



**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY
REGULAR MEETING AGENDA
FEBRUARY 10, 2015**

**Closed Session at 6:00 PM (*when scheduled*)
General Business Session at 7:00 PM**

Dore J. Gilbert, M.D., Mayor

Barbara Kogerman, Mayor Pro Tempore

Andrew Blount, Council Member

Melody Carruth, Council Member

Don Sedgwick, Council Member

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, California 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.

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

ANNOUNCEMENT OF CLOSED SESSION ITEMS

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Paragraph (1) of subdivision (d) of Government Code Section 54956.9

Name of Claimant: Avery M. Price

Claim No.: C1311

Date of Claim: October 30, 2013

PUBLIC COMMENT ON CLOSED SESSION ITEMS

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

RECONVENE TO CITY COUNCIL CHAMBER

RECESS

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: MAYOR PRO TEMPORE KOGERMAN

ROLL CALL OF CITY COUNCIL MEMBERS:

CLOSED SESSION REPORT

1. PRESENTATIONS AND PROCLAMATIONS

1.1 INTRODUCTION OF NEW LAGUNA HILLS' SHERIFF DEPUTIES

RECOMMENDATION: THAT MAYOR GILBERT INTRODUCE DEPUTY ERIK TILOVE, DEPUTY PETER KIM AND DEPUTY TIMOTHY OTT AS THE CITY'S NEW ORANGE COUNTY SHERIFF DEPUTIES.

1.2 APPOINTMENT OF LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON MATTHEW SHULMAN FOR THE 2015 SPRING SEMESTER

RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CERTIFICATE OF APPOINTMENT TO STUDENT LIAISON MATTHEW SHULMAN.

1.3 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AN ORAL REPORT FROM LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON MATTHEW SHULMAN.

1.4 OATHS OF OFFICE FOR PARKS AND RECREATION COMMISSIONERS AND TRAFFIC COMMISSIONERS

RECOMMENDATION: THAT THE CITY CLERK ADMINISTER THE OATHS OF OFFICE AND MAYOR GILBERT PRESENT CERTIFICATES OF APPOINTMENT TO PARKS AND RECREATION COMMISSIONERS DANIEL COOPER, MAYA DOUGLAS, AND CHRIS MACKEY AND TRAFFIC COMMISSIONERS MARK JONES AND GREG STAAR.

1.5 ORANGE COUNTY HUMAN RELATIONS COUNCIL ANNUAL REPORT

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AN ORAL PRESENTATION FROM KEN INOUE, COMMISSIONER, WITH THE ORANGE COUNTY HUMAN RELATIONS COUNCIL.

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 JANUARY 27, 2015, REGULAR MEETING

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE MINUTES OF THE JANUARY 27, 2015, REGULAR MEETING.

3.3 APPROVAL OF MINUTES FOR JANUARY 27, 2015, SPECIAL MEETING

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE MINUTES OF THE JANUARY 27, 2015, SPECIAL MEETING.

3.4 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDING FEBRUARY 10, 2015

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$678,049.13.

3.5 PROPOSED LEASE WITH THE SENATE RULES COMMITTEE (SENATOR PAT BATES) FOR 24031 EL TORO ROAD, SUITE 201A, LAGUNA HILLS, CALIFORNIA

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE LEASE WITH THE SENATE RULES COMMITTEE FOR 24031 EL TORO ROAD, SUITE 201A, LAGUNA HILLS, CALIFORNIA, AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE LEASE.

3.6 PROGRESS PAYMENT NO. 5 FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-I

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE PROGRESS PAYMENT NO. 5, IN THE NET AMOUNT OF \$77,750.88, TO ALL AMERICAN ASPHALT, FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-I.

3.7 AUTHORIZATION FOR THE DIRECT PURCHASE OF PLAYGROUND EQUIPMENT AND AUTHORIZATION TO ADVERTISE FOR BIDS FOR THE STOCKPORT PARK RENOVATION PROJECT, CIP NO. 239B

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PLANS AND SPECIFICATIONS AND AUTHORIZE THE ADVERTISEMENT FOR BIDS FOR THE STOCKPORT PARK RENOVATION PROJECT AND AUTHORIZE THE SOLE SOURCE PURCHASE OF PLAYGROUND EQUIPMENT, CIP NO. 239B.

3.8 ADOPTION OF AN ORDINANCE AMENDING CHAPTER 2-28 OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT AN ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS."

3.9 CITY COUNCIL "OTHER AGENCIES" APPOINTED REPRESENTATIVES

RECOMMENDATION: THAT THE CITY COUNCIL APPOINT COUNCIL MEMBER CARRUTH TO SERVE ON THE OC PUBLIC LIBRARIES- LIBRARY ADVISORY BOARD; AND APPOINT COUNCIL MEMBER BLOUNT TO SERVE ON THE SOUTH ORANGE COUNTY WATERSHED MANAGEMENT AREA EXECUTIVE COMMITTEE.

3.10 UPGRADE TO THE AUDIO-VISUAL SYSTEM AT THE LAGUNA HILLS COMMUNITY CENTER AND ANNUAL MAINTENANCE OF THE AUDIO-VISUAL SYSTEM AT THE COMMUNITY CENTER AND THE CIVIC CENTER.

RECOMMENDATION: THAT THE CITY COUNCIL: (1) APPROVE THE PROFESSIONAL SERVICES AGREEMENT BETWEEN VIZUAL SYMPHONY, INC. ,AND THE CITY OF LAGUNA HILLS FOR THE UPGRADE OF THE AUDIO-VISUAL SYSTEM AT THE COMMUNITY CENTER FOR A NOT TO EXCEED COST OF \$60,000 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND (2) THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO ENTER INTO A TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF \$6,500 FOR THE NEW AV SYSTEM AT THE LAGUNA HILLS COMMUNITY CENTER; AND (3) THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO ENTER INTO A TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF \$19,500 FOR THE AV SYSTEM AT THE CIVIC CENTER.

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 JANUARY 27, 2015

RECOMMENDATION: THAT THE PLANNING AGENCY APPROVE THE MINUTES OF THE JANUARY 27, 2015, REGULAR MEETING.

4.4 PLANNING AGENCY PUBLIC HEARINGS

- 4.4.1 CONDITIONAL USE PERMIT/SITE DEVELOPMENT PERMIT/ VARIANCE/ MASTER SIGN PROGRAM (CUP/SDPM/VA/MSP) NO. 10-14-3013, A REQUEST BY PM DESIGN GROUP ON BEHALF OF RAISING CANE'S TO REDEVELOP THE PROPERTY AT 23971 EL TORO ROAD IN THE VILLAGE COMMERCIAL ZONE INCLUDING DEMOLITION OF THE EXISTING SHELL STATION AND CONSTRUCTION AND OPERATION OF A NEW DRIVE-THRU RESTAURANT

RECOMMENDATION: THAT THE PLANNING AGENCY: (1) CONDUCT A PUBLIC HEARING FOR CUP/SDPM/VA/MSP NO. 10-14-3013; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DENYING CONDITIONAL USE PERMIT/ SITE DEVELOPMENT PERMIT/ VARIANCE/ MASTER SIGN PROGRAM (CUP/SDPM/VA/MSP) NO. 10-14-3013, A REQUEST BY PM DESIGN GROUP ON BEHALF OF RAISING CANE'S TO REDEVELOP THE PROPERTY AT 23971 EL TORO ROAD IN THE VILLAGE COMMERCIAL ZONE INCLUDING DEMOLITION OF THE EXISTING SHELL STATION AND CONSTRUCTION AND OPERATION OF A NEW DRIVE-THRU RESTAURANT."

PLANNING AGENCY ADJOURNMENT

PUBLIC IMPROVEMENT CORPORATION

ROLL CALL OF PUBLIC IMPROVEMENT CORPORATION

PUBLIC COMMENTS

ELECTION OF PUBLIC IMPROVEMENT CORPORATION OFFICERS

RECOMMENDATION: THAT THE BOARD OF DIRECTORS ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE LAGUNA HILLS PUBLIC IMPROVEMENT CORPORATION, LAGUNA HILLS, CALIFORNIA, ELECTING OFFICERS FOR 2015."

APPROVAL OF MINUTES FOR FEBRUARY 11, 2014

RECOMMENDATION: THAT THE PUBLIC IMPROVEMENT CORPORATION APPROVE THE MINUTES OF THE FEBRUARY 11, 2014, REGULAR MEETING.

PUBLIC IMPROVEMENT CORPORATION ADJOURNMENT

JOINT PLANNING AGENCY/CITY COUNCIL MEETING

ROLL CALL OF JOINT PLANNING AGENCY/CITY COUNCIL MEETING

PUBLIC COMMENTS

CONSIDERATION OF A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, TO AMEND AN EXISTING DEVELOPMENT AGREEMENT AND MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN ON-SITE IMPROVEMENTS IN PHASE 1 OF THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA

RECOMMENDATION: RECOMMENDATION: (1) THAT THE PLANNING AGENCY AND CITY COUNCIL CONDUCT A JOINT PUBLIC HEARING TO CONSIDER THE PROPOSED DEVELOPMENT AGREEMENT AMENDMENT AND MODIFICATION TO CONDITION OF APPROVAL NO. 47 OF THE EXISTING LAND USE ENTITLEMENTS FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA;

(2) THAT THE CITY COUNCIL INTRODUCE FOR FIRST READING, READ BY TITLE ONLY, AND WAIVE FURTHER READING OF AN ORDINANCE ENTITLED, "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE SHOPPING CENTER

REDEVELOPMENT PROJECT; AND

(3) THAT THE PLANNING AGENCY ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING RESOLUTION NOS. PA2014-02-11-2 AND PA2012-11-13-1 TO MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/ PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN PHASE 1 ON-SITE IMPROVEMENTS, A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA."

JOINT PLANNING AGENCY/CITY COUNCIL MEETING ADJOURNMENT**5. CITY COUNCIL PUBLIC HEARINGS**

5.1 CITY APPLICATION FOR FY 2015/2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR PUBLIC FACILITIES AND IMPROVEMENTS FOR THE FLORENCE SYLVESTER MEMORIAL SENIOR CENTER

RECOMMENDATION: THAT THE CITY COUNCIL: (1) CONDUCT A PUBLIC HEARING, AND (2) CONFIRM STAFF'S SUBMITTAL OF A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION FOR PUBLIC FACILITIES AND IMPROVEMENTS FOR THE 2015/2016 FISCAL YEAR.

6. ADMINISTRATIVE REPORTS

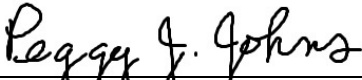
6.1 City Manager

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS AND MAYOR**8. CITY COUNCIL MEMBER COMMENTS****ADJOURNMENT**

The next Regular Meeting of the City Council will be February 24, 2015, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, PEGGY J. JOHNS, 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 La Paz Center by February 6, 2015, at 5:00 PM



PEGGY J. JOHNS, CITY CLERK

February 6, 2015

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.

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



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: LEIUTENANT ROLAND CHACON
POLICE SERVICES**

ISSUE: INTRODUCTION OF NEW LAGUNA HILLS' SHERIFF DEPUTIES

RECOMMENDATION: THAT MAYOR GILBERT INTRODUCE DEPUTY ERIK TILOVE, DEPUTY PETER KIM AND DEPUTY TIMOTHY OTT AS THE CITY'S NEW ORANGE COUNTY SHERIFF DEPUTIES.

SUMMARY:

It is with pleasure to report that this past year, three Orange County Sheriff Deputies passed their training and are the newest addition to the Laguna Hills Police Services Department: Deputy Erik Tilove; Deputy Peter Kim and Deputy Timothy Ott. Please welcome these three new members of the Orange County Sheriff Department to the Laguna Hills Family.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: PEGGY J. JOHNS
CITY CLERK

ISSUE: APPOINTMENT OF LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON
MATTHEW SHULMAN FOR THE 2015 SPRING SEMESTER

RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CERTIFICATE OF
APPOINTMENT TO STUDENT LIAISON MATTHEW SHULMAN.

SUMMARY:

The Laguna Hills High School Student Liaison Program is set up to provide for the Student Liaison Alternate to assume the position of Student Liaison after serving as the Alternate for one semester. This past fall, Daniel Bushner served as the Student Liaison and Matthew Shulman served as the Alternate, and it is in order for Matthew to take the oath as Student Liaison for the spring 2015 semester. There is currently no one selected as the Alternate. Interviews will occur in the spring to select a new Student Liaison and Alternate for the fall 2015 semester.

The City Clerk met with Matthew Shulman just prior to this meeting to administer the oath of office.

ATTACHMENTS:

- Certificate of Appointment

CERTIFICATE OF APPOINTMENT

be it known that

MATTHEW SHULMAN

*on February 10, 2015, took the
Oath of Office
and on this date began serving as the*

STUDENT LIAISON

for the City of Laguna Hills

Dated this 10th day of February 2015.

DORE J. GILBERT, M.D., MAYOR



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: PEGGY J. JOHNS
CITY CLERK**

**ISSUE: OATHS OF OFFICE FOR PARKS AND RECREATION COMMISSIONERS
AND TRAFFIC COMMISSIONERS**

RECOMMENDATION: THAT THE CITY CLERK ADMINISTER THE OATHS OF OFFICE AND MAYOR GILBERT PRESENT CERTIFICATES OF APPOINTMENT TO PARKS AND RECREATION COMMISSIONERS DANIEL COOPER, MAYA DOUGLAS, AND CHRIS MACKEY AND TRAFFIC COMMISSIONERS MARK JONES AND GREG STAAR.

SUMMARY:

At its Special meeting held on January 27, 2015, the City Council made the following appointments:

Parks and Recreation Commission

Daniel Cooper
Maya Douglas
Chris Mackey

Traffic Commission

Mark Jones
Greg Staar

The terms for these Commissioners will be through January 31, 2019.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: PEGGY J. JOHNS
CITY CLERK

ISSUE: ORANGE COUNTY HUMAN RELATIONS COUNCIL ANNUAL REPORT

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AN ORAL PRESENTATION FROM KEN INOUE, COMMISSIONER, WITH THE ORANGE COUNTY HUMAN RELATIONS COUNCIL.

SUMMARY:

Ken Inouye, Commissioner with the Orange County Human Relations Council, will be present at the meeting to make a brief presentation and give the City Council Members the Human Relations Council's Annual Report. In the presentation, Mr. Inouye will report on data collected by the Council specific to activities in the City of Laguna Hills, including hate crimes and incidents,

**CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL/PLANNING AGENCY
REGULAR MEETING
MINUTES
JANUARY 27, 2015**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

Mayor Gilbert called the Regular Meeting of the City Council of the City of Laguna Hills, California, to order at 7:03 PM in the Laguna Hills City Council Chamber, 24305 El Toro Road, Laguna Hills, California.

PLEDGE OF ALLEGIANCE: Council Member Blount

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Mayor Gilbert, Mayor Pro Tempore Kogerman, Council Member Blount, Council Member Carruth, and Council Member Sedgwick.

CLOSED SESSION REPORT

There was no Closed Session scheduled.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 CERTIFICATE OF RECOGNITION, DANIEL BUSHNER, LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON FOR THE FALL 2014 SEMESTER

MAYOR GILBERT PRESENTED A CERTIFICATE TO DANIEL BUSHNER RECOGNIZING HIS SERVICE AS THE LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON.

1.2 APPOINTMENT OF LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON MATTHEW SHULMAN FOR THE 2015 SPRING SEMESTER

THIS ITEM WAS CONTINUED TO THE FEBRUARY 10, 2015, CITY COUNCIL MEETING.

1.3 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON

THE CITY COUNCIL RECEIVED AN ORAL REPORT FROM LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON DANIEL BUSHNER ON BEHALF OF MATTHEW SHULMAN.

1.4 PRESENTATION FROM THE SOUTH ORANGE COUNTY ECONOMIC COALITION (SOCEC) ON THE SOUTH ORANGE COUNTY ECONOMIC REPORT

THE CITY COUNCIL RECEIVED A PRESENTATION FROM BRIAN LOCHRIE, REPRESENTATIVE WITH THE SOUTH ORANGE COUNTY ECONOMIC COALITION, REGARDING THE SOUTH ORANGE COUNTY ECONOMIC REPORT.

2. PUBLIC COMMENTS

There were no Public Comments.

3. CONSENT CALENDAR

**MOTION TO APPROVE THE CONSENT CALENDAR, BY M/COUNCIL MEMBER CARRUTH, S/COUNCIL MEMBER SEDGWICK.
APPROVED BY A VOTE OF 5-0.**

3.1 WAIVE READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA

THE CITY COUNCIL WAIVED READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA AND DECLARED 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 13, 2015

THE CITY COUNCIL APPROVED THE MINUTES OF THE JANUARY 13, 2015, REGULAR MEETING.

3.3 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED JANUARY 27, 2015

THE CITY COUNCIL APPROVED THE WARRANT REGISTER IN THE AMOUNT OF \$890,512.66.

3.4 LOMARENA ELEMENTARY SCHOOL TRAFFIC IMPROVEMENTS, MODIFICATION OF EXISTING PARKING REGULATIONS ON EARHART ROAD

THE CITY COUNCIL ADOPTED RESOLUTION NO. 2015-01-27-1, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, MODIFYING THE EXISTING PARKING REGULATIONS ON EARHART ROAD TO ESTABLISH A 'NO PARKING ANYTIME' ZONE ALONG THE SOUTHERLY SIDE OF EARHART ROAD FROM THE LOMARENA ELEMENTARY SCHOOL WESTERLY ENTRANCE DRIVEWAY TO 40 FEET WESTERLY THEREOF.

3.5 ADOPTION OF AN ORDINANCE AMENDING SECTION 1-32.050 OF CHAPTER 1-32 OF TITLE 1 OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO RECOVERY OF ATTORNEYS' FEES IN NUISANCE ABATEMENT ACTIONS

THE CITY COUNCIL ADOPTED ORDINANCE NO. 2015-1, AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING SECTION 1-32.050 (RECOVERY OF NUISANCE ABATEMENT EXPENSES) OF CHAPTER 1-32 (GENERAL PENALTY) OF TITLE 1 (GENERAL PROVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO RECOVERY OF ATTORNEYS' FEES IN NUISANCE ABATEMENT ACTIONS.

- 3.6 PROGRESS PAYMENT NO. 13 FOR THE LA PAZ OPEN SPACE PROJECT, CIP NO. 615A

THE CITY COUNCIL APPROVED PROGRESS PAYMENT NO. 13, IN THE NET AMOUNT OF \$1,140.00, TO ENVIRONMENTAL CONSTRUCTION, INC., FOR LA PAZ OPEN SPACE IMPROVEMENTS, CIP NO. 615A.

- 3.7 CIVIC CENTER SECOND QUARTER FINANCIAL REPORT FOR FY 2014/2015

THE CITY COUNCIL RECEIVED AND FILED THE REPORT.

- 3.8 SECOND QUARTER FINANCIAL AND TREASURER'S REPORT FOR FY 2014/15

THE CITY COUNCIL RECEIVED AND FILED THE REPORT.

4. PLANNING AGENCY

Mayor Gilbert 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 7:21 PM.

- 4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Gilbert, Vice Chair Kogerman, Agency Member Blount, Agency Member Carruth, and Agency Member Sedgwick.

- 4.2 PUBLIC COMMENTS

There were no Public Comments.

- 4.3 APPROVAL OF MINUTES FOR JANUARY 13, 2015

**THE PLANNING AGENCY APPROVED THE MINUTES OF THE JANUARY 13, 2015, REGULAR MEETING, BY M/AGENCY MEMBER CARRUTH, S/AGENCY MEMBER BLOUNT.
APPROVED BY A VOTE OF 5-0.**

- 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 Gilbert reconvened the City Council Meeting at 7:22 PM. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS

6.1 City Manager

There was no City Manager report.

6.2 City Attorney

- 6.2.1 AN ORDINANCE AMENDING CHAPTER 2-28 OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

THE CITY COUNCIL INTRODUCED FOR FIRST READING, READ BY TITLE ONLY, AND WAIVED FURTHER READING OF AN ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER CARRUTH. APPROVED BY A VOTE OF 5-0.

6.3 City Clerk

- 6.3.1 CITY COUNCIL "OTHER AGENCIES" APPOINTED REPRESENTATIVES

THE CITY COUNCIL APPOINTED COUNCIL MEMBER CARRUTH TO CONTINUE TO SERVE AS THE REPRESENTATIVE FOR THE TRANSPORTATION CORRIDOR AGENCY; AND APPOINTED COUNCIL MEMBER BLOUNT AS ALTERNATE TO ATTEND THE SCAG GENERAL ASSEMBLY MEETING, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER BLOUNT. APPROVED BY A VOTE OF 5-0.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS AND MAYOR

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

8. CITY COUNCIL MEMBER COMMENTS

MAYOR GILBERT

Mayor Gilbert clarified the process to remove and vote on Consent Calendar items.

Mayor Gilbert thanked the Orange County Fire Authority on the courageous work that they provide to the community.

MAYOR PRO TEMPORE KOGERMAN

Mayor Pro Tempore Kogerman thanked City Council members for attending and voting at the OCCOG meeting on Thursday, January 22, 2015, on her behalf. Council Members congratulated Mayor Pro Tempore Kogerman on her bid for the OCCOG/SCAG Regional District 13 seat.

COUNCIL MEMBER SEDGWICK

Council Member Sedgwick reported on his attendance at the Orange County Fire Authority meeting held on January 22, 2015.

Council Member Sedgwick reported that he and his son recently volunteered at the County of Orange "Point-In-Time" Camp for the Homeless.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Gilbert adjourned the City Council Meeting at 7:38 PM.

PEGGY J. JOHNS, CITY CLERK

ATTEST:

DORE J. GILBERT, M.D., MAYOR

APPROVED AT MEETING OF _____

**CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL SPECIAL MEETING
MINUTES
JANUARY 27, 2015**

CALL TO ORDER

Mayor Gilbert called the Special Meeting of the City Council of the City of Laguna Hills, California, to order at 4:00 p.m. in the Community Development Conference Room, 24035 El Toro Road, Laguna Hills.

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Mayor Gilbert, Mayor Pro Tempore Kogerman, Council Member Blount, Council Member Carruth, and Council Member Sedgwick

PUBLIC COMMENTS

There were no Public Comments.

**INTERVIEWS AND APPOINTMENTS TO THE TRAFFIC COMMISSION AND
PARKS AND RECREATION COMMISSION**

The City Council Members conducted interviews of applicants for two vacancies on the Traffic Commission and three vacancies on the Parks & Recreation Commission.

IT WAS THE CONSENSUS OF THE CITY COUNCIL TO APPOINT MARK JONES AND GREG STAAR TO THE TRAFFIC COMMISSION, AND RE-APPOINT CHRIS MACKEY, DANIEL COOPER, AND APPOINT MAYA DOUGLAS TO THE PARKS AND RECREATION COMMISSION.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Gilbert declared the meeting adjourned at 6:15 PM.

PEGGY J. JOHNS, CITY CLERK

ATTEST:

DORE J. GILBERT, MAYOR

APPROVED AT THE MEETING OF FEBRUARY 10, 2015.



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: FEBRUARY 10, 2015
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED
FEBRUARY 10, 2015.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$678,049.13.

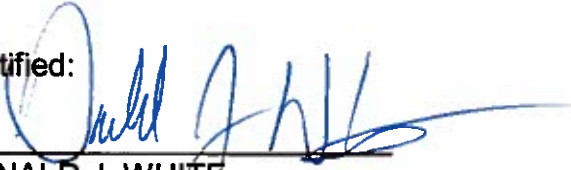
SUMMARY:

In accordance with Government Code Section 37202, the attached Warrant Register reflects the disbursements of the City of Laguna Hills for the period reported thereon. The Assistant City Manager 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.

Prepared by:

JANICE MATEO REYES
Finance Manager

Certified:


DONALD J. WHITE
Assistant City Manager

2-4-15
DATE

FISCAL IMPACT:

The warrant register total is \$678,049.13.

ATTACHMENTS:

1. Warrant Register

Check Register Report

Warrant Register 02/10/15

Date: 01/30/2015

Time: 2:04 pm

Page: 1

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8808568	01/22/2015	Printed		A-0277	ALICEA, MIA	Contract Inst Svcs., Dance	18,420.50
8808569	01/22/2015	Printed		C-1177	CANON FINANCIAL SERVICES, INC.	Lease - Copier, CH, Jan '15	221.41
8808570	01/22/2015	Printed		C-0023	COX COMMUNICATION	T1 Line- Civic Center, Jan '15	313.13
8808571	01/22/2015	Printed		C-1146	CYBERSOURCE CORPORATION	Gateway Expense, Dec '14	29.00
8808572	01/22/2015	Printed		I-0942	IRVINE RANCH WATER DISTRICT	Water Usage, Parks, Dec '14	128.31
8808573	01/22/2015	Printed		C-0448	LUCY, STEVEN	Program Expense, CS, 01/16/15	500.00
8808574	01/22/2015	Printed		R-1830	RALPHS GROCERY COMPANY	Program Supplies, CS, Dec '14	17.98
8808575	01/22/2015	Printed		R-1964	REFUND, COMMUNITY DEV FEES	Refund, SDPA Fees, CR# 49661	200.00
8808576	01/22/2015	Printed		R-1942	REFUND, VEHICLE CITATION	KCJ Engineering, Cit# LH101269	250.00
8808577	01/22/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	J. Stout, V# 2003359.002	120.00
8808578	01/22/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	R. Garcia, V# 2003362.002	250.00
8808579	01/22/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	S. Salgado, V# 2003360.002	225.00
8808580	01/22/2015	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC, Comm Ctr,Dec	27,396.52
8808581	01/22/2015	Printed		S-2253	SOCAL OFFICE TECHNOLOGIES-LEAS	Lease-Copier, CC, Jan '15	965.73
8808582	01/22/2015	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Dec '14	473.45
8808583	01/22/2015	Printed		S-2250	SPARKLETT'S	Operating Supplies, CS, Jan'15	66.93
8808584	01/22/2015	Printed		S-1907	SPRINT	Communication Expense, CS,Dec	86.03
8808585	01/29/2015	Printed		A-0277	ALICEA, MIA	Contract Inst Svcs., Dance	196.00
8808586	01/29/2015	Printed		A-0184	ALL AMERICAN ASPHALT	Progress Payment #5 CIP #101 I	77,750.90
8808587	01/29/2015	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 1/4-1/17	3,693.60
8808588	01/29/2015	Printed		A-0331	AT&T MOBILITY	Wireless Service, Feb '15	62.54
8808589	01/29/2015	Printed		A-0309	AT&T- CALNET 2	Traf Sig, PW, Alarm, CC, Jan	82.52
8808590	01/29/2015	Printed		B-0304	BEE MAN, THE	Bee Removal, Parks, Jan '15	325.00
8808591	01/29/2015	Printed		B-0332	BRAME, MARILYN	Contract Inst Svcs, Drawing	552.30
8808592	01/29/2015	Printed		C-0412	C&D ELECTRIC, INC.	Lighting Repairs, Parks, Jan	65.00
8808593	01/29/2015	Printed		C-1154	CARRINO, MARGARET	Paleontologist Services, Nov	75.00
8808594	01/29/2015	Printed		C-1022	CDW GOVERNMENT, INC.	Software, Email & Back-up	2,795.00
8808595	01/29/2015	Printed		C-1144	CHARLES ABBOTT ASSOCIATES, INC	Road Maintenance, Nov-Dec	70,945.20
8808596	01/29/2015	Printed		C-1180	CIVIL SOURCE, INC.	NPDES Permit Inspections, Dec	1,764.00
8808597	01/29/2015	Printed		C-0447	COMMUNITY BANK	AllAmericanAsphaltEscrow#2253	4,092.15
8808598	01/29/2015	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Comp, Office & Operating, Supp	569.48
8808599	01/29/2015	Printed		C-0060	COUNTY OF ORANGE\PF&RD	CARITS, & Moulton Oct-Dec '14	340,825.26
8808600	01/29/2015	Printed		C-0023	COX COMMUNICATION	T1 Line- Civic Center, Feb '15	313.13
8808601	01/29/2015	Printed		C-0358	CSMFO	Membership Dues, 2015	110.00
8808602	01/29/2015	Printed		D-0552	DUNBAR ARMORED, INC.	Courier Fee, Armored Trans,Jan	118.89
8808603	01/29/2015	Printed		E-0595	ECLIPSE MESSENGER SERVICE, INC	Delivery Service, Jan '15	23.92
8808604	01/29/2015	Printed		E-0554	ECONOMICS, INC.	Prof Svcs, Recycling Prog,Dec	2,018.33
8808605	01/29/2015	Printed		E-0593	EISENBERG, DALE	Contract Inst Svcs., Aikido	1,088.50
8808606	01/29/2015	Printed		E-0504	EL TORO WATER DISTRICT	Water Usage, Parks, Dec '14	5,435.94
8808607	01/29/2015	Printed		E-0553	ELKINS, CHRISTINA	Contract Inst Svcs., Dance	218.40
8808608	01/29/2015	Printed		G-0791	GORMAN, RON	Contract Inst Svcs, Guitar	546.00
8808609	01/29/2015	Printed		H-0805	HARRINGTON GEOTECH ENGINEERING	Professional Fees, CIP # 101	606.00
8808610	01/29/2015	Printed		I-0965	INT'L COUNCIL OF SHOPPING	Membership, Admin, 2015	50.00
8808611	01/29/2015	Printed		I-0960	IRV SEAVER MOTORCYCLES	Motorcycle Maint, PS, Jan '15	1,998.82
8808612	01/29/2015	Printed		G-0709	JOE A. GONSALVES & SON	Legislative Services, Feb	2,900.00
8808613	01/29/2015	Printed		K-1126	KNIGHT, LORNA ANGELA	Contract Inst Svcs, Yoga	2,409.68
8808614	01/29/2015	Printed		C-1007	LAW ENFORCEMENT	FingerprintID Sys & Comm Exp.	4,698.00
8808615	01/29/2015	Printed		C-0448	LUCY, STEVEN	Program Expense, CS, 02/06/15	500.00
8808616	01/29/2015	Printed		M-1552	MARTIN-RUSK, DINA	Contract Instr Svcs, Zumba	245.70
8808617	01/29/2015	Printed		M-1529	MERCURY DISPOSAL SYSTEM, INC.	Battery & Lightbulb Recycle	251.30
8808618	01/29/2015	Printed		M-1502	MIGLIACCIO, JENNIFER	Cntr Inst Svcs Early Childhood	4,658.50

Check Register Report

Warrant Register 02/10/15

Date: 01/30/2015

Time: 2:04 pm

Page: 2

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8808619	01/29/2015	Printed		M-1396	MONOGRAM MAGIC	Maintenance, Uniform, PS	273.16
8808620	01/29/2015	Printed		M-1491	MYERS, JOHN	Contract Inst Svcs, Tennis	572.00
8808621	01/29/2015	Printed		N-1474	NIEVES LANDSCAPE, INC.	Other Assorted Landscape	5,427.50
8808622	01/29/2015	Printed		C-1008	NPDES	Professional Svcs, CIP # 410	279.18
8808623	01/29/2015	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies, Jan	328.78
8808624	01/29/2015	Printed		O-1552	ORANGE COUNTY FIRE AUTHORITY	Remit, Fire Fees Collected,Dec	7,701.00
8808625	01/29/2015	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CH,10/21-4/28/15	263.95
8808626	01/29/2015	Printed		P-1804	PATROL ONE	Security for Cruz CC Reserv	294.00
8808627	01/29/2015	Printed		P-1823	PSB INTEGRATED MARKETING	Prof Fees, Comb. Issue, Winter	7,395.00
8808628	01/29/2015	Printed		R-1943	RAMIREZ, CHRISTINA	Mileage Reimb., Admin,Nov-Dec	7.68
8808629	01/29/2015	Printed		R-1964	REFUND, COMMUNITY DEV FEES	Refund, C&D Deposit, CR# 49050	817.25
8808630	01/29/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	Sunset Place, V# 2003365.002	250.00
8808631	01/29/2015	Printed		R-1939	REYES, JANICE MATEO	Petty Cash Replenish, Jan '15	760.58
8808632	01/29/2015	Printed		R-1855	RICHARD FISHER ASSOCIATES	Prof Services, CIP# 239, 240	12,711.62
8808633	01/29/2015	Printed		S-2037	SADDLEBACK FAMILY &URGENT CARE	Pre-employ Phys, Dec '14	65.00
8808634	01/29/2015	Printed		S-2108	SALISBURY, ELENA	Contract Inst Svcs, Music	1,725.50
8808635	01/29/2015	Printed		S-1935	SAN JOAQUIN HILLS TRANSPORT	Remit, Trans Corridor Fees,Nov	9,960.00
8808636	01/29/2015	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Jan '15	2,115.06
8808637	01/29/2015	Printed		S-2059	STAPLETON, VIVIAN	Cntr Inst Svcs Early Childhood	542.50
8808638	01/29/2015	Printed		T-2682	THE LIFE TRENDS GROUP,	AED, Management Fee 2015	420.00
8808639	01/29/2015	Printed		T-2681	TOTALFUNDS BY HASLER	Postage Replenishment, Dec '14	1,000.00
8808640	01/29/2015	Printed		U-2163	USA DANCE, INC.	Contract Inst Svcs, Dancing	168.00
8808641	01/29/2015	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Dec '14	1,200.00
8808642	01/29/2015	Printed		R-1801	WOODRUFF, SPRADLIN & SMART	Professional Svcs, Legal, Dec	42,066.49
8808643	01/29/2015	Printed		X-2400	XEROX CORPORATION	Lease-Copier,FinalPay	55.83
				Total Checks: 76		Checks Total (excluding void checks):	678,049.13
				Total Payments: 76		Bank Total (excluding void checks):	678,049.13
				Total Payments: 76		Grand Total (excluding void checks):	678,049.13

CITY OF LAGUNA HILLS
ACCOUNTS PAYABLE CASH FLOW
FY14-15

Month	W/Reg Date	Ck Date	A/P Ck Series No.	Prepaid Warrants		Regular Warrants		Total Warrants
				#	Amount	#	Amount	
Feb'15	02/10/15							
	#12	01/22/15	8808568	17	49,663.99			49,663.99
		01/29/15	8808585	16	16,647.04		611,738.10	628,385.14
			Total Warrant Register 02/10/15		66,311.03		611,738.10	678,049.13



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: DONALD J. WHITE
ASSISTANT CITY MANAGER

ISSUE: PROPOSED LEASE WITH THE SENATE RULES COMMITTEE (SENATOR PAT BATES) FOR 24031 EL TORO ROAD, SUITE 201A, LAGUNA HILLS, CALIFORNIA

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE LEASE WITH THE SENATE RULES COMMITTEE FOR 24031 EL TORO ROAD, SUITE 201A, LAGUNA HILLS, CALIFORNIA, AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE LEASE.

