operating a new car sales facility.

Pursuant to Section 33433, this report shall contain the following:

1. Lease Agreement (Attached hereto as Exhibit 1)
2. A summary which describes and specifies all of the following:

(i) The cost of the Lease to the agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the Leases.

(ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.

(iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the Landlord will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference.

(iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

(v) Consistency with the AB 1290 Implementation Plan.

Summary of Required Points

1. Cost of the Lease to the Agency including land costs, relocation and improvements:

There are small additional costs to the Agency under this Lease.

- a. Land Acquisition Costs: Property was acquired in 1998 for \$2,231,502. There is an existing mortgage on the property.
- b. Clearance Costs: There are no clearance costs to the Agency.
- c. Relocation Costs: There are no relocation costs as no one is being displaced.
- d. Improvement Costs: There are no improvement costs to the Agency.
- e. Finance Costs: The Commercial Loan on the property requires a monthly payment of \$12,160.25, which includes interest and principal.
- f. Other Costs: Miscellaneous costs approximately \$10,000

2. Estimated value of interest to be conveyed at the highest and best use permitted under the Plan

Tenant shall cause the business on premises to generate local sales and use taxes paid to the City of Covina on an annual basis. The business is in the South Citrus Auto Corridor, where other auto-related uses are clustered. Utilizing the site as an automobile dealership or other commercial uses permitted by zoning is the highest and best use for the site which is consistent with the Plan.

Most recent appraisals establish the fair market value assuming no restrictions, for the parcels as follows:

Parcel 1	\$2,579,500	(May 2011)
Parcel 2	\$863,730	(December 2010)

3. Estimated value of interest to be conveyed at the use and with the conditions, covenants and development costs required by the sale:

The Site is being conveyed with a use requirement that causes the initial per square foot rental rate to be less than its fair market value. Under the Lease, the Agency leases the Site to the Tenant for \$.09189 cents per square foot. This rate has been determined to be the fair reuse value, taking into account the use of the property and the nature of the Lease.

The rents in the Fifth Amendment to Lease were established in the original Lease in July 2000, and were based on a restricted land value for auto use only. This amendment is a continuation of that lease.

4. Explanation as to the reason why the lease of the Site will assist the elimination of blight

In the last few years the automobile business has seen a downturn, and as a result of the restructuring by automotive manufacturers, the Volvo dealership which had operated at this site ceased car sales at this location. SAI Auto Group was successful in obtaining the KIA Dealership which now operates at this location. The new Tenant at this site operates many car dealerships in the eastern United States as well as in several locations in California—Ford dealerships in Bakersfield and Chino and a Hyundai dealership in Temecula and will have the resources to provide a strong selection of autos at this location.

The economic impact to car dealerships has caused a number of abnormally high business vacancies in California and throughout the nation. The new Fifth Amendment to Lease allows a new car sales business to operate at the site at 626 S. Citrus and 602 S. Citrus Avenue, preventing the site from being vacant. The assignment of lease of this property, located in Redevelopment Project Area 1, will assist in the elimination of blight by providing a use in a building which would otherwise be vacant and underutilized. The continued attraction of business to this site will bring customers to other businesses in the area, and increase development opportunities.

5. Consistency with the Five-Year Implementation Plan

Pursuant to the California Redevelopment Law, all agencies must adopt an implementation plan that outlines the projects, programs and expenditures anticipated over a five-year period. The Covina Redevelopment Agency has adopted such a plan, covering fiscal years 2009-2010 through 2013-2014.

The existing business is located in Project Area 1. Programs identified by the Implementation Plan for Project Area 1's South Citrus Auto Corridor includes working with automotive dealers as they continue to serve the community. Execution of the Lease Agreement will assist the Agency in undertaking a program in the interest of health, safety and general welfare of the people of the City pursuant to its authority under Redevelopment Law, for the redevelopment of blighted areas within the Project Area which are characterized by stagnant, improperly utilized and

unproductive land which requires redevelopment. This project encourages stakeholder participation and private sector investment.

