



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, February 27, 2018 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Mel Carruth, Mayor

Dore J. Gilbert, M.D., Mayor Pro Tempore

Barbara D. Kogerman, Council Member

Janine Heft, Council Member

Don Sedgwick, Council Member

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 92653

Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink "Request to Speak" form available on the table at the back of the Chamber. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council/Planning Agency. Completion of the form is voluntary. All persons may attend the meeting regardless of whether this form is completed.

Members of the public wishing to address the City Council can do so during the Public Comments portion of the Agenda with a time limitation of three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

CLOSED SESSION - CONVENING AT 6:00 PM

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

ROLL CALL OF CITY COUNCIL MEMBERS

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

The City Council will convene in Closed Session, in the City Council Conference Room, City Hall, Laguna Hills Civic Center, to consider the following matter(s):

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9.

Name of Case: George Dayeh and Maryam Dayeh vs. City of Laguna Hills, Orange County Superior Court; Case No. 30-2017-00909717-CU-IE-CXC.

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)**ADJOURN TO CITY COUNCIL CONFERENCE ROOM****CONVENE INTO CLOSED SESSION**

The City Council will convene into Closed Session to consider the matter(s) listed above.

RECONVENE TO CITY COUNCIL CHAMBER**RECESS**



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, February 27, 2018 – 7:00 PM

Mel Carruth, Mayor

Dore J. Gilbert, M.D., Mayor Pro Tempore

Barbara D. Kogerman, Council Member

Janine Heft, Council Member

Don Sedgwick, Council Member

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 92653

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GENERAL BUSINESS - RECONVENING AT 7:00 PM

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER SEDGWICK

ROLL CALL OF CITY COUNCIL MEMBERS

CLOSED SESSION REPORT

1. PRESENTATIONS AND PROCLAMATIONS**1.1 Laguna Hills High School Student Liaison**

Recommendation: That the City Council receive an oral report from Laguna Hills High School Student Liaison Kaylie Bair.

1.2 Certificates of Recognition, Laguna Hills High School Girls Cross Country Team

Recommendation: That Mayor Carruth present a Certificate of Recognition to every member of the Laguna Hills High School Girls Cross Country 2017 Lady Hawk Harriers including the coaches for their leadership.

1.3 Fifteen Year Anniversary Award

Recommendation: That Mayor Carruth recognize David T. Reynolds, Deputy City Manager, for Fifteen Years of Service to the City of Laguna Hills and present a Certificate of Recognition and gift to Mr. Reynolds.

2. PUBLIC COMMENTS

This is the time to address the City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

3. CONSENT CALENDAR

All matters listed under "CONSENT CALENDAR" are considered to be routine and will be enacted by one motion approving the recommendation listed on the Agenda. There will be no separate discussion unless Members of the City Council or Staff request specific items be removed from the Consent Calendar.

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all Ordinances and Resolutions on the Agenda and declare that said titles which appear on the Public Agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for February 13, 2018, Regular Meeting

Recommendation: That the City Council approve the Minutes for the February 13, 2018, Regular Meeting.

3.3 Approval of Warrant Register for the Period Ended February 27, 2018

Recommendation: That the City Council approve the Warrant Register in the amount of \$964,413.40.

3.4 Amendment No. 1 to Contractor Services Agreement with G2 Construction, Inc., for the Installation of Debris Gates

Recommendation: That the City Council approve Amendment No. 1 to Contractor Services Agreement with G2 Construction, Inc., for Debris Gate Installation and authorize the City Manager to sign Amendment No. 1.

3.5 Authorization to Advertise for Bids and to Directly Purchase Materials for Turf Renovation at the Laguna Hills Community Center and Sports Complex, CIP No. 238C

Recommendation: That the City Council: (1) Approve the Plans and Specifications on file with the office of the City Clerk; (2) Authorize the Advertisement for Bids; and (3) Authorize the direct purchase of materials for the Turf Renovation at the Community Center and Sports Complex, CIP No. 238C.

3.6 Resolution in Support of Funding Projects in the Federal Transportation Improvement Program

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, certifying the City has the resources to fund future projects in the Federal Fiscal Years 2018/2019 - 2023/2024 Transportation Improvement Program and affirms its commitment to implement all said projects."

3.7 Second Quarter Financial & Treasurer's Report for Fiscal Year 2017/2018

Recommendation: That the City Council receive and file the Second Quarter Financial and Treasurer's Report for Fiscal Year 2017/2018.

ITEMS REMOVED FROM THE CONSENT CALENDAR

4. PLANNING AGENCY**4.1 ROLL CALL OF PLANNING AGENCY MEMBERS****4.2 PUBLIC COMMENTS**

This is the time to address the Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Planning Agency. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

4.3 APPROVAL OF MINUTES FOR FEBRUARY 13, 2018, REGULAR MEETING**4.3.1 Approval of Minutes for February 13, 2018, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the February 13, 2018, Regular Meeting.

4.4 ADMINISTRATIVE REPORTS**4.5 PLANNING AGENCY PUBLIC HEARINGS****PLANNING AGENCY ADJOURNMENT****JOINT PLANNING AGENCY / CITY COUNCIL MEETING****ROLL CALL OF JOINT PLANNING AGENCY / CITY COUNCIL MEETING****PUBLIC COMMENTS**

This is the time to address the Joint Planning Agency/City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

A Request by Merlone Geier Management, LLC, for a One-Year Extension of Vesting Tentative Tract Map No. 18035 for the Property Located at 24155 Laguna Hills Mall

Recommendation: That the City Council and Planning Agency: (1) Conduct a Joint Public Hearing, and (2) Adopt a Resolution entitled: "A Joint Resolution of the City Council and Planning Agency of the City of Laguna Hills, California, approving a one-year extension of the life of Vesting Tentative Tract Map No. 18035, a request of Merlone Geier Management, LLC, and making certain findings in connection therewith."

JOINT PLANNING AGENCY / CITY COUNCIL MEETING ADJOURNMENT**5. CITY COUNCIL PUBLIC HEARINGS****6. ADMINISTRATIVE REPORTS****6.1 City Manager****6.1.1 Deposit/Reimbursement Agreement with MGP Fund X Laguna Hills, LLC**

Recommendation: That the City Council approve the Deposit/Reimbursement Agreement with MGP Fund X Laguna Hills, LLC, and authorize the City Manager to execute the Agreement.

6.1.2 Agreement with Kosmont & Associates, Inc. for Economic Development Advisory Services

Recommendation: That the City Council:

(1) Waive competitive informal and formal bidding requirements and procedures set forth in the City of Laguna Hills Municipal Code (LHMC) Section 3-08.080 and Section 3-08.090 with regard to approval of the proposed Economic Development Advisory Services Agreement with Kosmont & Associates, Inc. as it is hereby found and determined, pursuant to LHMC Section 3-08.110(L.6) that the services retained are for economic development; and,

(2) Approve an Agreement with Kosmont & Associates, Inc. and authorize the City Manager to execute the Agreement.

6.1.3 General Government Department Reorganization

Recommendation: That the City Council adopt the following Resolutions:

(1) A Resolution of the City Council of the City of Laguna Hills, California, Establishing Two New Job Classifications along with Salary Ranges and Benefits and Eliminating Two Job Classifications within the Bargaining Unit Covered by the Memorandum of Understanding with the Laguna Hills City Employees Association; and

(2) A Resolution of the City Council of the City of Laguna Hills, California, Amending Resolution No. 2016-11-22-3 to Establish New Job Classifications along with Salary Ranges and Benefits.

6.2 Deputy City Manager/Community Services

6.2.1 2018 Fourth of July Celebration Pre-Event Report and Fireworks Agreement

Recommendation: That the City Council: (1) Receive and file the 2018 Fourth of July Celebration pre-event report; (2) Approve the Fireworks Display Agreement between Fireworks and Stage FX America, LLC, and the City of Laguna Hills for the 2018 Fourth of July Fireworks Display; and (3) Authorize the Mayor to execute the Agreement.

6.2.2 Community Services 2017 Year End Report

Recommendation: That the City Council receive and file the report.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

8. CITY COUNCIL MEMBER COMMENTS

ADJOURNMENT

The next Regular Meeting of the City Council/Planning Agency will be March 13, 2018, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center on February 23, 2018, by 5:00 pm.



City Clerk

February 23, 2018

Date

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours.

City Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Certificates of Recognition, Laguna Hills High School Girls Cross Country Team

RECOMMENDATION: That Mayor Carruth present a Certificate of Recognition to every member of the Laguna Hills High School Girls Cross Country 2017 Lady Hawk Harriers including the coaches for their leadership.

SUMMARY:

It is the practice of the City Council to recognize significant accomplishments of Laguna Hills' athletes. The Laguna Hills High School Girls Cross Country 2017 Lady Hawk Harriers captured their first CIF-Southern Section Division 3 Title in 25 years! The team was ranked #4 in CIF-SS D3 going into the championship, and four runners placed in the Top-20.

A Certificate of Recognition will be presented to the coaches and each member of the 2017 Girls Cross Country team.

ATTACHMENTS:

- Certificate of Recognition - LHHS CC
- Certificate of Recognition - Coach



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

CAPTAIN KAYLIE BAIR

LAGUNA HILLS HIGH SCHOOL

Girls Cross Country

2017 Lady Hawk Harriers

WHEREAS, participation in organized athletic pursuits helps to build character and teaches a wholesome sense of fair play and good sportsmanship among our City's youth; and

WHEREAS, to truly excel athletically, a young person must demonstrate, in addition to a great deal of natural ability, an outstanding spirit of dedication, enthusiasm, and hard work; and

WHEREAS, a striking example of this is the consistent performance of the Laguna Hills High School Girls Cross Country program over the past half-decade. During that span they have annually been ranked among Orange County's finest and qualified for CIF Finals. On Saturday, November 18, 2017, on the Riverside City Cross Country Course, the Laguna Hills High School Cross Country team shocked the sport by pulling off the "upset of the day" and captured their first CIF-Southern Section Division 3 title in 25 years! Ranked #4 in CIF-SS D3 going into the championships, the Lady Hawk Harriers executed their race plan to perfection in a true team effort placing 4 runners in the Top-20, and with only a 1-minute spread between scorers 1-5, they tallied 102 points winning outright....28 points ahead of the runner up.

NOW, THEREFORE, I, Melody Carruth, Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Captain Kaylie Bair as a Member of the Laguna Hills High School Lady Hawks Cross Country Team and commend the Team on its athletic accomplishments.

Dated this 27th day of February 2018.

MELODY CARRUTH, MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

COACH CHRISTOPHER LYNCH

LAGUNA HILLS HIGH SCHOOL

Girls Cross Country Coach

WHEREAS, the Laguna Hills City Council recognizes that the many benefits derived from participation in high school athletics are significantly influenced by the Coaches who must exhibit outstanding dedication, commitment, and hard work in order to successfully mold the talents, energies, and enthusiasm of their athletes; and

WHEREAS, Coaches not only inspire, motivate, and encourage personal well-being through wholesome interaction with others, they teach the importance of hard work and good sportsmanship, develop character, and instill the competitive will to win; and

WHEREAS, under Coach Lynch's direction the Laguna Hills High School Girls Cross Country program has consistently performed well. The Lady Hawk Harriers have annually been ranked among Orange County's finest and qualified for CIF Finals. Racing at the most prestigious meets across the country, they proudly represented their school and City as ambassadors of their sport. On Saturday, November 18, 2017, under the direction of Coach Christopher Lynch, the 2017 Lady Hawk Harriers pulled off the "upset of the day" and captured their first CIF-Southern Section Division 3 title in 25 years.

NOW, THEREFORE, I, Melody Carruth, Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Coach Christopher Lynch for his dedication to the Laguna Hills High School Girls Cross Country Team and on the many accomplishments during his tenure.

Dated this 27th day of February 2018.

MELODY CARRUTH, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: Fifteen Year Anniversary Award

RECOMMENDATION: That Mayor Carruth recognize David T. Reynolds, Deputy City Manager, for Fifteen Years of Service to the City of Laguna Hills and present a Certificate of Recognition and gift to Mr. Reynolds.

SUMMARY:

At this meeting, Mayor Carruth will recognize David T. Reynolds, Deputy City Manager, for fifteen years of service to the City of Laguna Hills. Mr. Reynolds began his service as a full-time City employee on February 24, 2003.

Employees with ten, fifteen, twenty, and twenty-five years of service are recognized at a City Council meeting with the Mayor presenting a Certificate of Recognition and a gift.

ATTACHMENTS:

- Cert of Recog - David Reynolds



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

DAVID T. REYNOLDS

Fifteen Year Service Award

WHEREAS, David T. Reynolds has served as a full-time employee for the City of Laguna Hills since February 24, 2003; and

WHEREAS, it is the policy and practice of the City of Laguna Hills to attract and retain highly qualified and motivated people; and

WHEREAS, David T. Reynolds has served the City of Laguna Hills in a professional, caring, and conscientious manner for fifteen years; and

WHEREAS, such service has greatly contributed to the overall success of the City in its efforts to provide quality local government services, programs, and projects to the residents and businesses of Laguna Hills; and

WHEREAS, it is an honor to recognize the length and quality of your service to the City.

NOW, THEREFORE, I, Melody Carruth, Mayor, on behalf of the City Council, do hereby express appreciation to David T. Reynolds for fifteen years of service to the City of Laguna Hills.

Dated this 27th day of February 2018.

MELODY CARRUTH, MAYOR

Attachment: Cert of Recog - David Reynolds (1501 : Fifteen Year Anniversary Award)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for February 13, 2018, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the February 13, 2018, Regular Meeting.

ATTACHMENTS:

- 180213 CC Minutes

**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY/PIC**

**REGULAR MEETING
MINUTES
Tuesday, February 13, 2018**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Mel Carruth.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER KOGERMAN

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Mel Carruth	Mayor	Present	
Dore J. Gilbert, M.D.	Mayor Pro Tempore	Present	
Janine Heft	Council Member	Present	
Barbara D. Kogerman	Council Member	Present	
Don Sedgwick	Council Member	Absent	

CLOSED SESSION REPORT

There was no Closed Session Report.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Laguna Hills High School Student Liaison

Recommendation: The City Council received an update from Laguna Hills High School Student Liaison Kaylie Bair.

1.2 Presentation Regarding Destructive Tree Pests - South American Palm Weevil and Polyphagous Shot Hole Borer

Recommendation: The City Council received a detailed oral report and PowerPoint presentation from Dr. John Kabashima, of the University of California Cooperative Extension, regarding destructive tree pests - South American Palm Weevil and Polyphagous Shot Hole Borer. Dr. Kabashima and Public Services Director/City Engineer Rosenfield responded to additional questions from Council Members.

2. PUBLIC COMMENTS

SOKA University's International Festival

Meg Gorham, a resident of Laguna Hills, encouraged Council Members, staff, and residents to attend SOKA University's 17th Annual International Festival to be held on Saturday, May 5, 2018, and discussed opportunities to volunteer and participate at the event. Ms. Gorham commented on Community Center rental fees, and also requested that City Council agendaize for the Tuesday, February 27, 2018 City Council meeting, an upcoming community event to be held in August - "Trucking on Back to School."

3. CONSENT CALENDAR

Motion to approve the Consent Calendar:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Council Member
SECONDER:	Dore J. Gilbert, M.D., Mayor Pro Tempore
AYES:	Mel Carruth, Mayor; Dore J. Gilbert, M.D., Mayor Pro Tempore; Janine Heft, Council Member; Barbara D. Kogerman, Council Member
ABSENT:	Don Sedgwick, Council Member

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all Ordinances and Resolutions on the Agenda and declare that said titles which appear on the Public Agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for January 23, 2018, Regular Meeting

Recommendation: That the City Council approve the Minutes for the January 23, 2018, Regular Meeting.

3.3 Approval of Warrant Register for Period Ended February 13, 2018

Recommendation: That the City Council approve the Warrant Register in the amount of \$970,965.39.

3.4 Civic Center Second Quarter Financial Report for Fiscal Year 2017/2018

Recommendation: That the City Council receive and file the report.

3.5 Second Reading and Adoption of Proposed Ordinance Amending and Restating Chapter 3-28 (Approval of Change Orders or Increases in Fixed Price Contracts) of the Laguna Hills Municipal Code Relating to Public Works Contracts

Recommendation: That the City Council adopt Ordinance No. 2018-2, An Ordinance of the City of Laguna Hills, California, Amending and Restating Chapter 3-28 (Approval of Change Orders or Increases in Fixed Price Contracts) of Title 3 (Revenue and Finance) of the Laguna Hills Municipal Code relating to Public Works Contracts.

3.6 Side Street Stop Sign Installation on De Salle Street at Grissom Road

Recommendation: That the City Council: (1) Find and determine that the proposed stop intersection is not subject to the California Environmental Quality Act pursuant to Sections 15060(C)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(C)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and (2) Adopt Resolution No. 2018-02-13-1, A Resolution of the City Council of the City of Laguna Hills, California, designating the intersection of De Salle Street and Grissom Road as a stop intersection and authorizing the installation of a one-way side street stop sign on De Salle Street at Grissom Road.

3.7 Modification of On-Street Parking on Wilkes Place

Recommendation: That the City Council: (1) Find and determine that the proposed parking restriction is not subject to the California Environmental Quality Act pursuant to Sections 15060(C)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(C)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and (2) Adopt Resolution No. 2018-02-13-2, A Resolution of the City Council of the City of Laguna Hills, California, establishing a No Stopping Anytime Zone on the westerly side of Wilkes Place from 140 feet south of Derby Circle to York Circle.

3.8 Disposition of Surplus City Vehicle and Approval of Proposed Sales Price

Recommendation: That the City Council: (1) Approve the disposition of the City's 2010 Toyota Sequoia deemed to be surplus property by the Purchasing Officer; and (2) Authorize the Purchasing Officer to dispose of the City's 2010 Toyota Sequoia at the proposed sales price of \$13,000.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Carruth recessed the City Council meeting and, acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:48 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Mel Carruth	Chair	Present	
Dore J. Gilbert, M.D.	Vice Chair	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Present	
Don Sedgwick	Agency Member	Absent	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR JANUARY 23, 2018, REGULAR MEETING**4.3.1 Approval of Minutes for January 23, 2018, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the January 23, 2018, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Vice Chair
SECONDER:	Barbara D. Kogerman, Agency Member
AYES:	Mel Carruth, Chair; Dore J. Gilbert, M.D., Vice Chair; Janine Heft, Agency Member; Barbara D. Kogerman, Agency Member
ABSENT:	Don Sedgwick, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

4.5 PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Carruth adjourned the Planning Agency at 7:49 p.m. and invited City Manager White to convene the Public Improvement Corporation (PIC) meeting. Mayor Carruth reconvened the City Council meeting at 7:50 p.m. All Council Members were present

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS**6.1 City Manager****6.1.1 Approval to Participate in the Mobile Source Air Pollution Reduction Review Committee (MSRC) Local Government Partnership Program**

Management Analyst Haston summarized the information provided in the Staff Report.

Recommendation: That the City Council: (1) Receive and file the Mobile Source Air Pollution Reduction Review Committee PowerPoint Presentation; (2) Authorize the submittal of a City application for Electric Vehicle Charging Infrastructure (EVSE) installation at the Civic Center and Community Center & Sports Complex; and (3) Allocate matching funds from the City's AB 2766 Subvention Fund account.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Mel Carruth, Mayor
AYES:	Mel Carruth, Mayor; Dore J. Gilbert, M.D., Mayor Pro Tempore; Janine Heft, Council Member; Barbara D. Kogerman, Council Member
ABSENT:	Don Sedgwick, Council Member

6.2 Deputy City Manager/Community Services**6.2.1 April 21, 2018 - Volunteer Connection Day, Document Shredding, Community Connection Expo, and Arbor Day Recognition**

Deputy City Manager Reynolds reviewed the information provided in the Staff Report.

Recommendation: That the City Council receive and file the report and authorize the Mayor to sign the attached Arbor Day Proclamation as required by the Arbor Day Foundation for Tree City USA Certification.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Dore J. Gilbert, M.D., Mayor Pro Tempore
AYES:	Mel Carruth, Mayor; Dore J. Gilbert, M.D., Mayor Pro Tempore; Janine Heft, Council Member; Barbara D. Kogerman, Council Member
ABSENT:	Don Sedgwick, Council Member

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

There were no matters agendized and presented by City Council Members.

8. CITY COUNCIL MEMBER COMMENTS**Council Member Kogerman**

Council Member Kogerman congratulated the Orange County Mosquito and Vector Control District for receiving the "2017 Integrated Pest Management (IPM) Achievement Award" from the California Department of Pesticide Regulation (DPR). Council Member Kogerman also reported that she, along with Mayor Carruth, Council Member Heft, and Deputy City Manager Reynolds, attended a very informative discussion with local elected leaders on ending homelessness in our communities held on Friday, February 9, 2018.

Council Member Heft

Council Member Heft stated that she found the event on ending homelessness very interesting and informative. She also reported that she attended an Orange County Leadership meeting focusing on homelessness, transportation, and pension reform. Council Member Heft attended the 3/5 Dark Horse Change of Command Ceremony held on Thursday, February 1, 2018, and thanked Karen Robbins for everything she does in

support of the 3/5 Marines. She also attended the SOKA University Art Exhibit and reported it was a very nice event that was very well attended, and she encouraged all to attend SOKA University's 17th Annual International Festival.

Council Member Heft reported that her father-in-law is doing well and thanked Cardiac Intensive Care Unit Specialist Hassan Itani and the staff at Mission Hospital for their care.

Mayor Carruth

Mayor Carruth asked for a round of applause for newly appointed City Manager Don White. Mayor Carruth also stated that she was wearing red in honor of "Heart Health Month," and encouraged everyone to know their numbers and take heart health seriously.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Carruth declared the meeting adjourned at 8:11 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Melody Carruth, Mayor

Approved at meeting of February 27, 2018.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Manager
ISSUE: Approval of Warrant Register for the Period Ended February 27, 2018

RECOMMENDATION: That the City Council approve the Warrant Register in the amount of \$964,413.40.

SUMMARY:

In accordance with Government Code Section 37202, the attached Warrant Register reflects the disbursement of the City of Laguna Hills for the period reported thereon. The Finance Officer certifies and attests to its accuracy and the availability of funds for the payment thereof. These warrants are hereby submitted to the City Council for approval of payment. The total of the Warrant Register is \$964,413.40.

ATTACHMENTS:

- Warrant Register



City of Laguna Hills, CA

Warrant Register 2/27/18

3.3.a

By Check Num

Date Range: 02/02/2018 - 02/16/2

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
8814068	A-0311	ALLIANT INSURANCE SERVICES	02/08/2018	132.00
8814069	Z-CS-0092	AYSO REGION 1422	02/08/2018	500.00
8814070	B-0276	BANK OF AMERICA BANKCARD CENTER	02/08/2018	8,450.29
8814071	C-1116	CA-HI-NV DISTRICT EXCHANGE CLUBS CHARITA	02/08/2018	55.00
8814072	C-1179	CANON SOLUTIONS AMERICA	02/08/2018	340.09
8814073	Z-CD-0095	CHALAYAN, TOM	02/08/2018	500.00
8814074	C-1075	CITY OF LAGUNA WOODS	02/08/2018	284.00
8814075	C-0023	COX COMMUNICATION	02/08/2018	170.62
8814076	C-1146	CYBERSOURCE CORPORATION	02/08/2018	29.00
8814077	C-1007	LAW ENFORCEMENT ORANGE COUNTY-	02/08/2018	663,821.04
8814078	M-1546	MAILFINANCE, INC.	02/08/2018	498.39
8814079	M-1388	MOBILE MINI, INC.	02/08/2018	82.97
8814080	M-1302	MOULTON NIGUEL WATER DISTRICT	02/08/2018	9,861.33
8814081	S-1902	SAN DIEGO GAS & ELECTRIC	02/08/2018	12,387.80
8814082	S-2194	SEQUIRE LIVE SCAN	02/08/2018	20.00
8814083	S-2250	SPARKLETT'S	02/08/2018	131.32
8814084	U-2121	U.S. POSTAL SERVICE	02/08/2018	2,500.00
8814085	V-2249	US BANK VOYAGER FLEET SYSTEM	02/08/2018	1,184.46
8814086	V-2224	VERIZON WIRELESS	02/08/2018	1,693.91
8814087	A-0317	ABRAHAM, MICHAEL	02/15/2018	875.00
8814088	A-0320	AMTEC	02/15/2018	500.00
8814089	A-0359	ANDERSON PENNA PARTNERS, INC.	02/15/2018	3,467.50
8814090	B-0304	BEE MAN, THE	02/15/2018	150.00
8814091	B-0411	BUCKNAM & ASSOCIATES, INC.	02/15/2018	2,100.00
8814092	C-0412	C&D ELECTRIC, INC.	02/15/2018	144.00
8814093	C-1133	CALIFORNIA YELLOW CAB	02/15/2018	2,613.59
8814094	C-1022	CDW GOVERNMENT, INC.	02/15/2018	1,431.99
8814095	C-1139	COMPLETE OFFICE OF CALIFORNIA	02/15/2018	1,248.57
8814096	C-1176	COMPUTER SERVICE CO.	02/15/2018	4,745.65
8814097	C-0023	COX COMMUNICATION	02/15/2018	899.34
8814098	D-0552	DUNBAR ARMORED, INC.	02/15/2018	144.77
8814099	E-0554	ECONOMICS, INC.	02/15/2018	3,950.99
8814100	E-0593	EISENBERG, DALE	02/15/2018	873.25
8814101	E-0553	ELKINS, CHRISTINA	02/15/2018	287.70
8814102	F-0604	FEDERAL EXPRESS CORPORATION	02/15/2018	191.68
8814103	G-0859	GORHAM, MARY MEG	02/15/2018	87.50
8814104	Z-CS-0093	GUERRERO, GEORGIN	02/15/2018	500.00
8814105	H-0955	HR GREEN CALIFORNIA, INC.	02/15/2018	57,974.04
8814106	I-0942	IRVINE RANCH WATER DISTRICT	02/15/2018	94.52
8814107	J-1057	JAMEY CLARK, INC.	02/15/2018	284.38
8814108	K-1198	KNOWBE4, INC.	02/15/2018	1,026.00
8814109	L-1376	LONG BEACH BMW MOTORCYCLES	02/15/2018	716.58
8814110	M-1552	MARTIN-RUSK, DINA	02/15/2018	436.80
8814111	M-1583	MOORE IACOFANO GOLTSMAN, INC.	02/15/2018	1,020.00
8814112	N-1474	NIEVES LANDSCAPE, INC.	02/15/2018	82,557.59
8814113	C-1008	NPDES OC TREASURER-TAX COLLECTOR	02/15/2018	27,915.71
8814114	O-1546	OFFICE SOLUTIONS	02/15/2018	908.29
8814115	R-1946	RK ENGINEERING GROUP, INC.	02/15/2018	2,970.00
8814116	S-1902	SAN DIEGO GAS & ELECTRIC	02/15/2018	266.12
8814117	S-2267	SINTA DESIGN	02/15/2018	682.50
8814118	S-1904	SOUTHERN CALIFORNIA EDISON	02/15/2018	10,010.72
8814119	S-2201	SUNSET PROPERTY SERVICES JONSET CORPORA	02/15/2018	10,936.98
8814120	T-2656	TYLER TECHNOLOGIES, INC.	02/15/2018	12,319.11

Attachment: Warrant Register (1506 : Warrant Register, February 27, 2018)

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
8814121	U-2165	UNDERGROUND SERVICE ALERT OF SOUTHERN	02/15/2018	94.15
8814122	U-2163	USA DANCE, INC., OC CHAP #4018	02/15/2018	371.00
8814123	W-2337	WEST COAST ARBORISTS, INC.	02/15/2018	4,945.50
8814124	W-2441	WEST COAST MOVEMENT PROJECT, LLC	02/15/2018	15,324.40
8814125	W-2426	WHITE NELSON DIEHL EVANS LLP	02/15/2018	3,080.00
8814126	W-2377	WILLDAN ENGINEERING	02/15/2018	880.00
8814127	W-2389	WOLFE ENGINEERING & DESIGN	02/15/2018	1,149.24
8814128	X-2400	XEROX CORPORATION	02/15/2018	789.28
8814129	Z-2606	ZUMAR INDUSTRIES, INC.	02/15/2018	806.74

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	99	62	0.00	964,413.40
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	99	62	0.00	964,413.40



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer

ISSUE: Amendment No. 1 to Contractor Services Agreement with G2 Construction, Inc., for the Installation of Debris Gates

RECOMMENDATION: That the City Council approve Amendment No. 1 to Contractor Services Agreement with G2 Construction, Inc., for Debris Gate Installation and authorize the City Manager to sign Amendment No. 1.

SUMMARY:

An Amendment No. 1 to Contractor Services Agreement with G2 Construction, Inc. is proposed to increase the Task Order compensation limit for the current fiscal year in order to allow the use of the full amount of Measure M2 grant funds awarded to the City for the Installation of Debris Gates at various locations. Approval of Amendment No. 1 is recommended.

BACKGROUND:

The City and G2 Construction, Inc., the Contractor, previously entered into a Contractor Services Agreement (Agreement), attached, for Catch Basin Debris Gate Manufacturing and Installation Services, which was entered into on May 22, 2012. The purpose of this Agreement was to facilitate the installation of debris gates at City catch basins to reduce the occurrence of trash and debris from entering the storm drain system, a water quality objective. This multi-year Agreement, now in its final year, provided for an annual cap of expenditures based upon the expectation of the value of Measure M2 grant funds being made available by the Orange County Transportation Authority (OCTA) in any one year for this purpose.

Amendment No. 1 to Contractor Services Agreement with G2 Construction, Inc.
February 27, 2018
Page 2

Last year the City was not awarded grant funds for Debris Gates and, per City Council authorization, increased the value of the grant application to OCTA in the current fiscal year. The City has recently been awarded grant funds from OCTA for Debris Gate installations in the amount of \$150,000, which is comprised of \$120,000 of OCTA Measure M funds and \$30,000 of City funds. This grant value requires a change to the Agreement with the Contractor.

Section 3.1 (Compensation of Contractor) of the Agreement provides that the compensation for any services performed by Contractor in any of the Subsequent Contract Terms are not to exceed \$100,000 per year and are expressly contingent upon the City's receipt of further Project funding from OCTA and the issuance of a written Task Order by the City. Therefore, the Parties now desire to enter into Amendment No. 1 for the purpose of increasing the compensation amount for the current Contract Term from \$100,000 to \$165,000, which includes a 10% contingency, in order to implement this cycle of the project.

FISCAL IMPACT:

The Debris Gates Installation Project is included in the 2017/2018 Fiscal Year Capital Improvement Program Budget in the Flood Control and Water Quality Program. The City will provide \$30,000 of matching funds to combine with a \$120,000 Measure M2 Grant to fund this project.

ATTACHMENTS:

- Laguna Hills Amend - G2 (02.21.18)
- CSA G2 Construction

AMENDMENT NO. 1
TO CONTRACTOR SERVICES AGREEMENT
Catch Basin Debris Gate Manufacturing and Installation Services
G2 Construction, Inc.

THIS FIRST AMENDMENT to the Contractor Services Agreement for the Catch Basin Debris Gate Manufacturing and Installation Services (the "Amendment") is made and entered into to be effective the 27th day of February 2018, by and between the CITY OF LAGUNA HILLS, a California general law city organized and existing under the laws of the State of California (hereinafter referred to as "City"), and G2 CONSTRUCTION, INC., a California Corporation (hereinafter referred to as "Contractor").

RECITALS

A. City and Contractor previously entered into that certain Contractor Services Agreement for the Catch Basin Debris Gate Manufacturing and Installation Services, which was made and entered into on May 22, 2012 (the "Agreement"). Section 3.3 (Changes) of the Agreement provides that the Agreement may be amended by mutual consent of the Parties.

B. The Agreement requires the Contractor to manufacture and install catch basin debris gates at multiple locations throughout the City based on upon seven (7) separate funding cycles from the Orange County Transportation Authority's ("OCTA") Measure M2 Environmental Cleanup Program Tier 1 Grant Program and in accordance with the Scope of Work.

C. Under Section 4.4 (Term) of the Agreement, the Contract Term is seven (7) years beginning July 1, 2011 and ending on June 30, 2018. The timeframe of the Contract Term is further separated into the "Initial Contract Term," which runs from July 1, 2011 through June 30, 2012, and six (6) "Subsequent Contract Terms," which run from July 1st through June 30th of each fiscal year thereafter. The Parties are currently in the Sixth (6th) Subsequent Contract Term from July 1, 2017 through June 30, 2018.

D. The City has recently been awarded grant funds from OCTA for the Sixth (6th) Subsequent Contract Term in the amount of \$150,000, which is comprised of \$120,000 of OCTA Measure M funds and \$30,000 of City funds, as approved by the City Council on June 13, 2017. Section 3.1 (Compensation of Contractor) provides that the compensation for any services performed by Contractor in any of the Subsequent Contract Terms are not to exceed \$100,000 per year and are expressly contingent upon the City's receipt of further Project funding from OCTA and the issuance of a written task order by the City.

F. Therefore, the Parties now desire to enter into this Amendment for the purpose of increasing the compensation amount for the Sixth (6th) Subsequent Contract Term set forth in Section 3.1 of the Agreement from \$100,000 to \$165,000, which includes a 10% contingency.



NOW, THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 3.1, entitled "Compensation of Contractor," of the Agreement. Section 3.1 of the Agreement is hereby amended as follows:

During the Sixth (6th) Subsequent Contract Term, from July 1, 2017 through June 30, 2018, the maximum compensation for services performed by the Contractor shall not exceed \$165,000 per year. The compensation for all prior Subsequent Contract Terms shall remain at an amount not to exceed \$100,000 per year.

2. Full Force and Effect. This Amendment is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.
3. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
4. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment to the Agreement as of the date first written above.

"CITY"
City of Laguna Hills,
 a California municipal corporation

 DONALD J. WHITE,
 City Manager

ATTEST:

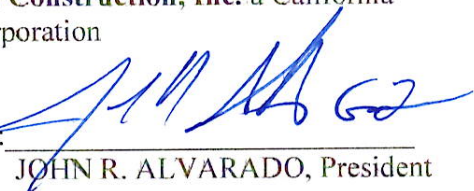
(SEAL)

 MELISSA AU-YEUNG,
 Assistant to the City Manager/ City Clerk

APPROVED AS TO FORM:

 GREGORY E. SIMONIAN,
 City Attorney

"CONTRACTOR"
G2 Construction, Inc. a California
 corporation

By: 
 JOHN R. ALVARADO, President

CONTRACTOR SERVICES AGREEMENT
Catch Basin Debris Gate Manufacturing and Installation Services
G2 Construction, Inc.

THIS AGREEMENT FOR CONTRACTOR SERVICES (the "Agreement") is made and entered into this 22nd day of May, 2012, by and between the CITY OF LAGUNA HILLS, a California general law city organized and existing under the laws of the State of California ("City"), and G2 CONSTRUCTION, INC., a California Corporation ("Contractor").

RECITALS

A. The City has received funds as part of the Orange County Transportation Authority's (OCTA) Measure M2 Environmental Cleanup Allocation Program with which the City intends to fund the installation of catch basin debris gates on sixty-nine catch basin locations in the City during the Initial Contract Term.

B. As part of the OCTA Program the City was awarded \$61,950 for fiscal year 2011-2012.

C. City requires the services of a contractor for the manufacture and installation of catch basin debris gates at multiple locations throughout the City (the "Project").

D. The Agreement is anticipated to begin in fiscal year 2011-2012 and cover seven (7) separate funding cycles through 2018. Work, if any, in each funding cycle shall be contingent upon the City's receipt of further funding from OCTA.

E. Contractor has submitted to City a proposal, attached as Exhibit "A," to provide catch basin debris gate manufacture and installation services to City in connection with the Project pursuant to the terms of this Agreement.

C. Contractor, formally known as U.S. Enviro-Net Services, Inc., was the original manufacturer and installer of the existing catch basin debris gates in the City and has the unique capability of manufacturing and installing an exact match of the existing City catch basin debris gates at the above described locations.

