



City of Covina/Successor Agency to the
Covina Redevelopment Agency/
Covina Public Finance Authority/
Covina Housing Authority

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

REGULAR MEETING AGENDA
125 E. College Street, Covina, California
Council Chamber of City Hall
Tuesday, April 3, 2012
6:30 p.m.

Corrected Agenda
Removal of
New Business Item

- 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. 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's Office 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/Successor Agency to the Covina 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 **April 3, 2012** meeting was posted on **March 29, 2012** 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.

April 3, 2012

**CITY COUNCIL/SUCCESSOR AGENCY TO THE
COVINA 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 Delach, King, Low, Mayor Pro Tem/Vice Chairperson Allen and Mayor/Chairperson Stapleton

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

CLOSED SESSION

- A. G.C. §54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
Case name: City of Covina v. Hassen Imports Partnership
Case Number.: KC 062804, Los Angeles Superior Court

- B. G.C. §54956.8(b) – CONFERENCE WITH REAL PROPERTY NEGOTIATOR –Negotiations to include both price and terms
Property: 626 & 602 S. Citrus Avenue (APN 8451-001-911)
Negotiating parties: Michael Luce
Agency negotiator: Daryl Parrish, City Manager

- C. G.C. §54956.8(b) – CONFERENCE WITH REAL PROPERTY NEGOTIATOR –Negotiations to include both price and terms
Property: 635 S. Citrus Avenue (APN 8453-001-906)
Negotiating parties: Scott Sampley, Bill Gilmore, Jules Boand and Alex Alvarez
Agency negotiator: Daryl Parrish, City Manager

- D. G.C. §54956.8(b) – CONFERENCE WITH REAL PROPERTY NEGOTIATOR –Negotiations to include both price and terms
Property: 528 S. Citrus Avenue (APN 8445-021-037 and 8445-029-042)
Negotiating parties: PRY Properties
Agency negotiator: Daryl Parrish, City Manager

RECESS

**CITY COUNCIL/SUCCESSOR AGENCY TO THE
COVINA 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 Delach, King, Low, Mayor Pro Tem/Vice Chairperson Allen, and Mayor/Chairperson Stapleton

PLEDGE OF ALLEGIANCE

Led by Mayor Stapleton

INVOCATION

Led by Covina Police Chaplain David Truax

PRESENTATIONS

- Recognition of National Library Week / Second Start Literacy Program

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/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority Agendas may do so at this time.

CITY MANAGER COMMENTS

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/Successor Agency to the Covina 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 from the March 20, 2012 regular meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority.
- CC 2.** City Council to approve the minutes from the March 20, 2012 special meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority.
- CC 3.** City Council to award a bid for Charter Oak Tank No. 1 Rehabilitation and Tank No. 4 Construction – Project No. W-1101.
- CC 4.** City Council to approve the City-County Cooperative Agreement for the Kimberly-Horn Integrated Transportation System.
- CC 5.** City Council to adopt **Resolution No. 12-7062**, amending the fiscal year 2011-2012 Police Department budget to reflect an appropriation to purchase an access control system.
- CC 6.** City Council to adopt **Resolution No. 12-7063**, revising the 2010-2011 appropriation limit for the City of Covina.
- CC 7.** City Council to adopt and issue City Council report to the public regarding City's Measures to Alleviate Conditions which led to adoption of Interim Urgency Ordinance No. 12-2006 – a moratorium on the issuance or approval of licenses and permits for new smoke shops and tobacco stores in the City of Covina.
- CC 8.** Successor Agency to the Covina Redevelopment Agency to adopt **Agency Resolution No. 12-004**, to recommend oversight board approval of the transfer of the former Covina Redevelopment Agency's housing assets and functions as amended to the Covina Housing Authority.

CONTINUED BUSINESS

- CB 1.** City Council to receive and file the report regarding the 50th Anniversary for The Friends of the Library Event.

Staff Recommendation:

- 1) City Council to receive and file the report.

NEW BUSINESS

NB 1. City Council to approve the negotiation of a professional services agreement with Sustainable Strategies Today for the development and implementation of a community-sized renewable energy program.

Staff Recommendation:

- 1) City Council to approve the negotiation of a professional services agreement with Sustainable Strategies Today for the development and implementation of a community-sized renewable energy program and authorize the City Manager to execute the agreement after review and approval by the City Attorney.

ADJOURNMENT

The Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to the Strategic Planning Workshop to be held **Thursday, April 5, 2012** at Covina Presbyterian Church, 310 N. Second Avenue, Covina, California, 91723, at 8:00 a.m.



MINUTES OF THE MARCH 20, 2012 REGULAR MEETING OF THE COVINA CITY COUNCIL/SUCCESSOR AGENCY TO THE 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/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority meeting to order at 6:35 p.m. with all members present. City Attorney Marco Martinez announced the closed session items listed on the regular meeting agenda and the special meeting agenda. There was no public comment.

ROLL CALL

Council Members Present: ALLEN, DELACH, KING, LOW, STAPLETON
Council Members Absent: NONE
Elected Members Present: MANNING
Staff Members Present: City Manager, City Attorney, Police Chief, Fire Battalion Chief, Finance Director, Human Resources Director, Public Works Director, Community Development Deputy Director, Parks and Recreation/Library Director, Police Captain, Community Relations Supervisor, Risk Manager, Management Analyst, Community Development Manager, Sr. Management Analyst and Deputy City Clerk

AGENDA POSTING DECLARATION

The Deputy City Clerk of the City of Covina hereby declares that the agenda for the March 20, 2012 City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority meeting was posted on March 15, 2012 near the front entrance of City Hall, 125 East College Street, Covina, in accordance with §54954.2(a) of the California Government Code.

CLOSED SESSION

- A. G.C. §54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
 Name of case: The Johnson Sober Living House v. City of Covina, et. al.
 Case No. CV11-02809 RGK, U.S. District Court, Central District of California
- B. G.C. § 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
 Name of case: Trevino et. al. v. Planning Commission of the City of Covina, et. al.
 Case No. BS 136525, Los Angeles Superior Court
- C. G.C. § 54956.9(a) & (c) – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
 Name of case: People v. Louise Wasilchin, Los Angeles Superior Court
 Case No. KA096395

CONVENE THE MEETING

The City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority meeting reconvened at 7:36 p.m.

City Attorney Marco Martinez reported City/Agency/Authority met in closed session to discuss the items listed on the regular meeting agenda and special meeting agenda with all members present. City Attorney Martinez reported there is no reportable action related to the closed session items.

At 7:37 p.m., Mayor King adjourned the special meeting of the Council/Agency/Authority to the open session portion of the regular meeting agenda.

PLEDGE OF ALLEGIANCE

Council Member Delach led the pledge of allegiance.

INVOCATION

Covina Police Chaplain David Truax gave the invocation.

CITY COUNCIL REORGANIZATION

At the March 6, 2012 regular Council/Agency/Authority meeting, appointments for Mayor and Mayor Pro Tempore were made for a period of one year. Council reorganized as follows:

Mayor – Kevin Stapleton

Mayor Pro Tempore – Walt Allen, III

PRESENTATIONS

Council Member King read his Mayoral farewell address expressing appreciation to his colleagues, staff and his family.

Mayor Stapleton presented Council Member King with a plaque, which displays the gavel used during his mayor term.

PUBLIC COMMENTS

Claudia Goytia, representing Assemblyman Roger Hernandez's office, recognized outgoing mayor King.

Jim Oronoz, Covina resident and member of the Prospero Park Homeowner Association, spoke regarding properties on North Vecino Drive. Mr. Oronoz stated he is here to ask for assistance from City Council regarding the conditions and actions by other property owners and tenants on North Vecino Drive and provided examples of Covina Municipal Code violations.

Mayor Stapleton requested that Mr. Oronoz continue to work with the Covina Police Department and Code Enforcement.

Leonard Rose Jr., resident of La Puente, spoke about upcoming programs taking place at Covina Assembly of God in the month of April. Additional information is available on the Covina Assembly of God's website - www.covina.ag.org.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council Member Low requested to adjourn the meeting in memory of Barbara "Bobbie" Jo Banderas, lifelong resident of San Gabriel Valley. Council Member Low also requested to adjourn the meeting in honor of Peter (Philip) Lars Ostergard, founder of the Kare Youth League program.

Council Member Low reported that he met with representatives of the United States/Mexico Sister Cities Association and discussed the Sister City Program, which was brought about by President Dwight D. Eisenhower. He stated that we owe a great deal to President Eisenhower for his good work. Council Member Low requested to adjourn in memory of President Eisenhower, who died on March 28, 1969.

Council Member Low recognized Assemblyman Roger Hernandez for receiving the Freshman Legislator of the Year Award from the Faculty Association of California Community Colleges.

Council Member Delach welcomed Mayor Stapleton and Mayor Pro Tem Allen and wished them a successful year. She also thanked Council Member King for his work as mayor.

Mayor Pro Tem Allen expressed his appreciation to Council Member King for his leadership as mayor. Mayor Pro Tem Allen stated he recently met with city retiree, Richard "Mic" Smith, who had a stroke and requested prayers go out to him for a speedy recovery.

Council Member King congratulated Mayor Stapleton.