SUMMARY:

Staff was recently approached by newly elected State Senator, Patricia Bates, about renting space at the Civic Center for her South Orange County District Office. Staff has worked with the Senator and her staff to secure a suite that would accommodate her needs. The solution arrived at is to demise Suite 201 to create two suites: 201A (1,277 sq. ft.) and 201B (1,381 sq. ft.). Staff was already in the process of evaluating this split of Suite 201 to meet market demand. The Senate Rules Committee handles all leases for Senate District space and staff has negotiated terms acceptable to the City for Suite 201A. The following are key lease terms and fiscal analysis based on 8 years:

Term:	4 years with a 4-year option
Rentable Square Feet:	1,277
Upfront Capital:	\$79,830 (proportionate share of cost to demise)
Rate:	Year 1 – 2.17 (annual \$.05 increases thereafter)
Total Rent Payments:	\$287,478
Net Present Value:	\$65,368

Discount Rate: 12%

At the time this report was written, the Lease document from the Senate Rules Committee was not available to attach to this report. The Lease will be provided to the City Council prior to the meeting. The lease term is initially for four years with the prospect for an additional four years should the Senator be reelected. The Lease allows the Senate Rules Committee to terminate the lease with a thirty (30) days' notice and the lease terminates within thirty (30) days immediately following the death, resignation or other removal from office of Senator Patricia Bates as a member of the Senate. Even if the space is vacated after four years, it still yields the City a positive net present value. Staff is recommending approval of the Lease.

FISCAL IMPACT:

As noted above, total rent payment for 8 years will total \$287,478 with a net present value of \$65,368. It should be noted that demising Suite 201 may require a transfer of up to \$166,000 from the General Fund to the Civic Center Enterprise Fund. Once the actual figure is determined, staff will bring a report to the City Council authorizing the transfer and amending the Civic Center budget.

ATTACHMENTS:

- Lease to be provided in advance of the meeting.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: KENNETH H. ROSENFELD
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER

ISSUE: PROGRESS PAYMENT NO. 5 FOR CITYWIDE PAVEMENT
REHABILITATION PROJECT, CIP NO. 101-I

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE PROGRESS
PAYMENT NO. 5, IN THE NET AMOUNT OF \$77,750.88, TO ALL AMERICAN
ASPHALT, FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-I.

SUMMARY:

Work on the Citywide Pavement Rehabilitation Project, CIP No. 101-I, began on August 15, 2014, and is being performed by All American Asphalt. Work performed in December 2014 included grinding, asphalt concrete overlay, adjusting manholes to grade, adjusting water valves to grade and painting of lines and legends. The contractor has submitted the fifth progress payment request for approval.

BACKGROUND:

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A five-percent (5%) retention is withheld from each payment to assure final performance of the work. The contractor for the project, All American Asphalt, has submitted the fifth progress payment for the subject project as follows. It is noted that two individual invoices from the contractor, Invoices 165284 and 165285, have been combined herein as Progress Payment No. 5.

ITEM #	DESCRIPTION	QUANTITY	UNIT	\$	AMOUNT
1	Clearing and Grubbing	0.10	LS	\$80,019.00	\$ 8,001.90
3	Cold Plane	13,816.00	SF	\$0.17	\$ 2,348.72
5	AC Overlay	310.95	T	\$73.50	\$ 22,854.83
6	Adjust Manhole to grade	26	EA	\$310.00	\$ 8,060.00
7	Adjust Watervalue to grade	94	EA	\$260.00	\$ 24,440.00
8	Traffic Loops	20	EA	\$200.00	\$ 4,000.00
10	Striping and Markings	0.40	LS	\$30,344.00	<u>\$ 12,136.00</u>
Total To Date				\$1,779,805.91	
Less Prior Billing				<u>\$1,697,962.87</u>	
Total This Period				\$ 81,843.04	\$81,843.04
Less 5% Retention					<u>\$ (4,092.16)</u>
					\$77,750.88

FISCAL IMPACT:

The progress payment is within the 2014-15 Fiscal Year Capital Improvement Program Budget for the Citywide Pavement Rehabilitation Project, CIP No. 101-I.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: KENNETH H. ROSENFELD
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER

ISSUE: AUTHORIZATION FOR THE DIRECT PURCHASE OF PLAYGROUND EQUIPMENT AND AUTHORIZATION TO ADVERTISE FOR BIDS FOR THE STOCKPORT PARK RENOVATION PROJECT, CIP NO. 239B

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PLANS AND SPECIFICATIONS AND AUTHORIZE THE ADVERTISEMENT FOR BIDS FOR THE STOCKPORT PARK RENOVATION PROJECT AND AUTHORIZE THE SOLE SOURCE PURCHASE OF PLAYGROUND EQUIPMENT, CIP NO. 239B.

SUMMARY:

The Capital Improvement Program Budget includes funding for the renovation of Stockport Park to update the playground equipment and surfacing, to replace worn amenities, such as picnic tables, and to renovate and fence the easterly slope landscape area. This matter was initially presented to the Parks and Recreation Commission on February 1, 2012, at which time the Commission recommended the project proceed. However, funding constraints resulted in a rescheduling of the project implementation to this Fiscal Year. The project was again presented to the Parks and Recreation Commission and the public on December 3, 2014, for review. This presentation included new information about the planned removal of approximately 15 very tall Eucalyptus trees from the easterly slope that are leaning over the playground and picnic area. After accepting public comments, the Commission recommended the project proceed as designed. The Plans and Specifications are complete and the project is ready to be advertised for bids.

BACKGROUND:

Stockport Park, a four acre local park, is located at the intersection of Stockport Street and Wilkes Avenue, please see the attached vicinity map. The City has a program to renew and update local parks on a cyclic basis with Stockport Park being the next facility planned for improvements. The Stockport Park Renovation Project, as shown on the attached Site Plan and Detail Plan, consists of updating the playground equipment, replacing the

playground surfacing, upgrading the sand play feature to include a “sand table” design, replacing worn facilities (picnic tables, drinking fountain and surfacing of the “hop scotch area”) and adding fencing, irrigation and plantings of the easterly slope area. In addition, 15 eucalyptus trees on the easterly slope have been determined to need removal as these very tall Eucalyptus trees are overhanging the Picnic Area and Playground.

The Parks and Recreation Commission was presented the Stockport Park renovation project at the meeting of February 1, 2012, at which time the Commission approved the project and recommended it proceed to construction. However, funding constraints resulted in a rescheduling of the project implementation to this Fiscal Year. The project was again presented to the Parks and Recreation Commission and the public on December 3, 2014. All residents adjacent to the Park were invited to attend the Commission meeting to comment upon the plan. One member of the public commented that he recommended saving as many trees as possible on the easterly slope and installing “larger” replacement trees on the slope, if possible. Two youths addressed the Commission and requested a basketball court in lieu of the volleyball court and the removal of the wood chips from the playground. A written comment was also received from another resident with requests for additional trash cans, a dog bowl associated with the drinking fountain and a fenced dog run. The project includes removal of the wood chip surfacing from the playground, additional trash cans and a drinking fountain with a dog bowl feature. The slope tree replacements are a combination of Jacaranda and California Pepper trees that are moderately quick growing and will provide a wide spread canopy. All new trees are of the 24” box size, the largest size that can be accommodated on the slope. There is no plan to include a fenced dog run or basketball court in Stockport Park. The Commission recommended the project proceed as presented.

The park playground equipment has been evaluated for condition by the manufacturer’s (Landscape Structures) representative, Coast Recreation, Inc., and the major components were found to be in good and serviceable condition. The most heavily used parts, the ladders, handrails and play panels, have been well worn from use, as would be expected, and are due for replacement. The track slide will be replaced with a new play feature accessible to all playground users. The playground surfacing will be replaced with rubber surfacing and a raised sand table play feature will be created making the sand play feature and all playground amenities accessible to visitors in wheelchairs. Coast Recreation, Inc., has provided the attached Proposal for the updates to the playground equipment. The new playground equipment is necessarily from the same manufacturer as the original equipment for cost controls, fit, consistency, warranty and maintenance purposes. A sole source purchase of the playground equipment is proposed in accordance with Purchasing Code Section 3-08.110A.

The easterly slope of the park will receive new irrigation and plantings. This area will be fenced to eliminate its use by park visitors, allow for full landscape growth and to reduce erosion. An inspection by a certified arborist identified 15 very tall and leaning Eucalyptus trees on this slope in need of removal as the trees are overhanging the playground and picnic areas and, in addition, the tree removals will allow for new tree growth. This tree

removal was not identified in the 2012 plan, is a new improvement to the site and was presented to the Commission at their December 3rd meeting. This tree removal will be accomplished by separate contract forces in advance of the park renovation.

The plans and specifications for the Stockport Park Renovation Project are complete, are on file with the office of the City Clerk, and ready for approval and authorization to go to bid. The project construction is anticipated to begin in April 2015 for a period of 90 days.

CEQA:

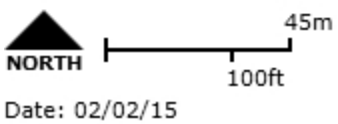
This project is categorically exempt under maintenance of existing facilities

FISCAL IMPACT:

The Stockport Park Renovation Project is funded in the current Capital Improvement Program Budget in the amount of \$300,000. The Landscape Architect's cost estimate for the project construction is \$260,000 plus the cost of the playground equipment in the amount of \$24,454.08, for a total estimated project cost of \$285,000.

ATTACHMENTS:

- Vicinity Map
- Park Renovation Site Plan
- Detail Plan
- Playground Equipment Proposal by Coast Recreation, Inc.







3151 Airway Avenue, #A-3
Costa Mesa, CA 92626
Ph: 714.619.0100 Fax: 714.619.0106

2015 PROPOSAL

QUOTE TO: City of Laguna Hills
ATTN: Ken Rosenfield

DATE: 1/13/2015
F.O.B.: DESTINATION
LEAD TIME: 4-6 Weeks
*QUOTE GOOD UNTIL: 90 Days
TERMS: Net 30
*Lead time indicates mfg. Time
Transit time is additional & variable.

JOB NAME: Stockport Park
CITY: Laguna Hills, CA
PHONE:
EMAIL:

WE ARE PLEASED TO SUBMIT THIS QUOTE TO SUPPLY THE FOLLOWING ITEMS: LANDSCAPE STRUCTURES ITEMS

PlayShaper

1 - #136233A	Elevated Sand Table, Aluminum Posts, DB	\$2,442.00
1 - #111288A	Driver Panel	\$ 610.00
1 - #111299A	House Panel	\$ 448.00
1 - #111298A	Mirror Panel	\$ 812.00
1 - #111291A	Store Panel Old Style	\$ 459.00
1 - #541595-01	Slant Entrance Panel w/ Hardware	\$ 375.00
1 - #541596-01	Curved Poly Slide Panel w/ Hardware	\$ 350.00
1 - #541607-01	Double Poly Slide Panels w/ Hardware	\$ 436.00
1 - #541622-01	Belt Bridge Barriers w/ Hardware	\$ 1,059.00
1 - #541624-01	Cozy Climber H-Holds (2)	\$ 218.00
1 - #111364A	Loop Ladder	\$ 761.00
1 - #541625-01	Transfer Mod Panels & H-Loop	\$ 1,215.00
		<u>\$ 9,185.00</u>

PlayVenture

1 - #136157	"S" Disc Challenge for PlayVenture, Field Drilling Req	\$3,438.00
8 - #108717	8 Plastic Replacement Slats for Existing PV Posts	\$ 121.00
1 - #108526-00-002	CBridge Plank PB Brown	\$ 457.00
1 - #110235-00	Instruction Clatterbridge PV	\$ 0.00
1 - #541575-01	New Hardware and Chains	\$ 136.00
1 - #122586-00-044	Barr Balcony DK PVC TAN	\$ 649.00
1 - #541576-01	Balcony Deck Hardware	\$ 17.00
1 - #108565-00-044	Handbar Transfer Deck TAN	\$ 314.00
1 - #125114-00-044	Railing 3-Step LH TAN	\$ 565.00
1 - #125344-00-044	Railing w/ Loop 3-Step RH TAN	\$ 610.00
1 - #541577-01	Hardware for Transfer Handrails	\$ 32.00
1 - #541578-01	PV Pipe Barrier w/ Hardware	\$ 920.00
1 - #116247A	PV 24i Perm Vert Ladder w/ Hole Plugs	\$ 776.00
1 - #116247D	PV 48i Perm Vert Ladder w/ Hole Plugs	\$ 1,123.00
1 - #541585-01	Trapeze Bars Tan w/ Hardware	\$ 621.00
1 - #541586-01	PV Chinning Bar TAN w/ Hardware	\$ 180.00
2 - #541587-01	PV Snake Climber H-Holds TAN w/ Hardware	\$ 369.00
1 - #148426A	PV 48i Firepole DB	\$ 627.00
1 - #148432A	PV 48i Corkscrew DB	\$ 918.00
1 - #541590-01	PV Post Caps w/ Rivets	\$ 543.00
		<u>\$12,416.00</u>

Mat. Total:	\$21,601.00
Tax 8.00%:	\$ 1,728.08
Estimated Freight:	<u>\$ 1,125.00</u>
Delvd. Total:	<u>\$24,454.08</u>

NOTE: Please check quantities and make sure they match your take off.
Customer is responsible for unloading truck & verifying quantities ordered.

NAME: _____ QUOTE PREPARED BY: TIM HODGES/LA
DATE: _____



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: PEGGY J. JOHNS
CITY CLERK

ISSUE: ADOPTION OF AN ORDINANCE AMENDING CHAPTER 2-28 OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT AN ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS."

SUMMARY:

The City Council introduced for first reading at its meeting on January 27, 2015, an Ordinance amending and restating Sections 2-28.060 and 2-28.070, Chapter 2-28 of Title 2, of the Laguna Hills Municipal Code, relating to the appointment, terms and reappointment limitation of board and commission members. The amendment reaffirms that City Council appointments to local advisory boards and commissions are for a fixed term, that reappointment is not automatic, and that the purpose and intent for the reappointment limitation is to allow and encourage other qualified and interested members of the public an opportunity to be appointed to serve in order to promote public participation, awareness and transparency in the selection and appointment process. It is in order to adopt the Ordinance.

ATTACHMENTS:

- Ordinance
- January 27, 2015, Staff Report, Proposed Ordinance and Modifications to LHMC Chapter 2-28 (Blackline Version)

ORDINANCE NO. 2015-__

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 2-28.060 (Appointment) of Chapter 2-28 (Boards and Commissions Generally) of Title 2 (Administration and Personnel) of the Laguna Hills Municipal Code pertaining to the appointment, terms, and reappointment limitation of board and commission members is hereby amended and restated in its entirety to read as follows:

2-28.060 Appointment.

Members of each Board and Commission shall be appointed, and may be removed at any time, by a majority of the City Council. The chairperson of the Board or Commission shall be selected by a majority of the membership of that Board or Commission.

SECTION 2. Section 2-28.070 (Term) of Chapter 2-28 (Boards and Commission Generally) of Title 2 (Administration and Personnel) of the Laguna Hills Municipal Code pertaining to the appointment, terms, and reappointment limitation of Board and Commission members is hereby amended and restated in its entirety to read as follows:

2-28.070 Terms and Reappointment Limitation.

The term of each board or commission member shall be four years, with staggered terms, and shall expire on January 31st. When a commissioner's term expires, reappointment is not automatic. The purpose and intent for not allowing automatic reappointment is to promote and encourage the opportunity for other qualified and interested members of the public to be appointed by the City Council to serve on boards and commissions.

SECTION 3. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it

would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 4. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 10th day of February 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

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

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing Ordinance No. 2015-x _ was duly introduced and
placed upon its first reading at a Regular Meeting of the City Council on the 27th day of
January 2015, and that thereafter, said Ordinance was duly adopted and passed at a
Regular Meeting of the City Council held on the 10th day of February 2015, by the
following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK

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

AFFIDAVIT OF POSTING
AND PUBLICATION

PEGGY J. JOHNS, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. 2015- __, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

on the 20th day of February 2015, was published in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the 11th day of February 2015, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
The Courtyard at La Paz Center

PEGGY J. JOHNS, CITY CLERK
Laguna Hills, California



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: JANUARY 27, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: GREGORY E. SIMONIAN
CITY ATTORNEY**

**ISSUE: AN ORDINANCE AMENDING CHAPTER 2-28 OF THE LAGUNA HILLS
MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND
REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS**

**RECOMMENDATION: THAT THE CITY COUNCIL INTRODUCE FOR FIRST
READING, READ BY TITLE ONLY, AND WAIVE FURTHER READING OF AN
ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070
(APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS
GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA
HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND
REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS."**

SUMMARY:

The proposed Ordinance amends Chapter 2-28 of the Laguna Hills Municipal Code to reaffirm that City Council appointments to local advisory boards and commissions are for a fixed term, that reappointment is not automatic, and that the purpose and intent for the reappointment limitation is to allow and encourage other qualified and interested members of the public to be afforded an opportunity to be appointed to serve, thereby promoting public participation, awareness, and transparency in the selection and appointment process.

BACKGROUND:

Council Member Kogerman agendaized for discussion during the January 13, 2015 City Council meeting the possibility of the City Council enacting term limits for board and commission members. At the meeting, the City Council discussed the operative provisions of Chapter 2-28 of the Laguna Hills Municipal Code (LHMC), which currently provides that: (1) the term of each board and commission member is four years, with staggered terms, that expire on January 31st; (2) members of each board and commission

are appointed by the City Council and may be removed by a majority of the City Council; and (3) reappointment is not automatic. Following discussion and deliberation of this issue, the City Council unanimously voted to direct the City Attorney to prepare an Ordinance amending LPMC Chapter 2-28 (Boards and Commissions Generally) to clarify the purpose, intent, and public policy for the reappointment limitation.

DISCUSSION:

The proposed Ordinance amends LPMC Chapter 2-28, Sections 2-28.060 (Appointment) and 2-28.070 (Term), relating to the City's advisory boards and commissions, to reaffirm and clarify that City Council appointments to local boards and commissions are for a fixed term, that reappointment is not automatic, and that the purpose and intent for the reappointment limitation is to allow and encourage other qualified and interested members of the public to be afforded an opportunity to be appointed to serve on advisory boards and commissions. The proposed code amendments provide that the purpose and intent for not allowing automatic reappointment is to promote and encourage the opportunity for other qualified and interested members of the public to be appointed by the City Council to serve on boards and commissions.

Pursuant to Government Code Section 54970, *et seq.*, the City Clerk's office continues to prepare and advertise the Local Appointments List, which serves to promote public awareness of appointment opportunities. Toward this end, state law provides that on or before December 31 of each year, each legislative body shall prepare an appointments list of all regular and ongoing boards, commissions, and committees which are appointed by the legislative body of the local agency. This list is commonly known as the Local Appointments List. The list contains the following information: (a) a list of all appointive terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of appointment, the date the term expires, and the necessary qualifications for the position, and (b) a list of all boards, commissions, and committees whose members serve at the pleasure of the legislative body, and the necessary qualifications for each position.

FISCAL IMPACT:

None

ATTACHMENTS:

- Proposed Ordinance
- Modifications to LPMC Chapter 2-28 (Blackline Version)

ORDINANCE NO. 2015-__

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 2-28.060 (Appointment) of Chapter 2-28 (Boards and Commissions Generally) of Title 2 (Administration and Personnel) of the Laguna Hills Municipal Code pertaining to the appointment, terms, and reappointment limitation of board and commission members is hereby amended and restated in its entirety to read as follows:

2-28.060 Appointment.

Members of each Board and Commission shall be appointed, and may be removed at any time, by a majority of the City Council. The chairperson of the Board or Commission shall be selected by a majority of the membership of that Board or Commission.

SECTION 2. Section 2-28.070 (Term) of Chapter 2-28 (Boards and Commission Generally) of Title 2 (Administration and Personnel) of the Laguna Hills Municipal Code pertaining to the appointment, terms, and reappointment limitation of Board and Commission members is hereby amended and restated in its entirety to read as follows:

2-28.070 Terms and Reappointment Limitation.

The term of each board or commission member shall be four years, with staggered terms, and shall expire on January 31st. When a commissioner's term expires, reappointment is not automatic. The purpose and intent for not allowing automatic reappointment is to promote and encourage the opportunity for other qualified and interested members of the public to be appointed by the City Council to serve on boards and commissions.

SECTION 3. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it

would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 4. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this x day of x__ 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

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

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing Ordinance No. 2015-x _ was duly introduced and
placed upon its first reading at a Regular Meeting of the City Council on the 27th day of
January 2015, and that thereafter, said Ordinance was duly adopted and passed at a
Regular Meeting of the City Council held on the 10th day of February 2015, by the
following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK

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

AFFIDAVIT OF POSTING
AND PUBLICATION

PEGGY J. JOHNS, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. 2015- __, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS

on the 20th day of February 2015, was published in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the 11th day of February 2015, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
The Courtyard at La Paz Center

PEGGY J. JOHNS, CITY CLERK
Laguna Hills, California

DRAFT AMENDMENTS TO LHMC CHAPTER 2-28 REGARDING BOARDS AND COMMISSIONS GENERALLY
MEMBER TERMS AND APPOINTMENT LIMITATION
(Proposed Modifications In Track-Change Format)

Chapter 2-28
BOARDS AND COMMISSIONS GENERALLY

Sections:

- 2-28.010** Planning Agency established.
- 2-28.020** Commissions established.
- 2-28.030** Number of members.
- 2-28.040** Qualifications.
- 2-28.050** Applications.
- 2-28.060** Appointment.
- 2-28.070** Terms **s and Reappointment Limitation.**
- 2-28.080** Vacancies.
- 2-28.090** Meetings—Quorum.
- 2-28.100** Absence from meetings.
- 2-28.110** Compensation.

2-28.010 Planning Agency established.

A Planning Agency is established. The members of the Laguna Hills City Council shall serve as members of the Planning Agency. They shall perform the planning agency functions described in state law. (Prior code § 2-06.005)

2-28.020 Commissions established.

The City Council may establish by resolution such other boards or commissions as it deems necessary. (Prior code § 2-06.010)

2-28.030 Number of members.

Unless otherwise specifically provided in the resolution establishing a board or commission, each board or commission shall consist of five members. (Prior code § 2-06.020)

2-28.040 Qualifications.

Unless otherwise specifically provided by law, or by ordinance or resolution of the City Council, all members of boards and commissions of the city shall, at all times during their incumbencies, be bona fide residents and registered voters of the city. No member of any board or commission shall be a city employee, nor shall any person be a member of more than one board or commission at any one time. (Prior code § 2-06.030)

2-28.050 Applications.

All applications submitted to the city for board or commission positions shall remain active for one year and be maintained by the City Clerk. (Prior code § 2-06.040)

2-28.060 Appointment.

DRAFT AMENDMENTS TO LHMC CHAPTER 2-28 REGARDING BOARDS AND COMMISSIONS GENERALLY
MEMBER TERMS AND APPOINTMENT LIMITATION
(Proposed Modifications In Track-Change Format)

Members of each board and commission shall be appointed, and may be removed at any time, by a majority of the City Council. The chairperson of the board or commission shall be selected by a majority of the membership of that board or commission. (Prior code § 2-06.050)

2-28.070 Terms and Reappointment Limitation.

The term of each board or commission member shall be four years, with staggered terms, and shall expire on January 31st. When a commissioner's term expires, reappointment is not automatic. The purpose and intent for not allowing automatic reappointment is to promote and encourage the opportunity for other qualified and interested members of the public to be appointed by the City Council to serve on boards and commissions. (~~Ord. 2012-3 § 1; prior code § 2-06.060~~)

2-28.080 Vacancies.

If vacancies in any board or commission occur, other than by expiration of term, such vacancies shall be filled by appointment for the unexpired portion of the term. The resignation will be in writing to the City Council, and a vacancy does not exist until the City Council accepts the resignation. (Prior code § 2-06.070)

2-28.090 Meetings—Quorum.

Except as otherwise established by action of the City Council, each board or commission shall establish a regular date, time, and place for meetings. A quorum of three shall be required for the transaction of any business. (Prior code § 2-06.080)

2-28.100 Absence from meetings.

Any board or commission member absent from two consecutive regularly scheduled meetings of their commission, or absent from three regularly scheduled meetings of their commission during a calendar year, may be removed from office. The City Council may declare a vacancy on the board or commission and direct the City Clerk to post the notice of vacancy and begin the application process to fill the unexpired term. (Prior code § 2-06.090)

2-28.110 Compensation.

Unless otherwise required by law, board and commission members shall receive no compensation. (Prior code § 2-06.100)



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: PEGGY J. JOHNS
CITY CLERK

ISSUE: CITY COUNCIL "OTHER AGENCIES" APPOINTED REPRESENTATIVES

RECOMMENDATION: THAT THE CITY COUNCIL APPOINT COUNCIL MEMBER CARRUTH TO SERVE ON THE OC PUBLIC LIBRARIES - LIBRARY ADVISORY BOARD; AND APPOINT COUNCIL MEMBER BLOUNT TO SERVE ON THE SOUTH ORANGE COUNTY WATERSHED MANAGEMENT AREA EXECUTIVE COMMITTEE.

SUMMARY:

It was the consensus of the City Council at their meeting on January 27, 2015, to bring this item back as a Consent Calendar item. Council Member Blount currently serves as representative to the OC Public Libraries – Library Advisory Board, and Council Member Carruth currently serves on the South Orange County Watershed Management Area Executive Committee.

Council Members Blount and Carruth have expressed their desire to exchange positions on these boards. Council Member Carruth would now like to serve as the representative to the OC Public Libraries – Library Advisory Board, with Mayor Gilbert remaining as the Alternate. Council Member Blount would now like to serve on the South Orange County Watershed Management Area Executive Committee, with Mayor Gilbert remaining as the Alternate.

ATTACHMENTS:

- City Council "Other Agencies" Appointed Representatives List

CITY OF LAGUNA HILLS CITY REPRESENTATIVES

<u>NAME OF AGENCY/COMMITTEE</u>	<u>REPRESENTATIVES</u>	<u>DATE APPOINTED</u>
Association of California Cities - OC	Delegate: Mayor Alternate: Mayor Pro Tempore	01/14/1992 12/12/1995
Audit Committee	Channing Sedgwick Blount	03/14/1995 01/13/2015 12/11/2012
Coastal Greenbelt Authority	Representative: Carruth	12/10/2002
Laguna Canyon Foundation Advisory Council	Representative: Blount	12/11/2012
League of California Cities Voting Delegate to Annual Conference	Delegate: Current Mayor Alternate: Current Mayor Pro Tempore	12/10/2002 12/10/2002
Operational Area Council (Emergency)	Representative: Current Mayor Alternate: Current Mayor Pro Tempore	12/10/1996 12/14/1999
Orange County Fire Authority	Director : Sedgwick Alternate Director: Gilbert	01/13/2015 12/11/2012
OC Public Libraries Library Advisory Board	Representative: Blount Alternate: Gilbert	12/11/2012 12/11/2012
Orange County Vector Control District	Trustee Member: Kogerman	12/11/2012
South Orange County Watershed Management Area Executive Committee	Member: Carruth Alternate: Mayor	02/22/2011
Southern California Association of Governments (SCAG General Assembly)	Delegate: Kogerman Alternate: Blount	01/22/2015 01/27/2015

List of City Representatives

NAME OF AGENCY/COMMITTEE

REPRESENTATIVES

DATE APPOINTED

Transportation Corridor Agency
 -San Joaquin Hills Transportation Corridor Agency

Director: Carruth
 Alternate Director: Kogerman

12/13/2011
 12/10/2013

January 27, 2015

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City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DAVID REYNOLDS
DEPUTY CITY MANAGER/COMMUNITY SERVICES**

**ISSUE: UPGRADE TO THE AUDIO-VISUAL SYSTEM AT THE LAGUNA HILLS
COMMUNITY CENTER AND ANNUAL MAINTENANCE OF THE AUDIO-
VISUAL SYSTEM AT THE COMMUNITY CENTER AND THE CIVIC CENTER.**

**RECOMMENDATION: THAT THE CITY COUNCIL: (1) APPROVE THE
PROFESSIONAL SERVICES AGREEMENT BETWEEN VIZUAL SYMPHONY, INC.,
AND THE CITY OF LAGUNA HILLS FOR THE UPGRADE OF THE AUDIO-VISUAL
SYSTEM AT THE COMMUNITY CENTER FOR A NOT TO EXCEED COST OF \$60,000
AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND
(2) THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO ENTER INTO A
TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF \$6,500
FOR THE NEW AV SYSTEM AT THE LAGUNA HILLS COMMUNITY CENTER; AND (3)
THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO ENTER INTO A
TWO YEAR MAINTENANCE AND SERVICE AGREEMENT IN THE AMOUNT OF
\$19,500 FOR THE AV SYSTEM AT THE CIVIC CENTER.**

SUMMARY:

CIP No. 513 includes an upgrade to the audio-visual (AV) system within the banquet room at the Laguna Hills Community Center. The project upgrade includes new equipment, including a projector, new microphones and touch panels, and will upgrade the entire system to accommodate wireless and Smart technologies. Two proposals were received by the proposal deadline and Vizual Symphony, Inc., was selected as the best qualified vendor for the project and also for the annual maintenance of both the Community Center and Civic Center audio-visual systems.

BACKGROUND:

CIP No. 513 includes an upgrade to the audio-visual system at the Laguna Hills Community Center. Per the procurement guidelines of the Laguna Hills Municipal Code for projects with a total cost greater than \$50,000, staff issued an RFP on August 11, 2014. A

total of ten vendors attended the mandatory site walk through on August 18, 2014. Many of the vendors also toured the Civic Center's Council Chamber, as annual support of its audio-visual system was included in the RFP as an optional bid. Bids and proposals were received until 2:00pm on August 27, at which time the bids were publicly opened and read aloud. Bids were received from two firms, Integrated Media Systems and Vizual Symphony, Inc.

After reviewing the proposals received staff is recommending that the City Council authorize the City Manager to enter into an Agreement with Vizual Symphony, Inc., as the best qualified vendor for the reasons stated below:

1. Vizual Symphony provided the lowest bid when including annual maintenance costs.
2. Vizual Symphony was the only firm that provided a bid for the Civic Center audio-visual annual maintenance support.
3. Vizual Symphony provided a more complete proposal, and addressed more of the system components that were requested in the RFP.
4. Staff's contact of the references provided by Vizual Symphony show that they are qualified to complete the upgrade project. References were provided by staff from the State of California Dept. of General Services and from Azusa Pacific University. In addition, Vizual Symphony, Inc. has provided audio-visual support to Biola University, CS Long Beach, UC San Diego, and a number of other colleges throughout Southern California.

Upgrades to the audio-visual system include:

- New projector
- Blu-Ray player with built in WiFi
- New wireless microphones
- New touch screens
- New wall-mounted keypads for lighting and sound control
- All sections will operate independently of one another in terms of sound and lighting controls

The maintenance and service agreements for both the new Community Center system and the existing Civic Center system includes quarterly preventative maintenance visits, no charge on-site labor, 24 hour response time, and unlimited telephone support.

FISCAL IMPACT:

The overall project cost is \$52,998.28 with a not to exceed cost of \$60,000 budgeted for project contingency. This project and the annual maintenance of both the audio-visual system at the Civic Center and the Community Center are within budget.

ATTACHMENTS:

- Agreement with Vizual Symphony, Inc.

PROFESSIONAL SERVICES AGREEMENT
Vizual Symphony, Inc.
(Laguna Hills Community Center Audio-Visual System Upgrade)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into, to be effective this 28th day of January, 2015, 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 VIZUAL SYMPHONY, INC., a California corporation, (hereinafter referred to as "Contractor"). City and Contractor are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as the "Parties."

RECITALS

A. City has determined that there is a need to retain the services of a qualified contractor with expertise in the requirements, processes, technology, and procedures for updating and upgrading the Laguna Hills Community Center Audio-Visual system (the "Project").

B. Contractor has submitted to City a proposal, dated November 20, 2014, to provide the services to the City for the Project pursuant to the terms of this Agreement.

C. Contractor is uniquely qualified by virtue of its experience, training, education, reputation, and expertise to provide these services and has agreed to provide such services as provided herein.

D. City desires to retain Contractor to provide such services.

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. SERVICES OF CONTRACTOR

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Contractor agrees to provide and perform the services for the Project as set forth in the Contractor's Project Scope of Work, and Contractor's Proposal (Estimate No. ES2723 dated November 20, 2014), which are attached hereto as Exhibits "A" and "B", respectively, and are incorporated herein by reference (hereinafter referred to as the "Services" or "Work") for the Project. As a material inducement to the City entering into this Agreement, Contractor acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Contractor's Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Service and

Work and with the standards recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and warrants that it is skilled in the discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. Contractor represents and warrants that it and all of its employees and subcontractors providing services under this Agreement shall have sufficient skill and experience to perform the Services and Work assigned to them. All Services and Work shall be completed to the reasonable satisfaction of the City.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; (2) the Project Scope of Work; and, (3) the Contractor's Proposal (Estimate No. ES2723 dated November 20, 2014), which shall all be referred to collectively hereinafter as the "Contract Documents." The Contractor's Project Scope of Work, attached hereto as Exhibit "A," is hereby incorporated by reference and is made a part of this Agreement. The Contractor's Proposal, attached hereto as Exhibit "B," is hereby incorporated by reference and is made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms of this Agreement; and, (2nd) the provisions of the Contractor's Project Scope of Work, and (3rd) the provisions of the Contractor's Proposal.

1.3 Compliance with Law. Contractor shall comply at all times during the term of this Agreement with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder, including without limitation all applicable fair labor standards and Cal/OSHA requirements. Contractor shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Services and Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with performing the Services and Work. If Contractor performs any Services and Work in violation of such laws, rules, and regulations, Contractor shall be solely responsible for all penalties and costs arising therefrom. Contractor shall defend, indemnify, and hold City, its elected and appointed officers and officials, directors, employees, volunteers, and agents, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

1.4 Licenses, Permits, Fees, and Assessments. Prior to performing any Services and Work hereunder, Contractor shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Services and Work required by this Agreement. Contractor represents and warrants to City that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for Contractor to perform the Services and Work under this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the Services and Work required by this Agreement, and shall defend, indemnify, and hold the City, its elected and appointed officers and officials, employees, directors, volunteers, and agents, free and

harmless from any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Services and Work.

1.5 Familiarity with Work. By executing this Agreement, Contractor represents and warrants that it (a) has thoroughly investigated and considered the Services and Work to be performed, (b) has carefully considered how the Services and Work should be performed and has carefully examined the location or locations at or with respect to where such Services and Work is to be performed, and (c) fully understands the facilities, difficulties, and restrictions attending performance of the Services and Work under this Agreement. If the Services and Work involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services and Work hereunder. Should the Contractor discover any latent or unknown conditions that will materially affect the performance of the Services and Work hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the City.

1.6 Care of Work. Contractor shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by the City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

1.8 Additional Services. City shall have the right at any time during the performance of the Services and Work, without invalidating this Agreement, to order extra work beyond that specified in the Project Scope of Work or make changes by altering, adding to, or deducting from such Work. No such extra work may be undertaken unless a written order is first given by the City to the Contractor, incorporating therein any adjustment in (i) the Maximum Contract Amount, as defined below, and/or (ii) the time to perform this Agreement, which adjustments are subject to the written approval of the Contractor. It is expressly understood by Contractor that the provisions of this section shall not apply to the services specifically set forth in the Project Scope of Work or reasonably contemplated therein, regardless of whether the time or materials required to complete any work or service identified in the Project Scope of Work exceeds any time or material amounts or estimates provided therein.