D. Based on its experience, education, training, and reputation, as well as the fact that Contractor previously manufactured and installed the existing catch basin debris gates in the City, Contractor is uniquely qualified to provide the necessary services to City for the Project and desires to provide such services.

E. City desires to retain the services of Contractor for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, City agrees to retain and does hereby retain Contractor and Contractor agrees to provide services to the City as follows:

AGREEMENT

1. CONTRACTOR SERVICES

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Contractor shall manufacture and install catch basin debris gates at multiple locations throughout the City based upon the approval of funding from OCTA's Measure M2 Environmental Cleanup Program Tier 1 Grant Program and as described and as set forth in the written proposal/quote to manufacture and install catch basin debris gates, attached to this Agreement as Exhibit "A" and incorporated herein by reference, which includes the agreed upon Scope of Work (the "services" or "work"), production schedule, and the schedule of fees. Contractor warrants that all services and work shall be performed in a competent, professional, and satisfactory manner in accordance with all standards prevalent in the industry. In the event of any inconsistency between the terms contained in the Scope of Work (Exhibit "A") and the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement shall govern.

1.2 Compliance with Law. All services rendered under this Agreement shall be provided by Contractor in accordance with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder.

1.3 Licenses and Permits. Contractor shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement.

1.4 Familiarity with Work. By executing this Agreement, Contractor warrants that it has carefully considered how the work should be performed and fully understands the facilities, difficulties, and restrictions attending performance of the work under this Agreement.

2. TIME FOR COMPLETION.

The time for completion of the services to be performed by Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the work of this Agreement according to the agreed upon production schedule. All work within the Contract Term, as defined in Section 4.4, shall be completed no later than June 30th of the Contract Term. Contractor shall not be accountable for delays in the progress of its work caused by any condition beyond its control and without the fault or negligence of Contractor. Delays shall not entitle Contractor to any additional compensation regardless of the party responsible for the delay.

3. COMPENSATION OF CONTRACTOR

3.1 Compensation of Contractor. For the services rendered pursuant to this Agreement, Contractor shall be compensated and reimbursed, in accordance with the schedule of fees set forth in Exhibit "A," which total amount shall not exceed \$61,950.00 for services performed in the Initial Contract Term. Contractor hereby acknowledges that compensation for services performed in any of the Subsequent Contract Terms shall not exceed \$100,000 per year and shall be expressly contingent upon the City's receipt of further Project funding from OCTA

and the issuance of a written task order by the City that shall memorialize the scope of services to be performed and the amount of compensation to be paid. Further, that the execution of this Agreement by the City does not in any way guarantee that a task order will be issued to Contractor in any of the Subsequent Contract Terms. Moreover, execution of this Agreement by the City shall not entitle Contractor to any form of payment or compensation from the City in any of the Subsequent Contract Terms without the City first having issued a task order.

3.2 Method of Payment. In any month in which Contractor wishes to receive payment, Contractor shall no later than the first working day of such month, submit to City in the form approved by City's Finance Manager, an invoice for services rendered prior to the date of the invoice. Payments shall be based on the rates as set forth in Exhibit "A" for authorized services performed. City shall pay Contractor for all expenses stated thereon, which are approved by City consistent with this Agreement, within thirty (30) days of receipt of Contractor's invoice.

3.3 Changes. In the event any change or changes in the Scope of Work is requested by City, the parties hereto shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional fees. An amendment may be entered into:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Contractor's profession.

3.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the City Council of City for each Contract Term covered by the Agreement. If such appropriations are not made, Contractor shall not be entitled to any payment or compensation for that term.

4. PERFORMANCE SCHEDULE

4.1 Time of Essence. Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance. All services rendered pursuant to this Agreement shall be performed pursuant to the agreed upon production schedule set forth in Exhibit "A". The extension of any time period must be approved in writing by the Contract Officer.

4.3 Force Majeure. The time for performance of services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Contractor, including, but not limited to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if Contractor shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the services for the period of the enforced delay when and if in the

Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

4.4 Term. Unless earlier terminated in accordance with Section 8.5 of this Agreement, this Agreement shall continue in full force and effect for seven (7) years commencing on July 1, 2011, and ending on June 30, 2018 (the "Contract Term"). This timeframe shall be separated into the "Initial Contract Term," which shall run from July 1, 2011 through June 30, 2012, and six (6) "Subsequent Contract Terms" which shall thereafter run from July 1st through June 30th of each fiscal year thereafter.

5. COORDINATION OF WORK

5.1 Representative of Contractor. The following principal of Contractor is hereby designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the services and work specified herein and make all decisions in connection therewith: John R. Alvarado, President. It is expressly understood that the experience, knowledge, education, capability, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. The foregoing principal may not be changed by Contractor without prior written approval of the Contract Officer.

5.2 Contract Officer. The Contract Officer shall be the City Manager, or his/her designee. It shall be the Contractor's responsibility to keep the Contract Officer, or his/her designee, fully informed of the progress of the performance of the services and Contractor shall refer any decisions that must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer.

5.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, education, capability, and reputation of Contractor, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Contractor shall not contract with any other individual or entity to perform in whole or in part the services required hereunder without the express written approval of City. In addition, neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City.

5.4 Independent Contractor. Neither City nor any of its employees shall have any control over the manner, mode, or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. Contractor shall perform all services required herein as an independent contractor of City and shall not be an employee of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role; however, City shall have the right to review Contractor's work product, result, and advice. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

6. INSURANCE AND INDEMNIFICATION

6.1 Insurance. Contractor shall procure and maintain, at its sole cost and expense, and submit concurrently with its execution of this Agreement, in a form and content satisfactory to City, public liability and property damage insurance against all claims for injuries against persons or damages to property resulting from Contractor's performance under this Agreement. Contractor shall also carry workers' compensation insurance in accordance with California workers' compensation laws. Such insurance shall be kept in full force and effect during the term of this Agreement, including any extension thereof, and shall not be cancelable without thirty (30) days written notice to City of any proposed cancellation. Certificates of insurance evidencing the foregoing and designating the City, its elected officials, officers, employees, agents, and volunteers as additional insureds by original endorsement shall be delivered to and approved by City prior to commencement of services. The procuring of such insurance and the delivery of policies, certificates, and endorsements evidencing the same shall not be construed as a limitation of Contractor's obligation to indemnify City, its elected officials, officers, agents, employees, and volunteers.

6.1.1 Minimum Scope of Insurance. The minimum amount of insurance required hereunder shall be as follows:

A. Comprehensive general liability and personal injury with limits of at least one million dollars (\$1,000,000.00) per occurrence, two million dollars (\$2,000,000.00) in the general aggregate, and one million dollars (\$1,000,000.00) for products and completed operations.

B. Automobile liability insurance with limits of at least one million dollars (\$1,000,000.00) per occurrence;

C. Workers' Compensation insurance in the statutory amount as required by the State of California and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000.00) per occurrence.

For any claims related to this Agreement, Contractor's insurance coverage shall be primary insurance as respects City and its respective elected officials, officers, employees, agents, and volunteers. Any insurance or self-insurance maintained by City and its respective elected officials, officers, employees, agents, and volunteers shall be in excess of Contractor's insurance and shall not contribute with it. For Workers' Compensation and Employer's Liability Insurance only, the insurer shall waive all rights of subrogation and contribution it may have against City, its elected officials, officers, employees, agents, and volunteers.

6.1.2 Sufficiency of Insurers. Insurance required herein shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Eligible Surplus Lines Insurers (LESLI), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund.

6.1.3 Verification of Coverage. Contractor shall furnish City with both certificates of insurance and endorsements, including additional insured endorsements, effecting all of the coverages required by this Agreement. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is to be received and approved by the City before work commences. City reserves the right to require Contractor's insurers to provide complete, certified copies of all required insurance policies at any time.

6.1.4 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected officials, officers, employees, agents, and volunteers; or, Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

6.1.5 Severability of Interests (Separation of Insureds). This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's liability.

6.2 Indemnification. To the fullest extent permitted by law, Contractor shall immediately defend (at Contractor's sole cost and expense), indemnify, protect, and hold harmless City, its elected officials, officers, employees, agents, and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Contractor's employees included), for damage to property, including property owned by City, from any violation of any federal, state, or local law or ordinance, committed by Contractor, its officers, employees, representatives, and agents, which actual or alleged Claims arise out of, pertain to, or are related to Contractor's performance under this Agreement, but excluding such Claims arising from the gross negligence or willful misconduct of the City, its elected officials, officers, employees, agents, and volunteers. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Contractor's indemnification obligation or other liability hereunder.

7. RECORDS AND REPORTS

7.1 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

7.2 Records. Contractor shall keep such books and records as shall be necessary to properly perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Contractor in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights or ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein.

7.4 Release of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Contractor in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

7.5 Cost Records. Contractor shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred while performing under this Agreement and shall make such materials available at its offices at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment for inspection by City and copies thereof shall be promptly furnished to City upon request.

7.6 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 16000, *et seq.*, ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the work and services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall defend, indemnify, and hold the City, its elected officials, officers, employees, and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of City shall be deemed to waive or render unnecessary City's consent to or approval of any subsequent act of Contractor. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.3 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

8.4 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct, or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

8.5 Termination Prior to Expiration of Term. City reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Contractor, except that where termination is due to the fault of Contractor and constitutes an immediate danger to health, safety, and general welfare, the period of notice shall be such shorter time as may be determined by the City. Upon receipt of the notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Contractor shall be entitled to compensation for all services rendered prior to receipt of the notice of termination and for any services authorized by the Contract Officer thereafter. Contractor may terminate this Agreement, with or without cause, upon thirty (30) days written notice to City.

9. CITY OFFICERS AND EMPLOYEES; NON-DISCRIMINATION

9.1 Non-Liability of City Officers and Employees. No officer or employee of City shall be personally liable to the Contractor, or any successor-in-interest, in the event of any default or breach by City or for any amount which may become due to the Contractor or its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, disability, sexual orientation, national origin, or ancestry.

10. MISCELLANEOUS PROVISIONS

10.1 Notice. Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

To City:

City of Laguna Hills
Attention: City Manager
24035 El Toro Road
Laguna Hills, California 92653

To Contractor:

John R. Alvarado, President
G2 Construction, Inc.
13331 Garden Grove Blvd., Suite H
Garden Grove, CA 92843

10.2 Integrated Agreement. This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

10.3 Amendment. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

10.4 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

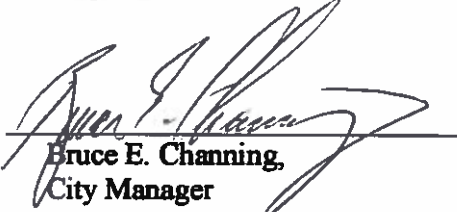
10.5 Authority. The persons executing this Agreement on behalf of the parties hereto represent and warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

"CITY"
City of Laguna Hills

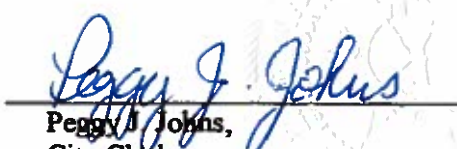
Date: 5/22/12

By: 
 Bruce E. Channing,
 City Manager

APPROVED AS TO FORM:

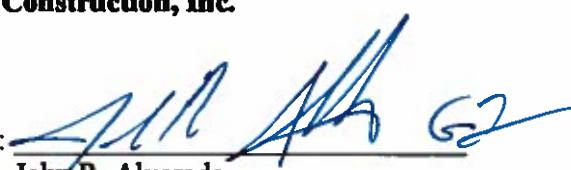
By: 
 Gregory E. Simonian,
 City Attorney

ATTEST

By: 
 Peggy J. Johns,
 City Clerk

"CONTRACTOR"
G2 Construction, Inc.

Date: _____

By: 
 John R. Alvarado
 President

Attachment: CSA G2 Construction (1493 : Amendment No. 1 to Contractor Services Agreement with G2 Construction, Inc.)

EXHIBIT "A"**CONTRACTOR'S PROPOSAL/QUOTE
and
SCOPE OF SERVICES/WORK****Including,****Schedule of Fees****And****Production Schedule**

G2 Construction, Inc.
 State contractors license #801253 - A, C8, C80
 13331 Garden Grove Blvd. unit H
 Garden Grove, CA 92843

C.B. DEBRIS GATE PROPOSAL

Customer:	City of Laguna Hills	Prepared:	4/11/2011
	24035 El Toro Rd.		
	Laguna Hills, CA 92653	By:	John Alvarado
Phone:	949 - 707-2857	Phone:	714.448.8080
Fax:	949-707-2833		
Contact:	Humza Javed		
Project Location:	Various locations within Laguna Hills.		javarado@g2construction.com

Lake Forest catch basin locations Northside

		Size	# Gates	Unit price	Price
1).	W/O I-5 off Ramp N/S	8'	2	\$ 300.00	\$ 600.00
2).	At Research Dr. N/S	17'	4	\$ 300.00	\$ 1,200.00
3).	W/O Research Dr. N/S	8'	2	\$ 300.00	\$ 600.00
4).	East of Moulton @ center median	4'	1	\$ 375.00	\$ 375.00
5).	West of Moulton @ center median	4'	1	\$ 375.00	\$ 375.00
6).	At Triton Wy. N/S	10'	3	\$ 300.00	\$ 900.00
7).	E/O Scientific Wy. N/S	10'	2	\$ 300.00	\$ 600.00
8).	W/O Scientific Wy. N/S	10'	3	\$ 300.00	\$ 900.00
9).	W/O Scientific Wy. N/S	10'	3	\$ 300.00	\$ 900.00
10).	At Tesla Wy. N/S	10'	3	\$ 300.00	\$ 900.00

Lake Forest catch basin locations Southside

1).	200' E/O Santa Vittoria	7'	2	\$ 300.00	\$ 600.00
2).	650' E/O Santa Vittoria	7'	2	\$ 300.00	\$ 600.00
3).	1100' E/O Santa Vittoria	10'	2	\$ 300.00	\$ 600.00
4).	40' E/O Mill Creek	7'	2	\$ 300.00	\$ 600.00
5).	300' E/O Mill Creek	7'	2	\$ 300.00	\$ 600.00
6).	40' E/O Triton Wy.	7'	2	\$ 300.00	\$ 600.00
7).	600' E/O Moulton Pkwy.	4'	1	\$ 375.00	\$ 375.00

Total Project Price..... \$ 11,325.00

Authorized Signature: _____ **Date:** _____

Sign and email to javarado@g2construction.com

G2 Construction, Inc.
 State contractors license #801253 - A, C8, C80
 13331 Garden Grove Blvd. unit H
 Garden Grove, CA 92843

C.B. DEBRIS GATE PROPOSAL

Customer:	City of Laguna Hills 24035 El Toro Rd. Laguna Hills, Ca 92653	Prepared:	4/11/2011
Phone:	949 - 707-2657	By:	John Alvarado
Fax:	949-707-2633	Phone:	714.448.8080
Contact:	Hunza Javed		
Project Location:	Various locations within Laguna Hills.		

jalvarado@g2construction.com

Mill Creek South Bound

		Size	# Gates	Unit price	Price
1).	900' S/O Lake Forest E/S	14'	4	\$ 300.00	\$ 1,200.00

Mill Creek North Bound

1).	300' N/O Ridge Route W/S	10'	2	\$ 300.00	\$ 600.00
2).	300' N/O Ridge Route E/S	10'	2	\$ 300.00	\$ 600.00

Total Project Price..... \$ 2,400.00

Authorized Signature: _____ **Date:** _____

Sign and email to jalvarado@g2construction.com

G2 Construction, Inc.
 State contractors license #801253 - A, C8, C80
 13331 Garden Grove Blvd. unit H
 Garden Grove, CA 92843

C.B. DEBRIS GATE PROPOSAL

Customer:	City of Laguna Hills	Prepared:	4/11/2011
	24035 El Toro Rd.		
	Laguna Hills, CA 92653	By:	John Alvarado
Phone:	949 - 707-2657	Phone:	714.448.8080
Fax:	949-707-2633		
Contact:	Humza Javed		
Project Location:	Various locations within Laguna Hills.		<u>jalvarado@g2construction.com</u>

Avenida Carlota South Bound

		Size	# Gates	Unit price	Price
1).	300' S/O Lake Forest Dr.	4'	1	\$ 375.00	\$ 375.00
2).	315' S/O Lake Forest Dr.	14'	3	\$ 300.00	\$ 900.00

Avenida Carlota North Bound

1).	50' N/O I - 5 off ramp	4'	1	\$ 375.00	\$ 375.00
2).	50' N/O Plaza Pointe	14'	3	\$ 300.00	\$ 900.00
3).	100' N/O Plaza Pointe	4'	1	\$ 375.00	\$ 375.00

Total Project Price..... \$ 2,925.00

Authorized Signature: _____ **Date:** _____

Sign and email to jalvarado@g2construction.com

G2 Construction, Inc.
 State contractors license #601253 - A, C8, C80
 13331 Garden Grove Blvd. unit H
 Garden Grove, CA 92643

C.B. DEBRIS GATE PROPOSAL

Customer:	City of Laguna Hills 24036 El Tero Rd. Laguna Hills, CA 92653	Prepared:	4/11/2011
Phone:	949 - 707-2657	By:	John Alvarado
Fax:	949-707-2653	Phone:	714.448.8080
Contact:	Humza Javed		
Project Location:	Various locations within Laguna Hills.		javarado@g2construction.com

Piazza Points	Size	# Gates	Unit price	Price
1). S/O Ave Carlota W/S	10'	2	\$ 300.00	\$ 600.00
2). S/O Ave. Carlota E/S	10'	2	\$ 300.00	\$ 600.00
Peralta N/O Ridge route				
1). Peralta N/O Ridge Route E/S	4'	1	\$ 375.00	\$ 375.00
Del lago at La Cadena				
1). Del lago S/O la Cadena W/S	7'	2	\$ 300.00	\$ 600.00
2). Del lago S/O La Cadena E/S	7'	2	\$ 300.00	\$ 600.00
Del lago N/O la Cadena				
1). Del lago N/O la Cadena E/S	10'	2	\$ 300.00	\$ 600.00
2). Del Lago N/O La cadena W/S	4'	1	\$ 375.00	\$ 375.00
Del lago South of lake Forest				
1). Del lago south of Lake Forest E/S	4'	1	\$ 375.00	\$ 375.00
la Cadena E/O Del lago				
1). la Cadena E/O Del lago S/S	22'	6	\$ 300.00	\$ 1,800.00
2). la Cadena E/O Del lago N/S	22'	6	\$ 300.00	\$ 1,800.00
Terra				
1). Terra Dr.	4'	1	\$ 375.00	\$ 375.00
Verdugo At La Cadena				
1). Verdugo W/S	10'	2	\$ 300.00	\$ 600.00
2). Verdugo E/S	10'	2	\$ 300.00	\$ 600.00
Proposal Amount.....				\$ 9,300.00

Authorized Signature: _____ Date: _____

Sign and email to javarado@g2construction.com

G2 Construction, Inc.
 State contractors license #801253 - A, C8, C60
 13331 Garden Grove Blvd. unit H
 Garden Grove, CA 92843

C.B. DEBRIS GATE PROPOSAL

Customer:	City of Laguna Hills 24035 El Toro Rd. Laguna Hills, Ca 92653	Prepared:	4/11/2011
Phone:	949 - 707-2657	By:	John Alvarado
Fax:	949-707-2633	Phone:	714.448.8080
Contact:	Humza Javed		
Project Location:	Various locations within Laguna Hills.		<u>jalvarado@g2construction.com</u>

Barbera

		Size	# Gates	Unit price	Price
1).	Barbera E/O S. Vittoria S/S	14'	4	\$ 300.00	\$ 1,200.00
2).	Barbera E/O S. Vittoria N/S	14'	4	\$ 300.00	\$ 1,200.00
3).	Marsela	4'	1	\$ 375.00	\$ 375.00
4).	Lipari	4'	1	\$ 375.00	\$ 375.00
5).	Adamo	4'	1	\$ 375.00	\$ 375.00
6).	Fornella	4'	1	\$ 375.00	\$ 375.00
7).	Genova	7'	2	\$ 300.00	\$ 600.00
8).	Ancona N/S	10'	2	\$ 300.00	\$ 600.00
9).	Ancona S/S	14'	4	\$ 300.00	\$ 1,200.00
10).	Genova	10'	2	\$ 300.00	\$ 600.00

Total Project Price..... \$ 6,900.00

Authorized Signature: _____ Date: _____

Sign and email to jalvarado@g2construction.com

G2 Construction, Inc.
 State contractors license #001253 - A, C8, C90
 13331 Garden Grove Blvd. unit H
 Garden Grove, CA 92843

C.B. DEBRIS GATE PROPOSAL

Customer: City of Laguna Hills
 24035 El Toro Rd.
 Laguna Hills, CA 92653
Phone: 949 - 707-2657
Fax: 949-707-2633
Contact: Humza Javed
Project Location: Various locations within Laguna Hills.

Prepared: 4/11/2011

By: John Alvarado
Phone: 714.448.8880

jahvarado@g2construction.com

Santa Vittoria

		Size	# Gates	Unit price	Price
1).	165' S/O Barbara E/S	14'	4	\$ 300.00	\$ 1,200.00
2).	165' S/O Barbara W/S	7'	2	\$ 300.00	\$ 600.00
3).	50' S/O Ridge Route E/S	21'	8	\$ 300.00	\$ 1,500.00
4).	100' S/O Ridge Route E/S	14'	4	\$ 300.00	\$ 1,200.00
5).	20' S/O Ridge Route W/S	20'	6	\$ 300.00	\$ 1,800.00
6).	80' S/O Ridge Route W/S	21'	8	\$ 300.00	\$ 2,400.00
7).	120' S/O Ridge Route W/S	28'	6	\$ 300.00	\$ 1,800.00
8).	20' N/O Ridge Route E/S	20'	6	\$ 300.00	\$ 1,800.00
9).	80' N/O ridge Route E/S	14'	4	\$ 300.00	\$ 1,200.00
10).	30' N/O Ridge Route W/S	28'	8	\$ 300.00	\$ 2,400.00
11).	80' N/O Ridge Route W/S	28'	8	\$ 300.00	\$ 2,400.00
12).	Camino Jaleco E/S	21'	6	\$ 300.00	\$ 1,500.00
13).	80' N/O Camino Jaleco E/S	28'	6	\$ 300.00	\$ 1,800.00
14).	20' N/O camino Jaleco W/S	21'	8	\$ 300.00	\$ 1,500.00
15).	80' N/O Camino Jaleco W/S	28'	6	\$ 300.00	\$ 1,800.00
16).	20' N/O Basano East E/S	6'	2	\$ 300.00	\$ 600.00
17).	20' N/O Basano West W/S	6'	2	\$ 300.00	\$ 600.00
18).	20' S/O Lake Forest Dr. E/S	14'	4	\$ 300.00	\$ 1,200.00
19).	100' S/O lake Forest Dr. E/S	7'	2	\$ 300.00	\$ 600.00
20).	40' S/O lake Forest Dr. W/S	7'	2	\$ 300.00	\$ 600.00
21).	100' S/O lake Forest Dr. W/S	7'	2	\$ 300.00	\$ 600.00

Total Project Price..... \$ 28,100.00

GRAND TOTAL \$61,950.00

Authorized Signature: _____

Date: _____

Sign and email to jahvarado@g2construction.com

ALL WORK TO BE COMPLETED WITHIN 180 DAYS OF AUTHORIZATION TO PROCEED.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer

ISSUE: Authorization to Advertise for Bids and to Directly Purchase Materials for Turf Renovation at the Laguna Hills Community Center and Sports Complex, CIP No. 238C

RECOMMENDATION: That the City Council: (1) Approve the Plans and Specifications on file with the office of the City Clerk; (2) Authorize the Advertisement for Bids; and (3) Authorize the direct purchase of materials for the Turf Renovation at the Community Center and Sports Complex, CIP No. 238C.

SUMMARY:

Staff has completed the plans and specifications for the biennial turf renovation project at the Community Center and Sports Complex, CIP No. 238C, for work to occur this summer. Typically, the City has fully replaced the turf on both soccer fields and performed turf repair on the baseball field every two years to maintain a high-quality level of playability at the City's primary sports fields. This year, due to a change in horticultural practices and field use patterns, staff is recommending that the turf on only one soccer field be fully replaced, repairs be made to the second soccer field, and typical infield renovations be made to the baseball field. There is a small risk that this approach could result in a lower-quality level of field conditions on the second soccer field which may necessitate mid-season turf repairs. However, staff is confident that this year's approach is appropriate for the field conditions at present. The plans and specifications include a base bid for this cycle of turf renovations and an additive bid for the 2020/2021 Fiscal Year Turf Renovation Project. Approval of the plans and specifications and authorization to advertise this project for bids is recommended.

Authorization to Advertise for Bids - Turf Renovation Com Center and Sports Complex,
CIP No. 238C
February 27, 2018
Page 2

BACKGROUND:

The sports fields at the Community Center and Sports Complex were substantially completed in 1998 and include two soccer fields, primarily utilized by the American Youth Soccer Organization; a baseball field, primarily utilized by Little League; and a synthetic turf softball field. The soccer fields were designed to be playable shortly after a rain storm and include a 16" thick sand base with a sub-drainage system. Accordingly, the soccer field's base and its turf remain relatively soft, maintaining a high-quality of playability. However, based upon the intense use of these soccer fields and resulting turf damage, it has become routine for the City to fully replace all of the turf on the soccer fields every two years, thus maintaining the high-quality fields expected by the community. During this past two-year cycle, some horticultural changes have been made and a change in use has resulted in less wear and tear on one of the soccer fields. The field closest to the parking lot, the southerly field, is utilized by older soccer players and incurs more wear. Hence, the southerly soccer field is in need of full turf replacement.

As a result of the current field conditions of the soccer fields, for this cycle of turf renovation, staff is recommending that this project only include the full turf renovation of one soccer field along with spot repairs of the second soccer field, and typical renovations of the turf baseball field/infield area. This approach does pose some risk that the second soccer field will not perform well in the soccer fall season which may necessitate some mid-season turf repairs. However, staff is confident that this approach will adequately maintain the playability of these soccer fields.

The plans and specifications for the turf renovation at the Community Center and Sports Complex have been completed by staff, are on file with the office of the City Clerk, and are present at the dais. The Bid Proposal for this project includes a Base Bid for the currently contemplated work described above and an Additive Bid for the next cycle of turf renovation for replacement of turf on both or one soccer field(s) in the 2020/2021 Fiscal Year. This approach provides the City with maximum flexibility to service these fields and provides consistency of work over these cycles of turf renovation.

In addition to advertising this project for bids, it is recommended that City Council approve the direct purchase, sole source, of the turf and sand base materials necessary to complete this project. The direct purchase is necessary to maintain the quality and consistency of the materials commensurate with the original design specifications of the Community Center and Sports Complex. The turf variety is unique and specific to the

Authorization to Advertise for Bids - Turf Renovation Com Center and Sports Complex,
CIP No. 238C
February 27, 2018
Page 3

site and is available from West Coast Turf, and the sand base needed to fill in ruts and level the soccer field(s) is a special design mix available from P.W. Gillibrand Co.

The project schedule would close the soccer fields for approximately eight weeks beginning just after the completion of the City's 4th of July event. This is the same schedule that has been consistently utilized by the City for the renovation of these soccer fields and is a schedule coordinated with AYSO. The Engineer's Estimate for the total construction cost of the base bid project is \$100,000.

CEQA FINDINGS:

Staff has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and determined that this project is categorically exempt from CEQA pursuant to Section 15301 of Title 14, Chapter 3 of the California Code of Regulations (Class 1, Existing Facilities exemption). This exemption is applicable to the operation, permitting, or minor alteration to an existing facility involving negligible or no expansion. The proposed project will result in the replacement of existing natural turf with new natural turf on the existing soccer field(s) and baseball field without any expansion of the site or its use.

FISCAL IMPACT:

The turf renovations at the Community Center and Sports Complex are included in the 2018/2019 Fiscal Year Capital Improvement Program Budget in the amount of \$240,000. The proposed project to fully replace the turf on only one soccer field, perform turf repair work on the second soccer field, and perform usual and customary renovation work at the baseball field/infield has an estimated cost of \$100,000. The Additive Bid Items will be addressed in the 2020/2021 Fiscal Year Capital Improvement Program Budget.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer

ISSUE: Resolution in Support of Funding Projects in the Federal Transportation Improvement Program

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, certifying the City has the resources to fund future projects in the Federal Fiscal Years 2018/2019 - 2023/2024 Transportation Improvement Program and affirms its commitment to implement all said projects."

SUMMARY:

The Orange County Transportation Authority (OCTA) has requested that all Orange County Cities adopt a Resolution indicating each City's intent to provide matching funds for any regionally significant, state or federally funded highway projects that may occur in the next five-year cycle of the Federal Transportation Improvement Program (FTIP). The City may have such projects in the future and adoption of the attached Resolution is recommended.

BACKGROUND:

The FTIP is a "clearinghouse" for the listing of regionally significant highway projects. Such projects must be listed on the FTIP for eligibility to receive state or federal funds. The 2019 Federal Fiscal Year FTIP is being prepared covering the next five-year period. The OCTA has requested that all Orange County Cities adopt a Resolution indicating each City's intent to provide matching funds for any regionally significant or federally funded highway projects that may occur in the next five-year cycle of the FTIP.

Resolution in Support of Funding Projects in the Federal Transportation Improvement Program

February 27, 2018

Page 2

While the City does not have any federally funded projects budgeted at this time, the City does, for example, participate with adjacent agencies and the OCTA in regionally significant traffic signal synchronization projects. And, OCTA is seeking state and/or federal funds to leverage Measure M2 funds for these signal projects. It is likely that such signal projects, or other federally funded projects, will occur in the next five years involving the City and requiring the provision of some level of matching funds. Accordingly, it is recommended the City Council adopt the attached Resolution attesting to the City's intention to provide matching funds for such future projects.

FISCAL IMPACT:

The Capital Improvement Project Budget includes funding for Traffic Signal Synchronization Projects in Fiscal Years 2018/2019 and 2020/2021. Said projects or other future projects may be subject to being listed in the FTIP to be eligible for state or federal funding.

ATTACHMENTS:

- 2019 FTIP Resolution_1

RESOLUTION NO. 2018-02-27-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, CERTIFYING THE CITY HAS THE RESOURCES TO FUND FUTURE PROJECTS IN THE FEDERAL FISCAL YEARS 2018/2019 – 2023/2024 TRANSPORTATION IMPROVEMENT PROGRAM AND AFFIRMS ITS COMMITMENT TO IMPLEMENT ALL SAID PROJECTS

WHEREAS, the City of Laguna Hills is located within the metropolitan planning boundaries of the Southern California Association of Governments; and

WHEREAS, the City Council will be requested to authorize future project submittals to Orange County Transportation Authority's (OCTA) Federal Transportation Improvement Program (FTIP); and

WHEREAS, the City of Laguna Hills will, as lead agency for future projects, comply with applicable local, state, and federal provisions including but not limited to the Federal Transportation Improvement Program, California Environmental Quality Act, National Environmental Policy Act, Americans with Disabilities Act, and Buy America.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The City Council of the City of Laguna Hills does certify the City has the resources to fund future projects submitted for the Federal Fiscal Years 2018/2019 – 2023/2024 as will be listed in the Federal Transportation Improvement Program and affirms its commitment to implement all said future projects.

PASSED, APPROVED AND ADOPTED this 27th day of February 2018.

MELODY CARRUTH, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution
No. 2018-02-27-X adopted by the City Council of the City of Laguna Hills, California, at a
Regular Meeting thereof held on the 27th day of February 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Manager
ISSUE: Second Quarter Financial & Treasurer's Report for Fiscal Year 2017/2018

RECOMMENDATION: That the City Council receive and file the Second Quarter Financial and Treasurer's Report for Fiscal Year 2017/2018.

SUMMARY:

Attached to this report is the "City of Laguna Hills Quarterly Financial Highlights" for the second quarter of Fiscal Year 2017/2018. The information presented provides the City Council and City management with the results of the City's financial operations for the first six months of the Fiscal Year ended December 31, 2017. The total fund balance at the end of the second quarter for all governmental funds totaled \$9,183,011. The report states that there are no significant variances to report at this time. The quarter end report also contains a condensed Treasurer's Investment Report as of December 31, 2017, on Page 6. The City's total portfolio at the end of the second quarter of Fiscal Year 2017/2018 \$9,451,313 is invested in authorized securities. The City's investment policy approved by City Council Resolution is the prevailing guideline in managing investments.

ATTACHMENTS:

- Quarterly Financial Highlights, 2nd Quarter FY 2017/18



CITY OF LAGUNA HILLS

Quarterly Financial Highlights

Second Quarter FY 2017/18

The following unaudited financial information summarizes the City's overall financial activity for the current fiscal year through December 31, 2017. Financial analysis for this report is provided for the General Fund, Capital Improvement Program, Debt Service, and other City governmental funds, and is intended to provide the City Council and the public with a summary overview of the City's general fiscal condition through December 31, 2017.

A Summary of Funding Sources and Uses for the six months ended December 31, 2017 is presented in the table below. As of December 31, 2017, the City received roughly 28% of its revenue projection and 41% of its projected total funding uses.

Summary of Funding Sources & Uses For the 6 months ended December 31, 2017

	YTD Actual (million)	Budget (million)	YTD % of Budget
<i>Funding Sources</i>	\$ 8.3	\$ 30.1	28%
<i>Funding Uses</i>	10.2	24.8	41%
<i>Net Change</i>	(\$1.9)	\$5.3	

REPORT VARIANCES

The Comparative Statement of Operations for Governmental Funds, on page 3, shows the detail of the YTD actual financial activity in relation to the Amended Budget. Interpreting the information presented herein requires consideration of the cash flow fluctuations of revenues and expenditures. Financial data is reported on a cash basis, meaning expenditures are reported when payments are made and revenues are reported when payment is received. There are a number of revenue and expenditures items that would show significant deviation if a straight-line comparison was applied. In this approach, one would expect line items to approximate 50% of budget by the end of the second quarter. However, the timing of many revenue and expenditure transactions do not occur at uniform times or at equal intervals over the course of the fiscal year. Consequently, although the second quarter represents 50% of the fiscal year, not all line items will be at 50% of the budget. Thus, the YTD as a percentage of budget shown in this report does not necessarily indicate material deviations or budget variances. With this perspective in mind, given anticipated payment schedules and past trends, there are no significant budget variances to report at this time.

FUND BALANCE

Included in this pamphlet, on page 5, is a snapshot of the City's fund balance as of December 31, 2017. At the end of the second quarter of the current fiscal year, the City's total fund balance for its governmental funds stood at \$9,183,011. An abridged balance sheet, which summarizes the City's assets and liabilities, is included on page 4 and reconciles the fund balance at quarter end. City-managed short-term idle funds, as well as debt service funds, are invested in approved securities.

Funding Sources

The City's total funding sources comprise of general fund revenues, special fund revenues, and other financing sources. At the end of the second quarter, total funding sources were approximately \$8 million, or 28% of budget.

GENERAL FUND REVENUES

General Fund Revenues are utilized primarily to finance the City's general governmental activities. At quarter end, general fund revenues totaled \$7,697,334 or 36% of budget. Receipts of Property Taxes came in at \$4,071,943, or 38% of budget. Intergovernmental Revenues, which includes sales tax revenue, were \$1,947,763, or 33% of budget. The recording of these revenue sources comply with GASB 34, which addresses the timing of recognition of non-exchange transactions, e.g. taxes and fines. Revenues from non-exchange transactions, such as property and sales tax, received in the first two months of this fiscal year were accrued in the prior fiscal year. Franchise fees from utility companies and transient occupancy tax comprise Franchise Taxes, which came in at \$699,393, or 26% of budget. The receipts lag at least a quarter and no accrual was made at quarter end. Revenues from Licenses & Permits, \$459,264, and Charges for Services, \$420,985, are dependent upon development activities and came in at 44% and 39% of budget, respectively. Fines and Forfeitures, which includes parking and vehicle fines, ended the quarter at 40% of budget, at \$97,984.