Covina Fire Battalion Chief Vince Pena, at the request of Mayor Stapleton, provided an update on Fire Battalion Chief Bruce Dean who is recovering from a cerebral hemorrhage.

Mayor Stapleton stated he is honored to be appointed Mayor and takes the role with solemnity. He spoke about reaching out to the community and having a participatory community. Mayor Stapleton stated he would like to reenergize the NICE Squad (Neighbors Improving Covina's Environment) and expressed the possibility of having presentations on Friday nights at Heritage Plaza. Mayor Stapleton stated he plans to visit different locations in Covina so citizens can come and talk with elected officials.

CITY MANAGER COMMENTS

City Manager Daryl Parrish requested to remove New Business item NB1 from the agenda to return at a later date.

CONSENT CALENDAR

On a motion made by Council Member King, seconded by Council Member Delach, the City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar items CC1, CC2, CC3, CC4, CC6, CC7, CC8, CC9, CC10, CC12, CC13, CC14, CC15, CC16, CC17, and CC18. Consent Calendar items CC5 and CC11 were removed from the agenda for further discussion and consideration. **Motion carried 5-0.**

- CC 1.** City Council approved the minutes from the March 6, 2012 regular meeting of the City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority.
- CC 2.** City Council received and filed the 3rd Quarter 2011 sales tax report.
- CC 3.** City Council received and filed the update on the strategic plan.
- CC 4.** City Council received and filed the Public Works monthly activity report.
- CC 5.** City Council received and filed the Public Works Department's Calendar Year 2011 Annual Report.

Mayor Pro Tem Allen spoke regarding the tremendous accomplishments this past year by the Public Works Department.

On a motion made by Mayor Pro Tem Allen, seconded by Council Member King, the City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar item CC5. **Motion carried 5-0.**

- CC 6.** City Council approved the payment of demands in the amount of \$5,434,413.99.
- CC 7.** City Council approved a use agreement between the City and Farmer Market.
- CC 8.** City Council adopted **Resolution No. 12-7056**, amending the fiscal year 2011-2012 Library Services Division's operating budget to expend the California's Family Place Library Grant Funds under the Library Services and Technology Act (LSTA) grant from the Institute of Museum and Library Services to support the development of California libraries, and the usage of restricted funds from the Kai & Ruth Molich Revocable Living Trust donation.
- CC 9.** City Council adopted **Resolution No. 12-7057**, authorizing budget adjustment for fiscal year 2011-2012.
- CC 10.** City Council adopted **Resolution No. 12-7058**, to consider renewing General Services Agreement with Los Angeles County.
- CC 11.** City Council awarded a bid to create final designs and construction documents for pedestrian improvements at the Covina Metrolink Station, Project No. T-0841; and

adopted **Resolution No. 12-7059**, amending the fiscal year 2011-2012 Public Works Department, Transit Operations operating budget.

Council Member Low requested clarification regarding restrictions on the use of Proposition A and Proposition C funds.

Sr. Management Analyst Alex Gonzalez reported that Proposition A and Proposition C is funding that is sales tax based and could be used for transportation purposes.

Mayor Stapleton suggested Council Member Low meet with Sr. Management Analyst Alex Gonzalez to answer his question.

On a motion made by Council Member King, seconded by Mayor Pro Tem Allen, the City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority approved Consent Calendar item CC11. **Motion carried 5-0.**

- CC 12.** Housing Authority adopted **Authority Resolution No. 12-001**, accepting the dissolved Covina Redevelopment Agency's Housing Assets and Functions, pursuant to Part 1.85 of Division 24 of the California Health and Safety Code.
- CC 13.** Housing Authority adopted **Authority Resolution No. 12-002**, adopting the bylaws by the Covina Housing Authority.
- CC 14.** Successor Agency to the Covina Redevelopment Agency approved the payment of demands in the amount of \$2,196,874.22.
- CC 15.** Successor Agency to the Covina Redevelopment Agency adopted **Agency Resolution No. 12-002**, to recommend oversight board approval of the transfer of the former Covina Redevelopment Agency's housing assets and functions to the Covina Housing Authority.
- CC 16.** Successor Agency to the Covina Redevelopment Agency approved updated Recognized Obligation Payment Schedule for the period of January 1, 2012 through June 30, 2012.
- CC 17.** Successor Agency to the Covina Redevelopment Agency approved updated Recognized Obligation Payment Schedule for the period of July 1, 2012 through December 31, 2012 and directed it be provided to the Successor Agency Oversight Board.
- CC 18.** Successor Agency to the Covina Redevelopment Agency approved Administrative Budget covering February 2, 2012 through June 30, 2012 and directed it be provided to the Successor Agency Oversight Board.

CONTINUED BUSINESS

- CB 1.** City Council to adopt **Resolution No. 12-7060**, confirming and ratifying the City's Council October 18, 2011 adoption of Resolution of Necessity and adopt **Resolution No. 12-7061**, amending the fiscal year 2011 – 2012 Community Development Land Account budget.

Mayor Stapleton requested to remove this item from the agenda and continue it to the regular meeting of April 17, 2012.

On a motion made by Council Member King, seconded by Council Member Delach, the City Council removed Continued Business item CB1 from the agenda and continued it to the regular Council/Agency/Authority meeting of April 17, 2012. **Motion carried 5-0.**

NEW BUSINESS

NB 1. City Council to approve the amended legal services agreement between the City of Covina and Best, Best & Krieger to reduce the monthly retainer.

On a motion made by Council Member King, seconded by Council Member Delach, the City Council continued New Business item NB1 to the first meeting in May. **Motion carried 5-0.**

NB 2. Mayor appointments to the Oversight Board for Successor Agency to the Covina Redevelopment Agency.

Mayor Stapleton requested to appoint himself to one of the two appointments and requested to schedule interviews of the remaining four individuals, which make up the representative employees who costs were paid for by redevelopment funds.

On a motion made by Council Member Delach, seconded by Mayor Pro Tem Allen, the City Council ratified Mayor Stapleton to the Oversight Board for Successor Agency to the Covina Redevelopment Agency and agreed to schedule interviews for the remaining four employees. **Motion carried 5-0.**

ADJOURNMENT

At 8:37 p.m., Mayor Stapleton adjourned the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority in memory of Barbara "Bobbie" Jo Banderas, Philip Lars Ostergard and late President Dwight D. Eisenhower. The next regular meeting is scheduled for, **Tuesday, April 3, 2012** 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/Secretary

Approved this 3rd day of April, 2012.

Mayor/Chairperson Stapleton



MINUTES OF THE MARCH 20, 2012 SPECIAL MEETING OF THE COVINA CITY COUNCIL/SUCCESSOR AGENCY TO THE 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/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority special meeting to order at 6:35 p.m. with all members present. City Attorney Marco Martinez announced the closed session item listed on the special meeting agenda. There was no public comment.

ROLL CALL

Council Members Present: ALLEN, DELACH, KING, LOW, STAPLETON

Council Members Absent: NONE

Elected Members Present: MANNING

Staff Members Present: City Manager, City Attorney, Police Chief, Human Resources Director, Risk Manager, Community Development Manager, Sr. Management Analyst and Deputy City Clerk

AGENDA POSTING DECLARATION

The Deputy City Clerk of the City of Covina hereby declares that the special meeting agenda for the March 20, 2012 City Council/Successor Agency to the Covina Redevelopment Agency/Public Finance Authority/Housing Authority was posted on March 19, 2012 near the front entrance of City Hall, 125 East College Street, Covina, in accordance with §54954.2(a) of the California Government Code.

CLOSED SESSION

- A. G.C. §54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
 Case name: City of Covina v. Hassen Imports Partnership
 Negotiating parties: Hassen Development
 Case Number.: KC 062804, Los Angeles Superior Court

City Attorney Marco Martinez reported City/Agency/Authority met in closed session to discuss the items listed on the special meeting agenda and regular meeting agenda with all members present. City Attorney Martinez reported there is no reportable action related to the closed session items.

ADJOURNMENT

At 7:37 p.m., Mayor King adjourned the special meeting of the Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority to the open session portion of the regular meeting, **Tuesday, March 20, 2012.**

Catherine M. LaCroix
Deputy City Clerk/Secretary

Approved this 3rd day of April, 2012.

Kevin Stapleton, Mayor/Chairperson

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.: CC 3

STAFF SOURCE: Steve Henley, Director of Public Works
Kalieh Honish, Assistant Director of Public Works
Laura Lara, Assistant Civil Engineer

ITEM TITLE: Award of Bid – Charter Oak Tank No. 1 Rehabilitation and Tank No. 4 Construction– Project No. W-1101

STAFF RECOMMENDATION

That the City Council:

- a. Approve the construction drawings for the project; and
- b. Award the bid for the Charter Oak Tank No. 1 rehabilitation and Tank No. 4 construction, Project No. W-1101, to Pacific Hydrotech Corporation (Pacific) as the lowest responsive and responsible bidder in the amount of \$4,344,484.00.

FISCAL IMPACT

The construction project and all ancillary activities, i.e. inspection, quality control and assurance, material testing, survey, compaction testing, etc., will be funded entirely by the proceeds of the City's 2010 Water Revenue Bonds; which are budgeted within Account No. 6011-5060-55420. Accordingly, awarding the bid for the project will have no negative fiscal impact.