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Contractor shall be compensated by City in accordance with the Contractor's Proposal, but not exceeding the total maximum contract amount of Fifty-Two Thousand Nine Hundred Ninety-Eight and 28/100 dollars (\$52,998.28) (hereinafter referred to as the "Maximum

Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as follows:

\$15,899.50	30%	Due upon full execution of this Agreement.
\$15,899.50	30%	Due upon equipment delivery.
\$15,899.50	30%	Due upon system installation
\$5,299.78	10%	Due upon completion and final acceptance of the work.

Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Contractor's Proposal. The Maximum Contract Amount shall include the attendance of Contractor at all Project meetings reasonably deemed necessary by the City. Contractor shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Contractor hereby acknowledges that it accepts the risk that the services identified in the Project Scope of Work may be more costly and/or time-consuming than Contractor anticipates, that Contractor shall not be entitled to additional compensation therefor, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Project Scope of Work. The maximum amount of City's payment obligation under this section is the amount specified herein. If the City's maximum payment obligation is reached before the Contractor's Services and Work under this Agreement are completed, Contractor shall nevertheless complete the Work without liability on the City's part for further payment beyond the Maximum Contract Amount.

2.2. Method of Payment. Contractor shall submit to the City, in a form approved by the City's finance manager, an invoice for the amounts due pursuant to the Contractor's Proposal and Section 2.1. City shall use reasonable efforts to make payments to Contractor within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

2.3 Changes in Scope. In the event any change or changes in the Project Scope of Services is requested by the City, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional costs and fees.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefor by the Laguna Hills City Council for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. 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 Project Scope of Work.

3.2 Schedule of Performance. Contractor shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all Services within the time period(s) established in the Project Scope of Work. When requested by Contractor, extensions to the time period(s) specified in the Project Scope of Work may be approved in writing by the Contract Officer, but such extensions shall not exceed one hundred eighty (180) days cumulatively; however, the City shall not be obligated to grant such an extension.

3.3 Force Majeure. The time period(s) specified in the Project Scope of Work for performance of the Services and Work rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Contractor, within ten (10) days of the commencement of such delay, notifies the City Manager in writing of the causes of the delay. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services and Work for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this section.

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect until completion of the Services and Work, except as may otherwise be provided in the Project Scope of Work and pursuant to Section 3.2 above, unless extended by mutual written agreement of the Parties.

4. COORDINATION OF WORK

4.1 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 to be performed under this Agreement and make all decisions in connection therewith: **Susan Holguin**. It is expressly understood that the experience, knowledge, education, capability, expertise, 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 performed hereunder. The foregoing principal may not be changed by Contractor without prior written approval of the Contract Officer.

4.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Manager of City, and is subject to change by the City Manager. It shall be the Contractor's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services and Work, and the Contractor shall refer any decisions which 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. The Contract

Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 Prohibition Against Subcontracting or Assignments. The experience, knowledge, capability, expertise, and reputation of Contractor, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Contractor 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. Contractor shall not contract with any other entity to perform the Services required without prior written consent of City. If Contractor is permitted to subcontract any part of this Agreement by City, Contractor 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 subcontractor and City. All persons engaged in the Work will be considered employees of Contractor. City will deal directly with and will make all payments to Contractor. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written consent of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Contractor or any surety of Contractor from any liability hereunder without the express written consent of City.

4.4 Independent Contractor.

A. The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor a City employee. During the performance of this Agreement, Contractor 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 Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, 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 Contractor's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service. Contractor 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 Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

B. Contractor 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 Contractor, its officers, employees, or agents in connection with any performance under this Agreement. Except for professional fees paid to Contractor as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Contractor for the performance of Services under this Agreement. City shall not be liable for compensation or indemnification to Contractor, its officers, employees, or agents, for injury or sickness arising out of performing Services hereunder. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 2 and Subsection 1.8 herein, of any nature relating to salary, taxes, or benefits of Contractor's officers, employees, servants, representatives, subcontractors, or agents, Contractor shall indemnify City for all such financial obligations.

5. INSURANCE

5.1 Types of Insurance. Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, the insurance described herein for the duration of this Agreement, including any extension thereof, or as otherwise specified herein, against claims which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, or employees. Insurance required herein shall be provided by an authorized insurance company and admitted in the State of California and having a minimum A.M. Best's Guide Rating of A-, Class VII or better, unless such requirements are waived in writing by the City Manager or his designee due to unique circumstances. In the event the City Manager determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City Manager or his designee. Contractor shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein. All insurance provided pursuant to this Agreement shall be on an occurrence basis. The minimum amount of insurance required hereunder shall be as follows:

A. [Reserved].

B. **Workers' Compensation Insurance.** Contractor shall obtain and maintain, in full force and effect throughout the term of this Agreement, workers' compensation insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Contractor agrees to waive and obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

C. **Commercial General Liability Insurance.** Contractor shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of comprehensive general liability insurance 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.

(1) The commercial general liability policy shall name the City of Laguna Hills as an additional insured.

(2) Contractor either: (a) shall certify in writing to the City that Contractor is unaware of any liability claims made against Contractor, and is unaware of any facts which may lead to such a claim against Contractor; or (b) if Contractor does not provide the certification pursuant to (a), Contractor may be required by City to procure from the commercial general liability insurer an endorsement providing that the required limits of the policy shall apply separately to occurrences during the rendition of services pursuant to this Agreement.

D. **Business Automobile Insurance.** Contractor shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of one million dollars (\$1,000,000.00) bodily injury and property damage. The policy shall include coverage for owned, non-owned, leased, and hired cars.

E. **Employer Liability Insurance.** Contractor shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of employer liability insurance written on a per occurrence basis with a policy limit of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

5.2 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City Manager prior to commencing any work or services under this Agreement. Contractor guarantees payment of all deductibles and self-insured retentions. Except with respect to Professional Liability Insurance which may have a deductible of up to \$250,000, City reserves the right to reject deductibles or self-insured retentions in excess of \$10,000, and the City Manager may require evidence of pending claims and claims history as well as evidence of Contractor's ability to pay claims for all deductible amounts and self-insured retentions proposed in excess of \$10,000.

5.3 Other Insurance Requirements. The following provisions shall apply to the insurance policies required of Contractor pursuant to this Agreement:

5.3.1. The required commercial general and business automobile liability policies shall be endorsed to state that City and its officers, council members, officials, employees, agents, and volunteers shall be covered as additional insureds with respect to liability arising out of all work or services performed by Contractor pursuant to this Agreement. The coverage shall contain no special limitations on the scope of protection afforded to additional insureds. Additional insured endorsements are not required for the professional liability and workers' compensation policies.

5.3.2 For any claims related to this Agreement, Contractor's coverage shall be primary insurance as respects City and its officers, council members, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City and its officers, council members, officials, employees, agents, and volunteers shall be in excess of Contractor's insurance and shall not contribute with it. The insurer

shall waive all rights of subrogation and contribution it may have against the City, its officers, council members, officials, employees, agents, and volunteers, and their respective insurers.

- 5.3.3 Any failure by Contractor to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to City and its officers, council members, officials, employees, agents, and volunteers.
- 5.3.4 Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified by either Party, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the City. Notwithstanding the foregoing in this subsection, if coverage is to be suspended, voided, or cancelled because of Contractor's failure to pay the insurance premium, the notice provided to City shall be by ten (10) days prior written notice.
- 5.3.5 All insurance coverage and limits provided by Contractor and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations shall limit the application of such insurance coverage.
- 5.3.6 None of the insurance coverages required herein will be in compliance with these requirements if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the City Manager and approved in writing.
- 5.3.7 The required insurance endorsements shall not contain any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the endorsements. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is Contractor's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.
- 5.3.8 Contractor agrees to ensure that subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Contractor, provide the same minimum insurance coverage required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Contractor agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

- 5.3.9 Contractor acknowledges and agrees that any actual or alleged failure on the part of the City to inform Contractor of non-compliance with any insurance requirement in no way imposes any additional obligations on the City nor does it waive any rights hereunder in this or any other regard.
- 5.3.10 Contractor shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. Endorsements as required in this Agreement applicable to the renewing or new coverage shall be provided to City no later than ten (10) days prior to expiration of the lapsing coverage.
- 5.3.11 Requirements of specific insurance coverage features or limits contained in this section are not intended as limitations on coverage, limits, or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
- 5.3.12 The requirements in this section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this section.
- 5.3.13 Contractor agrees to provide immediate notice to City of any claim or loss against Contractor arising out of the Work performed under this Agreement and for any other claim or loss which may reduce the insurance available to pay claims arising out of this Agreement.
- 5.3.14 Contractor agrees that the provisions of this section shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages resulting from the Contractor's activities or the activities of any person or person for which the Contractor is otherwise responsible.

5.4 Verification of Coverage. Contractor shall furnish City original certificates of insurance and endorsements, including additional insured endorsements, in a form acceptable to the City, affecting all of the coverages required by this section. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Contractor shall provide to City all certificates and endorsements required by this section before commencing any work on the Project. Contractor shall furnish, at City's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents City requires to verify coverage.

6. INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall indemnify, defend (at Contractor's sole cost and expense), protect and hold harmless City and its officers, council members, officials, employees, agents and volunteers and all other public agencies whose approval of the Project is required, (individually "Indemnified Party"; collectively "Indemnified Parties") against any and all liabilities, claims, judgments, arbitration awards, settlements, costs, demands, orders, and penalties (collectively "Claims"), including but not limited to Claims arising from injuries or death of persons (Contractor's employees included) and damage to property, which Claims arise out of, pertain to, or are related to the negligent acts or omissions, recklessness, or willful misconduct of Contractor, its agents, employees, or subcontractors, or arise from Contractor's failure to perform any term, provision, covenant, or condition of this Agreement ("Indemnified Claims"). Such obligation to defend, hold harmless, and indemnify any of the Indemnified Parties shall not apply to the extent that such Claims are caused by the sole negligence, active negligence, or willful misconduct of such Indemnified Parties.

Contractor shall reimburse the Indemnified Parties for any reasonable expenditures, including reasonable attorneys' fees, expert fees, litigation costs, and expenses that each Indemnified Party may incur by reason of Indemnified Claims. Upon request by an Indemnified Party, Contractor shall defend with legal counsel reasonably acceptable to the Indemnified Party all Claims against the Indemnified Party that may arise out of, pertain to, or relate to Indemnified Claims, whether or not Contractor is named as a party to the Claim proceeding. The determination whether a Claim "may arise out of, pertain to, or relate to Indemnified Claims" shall be based on the allegations made in the Claim and the facts known or subsequently discovered by the Parties. Contractor's indemnification obligation hereunder shall survive the expiration or earlier termination of this Agreement until all actions against the Indemnified Parties for such matters indemnified hereunder are fully and finally barred by the applicable statute of limitations or, if an action is timely filed, until such action is final.

7. [Reserved].

8. ENFORCEMENT OF AGREEMENT

8.1 California Law and Venue. This Agreement shall be construed and interpreted both as to validity and as 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 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.

8.3 Termination. City may terminate this Agreement for any reason, with or without cause, upon giving Contractor thirty (30) days written notice. Upon such notice, City shall pay Contractor for Services performed through the date of termination. Upon receipt of such notice, Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Contractor shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Contractor shall submit to the City an invoice for work and services performed prior to the date of termination. In addition, the Contractor reserves the right to terminate this Agreement at any time, with or without cause, upon sixty (60) days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Contractor may determine.

8.4 Default of Contractor.

A. Contractor's failure to comply with any provision of this Agreement shall constitute a default.

B. If the City Manager, or his designee, determines that Contractor is in default in the performance of any of the terms or conditions of this Agreement, he shall notify Contractor in writing of such default. Contractor shall have ten (10) days, or such longer period as City may designate, to cure the default by rendering satisfactory performance. In the event Contractor fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice of any remedy to which City may be entitled at law, in equity, or under this Agreement. Contractor shall be liable for any and all reasonable costs incurred by City as a result of such default. Compliance with the provisions of this section shall not constitute a waiver of any City right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit City's right to terminate this Agreement without cause pursuant to Section 8.3.

C. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.4.B, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the Maximum Contract Amount (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated. The withholding or failure to withhold payments to Contractor shall not limit Contractor's liability for completion of the Services as provided herein.

8.5 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.

8.6 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.

8.7 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.

8.8 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 Contractor fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

9.2 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

9.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, marital status, ancestry, or national origin. Contractor shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, age, marital status, ancestry, or national origin.

Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10. MISCELLANEOUS PROVISIONS

10.1 Patent and Copyright Infringement.

A. To the fullest extent permissible under law, and in lieu of any other warranty by City or Contractor against patent or copyright infringement, statutory or otherwise, it is agreed that Contractor shall defend at its expense any claim or suit against City on account of any allegation that any item furnished under this Agreement, or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and Contractor shall pay all costs and damages finally awarded in any such suit or claim, provided that Contractor is promptly notified in writing of the suit or claim and given authority, information and assistance at Contractor's expense for the defense of same, and provided such suit or claim arises out of, pertains to, or is related to the negligence, recklessness or willful misconduct of Contractor. However, Contractor will not indemnify City if the suit or claim results from: (1) City's alteration of a deliverable, such that City's alteration of such deliverable created the infringement upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by Contractor when it is such use in combination which infringes upon an existing U.S. letters patent or copyright.

B. Contractor shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof, Contractor shall not be obligated to indemnify City under any settlement made without Contractor's consent or in the event City fails to cooperate in the defense of any suit or claim, provided, however, that such defense shall be at Contractor's expense. If the use or sale of such item is enjoined as a result of the suit or claim, Contractor, at no expense to City, shall obtain for City the right to use and sell the item, or shall substitute an equivalent item acceptable to City and extend this patent and copyright indemnity thereto.

10.2 Notices. All notices or other communications 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, request, demand, direction, 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, California 92653
Telephone: (949) 707-2600
Facsimile: (949) 707-2633

To Contractor: Vizual Symphony, Inc.
Attention: Susan Holguin
7565 N. San Fernando Rd.
Burnank, CA 91505
Telephone: (626) 229-9112
Facsimile: (626) 229-9117

10.3 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. No amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

10.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

10.5 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.6 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.

10.7 Recitals. The above-referenced Recitals are hereby incorporated into the Agreement as though fully set forth herein and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

10.8. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he is executing this Agreement is duly authorized and existing, (ii) he is duly authorized to execute and deliver this Agreement on behalf of the Party for which he is signing, (iii) by so executing this Agreement, the Party for which he 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 is signing is bound.

10.9 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. Contractor agrees to fully comply with all applicable federal and state labor laws (including, without limitation, if applicable, the Prevailing Wage Laws). It is agreed by the Parties that, in connection with the Work or Services provided pursuant to this Agreement, Contractor shall bear all risks of payment or non-payment of prevailing wages under California law, and Contractor hereby agrees to 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. The foregoing indemnity shall survive termination of this Agreement.

10.10 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

[SIGNATURES ON NEXT PAGE]

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

City Manager

ATTEST:

(SEAL)

PEGGY J. JOHNS,
City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

"CONTRACTOR"
VIZUAL SYMPHONY, INC., a California
corporation

Digitally signed by Susan Holguin
Date: 2015.01.28 11:25:57 -08'00'

By: Susan Holguin

Its: CEO

By:

Its:

EXHIBIT “A”

PROJECT SCOPE OF WORK

Exhibit A
PROJECT SCOPE OF WORK

Customer: City of Laguna Hills

**Contact: Dan Meehan/Matt
Durham/Robert Oros**

**Project: Community Center
Ballroom Upgrades**

Expected Completion: TBD

The Smart A/V System provides flexibility and power. Vizual Symphony incorporates the components to work as one easy, combined system. See below for information specific to the installation of your integrated multi-media system.

Vizual Symphony is pleased to present the following Scope of Work for the above-referenced project:

1. **Display System:** A new WXGA digital projector will replace the current analog projector. The projector will be integrated into the current lift and will project onto the current 12' wide 4:3 format electric screen. The new projector accepts digital inputs and will be wired for HDMI.

2. **Audio System:** The current audio processors will be replaced and upgraded with a 24 input mic/line DSP (digital signal processor). The new DSP will integrate the existing (6) wireless microphones, the (6) XLR floor pockets and the various line inputs from the video and audio sources. The audio mixing, EQ, gain control will be configured through the DSP and controlled through the control panel. The control panel will provide source selection, muting, attenuation, programming, and zone control.

The existing speakers and amplifiers will be utilized in new system along with the wireless microphone receivers. Note: An option has been included to replace three wireless microphones or one per room.

3. **Control System:** A new wall mounted, wired touch panel will be provided and installed. The new touch panel will be powered and docked in the wall box. A new processor will be installed in the rack and replace the current processor. The new touch panel will provide similar controls to what is currently available but with better graphics, updates to the layouts, sources, and lighting controls. In addition a second touch panel wireless solution is provided with an iPad integrated with the control system mobile pro app. The touch panel program duplicates the touch panel controls on the iPad.

New and Existing Video and Audio Sources:

Rack:

Blu-Ray Player	3 existing Wireless Receivers
Composite Video (Aux input or VHS player)	3 new Shure Digital Wireless Receivers and Microphones
Denon Cassette Player	

Floor Plates:

Stage Plate #1 = VGA, HDMI , XLR	Floor Plate A = XLR
Stage Plate #2 = VGA HDMI, XLR	Floor Plate B = XLR
Stage Plate #3 = VGA HDMI, XLR	
Floor Plate Rm C = VGA HDMI, XLR	

Button panels in Ballrooms A, B and C will be replaced and reprogrammed to operate independently, with audio only.

4. **Rack Integration:** The existing rack will be utilized on the stage left. The existing Autopatch switcher will be removed and replaced with a new digital matrix switcher. The new switcher will send a high definition signal to the projector. The rack equipment which will not be repurposed will be removed along with the corresponding cables. The rack equipment will be consolidated where possible.
5. **Electrical:** Unless specifically stated otherwise, electrical wiring, routing or connecting is not part of this Scope of Work. "Electrical" includes any Wiremold or Panduit or similar equipment that may be required. Light electrical work is available and can be added to this proposal upon request.
6. **Cables and Installation Materials:** Cables will be upgraded where possible to Cat 5/6 and digital, incorporating some of the existing analog and audio cables.
7. **Documentation & Training:** VS will provide a wiring diagram and close out binder with manuals, warranty information and program code. VS will test the system and confirm with customer for satisfactory completion of all above items. Payment is due upon completion of installation. A 90-day warranty on the system is included for diagnosis, repair, and trouble shooting. Phone support is available during normal business hours during and beyond this warranty period.

Assumptions and Exclusions:

1. VS will provide the labor to fix the room partition sensors which trigger the audio zones at the control panel, but if additional hardware is needed to resolve the issues this will be charged separately.
2. Wireless access point provided by others.
3. Cables are in Conduit along the cable pathways.
4. Cameras in main room are not integrated into new design.
5. Existing equipment to be re-purposed into new system is in good working condition. Any repairs or replacements will be at an additional cost.

Timeline

AV Integration Process	Schedule/Typical Duration
Kick off meeting	Week 1
Engineering/Drawing Custom Item Review and Sign –off	Week 1
Product Procurement	2-4 weeks
Infrastructure Coordination, Equipment Installation, Termination, Configure	Week 4-5 (1 full week)
Programming – including touch panel review and programming	Approximate Weeks 4-5 (one full day on site)
Test and Adjust	Coordination with Programmer. Total of 2-3 days
Training	Estimate 1 – 1 hour training for both Technical and End User Staff. VS will accommodate additional training as needed and requested.
Punch List Items Created, Addressed and Fixed	Weeks 5 (approximate)
Final Acceptance and presentation of final close out documents	Week 5-6
Annual Maintenance and Service Contract	Begins at final acceptance of project. Semi -annual maintenance is scheduled.

PRODUCT IMAGES

Customer: City of Laguna Hills

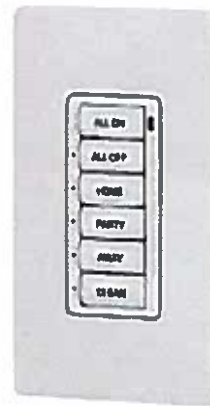
Project: Community Center
Ballroom Upgrades

Contact: Dan Meehan/Matt
Durham/Robert Oros

Expected Completion: TBD

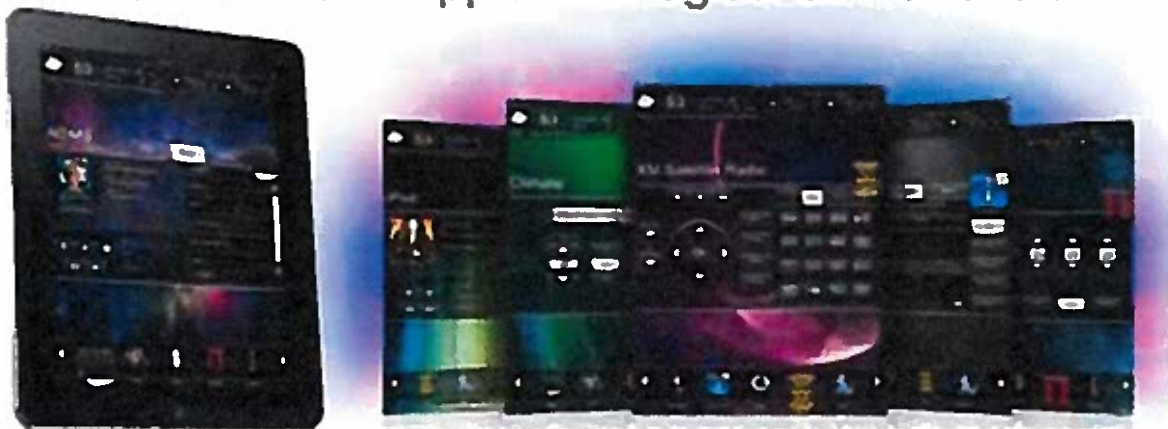


Wall Touch Panel



New Keypads

Crestron and Apple - A Magical Combination



Crestron and iPad App Integration

EXHIBIT "B"
CONTRACTOR'S PROPOSAL
NOVEMBER 20, 2014
(Estimate No. ES2723)

Proposal


Vizual Symphony, Inc.
**7565 N. San Fernando Road
Burbank, CA 91505**
626-229-9112
626-229-9117 Fax
www.vizualsymphony.com


Date	Estimate No.
11/20/2014	ES2723

Prepared For:

City of Laguna Hills
Community Center
25555 Alicia Parkway
Laguna Hills, CA 92653

Project

Laguna Hills Community Ctr

Attn: Dan Meehan
All Pricing Valid for 30 Days

Qty	MFR	Description	Grand Total:
		Community Center Video and Audio Upgrade - Rev C	
1	Panasonic	WUXGA (1,920 x 1,200), 6,500 lumens, 3 LCD Powered zoom throw ratio: 1.7-2.8:1, , Built in HDBasedT, Eco Filter, HDMI,DVI-D,DisplayPort, DIGITAL LINK, 3 year warranty	6,173.18T
1	Kramer	Modular Multi-Format 16 x 16 Digital Matrix Switcher with digital and analog inputs, digital outputs	7,411.25T
1	Toshiba	Blu-Ray with built in WiFi	132.00T
		Sub-Total for Display System:	13,716.43
1	ClearOne	Converge Pro 880	4,427.89T
1	ClearOne	Converge PRO 8i- 8 Channel AEC Input-only Microphone Exp	3,537.25T
1	VS	Cables, Connectors, Misc. Materials	2,295.00T
3	Shure	Handheld Transmitter with SM58® Microphone	1,159.98T
3	Shure	Half-Rack, Single Channel Receiver	2,035.95T
1	Shure	Antenna Distribution System	985.31T
		Sub-Total for Audio System:	14,441.38
1	Crestron	Universal Mounting Bracket for Touch Screen	26.67T
1	Crestron	10" Touch Screen, black bezel	1,599.96T
1	Apple	iPad with Wi-Fi 16GB** may be provided by others.	665.32T
1	Crestron	Extended Range RF Wireless Gateway	399.99T
1	Apple	Crestron Mobile Pro - for iPad	151.47T
1	Crestron	PoE Injector,universal 100-250 Volts AC	66.67T
1	Crestron	3-Series Control System	1,199.97T

Prepared by Susan Holguin (Ext. 111)
Thank you for this opportunity!

Subtotal:
Sales Tax: (8.0%)
Grand Total:
Approved: _____



Vizual Symphony, Inc.
7565 N. San Fernando Road
Burbank, CA 91505
626-229-9112
626-229-9117 Fax
www.vizualsymphony.com

Proposal



Date	Estimate No.
11/20/2014	ES2723

Prepared For:

City of Laguna Hills
Community Center
25555 Alicia Parkway
Laguna Hills, CA 92653

Project

Laguna Hills Community Ctr

Attn: Dan Meehan

All Pricing Valid for 30 Days

Qty	MFR	Description	Grand Total:
2	Crestron	8-Button Wall-mounted Keypad with Engraved Buttons, Black Faceplate	630.00T
1	Crestron	Serial Card Expander	467.00T
		Sub-Total for Control System:	5,207.05
1	VS	Design	2,400.00
1	VS	Programming	4,095.00
80	VS	Installation Services (prevailing wage)	9,969.23
		Sub-Total for Technical Services:	16,464.23
1		Shipping & Handling	500.00
		Any permit fees, licenses or assessment charges will be added to the final invoice.	

Prepared by Susan Holguin (Ext. 111)
Thank you for this opportunity!

Subtotal: \$50,329.09

Sales Tax: (8.0%) \$2,669.19

Grand Total: \$52,998.28

Approved: _____

THE CITY COUNCIL ADOPTED ORDINANCE NO. 2015-1, AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING SECTION 1-32.050 (RECOVERY OF NUISANCE ABATEMENT EXPENSES) OF CHAPTER 1-32 (GENERAL PENALTY) OF TITLE 1 (GENERAL PROVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO RECOVERY OF ATTORNEYS' FEES IN NUISANCE ABATEMENT ACTIONS.

3.6 PROGRESS PAYMENT NO. 13 FOR THE LA PAZ OPEN SPACE PROJECT, CIP NO. 615A

THE CITY COUNCIL APPROVED PROGRESS PAYMENT NO. 13, IN THE NET AMOUNT OF \$1,140.00, TO ENVIRONMENTAL CONSTRUCTION, INC., FOR LA PAZ OPEN SPACE IMPROVEMENTS, CIP NO. 615A.

3.7 CIVIC CENTER SECOND QUARTER FINANCIAL REPORT FOR FY 2014/2015

THE CITY COUNCIL RECEIVED AND FILED THE REPORT.

3.8 SECOND QUARTER FINANCIAL AND TREASURER'S REPORT FOR FY 2014/15

THE CITY COUNCIL RECEIVED AND FILED THE REPORT.

4. PLANNING AGENCY

Mayor Gilbert 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 7:21 PM.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Gilbert, Vice Chair Kogerman, Agency Member Blount, Agency Member Carruth, and Agency Member Sedgwick.

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR JANUARY 13, 2015

THE PLANNING AGENCY APPROVED THE MINUTES OF THE JANUARY 13, 2015, REGULAR MEETING, BY M/AGENCY MEMBER CARRUTH, S/AGENCY MEMBER BLOUNT.

APPROVED BY A VOTE OF 5-0.

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 Gilbert reconvened the City Council Meeting at 7:22 PM. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS**6.1 City Manager**

There was no City Manager report.

6.2 City Attorney**6.2.1 AN ORDINANCE AMENDING CHAPTER 2-28 OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS**

THE CITY COUNCIL INTRODUCED FOR FIRST READING, READ BY TITLE ONLY, AND WAIVED FURTHER READING OF AN ORDINANCE ENTITLED: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING SECTIONS 2-28.060 AND 2-28.070 (APPOINTMENT AND TERMS) OF CHAPTER 2-28 (BOARDS AND COMMISSIONS GENERALLY) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE LAGUNA HILLS MUNICIPAL CODE RELATING TO THE APPOINTMENT, TERMS, AND REAPPOINTMENT LIMITATION OF BOARD AND COMMISSION MEMBERS, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER CARRUTH. APPROVED BY A VOTE OF 5-0.

6.3 City Clerk**6.3.1 CITY COUNCIL "OTHER AGENCIES" APPOINTED REPRESENTATIVES**

THE CITY COUNCIL APPOINTED COUNCIL MEMBER CARRUTH TO CONTINUE TO SERVE AS THE REPRESENTATIVE FOR THE TRANSPORTATION CORRIDOR AGENCY; AND APPOINTED COUNCIL MEMBER BLOUNT AS ALTERNATE TO ATTEND THE SCAG GENERAL ASSEMBLY MEETING, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER BLOUNT. APPROVED BY A VOTE OF 5-0.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: CHAIR AND AGENCY MEMBERS

**FROM: DAVID CHANTARANGSU, AICP
DIRECTOR OF COMMUNITY DEVELOPMENT**

ISSUE: CONDITIONAL USE PERMIT/SITE DEVELOPMENT PERMIT/ VARIANCE/ MASTER SIGN PROGRAM (CUP/SDPM/VA/MSP) NO. 10-14-3013, A REQUEST BY PM DESIGN GROUP ON BEHALF OF RAISING CANE'S TO REDEVELOP THE PROPERTY AT 23971 EL TORO ROAD IN THE VILLAGE COMMERCIAL ZONE INCLUDING DEMOLITION OF THE EXISTING SHELL STATION AND CONSTRUCTION AND OPERATION OF A NEW DRIVE-THRU RESTAURANT

RECOMMENDATION: THAT THE PLANNING AGENCY: (1) CONDUCT A PUBLIC HEARING FOR CUP/SDPM/VA/MSP NO. 10-14-3013; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DENYING CONDITIONAL USE PERMIT/ SITE DEVELOPMENT PERMIT/ VARIANCE/ MASTER SIGN PROGRAM (CUP/SDPM/VA/MSP) NO. 10-14-3013, A REQUEST BY PM DESIGN GROUP ON BEHALF OF RAISING CANE'S TO REDEVELOP THE PROPERTY AT 23971 EL TORO ROAD IN THE VILLAGE COMMERCIAL ZONE INCLUDING DEMOLITION OF THE EXISTING SHELL STATION AND CONSTRUCTION AND OPERATION OF A NEW DRIVE-THRU RESTAURANT."

SUMMARY:

PM Design Group on behalf of Raising Cane's (the "Applicant") has submitted plans to redevelop a 0.94-acre (+/- 41,003) commercial property for the purpose of establishing a fast-food restaurant with a drive-thru. The property is located at the northern corner of El Toro Road and Avenida de la Carlota (Carlota) and is currently developed with a Shell service station. The Applicant is requesting approval of an application that includes a site development permit (SDPM), conditional use permit (CUP), master sign program (MSP) and variance (VA) in order to:

- Demolish the existing service station and all related improvements, including approximately 4,550 square feet of existing buildings;

- Construct a new 2,882 square-foot building for a fast food restaurant (Raising Cane's) with a drive-thru lane and re-design the parking and landscaping for the site;
- Establish a new MSP for the proposed restaurant use; and
- Obtain a variance to the City parking standard for fast food restaurants to permit a reduction of parking spaces from 54 to 42.

Staff does not recommend this project be approved. The proposed site plan is substandard in parking by over 20 percent. The design of the drive-through lane and vehicle circulation is such that it will interfere with the operation of the El Toro Road/Carlota intersection – a major arterial and point of freeway access for Interstate 5. The segment of El Toro Road between Carlota and Interstate 5 is the busiest segment of street in the City, serving over 55,000 vehicles per day. A study of other Raising Cane's stores provided by the Applicant indicates that up to 15 vehicles could utilize the drive-thru at one time. The proposed fast food drive-thru is designed to queue 11 vehicles (if vehicles are queued perfectly) leaving four vehicles to queue beyond the drive-thru lane and potentially into the traffic lanes of El Toro Road.

The entrance of the drive-thru, drive-thru lane exit, and site entrance from El Toro Road all converge at the same point on the site creating a traffic conflict area. When vehicles queue beyond the drive-thru lane, this critical point of site circulation will be blocked making it difficult for vehicles to leave the drive-thru, enter into the drive-thru queue, and keep project traffic from blocking the El Toro Road driveway. The adjoining business owner of Don Jose's has also provided a written letter expressing concern that the proposed parking variance will contribute to an existing parking shortage condition experienced by the neighboring Carrows and Don Jose's, which maintain reciprocal ingress and egress with the subject property at the Carlota driveway entrance.

Similar commercial development surrounds the subject site, including other restaurants, gas stations, retail, and some office, which share the same zoning classification of Village Commercial (VC). The VC zone is regulated by the Urban Village Specific Plan (UVSP). Only one other business in the UVSP maintains a drive-through (Chick-fil-A). Staff notes that In-N-Out is located near the southwest corner of the intersection and does not have a drive-thru.

The Applicant attributes their inability to meet the City's parking requirements due to conditions of the site and the area. These include that the freeway abuts the property, that the property is located on two major thoroughfares, that the property is "isolated" from other properties, that a strip of the property was dedicated for street widening (+/- 40 years ago), that the property has two driveways, and the property's previous development as a gas station. However as described below, the conditions of the site are common to the area and several of the hardships described by the Applicant are created by project design choices - including the Applicant's decision to incorporate a drive-thru into the project. Eliminating the drive-thru would likely eliminate the need for a parking variance for the project. The Applicant has also declined to accept staff's recommendation to close off the

El Toro Road driveway which would eliminate all of the on-site and off-site traffic circulation issues presented by the proposed project, as well as the areas of primary concern regarding on-site circulation.

Generally, the purpose of a variance is to grant exceptions to a city's development standards when unusual circumstances or conditions can be found that prevent the property from enjoying amenities enjoyed by other properties in the same zoning and area. Variances are used to provide relief from the zoning code when physical conditions of the property itself such as size, shape, topography, and location or surroundings constrain the development of the property. In considering when to grant a variance, the Planning Agency is not required to consider "self-induced hardships", which are actions or proposals by an Applicant that make development of the property more difficult.

Because of the significant parking deficiency proposed for the project, and the potential for project traffic to spill over to El Toro Road, staff is unable to recommend that the Planning Agency approve the project. The project does not meet all of the requirements of the Development Code and the UVSP, and is in conflict with several goals and policies of the General Plan.

The California Environmental Quality Act (CEQA) does not apply to projects that are denied by a public agency.

AUTHORITY:

Pursuant to Section 9-24.010 of the Development Code (Title 9 of the Laguna Hills Municipal Code) and Table 1 of the Land Use Matrix of the UVSP, drive-thru restaurants are permitted in the Village Commercial (VC) zone with a conditional use permit (CUP). Pursuant to Section 9-92.080.G, the site layout and improvements require a site development permit (SDP). Pursuant to Chapter 9-42, the new signs associated with the project require a master sign program (MSP) for the site. Additionally, the project cannot be approved without the grant of a variance to the parking standards of the Development Code, as the proposed site plan is deficient 12 required parking spaces. Sections 9-92.080.C, F, G, and H grant the Planning Agency authority to review and approve CUPs, Variances, SDPs, and MSPs, respectively. The findings required for the aforementioned application types are also found in Section 9-92.080 and are listed and discussed in the attached resolution.