SPECIAL REVENUES AND GRANTS

Many of the Special Revenue funding sources are tied in with the City's Capital Improvement Plan. The receipts of funding sources for certain capital projects typically lag behind the spending on the projects, as the claims are applied for during construction or after project-completion. At the end of the second quarter, special revenues receipts totaled \$558,578, or 7% of budget.

OTHER FUNDING SOURCES

In accordance with GAAP, not all increases in governmental fund financial resources can be classified as revenue. Certain increases instead are reported as other financing sources, such as sales of general capital assets, proceeds of general long-term debt, and financial inflows from other funds.

Funding Uses

The City's total funding uses consist of the City's Operating Expenditures, outlay for Capital Improvement projects, debt charges and expenditures for grant related programs. At the end of the second quarter, total funding uses were approximately \$10.2 million, which was 41% of budget.

OPERATING EXPENDITURES

At the end of the second quarter, operating expenditures totaled roughly \$9.8 million, which represents 48% of the total operating budget. While total operating expenditures came in slightly below 50% of budget, the spending level for Non-Departmental came in higher, at 67% of its budget, due to annual insurance premiums paid in full at the onset of the fiscal year, as well as annual IT related annual service contracts.

CAPITAL IMPROVEMENT PLAN (CIP)

CIP expenditures totaled \$78,660, or 3% of budget, at the end of the second quarter. All budget capital improvement projects automatically re-appropriate each fiscal year until the project is

complete. The FY 17/18 CIP Budget was amended to include a carry-over appropriation of \$38,800 from the prior fiscal year for CIP#168 Traffic Signal Improvement Coordination and \$304,553 for CIP#101 Annual Street Maintenance. The budget was also amended by Resolution No. 2017-06-13 to account for the partial funding with the new Gas Tax RMRA revenue source.

The following table lists the YTD expenditures for capital projects by type as of September 30, 2017.

Capital Improvement Program	
For the 6 Months Ended, December 31, 2017	
Streets, Signals & Lighting	\$ 21,668
Flood Control & Water Quality	38,707
Parks	18,285
Total\$	78,660

CITY OF LAGUNA HILLS
COMPARATIVE STATEMENT OF OPERATION - GOVERNMENTAL FUNDS
FOR THE 6 MONTHS ENDED, DECEMBER 31, 2017

	FY 2017/18			FY 2016/17		
	Y-T-D ACTUAL	AMENDED BUDGET	YTD % of BUDGET	Y-T-D ACTUAL	AMENDED BUDGET	YTD % BUDGET
FUNDING SOURCES						
General Fund Revenues						
Property Taxes	\$ 4,071,943	\$ 10,595,386	38%	\$ 3,841,453	\$ 9,973,907	39%
Intergovernmental Revenues	1,947,763	5,900,250	33%	2,100,343	6,201,744	34%
Franchise Taxes	699,393	2,713,239	26%	704,910	2,657,170	27%
Licenses and Permits	459,264	1,050,000	44%	346,763	725,000	48%
Charges for Current Services	420,985	1,091,842	39%	405,828	1,163,640	35%
Fines & Forfeitures	97,984	246,000	40%	110,154	260,000	42%
Total General Fund Revenues	7,697,334	21,596,717	36%	7,509,451	20,981,461	36%
Special Revenue Funds						
Gas Tax Fund	244,008	920,868	26%	262,569	753,305	35%
Measure M2 Fair Share	183,062	570,658	32%	305,883	622,250	49%
Measure M - Competitive	-	-		-	545,000	0%
AB 2766 Fund	10,158	40,000	25%	10,146	-	
CDBG	-	-		43,056	70,000	62%
Developer Traffic Impact Fees	-	830,567	0%	97,850	-	
Quimby Act Fees	-	5,832,228	0%	-	-	
CR&R Recycling Fees	2,000	2,000	100%	2,000	14,454	14%
C&D Forfeited Deposits	-	40,000	0%	-	65,846	0%
Senior Mobility Program	11,410	33,984	34%	11,109	110,328	10%
Public Art Fund	-	127,420	0%	304,990	-	
Grants and Contributions	-	-		157,000	1,339,150	12%
Law Enforcement Grants	107,939	100,000	108%	77,666	100,000	78%
Total Special Revenue Funding	558,578	8,497,725	7%	1,272,269	3,620,333	35%
Other Funding Sources						
Interest Income	40,822	-		26,733	-	
Distribution from Enterprise Fund	-	50,000	0%	-	-	0%
Total Other Funding Sources	40,822	50,000		26,733	-	
TOTAL FUNDING SOURCES	\$ 8,296,733	\$ 30,144,442	28%	\$ 8,808,453	\$ 24,601,794	36%
FUNDING USES						
Operating Expenditures						
General Government	\$ 1,188,121	2,832,799	42%	\$ 1,222,772	\$ 2,754,308	44%
Non-Departmental	831,504	1,232,010	67%	567,830	863,664	66%
Community Development	548,291	1,446,568	38%	534,665	1,450,827	37%
Public Services	2,023,677	4,384,685	46%	1,969,377	4,479,727	44%
Community Services	998,945	2,130,520	47%	979,051	2,051,365	48%
Police Services	4,222,874	8,393,820	50%	3,976,676	8,032,544	50%
Total Operating Expenditures	9,813,412	20,420,402	48%	9,250,372	19,632,435	47%
Capital Improvement Program	78,660	2,333,298	3%	747,353	4,716,792	16%
Other Funding Uses						
Debt Charges	197,694	1,785,387	11%	224,694	1,799,387	12%
Use of Reserves	27,785	80,178	35%	19,203	50,000	38%
Special Revenue Fund Expenditures						
CDBG Fund Expenditures	-	-		43,056	70,000	62%
Senior Mobility Program	12,172	43,500	28%	14,244	110,328	13%
Beverage Recycling	-	34,707	0%	-	8,300	0%
CR&R Recycling Fund	1,033	2,000	52%	26,681	2,000	1334%
Forfeited C&D Deposits	23,688	97,000	24%	2,506	70,000	4%
Total Other Funding Uses	262,372	2,042,772	13%	330,384	2,110,015	16%
TOTAL FUNDING USES	\$ 10,154,444	\$ 24,796,472	41%	\$ 10,328,109	\$ 26,459,242	39%
NET CHANGE IN FUND BALANCE	\$ (1,857,711)	\$ 5,347,970		\$ (1,519,657)	\$ (1,857,448)	

Attachment: Quarterly Financial Highlights, 2nd Quarter FY 2017/18 (1504 : Second Quarter Financial & Treasurer's Report FY 2017/18)

CITY OF LAGUNA HILLS
ABRIDGED BALANCE SHEET - GOVERNMENTAL FUNDS (UNAUDITED)
DECEMBER 31, 2017

ASSETS

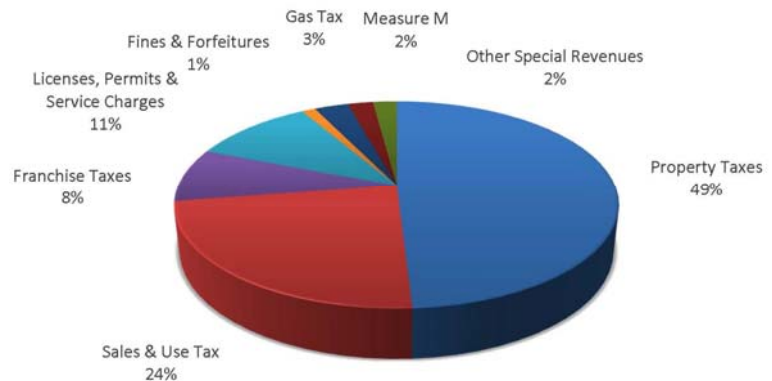
Cash and investments	\$ 9,265,750
Receivables:	
Accounts	99,495
Interest	14,784
Due from other governments	88,765
Prepaid items	45,924
Total assets	\$ 9,514,718

LIABILITIES AND FUND BALANCES

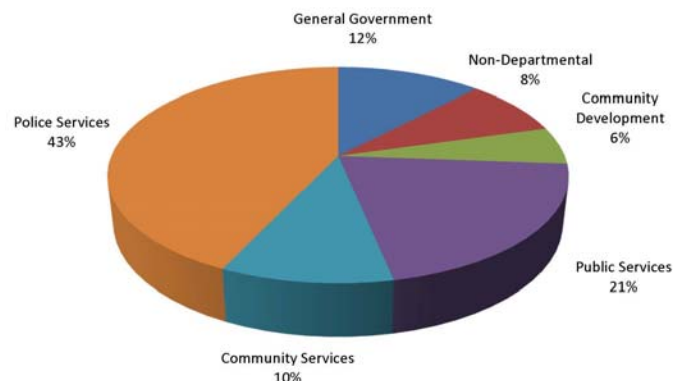
Liabilities:	
Accounts payable	\$ 87,192
Payroll and benefits	31,157
Refundable deposits to contractors	121,306
Deferred revenue	85,229
Trust accounts	6,823
Total liabilities	331,707
Fund balances:	
	9,183,011
Total liabilities and fund balances	\$ 9,514,718

REVENUES -

**General Fund &
Special Revenue Funds
FY 2017/18,
As of 12/31/17**



**OPERATING
EXPENDITURES
FY 2017/18,
As of 12/31/17**



CITY OF LAGUNA HILLS

GOVERNMENTAL FUNDS

STATEMENT OF WORKING FUNDS (UNAUDITED)

AS OF DECEMBER 31, 2017

Fund Balance

General Fund	\$ 6,831,683
Gas Tax	304,553
AB 2766 Fund	136,950
CARITS	1,251,468
Water Conservation	328,004
Senior Mobility Program	66,830
Beverage Recycling	34,951
C&D Forfeited Deposits	104,995
Public Art Fund	78,155
Law Enforcement Special Revenue Funds	578
Grants & Contributions	83,611
Debt Service	1,818,945
Total Beginning Fund Balance, as of July 1, 2017	11,040,721

Net Change in Fund Balance, as of December 31, 2017 (1,857,711)

Total Fund Balance, as of December 31, 2017 **\$ 9,183,011**

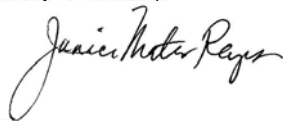
Disposition of Working Funds

Total Cash and Demand Deposits	\$ 585,038
Total Investments	8,680,712
Total Cash and Investments	9,265,750
Receivables Net of Liabilities	<u>(82,739)</u>

Total Fund Balance, as of December 31, 2017 **\$ 9,183,011**

The Quarter End Financial Management Report for the Second Quarter of Fiscal Year 2017-18 is hereby submitted. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. To the best of our knowledge and belief, the above information is reported in a manner that presents fairly the financial position and results of operation of the Governmental Funds of the City of Laguna Hills as of December 31, 2017.

Respectfully submitted,



Janice M. Reyes
Finance Manager

February 19, 2018
Date

TREASURER'S INVESTMENT REPORT - ALL FUNDS (CONDENSED)
FOR THE 2ND QUARTER ENDED DECEMBER 31, 2017

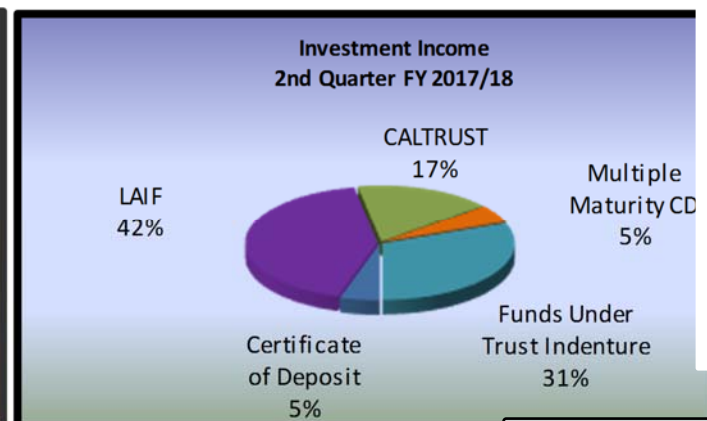
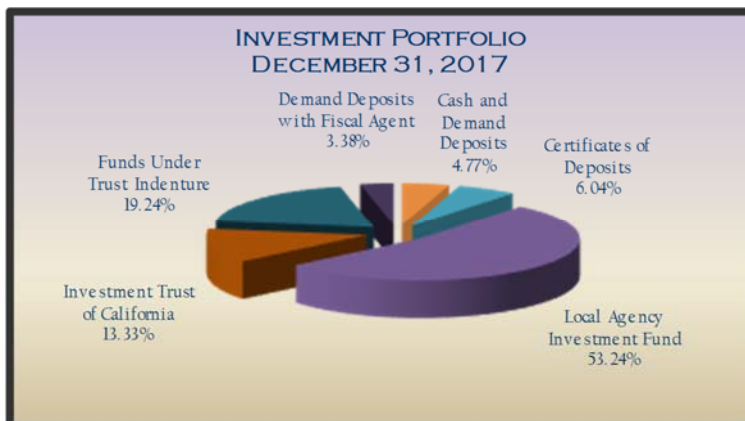
Cash and Investments by Type	Beginning Book Value	Deposits	Withdrawals	Ending Book Value	2nd Qtr Interest Income
Cash on Hand	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ -
Demand Deposits	607,651	8,476,427	8,635,358	448,721	-
Certificates of Deposits	500,000	-	-	500,000	865
Multiple Maturity Certificates of Deposits	70,502	-	-	70,502	924
State Treasurer's Investment Fund/LAIF	3,019,324	3,012,723	1,000,000	5,032,047	7,553
Investment Trust of CA/CalTRUST	1,256,635	2,992	-	1,259,627	2,992
Funds Under Trust Indenture	1,813,632	4,905	-	1,818,536	5,516
Demand Deposits with Fiscal Agent	344,926	333,690	358,736	319,880	-
TOTAL	\$ 7,614,669	\$ 11,830,738	\$ 9,994,094	\$ 9,451,313	\$ 17,849

The City's investment policy approved by Council resolution is the prevailing guideline in managing investments. Short-term excess cash is currently invested primarily in the Local Agency Investment Fund (LAIF) and Investment Trust of California (CalTRUST). Funds held under trust indenture by The Bank of New York Mellon Trust Company, N.A, is a Reserve Fund established to secure the timely payment of principal and interest represented by the 2010 Refinancing Project bond issues.

The following is the summary of the cash and investments for the 2nd quarter ended December 31, 2017, compared with the same period of the previous fiscal year:

	December 31, 2017	December 31, 2016
Cash on hand	\$ 2,000	\$ 2,000
Pooled Deposits:		
Demand Deposits	768,601	3,247,215
Certificates of Deposits	570,502	820,502
Total Pooled Deposits	1,339,103	4,067,717
Pooled Investments:		
Local Agency Investment Fund	5,032,047	5,436,371
Investment Trust of California	1,259,627	-
Restricted Cash and Investments:		
Local Agency Investment Fund	1,814,654	1,804,077
Demand Deposits	3,883	4,265
Total Cash and Investments	\$ 9,451,313	\$ 11,314,430

We believe the City's portfolio provides sufficient cash flow liquidity to meet the next six months of the City's projected operating expenditures.





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Chair and Agency Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for February 13, 2018, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the February 13, 2018, Regular Meeting.

ATTACHMENTS:

- PA Minutes 021318

3.8 Disposition of Surplus City Vehicle and Approval of Proposed Sales Price

Recommendation: That the City Council: (1) Approve the disposition of the City's 2010 Toyota Sequoia deemed to be surplus property by the Purchasing Officer; and (2) Authorize the Purchasing Officer to dispose of the City's 2010 Toyota Sequoia at the proposed sales price of \$13,000.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Carruth recessed the City Council meeting and, acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:48 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Mel Carruth	Chair	Present	
Dore J. Gilbert, M.D.	Vice Chair	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Present	
Don Sedgwick	Agency Member	Absent	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR JANUARY 23, 2018, REGULAR MEETING**4.3.1 Approval of Minutes for January 23, 2018, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the January 23, 2018, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Vice Chair
SECONDER:	Barbara D. Kogerman, Agency Member
AYES:	Mel Carruth, Chair; Dore J. Gilbert, M.D., Vice Chair; Janine Heft, Agency Member; Barbara D. Kogerman, Agency Member
ABSENT:	Don Sedgwick, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

4.5 PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Carruth adjourned the Planning Agency at 7:49 p.m. and invited City Manager White to convene the Public Improvement Corporation (PIC) meeting. Mayor Carruth reconvened the City Council meeting at 7:50 p.m. All Council Members were present

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS**6.1 City Manager****6.1.1 Approval to Participate in the Mobile Source Air Pollution Reduction Review Committee (MSRC) Local Government Partnership Program**

Management Analyst Haston summarized the information provided in the Staff Report.

Recommendation: That the City Council: (1) Receive and file the Mobile Source Air Pollution Reduction Review Committee PowerPoint Presentation; (2) Authorize the submittal of a City application for Electric Vehicle Charging Infrastructure (EVSE) installation at the Civic Center and Community Center & Sports Complex; and (3) Allocate matching funds from the City's AB 2766 Subvention Fund account.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Mel Carruth, Mayor
AYES:	Mel Carruth, Mayor; Dore J. Gilbert, M.D., Mayor Pro Tempore; Janine Heft, Council Member; Barbara D. Kogerman, Council Member
ABSENT:	Don Sedgwick, Council Member



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: A Request by Merlone Geier Management, LLC, for a One-Year Extension of Vesting Tentative Tract Map No. 18035 for the Property Located at 24155 Laguna Hills Mall

RECOMMENDATION: That the City Council and Planning Agency: (1) Conduct a Joint Public Hearing, and (2) Adopt a Resolution entitled: “A Joint Resolution of the City Council and Planning Agency of the City of Laguna Hills, California, approving a one-year extension of the life of Vesting Tentative Tract Map No. 18035, a request of Merlone Geier Management, LLC, and making certain findings in connection therewith.”

SUMMARY:

On March 22, 2016, the City Council and Planning Agency jointly adopted Resolution No. PA2016-03-22-1, which approved a series of entitlements for the redevelopment of the Laguna Hills Mall known as the Five Lagunas Project (Project). These approvals included Vesting Tentative Tract Map No. 18035 (VTTM), which contemplates a 16-lot residential and commercial subdivision. Pursuant to state law, subdivisions are accomplished in two parts where a tentative and final map are approved by the local agency. For the Project, the first step has been completed, which was the City’s approval of the VTTM; however, the processing of a final map(s) has not yet been completed at this time.

Merlone Geier Management, LLC, the property owner and subdivider under the VTTM, (the “Applicant”) has taken steps to implement the Project, including by satisfying various conditions of approval, submitting an application for a first phased final map,

processing improvement plans, executing a Subdivision Improvement Agreement with the City, and providing bonds to secure its improvement obligations. However, the VTTM is subject to an initial life of two years, meaning it would expire on March 22, 2018, absent an extension. The Applicant has requested a one-year extension of the life of the map (i.e., until March 22, 2019). The City Council is authorized by state law to extend the life of the VTTM by up to six years. Staff recommends approving the requested one-year extension.

BACKGROUND:

The City Council and Planning Agency approved the Project on March 22, 2016, at a Joint Public Hearing. The Project authorizes the redevelopment of the Laguna Hills Mall as a mixed-use town center contemplated by the Urban Village Specific Plan, including 616,013 square feet of retail use, 115,354 of restaurant use, a 109,070 square foot cinema, a 40,102 square foot health club, 45,890 square feet of flex retail/medical office space, and 988 residential units. The VTTM is one of the entitlements that the City Council approved for the Project pursuant to Resolution No. PA2016-03-22-1, which also authorized a Site Development Permit, Master Sign Program, Conditional Use Permit, Parking Use Permit, and Precise Plan (No. 2-15-3114).

The VTTM and Resolution No. PA2016-03-22-1 authorize the Applicant to file a series of final maps that will create legal parcels on the approximately 66.18 acre site. Before any such final map can be approved, the Applicant must satisfy relevant Conditions of Approval from Resolution No. PA2016-03-22-1, or, enter into a Subdivision Improvement Agreement and provide bonds to guarantee the completion of its improvement obligations. Under the Subdivision Map Act and the City of Laguna Hills Municipal Code, the VTTM is subject to an initial life of two years. In the absence of any extension under state and local law, the map would expire on March 22, 2018.

The Applicant submitted an application with the City for its first phased final map on March 28, 2017. This application is under review by the Orange County Surveyor for compliance with the Subdivision Map Act and survey references. This map check process has required various modifications and clarifications to the proposed first phased final map and the plan check process is not yet complete. Staff has conferred with the preparer of the first phased final map and is informed that the map is not expected to be complete until after March 22, 2018.

The Applicant has made progress on the first phased final map and related subdivision improvement obligations. The Applicant executed a Subdivision Improvement

Agreement with the City, which the City Council approved on April 11, 2017. This Agreement is secured by bonds in favor of the City to ensure that the Applicant delivers on its improvement obligations. In addition, the Applicant worked with the City to process a complete set of improvement plans. This is in addition to other steps the Applicant has taken to implement the Project as required by Resolution No. PA2016-03-22-1, including by obtaining grading and demolition permits and commencing work.

AUTHORITY:

The Subdivision Map Act provides as follows regarding discretionary extensions of tentative maps:

Upon application of the subdivider filed prior to the expiration of the approved or conditionally approved tentative map, the time at which the map expires pursuant to subdivision (a) may be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or periods not exceeding a total of six years. (Gov. Code Sec. 66452.6(e)).

On February 7, 2018, the Applicant submitted a request to the Planning Division for a one-year discretionary extension of the VTTM. Under state law, the City has the discretion to approve an extension of the VTTM of up to six years. This extension, which would extend the life of the VTTM to March 22, 2019, would allow sufficient time for the OC Surveyor, City staff, and the Applicant to complete the processing of the first phased final map application so that the application will be ready for submittal to the City Council. This requested discretionary extension should provide sufficient time for the first phased final map application to be presented to the City Council before the VTTM would otherwise expire. The request to extend the life of the VTTM does not change, expand, or otherwise modify the Project approved in March 2016.

CEQA FINDINGS:

The impacts of the Five Lagunas Project were analyzed in an Initial Study and Third Addendum to the City of Laguna Hills General Plan Program Environmental Impact Report – State Clearinghouse No. 20080811100 (PEIR). The Third Addendum described minor technical changes to the PEIR necessitated by the Project. The Planning Agency and City Council independently reviewed the Third Addendum in conjunction with the approval of Resolution No. PA2016-03-22-1, and adopted findings under the California Environmental Quality Act (CEQA) which documented that the Project is a later activity

within scope of the project studied in the PEIR, and that the Project does not present any of the circumstances that would require supplemental or subsequent review under CEQA.

As described above, the VTTM is a component of the Project that was evaluated by the PEIR and the Third Addendum. The proposed findings below demonstrate that the project evaluated in the PEIR and Third Addendum is unchanged, there are no changed circumstances under which the project will be undertaken, and there is no new information indicating that the project will result in new or more significant impacts or provide for new mitigation measures or alternatives. Thus, pursuant to CEQA Guidelines Sections 15612 and 15164, there is no substantial evidence requiring the preparation of a subsequent environmental impact report or negative declaration, and an addendum is not required to address minor technical changes or additions to the PEIR.

In approving the extension of the life of the VTTM, it is recommended that the City Council and Planning Agency find as follows:

1. Pursuant to CEQA Guidelines Section 15162(b), it has been determined that no subsequent environmental impact report or negative declaration is required because there is no substantial evidence that the conditions described in CEQA Guidelines Section 15162(a) have occurred. There are no substantial changes to the project studied in the PEIR that would require major revisions of the PEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There are no substantial changes with respect to the circumstances under which the project studied in the PEIR is being undertaken and implemented which will require major revisions of the PEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects. There is no new information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR was found adequate and/or certified showing: (a) one or more significant effects not identified in the PEIR; (b) significant effects previously identified will be substantially more severe than shown in the PEIR; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR would substantially reduce one or more significant effects on the environment, but the

mitigation measures or alternatives have not been adopted (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15168).

The proposed project is an extension of the previously approved VTTM, which was evaluated in the PEIR and the Third Addendum approved by the Planning Commission and City Council on March 22, 2016. The proposed extension of the VTTM was evaluated in light of this prior analysis, and determined to be a later activity within the scope of the PEIR. The project evaluated in the PEIR and the Third Addendum contemplated a multi-year construction and development project to convert the Laguna Hills Mall to a mixed-use residential and commercial development. The one-year extension of the VTTM does not increase the size of, or modify the project, and it does not extend the overall duration of construction activities. Rather, the extension of the VTTM facilitates a delay in the commencement of certain construction activities, which can be reasonably expected to coincide with improvements in regional air quality and traffic circulation and reduced greenhouse gas emissions.

2. Pursuant to CEQA Guidelines Section 15164(a) it has been determined that there is no substantial evidence requiring a fourth addendum to the PEIR because no minor technical changes or additions are necessary based on the one-year extension of the VTTM.

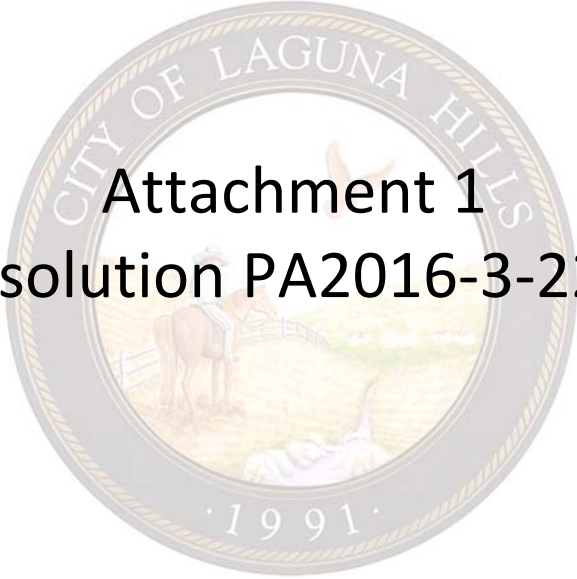
3. The impacts of the Project were analyzed in an initial study and Third Addendum to the PEIR. The PEIR was certified on July 14, 2009, and the Addendum was adopted on March 22, 2016. Notices of Determination were filed and posted for the PEIR and Addendum on July 15, 2009, and March 23, 2016, respectively. The proposed extension will implement the Project as originally analyzed in the PEIR and Third Addendum. Pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162, no further environmental review is required.

FISCAL IMPACT:

The extension of the VTTM will not have any significant fiscal impact. The Project will remain subject to all other fees described in Resolution No. PA2016-03-22-1.

ATTACHMENTS:

- Attachment 1 - Resolution PA2016-03-22-1
- Attachment 2 - Proposed Resolution

The seal of the City of Laguna Hills is a circular emblem. It features a central illustration of a horse and rider in a field, with a fence and hills in the background. The text "CITY OF LAGUNA HILLS" is arched across the top, and "1991" is at the bottom.

Attachment 1

Resolution PA2016-3-22-1

RESOLUTION NO. PA2016-03-22-1

A JOINT RESOLUTION OF THE PLANNING AGENCY AND CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING A THIRD ADDENDUM TO THE CITY OF LAGUNA HILLS PROGRAM ENVIRONMENTAL IMPACT REPORT (STATE CLEARINGHOUSE NO. 20080811100) AND APPROVING A SITE DEVELOPMENT PERMIT, MASTER SIGN PROGRAM, CONDITIONAL USE PERMIT, PARKING USE PERMIT, VESTING TENTATIVE TRACT MAP, PRECISE PLAN NO. 2-15-3114, A REQUEST BY MERLONE GEIER MANAGEMENT, LLC, TO REDEVELOP THE LAGUNA HILLS MALL SITE LOCATED AT 24155 LAGUNA HILLS MALL, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

The Planning Agency and the City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, on November 26, 2002, the City Council of the City of Laguna Hills adopted the Urban Village Specific Plan ("UVSP"). The UVSP area consists of 240 acres bounded by Paseo de Valencia on the north and west, Los Alisos Boulevard on the south, and I-5 on the east. The UVSP regulates development within the Village Commercial area of Laguna Hills. The purpose of the UVSP is to develop a community core in which a variety of public, regional commercial, recreational, and high density residential uses work in concert to create an "urban village." The UVSP provides for a continuing mixture of land uses, including retail, residential, hotel, medical offices, and general offices. The allowed development intensity in the Urban Village is regulated based upon vehicle trip generation limits, not land use type or size of the project, and the UVSP provides for flexibility in development options and the mixture of land uses, provided established anticipated aggregate vehicle trip limits generated by new development are not exceeded. The City implements this aspect of the UVSP through a vehicle trip budget debiting process, pursuant to which additional peak hour vehicle trips generated by each new development or redevelopment project are subtracted from the current aggregate total additional peak hour vehicle trips available to accommodate future new development in the UVSP area (the "Trip Budget Allocation"). Pursuant to the UVSP, applicants for new development projects are authorized to develop to the maximum intensity of their plans upon verification that the vehicle trip generation impacts created by the new development will not exceed the remaining Trip Budget Allocation. Developments within the UVSP area which seek to incorporate a mix of uses also require approval of a precise plan of development that regulates the exact mix of uses within a development project in order to allow the community to assess potential impacts from the project and to provide a balance of uses and purposes that promote community

image, reduce undesirable environmental consequences and improve the fiscal abilities of the city to meet locally expressed needs; and

WHEREAS, in July 2009, the City Council adopted the 2009 Comprehensive General Plan Update ("Update"). The Update identified the UVSP area for expansion/revitalization and increased commercial and residential development; and

WHEREAS, in 2009, in connection with approving the Update, the City prepared a Program Environmental Impact Report entitled "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"). On July 14, 2009, the City Council certified the PEIR, adopted a Statement of Findings of Fact, a Statement of Overriding Considerations and a Mitigation Monitoring Program. The City filed a Notice of Determination on July 15, 2009; and

WHEREAS, in April 2011, the City Council adopted the Urban Village Specific Plan Amendment ("UVSP Amendment") in order to implement the Update. The UVSP Amendment updated the UVSP to reflect the development intensification approved in the Update, to modify the Trip Budget Allocation to 1,243 additional AM Peak Hour Trips and 2,272 additional PM Peak Hour Trips consistent with the Update, to modify the development standards in the UVSP in order to integrate and improve internal consistency between the existing commercial and residential development standards, to incorporate the mixed use application process and development standards already contained in the City's Development Code, and to update the Public Art section to clarify the management of the funds collected; and

WHEREAS, on April 12, 2011, the City Council adopted an Addendum to the PEIR in connection with the adoption of the UVSP Amendment (the "First Addendum") finding that: the UVSP amendment constituted a later activity within the scope of the PEIR; that the later activity proposed no substantial changes to the project evaluated in the PEIR that would involve new or more severe significant effects; that no substantial changes had occurred with respect to the circumstances under which the project evaluated in the PEIR would be undertaken, and that there was no new information of substantial importance showing there would be new or more severe significant effects, that mitigation measures or alternatives previously found to be infeasible would be feasible, or that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce significant effects. The City filed a Notice of Determination on April 15, 2011; and

WHEREAS, in 2012, the City Council adopted an Addendum to the PEIR for the Oakbrook Village Residential Project (SCH No. 20080811100), which proposed the redevelopment of a shopping center to the south of the current project site (and also within the UVSP) as part of a two-phased development that will include up to 489 residential units and up to 82,574 square feet of retail space (the "Second Addendum"). On November 27, 2012, the City Council determined that the Second Addendum adequately demonstrated that the Oakbrook Village Residential Project constituted a later activity within the scope of the PEIR and First Addendum; that the later activity proposed no substantial changes to the project evaluated in the PEIR that would involve

new or more severe significant effects; that no substantial changes had occurred with respect to the circumstances under which the project evaluated in the PEIR would be undertaken, and that there was no new information of substantial importance showing there would be new or more severe significant effects, that mitigation measures or alternatives previously found to be infeasible would be feasible, or that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce significant effects. The City filed a Notice of Determination on November 28, 2012; and

WHEREAS, Merlone Geier Management, LLC ("Applicant"), has filed an application for the redevelopment of the Laguna Hills Mall property located at 24155 Laguna Hills Mall on behalf of MGP FUND X Laguna Hills, LLC (Owner); and

WHEREAS, the application SDPA-2-15-3114 includes the following discretionary permits: Site Development Permit, Master Sign Program, Conditional Use Permit, Parking Use Permit, Vesting Tentative Tract Map, and Precise Plan to redevelop the Laguna Hills Mall site into a mixed-use urban village center branded "Five Lagunas." Project components include the partial demolition and reconstruction of the southern portion of the central mall building, the demolition and construction of new commercial spaces on development pads, and the development of high-density multifamily dwelling units. In all, the Five Lagunas project ("Project") includes 616,013 square feet (570,180 square feet gross leasable area) of retail space, 115,354 square feet of restaurants, a 40,102-square-foot health club, a 109,070-square-foot cinema, 45,890 square feet of flex retail/medical office, 988 residential apartments, a multi-level parking structure to accommodate 1,581 parking spaces for a total of 5,757 parking spaces on site, a 9,628-square-foot Village Green (Sycamore Park) and other open space and recreational facilities, several pedestrian paseos and plazas, bicycle lanes, and traffic-related improvements. The Project site is approximately 68 acres on an irregularly-shaped site that is generally bound by Avenida De La Carlota and I-5 to the east, Calle De Los Caballeros and the Oakbrook Village shopping center to the south, the Orange County Transportation Authority (OCTA) Laguna Hills Transportation Center to the southwest, Calle De La Louisa and the Saddleback Memorial Medical Center campus to the west, and El Toro Road and Laguna Hills City Hall to the north. The Project is more fully described in the document entitled "Addendum to the City of Laguna Hills General Plan Update EIR Five Lagunas Project February 2016 ("Third Addendum") which is incorporated by this reference; and

WHEREAS, the redevelopment of the Laguna Hills Mall site is considered a "project" pursuant to the California Environmental Quality Act, Public Resources Code Section 21000 *et seq.*, and California Code of Regulations, Title 14, Sections 15000 *et seq.* ("CEQA"); and

WHEREAS, the Applicant has prepared and the City has peer-reviewed the Third Addendum to determine: whether the Project constitutes a later activity within the scope of PEIR; whether the later activity proposes substantial changes to the project evaluated earlier that would involve new or more severe significant effects; whether substantial changes have occurred with respect to the circumstances under which the project evaluated earlier would be undertaken; and whether there is new information of substantial importance showing there would be

new or more severe significant effects, that mitigation measures or alternatives previously found to be infeasible would be feasible, or that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce significant effects; and

WHEREAS, a duly noticed public hearing regarding the Project was held on March 22, 2016.

NOW, THEREFORE, THE PLANNING AGENCY AND CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DO RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct, and are incorporated herein by reference.

SECTION 2. The Planning Agency and City Council have each independently considered the Third Addendum to the Program Environmental Impact Report (PEIR) prepared by the Applicant, along with the PEIR, and all materials presented to the City by the Applicant and the public with respect to the Project. The Planning Agency and the City Council each find that no further environmental review is required for the Project. The Third Addendum adequately demonstrates the following, as more fully explained in that document. The Project is a later activity within the scope of the project studied in the PEIR. It is consistent with the land uses, policies and development density established by the Update and UVSP Amendment. There are no substantial changes to the project studied in the PEIR that would require major revisions of the PEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There are no substantial changes with respect to the circumstances under which the project studied in the PEIR is being undertaken and implemented which will require major revisions of the PEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR was found adequate and/or certified showing: (a) one or more significant effects not identified in the PEIR; (b) significant effects previously identified will be substantially more severe than shown in the PEIR; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted. (Public Resources Code Sections 21166 and CEQA Guidelines Sections 15168, 15162, and 15164.)

SECTION 3. All applicable mitigation measures from the PEIR are incorporated into the Project and are included in the conditions of approval for the Project. The Project shall comply with such mitigation measures.