BACKGROUND

Originally constructed in 1954, Charter Oak Tank No. 1 is the Water Utility's second-oldest active reservoir and pump station. Project No. W-1101 consists of the complete renovation of this tank including replacement of the existing deteriorated wooden roof with a flat concrete roof; cleaning and sealing of the tank; reconstruction of the tank floor; and seismic retrofitting of the tank walls.

In addition to the rehabilitation of Tank No. 1, Project No. W-1101 also entails the construction of a new, 3-million gallon concrete reservoir tank at Charter Oak site; completing the master plan development for the site as originally planned in 1957. Even with the construction of Tank No. 4, the Charter Oak site will continue to have a normal operating capacity of 9 million gallons. This is due to the fact that Tank No. 4 is being constructed to allow for three tanks to be in operation at all times while one tank is rotated out of service for cleaning and maintenance; thus increasing the projected life of each of the tanks.

The project was duly noticed and advertised and bids for the project were received in the City Clerk's office on March 20, 2012. As shown on the attached Exhibit B, Pacific's bid was

determined to be the lowest responsive and responsible bidder with a bid of \$4,344,484.00. The highest bid was received by Insight Environmental, Engineering and Construction in the amount of \$4,675,657.00. The Engineer's Estimate for the project was \$3,755,855.00.

As depicted in Exhibit B, Pacific's bid is \$588,629.00 over the Engineer's Estimate; with the primary overage areas being in the cost of the circumferential prestressing and automated shotcrete coating of Tank No. 1 and the piping and valve rehabilitation of the combined pump station in the amounts of \$422,200.00 and \$142,500.00, respectively. A review of the competing bids and the current market prices for this type of work has confirmed that Pacific's prices are commensurate with current industry standards. Additionally, there is no feasible way to reduce the scope or specifications of the bid to reduce the price of the project to the original Engineer's Estimate level without seriously compromising the project's long-term viability. However, the \$588,629.00 overage on this project will be offset by the combined \$750,312.00 in under-budget bids received for the previously awarded Auxiliary Power Systems, Holt Avenue Auxiliary Pump Station, and Cypress Reservoir Rehabilitation projects; thereby having no negative impact on the overall capital project program being funded by the 2010 Water Revenue Bonds.

Pacific currently carries valid "A" (General Engineering Contractor) license with a Hazardous Substances Removal certification. Staff has also verified that Pacific has successfully completed similar project for a variety of cities and private water districts throughout California.

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) as a Class 2 Categorical Exemption (Section 15302). A Notice of Exemption for the project was previously prepared and filed with the Los Angeles County Recorder on April 21, 2011.

RELEVANCE TO THE STRATEGIC PLAN

While not directly responsive to any of the currently identified objectives of the Strategic Plan improvements of the City's water supply system to develop operational redundancy support the specific Strategic Plan's Goals of enhancing financial stability and becoming an environmentally sustainable community.

EXHIBITS

- A. Project Plans on file with the Public Works Department
- B. Bid Summary

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

BID SUMMARY							
Charter Oak New 3MG Concrete Reservoir No.4 & Existing Reservoir No.1 Roof Replacement							
Project No. W-1101							
March 20, 2012							
ITEM NO	DESCRIPTION	QTY	UNIT	Hydrotech	Doty	Insight	Eng. Estimate
1	Mobilize/demobilize	1	L.S.	114,300.00	150,000.00	149,630.03	60,000.00
2	Public convenience, safety and traffic control	1	L.S.	100.00	1,000.00	99,618.45	5,000.00
3	Excavation and excavation safety	1	L.S.	200.00	1,000.00	10,628.49	10,000.00
4	Remove existing Charter Oak Reservoir wooden roof	1	L.S.	44,700.00	100,000.00	190,720.95	100,000.00
5	Excavate for Charter Oak Reservoir Tank No.4	1	L.S.	60,000.00	150,000.00	61,504.47	75,000.00
6	Install new columns and roof to Charter Oak Tank No.1	1	L.S.	1,301,200.00	1,270,000.00	1,302,201.97	879,000.00
7	Install asphalt concrete over crushed aggregate base.	11,871	SF 4.00	47,484.00	71,226.00	56,505.96	59,355.00
8	Patch and repair interior walls and floor Charter Oak Tank No.1	500	LF 69.00	34,500.00	32,500.00	35,158.70	50,000.00
9	Install new water tank (Tank No. 4)	1	L.S.	2,058,600.00	1,864,274.00	2,106,067.33	2,200,000.00
10	Install exterior spiral stairway	1	L.S.	133,300.00	130,000.00	132,065.14	15,000.00
11	Install piping and valves	1	L.S.	207,500.00	170,000.00	214,339.47	65,000.00
12	Install reservoir management mixing systems	2	EA 42,900.00	85,800.00	85,000.00	91,723.52	75,000.00
13	Install SCADA equipment	1	L.S.	39,800.00	60,000.00	41,640.09	30,000.00
14	Electrical equipment	1	L.S.	36,300.00	120,000.00	33,541.13	15,000.00
15	Surface preparation, painting, and coating for wall and roof Charter Oak Tank No. 1	1	L.S.	90,600.00	85,000.00	88,574.32	50,000.00
16	No.4	1	L.S.	87,300.00	85,000.00	31,436.35	50,000.00
17	Pressure testing and disinfection	1	L.S.	1,600.00	10,000.00	19,222.06	15,000.00
18	Start-up and test	1	L.S.	1,200.00	10,000.00	11,078.65	2,500.00
	CONSTRUCTION COST			\$4,344,484.00	\$4,395,000.00	\$ 4,675,657.08	\$ 3,755,855.00

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.: CC 4

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

ITEM TITLE: Approval of City-County Cooperative Agreement –
Kimberly-Horn Integrated Transportation System

STAFF RECOMMENDATION:

That the City Council approve the cooperative agreement between the City of Covina and the County of Los Angeles for the Kimberly-Horn Integrated Transportation System and authorize the City Manager to execute the agreement.

FISCAL IMPACT:

Funding for the maintenance of the City's traffic signal systems derives from a combination of General Fund and State Gas Tax funds. A total of \$214,500 is budgeted within the adopted Fiscal Year 2011-2012 Budget for this purpose in two accounts: 1010-2350-52418 (General Fund) and 2300-2350-58235 (Gas Tax). The proposed agreement neither increases nor decreases the City's current costs.

BACKGROUND:

For many years, the City has worked cooperatively with the County of Los Angeles and other adjacent communities in an effort to improve traffic flows within the area. To this end, traffic signal controllers on various streets, including Azusa Avenue, Citrus Avenue and Grand Avenue, have been "synchronized" to maximize existing roadway capacities by moving traffic through different jurisdictions under consistent and agreed upon timing parameters. The proposed cooperative agreement seeks to serve as an expansion of this on-going program.

The Kimley-Horn Integrated Transportation System (KITS) is a regional program funded by the Los Angeles County Metropolitan Transportation Authority (MTA). Through this program, MTA will provide funds for the upgrading of traffic signal controllers and appurtenant facilities to allow for enhanced synchronization of regional arterial roadways. Specifically, KITS allows connected signals to be monitored from a remote location and for the timing of the signals to be modified in real-time for either routine timing changes or in response to emergency situations. In Covina's case, the following roadways will be improved:

- Azusa Avenue from Arrow Highway to Badillo
- Grand Avenue from Badillo Street to Edna Place

- Badillo Street from Lark Ellen Avenue to Banna Avenue

Improvements will consist of installing upgraded traffic signal controllers, establishing improved timing patterns, and installation of remote programming equipment. All of these costs will be borne by the County and funded by MTA. Once the improvements are in place, the City's only responsibility will be to maintain the controllers within its jurisdiction in the same manner as the current controllers.

RELEVENCE TO THE STRATEGIC PLAN

Implementation of KITS forwards the City's Strategic Plan goal of "Enhance Financial Stability" by working cooperatively with other regional partners to obtain cost-free upgrades of the city's traffic signal systems. It also addresses the goal of "Become an Environmentally Sustainable Community" by improving traffic flows through the city which helps to reduce airborne pollutants.