BACKGROUND:

The project site is 0.94 acres located at the northeast corner of El Toro Road and Carlota. The subject site was originally developed as a service station under the jurisdiction of the County of Orange in the 1970s. Over the years, modifications to the original approval have been made, most significantly in 1993 when the car wash was added. The service station currently consists of fueling pumps and canopy, small convenience store, three service

bays, and an automated self-car wash. The buildings on the site total approximately 4,550 square feet.

The original underground fuel storage tanks (USTs) on the site leaked contaminating the surrounding soil and groundwater. This is typical of USTs installed in this era. In 1992 the leaking USTs were replaced with an improved UST system and fuel lines, stopping any further leaks of contaminants. Groundwater monitoring has been in place at the site under the regulatory oversight of the State of California Regional Water Quality Control Board, Santa Ana Region (RWQCB-SAR). A prior approved remediation program (opened in 1993 to clean up the contaminants following the removal of the leaking USTs) is drawing to a close after successful remediation of soil and groundwater contamination. Based on the most recent groundwater monitoring report, monitoring of the site should be completed and ceased in the near future.

PROJECT DESCRIPTION AND ANALYSIS:

The proposed project is a redevelopment of the project site from a vehicle service station to a fast-food drive thru restaurant. The demolition phase would involve demolition of all buildings on the subject site (totaling approximately 4,550 square feet) and removal of the four fuel USTs as well as a waste oil storage tank. The proposed site plan includes a 2,882 square-foot single-story drive-thru fast-food restaurant for Raising Cane's. Site improvements would include associated surface parking (42 spaces), new and expanded site landscape, and a new Master Sign Program (MSP) for the business.

Use

The property is located within the VC zone, which is regulated by the UVSP. Pursuant to the Land Use Matrix in the UVSP (Title V, Table 1), drive-thru restaurants may be permitted through the CUP process. CUPs allow conditions to be placed upon projects that might otherwise have negative impacts due to their particular characteristics. The conditions are intended to be directly related to the reduction and/or elimination of any negative impacts associated with the use. Integral to any use, especially given the vehicle-oriented nature of the area directly adjacent to a freeway, is the provision of required parking. The proposed project is deficient in parking spaces, which has the potential to negatively impact neighboring properties and circulation on El Toro Road. The two neighboring restaurants, Don Jose and Carrows, were established under the County of Orange, which had different parking requirements, and which approved parking that is deficient according to the City's current development standards. Approving the subject site with a parking deficit, would increase known parking issues at the neighboring businesses (Carrows and Don Jose), which share driveway access with the subject property.

Parking

Pursuant to Table 9-44.A of Chapter 9-44 of the Development Code, fast food restaurants require parking at 1 space per 50 square feet of floor area (not including restrooms). The

City's parking ratio for fast food restaurants has been in place for twenty years, is the same ratio for restaurants with a drive-thru lane referenced in a 2002 report on parking issued by the American Planning Association (Planning Advisory Service Report Number 510/511), and is in practice in other cities including Newport Beach. For the proposed business, this equates to 54 parking spaces. However, the site plan shows 42 parking spaces, plus one "motorcycle" space (the justification letter also refers to bicycle parking, although it is not apparent where on the site this will be located). Nevertheless, the site plan proposes a 12-space deficiency (over 20 percent of the spaces required by the Development Code).

Within the UVSP area, there are also two "alternative" parking solutions that can be used. The first involves the use of a reduced ratio for general commercial development of 1 space per 200 square feet applied for all uses on a property *if* restaurant or entertainment uses are equal to or less than 10% of the total floor area. This reduced ratio cannot be used for the subject application because the entire site will be dedicated to a restaurant use. The second alternative parking solution is a shared parking approach based on a Linscott, Law & Greenspan (2002) parking study for the UVSP area. For this approach the City is able to consider that different uses (such as office, retail, and restaurant uses) have varying parking demand times throughout the day. Therefore on-site parking supply can be shared instead of each individual use being required to provide all of its required parking. Since the subject site is not a part of a larger development, and does not have access to parking on other properties, the proposed use would not qualify for shared parking and would need to provide all of its required parking on site (54 spaces). Therefore the Applicant has requested a variance to the City's parking standards.

Description of Variances

A variance is a specific type of land use permit addressed in state planning law (*California Government Code sect. 65000, et seq.*) that allows a limited exception to a local agency's development standards. Approval of a variance allows the property owner "to use his property in a manner basically consistent with the established regulations with such minor variations as will place him in parity with other property owners in the same zone." (*Longtin's California Land Use*, 2nd edition, sect. 3.70[1], pp. 349-350). The findings established for granting a variance allow a public agency to grant an exception without granting a special privilege or creating a precedent for approval of future variances. The basis of these findings is that there is a special condition on the property (such as size, shape, location, topography, or surroundings) that makes it different from other properties in the same area and zoning classification (in this case the VC zone). Special circumstances refer to the need to grant a variance due to some unique attribute of or related to the property, considered on a "case-by-case" basis. Further the variance should be granted upon hardship and not convenience. Convenience could alternatively be called a self-induced hardship.

In this case the Applicant cites several circumstances which are neither special nor unique to the subject property, and should not be considered hardships as a basis for making the required variance findings, including:

- Previous development as a service station;
- A constrained lot size due to:
 - A corner lot location on two major thoroughfares;
 - Two driveways into the property that would be difficult to move;
 - A “buffer necessitated by the I-5 Freeway;”
 - Dedications of portions of the property for street widening.
- The fact that the property is not a part of a larger commercial center or otherwise able to share parking with adjacent properties.

The following is staff’s review of the Applicant’s justification for reducing the project’s required parking. Generally, the Applicant’s justification for reduced parking can be classified as self-induced hardship rather than special or unique circumstances. Pursuant to section 9-92.080.F.3 of the Development Code, self-induced hardships cannot be used as a basis for granting a variance. The fact that the property was previously developed as a service station is not a special or unique circumstance, nor does it limit the ability of the property to be re-developed in a way consistent with the Development Code or other similar properties in the zone.

Constrained or limited lot size as a special circumstance or hardship is not applicable to this property. The property is 41,003 square feet and is roughly 218 feet by 190 feet. The minimum dimensions for properties in this zone are 100 feet by 100 feet and 10,000 square feet in area. This puts the subject property well above the minimum lot size and dimensions. Further, this property size, while smaller than average for this zone, is not unique. By way of example, the two properties directly adjacent (where Carrows and Don Jose are located) are listed as 22,488 square feet and 34,627 square feet. The property size does not constitute a unique circumstance in this zone.

The actual developable area of the property is also not constrained by the driveways, the corner location, or the location next to the I-5 Freeway. These three circumstances are not unique or special for properties in this zone. There are several properties in the UVSP area that share these characteristics. Corner lots on two major thoroughfares are common. While setbacks from both streets must be maintained, these are standard requirements that all properties are required to meet. The driveway locations do not limit the site layout in any way that is special or unique. The Carlota driveway would be difficult to move due to the fact that it contains an access easement for the use of the Carrows and Don Jose properties. However, the location of this driveway would minimally impact site layout as it is at the edge of the property.

The El Toro driveway, the Applicant correctly identifies, would be difficult or impossible to move due to the proximity to the intersection, among other things. What the Applicant does not address is that this driveway can be closed. This was proposed to the Applicant since this could potentially allow for more parking and significantly improve on-site

circulation, as well as eliminate the possibility of back-ups onto El Toro. The Applicant has chosen not to pursue this option. In light of this, the driveway locations (or the fact that there are two) should not be construed as unique, special, or even a hardship.

The Cal-Trans right-of-way at the back of this property likewise is not a special circumstance. Many other properties in the zone have this condition. Some of those properties are also similar in size and shape. Its presence does not limit the developable area of the property as there is no additional setback or other restriction from the right-of-way. The Cal-Trans right-of-way is an off-site feature that does not impact the ability of the property owner or the Applicant to develop the property nor does it limit the site layout or design. This should not be considered a hardship.

The dedications of portions of the property for street widening occurred, according to the Applicant, in the 1970s. However, the street widening did not create a sub-standard lot. Dedications of property for roadway widening are common on most properties fronting on major thoroughfares. It is not a unique circumstance, especially when a property maintains the required minimum lot size for the zone. It can create a unique circumstance if the dedication results in a sub-standard lot or a non-conforming situation, which is not the case on the subject property.

The fact that the property does not have the opportunity to share parking is not unique. The property is simply not a part of a larger commercial center, similar to other properties in the zone, including the immediately adjacent properties.

Site Layout and Development

Aside from the parking issues, circulation and drive-thru queuing also presents an area of concern. The queuing study provided by the Applicant shows a 15-car maximum drive-thru queue at the study site in Texas that is most similar to the project site. It is reasonable to assume then that the subject site could have up to 15 cars in the drive-thru queue, while it may even translate to more cars in California, especially in the City developed with predominantly single-family homes and this high traffic volume location next to the I-5. The site plan shows space for approximately 11 cars in the drive-thru lane. Therefore if 4 additional cars queue up, the drive-thru could back up on to El Toro Road because the entrance and exit to the drive-thru is in close proximity to the El Toro Road driveway. The intersection of El Toro Road and Carlota is a high-volume intersection, which has been the focus of much effort on the part of City traffic engineers for many years to improve flow and performance. A drive-thru backing up into the right lane is not an ideal circumstance. Even if cars do not back up on to El Toro Road, back-ups into the driving aisles on the subject site could cause bottle necks and cause on-site circulation conflicts. Functioning site circulation is dependent on the number of cars waiting for the drive-thru lane not exceeding the space in the drive-thru lane (11 cars, if queued up without leaving excess space between vehicles). In order to park on the site when entering from the El Toro Road driveway, get to the reserved accessible parking spaces when entering from either driveway, or enter the drive-thru lane, vehicles must pass the entrance to the drive-thru

lane. One additional car waiting for the drive-thru outside of the designated drive-thru lane could block this critical circulation point. Additionally, vehicles will be exiting the drive-thru lane in the same area. Once vehicles can no longer freely enter and circulate through the site (either to park or to queue at the drive-thru), the possibility that a back-up will occur on El Toro Road increases significantly. Some of these concerns could be reduced by simply closing the El Toro Road driveway. However, the Applicant has decided not to pursue that option.

Signs

The proposed MSP (Attachment 7) contains signs that are typical of a drive-thru restaurant, including a monument sign, internally illuminated wall signs, menu boards, and re-facing the existing legal non-conforming freeway pole sign. They are requesting several deviations to the sign standards prescribed by the Development Code. Deviations to the standards contained in the sign matrix (Section 9-42.090 of the Development Code) can be granted by the Planning Agency pursuant to Section 9-42.180 through the MSP process based upon design quality, creativity, and compatibility of the signage with the building architecture and surrounding land uses. Three of the deviations requested will require a variance because they exceed the authority granted to the Planning Agency by the foregoing sections of the Development Code. The below table summarizes the signs proposed and the deviations requested.

	Number	Aggregate Size	Code Allowance	Deviation Requested?	Deviations Allowed?
Wall Signs	4	235.5 sf	123 sf	Yes	Yes
Monument	1	55.5 sf, 6'high	40 sf, 4ft high	Yes	Yes
Menu Board	2	48.97 sf	32 sf	Yes	No
Banner	1	32 sf	24sf	Yes*	No

*The deviation requested is for sign type, in addition to sign size.

In addition to the above signs, directional signs are proposed for the property as well as re-facing the existing legal non-conforming freeway pole sign.

Deviations may be granted for maximum wall sign area and monument size and height, provided that they meet the criteria for granting deviations in the Development Code (quality design, creativity, and compatibility with the architecture and uses). The wall signs proposed include three internally illuminated cabinet signs (32 square feet each, totaling 96 square feet). These signs are standard signage for this type of business and are within the overall size requirements of the Development Code. The fourth wall sign proposed is a 139.5 square-foot externally illuminated mural sign painted on a brick façade on the Carlota frontage. This sign type complements the building architectural finishes and is similar to the murals on King's Fish House across the street. It is also consistent with Section 9-42.210 of the Development Code (artistic, creative, or unique signage encouraged), as well as the UVSP sign design guidelines, which also encourages creative

sign types and specifically mentions murals. The addition of the mural, though it requires extra wall signage to be granted, is consistent with design guidelines in the UVSP and is consistent with the building design as well as surrounding land uses and sign types.

The monument sign is a roughly 3' x 8' cabinet on a stainless steel panel (approximately 4' x 9'), mounted on a brick base. The overall height of the sign is 6 feet. The sign itself would meet the area and height provisions of the code, but with the brick base (9'3" x 2') exceeds monument sign height and area dimensions. No justification is provided for the additional height for this single-tenant sign. Further, while the building uses brick, staff would recommend that the sign base be clad in the ledgerstone used throughout the Urban Village, to be consistent with the overall theme of the UVSP area. Because there is no justification given for the additional height and the base does not match signs and monuments throughout the area, staff would not recommend that additional height and size allowances be granted for the monument sign.

The menu board and banner sign require deviations that cannot be granted through the MSP process. The menu signs (a "pre-order" and main menu board) total 48.97 square feet, in excess of the area permitted by the Development Code for menu boards. Further, Section 9-42.330.F of the Development Code states that menu boards should be "oriented away from the public street." The main menu board does not meet this requirement. The banner proposed is 32 square feet, in excess of the area permitted by the Development Code for banners. Further, the banner is proposed as a permanent sign. The Development Code allows banners as temporary signs only for up to 45 days per calendar year. Because these two signs do not meet the requirements of the Development Code, and the Development Code does not allow for approval of these types of deviations to requirements through the MSP process, the MSP cannot be approved as presented.

PUBLIC COMMENT:

A total of 21 public hearing notices were mailed, including all property owners within a 300-foot radius of the subject property, the tenant of the subject property, and other people and entities as required by law. To date, staff has received one comment from an owner of Don Jose, Rick Fraser. He has concerns about granting a parking variance due to the already short supply of parking on the Don Jose and Carrows properties. He also expressed concerns about circulation and traffic flow on the subject site and in the vicinity due to the drive-thru window. The letter is attached (Attachment 3).

CEQA FINDINGS:

Pursuant to California Code of Regulations, Title 14, Section 15270, CEQA does not apply to projects that a public agency disapproves or rejects.

CONCLUSION:

Staff is recommending denial of this project due to poor on-site circulation, the traffic impacts to El Toro Road, and a parking deficiency of over 20 percent. Granting the variance to the City's parking standards would constitute a special privilege for this property that other similar properties do not enjoy as there is no special circumstance that makes this property unique when compared with other properties in the same area and zone. The deficient parking condition that would be created on the site if the permit were granted would negatively impact neighboring properties by adding a site that is deficient in parking by approximately 20% directly adjacent to two properties with reciprocal access that have documented parking problems. Circulation conflicts will exist, both on-site and off-site on El Toro Road due to the likelihood that the drive-thru will, at times, have more vehicles waiting than there is room for in the designated drive-thru lane. Additional queuing beyond the drive-thru lane will significantly impact on-site circulation and will increase the potential for back-ups onto El Toro Road.

ATTACHMENTS:

1. Resolution of Denial
2. Letter of Justification
3. Public Comments
4. Plans
5. Traffic, Parking & Queuing Studies
6. RK Engineering Memo
7. Master Sign Program
8. Raising Cane's Company Information

Attachment 1

Resolution of Denial

RESOLUTION NO. PA2015-

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DENYING CONDITIONAL USE PERMIT/ SITE DEVELOPMENT PERMIT/ VARIANCE/ MASTER SIGN PROGRAM (CUP/SDPM/VA/MSP) NO. 10-14-3013, A REQUEST BY PM DESIGN GROUP ON BEHALF OF RAISING CANE'S TO REDEVELOP THE PROPERTY AT 23971 EL TORO ROAD IN THE VILLAGE COMMERCIAL ZONE INCLUDING DEMOLITION OF THE EXISTING SHELL STATION AND CONSTRUCTION AND OPERATION OF A NEW DRIVE-THRU RESTAURANT

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

WHEREAS, PM Design Group, on behalf of Raising Cane's ("the Applicant"), has filed an application for Conditional Use Permit/Site Development Permit/Variance/Master Sign Program (CUP/SDPM/VA/MSP) No. 10-14-3013 to redevelop the property at 23971 El Toro Road in the Village Commercial zone including demolition of the existing Shell station and construction and operation of a new drive-thru restaurant; and

WHEREAS, the California Environmental Quality Act does not apply to projects that a public agency disapproves or rejects (California Code of Regulations, Title 14, Section 15270); and

WHEREAS, the Planning Agency has considered evidence presented by the Community Development Department, the Applicant, and other interested parties with respect to the subject application at a public hearing held on February 10, 2015.

NOW, THEREFORE, THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES 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 findings required by the Development Code (Title 9 of the Laguna Hills Municipal Code) for approval of CUP/SDPM/VA/MSP No. 10-14-3013 cannot be made. The project design and the Application do not support the findings required by the Development Code for approval of the project, as follows:

Conditional Use Permit

1. The proposed use is not consistent with the General Plan.

The proposed use is inconsistent with the following policies and goals of the General Plan.

Land Use Element Policy LU-1.3: Promote intensified and revitalized land uses in the Urban Village within traffic, parking, and transit capabilities.

Mobility Element Goal M-6: Ensure adequate parking is provided for all uses in the community without unnecessarily impeding new development and redevelopment.

Mobility Element Policy M-6.3: Develop flexible and creative solutions for parking in the Urban Village that respect its proximity to transit and park and ride, and its mix of uses.

With respect to parking, the Mobility Element introduction at page M-19 provides that, "Vehicular parking is a necessary component of any land use. New development and redevelopment projects will provide sufficient parking to meet the generated demand. At the same time, the City will employ innovative parking management solutions to avoid excessive parking requirements that detract from the economic, environmental, and aesthetic objectives of projects. Reduced parking requirements may be provided in areas that are highly walkable and well served by transit."

The project as proposed does not meet the parking requirements of Table 9-44.A of Chapter 9.44 of the Development Code and is deficient 12 spaces. The owner of Don Jose, one of the two adjacent restaurants, through the letter submitted in response to the notice of the project, indicates that parking is already a problem in the immediate vicinity of the proposed project. The foregoing policies and goals of the General Plan require new development and redevelopment to meet their parking requirements. Reduction in required parking is permitted only in conjunction with project features promoting the use of mass transit and walkability. The project as proposed includes a drive-thru component that instead promotes the use of vehicles to enjoy the proposed fast food restaurant rather than walking and sitting down to enjoy a meal.

2. In considering the nature, condition, and development of adjacent uses, buildings, and structures, the proposed conditional use will adversely affect or will be materially detrimental to the adjacent uses, buildings, or structures.

The subject property is adjacent to properties developed with restaurants (Carrows and Don Jose). The owner of Don Jose states that parking is often a problem in the adjacent properties, especially during peak times. The proposed fast food restaurant will add a similar use as adjacent properties, sharing similar peak traffic times and exacerbating parking problems that already exist, especially with the 12-space parking deficiency in the project as proposed. The subject property and adjacent properties are also located near intersections with heavy traffic volumes and the proposed project includes a drive-thru lane that commences and

exits near a driveway along El Toro Road, a major arterial in the City. The proximity of the entrance and exit of the drive-thru lanes will add to the congestion within the site very close to the driveway along a high traffic arterial. Based on the parking demand analysis submitted by the Applicant, if the proposed project is as successful as the study location most similar to the proposed project, up to 15 vehicles could stack up within the proposed drive-thru queue. The drive-thru queue for the proposed project is designed for 11 vehicles, and 15 vehicles will cause a backup onto El Toro Road, endangering other vehicles traveling on El Toro Road. The queuing of 15 vehicles at the proposed project site will further negatively affect the ability of patrons to park and safely circulate within the site.

3. The proposed site is not of adequate size and shape to accommodate the use as proposed, and to integrate it with the existing and planned uses in the vicinity.

The project as proposed does not utilize the site in a manner that meets the requirements of the Development Code. The Applicant has failed to present a site plan that addresses all the issues that have been identified in the review process and is not providing the required parking, appropriate drive-thru lane queuing, and on-site circulation for the proposed fast food restaurant. The owner of the adjacent restaurant has indicated that there is currently a parking problem during the restaurant's peak times, and the proposed project is 12 parking spaces deficient, which will exacerbate the parking problems on the subject property and adjacent properties. The drive-thru component has not been designed to mitigate queuing and circulation problems within the subject property and El Toro Road.

4. All required development standards prescribed by the Laguna Hills Development Code have not been achieved in the proposed project.

Pursuant to Table 9-44.A of Chapter 9-44 of the Development Code, the proposed fast food restaurant requires 54 parking spaces. The proposed site plan provides 42 parking spaces. This represents a 12-space deficiency in the parking required. The Applicant is further seeking deviations from the development standards for signs in Chapter 9-42 of the Development Code.

5. Conditions and limitations have not been placed upon the use or accepted by the Applicant to ensure compatibility with adjacent or abutting uses and to ensure the preservation of the public peace, safety, and welfare.

While the proposed project could be designed to meet the development standards of the Development Code, the Applicant instead seeks deviations and variances from various development standards applicable to parking and signs. The location of the entrance and exit point to the

proposed drive-thru lane is in close proximity to the driveway on El Toro Road and the parking demand analysis submitted by the Applicant shows that up to 15 vehicles could stack up within the drive-thru queue designed for 11 vehicles. Fifteen vehicles queuing in the drive-thru lanes will cause a backup onto El Toro Road endangering other vehicles traveling on El Toro Road and will affect the ability of patrons from parking and safely circulating within the subject property. The location of the entrance and exit point to the drive-thru will further encourage patrons to exit the subject property onto the El Toro Road driveway, which is in close proximity to the intersection with Carlota. The closest westbound lane of El Toro Road to the driveway exiting the subject property, which is the safest exit lane, is a dedicated right-turn lane onto Carlota. Patrons wishing to continue west on El Toro Road will create further backups within the subject property at the exit point of the drive-thru lane and further exacerbate the circulation problems during peak traffic times.

Site Development Permit

1. The site design does not comply with standards of the Development Code.

Pursuant to Table 9-44.A of Chapter 9-44 of the Development Code, the proposed fast food restaurant requires 54 parking spaces. The proposed site plan provides 42 parking spaces. This represents a 12-space deficiency in the parking required. The Applicant is further seeking deviations from the sign requirements of Chapter 9-42 of the Development Code.

2. The site is not suitable for the development as proposed.

The Applicant has failed to present a site plan that addresses all the issues that have been identified during the review process, and is not providing the required parking and appropriate drive-thru lane queuing, and on-site circulation. The site plan shows a 12-space deficit in the parking required. The drive-thru queue study showed that there is a potential for up to 15 cars in the drive-thru queue. With space for only 11 cars in the drive-thru lane, this could lead to queuing other places on the site impeding on-site circulation, or queuing on El Toro Road, impeding traffic in a major arterial in the City.

3. The project is not consistent with the General Plan and applicable design guidelines.

The proposed use is inconsistent with the following policies and goals of the General Plan.

Land Use Element Policy LU-1.3: Promote intensified and revitalized land uses in the Urban Village within traffic, parking, and transit capabilities.

Mobility Element Goal M-6: Ensure adequate parking is provided for all uses in the community without unnecessarily impeding new development and redevelopment.

Mobility Element Policy M-6.3: Develop flexible and creative solutions for parking in the Urban Village that respect its proximity to transit and park and ride, and its mix of uses.

With respect to parking, the Mobility Element introduction at page M-19 provides that, "Vehicular parking is a necessary component of any land use. New development and redevelopment projects will provide sufficient parking to meet the generated demand. At the same time, the City will employ innovative parking management solutions to avoid excessive parking requirements that detract from the economic, environmental, and aesthetic objectives of projects. Reduced parking requirements may be provided in areas that are highly walkable and well served by transit."

The project as proposed does not meet the parking requirements of Table 9-44.A of Chapter 9.44 of the Development Code and is deficient 12 spaces. The owner of Don Jose, one of the two adjacent restaurants, indicates that parking is already a problem in the immediate vicinity of the proposed project. The foregoing policies and goals of the General Plan require new development and redevelopment to meet their parking requirements. Reduction in required parking is permitted only in conjunction with project features promoting the use of mass transit and walkability. The project as proposed includes a drive-thru component that instead promotes the use of vehicles to enjoy the proposed fast food restaurant rather than walking and sitting down to enjoy a meal.

The Applicant further proposes deviations from the sign standards of Chapter 9-42 of the Development Code.

4. The site design and structural components are not appropriate for the site and function of the proposed uses.

The Applicant has failed to present a site plan that addresses all the issues that have been identified during the review process, and is not providing the required parking, appropriate drive-thru lane queuing, and on-site circulation. The site plan shows a 12-space deficit in the parking required. The drive-thru queue study provided by the Applicant shows that there is a potential for up to 15 cars in the drive-thru queue. With space for only 11 cars in the drive-thru lane, this could lead to queuing other places on the site impeding on-site circulation, or queuing on El Toro Road, impeding traffic in a major arterial in the City.

Master Sign Program

1. The design and application of the sign criteria required by the Development Code are not satisfied by the proposed sign program.

The Master Sign Program proposed by the Applicant includes requests for deviations to Chapter 9-42 of the Development Code that can only be approved by the granting of a variance or amendment of the Development Code.

The Applicant is proposing a menu board (a “pre-order” and main menu board) that total 48.97 square feet, in excess of the 32 square feet permitted by the Development Code. Furthermore, Section 9-42.330.F of the Development Code requires menu boards to be “oriented away from the public street.” The main menu board proposed does not meet this requirement.

The Applicant is further proposing a 32 square feet banner, in excess of the 24 square feet permitted by the Development Code. This banner is proposed as a permanent sign and the Development Code only allows banners as temporary signs only for up to 45 days per calendar year.

Because the foregoing two signs do not meet the requirements of the Development Code, the Master Sign Program cannot be approved as currently presented.

2. The sign program does not provide a compatible and harmonious design between advertising, landscaping, and building design.

Section 9-92.080.H of the Development Code requires that Master Sign Programs be evaluated in relationship with a Site Development Permit as an integral portion of the comprehensive architectural plans for the project. The Site Development Permit cannot be approved because the proposed project does not meet parking requirements and presents drive-thru queuing and circulation problems that have not been mitigated. The proposed Master Sign Program includes deviations from development standards because the Applicant wishes to use banner signs, larger menu signs and menu signs on locations not allowed by the Development Code. These deviations create a design that affects the harmony of the proposed project with the development of similar nearby properties in the Urban Village Specific Plan area.

Variance

1. There are no special circumstances applicable to the property, such as size, shape, topography, location, or surroundings that due to the strict application of the zoning ordinance would deprive the property owner of

privileges enjoyed by other property in the vicinity under identical zoning classification.

The subject property is a 41,003 square-foot lot at the corner of El Toro Road and Avenida de la Carlota (Carlota) in the VC zoning district. The minimum lot size for the VC zone is 10,000 square feet (100 feet by 100 feet minimum dimensions). While the subject property is smaller than average for other properties in the VC zone, it is neither substandard nor unique for this zoning district. Several other properties within the zoning district are of a similar size, and in fact, similar overall. The subject property is a standard rectangular shape, approximately 218 feet by 190 feet. The subject property does not contain unique topography as it is essentially a flat, developed parcel. Aside from the standard required setbacks applicable in the VC zone, there are no circumstances that limit the available area upon which redevelopment can take place. The property is located in an urbanized area with general commercial uses, including retail, restaurant (fast-food as well as sit-down), gas stations, and some office.

The subject property abuts the CalTrans right-of-way for the I-5 freeway at the rear of the property. This is neither unique to this property (several other properties in the same zoning district, some of similar size and shape, are under the same circumstances), nor does its location limit the developable area of the subject property.

The special circumstances argued by the Applicant do not exist solely on the subject property, including the fact that the subject property is at the corner of two large arterial roads (El Toro and Carlota) with two driveways, is located next to the CalTrans right-of-way (I-5 Freeway), and is not a part of a larger development or close enough to other properties with excess parking to facilitate shared parking. The Applicant can design a project for a fast food restaurant that meets the development standards without the need for a variance.

2. The grant of the variance constitutes the grant of special privilege not available to other properties under similar circumstance in the same zoning district.

The subject property is not unique and can be developed under the current development standards of the Development Code. Granting a variance would grant the subject property special privileges not available to other properties under similar circumstances in the VC zone. The Applicant argues that the two driveways at the subject property limit its development potential. However, the El Toro Road driveway could be closed because the driveway off Carlota provides appropriate access to the subject property.

3. The Applicant seeks a variance for convenience and not for hardship.

The subject property meets minimum size requirements for development and can be developed under the current development standards of the Development Code for its zoning district. There are no physical characteristics of the subject property that make it so much different than similarly situated properties so as to justify variations of the development standards for the subject property alone. The Applicant has not provided convincing justification to vary from the Development Code's standards.

4. The grant of variance would be detrimental to the public health, safety, and welfare of the community, or is injurious to properties, uses, or improvements in the vicinity.

Granting a parking variance for the subject property could be detrimental to the public health, safety, and welfare. The proposed location of the entry and exit point of the proposed drive-thru lanes creates conflicts with the entrance and exit point on the El Toro Road driveway. The El Toro driveway is a potential conflict point for vehicles entering and exiting the site both to park and to queue into the drive-thru lane. The drive-thru lane is designed for approximately 11 vehicles. The parking and queuing study provided by the Applicant show that at the study site that is most similar to the subject property, drive-thru queues of up to 15 cars were observed. Fifteen cars queuing at the subject property designed for 11 will back up onto El Toro Road, which is already a very busy, high-volume roadway intersection that has been the focus of significant effort on the part of City traffic engineers to improve. Furthermore, the business owner of the adjacent Don Jose restaurant indicates that parking is already a problem on the adjacent properties at peak times. Approving the variance would only intensify the parking problems for the adjacent properties, and will unnecessarily cause parking and circulation problems for the subject property.

NOW, THEREFORE, based upon the above findings, the Planning Agency of the City of Laguna Hills does hereby deny CUP/SDPM/VA/MSP No. 10-14-3013.

PASSED, APPROVED, AND ADOPTED this 10th day of February, 2015.

DORE J. GILBERT, M.D., CHAIR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

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

I, Peggy J. Johns, 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- adopted by the Planning Agency of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 10th day of February, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

PEGGY J. JOHNS, CITY CLERK

Attachment 2

Letter of Justification



PM Design Group, Inc.
8001 Irvine Center Dr., Suite 400
Irvine, CA 92618
P. 949-398-0111
C. 949-491-7061

January 15, 2015

Katie Crockett
Assistant Planner
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

RECEIVED
JAN 15 2015
CITY OF LAGUNA HILLS

Subject: **Proposed Raising Cane's Restaurant**
23971 El Toro Road
Laguna Hills, CA 92653

Re: **Letter of Justification with Findings for a Conditional Use Permit,
Site Development Permit, Variance and Master Sign Plan**

Dear Ms. Crockett:

Per the City of Laguna Hills Planning Application Filing Instructions, please accept this Letter of Justification, which outlines the required Findings for each of the Entitlements requested by Raising Cane's including a Conditional Use Permit, Site Development Permit, Variance and the Master Sign Plan.

The redevelopment of the Shell Service Station and Carwash makes a positive improvement on a noticeable corner in the city of Laguna Hills. The addition of Raising Cane's, a vibrant, community-minded tenant, will re-energize an under-utilized property at a prominent point of entry into the city's downtown area. The proposed use will join two other existing restaurant users on the same side of Avenida de la Carlota and will offer the local community as well as travelers, a new, authentic food that is praised for its freshness. As I had mentioned in my meeting with you and David, Cane's uses no freezers, no microwaves and no heat lamps. Deliveries are made three times a week to ensure a fresh menu at all times. Cole slaw and lemonade are made fresh daily.

The development of the first Raising Cane's restaurant in California will encourage further investment in the redevelopment of existing properties in the immediate area.

Although the project complies with most City Code standards, certain components of the project's site design do not meet the intent of the Code. For example, the parking requirement of one space per every 50 square feet equates to a need for 54 spaces based on a building footprint measuring 2,657 sqft (gross floor area). 43 parking spaces, including one space

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dedicated to motorcycle parking are available based on a site layout that is constrained by two existing driveways and a property abutting Caltrans right-of-way. Even with existing site constraints, the layout of the restaurant building and drive-thru allows queuing for 11 vehicles. Additionally, bicycle parking is provided on site. The Urban Village Specific Plan encourages placement of structures on the street right-of-way to encourage pedestrian traffic therefore the structure's proposed location has been located in close proximity to the adjacent streets to promote pedestrian activity and contribute to the unified street frontage. The redeveloped site offers a pedestrian connection to the public sidewalk via an opening in the El Toro Road perimeter planter with a pathway leading to the Cane's entry. The proposed restaurant with a drive-thru is designed to capitalize on local pass-by traffic and local residents who drive to the downtown center from residential areas situated in other parts of the community to do shopping and to dine at local restaurants. The new pedestrian connection facilitates easy access for those parked offsite at local office buildings or the nearby shopping center or for those using the El Toro bus route with a bus nearby stop.

This Raising Cane's project delivers multiple positive attributes to the city and community including a revitalized site that will be cleaned up after more than 35 years of service station operation (removal of gas station/carwash including leaky underground storage tanks, piping, waste oil tanks and hydraulic vaults), additional jobs to the community estimated to be around 55 full and part time positions (currently an estimated seven people are employed by the service station), modified hours of operation (currently the station convenience store operates 24-hours each day according to the owner), a noticeable increase in landscaped area that promotes a larger street front presence with more trees and ground cover, and a building designed per California's new green code.

The findings for approving the requested entitlements are divided into their respective categories as follows:

Conditional Use Permit

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

The General Plan land use designation for the subject property is Village Commercial (VC). The General Plan designation provides for the development and operation of medium intensity commercial uses that serve the needs of the motoring public and convenience service needs of the local community and the regional area that take advantage of access and visibility provided by Interstate 5. Fast Casual restaurants are considered medium intensity commercial uses and are therefore consistent with the Village Commercial designation. The proposed restaurant structure is architecturally consistent with existing developments in the area including Chic-fil-A. The project also meets other General Plan goals and policies, expanding the variety of services in the community.

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 drive-thru restaurant is located in an area with two neighboring sit down restaurants. The drive-thru restaurant is located adjacent to the frontages of two streets on this

corner lot in order to effectively utilize the two existing curb cuts and in conformance with Urban Village design guidelines. There are no residential uses adjoining the subject property which sits adjacent to Interstate 5. The site has been occupied by a service station since its original development over 35 years ago. The Conditional Use Permit authorizes the replacement of the existing gas station with a new, more appropriate use, compatible with the two adjoining restaurant neighbors. Gas will continue to be available at the Chevron station across the street. The proposed Conditional Use, will not adversely affect or be materially detrimental to 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 proposed project proposes an efficient property layout on the constrained site maintaining on-site circulation from existing driveways. No additional entry or exit drives directly from adjacent streets are required. The design of the project site utilizes quality building materials, architectural features and massing that are compatible with the existing and planned surrounding land uses. The site is therefore adequate in size and shape to accommodate the proposed project, which can be integrated into 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 new building, parking areas and landscaping meet all development standards including setbacks and height requirements. With the addition of the building, the site continues to meet the lot coverage requirements. Parking requirements will be satisfied with the approval of the subject Variance.