6. Tax Increment to Agency

The tax increment projections for the first year of the term of the lease shows an estimated valuation of \$20,738. This is based on estimated possessory interest taxes for FY 2010-2011. This number does not include the housing set-aside, or the more recent pass-throughs mandated by the legislature.

Exhibit 1 - Lease Agreement

FIFTH AMENDMENT TO LEASE

This Fifth Amendment to Lease ("Fifth Amendment") is entered into as of _____, 2011, by and between the Covina Redevelopment Agency ("Agency" or "Landlord") and WaltersBayer Automotive Group LLC, a Delaware limited liability company ("Tenant"), successor-in-interest to SAI Auto Group, LLC, a California limited liability company ("SAI"). Agency and Tenant may be referred to herein individually as "Party" and collectively as "Parties."

1. RECITALS

This Fifth Amendment is entered into with reference to the following facts and circumstances:

1.1 The Agency is carrying out the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 1 (the "Project"). In connection with such Project, Agency entered into a lease for property located at 626 S. Citrus Avenue, Covina ("Premises") with PRY Properties, a California limited partnership, dated July 11, 2000 ("Lease"). The Lease was amended by an Amendment, Second Amendment, Third Amendment and Fourth Amendment on January 10, 2001, December 18, 2001, June 16, 2009, and May 4, 2010, respectively. The Lease, as amended, was assigned by PRY Properties to SAI, pursuant to the January 10, 2001 Amendment.

1.2 Pursuant to the Third Amendment and Fourth Amendment, dated June 16, 2009 and May 4, 2010, respectively, SAI requested and received a reduction in the minimum monthly rent. The Parties understand and acknowledge that the rent reduction is effective through July 31, 2011. Effective August 1, 2011, the regularly monthly rent shall return to \$9,610.07, excluding rent for the Jack in the Box Parcel, as set forth further herein.

1.3 Tenant represents and warrants that: (1) Tenant is authorized to do business in California, (2) Tenant, and Tenant's dealership, is not relocating from the territorial jurisdiction of one community to the territorial jurisdiction of another within the same market area, pursuant to Health and Safety Code Section 33426.7, and (3) Tenant is the successor-in-interest to SAI. Tenant desires to assume the Lease obligations, with requested amendments. Specifically, Tenant is interested in adjusting rent escalations, adding additional options to extend the term of the Lease, reflecting separate ownership of the onsite dealership and Second Dealership and leasing the Jack in the Box Parcel, as set forth further herein.

1.4 The Parties now desire to amend the Lease, as more particularly set forth herein.

2. AGREEMENT

Pursuant to the authority contained in the Lease, in consideration of the mutual promises and covenants contained in this Fifth Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Agency and Tenant

agree as follows:

2.1 Recitals/Defined Terms. The Recitals set forth above are true and correct and incorporated into this Fifth Amendment by reference. All defined terms used in this Fifth Amendment shall have the same meanings set forth in the Lease.