EXHIBITS:

- A. City-County Cooperative Agreement

REVIEW TEAM ONLY	
City Attorney: <u>4-A 77</u>	Finance Director: <u></u>
City Manager: <u></u>	Other: _____

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2012, by and between the CITY OF COVINA, a municipal corporation in the County of Los Angeles, hereinafter referred to as CITY, and the COUNTY OF LOS ANGELES, a political subdivision of the State of California, hereinafter referred to as COUNTY:

WITNESSETH

WHEREAS, on October 19, 2004, COUNTY entered into an agreement with Kimley-Horn and Associates, Inc., for the procurement of a traffic control system; and

WHEREAS, the traffic control system is known as the Kimley-Horn Integrated Transportation System (hereinafter referred to as KITS); and

WHEREAS, CITY has indicated their desire to connect their traffic signals to the COUNTY'S KITS; and

WHEREAS, on September 18, 2007, COUNTY executed an Amendment with Systems Analysis & Integration, Inc., for the expansion of a wireless communication system (hereinafter referred to as WIRELESS COMMUNICATION); and

WHEREAS, COUNTY'S agreement for WIRELESS COMMUNICATION includes a provision for placement at specified CITY traffic signals as denoted in Attachment A; and

WHEREAS, use of KITS requires that a communication link be established between a remote location and the CITY'S traffic signals listed in Attachment A (hereinafter referred to as CITY TRAFFIC SIGNALS); and

WHEREAS, a KITS workstation is required in order for CITY to monitor and control their TRAFFIC SIGNALS from a remote location (hereinafter referred to as WORKSTATION); and

WHEREAS, basic traffic signal timing involves the timing parameters for the general operation of a traffic signal, which typically include, but is not limited to, defining the phases, attributes and timing values for each permitted phase, pedestrian movement and assigning detection; and

WHEREAS, coordination traffic signal timing involves the timing parameters that allow multiple traffic signals to be synchronized with each other, which typically include defining coordination cycle lengths, offsets and time of day operations for each traffic signal coordination plan; and

WHEREAS, COUNTY has developed LACO-4E traffic signal controller firmware to enable basic traffic signal timing and coordination timing for traffic signals connected to KITS; and

WHEREAS, COUNTY will install LACO-4E at CITY TRAFFIC SIGNALS listed in Attachment A; and

WHEREAS, COUNTY and CITY desire to memorialize their understanding regarding their relative rights, obligations, and duties with respect to connecting CITY TRAFFIC SIGNALS to KITS.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by COUNTY and CITY and of the promises herein contained, it is hereby agreed as follows:

(1) COUNTY AGREES:

- a. To convert and install LACO4-E basic traffic signal timing and coordination traffic signal timing at CITY TRAFFIC SIGNALS to enable operations with KITS, at no cost to CITY.
- b. To install WIRELESS COMMUNICATION at CITY TRAFFIC SIGNALS at no cost to CITY, unless another form of communication is denoted on Attachment A.
- c. To install WORKSTATION in CITY for their use to monitor and control CITY TRAFFIC SIGNALS, with the installation to be completed at no cost to CITY.
- d. To not alter basic traffic signal timing or coordination signal timing at CITY TRAFFIC SIGNALS without prior approval from CITY. In the event that COUNTY alters basic traffic signal timing or coordination traffic signal timing at CITY TRAFFIC SIGNALS following prior approval by the CITY, COUNTY shall provide CITY with updated traffic signal timing sheets reflecting the changes made. If CITY believes COUNTY improperly or negligently altered basic traffic signal timing or coordination traffic signal timing at CITY TRAFFIC SIGNALS, CITY shall notify COUNTY in writing within thirty (30) days after the completion of COUNTY'S work on the CITY TRAFFIC SIGNALS. Should CITY fail to so notify COUNTY, CITY shall be deemed to have accepted and approved the timing alterations performed by COUNTY.

- e. Subsequent to CITY'S approval in 1 (d) above, and upon receipt of a Service Request from CITY pursuant to the terms and conditions of the County/City General Service Agreement No. 76141 (or whichever General Service Agreement between the COUNTY and CITY, or equivalent agreement between the COUNTY and CITY, is in effect), to review, observe, and if necessary, recommend revisions to and/or modify basic traffic signal timing and/or coordination traffic signal timing at CITY TRAFFIC SIGNALS. Upon approval from CITY, to download basic traffic signal timing and/or coordination traffic signal timing at CITY TRAFFIC SIGNALS from COUNTY'S KITS workstation to improve traffic signal operations. If revisions are required, COUNTY will provide CITY with updated traffic signal timing sheets to enable CITY to maintain a current copy.

(2) CITY AGREES:

- a. To be solely responsible for maintaining the basic traffic signal timing and coordination traffic signal timing for CITY TRAFFIC SIGNALS to promote coordinated traffic operations, multi-jurisdictional cooperation, and improve arterial traffic conditions.
- b. To inform the COUNTY of any changes implemented to the basic traffic signal timing and coordination traffic signal timing that may impact the coordination of CITY TRAFFIC SIGNALS.
- c. If CITY believes COUNTY improperly or negligently revised CITY TRAFFIC SIGNALS pursuant to section 1(d) hereinabove, CITY shall notify COUNTY in writing within thirty (30) days of the completion of COUNTY'S work on the CITY TRAFFIC SIGNALS. Should CITY fail to so notify COUNTY, CITY shall be deemed to have accepted and approved the timing revisions performed by COUNTY.
- d. To inform the COUNTY of new traffic signal installations and any traffic signal modifications which would affect coordination traffic signal timing.
- e. To accept full and complete ownership of, responsibility for, and to maintain in good condition and at CITY expense WORKSTATION and WIRELESS COMMUNICATION (or other communication if denoted on Attachment A) that is installed at CITY TRAFFIC SIGNALS.
- f. If requested by the COUNTY, to issue a Service Request pursuant to the terms and conditions of the County/City General Service Agreement No. 76141 (or whichever General Service Agreement between the COUNTY and CITY, or equivalent agreement between the COUNTY and CITY, is in effect), pursuant to which the CITY will reimburse the COUNTY for the annual costs incurred by COUNTY to operate and maintain CITY TRAFFIC SIGNALS on the COUNTY'S KITS system. Said cost is currently estimated to be Two Thousand and 00/100 Dollars (\$2,000) per year.

- g. If CITY desires COUNTY to observe, recommend revisions to, and/or modify the traffic signal timing at CITY TRAFFIC SIGNALS, to submit to COUNTY a Service Request pursuant to the terms and conditions of the County/City General Service Agreement No. 76141 (or whichever General Service Agreement between the COUNTY and CITY, or equivalent agreement between the COUNTY and CITY, is in effect).
- h. To ensure the traffic signal timing sheets located in the cabinet for CITY TRAFFIC SIGNALS at each intersection contain the most recently installed version of the traffic signal timing and accurately reflect all changes made to CITY TRAFFIC SIGNALS.
- i. To allow COUNTY to monitor the operation of CITY TRAFFIC SIGNALS.
- j. To obtain and grant to COUNTY any necessary temporary right of way within CITY for installation of WIRELESS COMMUNICATION at no cost to COUNTY.
- k. To issue COUNTY a no-fee permit(s) authorizing COUNTY to install WIRELESS COMMUNICATION within CITY highway right of way.

(3) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a. The terms and provisions of Agreement No. 76141 (or whichever General Service Agreement between the COUNTY and CITY, or equivalent agreement between the COUNTY and CITY, is in effect) regarding the COUNTY and CITY'S roles and responsibilities in carrying out traffic signal synchronization projects shall remain in full force and effect.
- b. Nothing in this AGREEMENT shall be construed as changing the role of CITY in operating and maintaining CITY TRAFFIC SIGNALS.
- c. CITY shall be solely responsible for detecting and correcting malfunctions of CITY TRAFFIC SIGNALS and COUNTY shall not be required to notify CITY of or correct any traffic signal malfunctions detected by KITS.
- d. The term of this AGREEMENT shall commence on the date it is approved by the Board of Supervisors and shall continue until any party terminates it upon thirty (30) days prior written notice.
- e. Any additions, deletions, or modifications to this AGREEMENT shall be approved by the governing bodies of CITY and COUNTY, or their designees.
- f. Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

CITY: Mr. Steve Henley
Director of Public Works
City of Covina
125 East College Street
Covina, CA 91723-2199

COUNTY: Mr. Dean R. Lehman
Assistant Deputy Director
Traffic and Lighting Division
County of Los Angeles
Department of Public Works
P.O. Box 1460
Alhambra, CA 91802-1460

- g. COUNTY and CITY acknowledge and recognize that the improvements contemplated by this AGREEMENT provide significant regional and local benefits with respect to reducing traffic congestion. COUNTY and CITY further acknowledge and recognize the cost of defending claims and lawsuits arising from the improvements contemplated by this AGREEMENT is paid for by public monies and both parties share an interest in reducing the amount of public monies spent on defending claims and lawsuits where possible without prejudicing their respective defenses.
- h. In the event that a claim or lawsuit is brought against COUNTY and CITY based on the allegation that the design, construction, maintenance, or operation of the improvements constructed under this AGREEMENT proximately caused injuries or damage, COUNTY and CITY agree to cooperate as much as possible with respect to defending the claim or lawsuit without causing prejudice to their respective defenses to the claim or lawsuit. Upon receipt of the claim or lawsuit, the COUNTY and CITY, through their respective agents if appropriate, shall promptly investigate the matter. COUNTY and CITY shall then meet and confer promptly regarding whether a joint defense is appropriate or if one party should tender its defense and indemnification to the other party.
- i. In the event that COUNTY and CITY cannot agree regarding a joint defense or a tender of defense and indemnification, COUNTY and CITY agree to meet and confer promptly with respect to; 1) entering into a tolling agreement with respect to any claims they may have against each other, and 2) submitting to mediation regarding any claims they may have against each other, which mediation will take place before a third party neutral selected by a fair process. COUNTY and CITY agree to meet and confer as set forth in the preceding sentence prior to presenting claims or filing cross-complaints for indemnity against each other. COUNTY and CITY agree to toll all applicable statutes of limitations for a reasonable period of time if necessary for COUNTY and CITY to meet and confer prior to the time to present a claim or file a cross-complaint for indemnity.