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

The conditions of approval for this project, including requirements to minimize noise, traffic, light, aesthetics and water quality impacts of the project, help to ensure compatibility with surrounding uses and protect the public peace, safety and welfare. Additionally, the development of this project will ensure that attention and action are given to the issue of soil and water conditions related to past unauthorized fuel releases from this and neighboring properties.

Site Development Permit

1. The site design complies with standards of the development code in that:

With the Conditions of Approval, the project meets and/or exceeds the Development Code standards relative to height and building setbacks. However, given preexisting conditions to the subject site, including driveway locations, one of which is a shared access with a neighboring

restaurant and the other being centered between Interstate 5 right-of-way and the intersection of El Toro Road and Avenida de la Carlota, a variance to the city's Development Standards is necessary. The unique corner location abutting Caltrans' right-of-way represents a special and unusual circumstance which qualifies the project for the subject variance.

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

The site is an existing commercial location and the proposed development includes the redevelopment of the existing gas station with a restaurant offering drive-thru service. Restaurants with drive-thru service are permitted uses in the Village Commercial (VC) Zone subject to a Conditional Use Permit. The building is connected to both street frontages of the corner lot, utilizing the locations of the two existing driveways and designed to facilitate traffic patterns onsite through a combination of site design, including landscaped planters, angled parking spaces and directional signage.

3. The project is consistent with the general plan and applicable design guidelines in that:

The General Plan encourages development of a community core with a wide variety of uses with a goal of ensuring development is compatible with neighboring uses, all of which benefit from the close proximity to the freeway. Since neighboring development consists of a wide variety of building styles and the Urban Village Specific Plan specifically encourages diversity in its design guidelines, the design proposed by Cane's will be compatible with surrounding development. The building architecture is designed to blend with surrounding architecture in both colors and materials, while retaining some elements necessary for Cane's unique identity.

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

The new building and drive-thru are designed to impact the site circulation as little as possible. Site entry and exiting are governed by the locations of the two existing driveways that cannot be feasibly relocated due to proximity to neighbors, Caltrans ROW or the intersection. The drive-thru lane is designed for sufficient vehicle stacking including a total queue of 11 autos with 3 autos placed between the menu board and the pickup window. The design of the project utilizes building materials, architectural features, building placement and massing that are compatible with surrounding land uses.

Master Sign Program (Please refer to the separate Master Sign Program submittal package for additional information regarding specific requests and justifications for signs.)

1. The design and application of the sign criteria required by the Laguna Hills Development Code are satisfied by the proposed sign program in that:

Per the Municipal Code, Section 9-42.180 Sign Standards Matrix and through the provisions of the Master Sign Program, Raising Cane's requests the Planning Agency's approval for deviations from the standards matrix in order for this project location, set on a corner lot, to incorporate a sign program that utilizes a tasteful design and creativity that is compatible with

not only this location's building architecture, but with surrounding architecture and land uses. The proposed signs are designed and located to properly identify the Raising Cane's restaurant and include an internally illuminated monument sign, internally illuminated wall signs, externally illuminated wall mural and "Blue Dog" wall sign. The existing highway sign will be refaced. The use of site directional signs are located as to facilitate site automobile circulation in a manner that is safe to both pedestrians and drivers.

Through the Master Sign Program, Raising Cane's requests consideration and approval in two categories for sign area including the monument sign and total wall signs. Considering the monument sign, Raising Canes proposes to locate a monument sign on the corner of the property, placed in a landscaped area and set back five feet from the right-of-way. The overall height of the sign will be five-feet with a total sign area of 55.5 sqft including the base. The actual illuminated 3' x 6' Raising Cane's sign is set against an oval, stainless steel panel that is bordered on either side by black, steel posts and set upon a base that measures 9'-3" wide. The monument sign's brick base is styled to match the building's architectural brick finish. The overall dimensions of the monument sign, incorporating the width of the brick base and the height of the stainless steel panel give the corner sign an attractive look that is balanced and tied to the building's design.

Considering Wall Signage, Raising Cane's, is allowed by the Sign Standards Matrix a total of 123 sqft based on the total of 123 lineal feet for the two elevations facing street frontages. Raising Cane's proposes five wall signs including three (3) internally illuminated signs, each measuring 32sf and located on two elevations facing either street and an elevation facing the parking area, an externally illuminated Wall Mural, which measures 9' high by 15'-6" wide and an externally illuminated "Blue Dog" wall sign. The Wall Mural, facing the intersection, is painted onto a brick finish, very similar to the mural signs utilized by Kings Fish House across the street. The Wall Mural is styled as an architectural enhancement that ties the restaurant to the community with the wording "Laguna Hills." The Cane's building mural is a company theme that is painted onto the brick finish with high quality paint, and with the use of wall mounted lighting, lends the architecture a company identity tasteful, inviting and recognizable to Cane's fans. The "Blue Dog" wall sign is externally illuminated, measuring 32 sqft and is located on the elevation facing the parking lot. The "blue dog" sign is permanent and has a unique history that has become a regular theme with all Raising Cane's restaurants.

A Blue Dog graphic was created years ago by an artist for two exhibits in Louisiana for a local fundraiser benefiting the Foundation of the Arts. Raising Cane's promoted the exhibits that raised money for the non-profit organization and soon afterwards Raising Cane's adopted the "Blue Dog" banner by placing Cane, their namesake, on a banner with a blue background. With the recent passing of the artist, George Rodrique, Raising Cane's tradition of honoring the relationship of the artist, and his works, will live on with the tradition of the Blue Dog banner hanging on the exterior of Cane's restaurants around the world.

Cane's architecture is further enhanced through the use of a white neon band near the parapet ledge of the building.

2. The sign program provides a compatible and harmonious design between advertising, landscaping, and building design in that:

The proposed signage features basic colors with a corporate theme, a simple scripted letter style and clean, quality materials. The internally illuminated wall-mounted signs and externally illuminated wall mural on brick veneer and “Blue Dog” sign will enhance the visibility of the business in a clean, organized, fun-orientated fashion. With the implementation of conditions of approval, the Sign Program provides a compatible and harmonious design between sign advertising, landscaping, and Cane’s building design and also emulates the unique look of the Urban Village Community.

Variance

1. The strict application of the Development Code deprives the property owner of privileges enjoyed by other properties in the vicinity and in an identical land use designation because of special circumstances applicable to the subject property or intended use of the property that do not generally apply to other properties in the same zoning district such as size, shape, topography, location, or surroundings in that:

The property is constrained by special circumstances resulting from the previous development of this corner as a service station, reductions in overall site area due to adjacent roadway widening, limitations that prevent moving access to the site, and the significant buffer necessitated by the adjacent freeway, Interstate 5. Moreover, the property is unique given that it is largely surrounded by a highway and major thoroughfares (Avenida de la Carlota and El Toro Road) which have the effect of isolating the parcel and precluding City recognition of formal shared parking arrangements with the large parking lots located immediately nearby. Together, these represent special circumstances that do not apply to other properties in the vicinity of the subject property and have the effect of reducing the area available for development of parking.

The overall size and shape of subject property have changed as a result of dedications and the exercise of eminent domain for the construction of roadway improvements. In 1970, 50 feet of the westernmost portion of the subject property was dedicated to the County of Orange for the eventual widening of Avenida de la Carlota. The City has previously determined that a reduction in size of a parcel as a result of adjacent roadway widening is a special and unusual circumstance that warrants granting of a variance (see Resolution No. PA2011-05-10-1 [variance for construction of a Chevron Service Station-Convenience Store]).

The subject property currently has two points of ingress/egress, the movement of which is impossible and/or would create unsafe conditions. The access point located at El Toro Road cannot be moved closer to the intersection of El Toro Road and Avenida de la Carlota because, pursuant to the Laguna Hills Municipal Code, “[d]riveway access shall not be permitted within forty (40) feet of the intersection of two public streets.” (Municipal Code § 9-44-060(A)(2).) Moreover, the El Toro Road driveway cannot be moved further from the intersection of El Toro Road and Avenida de la Carlota because (1) a previously installed Air Vacuum Air Release Valve Can for the existing water distribution main line cannot feasibly be moved, and (2) moving the driveway would create a potentially dangerous condition because the freeway buffer and overpass would prevent motorists from seeing the driveway at a sufficient distance to safely enter or see patrons leaving. The second access point, located along Avenida de la Carlota, is shared with the neighboring restaurant, Don Jose. Pursuant to a grant deed previously

executed between Shopping Center Associates and Shell Oil (Raising Cain's predecessor in interest), Parcel 1 (Don Jose and Carrows) has a non-exclusive appurtenant access easement over a portion of Parcel 2 (proposed location of future Raising Cain's). The access easement precludes movement or closure of the driveway along Avenida de la Carlota.

The subject property is bounded on the northeast by Interstate 5, which has a significant landscaped buffer because of the overpass at El Toro Road. The landscaped buffer, which, due to its triangular shape impacts the subject property substantially more than other properties to which it is also adjacent, is unique to the subject property and greatly changed the shape and orientation of the property. The buffer distinctively impacts the subject property to a greater extent than it does other nearby properties located along Interstate 5.

The subject property is adjacent to two sit down restaurants, neither of which have drive-thru facilities. The entirety of the sites – Parcels 1 and 2 combined – is an island bounded by El Toro Road, Avenida de la Carlota, Interstate 5, and an on-ramp for Interstate 5. This creates a condition for the subject parcel which is not likewise applicable to similarly situated projects in the Urban Village Specific Plan. A majority of the fast food restaurants within the Urban Village Specific Plan are located within larger developments that afford opportunities for formal shared parking arrangements (notably, Chick-fil-a and Dunkin Doughnuts), a luxury that is not available to the subject parcel. Because the subject parcel is uniquely isolated from these large-scale developments by major roadways, it cannot obtain shared parking approvals. Nevertheless, the project would be consistent with the Urban Village Specific Plan's general goal of increasing pedestrian activity, and thus would benefit from pedestrian parking available nearby. The project site is located across the street from large shopping facilities, including the Laguna Hills Mall, both of which attract a significant number of patrons and have a large number of employees. As discussed above, the Urban Village Specific Plan promotes pedestrian oriented development that facilitates movement within the specific plan area. Therefore, it is highly likely that employees and patrons of nearby shopping centers will utilize these pedestrian facilities to access Raising Cane's.

The unique property layout, again developed many years ago as a gas station, precludes its ability to comply with the City's parking requirements for restaurants with drive-thrus. Raising Cane's, as it is designed, provides 43 (including one dedicated motorcycle parking space) parking spaces, which equates to a ratio of one space per 61.79 sq ft, far better than the standard requirement of one space per every 100 sqft for sit down restaurants in Laguna Hills or the parking standards for drive-thru restaurants in surrounding cities. Additionally, the drive-thru will facilitate a good portion of the restaurant business. Over 50 percent of sales are attributed to the drive-thru. Moreover, the drive-thru is capable of queuing eleven cars, which will alleviate the need for additional parking spaces because customers seeking quick service will utilize the drive-thru rather than parking and entering the restaurant. Additionally, 15 percent of customers are "take-out" sales. These percentages combined, along with the provided Parking-Queuing Studies, illustrate that there are available parking spaces at all times as more than 65 percent of patrons pickup their food for consumption "off premises."

A parking and queuing analysis prepared by Kimley Horn, a traffic engineering firm, reviewed the parking and queuing demands at three Raising Cane's in the Dallas metro area: (1) McKinney, (2) Murphy Road, and (3) Greenville. The Dallas locations all have markedly lower parking demand than would be provided at the proposed location, with McKinney, Murphy

Road, and Greenville each having a total of 17, 18, and 26 parking spaces, respectively. The study found the maximum parking demand for the three sites averaged 1 space per 124 sq ft, while the average demand was 1 space per 175 sq ft. With 43 parking spaces (including one space for motorcycles), at a ratio of 1 space per 61.79sf, the proposed project will have significantly more spaces than will be required at this location, as evidenced by the maximum and average parking demand at the three Dallas metro locations. The Dallas Greenville restaurant in particular is located on a highway and arterials that have equivalent traffic volumes as the proposed Laguna Hills location. During maximum demand periods, the parking analysis demonstrates that the Dallas Greenville restaurant has a demand of 22 parking spaces, which is a full 21 spaces fewer than provided at the subject site.

This non-conforming parking shortage will not adversely impact surrounding commercial properties, as described more particularly below.

2. The grant of the variance does not constitute the grant of special privilege not available to other properties under similar circumstance in the same zoning district in that:

As discussed above, the subject site is uniquely limited because of its geographic corner setting against a Caltrans ROW (Interstate 5 buffer), the development of the site as a service station years ago, the inflexibility of the locations of ingress/egress, and the dedication and taking of land for roadway improvements on El Toro Road and Avenida de la Carlota. These physical constraints represent special and unusual circumstances that do not apply to the other properties in the vicinity of the subject site. The approval of the variance for the subject property, therefore, does not constitute the grant of a special favor or privilege to Raising Cane's, but rather is a direct result of the unique conditions applicable to the subject site.

3. The variance is granted upon hardship and not convenience in that:

The variance will be granted upon hardship and not convenience because circumstances unique to the subject property, namely the past widening of El Toro Road and Avenida de la Carlota, the adjacent freeway buffer, and the impossibility of moving the existing driveways, significantly constrain the subject site. These conditions have the effect of reducing the overall size and shape of the site, and limiting the possible modifications to the existing and future site design to accommodate additional parking spaces.

4. The grant of variance is not detrimental to the public health, safety, and welfare of the community, nor be injurious to properties, uses, or improvements in the vicinity in that:

The granting of the variance relative to parking will not be detrimental to the public health, safety, and welfare of the community, nor be injurious to properties, uses or improvements in the area because it will represent an overall improvement to the existing non-vibrant conditions at the site. The use of directional signage will guide traffic effectively throughout the site. The redeveloped site will improve aesthetics on a very visible corner while providing adequate, orderly circulation on site and access to adjoining roadways and the neighboring property.

Also, Raising Cane's will voluntarily implement a Transportation Demand Management Program that includes specific measures designed to reduce parking demand and ensure parking is adequate for the proposed use. For instance, Raising Cane's will (1) designate an on-site

rideshare coordinator to administer the TDM Program, (2) provide bicycle parking for customers and employees near the building entrance, (3) encourage employee carpooling by posting a centralized rideshare bulletin board in an easily accessible location that will include the rideshare coordinator's name and contact information and alternate transportation information on transit routes and schedules, ride matching, carpooling, bicycling and walking to work, (4) provide on-site food service for employees so they do not have to drive offsite, (5) provide a cash subsidy to employees who use public transportation, and (6) maintain sidewalks and convenient walking paths along the project frontage. A number of these measures encourage pedestrian-friendly access to the project site. These measures are consistent with a primary goal of the Urban Village Specific Plan, namely to create a pedestrian oriented shopping, dining, and entertainment area, and will encourage alternative means of accessing Raising Cain's that do not require significant parking.

The project's drive-thru is capable of adequately queuing eleven cars. This will alleviate the need for additional parking spaces because customers seeking quick service will utilize the drive-thru rather than parking and entering the restaurant. As explained in the included parking and queuing studies, similarly-sized restaurants with drive-thru facilities require less parking than is mandated by the Laguna Hills Municipal Code. Moreover, the study indicates that the circulation and off-street parking proposed by the project is sufficient for operations and will not negatively impact the surrounding area.

Finally, the proposed project represents a substantial improvement to the project site because the existing use, a gas station, no longer fits in with the objectives of the Urban Village Specific Plan. The new restaurant will also address ongoing issues related to water and soil conditions and will replace service station architecture with a modern, tasteful look that is sure to catch the attention of many passersby.

5. The variance does not grant a use not permitted by the zoning district in that:

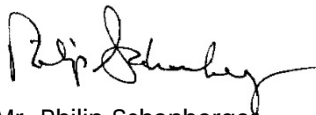
Restaurants located within the Village Commercial Zone are allowed by right with approval of a Site Development Plan and Drive-thru's are conditionally permitted in the VC zone.

With the inclusion of the parking and queuing study with this resubmittal, which focuses on three existing Raising Cane's restaurants with drive-thru's, it is demonstrated that same-sized restaurants with drive-thru's function adequately with an offering of off-street parking and a queue lane adequate for patrons. This study is presented at the city's request to illustrate that the proposed parking ratio of 1 space per 61.79 sf is sufficient for operations.

Please, if you have any questions, do not hesitate to call me.

Sincerely,

Pedro McCracken DESIGN GROUP, INC.



Mr. Philip Schanberger
Project Manager
PM Design Group

Attachment 3

Public Comment Letter



ROD FRASER ENTERPRISES

1320 N. Manzanita St., Orange, CA 92867 p: 714.633.7844 f: 714.633.0897

Rodrigo's

RECEIVED

DEC 30 2014

CITY OF LAGUNA HILLS

1320 N. Manzanita St.
Orange, CA 92867
December 29, 2014

Laguna Hills Planning Department
24035 El Toro Road
Laguna Hills, CA 92653

To the Laguna Hills Planning Department,

This letter is in response to the notice of intent to adopt a negative declaration for the CUP/SDPM/VA/MSP NO. 10-14-3013, Raising Cane's proposed project located at 23971 El Toro Road, Laguna Hills, CA 92653.

As an owner of the Don Jose Mexican Restaurant that has been doing business here for over 35 years, we have deep concerns about the parking. The property is located at the corner of El Toro Road and Avenida De La Carlotta, a heavily congested intersection. A lack of parking already exists with the Don Jose and Carrows Restaurants. There are problems with both egress and ingress to the property. We also have a concern about the impact of the drive-thru window on the flow of traffic.

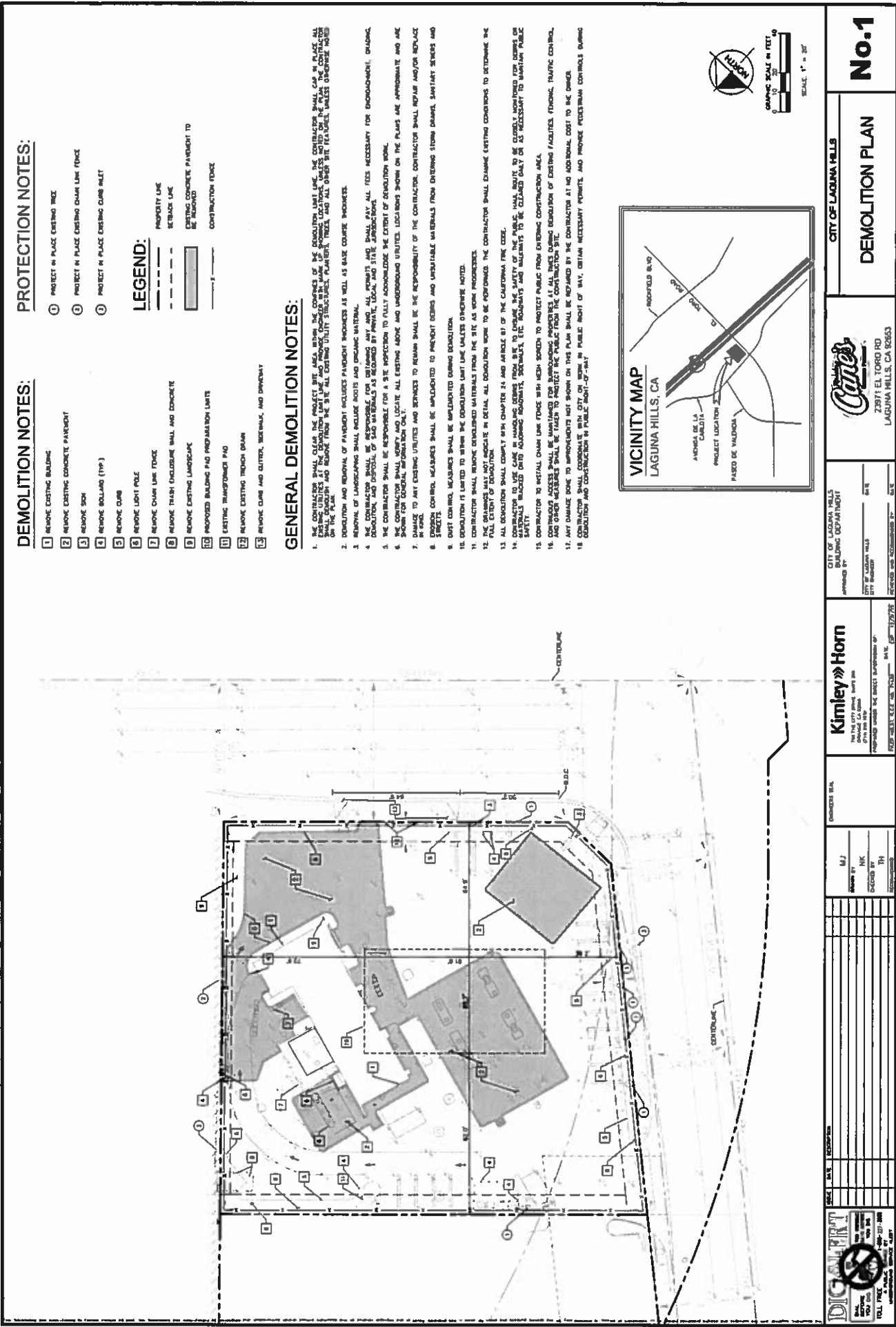
Thank you for your time and consideration in this matter. We look forward to hearing from you.

Sincerely,

Rick Fraser
President, Rod Fraser Enterprises

Attachment 4

Plans



DEMOLITION NOTES:

- 1 REMOVE EXISTING BUILDING
- 2 REMOVE EXISTING CONCRETE PAVEMENT
- 3 REMOVE SIGN
- 4 REMOVE BOLLARD (TYP.)
- 5 REMOVE CURB
- 6 REMOVE LIGHT POLE
- 7 REMOVE CHAIN LINK FENCE
- 8 REMOVE TRAIL ENCLOSURE WALL AND CONCRETE
- 9 REMOVE EXISTING LANDSCAPE
- 10 PROPOSED BUILDING PAD PREPARATION LIMITS
- 11 EXISTING TRANSFORMER PAD
- 12 REMOVE EXISTING TRENCH DRAIN
- 13 REMOVE CURB AND GUTTER, SIDEWALK, AND DRIVEWAY

PROTECTION NOTES:

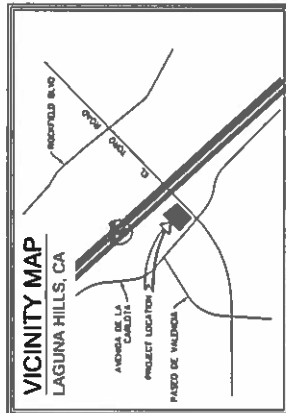
- 1 PROTECT IN PLACE EXISTING INCE
- 2 PROTECT IN PLACE EXISTING CHAIN LINK FENCE
- 3 PROTECT IN PLACE EXISTING CURB INLET

LEGEND:

- PROPERTY LINE
- SETBACK LINE
- EXISTING CONCRETE PAVEMENT TO BE REMOVED
- CONSTRUCTION FENCE

GENERAL DEMOLITION NOTES:

1. THE CONTRACTOR SHALL CLEAR THE PROJECT SITE AREA WITHIN THE CORNERS OF THE DEMOLITION LIMIT LINE. THE CONTRACTOR SHALL CAP IN PLACE ALL EXISTING UTILITIES AND STRUCTURES WITHIN THE DEMOLITION LIMIT LINE. THE CONTRACTOR SHALL REMOVE ALL EXISTING UTILITIES AND STRUCTURES WITHIN THE DEMOLITION LIMIT LINE. THE CONTRACTOR SHALL REMOVE ALL EXISTING UTILITIES AND STRUCTURES WITHIN THE DEMOLITION LIMIT LINE. THE CONTRACTOR SHALL REMOVE ALL EXISTING UTILITIES AND STRUCTURES WITHIN THE DEMOLITION LIMIT LINE.
2. DEMOLITION AND REMOVAL OF PAVEMENT INCLUDES PAVEMENT INCHES AS WELL AS BASE COURSE INCHES.
3. REMOVAL OF LANDSCAPING SHALL INCLUDE ROOTS AND ORGANIC MATERIAL.
4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ANY AND ALL PERMITS AND SHALL PAY ALL FEES NECESSARY FOR ENCROACHMENT, DRIVING, DEMOLITION, AND REMOVAL AS REQUIRED BY THE CITY OF LAGUNA HILLS.
5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR A SITE INSPECTION TO FULLY ACKNOWLEDGE THE EXTENT OF DEMOLITION WORK.
6. THE CONTRACTOR SHALL LOCATE ALL EXISTING ABOVE AND UNDERGROUND UTILITIES LOCATIONS SHOWN ON THE PLANS ARE APPROXIMATE AND ARE NOT TO BE USED FOR CONSTRUCTION OR DEMOLITION.
7. DAMAGE TO ANY EXISTING UTILITIES AND SERVICES TO REMAIN SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR. THE CONTRACTOR SHALL REPAIR AND/OR REPLACE IN KIND.
8. STREET CLOSURE MEASURES SHALL BE IMPLEMENTED TO PREVENT DEBRIS AND UNDESIRABLE MATERIALS FROM ENTERING STREETS DURING DEMOLITION.
9. DUST CONTROL MEASURES SHALL BE IMPLEMENTED DURING DEMOLITION.
10. DEMOLITION IS LIMITED TO WITHIN THE DEMOLITION LIMIT LINE UNLESS OTHERWISE NOTED.
11. CONTRACTOR SHALL REMOVE DEMOLISHED MATERIALS FROM THE SITE AS WORK PROGRESSES.
12. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES IN DETAIL. ALL DEMOLITION WORK TO BE PERFORMED. THE CONTRACTOR SHALL EXAMINE EXISTING CONDITIONS TO DETERMINE THE FULL EXTENT OF DEMOLITION.
13. ALL DEMOLITION SHALL COMPLY WITH CHAPTER 24 AND ARTICLE 97 OF THE CALIFORNIA FIRE CODE.
14. CONTRACTOR TO USE CARE IN HANDLING DEBRIS FROM SITE TO ENSURE THE SAFETY OF THE PUBLIC. HAZARDOUS MATERIALS SHALL BE IDENTIFIED AND REMOVED BY A LICENSED HAZARDOUS WASTE REMEDIATION SPECIALIST. HAZARDOUS MATERIALS SHALL BE REMOVED FROM THE SITE AND SHIPPED TO AN APPROVED HAZARDOUS WASTE TREATMENT, STORAGE, AND DISPOSAL FACILITY.
15. CONTRACTOR TO INSTALL CHAIN LINK FENCE WITH RED FLAGS TO PROTECT PUBLIC FROM EXISTING CONSTRUCTION AREA.
16. CONTRACTOR ACCESS SHALL BE MAINTAINED FOR SURROUNDING PROPERTIES AT ALL TIMES DURING DEMOLITION OF EXISTING FACILITIES. EXISTING TRAFFIC CONTROL, AND OTHER MEASURES SHALL BE TAKEN TO PROTECT THE PUBLIC FROM THE CONSTRUCTION SITE.
17. ANY DAMAGE DONE TO IMPROVEMENTS NOT SHOWN ON THIS PLAN SHALL BE REPAIRED BY THE CONTRACTOR AT NO ADDITIONAL COST TO THE OWNER.
18. CONTRACTOR SHALL COORDINATE WITH CITY ON WORK IN PUBLIC RIGHT-OF-WAY. OBTAIN NECESSARY PERMITS AND PROVIDE PEDESTRIAN CONTROLS DURING DEMOLITION AND CONSTRUCTION IN PUBLIC RIGHT-OF-WAY.



City of Laguna Hills Planning Department Approved By: _____ City of Laguna Hills City Engineer		City of Laguna Hills Planning Department Approved By: _____ City of Laguna Hills City Engineer		City of Laguna Hills Planning Department Approved By: _____ City of Laguna Hills City Engineer	
Kimley-Horn The City Engineer's Seal Professional Engineer No. 12345 Exp. 12/31/2015		Kimley-Horn The City Engineer's Seal Professional Engineer No. 12345 Exp. 12/31/2015		Kimley-Horn The City Engineer's Seal Professional Engineer No. 12345 Exp. 12/31/2015	
Demolition Plan No. 12345 Exp. 12/31/2015		Demolition Plan No. 12345 Exp. 12/31/2015		Demolition Plan No. 12345 Exp. 12/31/2015	

No. 1

DEMOLITION PLAN

City of Laguna Hills
Planning Department
Approved By: _____
City of Laguna Hills
City Engineer

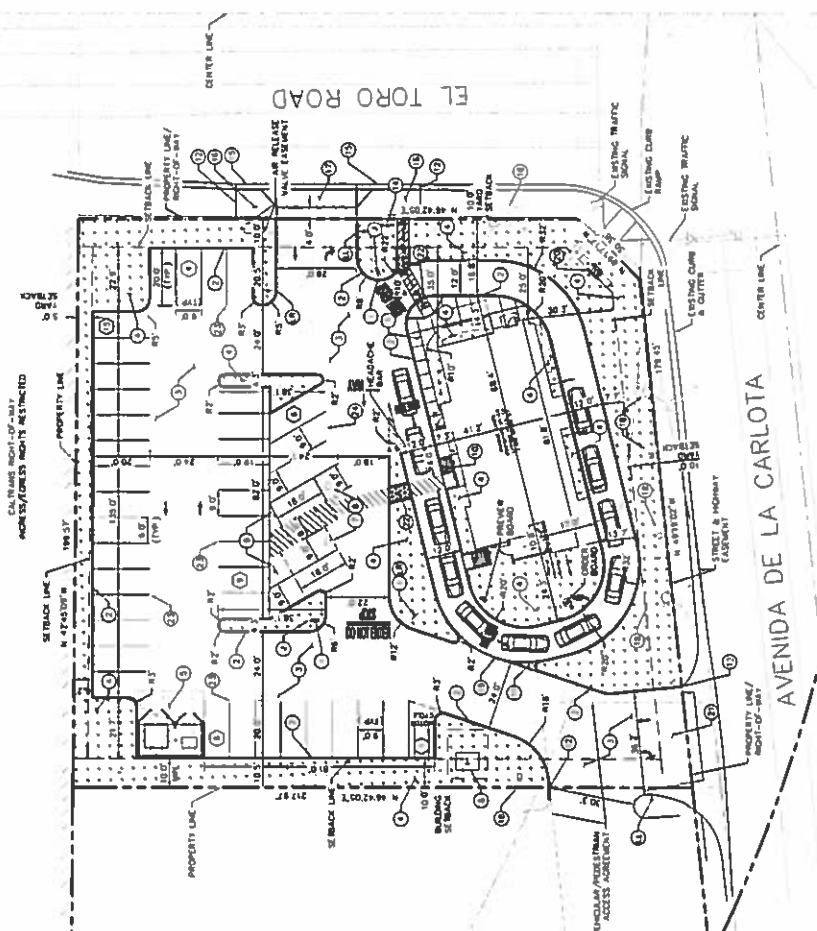
Kimley-Horn
The City Engineer's Seal
Professional Engineer
No. 12345
Exp. 12/31/2015

Demolition Plan
No. 12345
Exp. 12/31/2015

Demolition Plan
No. 12345
Exp. 12/31/2015

Demolition Plan
No. 12345
Exp. 12/31/2015

Demolition Plan
No. 12345
Exp. 12/31/2015



LEGEND:

- PROPERTY LINE
SETBACK LINE
SINGAPORE DUTY ASSISTANT
CONCRETE PAVEMENT
SINGAPORE DUTY CONCRETE PAVEMENT
HEAVY DUTY CONCRETE PAVEMENT
LANDSCAPE PLANTER AREA
ACCESSIBLE ROUTE LOCATION
PARKING SPACES (DO NOT PARK)
SIGN POST
ACCESSIBLE PARKING SPACE
CIRCULABLE WALKWAY
NUMBER OF PARKING SPACES

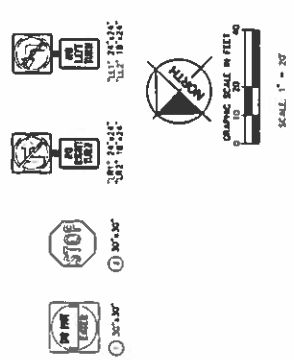
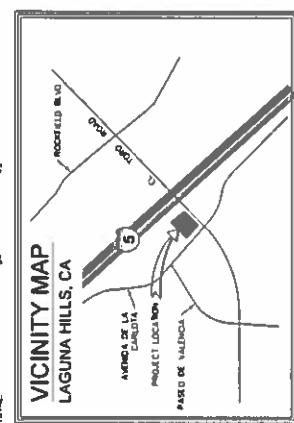
CONSTRUCTION NOTES:

- 1 CONCRETE SIDEWALK
- 2 CONCRETE CURB
- 3
- 4 STANDARD DUTY SPINAL CONCRETE PAVEMENT
- 5 LANDSCAPE/PLANTER AREA
- 6
- 7 PAVED EXCLUSIVE AREA TO BE HEAVY DUTY CONCRETE PAVEMENT
- 8
- 9 TRANSOMER POLE
- 10
- 11 ACCESSIBLE FOR PAVING STALL STOPPING
- 12 HANDICAP SYMBOL
- 13 ACCESSIBLE PARKING STALL ROLL-ON SIGN
- 14 ACCESSIBLE RAMP WITH DETECTABLE WARNING (INDICATED DIMENSIONS)
- 15 * 4" THICK WHITE STOPPING OR "W" O.C.
- 16
- 17 LOW CASTING CURB, C&B OR CUTTER, SIDEWALK
- 18 "TOLAN AND/OR POOL" 4" IN 12" HIGH WHITE LETTERS AT THE END OF PARKING STALL
- 19
- 20 SIGN PATH OF TRAVEL SIGN
- 21 PUBLIC SIDEWALK CUTTER CITY OF LAZARUS HILLS STANDARD PLAN 170-0
- 22 PUBLIC SIDEWALK CUTTER CITY OF LAZARUS HILLS STANDARD PLAN 1205
- 23 DRIVEWAY PER CITY OF LAZARUS HILLS STANDARD PLAN 1710
- 24 EXISTING TREES TO REMAIN
- 25
- 26 3" THICK WHITE STOPPING OR 5" ROUND PAVEMENT MARKERS 12" DIA. OC.
- 27 PLANK SIGN (2' OF WIDE STRIP) OC.
- 28 EXISTING CURB/PAV TO REMAIN
- 29
- 30 EXISTING SIDEWALK TO REMAIN
- 31
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- 98
- 99
- 100

SITE DATA

[illegible]

SIGN INFORMATION





Phone: 817.799.5527 Fax: 817.799.5528
Email: info@raisingcane.com

Raising Cane's
23971 El Toro Road
Prototype 4-CA
Store # RC190

Submitted for review by: [Signature]

PM
group
design
Architects

44071 Highway 100, Suite 100
Dallas, TX 75243
Phone: 972.444.1000
Fax: 972.444.1001
www.pmgd.com

Project Name: [Blank]

Project Number: [Blank]

Project Address: [Blank]

Project City: [Blank]

Project State: [Blank]

Project Zip: [Blank]

Project Date: [Blank]

Project Status: [Blank]

Project Owner: [Blank]

Project Architect: [Blank]

Project Engineer: [Blank]

Project Designer: [Blank]

Project Planner: [Blank]

Project Coordinator: [Blank]