SECTION 4. As a later activity within the program studied in the PEIR, the Five Lagunas project will contribute toward that program's significant and unavoidable impacts relating to Air Quality, Global Climate Change (Greenhouse Gas Emissions), and Public Services and Utilities (Water Supply) (although the Five Lagunas project

would not, by itself, cause a significant water supply impact). The Council previously determined that those impacts were overridden by the matters listed in the Statement of Overriding Considerations adopted in connection with the PEIR. The Five Lagunas project will help realize the benefits referenced in that Statement of Overriding Considerations, which continue to apply to the Project. It reflects smart growth principals, sustainable development and environmental protection. It includes 988 new housing units that will contribute to meeting housing needs in the City. It promotes economic development and employment opportunities by providing new and revitalized commercial and retail development. It also implements the overriding consideration to encourages economic growth that recognizes a balance between jobs and housing, by providing 988 units of housing on a site and 855 new permanent jobs.

SECTION 5. The Planning Agency and the City Council hereby adopt the Third Addendum.

SECTION 6. That the required findings by the City for approval of SDPM/MSP/CUP/PUP/TTM/PREC No. 2-15-3114 have been met and made as follows:

Site Development Permit

1. The site design complies with standards of the Development Code in that:

The Project is located within the Village Commercial zoning district and is subject to the Urban Village Specific Plan (UVSP). As conditioned, the proposed Project will be in conformance with the development standards for properties within the Village Commercial zone and the Urban Village Specific Plan area, including density, building FAR, landscape requirements, parking requirements, setbacks, building height, and other development standards required.

2. The site is suitable for the proposed development in that:

The site presently consists of an existing regional mall, seven outlying buildings, and surface parking. The Project proposes to reconfigure the commercial development and integrate high-density residential buildings, numerous plazas, and open space areas; and to incorporate a network of pedestrian and bike-friendly paths throughout serving the community's needs. The Project is consistent with the land use concept, design guidelines, and development standards and creates a village identity as envisioned in the UVSP.

The Project represents an increment of the total development anticipated in the amended UVSP as evaluated in the General Plan Program EIR. From an environmental standpoint, the development is also suitable for the site in that the Project would not result in any new or substantially more severe environmental impacts than those considered and addressed in the Program EIR. The Project will not result in any new

significant impacts to the neighborhoods surrounding the Project. The PEIR studied impacts of a built-out UVSP area and the proposed project does not create impacts that are more severe than those that have already been studied. Additional analysis conducted in the Third Addendum to the EIR determined that impact categories addressing aesthetics, air quality, biological resources, geology and soils, greenhouse gas emissions, hydrology and water quality, noise, transportation and traffic, and utilities and service systems would not result in new significant impacts on the site or surrounding neighborhoods or a substantial increase in previously identified significant impacts. As identified by the Third Addendum, the Project will exceed air quality thresholds of significance for construction established by the South Coast Air Quality Management District (SCAQMD), would exceed SCAQMD operational standards for VOC, and generate GHGs; however, the PEIR determined air quality impacts from construction as a result of build out of the General Plan would be significant and unavoidable, that long-term operation-related air quality impacts would be significant and unavoidable, and that impacts to global climate change would be unavoidable. A Statement of Overriding Consideration that included impacts to air quality, water supply and global climate change was adopted when the PEIR was certified in 2009.

3. The Project is consistent with the City's General Plan and applicable design guidelines in that:

Within the General Plan, the site is identified "Village Commercial" and is envisioned as a master planned area (USVP area) containing specific design standards and policies that enhance the pedestrian and vehicle circulation within a currently developed area. The intent of this designation is to establish a community core where commercial, civic, and high density residential uses would be appropriate. The area should contain enhanced pedestrian areas that conveniently link commercial, residential, and civic activity areas. Typical uses include those associated with large regional malls, as well as a medical center, financial institutions, institutional and government uses, auto-related services, community facilities, professional offices, and high density residential uses.

The Project implements the General Plan vision for the UVSP by providing for the redevelopment of the existing regional mall with a project that will create new entertainment, retail, restaurants, residential activity, and gathering spaces, with improved pedestrian links that integrate the Civic Center, hospital area, and Laguna Hills Transit Center. The General Plan identifies the subject site as a "future study area" for which intensification and redevelopment was expected to occur. The Project implements the General Plan vision for the area by providing for the redevelopment of the existing site with a mixture of new land uses with various intensities, without exceeding the AM and PM peak hour vehicle trip budgets established by the UVSP.

Per the 2014-2021 General Plan Housing Element, the site has been identified as a potential housing development area with development intensity between 30 to 50 dwelling units per acre. As proposed, the 988 residential units comply with the allowed development intensity and with the overall trip budget allocated to the UVSP area.

The proposed commercial buildings illustrate a modern architectural style complementary to the proposed residential contemporary style. Both the proposed commercial and residential buildings will be of quality design, with strong and appropriately scaled framework of architectural and landscape architectural elements and design that conform to the UVSP Design Guidelines. The massing of the buildings and landscaping within the project site will be designed to create a sense of unity. High-quality development features will be provided throughout the project site through site design (e.g., building orientation, screening and placement of service areas), architecture (e.g., mass, scale and form, style, material and color) and streetscape elements (e.g., lighting, paving materials). Development of the Project will enhance and strengthen the character of the existing center through landscaping, hardscape, and other improvements onsite and along the street edges.

4. The site design and structural components are appropriate for the site and function of the proposed uses in that:

The proposed commercial and residential buildings will be of quality contemporary design with a strong and appropriately scaled framework of architectural and landscape architectural elements and design. The new buildings have been placed on the site in ways that meet development standards, while making the best use of available space and maintaining a cohesive 'flow' between old and new portions of the Mall. The massing of the buildings and landscaping within the project site will be designed to create a sense of unity. The parking structure proposed along Calle de la Louisa is six stories in height. The structure incorporates architectural elements and design features that include painted concrete graphics on each parking level and landscaping which provide additional visual elements and reduces the overall massing. High-quality development features will be provided throughout the project site through site design (e.g., building orientation, screening and placement of service areas), architecture (e.g., mass, scale and form, style, material and color) and streetscape elements (e.g., lighting, paving materials). Development of the Project will enhance and strengthen the character of the existing center through the addition of landscaping, hardscape, a network of pedestrian pathways and bicycle lanes, and other improvements onsite and along the street edges.

Master Sign Program

1. That the design and application of the sign criteria required by the development code are satisfied by the proposed sign program.

The City's Development Code provides for deviations from the standard sign criteria subject to the approval of a Master Sign Program by the Planning Agency. The Project's Master Sign Program ("MSP") proposes a variety of signs and monuments that are unique and both enrich the visual quality of the development and interest to the pedestrian environment. The proposed sizes and locations of the signs reinforce the contemporary character of the mall and are appropriate for this type of development.

2. That the sign program provides a compatible and harmonious design between advertising, landscaping, and building design.

The MSP is a comprehensive signage program designed to complement the proposed mall redevelopment program by promoting a compatible and harmonious design between advertising, landscaping, and building design. The sign program is an integral part of the Mall site's architectural features and crafted to complement the new buildings and landscaping in a manner consistent with the UVSP.

Freestanding signs will be finished in materials that are consistent with the major project entry and secondary entry features along El Toro Road in the Urban Village area—complement the buildings on site—and will be placed in landscaped areas that will accent the signs. Wall signs make use of quality materials and construction and are proportional to the building façade to which they are attached. Therefore, the sign program provides a compatible and harmonious design between advertising, landscaping, and building design.

Conditional Use Permit (Health Club)

1. The proposed use is consistent with the General Plan in that:

The General Plan Land Use designates the site "Village Commercial" and is located within the UVSP. The purpose of the Village Commercial land use designation is to develop a community core in which a variety of public, regional commercial, recreational, and high density residential uses work in concert to create an urban village with uses interconnected through safe pedestrian pathways. A health club facility is consistent with the concept of an integrated urban village wherein residents and visitors engage in recreational activities, and physical exercise. The health club facility promotes interaction among the various surrounding uses and provides an opportunity for residents and visitors to pursue fitness and other health-related activities in the same location where they shop, work, and/or live.

2. The nature, condition and development of adjacent uses, buildings and structures have been considered and the proposed conditional use will not adversely affect or be materially detrimental to the adjacent uses, buildings, or structures in that:

The proposed health club would be an integrated component of the Five Lagunas development meeting the needs of both the local residential and business communities. The site design integrates pedestrian pathways providing access to the health club and connectivity to the surrounding areas, contributing to the overall health, vitality, and sense of community. The health club facility, together with other proposed uses, will provide a strong community connection with emphasis on the creation of new community gathering areas and recreational opportunities that contribute to the quality of life for the residents of Laguna Hills and the region. The health club facility will be included within a new building and will not have any adverse effect on, or be materially detrimental to, the adjacent uses, buildings or structures.

3. The proposed site is adequate in size and shape to accommodate the use and integrate it with the existing and planned uses in the vicinity in that:

The project site is 68 acres in size and involves development of 570,180 square feet of retail, 115,354 square feet of restaurants, a 40,102-square-foot health club, a 109,070-square-foot cinema, 45,890 square feet of flex retail/medical office, 988 residential apartments and associated parking garages, and a multi-level parking structure to accommodate 1,581 parking spaces. All buildings and uses, including the health club, will comply with all design and development standards applicable within the UVSP and Development Code. The health club facility will be connected to surrounding retail, commercial, and residential uses through pedestrian pathways and parking facilities integrating with the existing and planned uses in the vicinity.

4. All required development standards prescribed by the Laguna Hills Development Code can be achieved in that:

The project site is located within the Village Commercial District. The health club would be consistent with the land use and development standards within UVSP and the applicable development standards of the Development Code. Parking requirements will be satisfied pursuant to a shared parking approach authorized by Chapter 9-44 and Section V of the UVSP.

5. The conditions and limitations placed upon the use are necessary to ensure compatibility with adjacent or abutting uses and the preservation of the public peace, safety, and welfare in that:

The health club will comply with the General Plan, the UVSP, and all relevant portions of the Laguna Hills Development Code. The conditions imposed are intended to maintain continued functionality of the health club while ensuring compatibility with adjacent uses and the preservation of the public peace, safety, and welfare.

Parking Use Permit

1. The proposed joint parking permit is consistent with the intent and purpose of the development code in that:

The purpose and intent of the Development Code (Chapter 9-44) is to ensure that all land uses provide safe access and onsite circulation with adequate off-street parking and loading facilities. By establishing required parking ratios for different types of commercial uses, the Development Code intends to anticipate the amount of parking that will be needed to adequately serve proposed uses, thereby ensuring parking availability and relative ease of parking for patrons, which is consistent with goals of the General Plan. Although slightly fewer parking spaces are proposed to serve the commercial components of the Project than would otherwise be required under a strict application of the parking ratios listed in the Development Code, the Applicant has demonstrated through completion of a shared parking analysis that adequate parking exists for all proposed uses on the site, thereby meeting the intent of the Development Code in establishing parking standards. A total of 3,824 commercial parking spaces are proposed. While strict application of the City parking code ratios would require 3,913 spaces for the proposed commercial uses, existing demand and future development are expected to result in an actual peak demand of 3,788 spaces (occurring at 1:00 P.M.) under weekday conditions and 3,781 spaces (occurring at 2:00 P.M.) under weekend conditions, corresponding to a surplus of 36 and 43 spaces, respectively. Resident-dedicated parking spaces in excess of the number required under the Development Code will be provided in parking structures within each residential building.

2. The joint parking use permit provides a reasonable and enforceable means for all uses to share parking facilities in that:

Based on Section 9-44.050 of the Municipal Code, and as manifested in the shared parking analysis, the proposal includes 570,180 square feet GLA of retail, 22,524 square feet of fine/casual dining restaurants, 64,267 square feet of family restaurants, 34,888 square feet of fast-food restaurants, a 39,701-square-foot health club, a 106,889-square-foot cinema with 2,068 seats, and 45,431 square feet of medical office (presumed as medical office, but could be used as retail), which will be served by a 1,581 space six-level parking structure, 2,051 parking spaces in numerous parking lots throughout on site, and 192 on-street parking spaces along private mall-owned streets (111 spaces on Calle de la Louisa, 27 spaces on Ronda del Rossmoor, and 54 spaces on Calle de

los Caballeros). In addition, the project includes 1933 residential parking spaces that will be in a gated area to serve exclusively the 988 residential units proposed. Further, to maintain sufficient parking, a condition has been included that requires the Shared Parking Analysis be recalculated in its entirety should the redevelopment expansion result in a change of use to a different land use category.

3. The requirement for parking established by the joint parking use permit shall assure that parking demands for the participating uses are continually met:

The parking study conducted for this project demonstrates that with the current proposed mix of uses, there is adequate parking for all uses, even at expected peak periods. With the conditions of approval, any new type of tenant (change of use to a different land use category) must submit an updated Shared Parking model calculation to the Community Development Director to ensure consistency with the established joint use parking permit, thereby assuring that parking demands continue to be met for all uses on the subject site.

4. All the findings in support of a conditional use permit

- (1) The proposed use is consistent with the General Plan in that:

The General Plan supports shared parking so as to make the most efficient use of available land by integrating multiple uses and creative parking solutions that provide adequate parking for all uses. Further, the General Plan encourages the use of innovative parking management solutions to avoid excessive parking requirements in areas that are highly walkable and well served by transit.

Per the shared parking analysis prepared by Linscott Law & Greenspan, the Applicant has demonstrated that adequate parking will be provided for all proposed commercial uses on the project site.

Supplementary to the use of shared parking, the development utilizes innovative parking solutions that incorporates a network of pedestrian and bike-friendly paths throughout to make efficient use of the site with access to surrounding areas. Additionally, the nearby City of Laguna Woods provides shuttle services for their residents to the project site and public transit bus service is provided in the project area by the Orange County Transportation Authority (OCTA). Currently, 10 fixed routes provide bus service to portions of Laguna Hills. All routes, except bus route 70, serve the Laguna Hills Transportation Center, which is located south of the subject site. A park-and-ride facility is also located at the Laguna Hills Transportation Center and in the Laguna Hills Mall parking lot.

- (2) The nature, condition and development of adjacent uses, buildings and structures have been considered and the proposed conditional use will not adversely affect or be materially detrimental to the adjacent uses, buildings, or structures in that:

The shared parking is an integrated component of the project and has been designed to supplement and enhance the multiple commercial uses proposed for the site. Per the shared parking analysis, the Applicant has demonstrated that the proposed site can accommodate enough parking to serve the existing and proposed uses on the subject site. Therefore, the parking use permit will not adversely affect or be materially detrimental to the adjacent uses, buildings, or structures.

- (3) The proposed site is adequate in size and shape to accommodate the use and integrate it with the existing and planned uses in the vicinity in that:

The Applicant has demonstrated that the proposed site can accommodate enough parking to serve the existing and proposed uses on the subject site. Furthermore, the parking will not only be sufficient in size, but will be improved in quality due to attractive pedestrian connections, paseos, pedestrian plazas, design, and landscaping.

- (4) That all required development standards prescribed by this code can be achieved in that:

The project includes a total of 3,824 shared commercial parking spaces and 1,933 parking spaces strictly for residential uses. (The required residential parking will be gated off from the retail area and is not included in the shared parking request.) The Development Code sets forth parking ratios for individual uses. While the site would be slightly deficient in parking if each commercial use was considered by itself, the Code allows for shared use of parking facilities on sites containing multiple uses such as the mall redevelopment project. Specifically, where more than 20 percent of the GLA within the Laguna Hills Mall property results in restaurant, entertainment, or cinema use, the proposed expansion of existing use, construction of new development, or intensification of existing facilities must apply the shared parking methodology to calculate the required parking. As proposed, the Project's restaurant/entertainment/cinema use comprises 26 percent of the total commercial square footage, thereby requiring that the UVSP shared parking model be applied in estimating the parking needs for the non-residential components of the project. While strict application of the stand-alone parking ratios in the Development Code would require 3,913 parking spaces, the shared parking analysis determined that the future supply of 3,824 spaces for commercial uses will be adequate in meeting the project's non-

residential parking requirements. Further, the analysis determined that peak parking demand would result in a demand for 3,788 spaces (occurring at 1:00 P.M.) under weekday conditions and 3,781 spaces (occurring at 2:00 P.M.) under weekend conditions for non-residential, corresponding to a surplus of 36 and 43 spaces respectively.

- (4) The conditions and limitations placed upon the use are necessary to insure compatibility with adjacent or abutting uses and the preservation of the public peace, safety, and welfare in that:

The conditions imposed on the parking use permit are intended to maintain continued functionality of the parking use plan thereby insuring compatibility with adjacent uses and the preservation of public peace, safety, and welfare.

Vesting Tentative Tract Map

1. The proposed subdivision is consistent with the General Plan and Urban Village Specific Plan in that:

The General Plan identifies the subject site as a "future study area," in which intensification and redevelopment were expected to occur, and the site is designated in the General Plan Housing Element as a potential site for housing opportunities. The project implements the General Plan vision for the Future Study Area by redeveloping the existing site with a mixture of new land uses with various intensities, without exceeding the AM and PM peak hour vehicle trip budgets established by the UVSP. Likewise, the project is consistent with the UVSP in that a mixed use development is identified as the preferred land use for the Laguna Hills Mall site in the UVSP. A trip budget assessment was conducted, given the Project's location within the UVSP area. After debiting all development projects that have been approved since the June 2009 General Plan Update, the remaining UVSP trip budgets (as of May 2015) are 1,008 AM peak hour trips and 2,202 PM peak hour trips. Subtracting the net project trips (558 AM peak hour trips and 569 PM peak hour trips) from the available UVSP trip budgets yields a residual UVSP trip budget after implementation of the project of 450 AM peak hour trips and 1,633 PM peak hour trips which is more than enough AM and PM Peak Hour Trips to support the proposed Project.

2. The design or improvement of the proposed subdivision is consistent with the General Plan and Urban Village Specific Plan in that:

The project includes improvements such as a pedestrian-oriented Main Street promenade, pedestrian plazas and the Village Green (Sycamore Park), several pedestrian paseos and pathways, open space amenities, entry features and signage, public art, architectural design, and landscaping that are consistent with the UVSP Land Use Plan and Design Guidelines. Given the mix of residential and diverse commercial land uses and the project design, the project promotes smart growth and

infill development, which are concepts that have been incorporated into the General Plan.

3. The site is physically suitable for the type of development in that:

The site is 68 acres in size, relatively flat and bounded on four sides by two major arterial streets, a private street, and a private driveway, and is physically suitable for the proposed residential and commercial uses. The site currently consists of an enclosed mall originally developed in 1973, seven outlying commercial buildings, and 4,347 parking spaces. The site is currently underutilized, and the buildings and overall site design do not reflect consumer demand for retail centers. These conditions provide the opportunity for the mall redevelopment project, which will enhance the community character, optimize City investments in infrastructure and community facilities, increase employment opportunities and tax revenues, ensure the long-term viability of the Urban Village, and promote a more a pedestrian-friendly environment.

4. The site is physically suitable for the proposed density of development in that:

The Project includes the construction of 988 residential dwelling units on three lots (Lots A-C). Lot A is 8.99 acres in size and will have a density of 41.5 dwelling units per acre (DUs/AC), Lot B is 6.23 acres in size and will have a density of 47.7 DUs/AC, and Lot C is 6.37 acres in size and will have a density of 49.9 DUs/AC. The proposed density of development meets the General Plan and the UVSP density standard of 30 to 50 DUs/AC. In addition to allowable density, the project is regulated based upon vehicle trip generation limits to ensure that the City's Mobility Element Level of Service (LOS) Standard "D" is not exceeded at any of the intersections within the area (with the exception of Congestion Management Plan [CMP] intersections for which LOS "E" is the minimum acceptable LOS) and that the project does not exceed the overall A.M. and P.M. peak hour vehicle trips allowed within the UVSP area. With the integration of the project traffic-related improvements designed into the project—which include land geometry, driveway reconfiguration, median modifications, and signalization—the Existing Plus Project and Year 2018 Cumulative Plus Project scenarios are not expected to cause significant traffic impacts at any of the 61 intersections or at any of the freeway mainline segments analyzed. Further, after debiting all development projects that have been approved since the June 2009 General Plan Update, the remaining UVSP trip budgets (as of May 2015) corresponds to 1,008 AM peak hour trips and 2,202 PM peak hour trips. Subtracting the net project trips (558 AM peak hour trips and 569 PM peak hour trips) yields a residual trip budget of 450 AM peak hour trips and 1,633 PM peak hour trips, which is more than enough AM and PM peak hour trips to support the proposed project. All utilities are available to serve the site, and adequate street access is provided.

5. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidable injure fish or wildlife or their habitat in that:

The project site is developed with commercial/retail uses and building; there is no fish or wildlife habitat on site. City Staff evaluated the potential environmental impacts of the project and concluded in the Third Addendum that the improvements at the site will not result in any new significant impacts, or increase in the severity of previously identified significant impacts, beyond those addressed in the General Plan Update Program EIR, which analyzed the General Plan Update program. No natural biological resources or communities existed on or in the vicinity of the project site in 2009 when the General Plan Update was analyzed under the PEIR, and no such resources exist at the present time since the site conditions have not changed.

6. The design of the subdivision or type of improvements is not likely to cause serious public health problems in that:

The project improvements have been designed in accordance with all applicable codes. The design of the proposed land division will not cause public health problems since the proposed parcels are similar to other commercial and residential parcels adjacent to the site that are similarly served by existing improved roads and utilities.

7. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision; or, if such easements exist, that alternate easements for access or for use will be provided and that these will be substantially equivalent to ones previously acquired by the public in that:

The project will impact existing water lines and easements used by the El Toro Water District (ETWD) in providing water to the general area. Conditions of approval require the Applicant to design, relocate, and build these facilities to the satisfaction of ETWD to ensure adequate water service is provided to the project as well as any other areas adjacent to the project that might utilize the existing facilities. Further, prior to the approval of the final map, the applicant is required to design water lines and associated infrastructure in accordance with ETWD standards and specifications.

8. The design of the subdivision, to the extent feasible, does have allowance for future passive or natural heating and cooling opportunities in that:

The orientation of buildings to be constructed as part of the subdivision improvements provide the opportunity for the future passive or natural

heating and cooling to be provided. Proposed buildings will have substantial vertical and horizontal separation between existing buildings in the area so that the installation of future solar improvements can occur. Buildings with sun-facing exposures are provided shade with canopies. Dwelling unit structures which are part of the subdivision include opportunities for natural ventilation.

9. The design, density, and configuration of the subdivision strikes a balance between the effect of the subdivision on the housing needs of the region and of public service needs in that:

The project will result in housing production well in excess of the City's 2014-2021 regional housing needs assessment allocation of two dwelling units. The type of housing stock proposed will increase the supply of studios, one-, two-, and three-bedroom multi-family units for rent, a type of housing in limited availability within the community but in high demand within south Orange County. The project provides a compact mixed-use housing development within an existing underutilized retail shopping center that is already served by existing infrastructure and other public services. The project location and design maximizes the efficiency at which public agencies provide services to the area because of its high-density compact design. The design takes advantage of existing in-place public services and utilities that already serve the area.

10. The discharge of waste from the proposed subdivision into the existing sewer system will not result in violation of existing requirements prescribed by the California Regional Water Quality Control Board in that:

The conditions of approval for on and off-site improvements will ensure permitted capacity of the public sewer system is not exceeded.

Precise Plan

1. The plan and the uses proposed are consistent with the General Plan in that:

Within the General Plan, the site is identified "Village Commercial" and is envisioned as a master planned area (USVP area) containing specific design standards and policies that enhance the pedestrian and vehicle circulation within a currently developed area. Typical uses in the Village Commercial land use designation include those associated with large regional malls, as well as a medical center, financial institutions, institutional and government uses, auto-related services, community facilities, professional offices, and residential uses.

The Applicant proposes to convert what is currently the enclosed Mall into a pedestrian-oriented, open-air experience with connectivity to surrounding commercial and residential uses. A number of additional

uses would also be constructed around the central Mall building. These structures would include additional retail offerings and dining locations. The various structures include sites for large retailers, small retailers, and development pads for future construction. The Project is designed so that pedestrians can traverse the site in order to frequent the various offerings. Approximately 449,611 square feet of existing GFA would be demolished and replaced with roughly 410,528 square feet of various commercial uses. In addition, three apartment-style buildings containing 988 high-density multifamily dwelling units would be constructed on the southerly portion of the site.

The project implements the General Plan vision for the UVSP by redeveloping the existing regional mall with a project that will create new entertainment, retail, restaurants, residential activity, and gathering spaces, and with improved pedestrian links integrating the Civic Center, hospital area, and the Laguna Hills Transit Center. The General Plan identifies the subject site as a "future study area" in which intensification and redevelopment was expected to occur. The project implements the General Plan vision for the area by redeveloping the existing site with a mixture of various new land uses with various intensities, without exceeding the AM and PM peak hour vehicle trip budgets established by the UVSP.

2. The proposed plan is consistent with adopted development standards for the area in which proposed in that:

As conditioned, the project meets all of the development standards, including lot size, lot width, lot depth, lot coverage, density, building height, open space and amenities, landscape coverage, parking (with approval of a CUP/PUP), and signage (with approval of a SDP/MSP).

3. The plan promotes community image and enhances compatibility of uses in the plan area in that:

The proposed buildings will feature quality contemporary design, with strong and appropriately scaled framework of architectural and landscape architectural elements and design. The new buildings have been placed on the site in ways that meet development standards, while making the best use of available space and maintaining a cohesive flow between old and new portions of the Mall. The massing of the buildings and landscaping within the project site will be designed to unify the site. High-quality development features will be provided through site design (e.g., building orientation, screening and placement of service areas), architecture (e.g., mass, scale and form, style, material and color), and streetscape elements (e.g., lighting, paving materials).

The proposed design of the project will have a consistent application of elements that mimic the natural world of forest and ocean found near Laguna Hills through the use of earthtone color palettes, textured

stonework, wooden plank boardwalk and pavements, use of seashell aggregates, and blue El Dorado stones. Landscaping used in strategic places within the project help define the character of the edges, Main Street, paseos, parking lot, and adjacent roadways. Taken collectively, these architectural and design features of the project promote community image and enhance compatibility of uses in the plan area as envisioned in the UVSP.

4. The plan will reduce undesirable environmental consequences while improving economic needs of the area and community in that:

The Laguna Hills mall redevelopment project is an infill project that enhances community character, optimizes City investments in infrastructure and community facilities, supports increased transit use, promotes a more walkable environment within its portion of the UVSP, and implements General Plan and UVSP policies for the area. The project will have approximately 880,596 square feet of commercial spaces that will bring additional revenue and employment opportunities. The Applicant prepared a fiscal impact analysis to estimate the increase in recurring revenues to the City once the Project is built out, which predicts that the Project will result in an additional \$2 Million per year in revenue to the City once the Project is fully operational. Additionally, as stated in the General Plan, infill projects reduce vehicle trips and associated air pollution, increase housing diversity, and enhance retail viability. The project will add 988 dwelling units within close proximity to job centers, shopping opportunities, health facilities, and existing transit infrastructure.

5. The plan is sufficiently detailed to ensure design values and controls needed to achieve a balance and integration of uses in that:

The project as reflected in the proposed precise development plan combines retail, residential, dining, and entertainment that increase the balance of land uses within the project area. By integrating these compatible uses in proximity to one another, the project creates a place for residents of Laguna Hills to live, work, shop, and play. The key to successful mixed-use projects is creating pedestrian-friendly environments, with connections to neighboring uses through the use of trails, pathways, bikeways, and safe crosswalks. The project achieves this by improving the site with a centralized pedestrian plaza area and a village green (Sycamore Park). Additionally, the project includes a number of pedestrian facilities, including Main Street Promenade and a network of paseos that connects the various commercial and residential uses to several smaller public spaces integrated into the mall and outlying areas, as well as to the Civic Center to the north, hospital and medical offices to the west, Oakbrook Village and Villa Valencia to the south, and Avenida de la Carlota to the east.

NOW, THEREFORE, based upon the above findings, the Planning Agency and City Council of the City of Laguna Hills do hereby approve SDPM/MSP/CUP/PUP/TTM/PREC No. 2-15-3114 subject to the following conditions:

General

1. The following Conditions of Approval shall be binding and enforceable against, and, whenever used herein, the term "Applicant" shall mean and refer to, each of the following: the project applicant, Merlone Geier Management, LLC., the owner(s) and tenant(s) of the property, and each of their respective successors and assigns.
2. Unless the context dictates otherwise, whenever the term "this Permit" is used in the following Conditions of Approval, it shall collectively refer to the SDPM/MSP/CUP/PUP/TTM/PREC No. 2-15-3114 approved pursuant to this Resolution.
3. Unless the context dictates otherwise, whenever the term "Project" is used in the following Conditions of Approval, it shall collectively refer to the plans, studies and exhibits submitted to the City by the Applicant to depict the improvements to be constructed as part of the Project, as modified by these Conditions of Approval, including but not limited to the following:
 - Addendum to the City of Laguna Hills General Plan Update EIR - Five Lagunas Project (SCH No. 20080811100) dated March 2016 and Appendices A through K
 - Art Program Dated March 2, 2016
 - Fiscal Impact Study – October 2015
 - Freeway Sign View Study – Dated March 3, 2016
 - Master Sign Program Dated March 2, 2016
 - Parking Structure Design Options – No Date
 - Five Laguna's Agency Re-Submittal Package Dated March 3, 2016
 - Tenant Sign Criteria - Undated
 - Vesting Tentative Tract Map
4. To the fullest extent permitted by law, the Applicant shall, at its sole cost and expense, protect, defend, indemnify, and hold harmless the City, its elected and appointed officers and officials, employees, agents, departments, agencies, authorized volunteers, consultants, attorneys, boards, commissions, and committees, and instrumentalities thereof ("Indemnitees"), from and against any and all claims, liabilities, losses, fines, demands, penalties, lawsuits, writs of mandamus, and any other claims or actions or proceedings of any kind whatsoever (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to, arbitrations,

mediations, and other such procedures), judgments, orders and decisions (collectively "Claims" and "Actions"), brought against the Indemnitees, which seek to attack, challenge, modify, set aside, void, or annul any action of or any permit or approval issued by the Indemnitees (including actions approved by the voters of the City) for, in connection with, or concerning the approval of this Permit. It is expressly understood and agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the defense of the Indemnitees for the Claims and Actions, and that the Applicant shall promptly reimburse the City for all costs and expenses directly and necessarily incurred by the City in the course of the defense, including reasonable attorneys' fees. The City shall promptly notify the Applicant of any Claims and Actions brought against the Indemnitees and shall cooperate in the defense of any such Claims and Actions. If the Applicant fails to so defend the Claims and Actions, the City shall have the right but not the obligation to do so and, if it does, the Applicant shall promptly pay the City's full cost thereof.

5. Approval of this Permit constitutes approval of the proposed Project only to the extent that it complies with the City's Development Code and any other applicable zoning regulations. Approval does not include any action or findings as to compliance or approval of the project regarding any other applicable ordinance, regulation, or requirement.
6. Failure to abide by and faithfully comply with any and all conditions of approval set forth herein shall constitute grounds for revocation of this Permit by the Laguna Hills Planning Agency.
7. The Applicant shall agree in writing to these Conditions of Approval within 30 days of the Planning Agency's approval.
8. Pursuant to City Council Resolution No. 2008-07-08-1, the Applicant shall reimburse the City for any outstanding staff time spent on the processing of this Permit within 60 days of the Planning Agency's / City Council's approval.
9. This Permit shall expire and be of no further force or effect if the Permit is not implemented within two years from March 22, 2016.
10. Within 48 hours from Project approval, the Applicant shall submit to the City a check in the amount of \$50.00, made payable to the Orange County Clerk-Recorder, for filing the Notice of Determination.
11. The conditions of Project approval set forth herein include certain development impact fees and other exactions. Pursuant to Government Code §66020(d), these conditions constitute written notice of the amount of such fees. The Applicant is hereby notified that the 90-day period in which the Applicant may protest the fees,

dedications, reservations, or exactions imposed on this Project through the Conditions of Approval, commencing from the date of approval of the Project, has begun.

Planning

12. Prior to the commencement of any work, the Applicant shall provide a contact number for the public to call concerning dust, noise, or other construction-related impacts. The information shall also be posted on site in a manner approved by the Community Development Director.
13. The Project shall comply with LHMC Chapter 5-28 (Smoking and Sale of Tobacco Products). Required signage and notices shall be installed prior to the issuance of a Certificate of Use and Occupancy and commencement of any use.
14. Prior to the issuance of any grading permits, the Applicant shall submit the rough and precise grading plans to the Community Development Director for review and approval. Approved grading plans approved architectural site plans shall reasonably match.
15. The Applicant shall maintain the property in compliance with property maintenance standards (LHMC Chapter 9-74). This includes prohibitions on outdoor storage and maintenance of the premises that causes obnoxious odors.
16. Prior to approval of any final landscape and irrigation plan for any building pursuant to Condition of Approval No. 23, the Applicant shall indicate the location of pet waste stations, which shall include bags and disposal containers, adjacent to Project open spaces, to the satisfaction of the Community Development Director. Approved pet waste stations shall be installed prior to the issuance of final occupancy for the building permit associated with the approved final landscape plan.
17. No permanent overhead utilities shall be installed. Existing overhead utilities, if any, shall be placed underground in accordance the LHMC 9-40.200 (Undergrounding of utilities).
18. Prior to issuance of any building permits, the Applicant shall revise the following discrepancies contained in the Five Lagunas Agency Resubmittal Package, dated March 3, 2016, to the satisfaction of the Community Development Director.
 - a. Sheet R-1.1: Revise required parking from 1908 to 1910 spaces.
 - b. Sheet R-1.1: Revise all residential site plan data to accurately reflect the following number of bedrooms:
 - 63 studio apartments

- 493 one-bedroom apartments
 - 407 two-bedroom apartments
 - 25 three-bedroom apartments
- c. Sheets A2.5, A2.9, A2.10, A2.11, and A2.12: Include "Existing" at T.O. (Top Of) Parapet for JCPenney and Macy's.
- d. Sheets A2.6, A2.7, and A2.8: Provide elevation heights to top of trellis structure.

Lighting

19. Prior to the issuance of the first building permit for any building, the Applicant shall submit a final Project lighting and photometric plan to the Community Development Director for review and approval. The plan shall include a phased approach for the installation of approved lighting, which is also subject to the review and approval of the Community Development Director. Generally, it is anticipated that lighting located on or near each building or lot, or the parking areas associated with such building or lot, will be installed in conjunction with construction or improvement of such building and parking areas. Pedestrian and parking lot lighting poles and fixture types shall be consistent with the types depicted in the Urban Village Specific Plan or as otherwise approved by the Community Development Director. The plan shall include a photometric analysis of proposed lighting and shall comply with lighting requirements of the Laguna Hills Municipal Code, including that light and glare shall not be projected beyond the boundaries of the property. Light fixtures used shall be consistent with Project architecture. Approved lighting shall be installed consistent with the approved phased approach described above. The City may withhold issuance of a certificate of occupancy for any building or portion thereof if the lighting associated with such building has not been installed pursuant to the approved phasing plan.
20. Lighted signs shall comply with LPMC 9-42.060 (lighting requirements).
21. Outdoor security and other lighting, including illuminated signs, shall be designed and maintained so as not to illuminate beyond the Project boundary. All exterior lights shall be focused inward and away from surrounding uses and adjacent residential properties.

Landscaping/Hardscape

22. Prior to the issuance of permits for any building, the Applicant shall submit a landscape and irrigation phasing plan to the Community Development Director for review and approval. The plan shall indicate the areas within each phase to be landscaped as build out

of the Project progresses. No building shell final or occupancy for a tenant improvement shall be granted, in any phase where required landscape and irrigation improvements are not completed.