- j. Neither COUNTY nor any officer or employee of COUNTY shall be responsible for any damage or liability occurring by reason of any act or omission on the part of CITY under or in connection with any work, authority, or jurisdiction delegated to, assumed by, or determined to be the responsibility of CITY under this AGREEMENT. It is also understood and agreed that, pursuant to Government Code, Section 895.4, CITY shall fully indemnify, defend, and hold COUNTY harmless from any liability imposed for injury (as defined by Government Code, Section 810.8) occurring by reason of any act or omission on the part of CITY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of CITY under this AGREEMENT. Where liability for injury (as defined by Government Code, Section 810.8) is sought to be imposed under Section 830, et seq., of the Government Code for a dangerous condition of property owned by or under the control of CITY, CITY shall fully defend, indemnify, and hold COUNTY harmless from any and all liability arising from such dangerous condition.

- k. Neither CITY nor any officer or employee of CITY shall be responsible for any damage or liability occurring by reason of any act or omission on the part of COUNTY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of COUNTY under this AGREEMENT. It is also understood and agreed that, pursuant to Government Code, Section 895.4, COUNTY shall fully indemnify, defend, and hold CITY harmless from any liability imposed for injury (as defined by Government Code, Section 810.8) occurring by reason of any act or omission on the part of COUNTY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of COUNTY under this AGREEMENT.

- l. It is understood and agreed that the provisions of this AGREEMENT shall supersede and control over any inconsistent provisions in the Assumption of Liability Agreement No. 32054 between CITY and COUNTY, adopted by the Board of Supervisors on December 27, 1977, and currently in effect.

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IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective officers, duly authorized, by the CITY OF COVINA on _____, 2012, and by the COUNTY OF LOS ANGELES on _____, 2012.

GAIL FARBER
DIRECTOR OF PUBLIC WORKS
COUNTY OF LOS ANGELES

By _____
Deputy Director

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By _____
Deputy

CITY OF COVINA

By _____
City Manager

ATTEST:

By _____
City Clerk

By _____
City Attorney

ATTACHMENT A

CITY OF COVINA		
CITY YARD: 534 NORTH BARRANCA AV, 91723		
CENTRAL SYSTEM LOCATION: 900 SOUTH FREMONT AV, ALHAMBRA, 91803		
NUMBER	ARTERIAL STREET NAME	CROSS STREET NAME
1	AZUSA AV	COVINA BL
2	AZUSA AV	BADILLO ST
3	AZUSA AV	CYPRESS ST
4	AZUSA AV	GRONDAHL ST
5	AZUSA AV	SAN BERNARDINO RD
6	AZUSA AV	WALMART
7	BADILLO ST	BANNA AV
8	BADILLO ST	BARRANCA AV
9	BADILLO ST	CITRUS AV
10	BADILLO ST	GLENDORA AV
11	BADILLO ST	HOLLENBECK AV
12	BADILLO ST	LARK ELLEN AV
13	BADILLO ST	REEDER AV
14	BADILLO ST	RIMSDALE AV
15	BADILLO ST	SECOND AV
16	GRAND AV	BADILLO ST
17	GRAND AV	EDNA PL
18	GRAND AV	SAN BERNARDINO RD

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.: CC 5

STAFF SOURCE: Kim J. Raney, Chief of Police

DW. For KR.

ITEM TITLE: Resolution of the City Council of the City of Covina, County of Los Angeles, State of California, amending the Fiscal Year 2011-2012 Police Department Budget to reflect an appropriation to purchase an Access Control System.

STAFF RECOMMENDATION:

1. Adopt **Resolution No.12-7062** which appropriates \$50,000 for the purchase and installation of an access control system for the Covina Police Department.
2. Award the Police Department access control system purchase and installation to Enterprise Security Incorporated (ESI) in the amount of \$39,950.
3. Authorize the Chief of Police to execute an agreement on behalf of the City of Covina.

FISCAL IMPACT:

There is no impact to the general fund; however, the adoption of this resolution will appropriate a combined \$50,000 of undesignated funds from the following;

Justice Narcotics Seizure Fund (2222)
Development Impact Fees-Police (4703)
Development Impact Fees-Fire (4706)

This \$50,000 appropriation includes a 25% contingency to address any unforeseen work. Any work above and beyond the \$39,950 contract shall be by written approval of the Chief of Police.

BACKGROUND:

The Covina Police Department would like to purchase and install an access control system to replace the current outdated system that operates in both the Police and Fire Department buildings. The proposed new access control system is a dual system which is both a code-based (key-pad) and credential based (card) system. The system will be programmed to require both card and key pad to be used to gain access to specific areas. Seventeen access points within the Police and Fire Department buildings will be covered by this system both internal and external. The card will serve both as a department photo I.D and access card. The system will be integrated/networked and tied to a central computer where an administrator can monitor and control the system. It will enable the administrator(s) to better manage the movement of personnel throughout the police station by controlling the level of access for each employee

based on their areas of responsibility or credential. For example, under this proposed system, only credentialed personnel can access the armory or the data and server rooms. Due to increased demands for Police and Fire services as a result of additional development coming into the City, it is important to ensure that Police and Fire Department personnel and facilities remain secure in order to continue providing quality service to Covina residents and businesses. This improvement to each Department's capital facilities will enhance that security.

This project includes modernizing existing reader controlled doors and installing new readers at new door locations. The system can monitor door status for "forced open or propped open" alarm reporting and the system administrator can access logs which can be viewed and printed at any time to review employee access to covered areas. The purchase includes the necessary software, equipment, installation cost, one year warranty and technical support. The system is expandable to include additional doors within the Department if the need arises in the future.

A Notice Inviting Bids (NIB) was published in the San Gabriel Valley Examiner on December 15, 22 and 29, 2012 to solicit bids from the community as required by the Covina Municipal Code. On January 17, 2012, five (5) bids were received at the bid opening. ESI was the lowest and most responsible bid after a review process conducted by Police and Information Technology staff.

Bids Received

Protection One Van Nuys, CA	\$33,995.00
SoCal Access and Video Glendora, CA	\$35,203.89
Enterprise Security Inc. Anaheim, CA	\$39,950.00
John Webb /Kratos Chino, CA	\$41,179.66
Sierra Group Glendale, CA	\$53,056.00

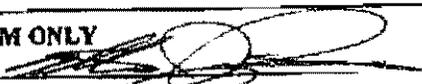
After reviewing the bids, staff recommends awarding the project to the ESI which fulfilled all the bid requirements at a competitive price.

RELEVANCE TO THE STRATEGIC PLAN:

None.

EXHIBITS:

A. Resolution # 12-7062

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

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.: CC 6

STAFF SOURCE: Dilu De Alwis, Finance Director 

ITEM TITLE: Revised 2010-2011 Appropriation Limit for the City of Covina

STAFF RECOMMENDATION:

- a. Approve the County population and the State of California's Per Capita cost of Living Change as the factors to calculate the appropriation limit.
- b. Adopt Resolution No. **12-7063**, revising the 2010-2011 Appropriation Limit for the City of Covina

FISCAL IMPACT:

None

BACKGROUND:

The establishment of the appropriation limit for the following fiscal year is required by each agency per Article XII B of the California Constitution-Gann Initiative.

The appropriation limit calculations were modified in fiscal year 1993-1994 as a result of the passage of Proposition 111 (which also increased the State Gas Tax). The measure provides several factors for the calculation of the appropriation limit. The basic factors are growth in population and inflation.

The City can select the larger of the percentage population growth of the city or county for growth.

The larger of the percentage increase in the State's per capita income or the increase in the City's new construction non-residential assessed valuation can be utilized for inflation.

The population factor for fiscal year 2010-2011 is the County's percentage population growth of .83% (compared to .53% for the City). The inflation factor is the State's Per Capita income change of -2.54% compared to the City of Covina's new construction non-residential valuation change of -8.79%.

The City of Covina's appropriation limit for fiscal year 2010-2011 is \$70,118,188 (see Exhibit B). The 2010-2011 adopted appropriation subject to the limitation is \$23,583,970 that provides a safety margin of \$46,534,218.

The proceeds from taxes are \$23,583,970 and are below the appropriation limit. There is no excess of taxes over the appropriation limit as defined by Article XIII B.

Any challenge to the 2010-2011 appropriation limit calculation must be done within forty-five days of the adopted resolution effective date.

EXHIBITS:

- A) A Resolution of the City Council of the City of Covina, California, Establishing the 2010-2011 Revised Appropriation Limit
- B) Appropriation Limit and Proceeds of Taxes for Fiscal Year 2010-2011
- C) Proceeds/Non-proceeds of Taxes for Fiscal Year 2010-2011

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

EXHIBIT A

RESOLUTION _

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF COVINA, CALIFORNIA, ESTABLISHING THE 2010-
2011 REVISED APPROPRIATION LIMIT FOR THE CITY OF COVINA

WHEREAS, Chapter 1205, 1980 Statutes of the Government Code, Section 7910 requires that each local government establish its appropriation limit by resolution each fiscal year at a regularly scheduled City Council meeting or a noticed special meeting; and

WHEREAS, any challenge to the 2010-2011 fiscal year appropriation limit must be brought within forty-five days of the resolution effective date;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

SECTION 1: The City Council does hereby determine that the annual adjustment factors to be selected in modifying the prior-year appropriation limit are the increase in the County's population and the City's new construction nonresidential assessed valuation.