2.2 Assignment/Assumption. SAI (for purposes of this paragraph, "Assignor") hereby acknowledges, agrees and reaffirms that Assignor and Tenant (for purposes of this paragraph, "Assignee") will execute an Assignment and Assumption Agreement, which date shall be not later than the Effective Date of this Fifth Amendment, ("Assignment and Assumption Date"). The "Effective Date" is defined in Section 2.10 of this document. Assignor will sell, transfer, assign, convey and deliver to Assignee all of Assignor's rights, title and interests, to, in and under the dealership located on the Premises. Assignee hereby acknowledges, agrees and reaffirms that, effective as of the Assignment and Assumption Date, it will assume all of Assignor's rights, title and interests to, in and under the dealership located on the Premises. Subject to Section 2.10, Assignor hereby grants, assigns, transfers, conveys and delivers to Assignee the Lease and all of Assignor's right, title, interest, benefits, burdens and privileges thereunder, except for the provisions governing the Deferred Rent and Revenue Guarantee, as set forth in Section 2.3 below and Section 62 of the Lease, as modified herein, which shall remain as obligations of SAI, and Assignee hereby accepts such assignment. Subject to Section 2.10, Assignee hereby assumes and agrees to perform and to be bound by all of the terms, covenants, conditions and obligations imposed upon or assumed by Assignor under the Lease, except for the provisions governing the Deferred Rent and Revenue Guarantee, as set forth in Section 2.3 below and Section 62 of the Lease, as modified herein, which shall remain as obligations of SAI. From and following the Assignment and Assumption Date and the Effective Date as set forth in Section 2.10, the term Tenant as used in the Lease shall mean WaltersBayer Automotive Group LLC. By its execution of this Fifth Amendment, the Agency hereby agrees that this paragraph satisfies the requirement for an assignment and assumption of the duties and obligations of the Tenant, pursuant to Section 17.2 of the Lease.

2.3 Rent. The Parties understand and acknowledge that commencing on August 1, 2011, the minimum monthly rent, as set forth in Section 7.1 and adjusted pursuant to Section 7.2, shall be Nine Thousand Six Hundred Ten Dollars and Seven Cents (\$9,610.07) plus Two Thousand Two Hundred Sixty Seven Dollars and Ninety One Cents (\$2,267.91), for the Jack in the Box parcel, for a total combined minimum monthly rent of Eleven Thousand Eight Hundred Seventy Seven Dollars and Ninety Eight Cents (\$11,877.98), which amount shall be adjusted during the term of the Lease pursuant to Section 7.2, subject to Section 2.7 below. The Deferred Rent, which totals \$90,955.15, shall be forgiven by the Agency at the expiration of the Initial Term (October 31, 2017), provided that during the remainder of the Initial Term Tenant does not default on any of the Lease provisions and Tenant performs all of its obligations under the Lease. If Tenant defaults during the remainder of the Initial Term or Tenant fails to perform all of its obligations under the Lease, the Deferred Rent shall not be forgiven by the Agency and shall be paid in full by SAI Auto Group, LLC.

2.4 Periodic Cost of Living Adjustment. Section 7.2 of the Lease is hereby amended

to read as follows:

“(a) Prior to May 15, 2013, the minimum monthly rent provided in paragraph 7.1 shall be subject to adjustment at the commencement of the third anniversary year of the Commencement Date and at the end of every three years thereafter (“the adjustment dates”) as follows: The base for computing the adjustment is the Consumer Price Index, All Urban Consumers (Revised 1982-1984) (All Items, for the Los Angeles- Riverside-Orange County Metropolitan Area, published by the United States Department of Labor, Bureau of Statistics (“Index”), which is published for the month in which the Lease is executed (“Beginning Index”). If the Index published nearest preceding the adjustment date (“Extension Index”) has increased over the Beginning Index, the minimum monthly rent for the following three years (until the next rent adjustment) shall be set by multiplying the minimum monthly rent set forth in paragraph 7.1 by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. Any percentage increase in the minimum monthly rent shall not exceed nine percent (9%) of the minimum monthly rent in effect for the month immediately preceding the percentage increase.

If the Extension Index has decreased from the Beginning Index, no adjustment shall be made.

If the Index is changed so that the base year differs from that used as of the date immediately preceding the month in which the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

Should the Index be discontinued or become unavailable to the general public, or should the method of computation be fundamentally changed, another generally recognized as authoritative shall be substituted by agreement of the parties. If they are unable to agree within thirty (30) days after demand by the other party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor. If such substitute index is unavailable, then the parties hereto agree to submit to arbitration under the auspices of the American Arbitration Association for the purpose of determining a substitute index which shall thereafter be binding upon the parties.