23. Prior to the issuance of a building permit for any building, the Applicant shall submit a final landscape and irrigation plan for the areas, pedestrian paseos, and drive-aisles adjacent to, or associated with, such building (as determined by the Community Development Director) to the Community Development Director for review and approval. The plan shall demonstrate compliance with Laguna Hills Municipal Code Chapter 9-46 (Landscaping Standards and Guidelines) and 9-47 (Landscape Water Efficiency), as amended and restated, including installation of "Smart" landscape irrigation controllers, low precipitation-rate sprinkler heads, and water efficient landscaping, as applicable; and the requirements of the Urban Village Specific Plan ("UVSP") shall be met. Trees installed shall be a minimum one-inch caliper. Final landscape and irrigation plans shall include information on minimum spacing between all plant materials except for trees which shall be planted as indicated on the preliminary landscape plan at a minimum. Upon final inspection of the installed landscaping, the Applicant shall provide additional plant material as required by the Community Development Director. Final landscape plans shall integrate any approved art pieces or other public art from the Project's approved Public Art Program, and the use of shade corridors and rest stops as described below:
- a. Applicant shall include in the Project final landscape plans additional tree wells for screening the rear of Major A/B from Residential Building B subject to the review and approval of the Community Development Director.
 - b. Applicant shall include detailed plans identifying the location and finishes or materials to be used at all pedestrian paseos, including pedestrian cross walks located in parking lots and private streets. The installation of enhanced materials may also be required at drive-aisle intersections and drive-aisles between residential buildings, at exits/ entrances with adjoining properties along Calle de Los Caballeros, and on drive-aisles adjacent to Sycamore Park. The Community Development Director may require enhanced paving materials, paving edge conditions, patterns, textures and colors, and color ribbons to be provided consistent with the requirements of the UVSP.
 - c. Prior to the approval of the final Project landscape plans, the Applicant shall work with the Community Development Director to determine appropriate locations for the use shade corridors and shaded rest stops within the Project parking lots and pedestrian walkways.

24. For each building permit issued, the Applicant shall deposit with the Community Development Department the estimated reasonable cost necessary to retain a qualified landscape professional to review the Applicant's proposed landscape and irrigation plans, and inspect the Applicant-installed landscaping to ensure compliance with the approved landscaped plans. The amount deposited shall be in accordance with a written proposal obtained by the City pursuant to its Purchasing Ordinance. Prior to the issuance of any building shell final or issuance of occupancy for any tenant improvement, the Applicant shall pay the actual cost of landscape plan check and inspection or be entitled to a refund of funds deposited, if any.
25. Prior to the issuance of a precise grading permit for any residential building, the Applicant shall cooperate and work with the Community Development Director and City Engineer to coordinate the design, installation and completion of enhanced pedestrian, bicycle and vehicular access points at existing driveway openings leading to and from the Project at the Project's south property line. Such enhanced improvements may include but not be limited to special paving such as brick or in-laid pavers, extra-width sidewalks, bike lane striping and signage, pedestrian scale lighting, landscaped intersection corners, and wayfinding signage. The Applicant shall not be required to construct any of these enhanced improvements off-site, but shall use best efforts and consult with adjoining property owners in designing and constructing the enhanced improvements, to the extent feasible, in a manner that provides for a seamless transition in the use of colors, materials, and design from the Project to the adjoining properties to the south. Such improvements shall be constructed/installed prior to the issuance of a certificate of occupancy for any residential building.
26. To ensure adequate accessibility, and pedestrian safety and security, for any outdoor dining area, prior to the commencement of a restaurant use with a designated outdoor dining or patio area, the Applicant shall provide an outdoor dining/ patio plan for review and approval by the Community Development Director prior to the issuance of building permits for the use depicting the size of the space, number of chairs and tables, and separation between public areas and the patio area. Where outdoor service of alcohol is proposed, the Applicant shall provide a barrier a minimum of 42-inches in height and of a length necessary to delineate the public areas from the outdoor dining/patio area subject to the approval of the Community Development Director and the Department of Alcoholic Beverage Control ("ABC") prior to commencement of alcohol service in outdoor dining/patio areas. All requirements of the Community Development Director and ABC shall be implemented prior to the commencement of the restaurant use.

27. Prior to the issuance of a certificate of occupancy for the parking structure, the Applicant shall relocate the cross walk located to the west of the southwest corner of the existing Nordstrom Rack tenant space to the north side of the parking structure. Construction plans for any modifications required on Calle de la Louisa such as relocated parking spaces, curb cuts, reconstructed sidewalk, and curb and gutter to relocate the cross walk shall be reviewed and approved by City Engineer. All improvements shall be constructed to the reasonable satisfaction of the City Engineer.
28. Prior to the issuance of a building permit for the parking structure, the Applicant shall prepare and submit to the Community Development Director and the City Engineer for review and approval a report analyzing and assessing the need to rehabilitate the existing private sidewalks, curb and gutters and pavement on Calle de la Louisa in a manner consistent with the City's standard Public Works specifications, other applicable design standards such as the CalTrans Design Manual, and/or recommended practices by professional engineering associations such as the American Association of State and Highway Transportation Officials. Such report shall evaluate providing additional tree wells and landscape planter areas in the private street consistent with the design requirements of the UVSP, consider pedestrian and bicycle access and safety and evaluate the condition of the existing pavement structural section relative to its ability to serve the scheduled and planned bus service on this street. The approved elements of the report shall be incorporated into project improvement plans and constructed prior to the issuance of a occupancy permit for the parking structure. Approved landscape planters and tree wells shall be integrated into the Project's final landscape plan and approved pavement improvement plans shall be incorporated into the Grading Plan.
29. Prior to issuance of a certificate of occupancy for the Parking Structure, all improvements along Calle de la Louisa between Calle de los Caballeros and Rhonda del Rossmoor shall be constructed and completed to the satisfaction of the Community Development Director and City Engineer. The Applicant may be required to provide additional landscape pockets, tree well cutouts, modified bike lane improvements and pavement rehabilitation on Calle de la Louisa as determined the Community Development Director and City Engineer.
30. Prior to the issuance of a certificate of occupancy for the Parking Structure, the Applicant shall design and construct a Secondary Entry Feature for the north entrance off Avenida de la Carlota and at the southeast entrance at Avenida de la Carlota and Calle de los Caballeros as shown on Figures 21 and 24 of the UVSP. Ledgerstone used for the project shall be Sepulveda Bear Canyon

ledgestone, or equivalent. Ledgestone shall be installed in a dry-stack application (no visible mortar joints). Construction plans shall denote the approved material. Plans are subject to the review and approval of the Community Development Director and City Engineer.

31. Prior to the issuance of the first building permit for any new building depicted as "Pad", "Shop", "Major" or "Residential", the Applicant shall design and construct a Perimeter Entry Feature plan for the southwest corner of El Toro Road and Avenida de la Carlota and on the second entry drive southbound on Avenida de la Carlota as shown on Figures 21 and 25 of the UVSP. Ledgestone used for the project shall be Sepulveda Bear Canyon ledgestone, or equivalent. Ledgestone shall be installed in a dry-stack application (no visible mortar joints). Construction plans shall denote the approved material. Plans are subject to the review and approval of the Community Development Director and City Engineer.
32. Prior to the issuance of a building permit for any building, the Applicant shall submit a final street furniture plan (site location, specification sheets, dimensions, and materials board) for the areas, and drive-aisles adjacent to, or associated with, such building (as determined by the Community Development Director) to the Community Development Director and City Engineer for review and approval. Such plan shall include benches, water fountains, free standing landscape planters, trash receptacles, tree grates, bike racks, bollards, shade structures, and light poles and fixtures consistent with the UVSP or as otherwise approved.
33. The benches, water fountains, free standing landscape planters, trash receptacles, tree grates, bike racks, bollards, shade structures and light poles identified in an approved final street furniture plan shall be installed to the satisfaction of the Community Development Director and City Engineer prior to issuance of a building shell final, a certificate of occupancy for any portion of a commercial building requiring tenant improvements, or the final residential certificate of occupancy for a residential building, as applicable.

Private Outdoor Residential Amenities:

34. Prior to the issuance of a building permit for residential Buildings A, B, or C, the Applicant shall provide final details and specifications identifying the amenities of all outdoor landscaped courtyards and pool courtyard to the Community Development Department for review and approval. The plan shall label the location of pools, spas, cabanas, barbeques, fire pits, wet bars, and seating areas as depicted by the plans submitted in support of the Project.

Architectural Requirements

35. During the building permit plan check process for any new or existing building, where the Community Development Director determines that additional architectural detail is required on approved exterior elevations for any building, prior to the issuance of a building permit, the Community Development Director may require the additional following architectural enhancements: vertical or horizontal changes in exterior materials, belt courses, copings, moldings, ornamental bands, or other in-laid material that delineates a change in exterior wall finishes, use of metal control or expansion joints, enhanced architectural exterior materials (such as ledgerstone, tile, marble, brick, etc.) and architectural detailing (such as arches, columns, posts, wall mounted metal lattice work, wall moldings, belt courses, window treatments with decorative or ornamental casements, crown moldings, cornices, and use of decorative wall patterns). Any of these materials and treatments may be combined to achieve a cohesive architectural design consistent with the Urban Village Specific Plan. Plans shall be revised prior to the issuance of a building permit and installed prior to the issuance of a building shell permit or occupancy for any tenant improvement, or issuance of occupancy for a residential building.
36. To ensure a variety of exterior building light fixtures are utilized on store fronts, the Applicant shall provide an exterior building light fixture plan to be reviewed and approved by the Community Development Director at each increment of development. If required, plans shall be revised prior to the issuance of a building permit and installed prior to the issuance of a building shell permit or occupancy for any tenant improvement, or issuance of occupancy for a residential building. Lighting fixtures shall be consistent with building architecture.
37. All pad buildings (Pads A-E) and Shops C shall each be subject to architectural and final site plan review through the City's Site Development Permit process (and other entitlements as required by the UVSP) prior to the issuance of a precise grading plan or building permits for the specific pad or shop building.
38. The Applicant shall implement "Option 3" of the parking garage elevations and include a Five Lagunas-themed ornamental motif (using cast concrete relief moldings or similar materials) at varied intervals around the exterior perimeter of the structure. Use of the moldings shall be focused in areas where pedestrian access or public spaces are located in close proximity or adjacent to the parking structure, where the structure may be visually prominent from public spaces or plazas, from adjacent properties, or where advantageous to provide additional visual relief. The Community Development Director shall prioritize the use of the treatment for the

Applicant prior to the issuance of a building permit for the structure. The exterior treatment shall be applied to the reasonable satisfaction of the Community Development Director. At the sole discretion of the Community Development Director, the Applicant may be required to plant additional landscaping, trees, or climbing vines attached to vertical screen walls up to 20 feet in width and 30 feet in height to provide additional screening ("green screen").

Screening

39. Prior to the issuance of any building permit, the Applicant shall provide evidence to the reasonable satisfaction of the Community Development Director that all equipment, including roof and ground mounted, will be completely screened from view as seen from the parking lot of the subject property, the centerline of adjacent rights of way contiguous to the site and residential building windows for the following improvements:
 - a. Except for any solar panels installed in the retail project parking structure, new roof-top HVAC equipment, vents and other mechanical equipment shall be screened by building parapet walls. Parapet walls shall be at least as high as the equipment and vents installed on each building.
 - b. Mechanical equipment, storage, trash areas, and utilities shall be architecturally screened by a solid material from public view to the reasonable satisfaction of the Community Development Director. The method of screening shall be architecturally compatible in terms of materials, color, shape, and size. The screening design shall blend with the building design and include landscaping when on the ground.

Project WIFI

40. Prior to issuance of certificates of occupancy for the shell building for Majors A and B, Shops H, J1, and J2, and the cinema, the Applicant shall provide free public Wi-Fi service within the in-line retail shops.

Operational Parking and Access

41. If future activity or expansion at the Project site results in a change of use (switches to a different land use category), the LLG Shared Parking model dated November 13, 2015, must be recalculated in its entirety. The resultant parking demand identified from a singular Shared Parking calculation must never be automatically used as a "baseline" value to debit or credit another (or future) project's incremental parking requirements. If at any time in the future the Community Development Director determines, in his or her sole discretion, that a parking and circulation study is necessary to address parking and/or circulation issues relative to any change in

any use or any portion of any use (i.e., change in tenant mix) in the shopping center, the Applicant shall, at its sole cost and expense, be responsible for the cost of a parking and circulation study prepared by a licensed consultant selected by the City. The Applicant shall, at its sole cost and expense, be responsible for implementation costs of any reasonable mitigation measures deemed appropriate by the Community Development Director related to such impacts based on the findings of such study.

42. Prior to the issuance of a building permit for Majors A and B, Shops H, J1, and J2, and the cinema, the Applicant shall prepare and submit to the Community Development Director for review and approval a study to analyze and assess the appropriate number of Electric Vehicle Charging Stations that should be provided in the commercial and residential parking structures and surface parking lots over a 10 year horizon. Project plans shall include the infrastructure necessary to accommodate the charging stations in the future if not installed during the Project's opening year. A minimum of one percent of the total number of parking spaces in the Project shall be available for Electric Vehicles within 5 years of Project build out.
43. Prior to the issuance of the first building permit for any new buildings depicted as "Pad", "Shop", "Major" or "Residential", the Applicant shall provide a Parking Management Plan subject to the review and approval of the Community Development Director and City Engineer. The Parking Management Plan shall be consistent with the recommendations included in the Project Parking Study, and shall include at a minimum the following:
 - Valet service;
 - Signage prohibiting hospital and other medical office parkers from parking on site;
 - Identify potential off-site parking for employees during peak shopping season in July and December;
 - Designated pick-up/drop-off areas on site;
 - Designated shuttle stops on site (that serve Laguna Woods, Laguna Hills Transportation Center, hospital, and medical office);
 - Designated electric charging stations for both commercial and residential parking spaces;
 - Designated public safety parking spaces;
 - Provisions for bicycle racks and bike-share facilities on site;
 - Electronic parking data display board at each entrance of the commercial parking structure identifying available parking spaces (equipment for this requirement shall be shown on the parking structure plans approved as part of the issuance of a building permit and completed prior to the issuance of occupancy for the Parking Structure); and

- Assignment of residential covered parking spaces.
44. The Parking Structure shall be designed to include pavement treatments/materials that reduce noise generated by automobile tire squeal.
 45. Prior to the issuance of a building permit for any building, all vehicle and pedestrian gates associated with such building shall be reviewed and approved by OCFA and OCSD for conformance with the respective agencies' requirements for limited access devices.
 46. Prior to the issuance of a grading permit, the Applicant shall prepare and submit a parking lot renovation plan for review and approval of the Community Development Director and City Engineer. Such plan shall include a final landscape and irrigation plan for the trees and landscaping to be included in the surface parking lots. Parking lot areas shall be renovated and landscaped in accordance with the phasing schedule included in the approved plan and all such renovations and landscaping shall be completed and installed prior to the issuance of a final inspection for the shell building for Majors A and B, Shops H, J1, and J2, and the cinema. All parking lots shall be refurbished, striped, and, at a minimum, slurry sealed. Deteriorated pavement shall be removed and replaced with new asphalt concrete, as needed, prior to placement of the slurry seal. The Applicant shall maintain the number of parking stalls as approved per approved Project plans.

Construction Parking and Access

47. Prior to the issuance of any demolition, grading, building or other permit for any increment of development, the Applicant shall submit a construction staging plan identifying areas to be used for equipment and material storage, placement of construction trailers, portable restrooms, delivery areas for loading and unloading of materials and equipment, construction waste diversion processing, and construction employee parking. Appropriate pedestrian and vehicular safety barriers shall be installed in all areas as required by the Building Official or his designee prior to the issuance of permits. City requests to modify any element of an approved construction staging plan shall be made within 24 hours, or as soon as possible as determined by the Building Official or his designee. In addition, prior to the issuance of any permits for any construction phase, an on-site pedestrian and vehicle parking circulation plan shall be submitted to the City for review and approval identifying pedestrian and vehicle access, including temporary parking for disabled patrons for businesses that will remain open during construction.
48. During construction, adequate emergency access for police, fire, and paramedic vehicles, to the standards of the Orange County Fire Authority, shall be maintained on the site at all times.

49. During construction, the Applicant shall maintain adequate site vehicular and pedestrian ingress and egress for customers and utilize temporary directional signage as needed as directed by the City Engineer in compliance with standard City specifications and including but not limited to the CalTrans design manual, Manual of Uniform Traffic Control Devices, or as recommended by the American Association of State Highway and Transportation Officials (AASHTO).
50. Prior to the issuance of any demolition permits, the Applicant shall implement the use of temporary "mini-bus" loading/ unloading zones during each phase of construction for businesses that will remain open during construction and shall submit an interim loading plan to the Community Development Director and City Engineer for review and approval . The plan shall be updated as required prior to the issuance of a building permit for each phase of construction.

Loading Area Plan

51. Prior to the issuance of a building permit for any building, the Applicant shall prepare and submit a loading dock/loading space/loading area plan for the building for the review and approval of the Community Development Director and City Engineer.

Cinema Operation Plan

52. Prior to the issuance of a building permit for tenant improvements for the approved cinema, the Applicant shall prepare and submit a proposed Cinema Operation Plan for the review and approval of the Community Development Director, City Engineer, and Chief of Police Services. The cinema operator shall implement the plan as approved. In the event the City requests modifications to the plan, the Applicant shall revise the plan to the reasonable satisfaction of Community Development Director, City Engineer, and Chief of Police Services and implement the revised plan within 30 days of any approved revision.

El Toro Water District

53. Prior to either the approval of any final map or the issuance of any grading or building permits for the Project, whichever occurs first, the Applicant shall obtain a "Will Serve" letter from the El Toro Water District (ETWD). The Applicant shall provide to the City evidence of ETWD's issuance of a "Will Serve" letter for the Project prior to the issuance of the permits. Existing water lines and sewer line easements on the site shall be relocated to the satisfaction of the El Toro Water District in accordance with the approved Will Serve letter from the El Toro Water District.
54. Prior to the issuance of any grading or building permit, the Applicant shall confer with the El Toro Water District to identify all required

water and sewer improvements for each grading or building permit requested. Prior to the issuance of said permit, the Applicant shall provide evidence of design approval of said improvements from the El Toro Water District to the City.

55. The Applicant shall design, relocate and build water facilities to the satisfaction of the El Toro Water District to ensure adequate water service is provided to the Project as well as any other areas adjacent to the Project that might utilize the existing facilities. Prior to the approval of a final map, the Applicant shall provide evidence that it has complied with all requirements for water and sewer lines for the El Toro Water District. Or if no final map is recorded, the Applicant shall provide evidence of compliance with all requirements of the El Toro Water District prior to the issuance of grading permits.
56. Prior to the issuance of any building shell final or occupancy for any tenant improvement permit, or occupancy for any residential building, all water and sewer improvements necessary to serve the development for which building permits are requested shall be designed to the satisfaction of the El Toro Water District. Prior to the issuance of any building shell final, occupancy for any tenant improvement, or residential building occupancy, all water and sewer improvements shall be constructed to the satisfaction of the El Toro Water District.
57. Water lines shall be sized to accommodate the total domestic requirements and fire-flow requirements of OCFA.

Solid Waste

58. Prior to the issuance of any building permits for the Project, the Applicant shall submit plans and specifications for the collection and diversion of solid waste, recycling, and organics at the Project. The plan shall be reviewed and approved by the Community Development Director and shall demonstrate conformance with the requirements of the City's Municipal Code and state law and specifically address AB939, AB 341 and AB 1826 state-mandated waste diversion requirements. The plan shall include locations and dimensions of recycling and trash storage areas. The areas shall have adequate space to accommodate containerization of the projected levels of the three materials streams generated by the Project (recyclables, food scraps, and municipal solid waste). The plan shall include projected weights and volumes of generation for each business type at the Project (retail, restaurant, and residential) calculated using the generation and density factors shown in Tables 1 and 2 below. In addition, using the factors in Tables 1 & 2 below, the plan shall show adequate dedicated space in the recyclable and trash storage areas to ensure that all applicable state mandated diversion requirements are met.

Table 1.
Generation Rates and Material Stream Percentages per Business Type

	Project Generation Rates	Waste Generation Rates by Material Stream*		
		MSW	Recyclables	Food Scraps
For retail establishments*:	3,250 lbs. per 1000 sq. ft. per year	25%	70%	5%
For restaurants*:	6,483 lbs. per employee per year	20%	35%	45%
For residential housing units**:	2,278 lbs. per unit per year	35%	45%	20%

Table 2: Density Factors for Material Streams (used to convert weight to volume)

Density Factors (in lbs. per cubic yard)***	
Dry MSW - retail	80
MSW - residential	100
Commercial Mixed Recycling	40
Residential Mixed Recycling	45
Food Scraps	600
Green waste	108

Sources:

*CalRecycle Targeted Statewide Waste Characterization Study: Waste Disposal and Diversion Findings for Selected Industry Groups;

**Multi-family generation rates found in multi-family units in Mission Viejo;

***CR&R 2015 annual route audit results in Laguna Hills and weigh-based field audits;

59. Applicant shall demonstrate in its waste management plan that any recycling and/or trash areas used on site to consolidate materials shall provide adequate clearance within the recycling/ trash area to safely service receptacles, and that will not require staging or handling of materials that may obstruct pedestrian walkways, bike paths, on-site vehicle circulation, or otherwise create adverse conditions on the Project resulting from the handling of containers outside of enclosure areas resulting in noise disturbances, odors, or outdoor storage.
60. For enclosures that are only servicing recyclable materials (excluding food scraps) and Solid Waste, the construction must be built to the minimum dimensions described below.

Estimated Weekly Generation*	Enclosure Size Required (width X depth)
2 cu. yds.	10' X 6'
4 cu. yds.	16' X 6'
8 cu. yds.	16' X 7'
12 cu. yds. Or more	16' X 9'

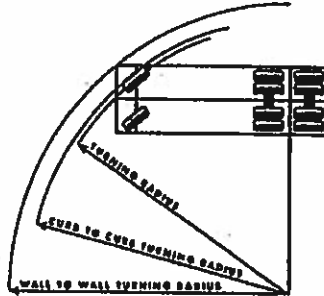
61. For enclosures servicing all three material streams (MSW, Recyclable Materials, food scraps, and a cooking oil/grease tank if the location generates oil and grease), the table below provides a listing of the size of enclosure required to house containers and bins necessary to serve the Project. The waste management plan shall also incorporate the ability to accommodate seasonal changes and any future changes in types of tenants that may increase the amount of material generated.

Estimated Weekly Generation *	Enclosure Size Required (width x depth)	Sample Diagram**	Containers Required
2 cu. yds.	7' x 8'	E. Extra Small Food Enclosure	1, 95-gal MSW Cart 1, 95-gal Recyclable Materials Cart 3, 65-gal Compostables Carts
4 cu. yds.	12' x 12'	F. Small Food Enclosure	2, 95-gal MSW Carts 2, 95-gal Recyclable Materials Carts 6, 65-gal Compostables Carts
8 cu. yds.	24' x 7'	G. Medium Food Enclosure***	1, 2 yd. MSW Bin 1, 2 yd. MSW Bin 6, 65-gal Compostables Carts 2X/wk.
12 cu. yds. or more	24' x 8'	H. Large Food Enclosure***	1, 3 yd. MSW Bin 1, 3 yd. Recycle Bin 9, 65-gal Compostables Carts 2X/wk.

62. To ensure service vehicles can access Project waste facilities, service areas intended to be serviced by vehicles shall provide the following turning radius requirements and be able to accommodate the following truck dimensions:
- The turning radius shall be adequate for a 3-axle truck. The overall length, including the forks is 36 feet. Construction plans shall include the appropriate details prior to the issuance of building permits.

- The following truck turning dimensions shall be used as depicted in the diagram below.

TURNING RADIUS



Description	Dimension (inches)
Turning radius	37.39
Curb to curb turning diameter	76.86
Wall to wall turning diameter	85.04

*Note: the numbers above are a compilation of maximum numbers for the fleet.

63. The Project shall provide adequate space for both the receiver and the compaction equipment. The chart below provides the clearances required for compactors.

Required Clearances for Compactors	
Vertical (Approach & Exit)	14' high
Vertical (Rails raised w/compactor)	25' high
Lateral	2' around compactor
Service Area Length	75' long

64. For all compactors used on-site, the Applicant shall meet the manufacturer's recommended specifications for minimum dimensions required to operate the equipment. If none are listed, the Applicant may use the following as a guide subject to the review and approval of the Community Development Director:

Front Load Truck Emptied Compactor Dimensions*			
Compactor Size	Height	Width	Depth
2 yds.	8.5'	8'	5'
3 yds.	7'	8'	7'
4 yds.	8'	8'	9'

65. In addition to the City's standard requirements that provide for trash enclosures to be covered, the Applicant shall ensure that enclosure roof heights do not obstruct direct collection truck access to bins.
66. Applicant shall install signage in all enclosures and on 1-CY bins to indicate the type of material that can be disposed of in the bin.
67. Applicant will reasonably cooperate with the City in providing information for the City's annual reporting to CalRecycle on the Project's collective recycling programs and efforts.

Signs

68. Any residential or commercial sign proposed subsequent to the approval of the Master Sign Plan shall require a Master Sign Plan amendment, and any wall sign proposed for the residential buildings shall require an amendment to the Master Sign Program.
69. Prior to the issuance of a permit for sign A14-9 (Primary Vehicular Directional sign), the Applicant shall revise the Master Sign Program to relocate sign A14-9 to the intersection of Calle de los Caballeros and the westerly driveway of Oakbrook Village at a location to be determined by the Community Development Director. The revised location shall be integrated with the layout pedestrian walkways located between Residential Buildings A and B.
70. Prior to the issuance of a permit for sign A17-9 (Pedestrian Directory sign), the Applicant shall revise the Master Sign Program to relocate sign A17-9 to the intersection of Calle de los Caballeros and the driveway with Villa Valencia at a location to be determined by the Community Development Director. The revised location shall be integrated with the layout of pedestrian walkways located between Residential Buildings B and C.
71. The reference to Sign A17-10 (Pedestrian Directory sign) shall be omitted from the Master Sign Program prior to the approval of the final Project landscape plan.
72. Sign A14-6 (Primary Vehicular Directional sign) shall be omitted from the Master Sign Program prior to the approval of the final Project landscape plan.
73. Prior to the issuance of any sign permit, final sign locations shall be subject to the review and approval of the Community Development Director for consistency with the Master Sign Program prior to the issuance of permits for the specific sign.
74. The Applicant shall submit any cinema box office signage proposed to indicate movie showtimes for review and approval prior to the

issuance of building permits for the Major A/B building. Cinema/theatre box office signage shall not exceed 150 square feet.

75. The Community Development Director shall have the authority to resolve internal inconsistencies between the Project Master Sign Program text and graphics.
76. Prior to the issuance of any permits for Signs A14 (Primary Vehicular Directional sign) and A17 (Pedestrian Directory sign) the Applicant shall revise the Master Sign Program to indicate that signs within 50 feet of the Project boundary shall not be eligible for an optional advertising panel.

Public Art

77. In accordance with the UVSP, the Applicant shall provide public art as part of the Project and/or contribute to the City's Public Art In-Lieu Fund in a combined minimum amount of one-half percent (0.5 %) of the total construction costs of the Project. A minimum of \$300,000 shall be paid to the City in the form of a contribution to the City's Public Art Fund prior to issuance of the first building permit for the Project. The remainder of Applicant's UVSP public art obligation may be satisfied by the Applicant, at Applicant's option, through the design and construction of approved public art, contribution to the City's Public Art Fund, or both. Prior to the issuance of a grading permit for any portion of the Project, the Applicant shall submit a proposed Final Public Art Program (the Program) to the Planning Agency for review and approval. The Program shall include, without limitation, a description of the proposed artists and their qualifications and detailed plans and specifications, schematics, and descriptions of the type, size, medium/material, location, content, and value of the proposed public art. The Applicant shall install all approved public art approved by the Planning Agency prior to the issuance of occupancy for the Parking Structure. Should the combined value of the approved public art component and the Applicant's initial \$300,000 payment total less than one-half percent (0.5 %) of the total construction costs of the Project, as determined by the Community Development Director, the Applicant shall pay the remaining balance as a contribution to the City's Public Art Fund prior to the issuance of a certificate of occupancy for the Parking Structure.

Phasing

78. Phasing
 - a. Prior to the issuance of a building shell final, or certificate of occupancy for any portion of Major A/B or the Cinema, all improvements for Sycamore Park, the pedestrian plazas, "Main Street", pedestrian paseos, and the Parking Structure shall have been completed to the reasonable satisfaction of the Community

Development Director and City Engineer.

- b. A certificate of occupancy for Residential Building B shall not be issued unless and until a building shell final (or equivalent) has been issued for each of the following buildings: Major A, Major B, Major C, Major D, Major E, the Cinema, Shops H, Shops J1, Shops J2, and the Parking Structure and Sycamore Park, the pedestrian plazas, "Main Street", and pedestrian paseos identified on the approved final landscape plan have all been completed.
- c. No permits of any kind for Residential Building C shall be issued until and unless the a building shell final, or a certificate of occupancy for any portion of, Major A/B and the Cinema building has been issued by the City.

Vesting Map

79. The approved Project is a single, integrated mixed-use development consisting of a mix of residential, retail, restaurant, health club, cinema, and office uses, and related interconnected vehicular and pedestrian facilities, parking facilities, public plazas and open spaces, landscape areas, water features, and public art pieces, on approximately 68 acres of property comprised of several contiguous, but separate, legal parcels and includes approval of a precise plan of development for the entire 68 acre development in accordance with the requirements of the Urban Village Specific Plan. Accordingly, prior to the issuance of any certificate of use or occupancy for any aspect of the Project, Merlone Geier Management, LLC and/or any successor owner of any portion of the Project site shall enter into and record a single Covenant Agreement (or other appropriate document acceptable to the City) with the City in a form approved by the City Attorney and City Manager. The City Manager shall be authorized to execute the Covenant Agreement on behalf of the City. The Covenant Agreement shall be recorded prior to the issuance of any certificates of occupancy. Evidence of the recordation of the agreement shall be provided to the City prior to the issuance of any occupancy. The Applicant shall provide City with a current title report and/or other evidence satisfactory to the City evidencing title ownership of any portion of the Project site at the time of recordation of the Covenant Agreement. The Applicant shall reimburse the City for all legal costs incurred by the City associated with implementation of and/or compliance with this condition.

At a minimum, the Covenant Agreement shall:

- Run with the land and be binding upon all current and future owners and tenants of any portion the Project site and their respective heirs, successors, and assignees;

- Evidence and provide record notice of the approved precise plan for development of all portions of the Project site as depicted on the plans and specifications submitted to the City in conjunction with this Permit;
- Require all portions of the Project site to be developed, used, and maintained in a manner consistent with this Permit, as it may be amended from time to time, and the pertinent specifications and standards contained in these Conditions of Approval, the Urban Village Specific Plan, and the City's Development Code;
- Provide for, or reference and incorporate, all current or future reciprocal access and parking easements between and amongst the various parcels on the Project site that are necessary to implement the integrated mixed-use development reflected in the approved precise plan of development;
- Establish maintenance standards acceptable to the City for all exterior Project components and areas of the Project site, including, but not limited to, vehicular and pedestrian facilities, parking facilities, public plazas and open spaces, landscape areas, water features, public art pieces, utilities, sanitary sewer facilities, and storm water drainage devices and provide for the allocation of responsibility for maintenance of such components and areas in compliance with such standards and the funding thereof;
- Include provisions identifying an entity or entities responsible for ongoing implementation and funding of the Operations and Maintenance (O&M) Plan associated with the Water Quality Management Plan (WQMP) for the Project and compliance with the LHMC Chapter 5-36 and other applicable National Pollutant Discharge Elimination System (NPDES) regulations;
- Provide that the Covenant Agreement may not be substantively amended or terminated without prior written City approval;
- Provide that the City may, but shall not be obligated to, enforce the provisions of the Covenant Agreement; and
- Address and assign responsibility for compliance with Covenant Agreement should portions of the Project site be, or in the future come, under separate ownership.

80. The UVSP requires a minimum of 10% of a residential lot be utilized for open space and amenities. No Final Map for any Residential building lot shall be approved until and unless the Applicant demonstrates to the satisfaction of the Community Development Director that the ten percent requirement for open space and amenities has been satisfied. Pursuant to the UVSP, open space and amenities requirement may incorporate (but is not limited to) open space, landscape/hardscape features, pools, spas and play

courts, or similar improvements.

81. No building permits for any construction shall be issued until Final Map approval by the City Council and evidence of Final Map recordation has been provided to the City, and other applicable conditions have been met. Notwithstanding the foregoing, subject to the authority of the Building Official, building permits may be issued for construction prior to Final Map approval upon the following conditions, which the Applicant expressly agrees to in consideration of this accommodation:
- Issuance of any such building permit(s) does not confer upon Applicant any vested right or entitlement to issuance of certificates of occupancy for any building. In no case, shall any certificates of occupancy be issued until and unless all dedications and/or irrevocable offers of dedication shown on the Vesting Tentative Map or otherwise required by these Conditions of Approval have been made, a Covenant Agreement has been approved by the City and recorded in accordance with Condition of Approval No. 79, and all other applicable Conditions of Approval have been satisfied, the City Council has approved the Final Map, and evidence of Final Map recordation has been provided to the City.
 - If a Final Map is not recorded prior to December 31, 2016, the Applicant shall offer for dedication through a separate instrument, the right of way for Avenida de la Carlota, from El Toro Road to the southerly property boundary at Oakbrook Village, for the enhanced parkway improvements described herein to the satisfaction of the City Attorney and City Engineer. Prior to the issuance of a certificate of occupancy for any residential building, including Building A, the Applicant shall record a final map. Evidence of the recordation of a final map shall be provided to the City prior to the issuance of certificates of occupancy for the residential buildings.
82. At the time of building permit issuance for any residential structure, the Applicant shall comply with the Park Dedication and In-lieu Fee Requirements per LHMC Chapter 8-06 and pay the fee as established by City Council Resolution No. 2015-09-08-1.

Building

83. The Applicant shall be responsible for ensuring all applicable building permits are obtained, as required by section 103 of the 2013 CA Building Code prior to commencement of any work for which a permit is required.

84. Any required documents submitted for the purpose of building permit issuance shall be accurately labeled and reflect all work, as required by section 107 of the 2013 CA Building Code.
85. Prior to building permit issuance, the Applicant shall submit to the Building Department all required approvals from the Orange County Health Department.
86. Prior to issuance of building permits Applicant shall submit approvals from the Orange County Fire Authority or provide verification of plan submittal.
87. Prior to issuance of building permits Applicant shall submit approvals from AQMD or provide verification of plan submittal.
88. At time of permit issuance the Applicant shall submit Construction and Demolition Waste Recycling Program paperwork, if applicable, as required by City Ordinance No. 2003-9 and to comply with mandates of the California Integrated Waste Management Board (CIWMB).
89. Applicant shall comply with all construction water quality regulations, as required by the State General Construction Permit and the provisions of the LHMC.
90. Applicant shall comply with California Disabled Accessibility requirements, as required by Chapter 11 of the California Building Code at the time of application for any permit. Additionally, existing site conditions shall comply or be made to comply with applicable requirements.
91. The Applicant shall demonstrate Project compliance with all requirements of the California Energy Commission at the time of issuance of any permit.
92. All construction shall comply with the 2013 CA Building, Plumbing, Mechanical, Electrical, and Green Building Codes with regard to the appropriate occupancies for each permit requested.

Public Services

93. Project Improvement plans and related documents shall be reviewed and approved by the City Engineer; said plans shall be prepared by a State of California Registered Civil Engineer and shall conform to City standards.
94. No work shall be performed within the public right-of-way by the Applicant or his or her agents until a public property encroachment permit is issued by the City Engineer and applicable fees have been paid.