Project Assistant: [Blank]

Project Secretary: [Blank]

Project Receptionist: [Blank]

Project Mailroom: [Blank]

Project Storage: [Blank]

Project Office: [Blank]

Project Kitchen: [Blank]

Project Restroom: [Blank]

Project Breakroom: [Blank]

Project Conference Room: [Blank]

Project Training Room: [Blank]

Project Storage Room: [Blank]

Project Office Suite: [Blank]

Project Executive Office: [Blank]

Project Boardroom: [Blank]

Project Conference Room: [Blank]

Project Training Room: [Blank]

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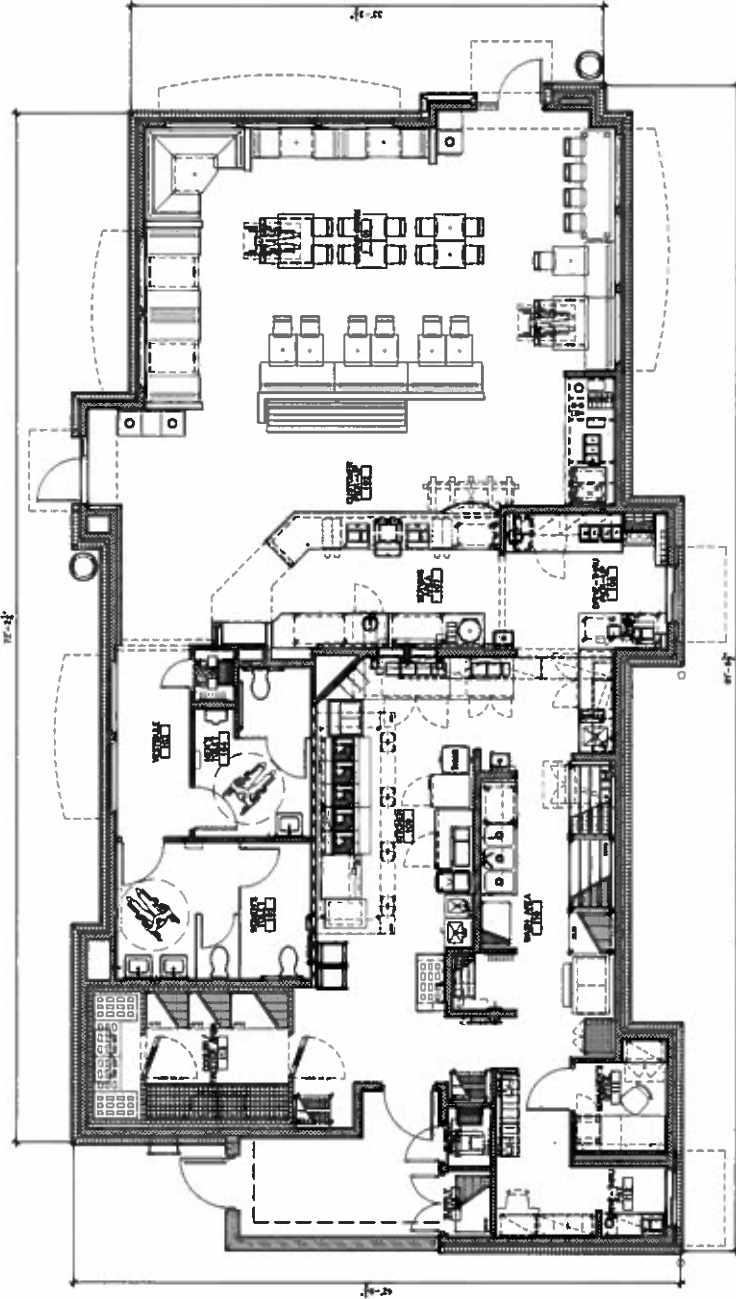
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Project Training Room: [Blank]

Project Storage Room: [Blank]

Project Office Suite: [Blank]

BUILDING STATISTICS
TOTAL BUILDING AREA (SQUARE
FOOTAGE) 10,000
TOTAL FLOOR AREA (SQUARE
FOOTAGE) 10,000



1 | EQUIPMENT FLOOR PLAN
1/16" = 1'-0"

No.3



Building Prototypes
1800 Pioneer Blvd. Suite 100
Folsom, CA 95630
Tel: 916-972-7057 Fax: 916-972-7058

Building Canoe's
23971 El Toro Road
Prototypes 4-CA
Store # RC190



PM Group Architects
1800 Pioneer Blvd. Suite 100
Folsom, CA 95630
Tel: 916-972-7057 Fax: 916-972-7058

Project Name: 23971 El Toro Road
Project Number: 23971-01
Drawing Number: 23971-01-01
Drawing Title: Planning Submittal

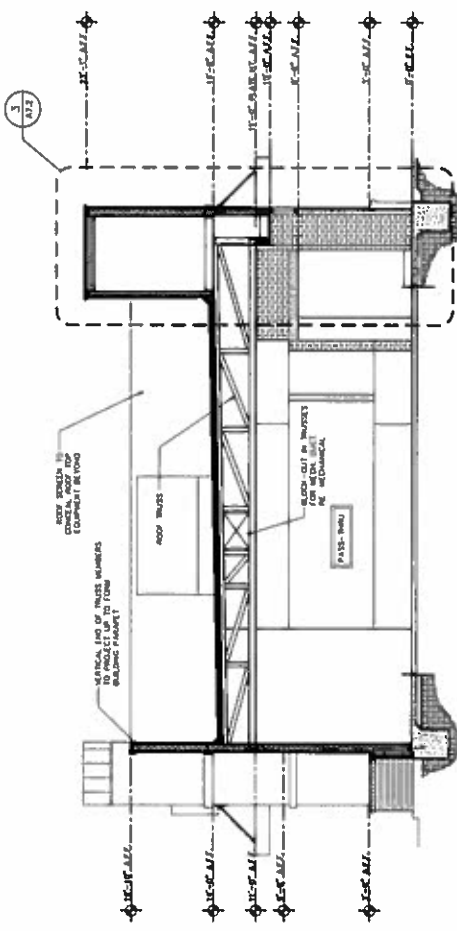
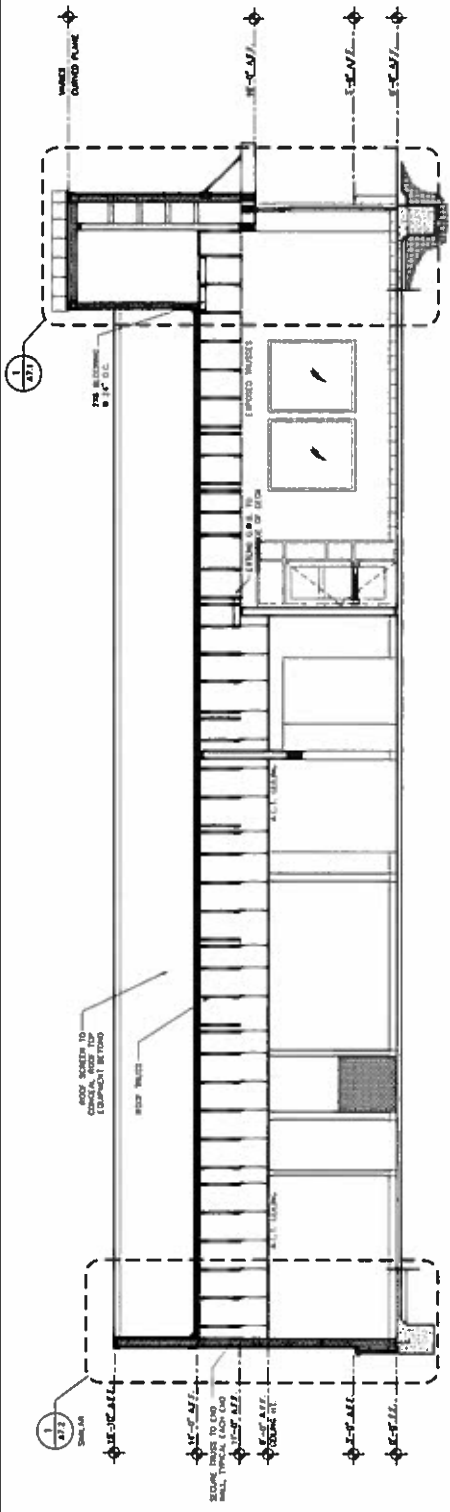
Planning Submittal

Section	Date	Revisions
1	10/1/15	
2	10/1/15	
3	10/1/15	
4	10/1/15	
5	10/1/15	
6	10/1/15	
7	10/1/15	
8	10/1/15	
9	10/1/15	
10	10/1/15	

BUILDING SECTIONS

Sheet Title	Building 1.2.2.1
Project Number	23971-01
Sheet No.	1
Scale	1/4" = 1'-0"

No.6





Raising Cane's
23971 El Tore Road
Prototype 4-CA
Store # RC190

Architectural & Mechanical



23971 El Tore Road
El Paso, Texas 79901
Tel: 972-775-1257
Fax: 972-775-1258

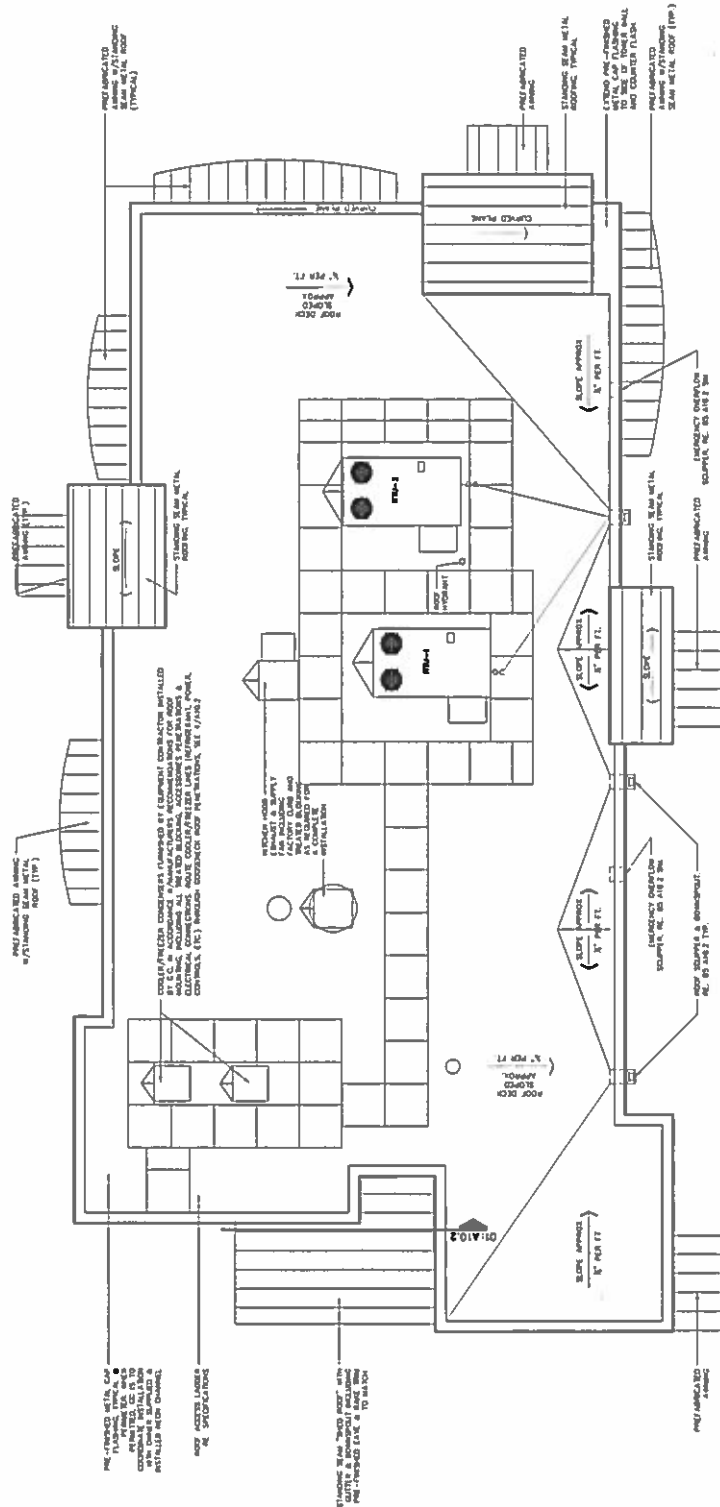
Project Name: Raising Cane's
Project Number: 23971 El Tore Road
Drawing Number: 23971 El Tore Road

Planning Submittal

ROOF PLAN

Scale: As Shown
Date: 02/10/2015
Sheet No. 1 of 1

No.7



- ### GENERAL NOTES
1. THE ROOF SYSTEM SHALL BE A 15 MIL MECHANICALLY APPLIED, SINGLE-PLY, MEMBRANE ROOF SYSTEM. THE ROOF SHALL BE INSTALLED OVER A 1/2\"/>
 2. THE ROOF SHALL BE INSTALLED OVER A 1/2\"/>
 3. THE ROOF SHALL BE INSTALLED OVER A 1/2\"/>
 4. THE ROOF SHALL BE INSTALLED OVER A 1/2\"/>
 5. THE ROOF SHALL BE INSTALLED OVER A 1/2\"/>

- ### ROOF DRAINAGE NOTES
1. THE ROOF DRAINAGE SYSTEM IS DESIGNED TO COMPLY WITH THE INTERNATIONAL BUILDING CODE (IBC) AND CHAPTER 15 OF THE 2012 INTERNATIONAL BUILDING CODE (IBC) FOR ROOF DRAINAGE. THE ROOF DRAINAGE SYSTEM SHALL BE INSTALLED IN ACCORDANCE WITH THE 2012 INTERNATIONAL BUILDING CODE (IBC) FOR ROOF DRAINAGE.
 2. THE ROOF DRAINAGE SYSTEM SHALL BE INSTALLED IN ACCORDANCE WITH THE 2012 INTERNATIONAL BUILDING CODE (IBC) FOR ROOF DRAINAGE.
 3. THE ROOF DRAINAGE SYSTEM SHALL BE INSTALLED IN ACCORDANCE WITH THE 2012 INTERNATIONAL BUILDING CODE (IBC) FOR ROOF DRAINAGE.
 4. THE ROOF DRAINAGE SYSTEM SHALL BE INSTALLED IN ACCORDANCE WITH THE 2012 INTERNATIONAL BUILDING CODE (IBC) FOR ROOF DRAINAGE.
 5. THE ROOF DRAINAGE SYSTEM SHALL BE INSTALLED IN ACCORDANCE WITH THE 2012 INTERNATIONAL BUILDING CODE (IBC) FOR ROOF DRAINAGE.

NOTE: CONTRACTOR TO VERIFY HEIGHT AND LOCATION OF ALL ROOF EQUIPMENT PRIOR TO INSTALLATION. IN ADDITION, VERIFY HEIGHT AND LOCATION OF ALL ROOF EQUIPMENT PRIOR TO INSTALLATION. BOTTOM CHORDS IN GABLE ROOF.

1 ROOF PLAN





6000 Hwy 28 Blvd, Suite 700
Houston, TX 77054
Tel: 281-298-5577 Fax: 281-298-5181

Raising Canes
23971 El Toro Road
Palo Alto, CA 94303
Store # RC190

Prepared by: [Signature]



PM Group
4071 Camino Real, Suite 100
San Jose, CA 95128
Tel: (408) 261-1111
Fax: (408) 261-1112

Project: [Blank]
Client: [Blank]
Date: [Blank]

Drawn by: [Blank]
Checked by: [Blank]
Approved by: [Blank]

Scale: [Blank]
Sheet: [Blank]

Notes: [Blank]

Revisions: [Blank]

Comments: [Blank]

Drawings: [Blank]

Specifications: [Blank]

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Standards: [Blank]

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References: [Blank]

Other: [Blank]

Drawings: [Blank]

Specifications: [Blank]

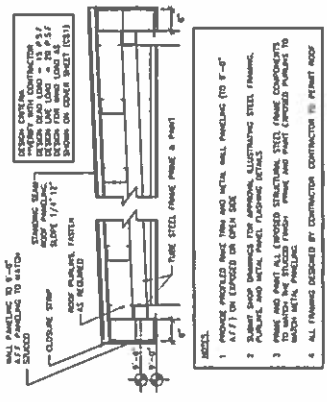
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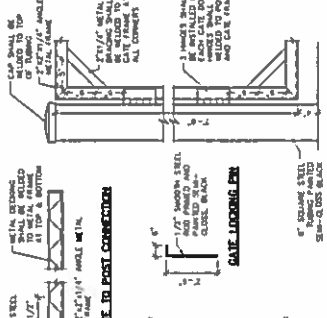
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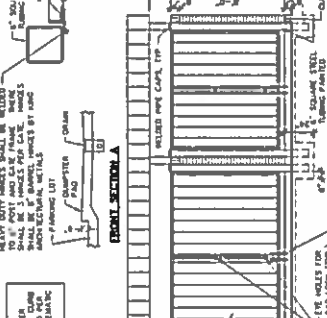
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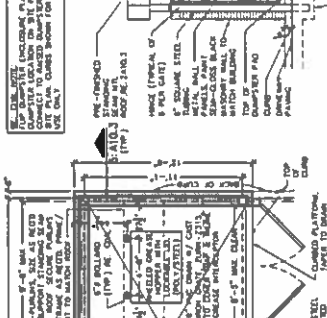
1 DUMPSTER ENCLOSURE
1/2" = 1'-0"



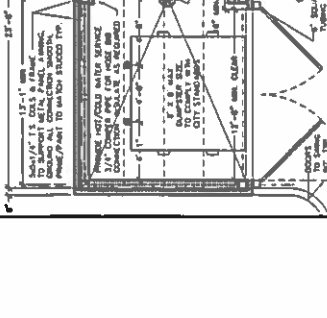
2 GATE TO POST CONNECTION
3/4" = 1'-0"



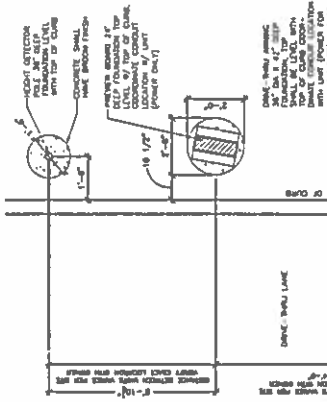
3 GATE TO POST CONNECTION
3/4" = 1'-0"



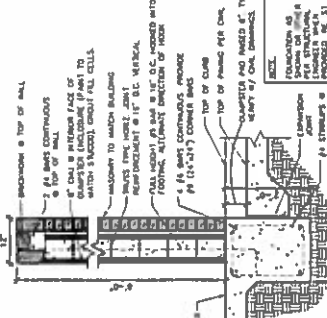
4 PIPE BOLLARD
3/4" = 1'-0"



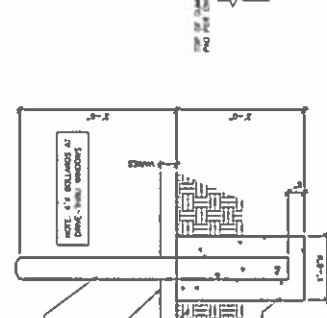
5 MASONRY WALL ENCLOSURE
3/4" = 1'-0"



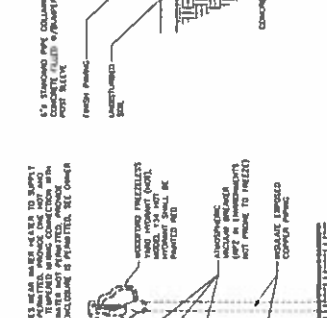
6 GUARDRAIL
3/4" = 1'-0"



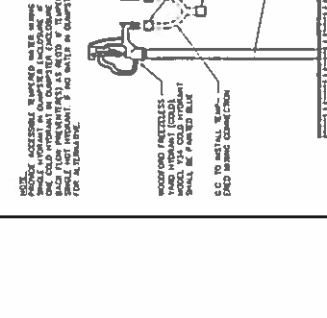
7 GRAVEL HOW STRIPS
3/4" = 1'-0"



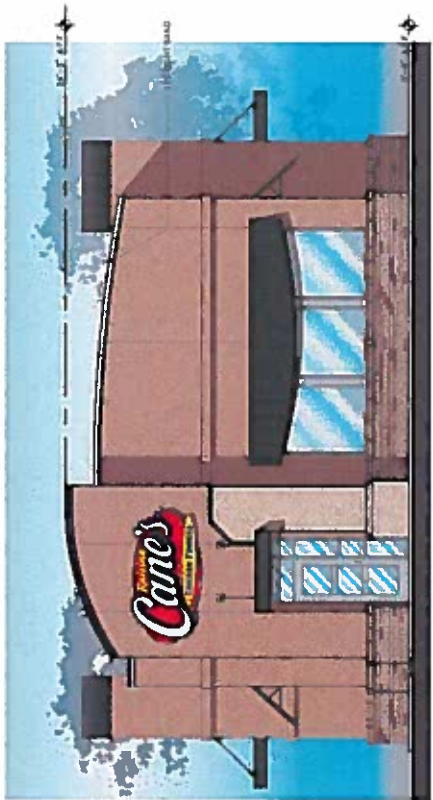
8 HEIGHT DETECTOR POLE
3/4" = 1'-0"



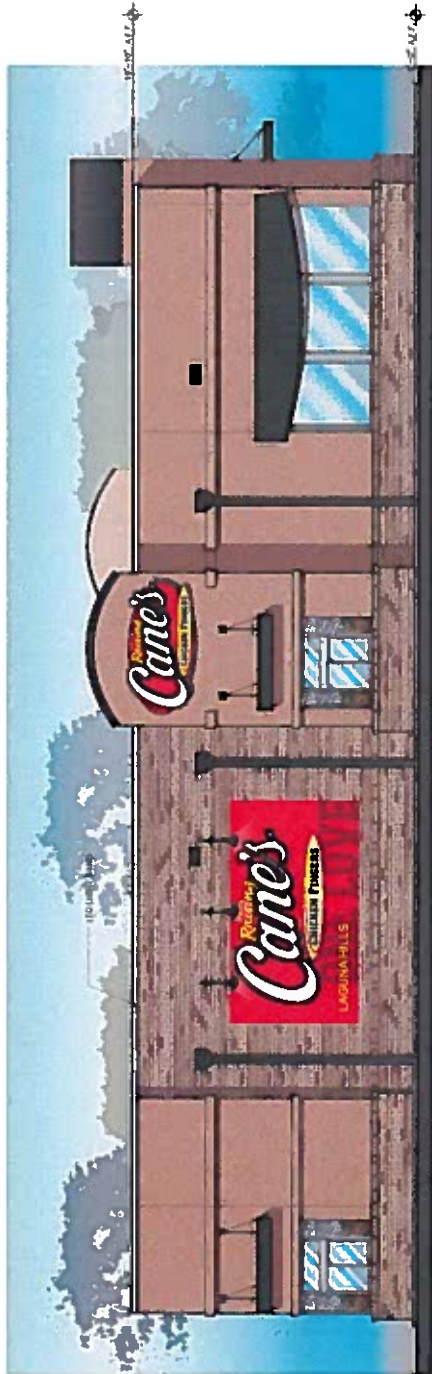
9 PRE-ORDER AND ORDER BOARD DETAIL
3/4" = 1'-0"



10 SITE DETAILS
3/4" = 1'-0"



01 FRONT ELEVATION



02 DRIVE-THRU ELEVATION

DESCRIPTION
STAINLESS STEEL METAL ROOF
MATTE BLACK
METAL CANOPY SIDING
MATTE BLACK
METAL CANOPY SIDING
MATTE BLACK
ROOF SCULPTURE AND DOWN SCULPTURE
MATTE BLACK
STAINLESS STEEL CORNER PANELS
FACE BRICK
BROWN, GREY, HICKORY, HAZEL
STAINED STEEL
DRIVE-THRU PANEL
STAINED STEEL
DRIVE-THRU PANEL
ALUMINUM SIDING PANELS
STAINED STEEL PANELS
DRIVE-THRU PANELS

MATERIALS CALCULATIONS	
ITEM	QTY
STAINLESS STEEL METAL ROOF	1000
MATTE BLACK	1000
METAL CANOPY SIDING	1000
MATTE BLACK	1000
ROOF SCULPTURE AND DOWN SCULPTURE	1000
MATTE BLACK	1000
STAINLESS STEEL CORNER PANELS	1000
FACE BRICK	1000
BROWN, GREY, HICKORY, HAZEL	1000
STAINED STEEL	1000
DRIVE-THRU PANEL	1000
STAINED STEEL	1000
DRIVE-THRU PANEL	1000
ALUMINUM SIDING PANELS	1000
STAINED STEEL PANELS	1000
DRIVE-THRU PANELS	1000



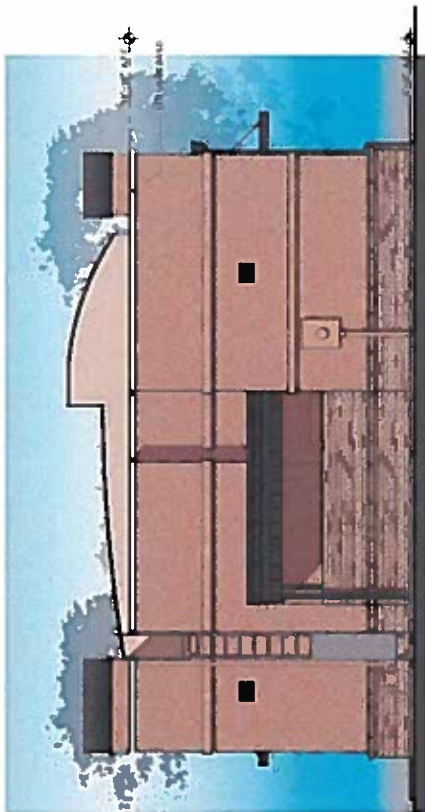
Raising Cane's
El Toro & Ave De La Carta
Laguna Hills, CA 92653
Prototype 4
Store #190



PRELIMINARY

EXTERIOR ELEVATIONS

No.9

[illegible][illegible]

Raising Cane's
El Toro & Ave De La Carta
Laguna Hills, CA 92653
Prototype 4
Store #190

PM design group
A P o l i t e c t o r i a
7101 E. PARK AVE. SUITE 109
PLANO, TX 75074
972 499 4834
E: info@pm-design.com
W: www.pm-design.com

2/10/2015 ITEM NO. 1.

No. 10

[illegible]

Kimley»Horn
Engineering, Planning, and Environmental Consultants © 2008
Fax: (714) 920-1020
Office: (949) 440-0400
785 The City Drive, Suite 200
Orange, California 92668

ALTA/CASM LAND TITLE SURVEY
23971 EL TORO ROAD
LAGUNA HILLS, CALIFORNIA

JOB NO.	14-056
SHEET	2
OF 3 SHEETS	



Attachment 5

Traffic, Parking, and Queuing Information

TRIP GENERATION EVALUATION FOR
THE PROPOSED RAISING CANE'S RESTAURANT
AT EL TORO ROAD AND AVENIDA DE LA CARLOTA
IN THE CITY OF LAGUNA HILLS

INTRODUCTION

This report has been prepared to evaluate the trip generating characteristics of a proposed Raising Cane's restaurant, compared to an existing gasoline/service station use at El Toro Road and Avenida de la Carlota in the City of Laguna Hills. This information will be used to determine the level of additional traffic analysis needed, if any, to complete the entitlement process for the proposed Raising Cane's restaurant.

PROJECT DESCRIPTION

The project site is located on the corner of the intersection of El Toro Road and Avenida de la Carlota, in the City of Laguna Hills. The site consists of a gasoline/service station with eight fueling positions and a drive-through car wash. Access to the site lot is provided via two driveways: one 36-foot driveway on El Toro Road; and one 36-foot driveway on Avenida de la Carlota, which is shared with the adjacent business (a Don Jose's restaurant).

The proposed project would replace the gas station with a Raising Cane's fast food restaurant with a drive-through. The restaurant building would be 2,882 square feet, and the parking lot would provide approximately 39 parking spaces. The site driveways will stay in the same location as existing, but the driveway on El Toro Road will be reduced to 28 feet in width.

PROJECT TRAFFIC

Existing Roadway Volumes

Traffic counts on Arterial Highways and Freeways are compiled by the Orange County Transportation Authority (OCTA), based on data provided by local jurisdictions. The traffic counts on Interstate-5, El Toro Road, and Avenida de la Carlota adjacent to the proposed Raising Cane's restaurant are as follows:

Interstate-5: 345,000 ADT (2014)

El Toro Road: 34,000 ADT (2014)

Avenida de la Carlota: 14,000 ADT (2013)

Trip Generation

This trip generation comparison has been prepared to determine the net change in site-generated traffic that would result from the change in use from the existing gas station business to the proposed Raising Cane's restaurant. Trip generation estimates are based on the Institute of Transportation Engineers (ITE) Trip Generation Manual, 9th Edition (2012).

- ITE Category 946 – Gasoline/Service Station with Convenience Market and Car Wash was used to estimate the trips generated by the current gas station business.
- ITE Category 934 – Fast-Food Restaurant with Drive-Through Window was used to estimate the trips that would be generated by the proposed Raising Cane's restaurant.

The ITE trip generation rates and resulting trip generation for the existing and proposed uses are summarized on Table 1.

- It is estimated that the gas station currently generates approximately 1,223 trips per day, with 94 trips (48 inbound and 46 outbound) in the morning peak hour, and 111 trips (57 inbound and 54 outbound) in the evening peak hour.
- It is estimated that a fast-food restaurant with drive-through would generate approximately 1,430 trips per day, with 131 trips in the morning peak hour (67 inbound and 64 outbound) and 94 trips (49 inbound and 45 outbound) in the evening peak hour.
- Since Raising Cane's restaurants do not open until 10:00 AM, the actual trips in the morning peak hour are expected to be nominal, and the daily trip generation would be reduced accordingly. For a more conservative approach, this analysis is based on the full trip-making for a fast-food restaurant.
- When pass-by reductions are taken into account, the net trip generation for each use would be commensurately less than the unadjusted trip generation rates. The ITE Trip Generation Manual indicates that the gas station pass-by rates are 62% and 56% in the morning and evening peak hours, respectively; and the fast-food pass-by rates are 49% and 50% in the morning and evening peak hours, respectively.
- Comparing the existing gas station trip generation to the proposed restaurant project trips, a fast-food restaurant with drive-through is estimated to generate 216 additional trips on a daily basis, with 32 more trips in the morning peak hour, and 3 fewer trips in the evening peak hour.

JURISDICTIONAL REQUIREMENTS

County of Orange / Orange County Transportation Authority

The project site is located on El Toro Road, which is designated as a Congestion Management Program (CMP) facility on the Orange County CMP Highway System. The intersection of Avenida de la Carlota and El Toro Road is a CMP Monitored Intersection, which means the target Level of Service of the intersection is LOS E. The City of Laguna Hills is required to maintain an acceptable Level of Service (LOS E or better) at this intersection in order to remain eligible for Measure M transportation funding. The most recent monitored Level of Service reported for this intersection (in 2013) by the City of Laguna Hills is LOS A in both the morning and evening peak hours.

The Orange County CMP states that “a Traffic Impact Analysis (TIA) will be required for CMP purposes for all proposed developments generating 2,400 or more daily trips,” and that “for developments which will directly access a CMP Highway System link, the threshold for requiring a TIA should be reduced to 1,600 or more trips per day.”

Based on the trip generation analysis outlined above, the project would generate less than 1,600 new daily trips (increase over existing traffic) and will generate less trips than existing during both peak hours. Therefore, it is not expected that a CMP-level analysis would be required for the project.

City of Laguna Hills

The City of Laguna Hills Traffic Study Guidelines state that: “A project that generates less than 50 peak hour trips or less than 500 trip ends per day; has less than a 0.01 impact to the ICU at a nearby intersection; and is consistent with the zoning/general plan designation for the property would require an access circulation / parking review letter only. This type of study would analyze specific impacts at the site itself and ensure that appropriate design measures be implemented with the project.”

Based on this standard, it can be anticipated that the City would not require a project build-out traffic study, but would likely require review of the following:

- The design, location, and sight distance for the site entries;
- The drive-through location, length, and queuing capacity;
- The on-site parking, compared to City code.
 - Note: Based on the City’s parking code requirement of “10 stalls or 1 stall per 50 square feet of gross floor area, whichever is greater,” the proposed Raising Cane’s project would require 58 parking spaces. The site plan reflects 39 parking spaces. A parking variance study may be needed.

TABLE 1 COMPARISON OF TRIP GENERATION EXISTING GAS / SERVICE STATION WITH CAR WASH VS. PROPOSED RAISING CANE'S RESTAURANT											
Land Use	ITE Code	Unit	Trip Generation Rates ¹								
			Daily	AM Peak Hour			PM Peak Hour				
				In	Out	Total	In	Out	Total		
Gasoline/Service Station w/ Conv. Mkt. & Car Wash	946	Fueling Position	152.840	6.038	5.802	11.840	7.069	6.791	13.860		
Fast-Food Restaurant w/ Drive-Through	934	KSF	496.120	23.164	22.256	45.420	16.978	15.672	32.650		
Land Use	Quantity	Unit	Trip Generation Estimates								
			Daily	AM Peak Hour			PM Peak Hour				
				In	Out	Total	In	Out	Total		
Existing Use											
Gasoline/Service Station w/ Conv. Mkt. & Car Wash	8	Fueling Position	1,223	48	46	94	57	54	111		
Pass-by Trips (62% AM, 56% PM) ^{2, 3}			-121	-30	-29	-59	-32	-30	-62		
Total Existing Trips			1,102	18	17	35	25	24	49		
Proposed Use											
Fast-Food Restaurant w/ Drive-Through	2,882	KSF	1,430	67	64	131	49	45	94		
Pass-by Trips (49% AM, 50% PM) ^{2, 3}			-112	-33	-31	-64	-25	-23	-48		
Total Proposed Project Trips			1,318	34	33	67	24	22	46		
Net Difference (Proposed Minus Existing)			216	16	16	32	-1	-2	-3		
¹ Source: Institute of Transportation Engineers (ITE) Trip Generation Manual, 9th Edition. The daily rate for the Fast-Food Restaurant was adjusted to deduct the AM Peak Hour trips, since Raising Cane's restaurants do not open until 10:00 AM.											
² Source: Institute of Transportation Engineers (ITE) Trip Generation Manual, 9th Edition - Volume 1: User's Guide and Handbook											
³ Note: The User's Guide and Handbook does not provide pass-by rates for daily trip generation. The daily pass-by trips shown are the sum of the AM and the PM pass-by trips.											



MEMORANDUM

To: Raising Cane's Chicken Fingers
From: Scot Johnson P.E.(TX), PTOE
Date: November 19, 2014
Subject: Raising Cane's Chicken Fingers Restaurants
Parking and Queuing Analysis



Introduction

Kimley-Horn and Associates, Inc. is pleased to submit this parking and queuing demand study of Raising Cane's Chicken Fingers restaurants in the Dallas metro area. This memorandum documents the parking and queue stacking demands at operating Raising Cane's restaurants, and is intended to be used to inform and support site development efforts for new restaurants in similar urban residential and suburban locations.