(b) Notwithstanding the foregoing, commencing upon May 15, 2013, the minimum monthly rent provided in paragraph 7.1 shall be subject to an annual increase equal to the lesser of the following figures: (i) two percent (2%) of the then current minimum monthly rent or (ii) the percent increase in the Index for the

most recently published twelve (12) month period. The first adjustment pursuant to this increase shall be effective on May 15, 2013.

2.5 Notice. Section 31 of the Lease is hereby amended to state Tenant's address as follows:

"WaltersBayer Automotive Group
2030 East Flamingo Road, Suite 290
Las Vegas, NV 89119
Attn: Michael Luce
Office: 702-450-8088
Cell: 702-491-8487
Fax 702-450-8055
E-Mail mluce@waltersgolf.com"

2.6 Option to Extend.

a. Section 58.1 of the Lease is hereby amended to state as follows:

"Landlord hereby grants to Tenant the option to extend the term of this Lease for five (5) five (5) year periods, commencing when the prior term expires, on the same terms and conditions set forth in this Lease, including but not limited to annual rent increases as set forth in Section 7.2."

b. Section 58.3 of the Lease is hereby amended to state as follows:

"Tenant has the right to exercise the option under this paragraph 58 provided that the Tenant's gross sales reportable for sales tax purposes from motor vehicle and parts sales from the Premises for the two calendar years preceding the exercise of option to the State of California shall equal or exceed the sum of forty percent (40%) multiplied by the total of \$16,000,000 per year for such calendar years, as such amount is increased by the rate specified, and by the same percentage as minimum rent specified, in provisions 7.1 and 7.2 of the Lease, which percentage rate was amended pursuant to the Fifth Amendment to this Lease, commencing with the Commencement Date of the Initial Term. The Parties understand and acknowledge that the 2011 gross sales requirement totals Nineteen Million Eight Hundred Eleven Thousand Four Hundred Sixty Two Dollars (\$19,811,462)."

c. Sections 58.5 through 58.8 of the Lease are hereby deleted.

2.7 Lease of Jack in the Box Parcel.

a. By its execution of this Fifth Amendment, the Agency agrees to lease to Tenant, and Tenant agrees to lease from Agency, the Jack in the Box Parcel in its "as is"

condition upon the same terms, covenants, conditions and obligations in the Lease. From and following the execution of this Fifth Amendment, the term Premises as used in the Lease shall include the Jack in the Box Parcel. Development of the Jack in the Box Parcel shall be in accordance with Section 10 of the Lease, and the drawings, plans and documents required and previously submitted for the Premises in accordance with Section 10 of the Lease shall be amended to reflect the work on the Jack in the Box Parcel.

i. Commencement of Lease term for Jack in the Box parcel/Delay in Possession. Agency agrees to use its best commercially reasonable efforts to deliver possession of the Jack in the Box parcel to Tenant by **December 31, 2011**. If, despite these efforts, Agency is unable to deliver possession as agreed, Agency shall not be subject to any liability therefor, nor shall such failure affect the validity of the Lease. Tenant shall not, however, be obligated to pay rent for the portion of the Jack in the Box parcel, totaling Two Thousand Two Hundred Sixty Seven Dollars and Ninety One Cents (\$2,267.91), until it receives possession of the Jack in the Box parcel. If possession is not delivered by **December 31, 2011**, Tenant may, at its option, by notice in writing within fifteen (15) days following such date, refuse to lease the Jack in the Box parcel, in which event the parties shall be discharged from all obligations hereunder regarding the Jack in the Box parcel. All other terms and conditions of the Lease, as amended by this Fifth Amendment, shall remain in full force and effect.]

b. The Scope of Development, attached to the Lease as Exhibit "D," is hereby amended to add the language set forth in Exhibit "1," attached hereto and incorporated herein by reference, regarding the Jack in the Box Parcel.

c. The Schedule of Performance, attached to the Lease as Exhibit "E," is hereby amended to add the language set forth in Exhibit "2," attached hereto and incorporated herein by reference, regarding the Jack in the Box Parcel.