95. Construction traffic shall not access or depart the Project site during morning or evening peak periods, which are 7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m., Monday through Friday. The Applicant shall provide a construction vehicle routing plan for approval by the City Engineer prior to any demolition, grading or construction work. The El Toro Road at I-5 Interchange shall not be utilized as a primary access point for construction vehicles. El Toro Road shall not be utilized as a project access by any construction equipment usage. No work that may interfere with traffic flow along El Toro Road and/or access to the I-5 shall occur during the month of December of each calendar year.
96. It shall be the Applicant's responsibility to protect-in-place existing public improvements. Applicant shall repair or replace, to the satisfaction of the City Engineer, any public improvements that are damaged, removed or destroyed as a result of the proposed construction. Such replacement or repair work shall be implemented within 10 working days of notice by City.
97. All public improvements shall be constructed and completed to the reasonable satisfaction of the City Engineer prior to the recordation of a Final Map or issuance of the first certificate of occupancy for any new buildings depicted as "Pad", "Shop", "Major" or "Residential", or the Applicant shall enter into a Subdivision Improvement Agreement, including the posting of securities to guarantee the completion of the public improvements on a schedule as approved by the City Engineer, as approved by the City Attorney and City Engineer.
98. Final Maps shall be prepared in accordance with City, County, and State requirements and standards. No more than three (3) Final Maps may be recorded in substantial accordance with the approved tentative map. The Applicant shall submit each Final Map for plan check to both the City Engineer and County Surveyor and pay all applicable plan check fees to both agencies. The Applicant shall submit a current title report, supporting documents, and traverse closure calculations for plan check. Following the recordation of each Final Map, the Applicant shall provide the City with a duplicate Mylar of the recorded document.
99. Any existing monumentation disturbed, destroyed, or removed during construction shall be restored by a California Licensed Land Surveyor, and Corner Records shall be filed with the City Engineer and County Surveyor, within 180 days of disturbance of the monument.
100. The Applicant shall submit Rough and Precise Grading Plans, Drainage Improvement Plans, Site Improvement Plans and Storm Water Pollution Prevention Plan/Erosion Control Plans on 24"x 36"

sheets at a scale acceptable to the City Engineer. Final plan sheets shall be printed on Mylar. Upon completion of construction, the plans shall be amended to represent Drawings of Record.

101. The grading plans shall show street, sewer, water, storm drain facilities, and all proposed grading. The plans shall show the extent of topography of the grading plan and shall be sufficient to determine drainage impacts to the surrounding and adjacent areas. All grading shall be designed and constructed in accordance with the City's Grading and Excavation Code and grading plan checklist. The applicable grading plan shall be approved by the City Engineer prior to the issuance of any building permits for any new buildings depicted as "Pad", "Shop", "Major" or "Residential".
102. A separate grading plan with related documents shall be required for each phase of development, as determined by the City Engineer.
103. A separate hydrology and hydraulic analysis report shall be provided in accordance with the current County of Orange Hydrology Manual. The Drainage Plan shall provide 100 year storm protection at one foot below all finished floor elevations, collect 25 year storm flows in sump conditions into drainage devices and collect 10 year storm flows in all other cases into drainage devices, not including the required hydromodification retention of flows. During 100 year storm events, one travel lane in each direction on primary internal access roads shall be free of inundation, open and passable as approved by the City Engineer. No onsite development shall impede the functionality of any existing drainage devices in the public right of way. The hydraulic analysis shall demonstrate the above specifications are met. No concentrated drainage shall be allowed onto public driveways or sidewalks and shall be conveyed to the storm drain system prior to the public right of way.
104. Prior to the issuance of any grading permit, all existing private storm drain pipes of 18" diameter or greater shall be inspected, photographed/videotaped and logged as to their condition, including but not limited non-destructive testing, to confirm their ability to support live and dead loads of the planned development and identify the long term viability of the existing drainage systems to function as designed. The design Civil Engineer and/or Soils/Materials Engineer shall attest to the condition of these drainage systems and submit their findings to the City Engineer for review. Any storm drain pipes determined to not meet current standards shall be removed and replaced, or rehabilitated, to the satisfaction of the City Engineer.
105. The Applicant shall demonstrate that adequate building setbacks have been provided allowing construction excavation/access to, and maintenance of, private storm drains ranging from 15' to 25' in width,

depending upon the size and depth of the storm drain pipes, to the satisfaction of the City Engineer.

106. The Applicant shall submit a final geotechnical report prepared by a Registered Engineering Geologist for approval by the City Engineer. The report shall include an evaluation of area geology, onsite soils, and earthquake potential and provide recommendations on pavement sections, building foundations, and a discussion of the functionality of the water quality features relating to infiltration rates.
107. All new parking lots and drives shall be constructed of asphalt concrete over crushed aggregate base over subgrade, or equal, and compacted to a relative compaction of 95% or equivalent. The structural pavement thickness shall be no less than 4" AC over 6" AB, or more, for drive aisles, and 4" AC over 4" AB for all other areas, or more, as required by the project soils engineer and approved by the City Engineer.
108. Prior to issuance of any commercial building permit, the Applicant shall pay a traffic impact mitigation fee in accordance with Chapter 9-102 of Laguna Hills Municipal Code in the amount of Three Thousand Nine Hundred Fourteen Dollars (\$3,914.00) per each new PM peak hour trip generated as a result of the commercial land use, as determined by the City Engineer based upon the traffic study attached as Appendix G in the Addendum.
109. Prior to issuance of any residential building permit, the Applicant shall pay a traffic impact mitigation fee in accordance with Chapter 9-102 of Laguna Hills Municipal Code in the amount of Three Thousand Nine Hundred Fourteen Dollars (\$3,914.00) per each new PM peak hour trip generated as a result of the Residential Land Use, as determined by the City Engineer based upon the traffic study attached as Appendix G in the Addendum.
110. Prior to the issuance of each building permit, the Applicant shall pay, and provide City with evidence of payment of, all fees required by public agencies other than the City, whether or not collected by the City, including, but not limited to, the fees imposed pursuant to the County of Orange's CARITS program, the fees imposed pursuant to the County of Orange's major thoroughfare and bridge fee programs for the Moulton Parkway/Laguna Niguel area, fees imposed by the San Joaquin Hills Transportation Corridor Agency, and Saddleback Valley Unified School District fees.
111. Prior to issuance of each grading permit, the Applicant shall submit for approval by the City Engineer a Water Quality Management Plan (WQMP) specifically identifying Best Management Practices (BMPs) that will be used on-site to control predictable pollutant run-off. This WQMP shall identify Low Impact Development (LID) BMPs and

routine structural and non-structural measures specified in the current Orange County Drainage Area Management Plan (DAMP) and the San Diego Regional Water Quality Control Board requirements applicable to each parcel under development. This WQMP must also:

- a. Address site design BMPs (as applicable) such as minimizing impervious areas, maximizing permeability, minimizing directly connected impervious areas, creating reduced or "zero discharge" areas, conserving natural areas, preserving trees, and retaining existing site hydrology to the maximum extent practicable;
- b. Replicate the pre-development hydrologic functions through site preservation, infiltration, retention, detention, evapotranspiration, and filtration treatment systems (hydromodification).
- c. Incorporate applicable routine source control BMPs as defined in the DAMP and provide a detailed description of their implementation;
- d. Incorporate applicable treatment control BMPs as defined in the DAMP;
- e. Implement Low Impact Development (LID) BMPs to reduce runoff to the maximum extent practicable.
- f. Include an Operation and Maintenance (O & M) plan that identifies the mechanism(s) by which long-term O & M of all post construction BMPs will be provided and funded, the schedule for O & M and the responsible party for the O & M.

112. Prior to issuance of any grading permits, the Applicant shall submit a copy of the State issued Notice of Intent (NOI) indicating that coverage has been obtained under the National Pollutant Discharge Elimination System (NPDES) State General Permit for Storm Water Discharges Associated with Construction Activity from the State Water Resources Control Board. Evidence that the NOI has been obtained shall be submitted to the Public Services Department. Projects subject to this requirement shall prepare and implement a Stormwater Pollution Prevention Plan (SWPPP). A copy of the current SWPPP shall be kept at the Project site and be available for City review on request. In addition, the Applicant shall include notes on the grading plans indicating that the Project will be implemented in compliance with the Statewide Permit for General Construction Activities.

113. The Applicant shall comply with and/or implement all hydromodification criteria, hydrologic control measures, performance measures, management measures, and other requirements of the Hydromodification Management Plan or Interim Hydromodification Criteria, as applicable, developed in accordance with Section F.1.h

of Order No. R9-2009-0002 (NPDES Permit No. CAS0108740), or any subsequent Order adopted by the California Regional Water Quality Control Board, San Diego Region, and shall provide all necessary related calculations with submission of the Grading Plans applicable to each parcel under development.

114. The Applicant shall deposit with the City funds sufficient for the City to update debris gates, of the type specified by the City Engineer, to fit into existing catch basins, for all catch basin inlets along Avenida De La Carlota and El Toro Road. Also, the Applicant shall incorporate debris gates into all private catch basin inlets within the Project site and include the maintenance of these private devices in the WQMP.
115. The Applicant shall design and construct during the construction of public improvements, to the reasonable satisfaction of the City Engineer, storm drain connections, inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across any public street access into the project site. No cross-gutters shall be used at the above-described intersections.
116. Any new traffic signals proposed by the Applicant along Avenida de la Carlota shall only be authorized and approved for installation upon the submission of a Traffic Signal Warrant Analysis, by a Registered Civil Engineer or Traffic Engineer, documenting the traffic signal meets one or more of said Warrants, as approved by the City Engineer.
117. The design of any new traffic signals shall be to the standards of the City of Laguna Hills and shall include City required LED illuminated street name signs, hard wire interconnection and communication equipment to all adjacent traffic signals, City selected traffic signal controller, City selected video detection equipment and City selected emergency vehicle preemption equipment. Upon request of the City, Applicant shall deposit with the City funds sufficient for the City's purchase of the traffic signal controller, video detection equipment and emergency vehicle preemption equipment.
118. All approved new traffic signals proposed and/or required in conjunction with the Project shall be designed, constructed, and installed by the Applicant prior to issuance of the first residential building certificate of occupancy.
119. Prior to issuance of the first residential building certificate of occupancy, the Applicant shall deposit with the City funds sufficient for the City's purchase and installation of vehicular video detection equipment for retrofit of the Avenida de la Carlota at Plaza Lane traffic signal.

120. The Applicant shall be responsible for funding the full cost for the replacement of any illuminated street name signs on existing traffic signals serving the Project, which is requested by the Applicant and approved by the City Council. Such illuminated street name signs shall be replaced with LED illuminated street name signs as selected by City.
121. The Applicant shall be responsible for the full cost of replacement of any City Wayfinding signage that is requested by the Applicant to be modified from "Laguna Hills Mall" to "Five Lagunas" at any location at which the name change is required. The Applicant shall deposit with the City the full estimated cost of manufacture and installation of any such signs prior to their order.
122. The project southerly driveway access to Avenida de la Carlota (the extension of Calle de Los Caballeros, a private drive) shall be established as a right turn in and right turn out only driveway. No left turn access at this location shall be allowed.
123. As reflected on the submitted tentative tract map, the Applicant is dedicating to City, in fee, the public right of way necessary to accommodate the future enhanced parkway along the project limits on the westerly side of Avenida de la Carlota, from El Toro Road to the southerly property boundary at Oakbrook Village, consisting of a 12' width parkway from the westerly curb face to the back edge of the parkway to the satisfaction of the City Engineer and City Attorney. Such dedication shall be reflected on the applicable Final Map.
124. Prior to the issuance of the first residential building certificate of occupancy, the Applicant shall design and construct the enhanced parkway, consisting of a 5.5' wide landscaped area adjacent to the curb and a 6' wide sidewalk area adjacent to the landscaped area, from El Toro Road to Plaza Lane, to the City's standards and specifications. This construction shall include, as needed, the construction of retaining walls and pedestrian barriers at the top of wall and the modification, relocation and/or addition of SCE street lighting to the satisfaction of the City Engineer, including the payment of fees to SCE. The design and construction of these improvements shall maintain the current OCTA bus stop within the limits of this work. The Project landscaping improvements located adjacent to Avenida de la Carlota from El Toro Road to the southerly boundary of Oakbrook Village shall be constructed to the reasonable satisfaction of the Community Development Director and City Engineer and shall be maintained by the Applicant.
125. Prior to the issuance of any building permits or the recordation of any Final Maps, whichever occurs first, the Applicant shall enter into

a Subdivision Improvement Agreement and post securities with the City, to the satisfaction of the City Attorney and City Engineer, to guarantee the construction of the enhanced parkway improvements along the westerly side of Avenida de la Carlota, from Plaza Lane to the southerly property boundary at Oakbrook Village, including the modification, relocation and/or addition of street lighting, including payment of fees to SCE, to the standards and specifications of the City. Such improvements shall be constructed within 180 days of the completion of the shifting of the westerly side of Avenida de la Carlota by the I-5 Widening Segment 3 project being implemented by Caltrans as determined by City or, if said I-5 Widening Segment 3 project does not proceed, within five years of the approval of the Project. The construction of the improvements shall be to the satisfaction of the City Engineer. The landscaping improvements shall be constructed to the satisfaction of the Community Development Director and City Engineer and shall be maintained by the Applicant.

126. As reflected on the submitted tentative tract map, the Applicant is dedicating a landscape maintenance easement to City to coincide with and matching the rear curblin of the entry monuments at the project entrance on the southerly side of El Toro Road at Regional Center Drive. Such dedication shall be reflected on the applicable Final Map or in a separate dedication document in a form as approved by the City Attorney and City Engineer that is recorded prior to the issuance of the first commercial or residential building certificate of occupancy.
127. The project site improvements shall reserve a future public right of way along Avenida de la Carlota necessary to accommodate the widening of Interstate 5 as defined in the State approved Planning And Environmental Document (PAED) and Project Report for the project, as may be modified by the final design (State designation: I-5 Widening 12-231-OK0200). No buildings or structures shall be constructed in this future public right of way and all on site buildings shall be set back in accordance with City Zoning Code as measured from the future public right of way line.
128. All of the existing and new Project entrances along Avenida De La Carlota shall be reconstructed/constructed to current ADA ramp and sidewalk standards to the satisfaction of the City Engineer utilizing Armor Tile blue cast-in-place detectable warning surfaces at ramps.
129. Prior to issuance of the first commercial or residential building certificate of occupancy, any existing or project related damaged curb and gutter or sidewalk along El Toro Road and Avenida de la Carlota shall be removed and replaced to the reasonable satisfaction of the City Engineer.

130. Upon completion of the Avenida de la Carlota enhanced parkway improvements described in Condition 125, the Applicant shall construct a Type II Rubberized Emulsion Asphalt Slurry (REAS) over the entire width of Avenida de la Carlota, from El Toro Road to the southerly property boundary at Oakbrook Village, and provide and implement striping plans as designed by a registered Civil Engineer or Traffic Engineer to the satisfaction of the City Engineer. The Applicant may, at its option, provide funding to City, meeting the City's requirements, to have this work accomplished by City.
131. No excavations, for any reason, shall be permitted onto El Toro Road.
132. Prior to Grading Plan approval, the Applicant shall provide an Americans with Disabilities Act (ADA) site review of all existing and planned pathways, sidewalks and access ramps for public street to on-site access, internal access and adjacent to the site access along the accessible pathways. The accessible pathway shall not include a path within any drive aisle, except as necessary to cross a drive aisle at 90° to the drive aisle. The report shall be prepared by a professional whose expertise lies in the field and shall include an implementation plan to correct all deficiencies noted as approved by the City Engineer and Community Development Director. Any sidewalk or pathway not in compliance with ADA standards shall be reconstructed.
133. Prior to Grading Plan approval, the Applicant shall demonstrate to the City Engineer that all on-site access routes are capable to accommodate truck access and truck turning radii.
134. Prior to Grading Plan approval, the Applicant shall work with the Orange County Transportation Authority (OCTA) and provide bus stops along Calle de la Louisa, as requested by OCTA or City. Bus stop locations for OCTA facilities shall be constructed in accordance with the OCTA standards. The Applicant shall provide bus stop furniture to the City's satisfaction to include, but not be limited to, benches, trash receptacles and shade opportunities that will be maintained by the Applicant.
135. Prior to issuance of a grading permit, the Applicant shall prepare and submit plans for the review and approval of the Community Development Director and the City Engineer that demonstrate the ability of the Project to provide improvements for private bus services to access the Project site with internal bus stops and provide bus stop furniture to include, but not be limited to, benches, trash receptacles and shade opportunities that will be maintained by the Applicant. Approved features shall be installed prior to the issuance of a certificate occupancy for the Parking Structure.

136. Prior to the issuance of a grading permit, the Applicant shall indicate on the proposed Project grading plan, the location of bicycle pathways throughout the Project site as depicted on the bicycle connectivity exhibit as part of the Project plans with connectivity to Oakbrook Village as approved by the City Engineer and Director of Community Development. Approved pathways shall be constructed to the reasonable satisfaction of the City Engineer and completed prior to the issuance of occupancy for the Parking Structure.
137. Prior to the grading permit close out, the Applicant shall demonstrate compliance with the WQMP in a manner meeting the satisfaction of the City Engineer, including:
- a. Demonstrates that all structural BMPs described in the Project WQMP have been implemented, constructed, and installed in conformance with approved plans and specifications;
 - b. Demonstrates that the Applicant has complied with and/or is prepared to implement all non-structural BMPs described in the Project WQMP;
 - c. Demonstrates that an adequate number of copies of the project's approved Project WQMP are available for the future occupants;
 - d. Demonstrates that the Applicant has agreed to and recorded CC&R's, an agreement, or another legal instrument approved by the City Attorney that shall require the property owner, successors, tenants (if applicable), and assigns to fund, operate and maintain in perpetuity the post-construction BMPs described in the Project WQMP.
 - e. The Community Development Department and Public Services Department shall determine whether any proposed change in use requires an amendment to an approved Project WQMP and/or recorded document or agreement.
138. Trash/recycling enclosures shall be provided on-site and shall be constructed per the City of Laguna Hills Covered Trash Enclosure Detail and City standards, including a solid roof and sewer drain connection. Architectural features of the enclosure may be retained provided they can be made to comply with the City's standards for size and dimension.
139. Any grading, site or public improvement work requiring inspection services during non-standard City working hours and days, shall require the payment of a daily fee for each day of the work prior to the work being performed, subject to the availability of inspection personnel to provide the necessary inspection, to the satisfaction of the City Engineer.

Police Services

140. Prior to the issuance of any permits for any new buildings depicted as "Pad", "Shop", "Major" or "Residential", at each increment of building permit issuance requested by the Applicant, the Applicant shall provide a multi-faceted security plan for the Project site that addresses security issues for both residential and commercial land uses for the review and approval of the Community Development Director and Chief of Police Services. The security plan shall include but is not limited to manned and roving security provisions, property surveillance, public policing sub-station facilities, as well as, those security directives implemented in conjunction with the multifamily housing.

The following mitigation measures were included in the 2009 General Plan Program EIR. They are included as additional Conditions of Approval.

The following mitigation measures/conditions relate to air quality impacts:

141. During grading activities, all rubber-tired dozers and scrapers (2: 50 horsepower) shall be CARB Tier 3 Certified or better. Additionally, the maximum (actively graded) disturbance area shall not exceed four acres per day.
142. The Applicant shall apply the following measures, as applicable, during construction of the Project to reduce the amount of fugitive dust in accordance with SCAQMD Rule 403:
- Dust suppression at construction sites using vegetation, surfactants, and other chemical stabilizers
 - Wheel washers for construction equipment
 - Watering down of all construction areas
 - Limit speeds at construction sites to 15 miles per hour
 - Covering of aggregate or similar material during transportation of material
143. The Applicant shall implement the following measures, as applicable, during construction of the Project to reduce exhaust emissions from construction equipment:
- Commercial electric power shall be provided to the project site in adequate capacity to avoid or minimize the use of portable gas-powered electric generators and equipment.
 - Where feasible, equipment requiring the use of fossil fuels (e.g., diesel) shall be replaced or substituted with electrically driven

equivalents (provided that they are not run via a portable generator set).

- To the extent feasible, alternative fuels and emission controls shall be used to further reduce exhaust emissions.
 - On-site equipment shall not be left idling when not in use.
 - The hours of operation of heavy-duty equipment and/or the amount of equipment in use at any one time shall be limited.
 - Staging areas for heavy-duty construction equipment shall be located as far as possible from sensitive receptors.
 - Before construction contracts are issued, the project Applicant shall perform a review of new technology, in consultation with the SCAQMD, as it relates to heavy-duty equipment, to determine what (if any) advances in emissions reductions are available for use and are economically feasible. Construction contract and bid specifications shall require contractors to utilize the best available and economically feasible technology on an established percentage of the equipment fleet. It is anticipated that in the near future, both NOx and PM10 control equipment will be available.
144. Activities involving idling trucks shall be oriented as far away from and downwind of existing or proposed sensitive receptors as feasible. Strategies shall be incorporated to reduce the idling time of main propulsion engines through alternative technologies such as IdleAire, electrification of truck parking, and alternative energy sources for transport refrigeration units (TRUs) to allow diesel engines to be completely turned off.
145. The Applicant shall develop a Construction Traffic Emission Management Plan for the proposed project. The Plan shall include measures to minimize emissions from vehicles including: scheduling truck deliveries to avoid peak hour traffic, consolidating truck deliveries, and prohibiting truck idling in excess of five minutes. Other measures include: use electricity or alternate fuels for on-site mobile equipment instead of diesel equipment to the extent feasible; maintain construction equipment by conducting regular tune ups and retard diesel engine timing; use electric welders where electricity is available; use on-site electricity rather than temporary power generators where electricity is available; evaluate the feasibility of retrofitting the large off-road construction equipment; use alternative diesel fuels, if commercially available; and suspend the use of all construction activities during first stage smog alerts.

The following mitigation measures/conditions relate to both air quality and greenhouse gas emissions impacts:

146. Prior to building permit final, the Applicant shall provide bike support facilities (e.g., bicycle racks) to encourage bicycle riding as a transportation mode. Prior to installation, a plan for such amenities shall be submitted to the Community Development Director for his or her review and approval.
147. At a minimum, the Applicant shall implement the following "green" building practices:
 - The apartment units shall feature dual pane low E vinyl windows, low flow toilets, low flow showerheads, low flow faucets, Energy Star appliances, energy efficient lighting, reflective white PVC "cool" roof membrane, programmable thermostats, and high efficiency HVAC condensing units.
 - Project irrigation shall utilize Smart irrigation technology.
 - The "green" 2010 Cal Green Building Code shall be implemented into building design.
 - Individual identification of gas, electricity, and water consumption shall be available to give resident awareness of consumption.

The following mitigation measures/conditions relate to hazardous building materials impacts:

148. All demolition activities shall comply with the SCAQMD's Rule 1403, which requires that buildings undergoing demolition or renovation be surveyed for asbestos-containing materials (ACM) prior to any demolition or renovation activities.

The following mitigation measures/conditions relate to noise impacts:

149. Delivery or service hours for stores and businesses with loading areas, docks, or trash bins that gain access on driveways next to residential and other noise sensitive areas shall take place between the hours of 7:00 a.m. and 10:00 p.m. No use that is immediately adjacent to a residential use shall produce loading or unloading of materials, products, and or supplies at the site between the hours of 8:00 p.m. and 7:00 a.m. The City shall only approve exceptions if full compliance with the nighttime limits of the noise regulations is achieved.
150. Trucks associated with construction activities shall follow designated truck routes, where appropriate.
151. Noise sources associated with construction, repair, remodeling, or grading of any real property, shall not take place between the hours

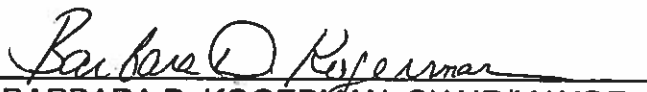
of 8:00 p.m. and 7:00 a.m. on weekdays, 8:00 p.m. and 8:00 a.m. on Saturday, or at any time on Sunday or a federal holiday.

152. Heating ventilation and air conditioning (HVAC) units shall be installed in compliance with the provisions of Chapter 5-24 (Noise Control) of the City's Municipal Code.
153. Prior to the issuance of building permits, the Applicant shall submit a final acoustical report prepared to the Satisfaction of the Community Development Director indicating compliance with the state's interior noise standard of 45 dB CNEL for multiple-family residential land use. The Applicant shall increase the recommended STC ratings of windows/ doors, exterior wall and/or roof assemblies for the project as recommended by the final acoustic report and include any such requirements in project building plans.

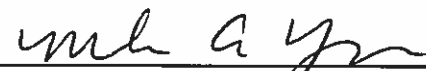
The following mitigation measures/conditions relate to public services and utilities impacts:

154. The project shall be connected to the public sewer.
155. The project shall comply with all federal, state, and local statutes and regulations related to solid waste. The project shall comply with the City's established reduction, reuse, and recycling programs.

PASSED, APPROVED, AND ADOPTED this 22nd day of March 2016.


BARBARA D. KOGERMAN, CHAIR/MAYOR

ATTEST:


MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. PA2015-03-22-1 adopted by the Planning Agency and the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 22nd day of March 2016, by the following vote:

AYES: Agency/Council Members Blount, Carruth, Gilbert, Vice
Chair/Mayor Pro Tempore Sedgwick, and Chair/Mayor
Kogerman

NOES: None

ABSENT: None

ABSTAIN: None



MELISSA AU-YEUNG, CITY CLERK



Attachment 2 Proposed Resolution

RESOLUTION NO. _____

A JOINT RESOLUTION OF THE CITY COUNCIL AND PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING A ONE-YEAR EXTENSION OF THE LIFE OF VESTING TENTATIVE TRACT MAP NO. 18035, A REQUEST OF MERLONE GEIER MANAGEMENT, LLC, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

The City Council and the Planning Agency of the City of Laguna Hills, California, hereby jointly find, determine, declare and resolve as follows:

WHEREAS, the City Council and the Planning Agency jointly approved Vesting Tentative Tract Map No. 18035 ("VTTM"), on March 22, 2016, pursuant to Resolution No. PA2016-03-22-1 pertaining to an approximately 66.18 acre subdivision located at 24155 Laguna Hills Mall in conjunction with the proposed redevelopment of Laguna Hills Mall known as the Five Lagunas Project ("Project"); and

WHEREAS, the Planning Agency and City Council, in approving the Project, considered the Third Addendum ("Third Addendum") to the City of Laguna Hills General Plan Program Environmental Impact Report (State Clearinghouse No. 20080811100, hereafter the "PEIR") and adopted findings under the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq., hereafter "CEQA"); and

WHEREAS, the City of Laguna Hills ("City") Municipal Code (Title 9 – Zoning and Subdivisions) establishes that the VTTM is subject to a two year life; and

WHEREAS, the VTTM has not expired and will not expire until March 22, 2018, absent any extension; and

WHEREAS, the subdivider Merlone Geier Management, LLC ("Subdivider"), applied to the Planning Division for a one-year extension of the VTTM on February 7, 2018, such that it would expire, if not otherwise extended, on March 22, 2019; and

WHEREAS, Section 66452.6(e) of the Subdivision Map Act authorizes a legislative body to extend the life of an approved or conditionally-approved tentative map for a period or periods not to exceed six years upon an application of the subdivider filed prior to the expiration of the tentative map; and

WHEREAS, Subdivider has made diligent efforts to obtain approval of a first phased final map for a portion of the proposed subdivision, including by submitting a final map application to the City and the Orange County Surveyor in March 2017 and processing related improvement plans; and

WHEREAS, the Subdivider has satisfied certain conditions of approval required by Resolution No. PA2016-03-22-1 relating to the VTTM and is actively working toward satisfying remaining conditions, and is party to a fully-executed Subdivision Improvement Agreement with City pursuant to which Subdivider has provided bonds to secure its improvement obligations; and

WHEREAS, it is anticipated that the proposed one-year extension of the life of the VTTM will provide sufficient time to complete the processing of the first phased final map application; and

WHEREAS, the City has evaluated the VTTM extension in light of the PEIR and the Third Addendum to determine whether the project is a later activity within the scope of the previously approved project and also to determine whether the VTTM extension proposes substantial changes to the project evaluated earlier that would involve new or more severe significant effects; whether substantial changes have occurred with respect to the circumstances under which the project evaluated earlier would be undertaken; and whether there is new information of substantial importance showing there would be new or more severe significant effects, that mitigation measures or alternatives previously found to be infeasible would be feasible, or that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce significant effects; and

WHEREAS, a duly noticed joint public hearing of the City Council and Planning Agency regarding the proposed extension of the VTTM was held on February 27, 2018.

NOW, THEREFORE, THE PLANNING AGENCY AND CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DO RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Council and Planning Agency hereby adopt the following findings and determinations with respect to the California Environmental Quality Act:

2.1 Pursuant to CEQA Guidelines Section 15162(b), it has been determined that no subsequent environmental impact report or negative declaration is required because there is no substantial evidence that the conditions described in CEQA Guidelines Section 15162(a) have occurred. There are no substantial changes to the project studied in the PEIR that would require major revisions of the PEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There are no substantial changes with respect to the circumstances under which the project studied in the PEIR is being undertaken and implemented which will require major revisions of the PEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR was found adequate and/or certified showing: (a) one or more significant effects not identified in the PEIR; (b) significant effects previously identified will be substantially more severe than shown in the PEIR; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR would substantially reduce one or more significant effects on the environment, but the mitigation measures or alternatives have not been adopted (Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15168).

The proposed project is an extension of the previously approved VTTM, which was evaluated in the PEIR and the Third Addendum approved by the Planning Commission and

City Council on March 22, 2016. The proposed extension of the VTTM was evaluated in light of this prior analysis, and determined to be a later activity within the scope of the PEIR. The project evaluated in the PEIR and the Third Addendum contemplated a multi-year construction and development project to convert the Laguna Hills Mall to a mixed-use residential and commercial development. The one-year extension of the VTTM does not increase the size of, or, modify the project, and it does not extend the overall duration of construction activities. Rather, the extension of the VTTM facilitates a delay in the commencement of certain construction activities, which can be reasonably expected to coincide with improvements in regional air quality and traffic circulation and reduced greenhouse gas emissions.

2.2 Pursuant to CEQA Guidelines Section 15164(a), it has been determined that there is no substantial evidence requiring a fourth addendum to the PEIR because no minor technical changes or additions are necessary based on the one-year extension of the VTTM.

2.3 The impacts of the Project were analyzed in an initial study and Third Addendum to the PEIR. The PEIR was certified on July 14, 2009, and the Addendum was adopted on March 22, 2016. Notices of Determination were filed and posted for the PEIR and Addendum on July 15, 2009, and March 23, 2016, respectively. The proposed extension will implement the Project as originally analyzed in the PEIR and Third Addendum. Pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162, no further environmental review is required.

SECTION 3. That all findings adopted in Resolution No. PA2016-03-22-1 relating to the VTTM remain accurate and true and are incorporated herein by reference.

SECTION 4. That the life of the VTTM is hereby extended by one year until March 22, 2019, and shall not expire prior to that date, and that the findings by the City required for approval of the extension have been met and made as follows:

1. That the subdivider filed an application requesting an extension of the life of the VTTM:

Subdivider filed a Planning Application with the Planning Division on February 7, 2018. The application requests a one-year extension of the life of the VTTM.

2. That the subdivider filed an application requesting an extension of the VTTM prior to the expiration of the VTTM:

As approved under Resolution No. PA2016-03-22-1, the VTTM would expire on March 22, 2018, absent an extension. Subdivider's application is dated February 7, 2018. As such, the VTTM has not expired as of the date of the application.

3. That the extension is not for a period or periods exceeding six years:

The extension is for a period of one year, as authorized by Government Code Section 66452.6(e).

4. That the extension will not result in conditions or circumstances contrary to the public health and safety and the general welfare.

The extension will not result in conditions or circumstances contrary to the public health and safety or general welfare. By extending the life of the VTTM, the time for

implementing certain vertical construction may be delayed compared to the original project approval. However, the overall construction duration will remain the same, and at the same time, background environmental conditions may reasonably be expected to improve. The extension will not expand or otherwise modify the project. By contrast, extending the life of the VTTM preserves a necessary project entitlement and increases the likelihood that the project will improve the public welfare by providing numerous social and economic benefits, including sales tax revenue, employment opportunities, new infrastructure and open space.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018

TO: Mayor and Council Members

FROM: Donald J. White
City Manager

ISSUE: Deposit/Reimbursement Agreement with MGP Fund X Laguna Hills, LLC

RECOMMENDATION: That the City Council approve the Deposit/Reimbursement Agreement with MGP Fund X Laguna Hills, LLC, and authorize the City Manager to execute the Agreement.

SUMMARY:

In addition to requesting a discretionary one-year extension to its Vesting Tentative Tract Map, Merlone Geier Partners (Developer) is proposing to negotiate a Development Agreement with the City for the Five Lagunas Project.

Developer is in the process of redeveloping the Laguna Hills Mall property located at 24155 Paseo Five Lagunas (formerly 24155 Laguna Hills Mall), known as the Five Lagunas Project (the "Project"). The Project authorizes the redevelopment of the Laguna Hills Mall as a mixed-use town center contemplated by the Urban Village Specific Plan including 616,013 square feet of retail use, 115,354 of restaurant use, a 109,070 square-foot cinema, a 40,102 square-foot health club, 45,890 square feet of flex retail/medical office space, and 988 residential units. On March 22, 2016, the City Council and Planning Agency adopted Resolution No. PA2016-03-22-1, which approved a series of entitlements for the redevelopment of the Project. The entitlements included a Site Development Permit, Vesting Tentative Tract Map, Master Sign Program, Conditional Use Permit, Parking Use Permit, and Precise Plan (No. 2-15-3114) (together, the "Entitlements"). The City Council and Planning Agency approved the Project at a joint public hearing held on March 22, 2016.

Deposit/Reimbursement Agreement

February 27, 2018

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The purpose of this Agreement is to provide for Developer to reimburse City for fees and costs incurred by City in evaluating the proposed Development Agreement, drafting an agreement, if one is reached between the Parties, and processing the proposed Development Agreement for potential future City Council consideration. The Agreement anticipates an initial ninety (90) day negotiation period with a one-time, sixty (60) day extension. Staff is recommending approval.

FISCAL IMPACT:

This Agreement ensures that there is no General Fund impact with respect to negotiating a Development Agreement by requiring a deposit of \$50,000. The City may draw upon the Deposit Funds to pay any fees or costs associated with the proposed Development Agreement including, but not limited to, any of the following: City staff time and apportioned overhead costs; fees and expenses of the City Attorney and any other consultants retained by the City; costs of performing any necessary environmental review; costs of any notices; printing costs; costs associated with negotiating, researching, and drafting the proposed Development Agreement in accordance with state and local laws; costs associated with any application, processing, and noticing of the proposed Development Agreement for potential future City Council consideration; and any and all other actual costs and expenses incurred by the City with respect to the processing of the proposed Development Agreement. Developer acknowledges and agrees that any fees or costs related to this Agreement are separate and distinct from the fees and costs Developer is already legally obligated to pay pursuant to Resolution No. PA2016-03-22-1.

ATTACHMENTS:

- Agreement

DEPOSIT/REIMBURSEMENT AGREEMENT

THIS DEPOSIT/REIMBURSEMENT AGREEMENT (hereinafter “Agreement”) is made and entered into, to be effective this 27th day of February 2018 (hereinafter “Effective Date”), by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as “City”), and MGP FUND X LAGUNA HILLS, LLC, a Delaware Limited Liability Company (hereinafter referred to as “Developer”). City and Developer are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

- A. Developer is in the process of redeveloping the Laguna Hills Mall property located at 24155 Paseo Five Lagnas (formerly 24155 Laguna Hills Mall), known as the Five Lagnas Project (the “Project”). The Project authorizes the redevelopment of the Laguna Hills Mall as a mixed-use town center contemplated by the Urban Village Specific Plan, including 616,013 square feet of retail use, 115,354 of restaurant use, a 109,070 square foot cinema, a 40,102 square foot health club, 45,890 square feet of flex retail/medical office space, and 988 residential units.
- B. On March 22, 2016, the City Council and Planning Agency adopted Resolution No. PA2016-03-22-1, which approved a series of entitlements for the redevelopment of the Project. The entitlements included a Site Development Permit, Vesting Tentative Tract Map, Master Sign Program, Conditional Use Permit, Parking Use Permit, and Precise Plan (No. 2-15-3114) (together, the “Entitlements”). The City Council and Planning Agency approved the Project at a joint public hearing held on March 22, 2016. Developer has implemented the Entitlements by demolishing certain of the existing improvements at the Laguna Hills Mall, preparing the site in accordance with the Entitlements, and commencing construction of preliminary stages of redevelopment consistent with the Entitlements.
- C. Developer now proposes to negotiate a proposed development agreement with the City related to the Project (“Development Agreement”), a matter which City staff and Developer have had preliminary discussions.
- D. The purpose of this Agreement is to provide for Developer to reimburse City for fees and costs incurred by City in evaluating the proposed Development Agreement, drafting an agreement, if one is reached between the Parties, and processing the proposed Development Agreement for potential future City Council consideration.