SECTION 2: The City Council does hereby determine and declare that the City of Covina's appropriation limit for fiscal year 2010-2011 is \$46,534,218 per attached Exhibits B and C.

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

APPROVED AND PASSED this 3rd day of April 2012.

Mayor Kevin Stapleton

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

I, ROSIE FABIAN, City Clerk of the City of Covina, California, hereby CERTIFY that this resolution was adopted by the City Council at a regular meeting of the City Council held June 20, 2006, and was approved and passed by the following vote:

AYES:
NOES:
ABSENT:

City Clerk

EXHIBIT B
CITY OF COVINA, CALIFORNIA
2010-2011
Revised Appropriation Limit Calculation

Appropriation Limit Calculation

Appropriation limit for the 2009-2010 fiscal year		\$ 71,353,373
PER Capita Cost of Living Change	.9746	
Percent Growth in County Population	1.0083	
Total Adjustment	0.9827	
2010-2011 Appropriation Limit		\$ 70,118,188

Appropriation Subject to Limitation

2010-2011 Appropriation Limit		\$ 70,118,188
Less: Proceeds from taxes		(23,583,970)
Add: Users Fees in excess of costs		-
Total Appropriations Under Limitation		\$ 46,534,218

EXHIBIT B

CITY OF COVINA

SCHEDULE OF ESTIMATED REVENUES
 PROCEEDS AND NON-PROCEEDS FROM TAXES
 Based on 2010/2011 Budget

	Proceeds from Taxes	Non-Proceeds from Taxes	Total Proceeds/Non- Proceeds
General Fund Taxes			
Property Taxes - Current Year Secured	\$ 5,184,600		\$ 5,184,600
Sales and Use Taxes	5,255,500		5,255,500
Franchises	1,170,000		1,170,000
Utility Users Tax	5,698,000		5,698,000
Other Taxes	935,150		935,150
License & Permits		\$ 390,650	390,650
Fines & Foreitures		720,500	720,500
Intergovernmental		927,230	927,230
Property Tax in Lieu of Sales Tax	1,718,500		1,718,500
Property Tax in Lieu of MVL	3,622,220		3,622,220
Motor Vehicle In-Lieu of Fees			-
Other Inter-agency revenue			-
Charges for Current Services - User Fees		1,697,190	1,697,190
Miscellaneous Revenue		690,030	690,030
Net - Transfers		-	-
	<u>\$ 23,583,970</u>		
Total proceeds from taxes			
Total nonproceeds from taxes		<u>\$ 4,425,600</u>	
Total Proceeds/Nonproceeds			<u>\$ 28,009,570</u>

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.: CC 7

STAFF SOURCE: Kim Raney, Chief of Police
Lisa Brancheau, Redevelopment Manager *LB*
William J. Priest, Assistant City Attorney

ITEM TITLE: Adopt and Issue City Council Report to the Public Re: City's Measures to Alleviate Conditions Which Led to Adoption of Interim Urgency Ordinance No. 12-2006 - a Moratorium on the Issuance or Approval of Licenses and Permits for New Smokeshops and Tobacco Stores in the City of Covina.

STAFF RECOMMENDATION

Adopt and issue the attached City Council Report to the public describing the City's Measures to alleviate the conditions which led to adoption of Interim Urgency Ordinance No. 12-2006 - a moratorium on the issuance or approval of licenses and permits for new smokeshops and tobacco stores in the City of Covina.

FISCAL IMPACT

None.

BACKGROUND

On March 6, 2012, the City Council adopted an interim urgency ordinance that temporarily prohibited the issuance or approval of any business license, building permit, conditional use permit, variance, site plan approval or other land use entitlement for the development of any new smokeshop or tobacco store within the City of Covina. The interim urgency ordinance is effective for 45 days and is set to expire on April 20, 2012.

The moratorium was established to allow the City the opportunity to consider amendments to the Covina Municipal Code to regulate smokeshops and tobacco stores in order to address the unique health, safety and welfare impacts of such uses. Pursuant to Government Code, Section 65858(d), the City Council is required, not later than 10 days prior the expiration of the moratorium ordinance (April 10, 2012), to issue a written report to the public describing the measures taken to alleviate the conditions which led to the adoption of the moratorium ordinance.

Since the adoption of the moratorium, the Planning Division of the Community Development Department, the Police Department, and the City Attorney's Office have been diligently working on alleviating the conditions which led to adoption of the moratorium. These include: (i) better defining the negative secondary effects that smokeshops and tobacco stores have upon the City of Covina and its residents, (b) understanding any requirements or limitations imposed by applicable law upon the City's regulation of these uses and (c) surveying various options pursued by other local jurisdictions to regulate these uses.

April 3, 2012

FROM: MAYOR AND CITY COUNCIL MEMBERS OF THE CITY OF COVINA

TO: GENERAL PUBLIC

RE: REPORT ON MEASURES TAKEN TO ALLEVIATE THE CONDITIONS WHICH LED TO THE ADOPTION OF ORDINANCE NO. 12-2006, AN INTERIM URGENCY ORDINANCE THAT TEMPORARILY PROHIBITS THE ISSUANCE OR APPROVAL OF ANY BUSINESS LICENSE, BUILDING PERMIT, CONDITIONAL USE PERMIT, VARIANCE, SITE PLAN APPROVAL OR OTHER LAND USE ENTITLEMENT FOR THE DEVELOPMENT OF ANY NEW SMOKESHOP OR TOBACCO STORE.

On March 6, 2012, the Covina City Council adopted Ordinance No. 12-2006, an interim urgency ordinance that temporarily prohibits the issuance or approval of any business license, building permit, conditional use permit, variance, site plan approval or other land use entitlement for the development of any new smokeshop or tobacco store within the City of Covina. Ordinance No. 12-2006 was adopted pursuant to California Government Code Section 65858 and provides that the ordinance shall expire 45 days from its date of adoption, unless the ordinance is extended by the Covina City Council after additional notice and public hearing. At a noticed public hearing to be held on April 17, 2012, the Covina City Council will be asked to consider extending the interim moratorium by adopting a new ordinance, as authorized by Government Code Section 65858. The interim moratorium, as extended, will automatically expire ten (10) months and fifteen (15) days from the date of its adoption – March 3, 2013.

Government Code Section 65858(d) requires that at least 10 days prior to the expiration of the moratorium, the Covina City Council must issue a written report describing the measures taken to alleviate the conditions which led to the adoption of the ordinance. This is that required written report.

Since the original adoption of this moratorium, the Planning Division of the Community Development Department, Police Department and City Attorney's Office have begun studying potential means of regulating smokeshops and tobacco stores. Through staff's study, the City hopes to: (a) better define the negative secondary effects that smokeshops and tobacco stores have upon the City of Covina and its residents, (b) understand any requirements or limitations imposed by applicable law upon the City's regulation of these uses and (c) survey various options pursued by other local jurisdictions to regulate these uses. The goal is to ultimately develop revisions to the Covina Municipal Code that will address these issues.

As noted above, although the City has started to take the above actions to alleviate the circumstances involving smokeshops and tobacco stores, more time will be necessary to determine what amendments to the Covina Municipal Code are necessary to address the effects of these uses, while remaining in compliance with applicable law. Therefore, the City Council will consider an extension of the existing moratorium at its April 17, 2012 meeting in order to preserve the public convenience, health, safety and general welfare.

Respectfully submitted,

Mayor and Covina City Council

**CITY OF COVINA/COVINA HOUSING AUTHORITY/
SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT
AGENCY**

AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.: CC 8

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

ITEM TITLE: Successor Agency consideration of resolution to recommend oversight board approval of the transfer of the former Covina Redevelopment Agency's housing assets as amended to the Covina Housing Authority

STAFF RECOMMENDATION:

Adopt Successor Agency to the Covina Redevelopment Agency ("Successor Agency") Resolution No. 12-004 recommending approval of the following from the oversight board of the Successor Agency ("Oversight Board"), which will be meeting on April 5, 2012:

- (1) Transfer of the housing assets and properties as amended of the former Agency to the Authority per Section 34181(a) of the Health and Safety Code.

FISCAL IMPACT:

None.

BACKGROUND:

On March 20, 2012, the Successor Agency approved Resolution No. 12-002 recommending approval of the transfer of the former Covina Redevelopment Agency ("Agency")'s housing responsibilities and all rights, powers, duties and obligations along with any encumbered amounts in the Low and Moderate Income Housing Fund to the Covina Housing Authority ("Authority") per Section 34181 (c) of the Health and Safety Code, and the transfer of housing assets and properties of the former Agency to the Authority per Section 34181 (a) of the Health and Safety Code.

While working on the approval of affordable housing refinancing, it was requested by the title company that the list of the housing assets specify the following in addition to what was approved for transfer on March 20, 2012.

- Agreements
- Notes or loan agreements
- Deeds of Trust

Exhibit A attached lists the items approved on March 20, 2012, with more detail as requested for the chain of title, as well as additional items related to executed agreements, notes and deeds of trust.

Approval of transfer of housing assets and properties

Under Health and Safety Code Section 34177(e), the Successor Agency is charged with disposing the "assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181". Under Section 34181(a), properties that are used for a governmental purpose may be transferred to the appropriate jurisdiction.