d. Section 10.6 is hereby amended to read as follows:

"The cost of developing the Premises and constructing all improvements thereon, including but not limited to the development of and improvements on the Jack in the Box Parcel, shall be borne by Tenant, except for the work expressly set forth in the Lease to be performed by Landlord or others on Exhibit D

Tenant acknowledges that the Landlord has made no representation, express or implied, to the Tenant or any person associated with the Tenant regarding whether or not laborers employed relative to the construction, installation or operation of the development of or improvements on the Premises must be paid the prevailing per diem wage rate for their labor classification, as determined by the State of California, pursuant to Labor Code Sections 1720, et seq. The Tenant agrees with the Landlord that the Tenant shall assume the responsibility and be solely responsible for determining whether or not laborers employed relative to the construction, installation or operation of the development of or improvements on the

Premises must be paid the prevailing per diem wage rate for their labor classification, as determined by the State of California, pursuant to Labor Code Sections 1720, et seq.

Tenant, on behalf of itself, its successors, and assigns, waives and releases the Landlord from any right of action that may be available to any of them pursuant to Labor Code Section 1781. The Tenant acknowledges the protections of Civil Code Section 1542 relative to the waiver and release contained in this Section 10.6, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

BY INITIALING BELOW, THE TENANT KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 10.6:

Tenant's Initials

Additionally, the Tenant shall indemnify, defend and hold harmless the Landlord, pursuant to Section 16, against any claims pursuant to Labor Code Section 1781 arising from this Lease or the construction, installation or operation of all or any portion of the development of or improvements on the Premises.”

e. Section 10.9 is hereby amended to read as follows:

“Before demolition of any existing improvements Tenant shall submit to Landlord for its approval a copy of its construction contract for the demolition of existing improvements and construction of the new improvements. No work demolition shall commence until Landlord approval of such contract.

Tenant shall be solely responsible for securing appropriate bids and awarding contracts for demolition, construction and installation of improvements in compliance with applicable federal, state, and local laws, rules and regulations, including but not limited to the Public Contract Code and City of Covina’s Purchasing and Contracting Guidelines. Tenant shall exercise due diligence in competitively bidding for demolition, construction and installation of the improvements on the Jack in the Box Parcel within a reasonable period of time following execution of this Lease. Tenant shall defend, indemnify and hold Agency, its

officials, officers, employees, consultants and agents, free and harmless from any and all alleged and actual claims, actions or liability whatsoever, including attorneys' fees and other related costs and expenses arising out of or in connection with the bidding and awarding of the contracts for the Jack in the Box Parcel, and the demolition, construction and installation of improvements on the Premises."

f. Sections 59.1 through 59.6 of the Lease are hereby deleted.

2.8 Revenue Guarantee. Section 62 of the Lease is hereby amended to add the following paragraph:

"The "Second Dealership" shall mean and refer to the automobile dealership located at 528 South Citrus Avenue, Covina. The Parties understand and acknowledge that as of the Assignment and Assumption date (as that term is defined in Section 2.2 of the Fifth Amendment to the Lease), Second Dealership is not owned or operated by Tenant. Notwithstanding the foregoing, commencing upon the Assignment and Assumption date Tenant shall be credited with forty percent (40%) of the Excess Sales and forty percent (40%) of the Revenue Guarantee arising from the two dealerships. In the event payment is due to City at the end of the last Guarantee Year, as set forth herein, such payment shall be made to City by SAI."

2.9 Non-Discrimination. Section 44 of the Lease is hereby amended to include religion among the prohibited forms of discrimination.