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Parties agree that the Recitals constitute the factual basis upon which City and Developer have entered into this Agreement. City and Developer each acknowledge the accuracy of the Recitals and agree that the Recitals are hereby incorporated into this Agreement.

2. No Waiver of City's Discretionary Authority. Developer and City acknowledge and agree that the Planning Agency and City Council retain all discretion granted to them under law in considering the proposed Development Agreement and that nothing in this Agreement is intended to limit their discretionary powers or waive any third party procedural due process rights.

3. Deposit. Within three (3) business days following the Effective Date of this Agreement, Developer shall provide City with a deposit of Fifty Thousand Dollars (\$50,000.00), in immediately available funds. City shall use these funds solely for the purpose of paying fees or costs associated with the proposed Development Agreement and shall, upon Developer's request, provide an accounting of the expenses. If additional funds are needed to reimburse the City for fees or costs reasonably incurred in connection with preparation, negotiation, and processing of the proposed Development Agreement, City shall make a written request to Developer, and Developer, if it determines in its sole discretion that it wishes to proceed further with negotiation of the proposed Development Agreement, shall promptly provide payment to City. The City Manager may direct City staff and consultants to suspend all work related to the proposed Development Agreement until any additional amounts so demanded have been received by the City. The initial deposit and any additional deposit amounts are hereafter referred to, collectively, as the "Deposit Funds."

4. Use of Deposit Funds. City may draw upon the Deposit Funds to pay any fees or costs associated with the proposed Development Agreement, including, but not limited to, any of the following: City staff time and apportioned overhead costs, fees and expenses of the City Attorney and any other consultants retained by the City; costs of performing any necessary environmental review; costs of any notices; printing costs; costs associated with negotiating, researching, and drafting the proposed Development Agreement in accordance with state and local laws; costs associated with any application, processing, and noticing of the proposed Development Agreement for potential future City Council consideration; and any and all other actual costs and expenses incurred by the City with respect to the processing of the proposed Development Agreement. Developer acknowledges and agrees that any fees or costs related to this Agreement are separate and distinct from the fees and costs Developer is already legally obligated to pay pursuant to Resolution No. PA2016-03-22-1.

5. Project Account. City shall establish a separate account (the "Project Account") to administer the Deposit Funds provided by Developer pursuant to this Agreement. The

Project Account shall be used for no other purpose than the payment of fees and costs associated with the proposed Development Agreement, as provided above in Paragraphs 3 and 4.

6. Schedule. The Parties agree to make a good faith effort to negotiate the proposed business terms of the proposed Development Agreement within ninety (90) days of the Effective Date of this Agreement. The Parties may mutually consent to a one-time extension of sixty (60) days. Developer acknowledges, however, that the City Council retains complete discretion over the terms and conditions of any proposed Development Agreement, and that there is no guarantee as to the terms of the proposed Development Agreement or that a Development Agreement will ultimately be approved by the City Council.
7. Return of Unused Deposit Funds. If discussions between the Parties do not result in a mutually-satisfactory agreement within the timeframe referenced in Paragraph 6 above, either Party may terminate this Agreement. Upon termination the City shall, within ten (10) business days of receiving a written request from Developer, return the then-unexpended Deposit Funds to Developer, without interest, less an amount equal to any costs incurred by the City, or that the City has otherwise committed to pay, which costs would be subject to use of Deposit Funds under Paragraphs 3 and 4 of this Agreement, but which have not yet been so paid.
8. Indemnity. Developer agrees to defend, indemnify and hold harmless the City, its elected and appointed officers and officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses in connection therein), arising out of the performance of this Agreement, except for any such claim arising out of the sole negligence, active negligence, or willful misconduct of the City, its officers, agents, employees or volunteers.
9. No Inducement. Developer declares and represents that no promise, inducement or agreement not herein expressed has been made to it and that this Agreement contains the entire agreement between and among the Parties, and that the terms of this Agreement are contractual and not a mere recital. This Agreement is entered into knowingly, freely, intelligently, and voluntarily by the Parties, without any duress, or coercion. The Parties have had a full opportunity to review and consider the matter prior to executing this Agreement. The Parties fully acknowledge that they also have had a full opportunity to discuss its contents with their respective representatives.
10. Validity. If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against the public policy or otherwise, the invalidity shall not affect other provisions or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions, and parts thereof, of this Agreement are declared to be severable.

11. Amendment. This Agreement may be modified or amended only by a written document executed by both Developer and City and approved as to form by the City Attorney.
12. Waiver. No failure on the part of either Party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that Party may have hereunder.
13. Attorney's Fees. In the event of the bringing of any action or suit by either Party hereto against the other Party hereunder to enforce or interpret any of the provisions, covenants or conditions of this Agreement, the prevailing party in such action or suit shall be entitled to recover all costs and expenses of suit, including reasonable attorney's fees.
14. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Orange, California.
15. Written Notification. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing and either served personally or sent prepaid, first class mail. Any such notice, demand, etc. shall be addressed to the other Party at the address set forth herein below. Either Party may change its address by notifying the other Party of the change of address. Notice shall be deemed communicated within forty eight (48) hours from the time of mailing if mailed as provided in this Paragraph.

If to City:

City of Laguna Hills
Attn: City Manager
24035 El Toro Road
Laguna Hills, California 92653

With a copy to:

City Attorney - City of Laguna Hills
Gregory E. Simonian
Woodruff, Spradlin & Smart
555 Anton Boulevard, Suite 1200
Costa Mesa, California 92626

If to Developer:

MGP Fund X Laguna Hills, LLC
Attn.: Bradley A. Geier, Chairman
3580 Carmel Mountain Road, Suite 260
San Diego, California 92130

With a copy to:

Matthew S. Gray
Perkins Coie LLP
505 Howard Street, Suite 1000
San Francisco, CA 94105

16. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Developer. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.
17. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the Parties when at least one copy hereof shall have been signed by both Parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
18. Termination. This Agreement may be terminated by either Party at any time upon written notice. Upon termination, Developer shall be responsible for reimbursement to City for all direct and administrative costs associated with the proposed Development Agreement provided through the effective date of termination in accordance with Paragraphs 3 and 4.
19. Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.
20. Third Party Beneficiary. Nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.
21. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

Attachment: Agreement (1510 : Deposit/Reimbursement Agreement)

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

“CITY”

City of Laguna Hills,
a California municipal corporation

Date: _____

DONALD J. WHITE,
City Manager

ATTEST:

(SEAL)

MELISSA AU-YEUNG,
Assistant to the City Manager/City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

“DEVELOPER”

MGP FUND X LAGUNA HILLS, LLC,
a Delaware Limited Liability Company

By: Merlone Geier X, LLC,
a California limited liability company
its Manager

Date: _____

By: _____

Print Name: _____

Title: _____

Attachment: Agreement (1510 : Deposit/Reimbursement Agreement)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018

TO: Mayor and Council Members

FROM: Donald J. White
City Manager

ISSUE: Agreement with Kosmont & Associates, Inc. for Economic Development Advisory Services

RECOMMENDATION: That the City Council:

(1) Waive competitive informal and formal bidding requirements and procedures set forth in the City of Laguna Hills Municipal Code (LHMC) Section 3-08.080 and Section 3-08.090 with regard to approval of the proposed Economic Development Advisory Services Agreement with Kosmont & Associates, Inc. as it is hereby found and determined, pursuant to LHMC Section 3-08.110(L.6) that the services retained are for economic development; and,

(2) Approve an Agreement with Kosmont & Associates, Inc. and authorize the City Manager to execute the Agreement.

SUMMARY:

The Laguna Hills Mall is currently undergoing redevelopment by property owner and developer Merlone Geier Partners (Developer). Developer has proposed to negotiate a Development Agreement with the City and has agreed to reimburse the City for all costs associated with the proposed Development Agreement, including the costs of any consultants retained by the City. Staff is recommending that the City retain the services of Kosmont & Associates, Inc. to provide related economic development advisory services including Developer negotiations. Kosmont & Associates, Inc. is an industry leader in economic development and real estate advisory services. It is staff's opinion that retaining the services of Kosmont & Associates, Inc. will facilitate the evaluation

Kosmont Agreement
February 27, 2018
Page 2

and processing of a Development Agreement with the Developer.

Section 3-08.110(L.6) of the Laguna Hills Municipal Code allows for exceptions to purchasing requirements. In this case, typical procurement policies and procedures need not be followed since the services sought are under a contract for economic development.

FISCAL IMPACT:

All costs associated with this Agreement will be reimbursed by Merlone Geier Partners. There is no General Fund impact.

ATTACHMENTS:

- Agreement



February 20, 2018

Don White
City Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Re: Proposal for Economic Development Advisory Services

Dear Mr. White:

Kosmont & Associates, Inc. doing business as Kosmont Companies ("Consultant" or "Kosmont") is pleased to present this proposal to the City of Laguna Hills ("City" or "Client") for economic development advisory services in connection with the Laguna Hills Mall property ("Mall" or "Property") at the intersection of the I-5 Freeway and El Toro Road within the City. This proposal serves as an Agreement when executed and returned by Client to Kosmont.

I. BACKGROUND AND OBJECTIVE

The Mall is currently undergoing redevelopment by property owner and development firm Merlone Geier Partners ("Developer"). The City has expressed interest in retaining Kosmont to provide related economic development advisory services, including project evaluation and Developer negotiations. Developer anticipates project will be phased over several years and therefore desires a Development Agreement ("DA") to preserve entitlements. Kosmont proposes the following scope of services accordingly.

II. SCOPE OF SERVICES

Task 1: Project Evaluation

Kosmont will review redevelopment project ("Project") and phasing as proposed by the Developer. The City will provide Kosmont will relevant Property and Project data (e.g. conceptual site plans, proposed retail and residential land uses, Property zoning).

Task 2: Initial Developer Negotiations

Kosmont will review terms and conditions for a DA proposed by the Developer. Kosmont will assist the City with vetting of said terms and conditions and initial Developer negotiations toward achieving a mutually acceptable DA. Project components such as phasing, timing and land uses, and Developer performance and financial commitment are

some of the variables that will be considered. Included in Task 2 is attendance by Kosmont at one (1) publicly noticed meeting.

III. SCHEDULE AND REQUIRED DATA

Consultant is prepared to commence work upon receipt of executed Agreement. Client will provide Consultant with existing Property and Project data per Task 1. Because of the fluid nature of developer negotiations in Task 2, a deadline is difficult to define, but the goal is to complete a DA within six (6) months.

IV. COMPENSATION

Compensation for Tasks 1 through 2 is estimated at \$25,000 for professional services (hourly) fees at Consultant's billing rates as shown on Attachment A. Future increases in budget will require approval by Client in advance. Budget may be increased by Client at any time.

Consultant's attendance or participation at more than one (1) **publicly noticed** (e.g., City Council, Planning Commission, Public Agency Board, other) meeting requested by Client is in addition to compensation for Tasks 1 through 2 and will be billed at the professional services (hourly) fees as shown on Attachment A

Services will be invoiced monthly at Consultant's standard billing rates, as shown on Attachment A. In addition to professional services (hourly) fees, invoices will include reimbursement for out-of-pocket expenses such as travel and mileage (provided that there shall be no overnight travel without the Client's prior approval and that mileage shall be reimbursed at current IRS mileage reimbursement rate), professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost. Unless otherwise agreed to in advance, out-of-area travel, if any, requires advance funding of flights and hotel accommodations.

Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone and postage costs equal to four percent (4.0%) of Consultant's monthly professional service fees incurred. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

Consultant is prepared to commence work upon receipt of executed Agreement.

DISCLOSURE: Kosmont Transactions Services ("KTS") and Kosmont Realty Corporation ("KRC"): Compensation for possible future transaction-based services or brokerage services.

The following is being provided solely as an advance disclosure of possible real estate brokerage and finance services and potential compensation formats for such services. This disclosure is not intended to commit the Client.

When public agency assignments involve real estate/property brokerage or public financing transactions on behalf of the public agency, such transaction based services are typically provided by Kosmont Transactions Services ("KTS") or Kosmont Realty Corporation ("KRC").

KRC is currently registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor. KRC is licensed by the CA Bureau of Real Estate (License #01770428) and is certified as a Minority Business Enterprise (MBE). KRC is also registered as doing business as KTS.

KTS provides transactional Financial Advisory Services and compensation is typically for financial advisory/loan broker services. KRC provides Brokerage Services and compensation is typically for brokerage commissions such as property and lease transactions and/or success/broker fees. KRC also provides Broker Opinions of Value (BOV) services on a fixed fee basis.

V. OTHER PROVISIONS

A. Termination. Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.

B. Arbitration. Any controversy or claim arising out of or in relation to this Agreement, or the making, performance, interpretation or breach thereof, shall be settled by arbitration at JAMS in Los Angeles, California. Each of the parties to such arbitration proceeding shall be entitled to take up to five depositions with document requests. The provisions of Section 1283.05 (except subdivision (e) thereof) of the California Code of Civil Procedure are incorporated by reference herein, except to the extent they conflict with this Agreement, in which case this Agreement is controlling. If the matter is heard by only one arbitrator, such arbitrator shall be a member of the State Bar of California or a retired judge. If the matter is heard by an arbitration panel, at least one member of such panel shall be a member of the State Bar of California or a retired judge. The arbitrator or arbitrators shall decide all questions of law, and all mixed questions of law and fact, in accordance with the substantive law of the State of California to the end that all rights and defenses which either party may have asserted in a court of competent jurisdiction shall be fully available to such party in the arbitration proceeding contemplated hereby. The arbitrator and arbitrators shall set forth and deliver their findings of fact and conclusions of law with the delivery of the arbitration award. Judgment upon the award rendered shall be final and non-appealable and may be entered in any court having jurisdiction.

C. Attorneys' Fees. In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.

D. Authority. Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.

E. Further Actions. The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.

F. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.

G. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

H. Entire Agreement; Amendments and Waivers. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, whether written or oral, related hereto are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

I. Severability. If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.

J. Notices. All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other in accordance with the provisions of this paragraph.

K. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

L. Governing Law. The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

M. Confidentiality. Each of the parties agrees not to disclose this Agreement or any information concerning this Agreement to any persons or entities, other than to their attorneys and accountants, or as otherwise may be required by law.

N. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.

O. Disclaimer. Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications by and between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.

P. Limitation of Damages. In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

Q. Expiration of Proposal for Services. If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

R. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

[signature page follows]

VI. ACCEPTANCE AND AUTHORIZATION

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Companies. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement.

Read, understood, and agreed to this

____ Day of _____ 2018

City of Laguna Hills

Kosmont & Associates, Inc.
 doing business as "Kosmont Companies"

By: _____
 (Signature)

By: _____
 (Signature)

Name: _____
 (Print Name)

Name: Larry J. Kosmont, CRE®

Its: _____
 (Title)

Its: President & CEO

Attachment: Agreement (1511 : Kosmont Agreement)

**Kosmont Companies
 2018 Public Agency Fee Schedule**

Professional Services

President & CEO	\$345.00/hour
Executive Vice President	\$325.00/hour
Partner/Senior Vice President/Senior Consultant	\$305.00/hour
Vice President/Associate	\$195.00/hour
Project Analyst/Project Research	\$165.00/hour
Assistant Project Analyst/Assistant Project Manager	\$125.00/hour
GIS Mapping/Graphics Service	\$ 95.00/hour
Clerical Support	\$ 60.00/hour

• **Additional Expenses**

In addition to professional services (labor fees):

- 1) An **administrative fee** for in-house copy, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) If Kosmont retains **Third Party Vendor(s)** for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
- 4) Consultant's **attendance or participation at any public meeting** requested by Client will be billed at the professional services (hourly) fees as shown on this Attachment A.

• **Charges for Court/Deposition/Expert Witness-Related Appearances**

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until December 31, 2018.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: General Government Department Reorganization

RECOMMENDATION: That the City Council adopt the following Resolutions:

(1) A Resolution of the City Council of the City of Laguna Hills, California, Establishing Two New Job Classifications along with Salary Ranges and Benefits and Eliminating Two Job Classifications within the Bargaining Unit Covered by the Memorandum of Understanding with the Laguna Hills City Employees Association; and

(2) A Resolution of the City Council of the City of Laguna Hills, California, Amending Resolution No. 2016-11-22-3 to Establish New Job Classifications along with Salary Ranges and Benefits.

SUMMARY:

The recent retirement of the City's long-time City Manager and the appointment of Assistant City Manager Donald J. White as the new City Manager provides an opportunity to implement the second phase of the General Government Department reorganization. The first phase of this reorganization was approved and implemented in 2015 with the reorganization of the City Clerk's Department. It is estimated this second phase of the General Government Department reorganization will result in annual savings of approximately \$203,000. To implement the reorganization plan, staff is recommending that the City Council adopt Resolutions amending both the Memorandum of Understanding with the Laguna Hills City Employees Association and amending Resolution No. 2016-11-22-3.

BACKGROUND:

With the recent retirement of the City's long-time City Manager, the City Manager's Office and General Government Department are currently undergoing significant changes. As has been the practice of the City, the departure of key personnel provides an opportunity to examine the current staffing structure and make modifications as appropriate taking into account the present and future needs of the City. This examination process ultimately resulted in a multi-pronged reorganization plan that began with the reorganization of the City Clerk's Department in 2015.

At that time, staff conducted a thorough examination of the structure and staffing complement of the City Clerk's Department. After extensive analysis of the needs of the City, staff developed a reorganization plan utilizing existing City personnel. Staff proposed, and the City Council approved, the following three positions: Assistant to the City Manager/City Clerk, Records Management Coordinator, and Management Assistant and consolidated the City Clerk's Department into the General Government Department. This phase one reorganization saved the City over \$150,000 annually.

The City Council, at its January 9, 2018, City Council meeting, approved an Agreement with Donald J. White to serve as the City's new City Manager, effective February 3, 2018. This appointment presents the opportunity to implement the second phase of the General Government Department reorganization.

Staff is proposing not filling the position of Assistant City Manager but rather reclassifying the City Engineer/Public Works Director to Assistant City Manager/Director of Public Services. This proposed position will serve as City Manager during the temporary absence or disability of City Manager White. Because no additional duties beyond those detailed here are proposed at this time, staff is recommending no change in the existing salary range for this position as compared to the City Engineer/Public Works Director position. Staff is; however, proposing an annual deferred compensation contribution of \$10,000 to compensate for the additional duty of serving as City Manager in the absence of City Manager White.

Staff further proposes reclassifying the Finance Manager to Finance Director. The Finance Director will have departmental oversight (management position) and take over the finance and risk management functions previously performed by the Assistant City Manager. The reclassification from Finance Manager to Finance Director would result in

General Government Department Reorganization

February 27, 2018

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a salary increase of approximately 4.8%.

As part of this reorganization, the Assistant to the City Manager/City Clerk would be reclassified to Deputy City Manager/City Clerk. The Deputy City Manager/City Clerk would still maintain departmental oversight of the City Clerk's division. Additionally, this proposed position would also take over public information, Civic Center leasing, and personnel and labor relations duties previously performed by the Assistant City Manager. To assist with the day-to-day functions and activities of the City Clerk's division, staff is recommending the recruitment and addition of an Assistant City Clerk. The Assistant City Clerk would be responsible for the various day-to-day functions of the City Clerk's division including agenda management duties and responsibilities, maintaining FPPC filings, processing requests for public records, and overseeing the city-wide Records Management program. Because the Deputy City Manager/City Clerk would still serve as City Clerk, the Assistant City Clerk would assist in the coordination and conducting of the general municipal elections. Based on the proposed salary range for Deputy City Manager, this reclassification would result in an increase of approximately 8.2% in salary from the Assistant to the City Manager/City Clerk classification.

The final component of the reorganization is to reclassify the Management Analyst to Senior Management Analyst. As the responsibilities of the Management Analyst have continued to steadily increase and will continue to do so as a direct result of this reorganization, staff is proposing a reclassification of this position. This reclassification would result in an increase of approximately 11.2% in salary for the current incumbent.

The positions and salary ranges of the proposed reorganization of the General Government Department are as follows:

	MONTHLY RANGE	
Deputy City Manager/City Clerk	\$ 13,038	\$ 15,849
Finance Director	\$ 12,874	\$ 15,648
Assistant City Clerk	\$ 6,551	\$ 7,963
Senior Management Analyst	\$ 7,528	\$ 9,150

The Assistant City Clerk and Senior Management Analyst positions would both be subject to all the provisions of the Memorandum of Understanding (MOU) between the City and the Laguna Hills City Employees Association, including PERS cost sharing. Consistent with the MOU, the proposed salary ranges for both positions are based on the average of positions with equivalent duties and responsibilities from the comparator

General Government Department Reorganization

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agencies plus five percent. It should be noted the attached Resolution also deletes the Finance Manager and Management Analyst positions.

As full-time, management classifications, the Finance Director and the Deputy City Manager/City Clerk positions would be subject to the provision of Resolution No. 2016-11-22-3, which establishes the compensation plan for positions defined as management, confidential, and part-time. The attached Resolution amends Resolution No. 2016-11-22-3 to establish the classifications and salary ranges for the positions detailed above. Additionally, the proposed Resolution would modify the positions eligible for an automobile allowance to include the Deputy City Manager/City Clerk and Finance Director, as well as authorize a deferred compensation contribution in the amount of \$10,000 for the Assistant City Manager/Director of Public Works classification. Lastly, the proposed Resolution eliminates the positions of Assistant City Manager, City Engineer/Public Works Director, and Assistant to the City Manager/City Clerk.

FISCAL IMPACT:

Implementation of the proposed phase two General Government Department reorganization is anticipated to result in annual General Fund savings of approximately \$203,000 beginning in Fiscal Year 2018/2019. There would be additional savings in the current fiscal year of approximately \$44,000.

ATTACHMENTS:

- Resolution Amending the MOU
- Resolution Amending Resolution No. 2016-11-22-3

RESOLUTION NO. 2018-02-27-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING TWO NEW JOB CLASSIFICATIONS ALONG WITH SALARY RANGES AND BENEFITS AND ELIMINATING TWO JOB CLASSIFICATIONS WITHIN THE BARGAINING UNIT COVERED BY THE MEMORANDUM OF UNDERSTANDING WITH THE LAGUNA HILLS CITY EMPLOYEES ASSOCIATION

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the City Council approved the Memorandum of Understanding ("MOU") between the City of Laguna Hills ("City") and the Laguna Hills City Employees Association ("Association") on June 28, 2016; and

WHEREAS, Section IV of the MOU specifies the job classifications within the bargaining unit covered by the MOU; and

WHEREAS, the City Council wishes to add two new job classifications to, and eliminate two existing job classifications from, that bargaining unit; and

WHEREAS, the purpose of this Resolution is to establish the two new job classifications and salary ranges for positions which will be included in the bargaining unit covered by the MOU and to eliminate two existing job classifications.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth herein are true and correct and are hereby incorporated by reference.

SECTION 2. The following job classifications are hereby created, included in the bargaining unit covered by the MOU, and assigned the following salary ranges:

FULL-TIME POSITIONS	MONTHLY RANGE	
Assistant City Clerk	\$ 6,551	\$ 7,963
Senior Management Analyst	\$ 7,528	\$ 9,150

SECTION 3. The following job classifications are hereby eliminated:

FULL-TIME POSITIONS	MONTHLY RANGE	
Finance Manager	\$ 10,110	\$ 12,289
Management Analyst	\$ 6,447	\$ 7,835

SECTION 4. The Association has been notified of the changes to the job classifications as set forth herein and no request to meet and confer regarding these changes has been received by the City.

SECTION 5. Except as otherwise specified to the contrary in this Resolution, all provisions shall be effective February 19, 2018.

PASSED, APPROVED, AND ADOPTED this 27th day of February 2018.

MELODY CARRUTH, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2018-02-27-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 27th day of February 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Resolution Amending the MOU (1491 : General Government Department Reorganization)

RESOLUTION NO. 2018-02-27-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING RESOLUTION NO. 2016-11-22-3 TO ESTABLISH NEW JOB CLASSIFICATIONS ALONG WITH SALARY RANGES AND BENEFITS

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the City Council approved Resolution No. 2016-11-22-3 on November 22, 2016, establishing the official plan of compensation for the City for job classifications defined as management, confidential, and part-time on; and

WHEREAS, Section 2 of Resolution No. 2016-11-22-3 specifies the classifications designated as management, confidential, and part-time and covered by the provisions of the Resolution; and

WHEREAS, the City Council wishes to establish new classifications and eliminate others covered by Resolution No. 2016-11-22-3.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth herein are true and correct and are hereby incorporated by reference.

SECTION 2. Section 2 of Resolution No. 2016-11-22-3 is hereby amended and restated in its entirety to read as follows:

SECTION 2. The following salary ranges are assigned to the classes of employment, which are hereby designated as management, confidential, and part-time for fiscal year 2017-2018. Unless specified otherwise herein, the provisions of this Resolution only apply to the following classifications:

FULL-TIME POSITIONS – CONFIDENTIAL		MONTHLY RANGE	
Executive Assistant to the City Manager		\$ 6,030	\$ 7,330

FULL-TIME POSITIONS – MANAGEMENT			
Assistant City Manager/Director of Public Services		\$ 14,121	\$ 17,163
City Manager		\$ 21,500	\$ 21,500
Community Development Director		\$ 13,726	\$ 16,685

Deputy City Manager/City Clerk	\$ 13,038	\$ 15,849
Deputy City Manager/Community Services Director	\$ 13,038	\$ 15,849
Finance Director	\$ 12,874	\$ 15,648

PART-TIME POSITIONS		
Code Enforcement Officer	\$ 25.68	\$ 30.81
Community Services Leader I	\$ 11.30	\$ 13.86
Community Services Leader II	\$ 13.86	\$ 16.43
Part-time Receptionist	\$ 17.46	\$ 17.46

SECTION 3. Section 3.I.F. of Resolution 2016-11-22-3 is hereby amended by adding the following deferred compensation amount for the Assistant City Manager/Director of Public Works classification only:

F. Effective July 1, 2018, the City shall contribute into a Section 457 deferred compensation program for the Assistant City Manager/Director of Public Works classification which shall be administered by the International City Management Association-Retirement Corporation (ICMA-RC) in the amount of ten thousand dollars (\$10,000.00) per year. This amount shall be paid in a lump sum on July 1 of each calendar year thereafter.

SECTION 4. Section 3.VI.A of Resolution No. 2016-11-22-3 is hereby amended and restated in its entirety to read as follows:

VI. AUTOMOBILE ALLOWANCE

A. The following positions, at the discretion of the City Manager, may be eligible for a monthly automobile allowance in lieu of mileage reimbursement:

Assistant City Manager/Director of Public Works	- \$ 650
Community Development Director	- \$ 600
Deputy City Manager/City Clerk	- \$ 600
Finance Director	- \$ 300

All other employees shall be reimbursed at the prevailing standard mileage rates established by the IRS.

SECTION 5. Except as otherwise specified to the contrary in this Resolution, all provisions set forth herein shall be effective February 19, 2018.

PASSED, APPROVED, AND ADOPTED this 27th day of February 2018.

MELODY CARRUTH, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution
No. 2018-02-27-X adopted by the City Council of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 27th day of February, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018

TO: Mayor and Council Members

FROM: Dan Meehan
Community Services Superintendent

ISSUE: 2018 Fourth of July Celebration Pre-Event Report and Fireworks Agreement

RECOMMENDATION: That the City Council: (1) Receive and file the 2018 Fourth of July Celebration pre-event report; (2) Approve the Fireworks Display Agreement between Fireworks and Stage FX America, LLC, and the City of Laguna Hills for the 2018 Fourth of July Fireworks Display; and (3) Authorize the Mayor to execute the Agreement.

SUMMARY:

The City of Laguna Hills will host its annual Fourth of July celebration at the Laguna Hills Sports Complex on Wednesday, July 4, 2018. The special event will be held from 4:00 p.m. to 9:30 p.m. and includes a number of activities in addition to the fireworks show. An Agreement between Fireworks and Stage FX America, LLC (FA) and the City will need to be executed for the 2018 fireworks display. The proposed show for 2018 will have approximately one thousand, one hundred and three (1,103) shells with a total cost of \$26,500. The show will be approximately 18 minutes in length.

BACKGROUND:

The City of Laguna Hills will host its annual Fourth of July celebration at the Laguna Hills Sports Complex on Wednesday, July 4, 2018. For the Fourth of July Celebration event this year the following activities are tentatively scheduled:

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Main Stage Entertainment:

- Straight 78 (70's through Contemporary Funk, Soul, and Rock)

Games:

- Soccer Kick
- Double Hoop Shot
- Football Toss

Carnival Rides:

- Two carnival rides

Activities:

- 40-foot Obstacle Course
- Spacewalk-Airwalk

Children's Activities

- Face Painting
- Crafts

City Information Booth: (To Date)

- Community Services Class/Event Promotion
- Recycling Information
- City Commissions

Vendor Booths: (TBD, invitations sent to the following)

- Dippin Dots - LHHS PTSA
- Churros, candy, pretzels, & nachos - LHHS Music Boosters
- Roasted Corn, iced tea, lemonade & pizza - Boy Scout Troop 1602
- Shaved ice - LHHS Water Polo Boosters
- Hot dogs & brownies - Festival Singers
- Chili & Cornbread - AYSO 1422

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-
- Water, soda & Gatorade - LHHS Football Boosters
 - Cupcakes and iced coffee - LHHS Lacrosse Boosters
 - Hamburgers and chips - LHHS Boys Basketball

The following is the tentative Schedule of Events:

- 4:00 p.m.** Event Begins
 Activities, games, music, food and vendor booths
- 8:50 p.m.** Mayor's Welcome/Comments
- 9:00 p.m.** National Anthem
- 9:05 p.m.** Fireworks Display

In addition to the activities listed above it is anticipated that "Team Dark Horse" will be present to support the adopted Marines of the 3/5 Battalion at this year's event. Marine's from the 3/5 Battalion may also be present.

Vendor booth rental forms were sent to all past vendors. Vendors who have participated previously in the Fourth of July Celebration have until late May to submit their request for a booth for 2018. After this date, food items that have not been secured by a past vendor may be given away to other interested Laguna Hills non-profit organizations.

Staff's recommendation is for the City Council to approve the attached Fireworks Display Agreement and to authorize the Mayor to execute the agreement with FA for the 2018 fireworks display. The proposed show for 2018 will have approximately one thousand, one hundred and three (1,103) shells, and cost \$26,500. The fireworks display will be approximately 18 minutes in length.

FISCAL IMPACT:

The budget for the 2018 Fourth of July event is \$58,450, which includes a fireworks budget of \$26,500. Estimated overall expenditures total \$58,450. Estimated net costs total \$52,250, which accounts for an estimated \$5,000 in ticket sales revenue and \$1,200 in vendor booth rentals.

ATTACHMENTS:

- Fireworks Display Agmt (2018)_Fireworks America Final

FIREWORKS DISPLAY AGREEMENT Fireworks and Stage FX America, Inc.

THIS FIREWORKS DISPLAY AGREEMENT (the "Agreement") is made, entered into, and effective this ____ day of February 2018, by and between the CITY OF LAGUNA HILLS, a California general law city organized and existing under the laws of the State of California ("City"), and FIREWORKS AND STAGE FX AMERICA, LLC, a California corporation, dba FIREWORKS AMERICA ("FA").

RECITALS

- A. FA designs, produces, and conducts public fireworks displays; and
- B. City desires to engage FA to design, produce and perform a public fireworks display on July 4, 2018, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the terms, conditions, and covenants contained herein, both parties hereto do mutually agree as follows.

AGREEMENT

1. Engagement. City hereby engages FA to provide to City one public fireworks display ("Display"), and FA accepts such engagement upon all of the promises, terms and conditions hereinafter set forth.

1.1 FA Duties. FA shall provide all pyrotechnic equipment, trained pyrotechnicians, shipping, pyrotechnic products, application for specific pyrotechnic permits (the cost of which, including standby fees, shall be paid by City) relating to the Display, and insurance covering the Display. Subject to Paragraph 18, FA shall provide the Display in substantial conformance with the duration, quantities and format outlined in the "Land Of The Free" Scope of Work, a copy of which is attached hereto as Exhibit "A" and is incorporated herein by this reference and made a part of this Agreement as though set forth fully herein. In the event of any inconsistency between the terms contained in Exhibit "A" and the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement shall govern.

1.2 City Duties. City shall provide the Site, as defined in Paragraph 2, for the discharge of the Display, access to the Site, security for the Site as set forth in Paragraph 11, and any authorization necessary for FA to utilize the Site for the Display.

1.3 FA Performance. As a material inducement to the City entering into this Agreement, FA acknowledges and understands that the Display contracted for under this Agreement requires specialized skills and abilities and that, consistent with this understanding, FA represents and warrants that it shall conduct the Display and perform all related services and work under this Agreement in a skillful and competent manner, and that it shall be held to a standard of quality and performance prevalent in the pyrotechnic industry for such Display service and work and with the standards recognized as being employed by contractors in the pyrotechnic field in the

State of California. FA further represents and warrants that it is skilled in the field of public fireworks displays and that it holds the necessary skills and abilities to satisfy the standard of quality and performance as set forth in this Agreement. FA further represents and warrants that it and all of its employees and subcontractors, if approved, providing services under this Agreement shall have sufficient skill and experience to perform the Display services and work assigned to them. All Display services and work shall be completed to the reasonable satisfaction of the City.

1.4 Term. This Agreement shall commence upon the effective date of this Agreement and continue in full force and effect until completion of all Display services and work.

2. Time and Place. The Display shall take place on July 4, 2018 ("Scheduled Date"), at approximately 9:00 p.m. ("Scheduled Time"), at the Laguna Hills High School located at 25401 Paseo de Valencia, Laguna Hills, CA, between the Tennis Court and Baseball Field, which is adjacent to the Laguna Hills Community Center located at 25555 Alicia Parkway, Laguna Hills, CA ("Site"). The Display will be under the direct supervision and control of a lead FA pyrotechnician as set forth in Paragraph 3. It is agreed that FA shall be the exclusive fireworks supplier and producer for the Display contracted for herein. City reserves the right to determine the actual start and stop time of the Display.

3. Lead Pyrotechnician.

3.1 Experience. The Display shall be conducted by and discharged under the direct supervision and control of a lead FA pyrotechnician that: (i) has a minimum of three years of experience providing public fireworks displays; and/or (ii) has successfully provided no less than ten public fireworks displays.

3.2 Verification of Credentials. FA shall furnish City with the name of the lead FA pyrotechnician responsible for the Display, a copy of his/her Basic Commercial or Special Effects 1st Class License, and a written summary of his/her prior experience and credentials. FA shall provide the documentation required by this Paragraph to the City by no later than May 29, 2018.

4. Fees, Interest, and Expenses.

4.1 Fee. City agrees to pay FA a fee of \$26,500.00 (Twenty Six Thousand Five Hundred Dollars) ("Display Fee") for the Display. City shall pay to FA \$13,250.00 (Thirteen Thousand Two Hundred Fifty Dollars) of the Display Fee as a deposit ("Deposit") upon execution of this Agreement by both parties. Except as otherwise provided below, the balance of the Display Fee shall be paid by City no later than July 18, 2018.

4.2 Interest. In the event that the Display Fee is not paid in a timely manner, City will be responsible for the payment of 1.5% interest per month or 18% annually on the unpaid balance.

4.3 Expenses. FA shall pay all normal expenses directly related to the Display including, but not limited to, freight, insurance as set forth herein, pyrotechnic products, pyrotechnic equipment, experienced pyrotechnic personnel to set up and discharge the pyrotechnics, and those additional items outlined as FA's responsibility under this Agreement. City shall pay all costs related to the Display not supplied by FA including, but not limited to, all

governmental fees and taxes, including sales, use, excise, license, permit, entertainment, or other fees, taxes or surcharges imposed or otherwise applied to the Display.