Observation Procedures

The three Raising Cane's locations were Greenville Avenue in Dallas, US 75/US 380 in McKinney, and FM 544/Murphy Road in Murphy. The McKinney and Murphy locations are within fast-growing suburbs and are located at or near the corner of major arterial thoroughfares. The Greenville Dallas location is located about 4 miles from the CBD, on a major arterial corridor in an urban residential area.

All three of the Raising Cane's stores observed have 2,724 SF of restaurant area and two driveways. The Greenville store has 26 parking spaces, the McKinney store has 17 parking spaces, and the Murphy store has 18 parking spaces – these include handicap parking. Site plans for the three restaurants are attached.

Parking operations were observed during midday peak and PM peak hours for weekday and weekend (Saturday) days. Therefore, there were four observations for each site. The data was collected on November 15, 17, and 18. For the midday session, observations were taken from 11:30 AM to 1:00 PM, and the PM observations were from 5:00 to 6:30 PM. Observations were subject to continuation if there was a recognizable peak towards the end of the period, or were terminated if a recognizable peak had been reached.

During each observation session, the number of occupied parking spaces and the number of vehicles in the drive-through queue were counted every 2 minutes. The observers situated themselves in a position so that they could monitor both the parking lot spaces and the drive-thru queue lengths. However, for the McKinney location it was hard to determine the front end of the queue due to line of sight issues. The number of cars not visible due to line of sight was two, so it was assumed that at least two cars were present at all times in the drive-thru to be a conservative count. Handicapped parking spaces were included as part of the overall parking supply. The observers also watched for restaurant patrons or staff who may have parked off of the site and walked to the building. This was

observed only at the McKinney site, where parking demand exceeded the 17 spaces on the site during the Saturday midday peak period. The observations were converted to the attached Figures.

Parking and Queue Demand - Weekday Midday

Figure 1, 2, and 3 display parking demand and queue lengths for the weekday midday observation period, for the Dallas Greenville, McKinney, and Murphy sites, respectively.

The Greenville location had a maximum weekday midday parking demand of 22 vehicles, and an average demand of 17 vehicles. The observed maximum queue was 9 vehicles, and the average queue was less than 4 vehicles.

The McKinney location had high fluctuations in weekday midday parking demand ranging from as low as four vehicles to being at maximum occupancy of 17. The average parking demand was 11 vehicles. The queues for McKinney locations were low for majority of the period except for a brief moment in the beginning of the observation period, where the maximum queue of 9 was observed. The average queue length was 4 vehicles.

The Murphy location had a maximum weekday midday parking demand of 14 vehicles, and an average demand of 11 vehicles. The observed maximum queue was 4 vehicles, and the average queue was less than 2 vehicles.

Parking and Queue Demand - Weekday PM

Figure 4, 5, and 6 display parking demand and queue lengths for the weekday PM observation period, for the Dallas Greenville, McKinney, and Murphy sites, respectively.

The Greenville location had a maximum weekday PM parking demand of 11 vehicles, and an average demand of 8 vehicles. The observed maximum queue was 11 vehicles, and the average queue was less than 7 vehicles.

The McKinney location had a maximum weekday PM parking demand of 5 vehicles, and an average demand of under 4 vehicles. The observed maximum queue was 3 vehicles, and the average queue was about 2 vehicles.

The Murphy location had a maximum weekday PM parking demand of 13 vehicles, and an average demand of 11 vehicles. The observed maximum queue was 6 vehicles, and the average queue was about 2 vehicles.

Parking and Queue Demand - Weekend Midday

Figure 7, 8, and 9 display parking demand and queue lengths for the weekend midday observation period, for the Dallas Greenville, McKinney, and Murphy sites, respectively.

The Greenville location had a maximum weekend midday parking demand of 21 vehicles, and an average demand of 16 vehicles. The observed maximum queue was 15 vehicles, and the average queue was 9 vehicles. The maximum queue of 15 vehicles was a momentary condition which lasted for less than two minutes.

The McKinney location had a maximum weekend midday parking demand of 22 vehicles, and an average demand of 15 vehicles. The peak parking demands included off-site parking being used by customers or staff. The observed maximum queue was 7 vehicles, and the average queue was under 4 vehicles.

The Murphy location had a maximum weekend midday parking demand of 12 vehicles, and an average demand of 10 vehicles. The observed maximum queue was 8 vehicles, and the average queue was about 4 vehicles.

Parking and Queue Demand - Weekend PM

Figure 10, 11, and 12 display parking demand and queue lengths for the weekend PM observation period, for the Dallas Greenville, McKinney, and Murphy sites, respectively.

The Greenville location had a maximum weekend PM parking demand of 15 vehicles, and an average demand of 11 vehicles. The observed maximum queue was 11 vehicles, and the average queue was less than 5 vehicles.

The McKinney location had a maximum weekend PM parking demand of 11 vehicles, and an average demand of 8 vehicles. The observed maximum queue was 7 vehicles, and the average queue was about 3 vehicles.

The Murphy location had a maximum weekend PM parking demand of 17 vehicles, and an average demand of 10 vehicles. The observed maximum queue was 7 vehicles, and the average queue was about 2 vehicles.

Summary

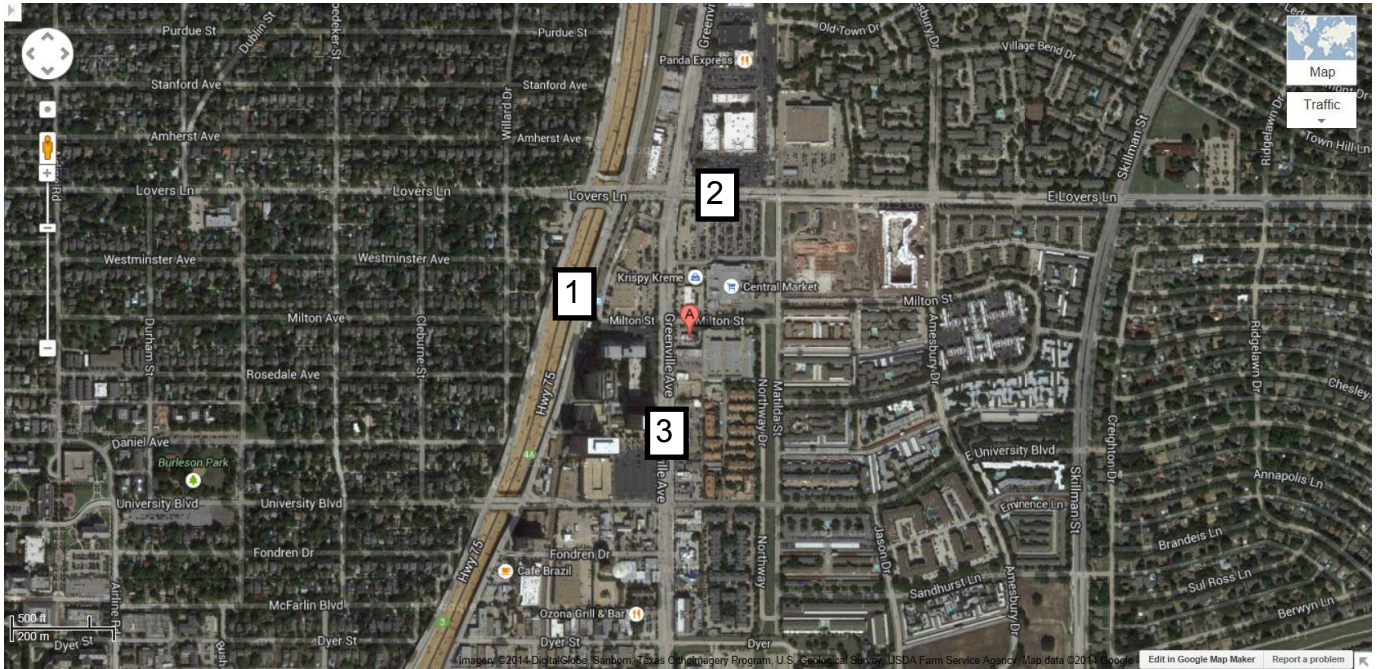
Observations on the three different Raising Cane's sites show that the maximum observed parking demand at any site and any time was 22 vehicles, with most observations showing a parking demand of between 10 and 20 vehicles during the weekday and weekend peak periods. Using the 2,724 SF restaurants observed, this translates to a maximum parking demand of 1 space per 124 SF, and an average demand around 1 space per 175 SF. The parking spaces do tend to turn over several times per hour, so the parking lot always seems active, but the true parking demand at a single time is still relatively modest.

The observations also showed the maximum drive-through queue at any time to be 15 vehicles at one restaurant (Dallas Greenville), and maximums of 8 or 9 vehicles at the other two locations. These maximum queues were observed only briefly, with typical queue demand in these peak periods being shorter by several vehicles. Most of the sites have one-way circulation in wide lanes, so the transient longer queues are not disruptive to on-site circulation. The usual prototype site's provisions for 11 queue positions would accommodate well over 95% of the queues observed in these peak periods.

END

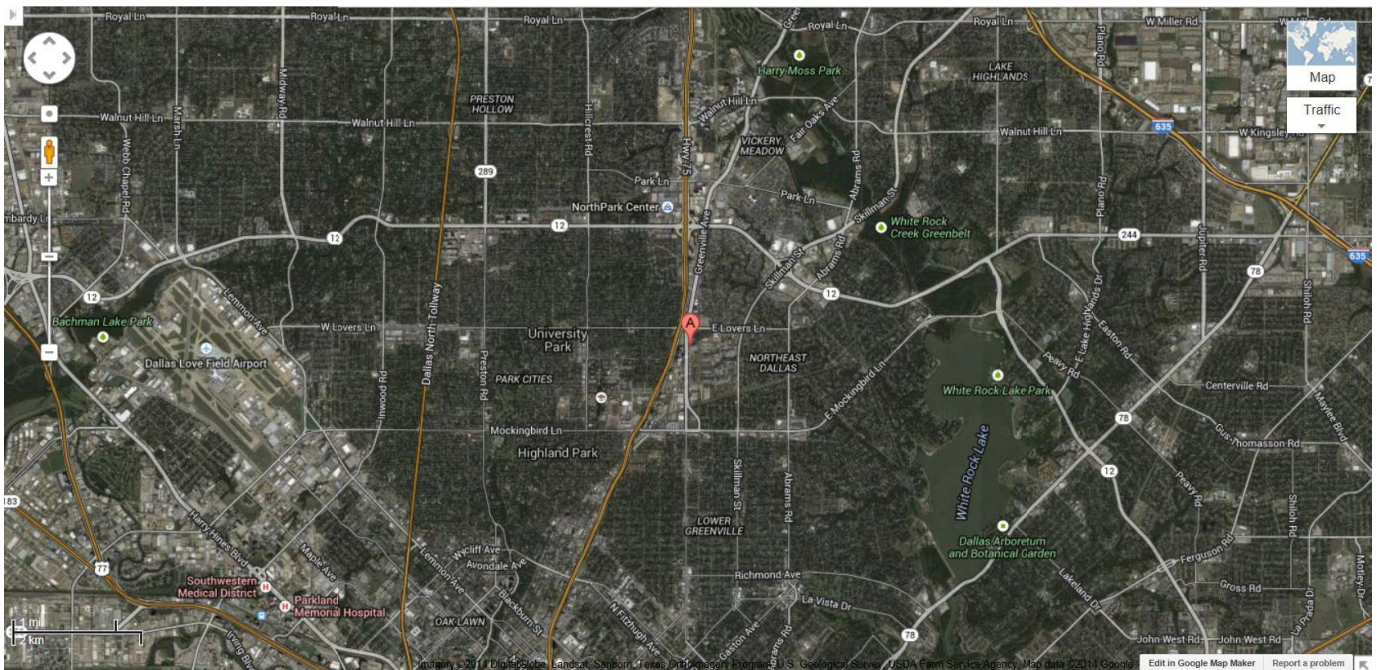
Attachments: Restaurant Site Plans - Dallas Greenville, McKinney, Murphy
Parking and Queue Results

Raising Cane's - 5030 Greenville Avenue, Dallas, TX



Traffic Counts:

1. US 75 Main Lanes - 346,000 ADT (2012 TxDOT)
2. Lovers Lane - 36,500 ADT (2009 TxDOT)
3. Greenville Avenue - 24,900 ADT (2009 TxDOT)



Raising Canes
Store #76
5030 Greenville Ave
Dallas, TX 75206
Prototype 4



757 Perkins Road Suite 200 Baton Rouge, LA 70806
 Tel: 225 769-0546 Fax: 225 767-0660
WWW.FITSONLINE.COM

Revision Date:	May 15, 2003
Design Bulletin Update:	
Part Number:	
Part Name:	

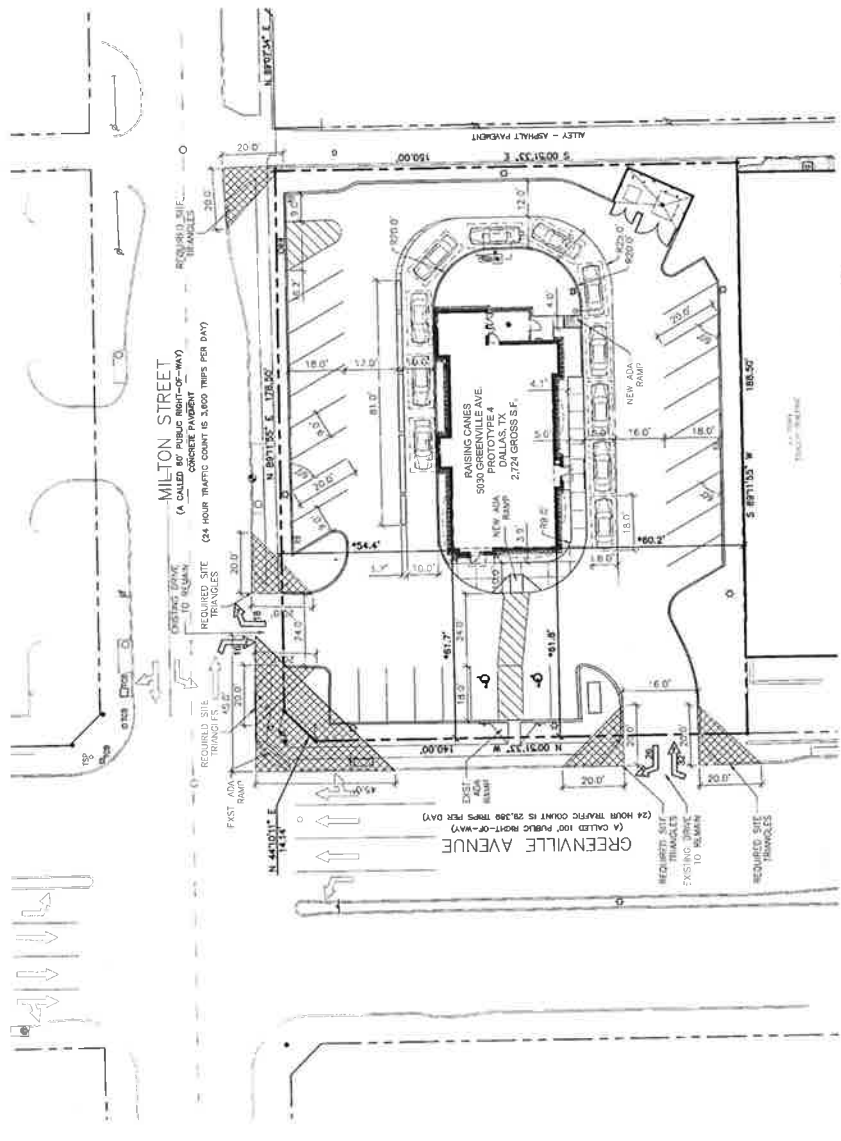
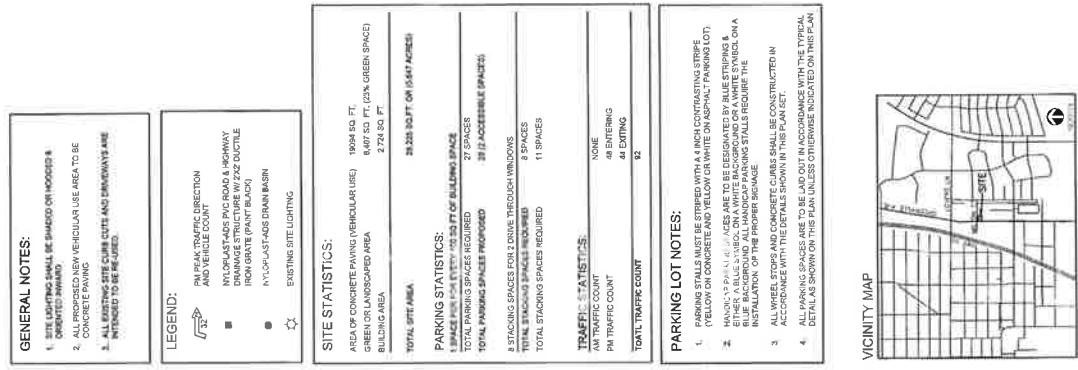
FOR CONSTRUCTION

Case	Discussion
3/16/10	P or 21 reduction

SITE PLAN

to	MARCH 11, 2010
Object Number:	2005055 00
Count By	C.F.

D.I.R.

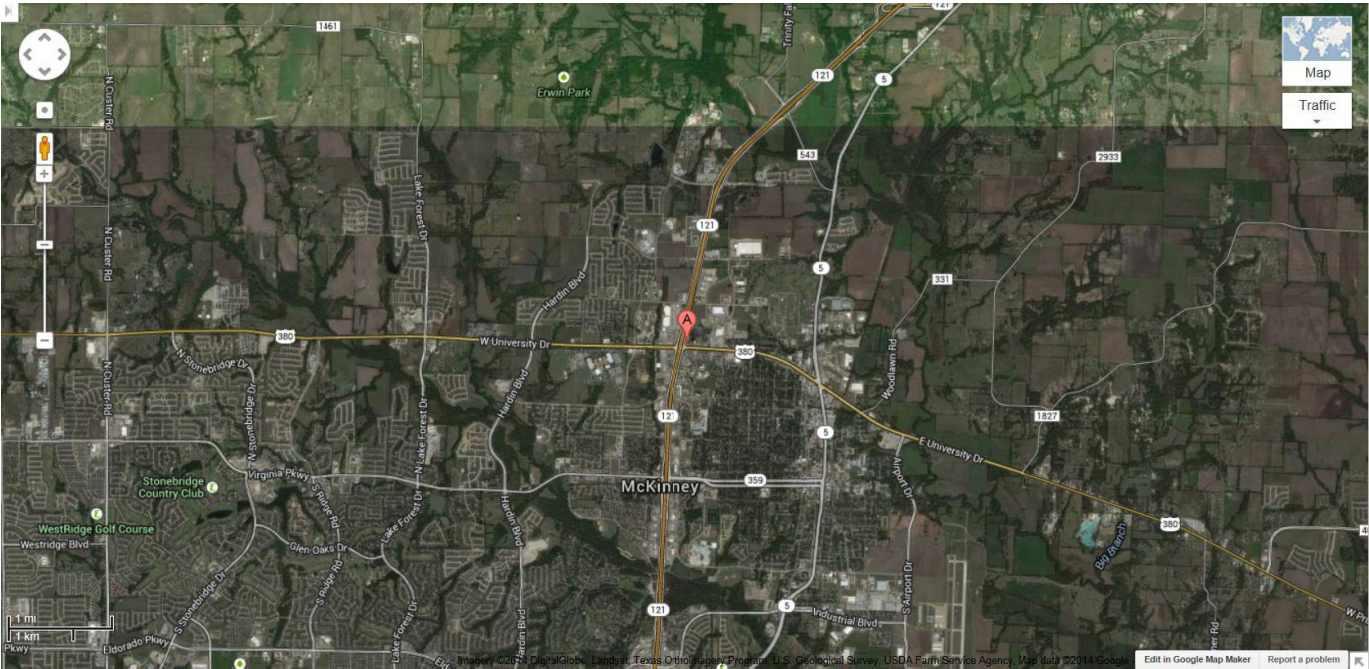


Raising Cane's - 1902 N. Central Expressway, McKinney, TX

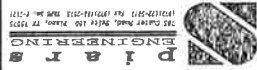


Traffic Counts:

- 1. US 75 Main Lanes - 96,000 ADT (TxDOT 2012)
- 2. US 380 East of US 75 - 32,000 ADT (TxDOT 2012)
- 3. US 380 West of US 75 - 42,000 ADT (TxDOT 2012)



Raising Cane's
1902 N. Central Expwy.
McKinney, TX 75069
Prototype 4
Store # 123



Additional Information:

CSRS

COPS, INC.
 6147 Portman Road Suite 300 Dallas, TX 75206
 Tel: 214 791-6645 Fax: 214 791-6666
 www.copsinc.com

Produced by: Jessica Miller June 21, 2012

Outage Rollback Updates	
Date/Event	Rollback Number
10/10/2018	1

FOR PERMIT

References

	Date	Description
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D. Fuchs

Page 2 of 2

[illegible]

CITE EN AN

STILE PLAN

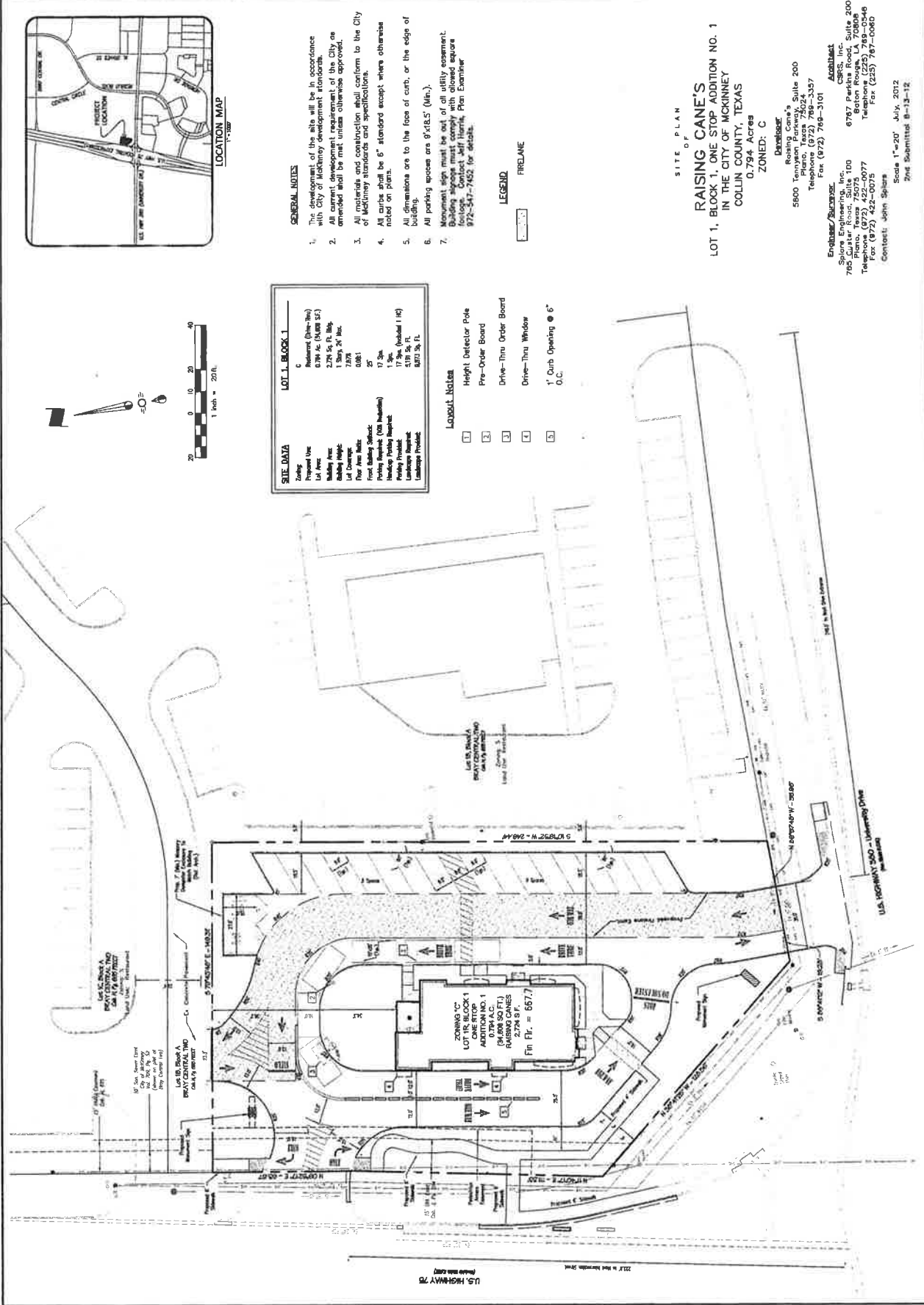
Full Name _____

C

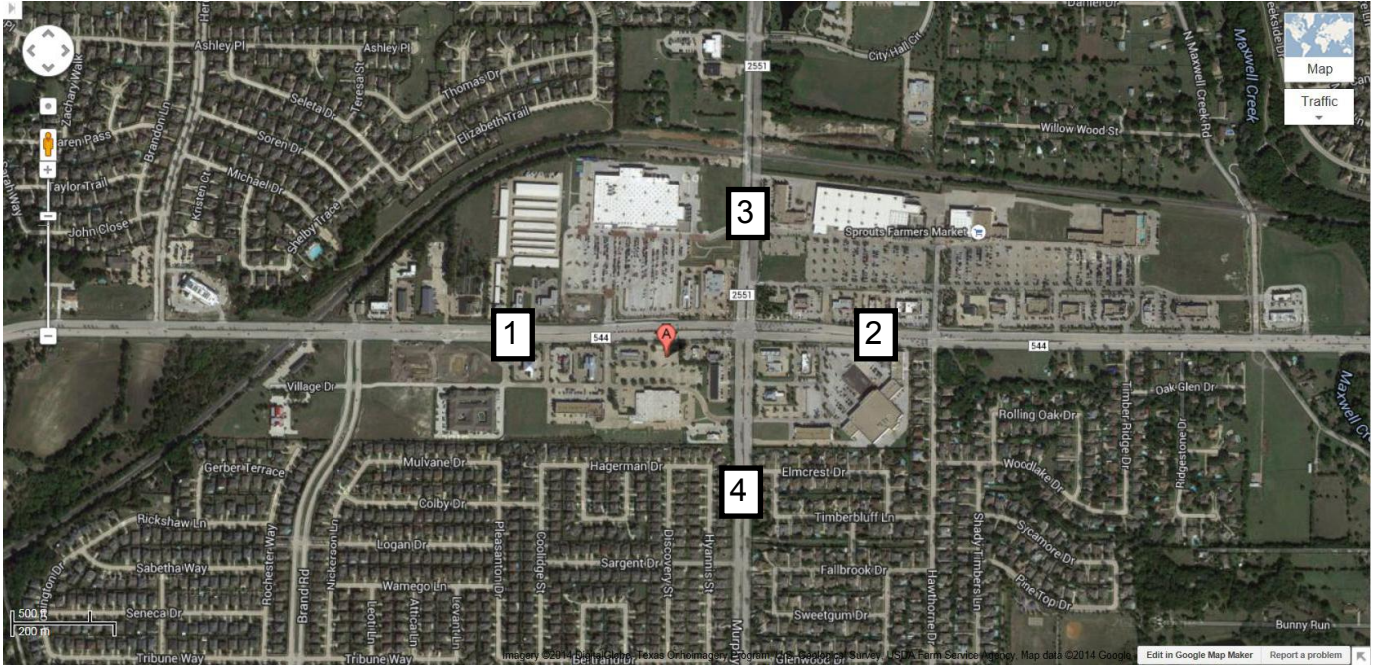
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Plant Number: _____

Y

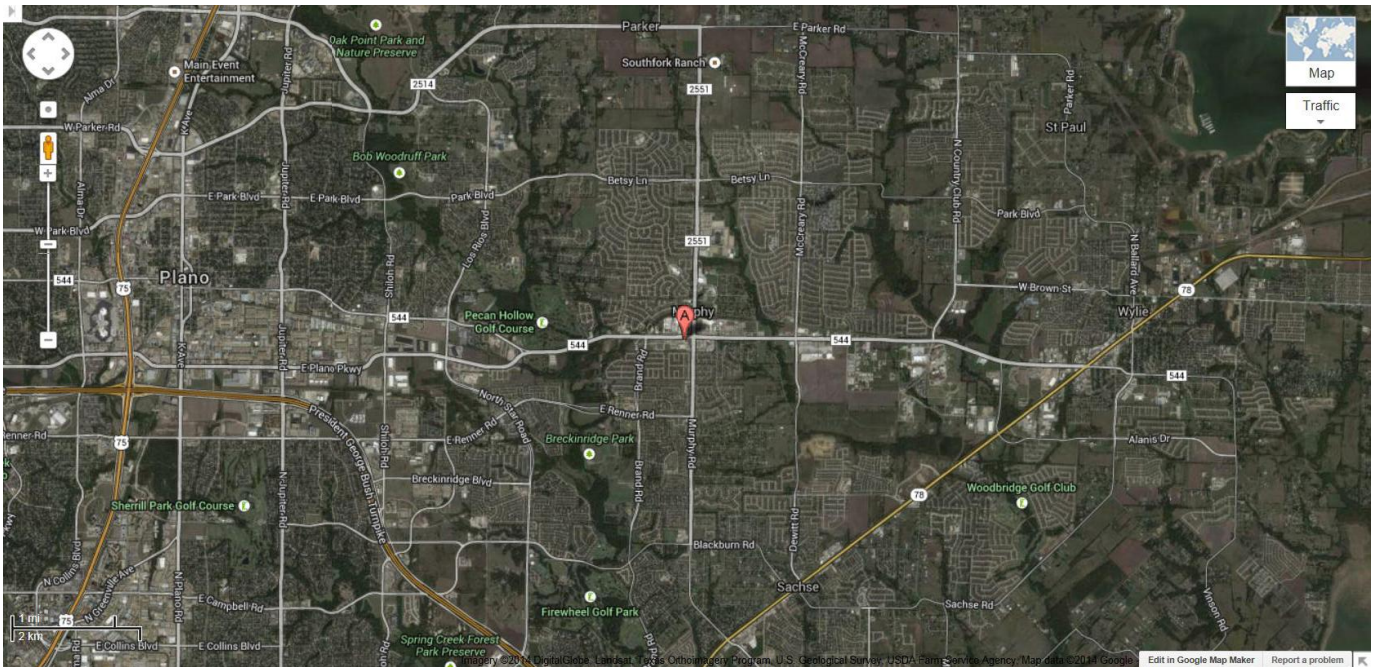


Raising Cane's - 120 W. FM 544, Murphy, TX



Traffic Counts:

1. FM 544 west of FM 2551 - 38,600 ADT (2011 Kimley-Horn)
2. FM 544 east of FM 2551 - 42,200 ADT (2011 TxDOT)
3. FM 2551 north of FM 544 - 19,200 ADT (2011 Kimley-Horn)
4. Murphy Road south of FM 544 - 20,000 ADT (2009 TxDOT)