The Oversight Board is requested by the Successor Agency in Resolution No. 12-002 to approve the Authority as the entity to receive the housing assets of the dissolved Agency under Health and Safety Code Sections 34177(e) and 34181(a). The housing assets are listed in Exhibit A attached to this Agenda Item Commentary.

RELEVANCE TO THE STRATEGIC PLAN:

The dissolution of the Redevelopment Agency will impact the goal of enhancing financial stability in regard to the provision of funding to eliminate blight.

EXHIBITS:

- A. Listing of Housing Assets
- B. Successor Agency Resolution 12-004

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

Exhibit A

Listing of Housing Assets

Housing Account Receivables

Receivable	Description	Potential Receivable Value	Due Date
Down Payment Assistance Program Loan Agreements and Loan Notes and Deeds of Trust	Forgivable loans to home buyers in the Vintage Walk 1 project (6 loans)	\$180,000	Original Date: 2006 Program provided for grants to be forgiven after 20 years. Dates and amount receivable will vary. CONTINUING MONITORING REQUIRED
Single Family Rehabilitation Program Agreements and Notes And Deeds of Trust to secure note	Deferred loans to homeowners who make improvements	\$54,054	Due on sale of property, date unknown. Typically not paid back for many years.
200 W. Rowland St Participation Loan Agreement, Residual Receipts Note, Deed of Trust and Security Agreement, Declaration of Conditions, Covenants and Restrictions,	Residual Loan to purchase affordability covenants and to rehabilitate the property.	\$4,742,000	Original Date: June 17, 2010 Note is due on or before June 17, 2065 CONTINUING MONITORING REQUIRED
Habitat for Humanity 436 E Cypress St Grant Deed Declaration of CC&Rs, Developer Promissory Note Developer Deed of Trust Buyer's contingent Promissory Note, Buyers Deed of Trust Notice of Affordability Restrictions	Documents which have been signed and which are to be signed under the DDA related to affordability. Note for value of property	N/A	Original Date: August 19, 2011 The Developer Promissory Note will automatically terminate on Feb. 19, 2013, contingent on sale to qualified buyer. Buyer's documents will terminate 45 years after execution. CONTINUED MONITORING REQUIRED
Transitional House and contents including furniture, fixtures and appliances	Home for homeless women and children	\$425,000	The residence is in use as affordable housing for homeless women and children where they can live rent-free for a period of time.
147-151 E College	Property was purchased with housing funds for housing purpose	\$715,000	Upon sale
Misc. Agreements Regulatory Agreements/Declaration of Restrictive Covenants/Rehabilitation Agreements/Participation Agreements/Disposition Agreements	Agreements with developers and property owners to provide affordable housing	N/A	Varies
Misc. Agreements Affordability Agreements, Loan Agreements and	Agreements with home buyers to maintain housing affordability	N/A	2051, 2052, 2057 and 2058 and later

Declaration of Conditions, Covenants and Restrictions and Right of First Refusal to Purchase	covenants		
Contingent Notes- Vintage Walk 1	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	\$1,200,000*	*This value is for six affordable homes and their market value in 2006. Because of the change in the housing market, the contingent notes are being revised to reflect today's housing values in order that the homeowners can refinance to lower interest rates and increase affordability. If six homeowners revise their contingent notes, revised value will be approximately \$150,000 to \$210,000. Due date: 2051 and 2052
Contingent Notes Vintage Walk 2 (3) Citrus Walk (8)	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	TBD	The eleven homes are in the process of being built and sold. The value will be based on the difference between a market rate appraised value and affordable sales price. Due date: 2057 and 2058
Deed of Trust	Recorded agreement to secure notes on affordable properties with property owners	N/A	Varies
Joint Powers Agreements	Entered into to effectuate affordable housing projects and programs	N/A	None
Notice of Affordability Restrictions	Filed with County Recorder as to affordability requirements for properties	N/A	Varies

Additional properties to be monitored annually

Village Green Apts , 152 E Covina Blvd, Covina CA 91722
 Smith Family Trust Apts, 227 N Citrus Ave, Covina CA 91723
 Cienega Gardens Apts, 1211 N. Lyman, Covina CA 91724
 Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
 Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
 YWCA Wings domestic violence home, confidential location

RESOLUTION NO. 12-004

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, SERVING AS THE SUCCESSOR AGENCY TO THE DISSOLVED
COVINA REDEVELOPMENT AGENCY, RECOMMENDING THE FOLLOWING TO
THE OVERSIGHT BOARD: DESIGNATION OF HOUSING ASSETS AND
FUNCTIONS AS AMENDED TO BE TRANSFERRED TO THE COVINA HOUSING
AUTHORITY**

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Covina Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34176, the City of Covina, as the entity that authorized the creation of the Agency, elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, to the Covina Housing Authority (“Authority”), as provided in Resolution No. 12-7045 adopted on January 30, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34176, on March 20, 2012, the Authority adopted Resolution No. 12-001 accepting the transfer of all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Covina Redevelopment Agency , including encumbered Low and Moderate Income Housing Funds, from the Covina Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code section 34177(g), the RDA Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176 as provided in Resolution No. 12-002 adopted on March 20, 2012; and

WHEREAS, it is necessary to amend the list of all Agency housing assets to include agreements, notes or loan agreements, and deeds of trust; and

WHEREAS, an amended list of all Agency housing assets recommended to be transferred by the RDA Successor Agency to the Authority is attached to this Resolution as Exhibit A, and

WHEREAS, pursuant to Health and Safety Code section 34181(c), the RDA Successor Agency’s oversight board (“Oversight Board”) is to direct the RDA Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Health and Safety Code section 34176 as provided in Resolution No. 12-002 adopted on March 20, 2012, as well as the assets attached as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, SERVING AS THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The recommendation to transfer housing assets and functions and encumbered Housing Fund monies through this Resolution does not commit the RDA Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act. The City Clerk, acting on behalf of the RDA Successor Agency, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Riverside, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Designation and Transfer of Housing Assets and Functions. The RDA Successor Agency hereby approves and recommends to the Oversight Board the designation of the assets set forth in Exhibit A attached to this Resolution as the amended housing assets of the dissolved Agency to be transferred to the Authority, along with the transfer of all rights, powers, liabilities, duties and obligations associated with the housing activities of the dissolved Agency, to the Authority pursuant to Health and Safety Code sections 34176, 34177 and 34181.

Section 4. Implementation. The City Manager, acting on behalf of the RDA Successor Agency, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law, including taking any actions necessary to inform the Oversight Board of the recommended housing assets and Housing Fund monies for transfer and the transfer of all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the dissolved Agency and monies from the Housing Fund.

Section 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The RDA Successor Agency declares that the RDA Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. Certification. The City Clerk, acting on behalf of the RDA Successor Agency, shall certify to the adoption of this Resolution.

Section 7. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED THIS 3rd day of April, 2012.

Kevin Stapleton, Mayor of the City of
Covina, serving as the successor agency to
the dissolved Covina Redevelopment
Agency

ATTEST:

Catherine M. LaCroix
City Clerk of the City of Covina,
serving as the successor agency to the
dissolved Covina Redevelopment Agency

EXHIBIT A

HOUSING ASSETS OF THE DISSOLVED COVINA REDEVELOPMENT AGENCY

[Attached behind this page]

Housing Account Receivables

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 Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
 Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
 YWCA Wings domestic violence home, confidential location

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk of the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, hereby CERTIFY that the above referenced resolution was adopted by the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, at a regular meeting held this 3rd day of April, 2012, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
City Clerk of the City Covina, serving as the
successor agency to the dissolved Covina
Redevelopment Agency

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.: CB 1

STAFF SOURCE: Amy Hall-McGrade, Director of Parks and Recreation/Library Services
Anthony Arroyo, Director of Human Resources *AA*

ITEM TITLE: Receive and file report regarding the 50th Anniversary for The Friends of the Library Event

STAFF RECOMMEDATION:

Receive and file report regarding the 50th Anniversary for the Friends of the Library Event

FISCAL IMPACT:

None.

BACKGROUND:

On January 30, 2012, the Planning Department received an Administrative Conditional Use Permit (ACUP) application from The Friends of the Library for their 50th Anniversary event, which is to be held on June 23, 2012. The application was circulated to different offices for their feedback. It was ultimately determined by the city's Risk Management Division that the event would pose a potential risk to the city given that booths would be set up in the Library's parking lot. The specific potential risk issues are the cement blocks located in the Library's parking lot which may cause an individual to trip and fall.

On February 14, 2012, the Friends of the Library were notified by the Planning Division that the ACUP was denied due to the potential risk factors stated above. At the February 21 Council meeting, as a result of the city's denial of the event, representatives of The Friends of the Library requested that the City Council reconsider the city's denial. At the March 6 City Council meeting, staff presented a report recommending that The Friends of the Library work with city staff to reconfigure the event to limit potential risk factors.

As a result of being made aware of the potential liability issues of having a portion of the event staged in the Library parking lot, The Friends of the Library are working with Parks & Recreation Department staff and members of the Christ First Baptist Church for the use of Cody's Courtyard. The courtyard is an enclosed facility, therefore The Friends will not be required to provide liability insurance.