5. **Force Majeure.** City agrees to partially assume the risks of weather, strike, civil unrest, terrorism, military action, governmental action, and other causes beyond the control of FA, which may prevent the Display from being safely discharged on the Scheduled Date. If, for any such reason, FA is not reasonably able to safely discharge the Display on the Scheduled Date, City may: (i) reschedule the Display on a mutually agreed upon date occurring no later than six months from the Scheduled Date, and pay to FA the balance of the Display Fee within 15 business days of completion of the rescheduled Display; or (ii) cancel the Display, forfeit the Deposit, and be relieved of any obligation to pay to FA the balance of the Display Fee.

6. **Rescheduling.** City shall have the option to unilaterally reschedule the Display at any time prior to the Scheduled Date. Except as provided otherwise in Paragraph 5, if City elects to reschedule the Display, it shall pay to FA the balance of the Display Fee within 15 business days of completion of the rescheduled Display plus: (i) 5% of the Display Fee, or \$1,325.00 (One Thousand Three Hundred Twenty Five Dollars), if the City notifies FA of the request to reschedule before 12:00 a.m. on July 3, 2018; or (ii) 15% of the Display Fee, or \$3,975.00 (Three Thousand Nine Hundred Seventy Five Dollars), if the City notifies FA of the request to reschedule on or after 12:00 a.m. on July 3, 2018. The Display shall be rescheduled on a mutually agreed upon date occurring no later than six months from the Scheduled Date.

7. **Right to Cancel, Substantial Delay or Postponement.**

7.1 **Right to Cancel.** City shall have the option to unilaterally cancel the Display at any time prior to the Scheduled Date. If City elects to cancel the Display prior to the Scheduled Date for any reason other than force majeure pursuant to Paragraph 5, FA's inability to perform as a result of operator error, or malfunction or failure of pyrotechnic equipment or materials as provided in Paragraph 7.2(C), or FA's failure to fulfill its obligations under this Agreement, FA shall retain the Deposit, and the City shall pay to FA as liquidated damages: (i) 50% of the balance of the Display Fee, or \$6,625.00 (Six Thousand Six Hundred Twenty Five Dollars), if the City notifies FA of the cancellation at least 30 days prior to the Scheduled Date; (ii) 75% of the balance of the Display Fee, or \$9,937.50 (Nine Thousand Nine Hundred Thirty Seven Dollars and Fifty Cents), if the City notifies FA of the cancellation 15 to 29 days prior to the Scheduled Date; or (iii) 100% of the balance of the Display Fee, or \$13,250.00 (Thirteen Thousand Two Hundred Fifty Dollars), if the City notifies FA of the cancellation less than 15 days prior to the Scheduled Date.

7.2 **Substantial Delay or Postponement.** Both parties agree that the City will suffer damages as a result of any substantial delay or postponement of the Display resulting from operator error, or malfunction or failure of the pyrotechnic equipment or materials, and therefore agree to the following liquidated damages provisions:

A. If FA, as a result of operator error, or malfunction or failure of the pyrotechnic equipment or materials, is unable to start the Display within 5 to 15 minutes after the Scheduled Time, or if at any time after the Display has begun and is underway, there is/are a gap(s) or break(s) in the program lasting 2 to 5 minutes in total, FA shall pay to the City as liquidated damages 20% of the Display Fee, or \$5,300.00 (Five Thousand Three Hundred Dollars).

B. If FA, as a result of operator error, or malfunction or failure of the pyrotechnic equipment or materials, is unable to start the Display more than 15 to 30 minutes after the Scheduled Time, or if at any time after the Display has begun and is underway, there is/are a gap(s) or break(s) in the program lasting more than 5 to 15 minutes in total, FA shall pay to the City as liquidated damages 50% of the Display Fee, or \$13,250.00 (Thirteen Thousand Two Hundred Fifty Dollars).

C. If FA, as a result of operator error, or malfunction or failure of the pyrotechnic equipment or materials, is unable to start the Display for more than 30 minutes after the Scheduled Time, or at any time after the Display has begun and is underway, there is/are a gap(s) or break(s) in the program lasting more than 15 minutes in total, the City, in its sole discretion, may cancel the Display without incurring any liability for payment to FA and without any obligation to reschedule the Display. In either event, it is expressly agreed that FA shall pay to the City as liquidated damages 100% of the Display Fee, or \$26,500.00 (Twenty Six Thousand Five Hundred Dollars).

8. Notice of Rescheduling or Cancellation.

8.1 Notice Prior to Scheduled Date. In the event that the City elects to reschedule or cancel the Display prior to the Scheduled Date, the City shall communicate its decision to Kevin Brueckner of FA at go4pyro@aol.com and/or by phone to (800) 464-7976.

8.2 Notice on Scheduled Date. In the event that the City elects to reschedule or cancel the Display on the Scheduled Date, the City shall communicate its decision to Kevin Brueckner of FA at go4pyro@aol.com and/or by phone to (800) 464-7976. In addition, the City shall inform the lead FA pyrotechnician onsite of its decision as appropriate.

9. City Contract Officer. The City Manager, or his/her designee, shall be solely authorized to make decisions concerning this Agreement and the Display including, but not limited to, requests to reschedule or cancel the Display.

10. Safety. FA shall comply with applicable federal, state and local laws and regulations and employ safety policies and procedures, programs, protocols and other measures consistent with recognized applicable industry standards and practices. At all times before and during the Display, it shall be within FA's sole discretion and control to determine whether or not the Display may be safely discharged or continued. It shall not constitute a breach of this Agreement by FA to determine that the Display cannot be discharged or continued as a result of any conditions or circumstances affecting safety beyond the reasonable control of FA. Conditions or circumstances resulting from operator error, or malfunction or failure of the pyrotechnic equipment or materials shall not be deemed "beyond the reasonable control of FA" for purposes of this Paragraph and shall remain subject to the liquidated damages provisions set forth in Paragraph 7.2.

11. Security. City shall provide and maintain sufficient security personnel, barricades, and police services before, during and after the Display until the lead FA pyrotechnician declares the Site clear. The City shall also provide and maintain a shell casing fallout area clear of any

buildings, cars and spectators with a minimum 500-foot radius, or as may otherwise be specified by the current edition of *National Firework Protection Association 1123: Code for Fireworks Display* ("NFPA 1123"), as a Fire Safety Zone ("FSZ") from the time the fireworks are delivered to the Site until the lead FA pyrotechnician declares the Site clear. The approximate location and scope of the FSZ is depicted in Exhibit "B" attached hereto. It is understood and agreed that FA will cease the discharge of all fireworks due to any security breach of the FSZ. FA shall not be responsible for personal injury, vehicle or property damage occurring within the FSZ as a result of the City's failure to maintain the 500-foot radius FSZ clear of any buildings, cars, or spectators. Furthermore, City shall be responsible for any property damage to the Laguna Hills High School Tennis Court, Baseball Field, Track and/or Football Field solely within the FSZ caused by ordinary fallout from the Display. City acknowledges and agrees that FA's responsibilities are limited to the Display and that FA is relying on City to maintain the aforementioned FSZ and to comply with all Federal, State, and local laws, orders, regulations and ordinances pertaining to the implementation of any and all security measures at the FSZ. Any inspections of the FSZ by or on behalf of City made during setup of the Display shall be in accordance with the current edition of NFPA 1123, and under the direct supervision of the lead FA pyrotechnician. Any such inspection shall not interfere with the safety of the setup, discharge, or disassembly of the Display. The lead FA pyrotechnician may, at his/her sole discretion, cancel any inspection that in his/her opinion may compromise the safety of the setup, discharge, or disassembly of the Display.

12. Continuity. FA shall establish Display "continuity" (i.e., test and confirm the functionality of electrically fired pyrotechnic lines, channels and circuits) by no later than 7:00 p.m. on the Scheduled Date, or no less than two hours prior to the Scheduled Time as such time may be modified by the City.

13. Contract Subject to Government Regulation. This Agreement and FA's obligations and FA's performance hereunder are subject to all applicable Federal, State, and local laws, rules, ordinances, regulations and codes, now or hereinafter in effect, and to the conditions and limitations contained in any necessary permits, as set forth in Paragraph 14 ("Display Permits"). In the event any Federal, State, or local law, rule, regulation or ordinance shall be enacted which in any way prohibits, limits or restricts the sale, performance or operation of the exhibition of the Display or in the event the Display Permits in any way limit or restrict the sale, performance or operation of said exhibition, FA shall limit or restrict its performance of the Display so as to comply with such law, rule, regulation or ordinance or limitation or restriction of Display Permits. The City acknowledges that any such limit or restriction placed on the performance or operation of the Display shall in no way result in or entitle City to a reduction or abatement in the full contract price.

14. Permits. FA agrees to apply for permits for the firing of pyrotechnics from the Orange County Fire Authority, and if required, the FAA. The City shall be responsible for any fees associated with these permits, including standby fees. The City shall be responsible for obtaining any other necessary permits, paying associated fees, and making other appropriate arrangements for police services, other fire departments, road closures, event/activity or land use permits or any permission or permit required by any local, regional, state or federal government.

15. Cleanup. FA shall be responsible for the removal of all Display equipment and any live pyrotechnics from the Site. The City shall be responsible for cleaning the Site and FSZ.

16. Insurance and Indemnification.

16.1 Insurance. FA shall procure and maintain, at its sole cost and expense, and submit concurrently with its execution of this Agreement, in a form and content satisfactory to City, public liability and property damage insurance against any and all claims for injuries against persons or damages to property resulting from FA's performance under this Agreement. FA shall also carry workers' compensation insurance in accordance with California workers' compensation laws. Such insurance shall be kept in full force and effect during the term of this Agreement, including any extension thereof, and shall not be cancelable without thirty (30) days written notice to City of any proposed cancellation. Certificates of insurance evidencing the foregoing and designating the City and the Saddleback Valley Unified School District, their elected and appointed officials and officers, employees, agents, and volunteers as additional insureds by original endorsement shall be delivered to and approved by City prior to commencement of services. The procuring of such insurance and the delivery of policies, certificates, and endorsements evidencing the same shall not be construed as a limitation of FA's obligation to indemnify City and the Saddleback Valley Unified School District, their elected and appointed officials and officers, agents, employees, and volunteers.

16.1.1 Minimum Scope of Insurance. The minimum amount of insurance required hereunder shall be as follows:

A. Comprehensive general liability and personal injury with limits of at least five million dollars (\$5,000,000.00) per occurrence, six million dollars (\$6,000,000.00) in the general aggregate, and six million dollars (\$6,000,000.00) for products and completed operations; the commercial general liability policy shall name the City of Laguna Hills and the Saddleback Valley Unified School District as additional insureds;

B. Automobile liability insurance with limits of at least one million dollars (\$1,000,000.00) per occurrence;

C. Workers' compensation insurance in the statutory amount as required by the State of California, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

For any claims related to this Agreement, FA's insurance coverage shall be primary insurance as respects City and the Saddleback Valley Unified School District, and their respective elected and appointed officials and officers, employees, agents, and volunteers. Any insurance or self-insurance maintained by City or the Saddleback Valley Unified School District and their respective elected officials, officers, employees, agents, and volunteers shall be in excess of FA's insurance and shall not contribute with it. For workers' compensation and employer's liability insurance only, the insurer shall waive all rights of subrogation and contribution it may have against City, its elected and appointed officials and officers, employees, agents, and volunteers.

16.1.2 Sufficiency of Insurers. Insurance required herein shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Eligible Surplus Lines Insurers (LESLI), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund.

16.1.3 Verification of Coverage. FA shall furnish City with both certificates of insurance and original endorsements, including additional insured endorsements, effecting all of the coverages required by this Agreement. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is to be received and approved by the City by no later than May 30, 2018. City reserves the right to require FA's insurers to provide complete, certified copies of all required insurance policies at any time. Additional insured endorsements are not required for workers' compensation policies.

16.1.4 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City and the Saddleback Valley Unified School District, their elected officials, officers, employees, agents, and volunteers; or, FA shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

16.1.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City and the Saddleback Valley Unified School District, their directors, officials, officers, employees, agents, and volunteers.

16.2 Indemnification. To the fullest extent permitted by law, FA shall defend (at FA's sole cost and expense with legal counsel reasonably acceptable to the City), indemnify, protect, and hold harmless City and the Saddleback Valley Unified School District, their elected and appointed officials, officers, directors, employees, agents, and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (FA's employees included), for damage to property, including property owned by City and the Saddleback Valley Unified School District, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to FA's performance under this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit FA's indemnification obligation or other liability hereunder.

17. Attorney Fees. In the event any dispute between the parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing party all reasonable costs and expenses, including but not limited to reasonable attorney fees, expert consultant fees, court

costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding.

18. Substitutions. FA shall have the right, at its discretion, to substitute any fireworks it deems necessary provided same does not detract from the aesthetic value or quality of the Display. This includes, but is not limited to, shell sizes, quantities, types and brand names. Any substitutions shall in no way result in or entitle City to a reduction or abatement of the full contract price.

19. California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and FA covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

20. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the parties with respect to the subject matter hereof, and may not be changed, modified, renewed or extended except by a written agreement, signed by both parties.

21. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder

22. Amendment. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

23. Prohibition Against Subcontracting or Assignments. The experience, knowledge, capability, expertise, and reputation of FA, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, FA shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, voluntarily or by operation of law, without the prior written consent of City. FA shall not contract with any other entity to perform the Display service and work required without prior written consent of City. If FA is permitted to subcontract any part of this Agreement by City, FA shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any approved FA subcontractor and City.

24. Independent Contractor.

A. The legal relationship between the parties is that of an independent contractor, and nothing herein shall be deemed to make FA a City employee. During the performance of this Agreement, FA and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. The personnel performing

the Display services under this Agreement on behalf of FA shall at all times be under FA's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of FA or any of its officers, employees, or agents, except as set forth in this Agreement. FA, its officers, employees, or agents shall not maintain an office or any other type of fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of FA's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service. FA shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of FA in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. FA shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

C. No City benefits shall be available to FA, its officers, employees, or agents in connection with any performance under this Agreement. Except for professional fees paid to FA as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to FA for the performance of the Display services and work under this Agreement. City shall not be liable for compensation or indemnification to FA, its officers, employees, or agents, for injury or sickness arising out of performing the Display services and work hereunder. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 4 herein of any nature relating to salary, taxes, or benefits of FA's officers, employees, servants, representatives, subcontractors, or agents, FA shall indemnify City for all such financial obligations.

25. Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties. The terms of this Agreement are contractual and the result of negotiation between the parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

26. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. Any waiver by the parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the parties from enforcing the full provisions hereof.

27. Rights and Remedies Cumulative. Except with respect to rights and remedies expressly

declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

28. Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

29. Third Party Beneficiary. Except as may be expressly provided for herein, nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.

30. Notice. Except as set forth in Paragraph 8, any notice, request, demand, direction, or other communication required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return-receipt-requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Any notice or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered. Other forms of electronic transmission such as e-mails, text messages, instant messages are not acceptable manners of notice required hereunder. Notices or other communications shall be addressed as follows:

To City:

City of Laguna Hills
Attention: City Manager
24035 El Toro Road
Laguna Hills, CA 92653
Telephone: (949) 707-2600
Facsimile: (949) 707-2614

To Fireworks and Stage FX America, LLC:

Fireworks America
Attention: Kevin T. Brueckner, President
12485 Highway 67 North
Lakeside, CA. 92040
Telephone: (800) 464-7976
Facsimile: (619) 938-8273

31. Binding Effect. This Agreement shall not be binding on either party until executed by both City and FA.

32. Corporate Authority. Each of the undersigned represents and warrants that (i) the party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the party for which he/she is signing, (iii) by so executing this Agreement, the party for which he/she is signing is formally bound to the

provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the party for which he/she is signing is bound.

[Signatures on Following Page]

Attachment: Fireworks Display Agmt (2018)_Fireworks America Final (1499 : Fourth of July)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

**“CITY”
City of Laguna Hills**

Date: _____

By: _____
Melody Carruth,
Mayor

APPROVED AS TO FORM:

ATTEST

By: _____
Gregory E. Simonian,
City Attorney

By: _____
Melissa Au-Yeung,
City Clerk

**“FA”
Fireworks and Stage FX America, LLC**

Date: _____

By : _____
Kevin T. Brueckner, President

Date: _____

By : _____
Scott Danielson, General Manager

Attachment: Fireworks Display Agmt (2018)_Fireworks America Final (1499 : Fourth of July)

Exhibit A
Scope of Work
for
City of Laguna Hills
2018 Fourth of July Celebration

Attachment: Fireworks Display Agmt (2018)_Fireworks America Final (1499 : Fourth of July)

City of Laguna Hills



Presents

Celebrate Freedom

A Fireworks Extravaganza

July 4th, 2018

Produced by



"The Difference is Quality"

National Anthem

Program A

Rockets Red Glare

4" 2

Bombs Bursting In Air

3" 10

Red, White & Blue Finale

3" 10

Aerial Grand Finale

Program A

Color and Multi-Color Finale Shells

3" 300

4" 16

Aerial Flash Salutes

3" 200

Finale Crown

5" 10

Aerial Show Presentation

Aerial Titanium Flash Salutes

3" 20

Color and Multi-Color Aerial Shells

3" 130

4" 60

5" 45

Flitter, Glitter, Electric Color and
Color Changing Shells

3" 100

4" 50

5" 25

Distinctive and Unique Aerial Shells

3" 50

4" 25

5" 12

Streaking Comets & Tiger Tails

3" 10

Premium Aerial Shells

3" 10

4" 10

5" 8

Grand Totals

Aerial Shells

3" 840

4" 163

5" 100

Total Aerial Shells
1103

Program Price

Total Program Price Inclusive of
Insurance, Operator and
Transportation

Cost \$26,500

Show Duration 18 Minutes



Fireworks America Products

The Quality Difference

Fireworks America has sought to affiliate itself with world renown-award winning manufacturers, both foreign and domestic. In every show you will find only the highest quality products and variety which will far surpass those of our competitors.

Product Definitions Are:

Color and Multi-Color include standard one color products and multiple colors such as Chrysanthemums, Peonies and Hearts, Red, Green and Blue, Variegated, etc.

Our variety is unmatched and as such we can guarantee over 40 varieties in this category.

Compare to our competitors "Color", "Fancy", some "Extra Fancy", "Standard" or "Japanese Style Deluxe" Shells.

Classic: includes Flitter, Glitter, Electric Color and Color Changing Transformation Penny Glitter, Glitter & Color, Magnesium Red Electric, Red to Blue, Comets, etc. Our variety is unmatched and as such we can guarantee over 50 varieties in this category.

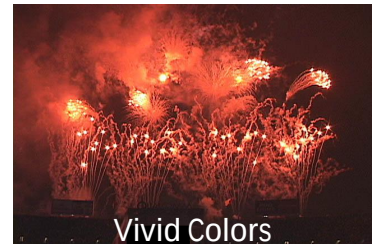
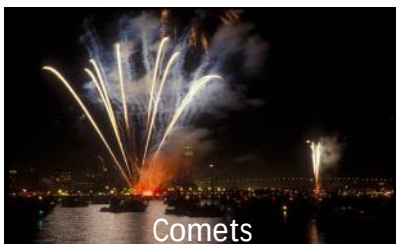
Compare to our competitors "Extra Fancy", "Floral", "Classic" or "Japanese Style Super Effect" Shells

Select: Shells feature Distinctive and Unique Aerial Shells including, Spiders, Multiple Reports, Strobes, Multiple Effect Shells, Domestic Glittering Comets, . Crackling Effects, Double Ring Shells, Saturn Shells, Tourbillion Shells, Special Pattern Shells, Weeping Willow Shells, Shell of Shells and Serpentine Shells, etc..

Compare to our competitors "Special", "Special Effect", or "Japanese Style Special Effect" Shells.

Premium: Aerial Shells include Crossettes, Serpents, Whistles, Whistles and Reports, Serpents and Strobes, Fish and Whistles, Tourbillions to Reports, Thunder and Rainbow, Serpents and Stars, Nishiki Kamuros, and many other American Made Specialty Shells.

Our competitors cannot compare with our Domestically-Made Superstars.



City of Laguna Hills
**Show Concept, Services List,
 and Miscellaneous Details**

Services List:

Fireworks America to Provide:

- 1) Permit Filings as Required
- 2) Storage and Delivery of fireworks
- 3) All Equipment to produce the display
- 4) Insurance Aggregate amount of \$10,000,000 (Sample attached)
- 5) Worker's Compensation Insurance (Statute)
- 6) Music CD or MP3
- 7) Choreography

City of Laguna Hills to Provide:

- 1) A Suitable Firing Site
- 2) Adequate Security for Firing Site
- 3) Sand & Sand Removal, if req'd
- 4) Permit Fees
- 5) Standby Firefighter Fees, if req'd
- 6) Sound System and Playback
- 7) Minimum permit times as required below

Minimum Time Required

Fireworks America will provide permitting services on your behalf. There are minimum times required to pull these permits. Contracts and deposits must be signed and back to us prior to starting these services. Here are the **minimum permit times**.

Land Based Shows require a minimum of **30 days** to permit based on Local and State Ordinance, FAA and other requirements.

Water based shows require a minimum of **60 days** to permit based on all of the above PLUS Coast Guard requirements.

Please plan your show accordingly.

Operators and Assistants:

Fireworks America will provide the services of a State Licensed Pyrotechnic Operator and experienced crew to fire your display. The entire crew will be covered under Fireworks America's Worker's Compensation Insurance.

City of Laguna Hills
**Show Concept, Services List,
 and Miscellaneous Details**

Payment Terms:

50% of the Sum is to be paid to FA at the signing of the Contract,
 Balance Net 10 Days After Display

Method of Discharge:

The show will be fired electrically. Each fireworks event will have its own ignitor for precise timing. Fireworks America will provide the firing panel, cable, distribution system and power for the show.

Choreography:

The program will be choreographed utilizing the latest innovation in computerized-fireworks choreography. This will allow maximum accuracy in firing and timing of the display. The fireworks will follow the music precisely and provide an exhilarating experience for the viewer.




**Fireworks
 & Stage FX
 America**



Exhibit B
Approximate Fire Safety Zone
for
City of Laguna Hills
2018 Fourth of July Celebration

Attachment: Fireworks Display Agmt (2018)_Fireworks America Final (1499 : Fourth of July)





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 27, 2018
TO: Mayor and Council Members
FROM: Dan Meehan
Community Services Superintendent
ISSUE: Community Services 2017 Year End Report

RECOMMENDATION: That the City Council receive and file the report.

SUMMARY:

Community Services staff prepare a Year End Report which is presented to the Parks and Recreation Commission at its February meeting each year. The purpose of the Year End Report is to highlight the major accomplishments of the past calendar year along with providing information on facility reservations, program registration and evaluations, and costs associated with the maintenance of the Community Center building. Attached to this Staff Report for the City Council's review is the 2017 Community Services Year End Report. Staff will provide a presentation of this information and will also highlight new programs and events for 2018.

ATTACHMENTS:

- Year End Report 2017 Draft

City of Laguna Hills

Community Services Department Year End Report

Attachment: Year End Report 2017 Draft (1500 : Community Services Year End Report)

Staffing

The Community Services Department is comprised of six full-time staff, one regular part-time staff, and thirty part-time and seasonal employees. The mission statement of the department is to “Provide quality recreation programming that promotes a healthy lifestyle, self-esteem, family life, and community spirit.” To fulfill the objectives of this mission statement, the Community Services Department offers recreation programs, City wide special events, senior programs, disability services, adult sports leagues, and manages the operation of the 43,000 square foot Community Center building and Sports Complex. The purpose of this report is to highlight the major accomplishments of the past year, as well as to highlight information such as facility reservation totals, program registration, and costs associated with the maintenance of the Community Center building.

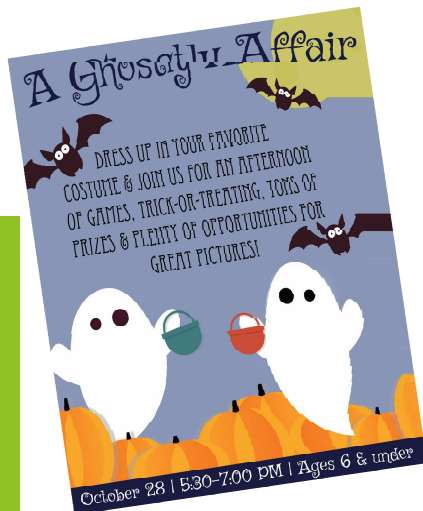
Department Highlights

The following is a listing of some of the 2017 Community Services Department highlights and accomplishments:

- u A Community Services Department Work Program for FY 2015/16-2016/17 was to “evaluate current use at the Hockey Rink and recommend other recreation multiple use of the facility to maximize use of the rink.” Pickleball lines were painted on the rink surface in 2016, and participation has remained steady on Monday and Thursday evenings. Additionally, South Coast Roller Derby has rented the rink three times per week throughout 2017, which positively impacted overall facility reservation revenue.
- u A Garage Clean-Up and Document Shredding event was held at the Laguna Hills High School parking lot on Saturday, April 15, 2017. Between the hours of 9 a.m. and 12 p.m., approximately 350 cars drove through and dropped off bulky items and documents to be shredded. Twelve (12) 40 cubic yard bins were filled with bulky items, and 11,440 pounds of paper were shredded and diverted away from local landfills.

Special Events

The Community Services Department once again offered a variety of family oriented, seasonal special events. Nearly 14,000 participants attended the special events offered during 2017 (this includes the estimate for the 4th of July event which is ~10,000). Listed on the following pages are the special events offered during 2017 as well as participation numbers for each event for 2015, 2016 and 2017.



Daddy Daughter Dinner Dance

The Community Services Department hosted its annual Daddy Daughter Dinner Dance on Friday, February 10, 2017. Two hundred and six (206) participants enjoyed the “Alice in Wonderland” theme and dined on pasta, salad, and rolls, provided by Villa Roma. The participants were then invited to dance the night away and take funny photos with staff dressed as characters from the popular children’s movie. The table below provides an event attendance comparison for years 2015 through 2017.

2015	2016	2017
206	208	206



Volunteer Connection Day & Shredding Event

The City's annual Volunteer Connection Day took place on Saturday, April 15, 2017. Thirty four (34) volunteers were welcomed by Commissioners and staff before participating in the day's projects. Volunteers broke off into groups to assist trail clean-ups of the Aliso Creek Trail, Veeh Ranch Trail, Juan Avila Trail and the Edison Easement Trail. Volunteers also planted fifteen (15) pine trees at Knotty Pine Park in recognition of Arbor Day. In addition, 300 participants dropped off 11,440lbs of documents for shredding during a four hour time period from 8am-12pm. The volunteers concluded their work just before noon and were provided a thank you luncheon at the Community Center which was donated by local restaurants.

2015	2016	2017
60	51	34

Fourth of July

Approximately 10,000 people attended the city's annual Fourth of July Celebration on Tuesday, July 4, 2017. The special event took place between the hours of 4:00 pm and 9:30 p.m. and included a number of activities; carnival rides, games, informational material, food booths, entertainment and fireworks show. Fireworks America provided an excellent fireworks display with a duration of 18 minutes. Expenditures for the 2017 Fourth of July Celebration totaled \$55,648. Net costs for the event totaled \$50,520, when factoring in \$4,228 in ticket sales revenue and \$900 in vendor booth rentals revenue.

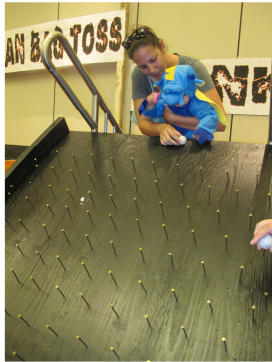
2015	2016	2017
~10,000	~10,000	~10,000



A Ghostly Affair

On Saturday, October 28, 2017, the Community Center’s Heritage room was the site of a Halloween carnival. One hundred twenty-five (125) children ages 6 and younger came out in their favorite Halloween costumes and were able to play multiple carnival games, make crafts to take home, and take pictures with various Halloween characters. The afternoon included ghoulish snacks and an opportunity to trick-or-treat.

2015	2016	2017
93	125	125



Haunted Hills

“Haunted Hills” took place on both Friday, October 27 and Saturday, October 28, 2017 from 8:30pm-10:00pm. The Community Center’s Heritage room was transformed into a haunted maze and drew a combined total of Ninety-Nine (99) participants ages 7 and older. Having the “Haunted Hills” for two nights allowed for participants to come out to see if they could find the many zombies sneaking and lurking around the Community Center.

2015	2016	2017
82	175	99

Breakfast with Santa

On Saturday, December 9, 2017 one hundred eighty-two (182) participants came to the Community Center for pictures, crafts and breakfast with Santa. Community Services staff and Parks and Recreation Commissioners served a pancake breakfast.

2015	2016	2017
175	180	182



Memorial Day Half Marathon, 10K & 5K

The 19th annual City of Laguna Hills Memorial Day Half Marathon, 10K and 5K honoring the USMC Dark Horse Battalion took place on Monday, May 29, 2017. Three thousand, two hundred forty-five runners (3,245) participated in the event. A number of Marines ran in the half marathon again this year, which along with the 5k and 10k, was led from the start line by Grand Marshall Hospital Corpsman Third Class Stuart Fuke. Total 2017 event expenditures, including staff time, were \$191,793 and event revenues totaled \$162,652.

2015	2016	2017
3,990	3,696	3,245



Facility Maintenance Repair

The Community Services Department manages the 18 acre Community Center and Sports Complex. The Community Center facility is maintained by Essex Property Management. In addition to general maintenance repair costs, routine services associated with the facility include the following:

- u Indoor plant service
- u Elevator service
- u Pest control service
- u Air conditioning service
- u Plumbing and electrical service
- u Fire alarm testing
- u Security system

The Community Center facility maintenance costs for 2017 totaled \$74,890. The table below provides a comparison of the Maintenance and Repairs expenditures for the previous three years. The budget for FY 2016/17 was \$70,000. In addition, the Public Services department administered the landscape maintenance contract for the Sports Complex facility in 2017, and the costs for those service contracts are not reflected in the totals presented in Table 1.

Table 1: Maintenance and Repair Costs per Calendar Year

2015	2016	2017
\$78,711	\$98,774	\$74,890

Facility Reservations

The Laguna Hills Community Center and Sports Complex continues to serve the community for numerous facility reservation needs, which include wedding receptions, memorials, business seminars, quinceaneras, and HOA meetings. The Sports Complex fields, picnic shelters and paleo themed playground are busy throughout the year. The tables below presents a comparison for facility and field rental revenue for 2015 through 2017.

Table 2: Reservation Revenue Comparison

Facility	2015	2016	2017
Heritage Room	\$129,884.65	\$112,098.00	\$128,697.00
Meeting Room A/B/C	\$34,425.00	\$32,172.50	\$42,576.25
Art Room	\$10,020.00	\$8,342.50	\$9,822.50
Physical Activity Room	\$0.00	\$0.00	\$175.00
Large Classroom	\$11,692.00	\$6,718.25	\$10,305.00
Individual Classroom	\$188.75	\$120.00	\$0.00
Gymnasium	\$12,945.00	\$14,865.00	\$17,077.50
Tower Room	\$485.00	\$180.00	\$811.25
Picnic Shelters	\$4,495.00	\$4,317.50	\$9,415.00
Half Soccer Field	\$9,743.75	\$6,730.00	\$2,457.50
Full Soccer Field	\$6,210.00	\$5,870.00	\$2,027.50
Baseball Field	\$5,707.00	\$3,516.25	\$5,578.75
Softball Field	\$4,002.50	\$4,342.50	\$7,450.00
Roller Hockey Rink	0.00	\$6,275.00	\$12,300.00
Total Revenue	\$229,798.65	\$205,547.40	\$248,893.25

Table 3: Reservation Stats by Rental Category

	2015		2016		2017	
	Hours	Percentage of Revenue	Hours	Percentage of Revenue	Hours	Percentage of Revenue
Resident Non-Profit	1,690	52.8%	1,546	52.0%	1647.75	43.2%
Resident Private	915.50	28.6%	795.50	26.8%	933	24.5%
Non-Resident Non-Profit	134	4.2%	138	4.7%	631	16.6%
Non-Resident Private	185	5.8%	216.50	7.5%	354.5	9.3%
Commercial	275.50	8.6%	265.50	9.0%	244.25	6.4%
Totals	3,200		2,961.50		3,810.50	

Program Registration

The City offered 603 recreation classes during 2017. Senior fitness and cultural arts programming, offered at the Laguna Hills Community Center, is managed by the Emeritus program at Saddleback College, and had 3,464 participants in 2017. Attachment A to this report provides a class enrollment breakdown for all Emeritus classes offered. A total of 5,314 people participated in recreation programs offered in 2017, and program revenue for 2017 totaled \$356,434. For a means of comparison, enrollment and revenue totals for 2015 through 2017 are provided in the Figures 1 and 2 on the following page.



Figure 1: Number of Annual Program Registrants

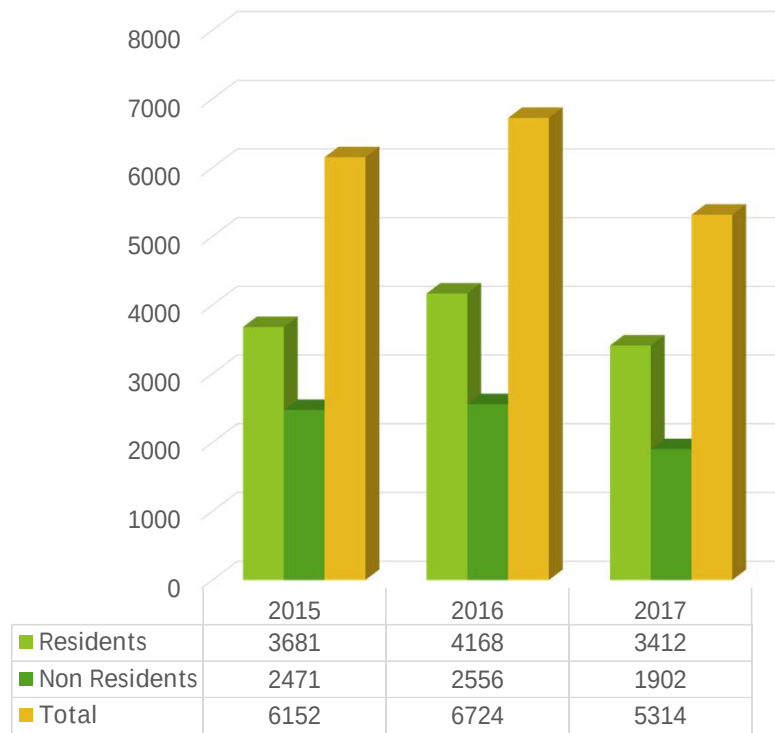


Figure 2: Program Registration Revenue

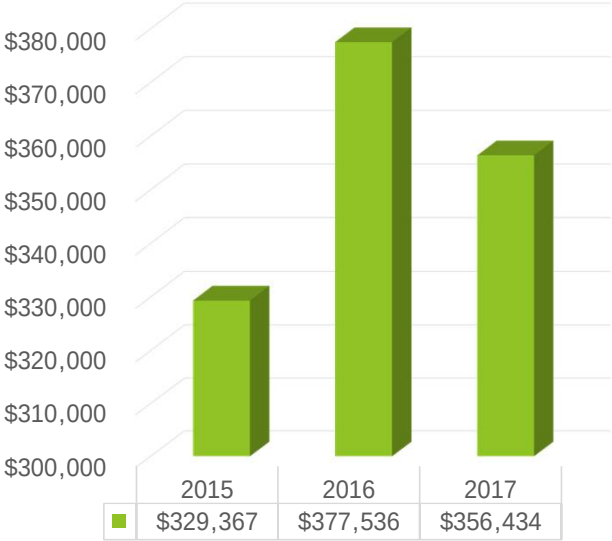


Table 4 below provides a breakdown of classes offered by category, along with a comparison between calendar years 2015 and 2016.

Table 4: Class Age Category Comparison

		2015		2016		2017	
Category	Age	# of Classes	% of Program Offerings	# of Classes	% of Program Offerings	# of Classes	% of Program Offerings
Early Childhood	1.5-6 years	89	22%	79	15%	100	16%
Children	6-12 years	97	20%	106	20%	163	27%
Teen	13-17 years	78	18%	192	37%	58	10%
Adult	18 and older	154	40%	143	28%	282	47%
	Total	418		520		603	