2.10 Effective Date. This Fifth Amendment shall become effective upon the first date on which all of the following have occurred: (i) the Agency is in receipt of four (4) counterpart originals of this Fifth Amendment executed by the authorized representative(s) of the Tenant and SAI, (ii) this Fifth Amendment has been approved by the Agency governing body, following a duly noticed public hearing, (iii) this Fifth Amendment has been executed by the authorized representative(s) of the Agency and delivered to the Tenant and SAI; and (iv) SAI and Tenant have completed the sale, transfer and assignment of the dealership on the Premises and delivered proof of such completion to the Agency, to the Agency's reasonable satisfaction. In the event that each and every contingency listed in this Section 2.10 as a condition precedent to the affectivity of this Lease fails to occur by September 30, 2011 then this Fifth Amendment shall fail to become effective and shall be void in its entirety, and the sole and exclusive right to the Premises shall remain with the Agency and SAI and no rights in the Premises shall transfer to or vest in Tenant.

2.11 Permitted Transfer. The Tenant shall not cause or allow any Transfer, without the prior written approval of the Agency. The Tenant recognizes that the qualifications and identity of the Tenant are of particular concern to the Agency and that a Transfer is for all practical purposes a transfer or disposition of the responsibilities of the Tenant with respect to this Fifth Amendment, the Lease and the Premises and, therefore, Transfers are only allowed in

accordance with the provisions of this Section. Notwithstanding the foregoing, the Tenant may Transfer this Fifth Amendment to a Permitted Transfer in accordance with the provisions of this Section.

a. For purposes of this Section, "Transfer" shall mean and refer to any of the following:

(1) Any total or partial sale, assignment, conveyance, trust, power, or transfer in any other mode or form, by the Tenant of more than a 49% interest in the Tenant's interest in this Fifth Amendment, the Lease, or the Premises or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest in the Tenant's interest in this Fifth Amendment, the Lease or the Premises; or

(2) Any total or partial sale, assignment, conveyance, or transfer in any other mode or form, of or with respect to any interest in the Tenant or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest in any interest in the Tenant; or

(3) Any merger, consolidation, sale or lease of all or substantially all of the assets of the Tenant or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest of all or substantially all of the assets of the Tenant; or

(4) Any Transfer of the building, this Fifth Amendment of the Lease; or

(5) The recordation of any deed of trust, mortgage, lien or similar encumbrance against all or any portion of the Premises.

b. For purposes of this Section, "Permitted Transfer" shall mean and refer to any of the following types of Transfers by the Tenant, where the person or entity to which such Transfer is made, expressly assumes the obligations of the Tenant under this Fifth Amendment in a written instrument satisfactory to the Agency:

(1) Any Transfer of stock or equity of the Tenant that does not change management or operational control of the Premises;

(2) Any Transfer of any interest in the Tenant irrespective of the percentage of ownership (i) to any other owner of any interest in the Tenant; or (ii) to any Affiliate, or (iii) to any other person or entity in which any holder of an interest (including any beneficial interest) in the Tenant is a manager, officer or partner or in which any of the aforementioned is a shareholder, member or partner.

c. For purposes of this Section, "Affiliate" shall mean and refer to any person or entity, directly or indirectly, Controlling or Controlled by or under common Control with the Tenant, whether by direct or indirect ownership of equity interests, by contract or otherwise.

d. For purposes of this Section, "Control," "Controlling" or "Controlled" means and refers to exercising or having possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether by ownership of equity interests, by contract or otherwise

2.12 Counterparts. This Fifth Amendment may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart.

2.13 Ratification. This amendment hereby ratifies, certifies, reaffirms and reauthorizes each and every obligation arising under the Lease.

2.14 Except as specifically modified by this Fifth Amendment, the Lease shall remain in full force and effect. To the extent of any inconsistency between the terms and conditions of this Fifth Amendment and the Lease, the terms and conditions of this Fifth Amendment shall control.