RELEVANCE TO THE STRATEGIC PLAN:

Enhancing Parks and Recreation and Library Services is a goal of the City Council.

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: April 3, 2012

ITEM NO.:

NB 1

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

SH

ITEM TITLE: Approve the negotiation of a Professional Services Agreement with Sustainable Strategies Today for the Development and Implementation of a Community-Sized Renewable Energy Program

STAFF RECOMMENDATION

That the City Council approve the negotiation of a professional services agreement with Sustainable Strategies Today for the development and implementation of a community-sized renewable energy program and direct the City Manager to present the Agreement to the City Council for consideration after review and approval by the City Attorney.

FISCAL IMPACT

The development and implementation of a community-sized renewable energy program for the City has the potential to generate substantial energy-cost savings over a multi-year period. If pursued, the cost of the proposed professional services agreement would be encumbered within a subsequent Request for Proposals and would be borne by the successful proposer. Accordingly, the recommended action has no negative fiscal impact to the City.

BACKGROUND

Sustainable Strategies Today

Sustainable Strategies Today (SST) is headquartered in Los Angeles and provides services nationwide to clients across all public and private sectors. SST serves as an energy and technology expert, being neutral to technology, product and provider. Its leadership team includes four principals, each possessing unique yet complimentary skills and a combined 100-plus years of professional experience in the private, public, educational and non-profit sectors. SST has shepherded numerous renewable energy projects to completion for a variety of public sector clients, including the Los Angeles Community College District and the City of Hope. SST was commissioned by the City to conduct an environmental scan of available properties to determine the feasibility of implementing a community-scaled renewable energy program and has actively been engaged in this pursuit for the past year.

Renewable Energy Program

Evaluation of Photovoltaic (PV) Potential

Covina enjoys optimal conditions for solar power production given its average of 292 days of sunshine and southern California latitude. Due to the high daily temperatures during summertime (>89 F), choosing the correct panel type (mono-crystalline, shape, etc.) and mounting system to obtain good performance even in high temperature conditions is crucial.

The list of solar cells that qualify for California Energy Commission incentives contains over 1,200 types of modules; most conventional modules that use silicon as an absorbing semiconductor, e.g. multi-crystalline (mc-Si) and (Mono-) crystalline (c-Si). In addition, there are numerous innovations that try to improve these underlying technologies by using solar concentration, new coatings that improve the cell performance, and more efficient production processes.

Considering the above, SST visited and reviewed the characteristics of predetermined sites identified by the City as potential solar collection system locations to determine their feasibility. Based on this preliminary review, energy opportunities were identified at each site as shown on the attached Exhibit A. As depicted within the Exhibit, nine (9) City facilities presented the capability of providing 202,500 square feet of PV parking canopies, generating approximately 2.8 megawatts of electrical energy. While initially reviewed, the parking lots at the Metrolink Station and Kahler-Russell Park are not included in the review results as it was determined that the density and height of trees in and around those parking areas created no viable areas for PV installations. Appendix A contains aerial photographs depicting the viable PV canopy footprints for each of the nine (9) target facilities. Based on billing data provided by the Finance Department for the nine (9) targeted facilities, the area available provides the potential for generating enough renewable energy to offset more than 100% of the combined electrical usage of these facilities.

Project Financing Options

The Federal government has made a variety of different incentives available to site hosts like cities that are unable to benefit from normal tax incentives. These targeted incentives, in combination with specialized laws and regulations governing tax-exempt entities, have encouraged the development of PV financing structures that differ in some cases from those in use among taxable entities. Below is a list of options available to the City for its proposed project:

- Balance Sheet Financing
- Tax-Advantage Debt
- Tax-Exempt Lease
- Lease-Leaseback
- Operating Lease
- Service Contract (Power Purchase Agreement)
- Pre-Paid Service Contract

After reviewing the available financing alternatives, it was determined that neither Balance Sheet Financing nor Tax-Advantage Debt were worthy of consideration as the City would not be able to benefit from the federal tax benefits generated by the project; making other financing options more advantageous.

Of the remaining alternatives, the preliminary analysis shows that it is highly likely that a Power Purchase Agreement, Operating Lease, or a Lease-Leaseback structure would prove to be the most economically advantageous and appealing to the City. A brief description of each of these financing options follows:

Power Purchase Agreement (PPA) – PPA financing is a “third-party” ownership model which requires a separate taxable entity (system “Owner”) to procure, install, and operate the PV system on the City’s premises. The City would enter into a long term contract (PPA) to purchase 100% of the electricity generated by the system from the system Owner. The system Owner is often a third party investor who provides investment capital to the project in return for tax benefits. In addition to receiving revenue from electricity sales, they can also benefit from the federal tax incentives. These incentives can account for a major portion of the project’s financial returns. Without the PPA structure, the City could not benefit from these federal incentives due to its tax exempt status. The advantages of a PPA are:

- No up-front cost for PV solar system
- Ability to enjoy lower electricity prices due to savings passed on from the federal tax incentives
- A predictable cost of electricity over 15-25 years
- No need to deal with complex system design and permitting process
- Minimal operating and maintenance responsibilities

Operating Lease – An Operating Lease can be described as a rental agreement where ownership by the lessee is not intended. All tax benefits accrue to the lessor. An operating lease is currently not recorded in the general ledger accounts and therefore the asset and liability do not appear on the balance sheet. Three key characteristics of an operating lease are:

- Term is less than 75% of the useful asset life
- Title only transfers if there is a purchase of the asset for full market value at the end of the lease term
- Net present value of the payments is less than 90% of the full market value of the asset

This structure is a non-budgetary item which means it can be entered into at any time, does not require voter approval and does not officially impact the lessee’s debt limit. It allows the lessee to skip one or more payments or terminate the lease. These provisions mean that the effective interest rate of the lease is likely to be higher than the corresponding yield on municipal bonds, which are more secure. Projects financed under tax exempt leases may not qualify for all tax incentives.

Lease-Leaseback – The Lease-Leaseback delivery method involves selecting a Developer-Contractor to develop a PV system on property the City owns. The mechanism is for the Developer-Contractor to simultaneously execute a Site Lease of the property giving it the right to develop the project and a Facilities Lease giving it the obligation to build or design and build the

project and to lease the improvements and the site back to the City, with the City owning the improvements when the leases expire. The Lease-Leaseback delivery method allows for different approaches for financing, for selection of the Developer-Contractor, for design responsibility, for lease terms, and for the method of selecting trade contractors. This flexibility is the primary attraction of the Lease-Leaseback method.

Project Economics

Based on utility billing information provided by the Finance Department, it would require a PV system of approximately 1.8 megawatts (MW) to offset the electrical demands of the nine (9) targeted locations. The current market rate for PV carport canopies similar to those shown within the attached Appendix "B" range from \$5.00 to \$5.90 per watt. The variance in cost is due to material availability, economies of scale, design, warranties and production guarantees. Based on these parameters, the estimated cost of constructing the community-scaled PV system proposed would be \$9,000,000.00 to \$10,620,000.00. These costs would be borne by the Developer/Contractor or Owner; with the City repaying the capital cost of construction via energy purchases or leases over a long-term contract.

The current rate paid to Southern California Edison (SCE) per kilowatt hour (kWh) averages \$0.18 per kWh; with electric expenditures for the targeted areas totaling \$303,358.00 per year. It is estimated that the City would be able to reduce the average kWh rate by at least 25% through either a Lease-Leaseback or PPA arrangement. This would result in a potential utility cost savings of at least approximately \$75,000 per year; or \$1.5 million over the term of a 20-year contract based on 2012 prices. However, considering that SCE rates will not remain static over the same 20-year term, the cost savings would be anticipated to be substantially more. By way of example, a \$303,358 electrical expenditure in 2011 would be the equivalent of an \$808,703 electrical expenditure in 2036 assuming a four percent (4%) rate of escalation. It is expected that a 20-year Lease-Leaseback agreement or PPA would lock-in a lower rate of escalation, which factored with a probable higher SCE escalation average than four percent (4%) would substantially increase the City's savings. Further, once the system is owned by the City, the power generated is free and clear of expense and savings would be realized at near the one hundred percent (100%) level.

Conclusions

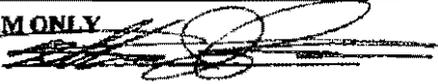
- Installation of photovoltaic technology at the nine (9) targeted sites would provide the potential for the City to offset 100% of the current electrical load requirements for these sites
- The available property has the capacity to provide the City with power in excess of site load consumption requirements allowing the offset of load consumption at additional sites, as well
- Delivery methods exist for the City to implement a community-scaled renewable energy program with no up-front, capital outlay that would also lower annual energy costs and provide a hedge against future energy cost escalations
- The technical, legal, and financial complexities of developing a community-scaled renewable energy program for the City requires the engagement of a neutral, highly-qualified professional firm with substantial experience in the field

RELEVANCE TO THE STRATEGIC PLAN

Pursuing the development and implementation of a community-scaled renewable energy program supports two of the City's current Strategic Plan goals, i.e. "Enhance Fiscal Stability" and "Become an Environmentally Sustainable Community."

EXHIBITS

- A. Photovoltaic Target Facilities
- B. Appendix A – Target Facility PV System Footprints
- C. Appendix B – Typical PV Canopies

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