Executed by Agency on

Approved as to Form:

Covina Redevelopment Agency

Best Best & Krieger

By: _____
Agency Counsel

By: _____
Daryl J. Parrish
Executive Director

Attest:

By: _____
Agency Secretary

Executed by Tenant on

TENANT:

Walters-Bayer Automotive Group LLC
A Delaware limited liability company

By: _____

Its: _____

By: _____

Its: _____

SAI/ASSIGNOR:

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT 1
FIFTH AMENDMENT TO LEASE

Scope of Development

1. GENERAL

Tenant's improvements shall be designed and developed as a new motor vehicle sales facilities display and parking area. The improvements will replace the existing building and structures on the northwest corner of the Premises, previously occupied by Jack In The Box. The initial dealership shall be for KIA automobiles. Tenant's improvements shall be consistent with the Basic Concept Drawings and Landscaping Plan, showing paving, landscaping and grading, prepared by Tenant and approved by Landlord.

2. DEMOLITION

Tenant shall be responsible at its sole cost and expense for demolition of the existing restaurant and related structures as menu board and trash enclosure on the portion of the Premises known as the Jack in the Box parcel, and removal of debris on all portions of the Premises.

3. PRIVATE DEVELOPMENT STANDARDS

This project must meet all requirements, including landscaping, environmental requirements, under the Covina Municipal Code, and as specified in the existing lease.

4. PUBLIC IMPROVEMENTS

This project must meet all requirements, including landscaping, environmental requirements, under the Covina Municipal Code, and as specified in the existing lease.

EXHIBIT 2
FIFTH AMENDMENT TO LEASE

Schedule of Performance

- A. Days shall be calendar days, unless otherwise specified.
- B. The Executive Director is authorized by the Agency to make administrative changes to the schedule prior to the Completion of Construction resulting in an aggregate extension of the Completion of Construction of one hundred-twenty (120) calendar days or less.
- C. Where the action/task is to be performed by the City, the Agency shall exercise its reasonable efforts to obtain performance by the City.
- D. All specific dates set forth in parentheses in this schedule are estimates only and not binding on the Parties. Tenant shall submit requests for time extension in writing.
- E. In the event of any conflict between this schedule and the Agreement, the terms and provisions of the Agreement shall control.
- F. All defined terms indicated by initial capitalization used in this schedule shall have the meanings ascribed to the same terms in the Agreement.

<u>ITEM OF PERFORMANCE</u>		<u>TIME FOR PERFORMANCE</u>
1.	<u>Effective Date</u> – As described in Section 2.10	On or before September 30, 2011.
2.	<u>Submission – Basic Concept Drawings and Landscape Plan</u> – Tenant shall prepare and submit to Landlord preliminary construction drawings, outline specifications and landscaping plan for	No later than ninety (90) days after Landlord execution of Lease.
3.	<u>Approval – Preliminary Construction Drawings and Landscaping Plan</u>	Within thirty (30) days after receipt by Landlord.
4.	<u>Submission – Final Construction Drawings, Landscaping and Finish Grading Plan</u> – Tenant shall prepare and submit to City final construction drawings and specifications, a final landscaping and finish grading plan.	Within ninety (90) days after approval by Landlord of preliminary construction drawings and landscaping plans.

<u>ITEM OF PERFORMANCE</u>		<u>TIME FOR PERFORMANCE</u>
5.	<u>Deliver – Final Construction Drawings, Landscaping and Finish Grading Plan</u> – City shall approve or disapprove the final construction drawings and specifications, a final landscaping and finish grading plan.	At the completion of the entitlement process.
6.	<u>Possession of the Jack In The Box Premises.</u> Tenant shall accept possession of the Jack In The Box Premises.	Not later than December 31, 2011
7.	<u>Demolition of Existing Improvements.</u> Tenant shall demolish the existing Jack In the Box restaurant and related structures such as trash enclosure and menu board.	Within 120 days after the delivery of possession
8.	<u>Commencement of Construction.</u> Developer shall commence construction on the Premises.	Within thirty (30) days after delivery of possession of the premises and City approval of final construction drawings.
9.	<u>Completion of Construction.</u> Developer completes construction of the Project.	Within ninety (90) days after commencement of construction.