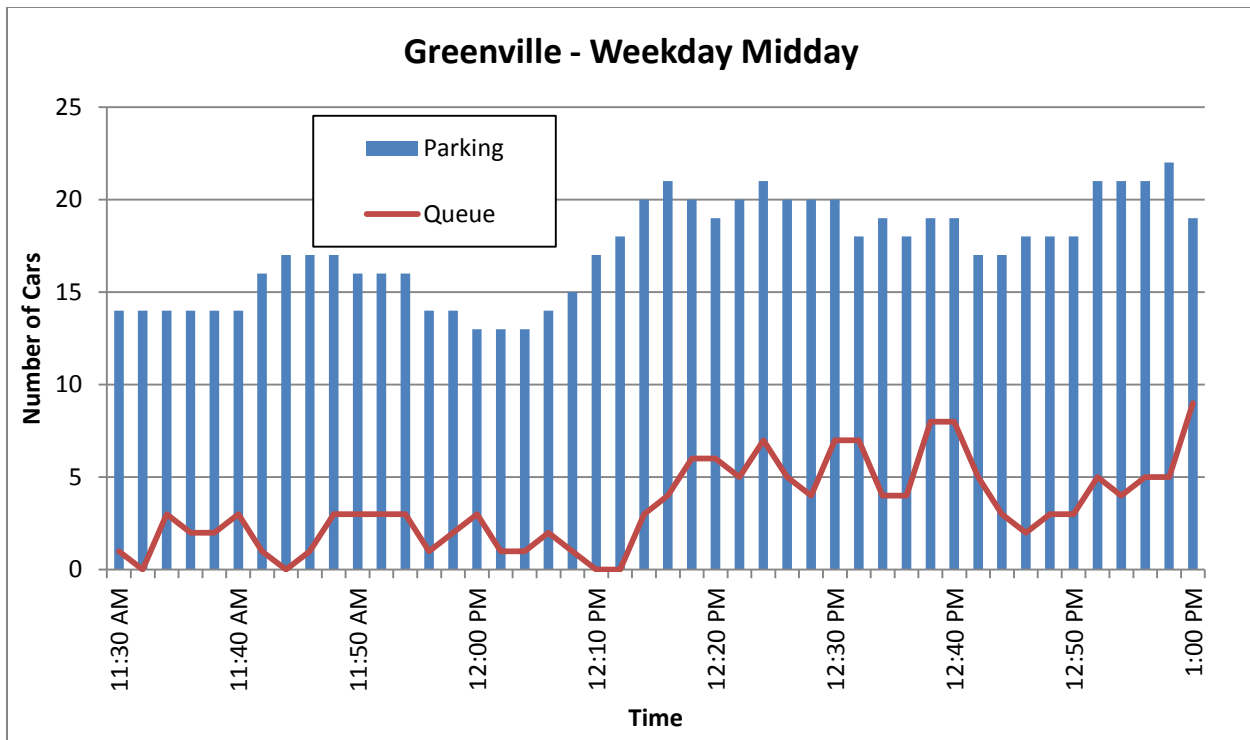


Figure 1. Greenville Weekday MIDDAY Parking Demand and Queue Length

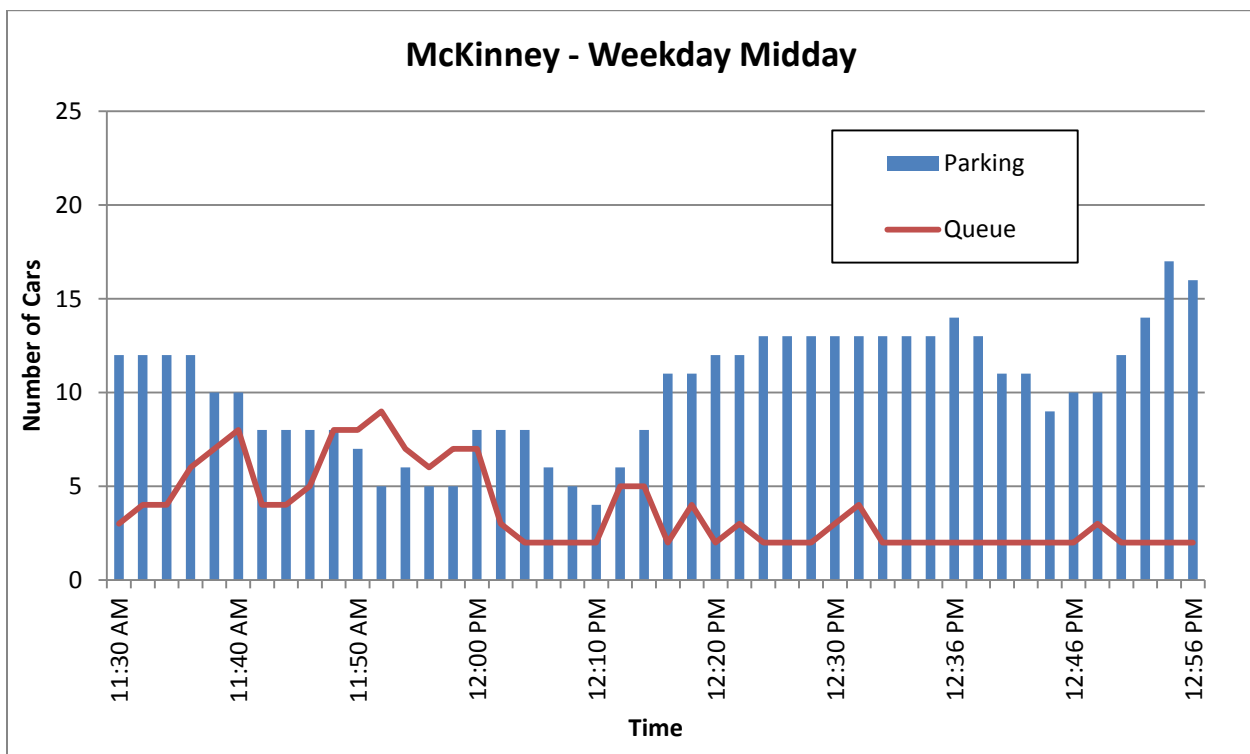


Figure 2. McKinney Weekday MIDDAY Parking Demand and Queue Length

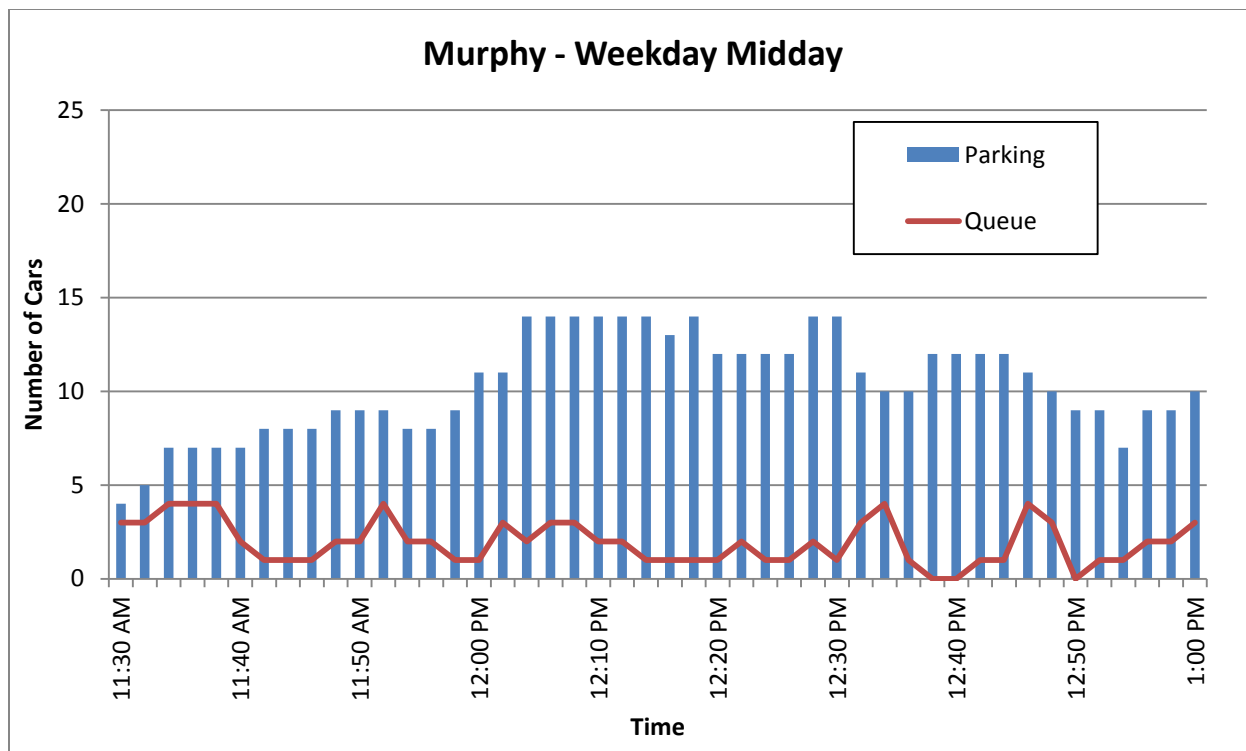


Figure 3. Murphy Weekday Midday Parking Demand and Queue Length

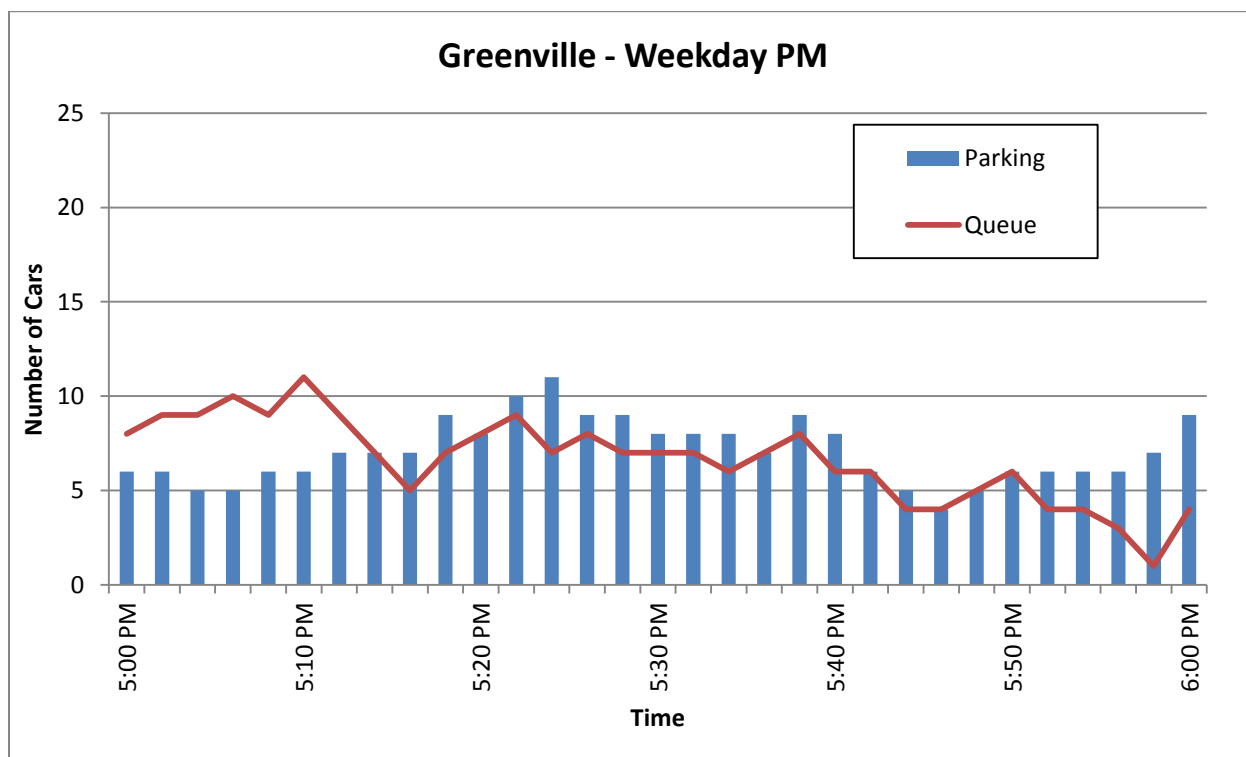


Figure 4. Greenville Weekday PM Parking Demand and Queue Length

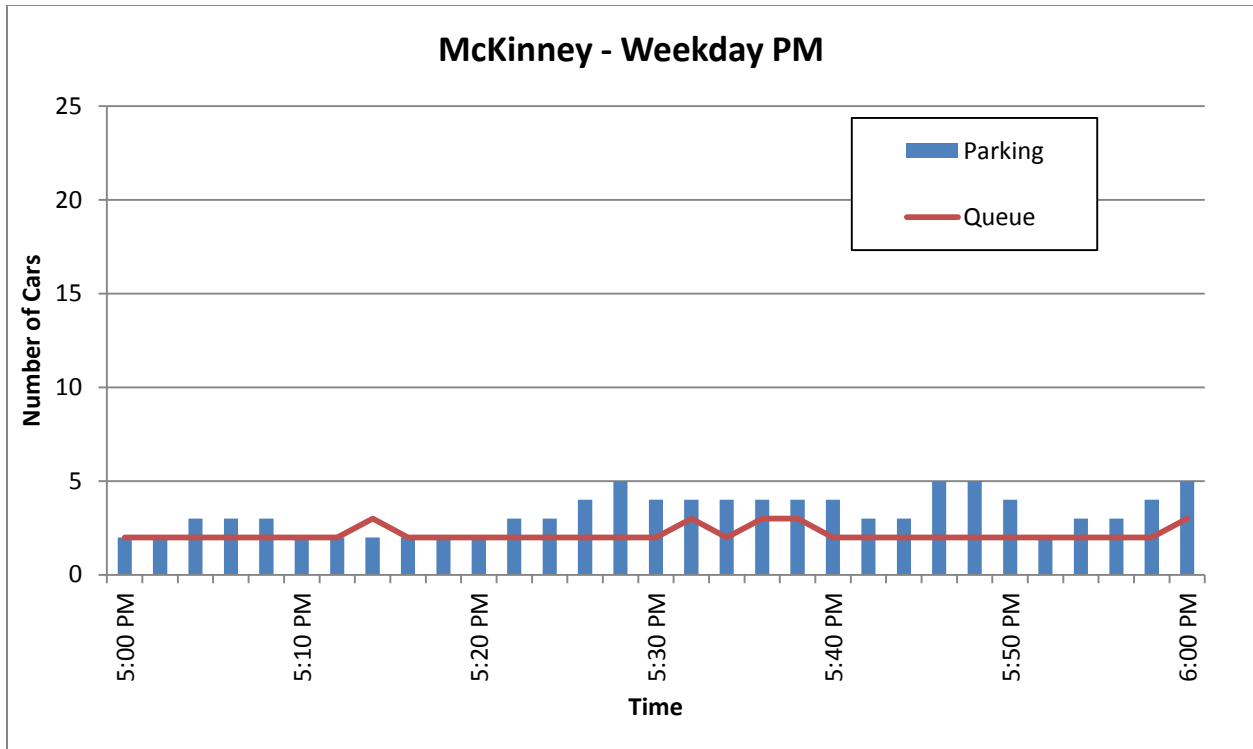


Figure 5. McKinney Weekday PM Parking Demand and Queue Length

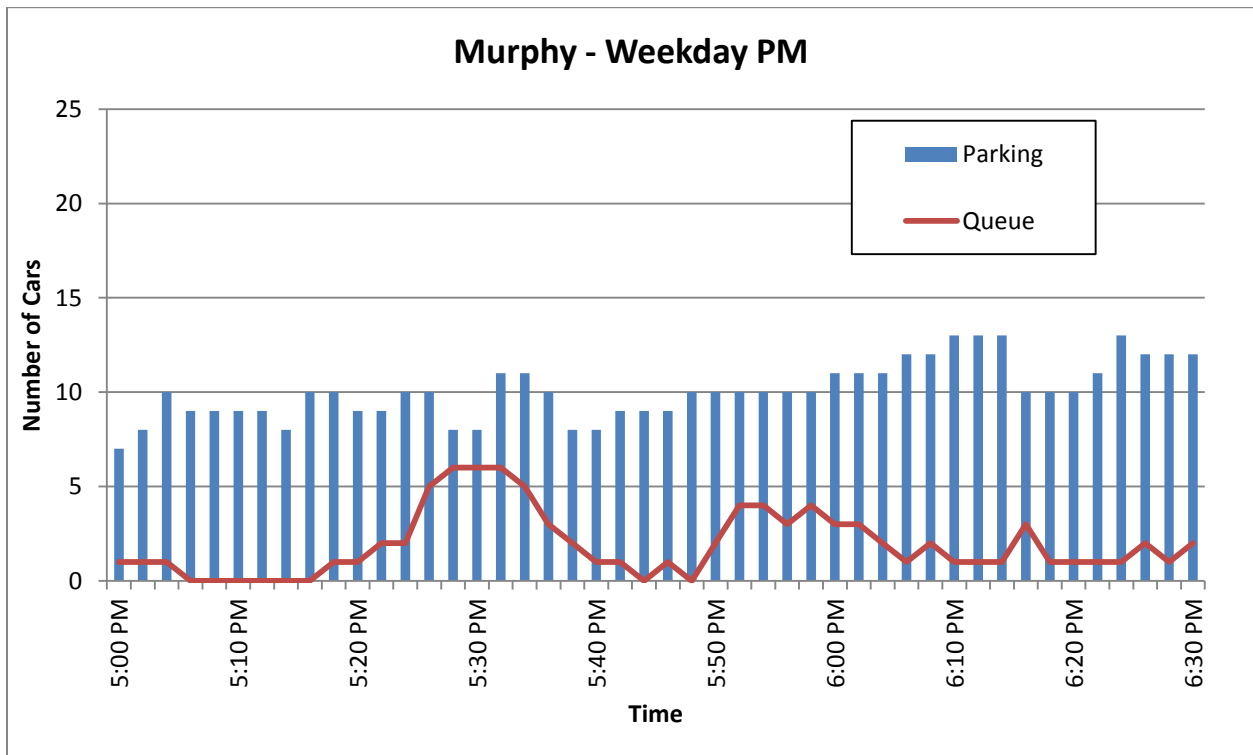


Figure 6. Murphy Weekday PM Parking Demand and Queue Length

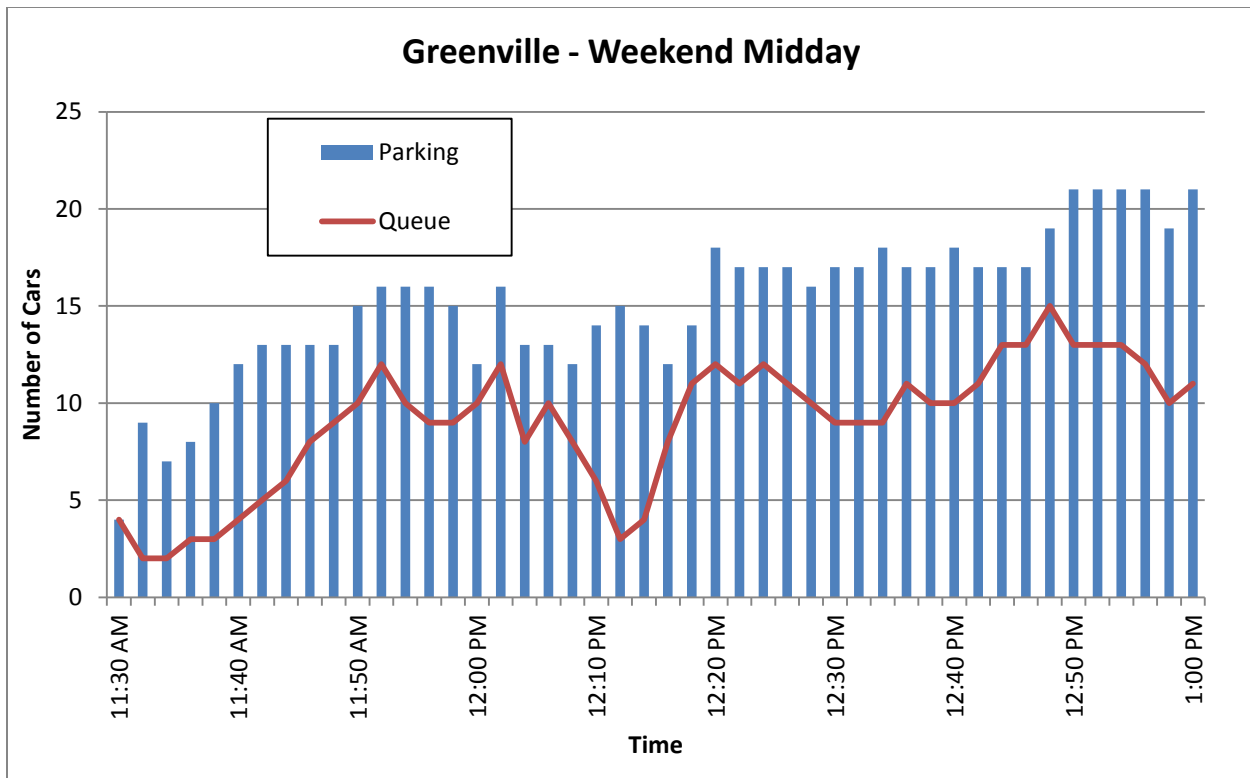


Figure 7. Greenville Weekend Midday Parking Demand and Queue Length

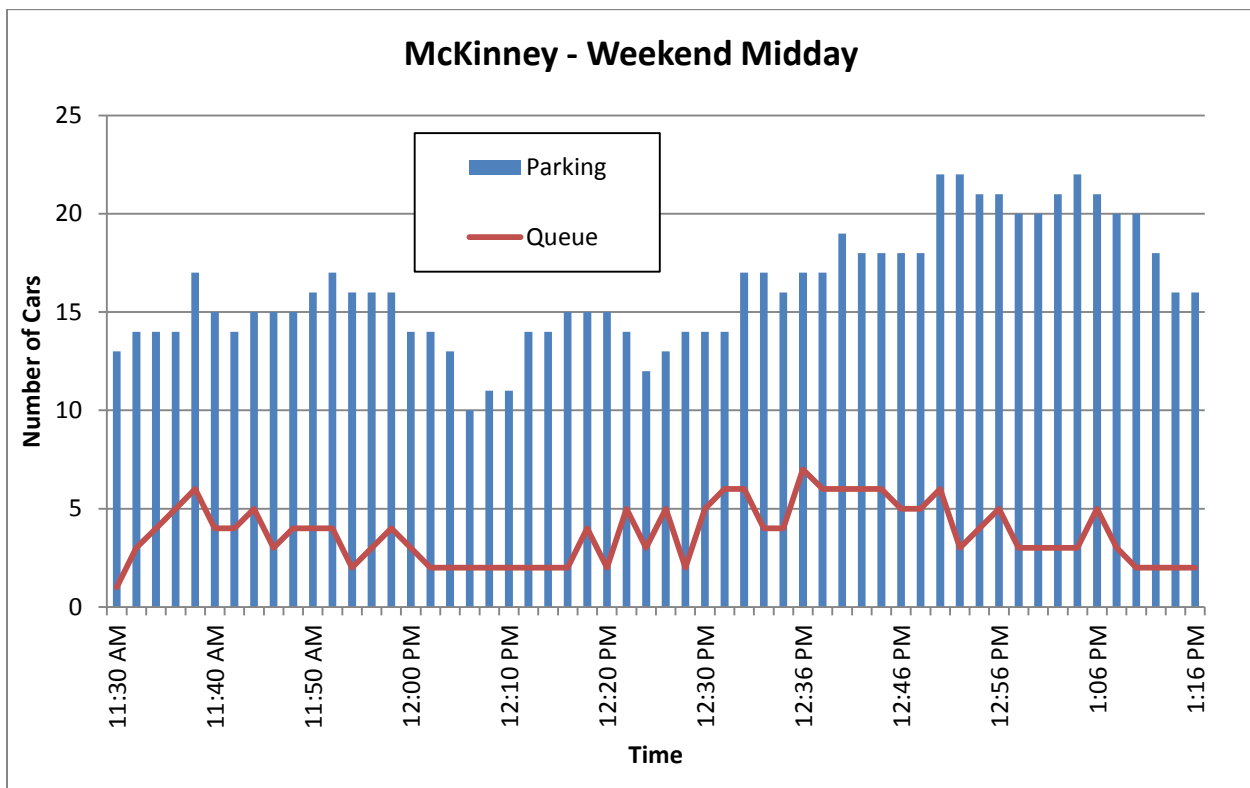


Figure 8. McKinney Weekend Midday Parking Demand and Queue Length

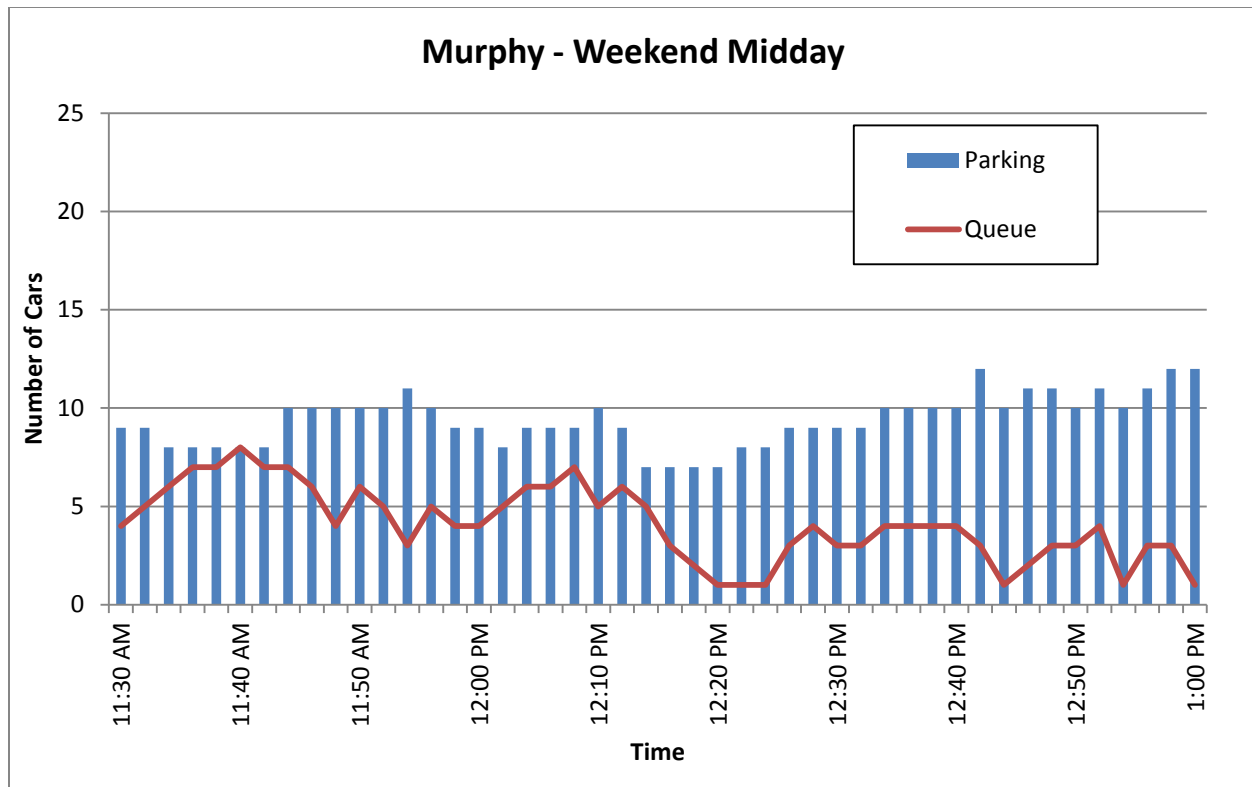


Figure 9. Murphy Weekend Midday Parking Demand and Queue Length

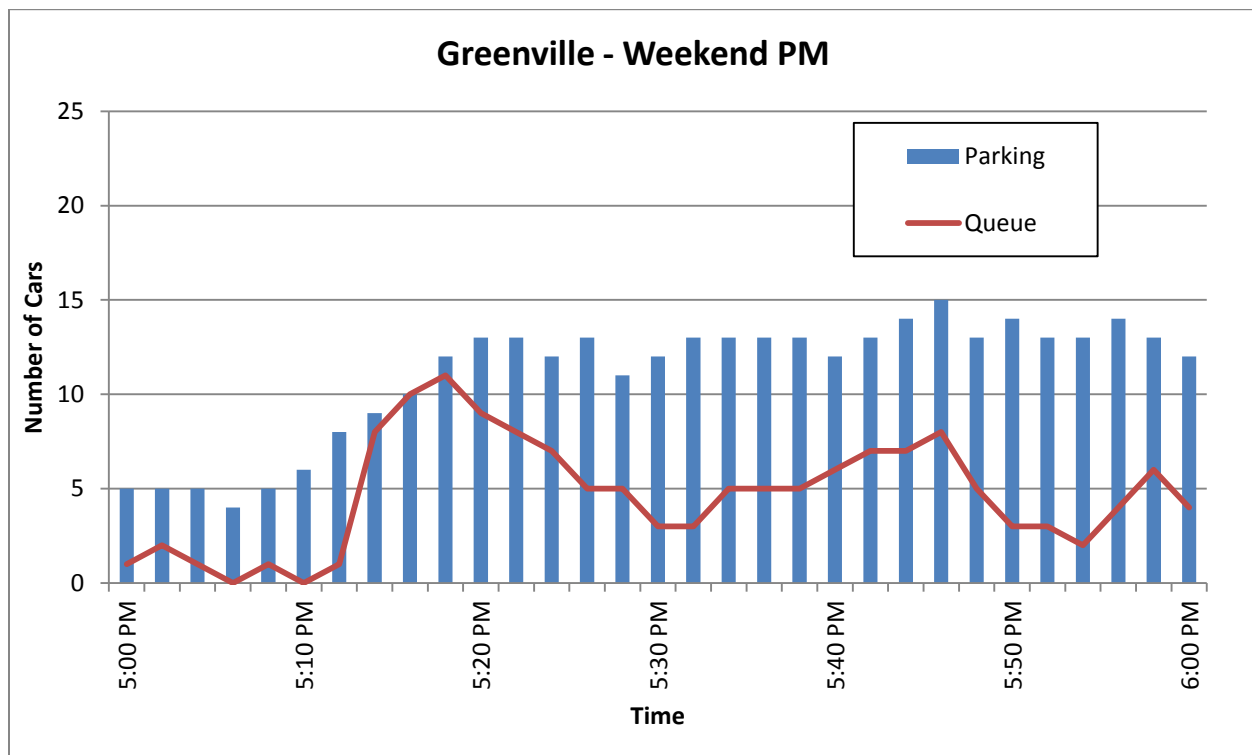


Figure 10. Greenville Weekend PM Parking Demand and Queue Length

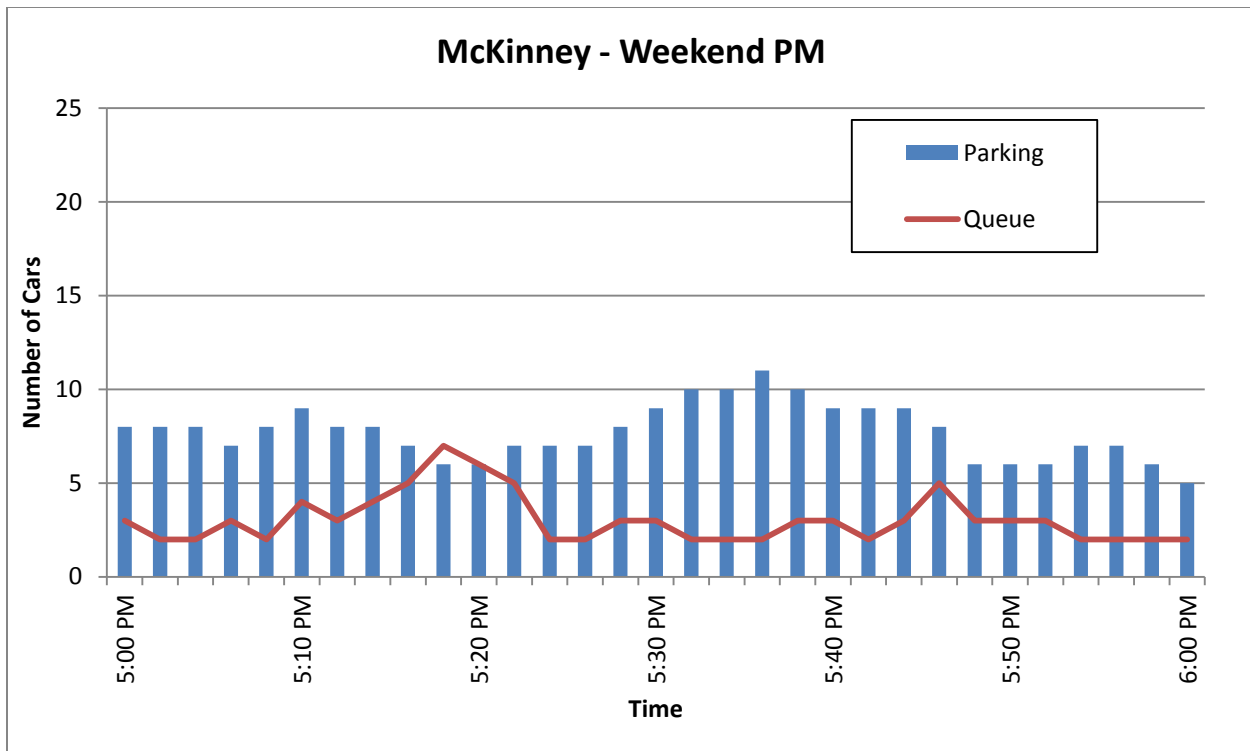


Figure 11. McKinney Weekend PM Parking Demand and Queue Length

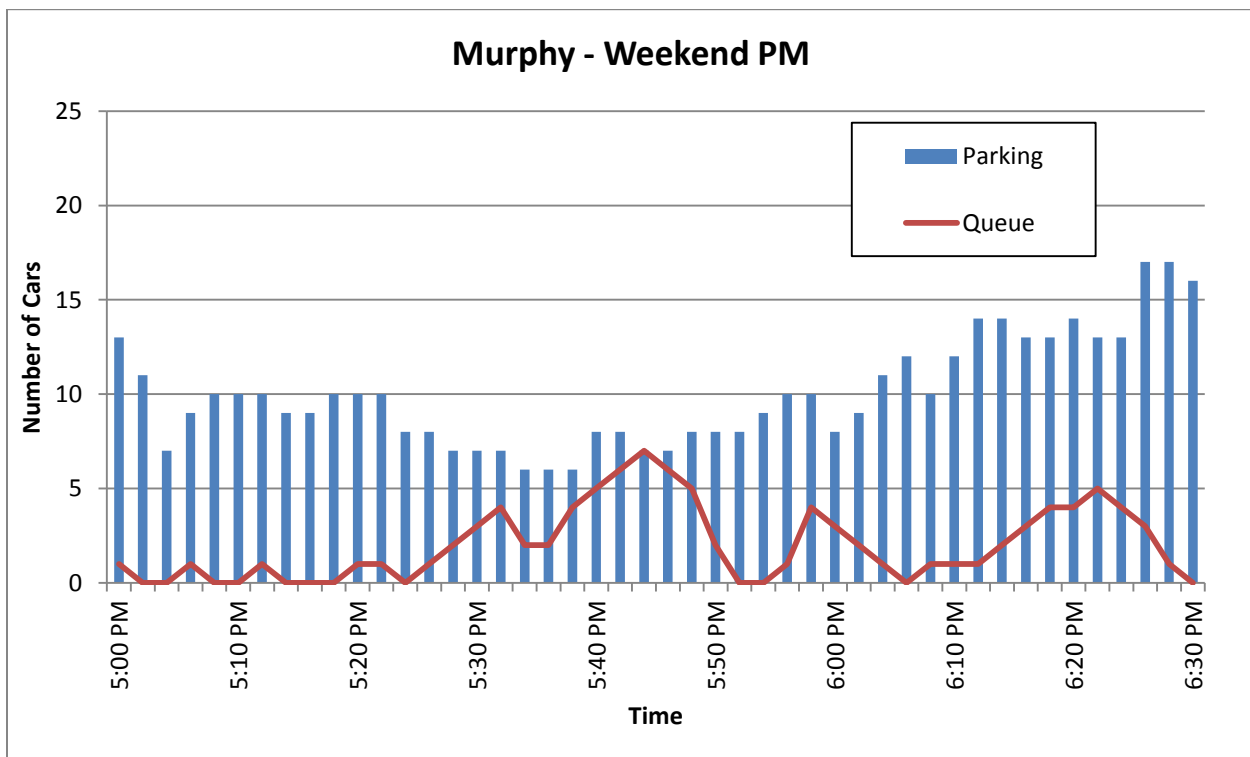


Figure 12. Murphy Weekend PM Parking Demand and Queue Length

SUMMARY OF FINDINGS

Date: January 14, 2015

Subject: Parking Study Summary of Findings

The proposed Raising Cane's project is in Orange County and was studied for trip generation based on the Institute of Traffic Engineers (ITE) Trip Generation Manual, 9th Edition. The location is:

- Interstate-5/El Toro in Laguna Hills.

Three Texas Raising Cane's restaurants in the Dallas metropolitan area were studied for parking and queuing demand. The three locations are:

- Greenville Avenue in Dallas,
- US 75/US 380 in McKinney,
- FM 544/Murphy Road in Murphy.

Below in Table 1 a summary for the traffic counts on adjacent roadways for the four projects. The Laguna Hills and Dallas restaurants have similar traffic counts on adjacent roadways.

Table 1 – Traffic Counts on Adjacent Roadways

Location	Major	Minor	Minor	Total
Laguna Hills	345,000	34,000	14,000	393,000
Dallas	346,000	36,500	24,900	407,400
McKinney	96,000	32,000	42,000	170,000
Murphy	80,800	19,200	20,000	120,000

Below in Table 2 traffic counts on adjacent roadways are compared to the available parking at each restaurant. Additionally the parking available at the Texas restaurants is presented as a percentage of the parking stalls proposed at the Laguna Hills restaurant.

Table 2 – Traffic Counts and Parking Provided

Location	Traffic Counts*	Parking Provided	% of Laguna Hills Parking
Laguna Hills	393,000	43	--
Dallas	407,400	26	60.5%
McKinney	170,000	17	39.5%
Murphy	120,000	18	41.9%

*A sum of Traffic Counts on Adjacent Roadways

In Table 2 we can see that Dallas and Laguna Hills have comparable traffic counts, while the Dallas restaurant provides 60.5% of the parking proposed for the Laguna Hills restaurant. Table 3 below shows the parking demand and percentage of parking used for each of the three Texas restaurants.

During a Weekday Midday observation the Dallas restaurant parking field had its largest demand for parking. At this time approximately 85% of the parking lot, 22 parking stalls were occupied.

The McKinney restaurant was the only restaurant to experience a full parking lot condition. The full lots were observed during the Weekday Midday and Weekend Midday time periods. During the Weekday Midday condition patrons were observed parking in adjacent store parking stalls and walking to the Raising Cane's. The total maximum parking stall occupancy during these two times was 22 parking stalls.

Table 3 – Parking demand

Weekday Midday

Location	Parking Provided	Average Demand	Maximum Demand	Max Demand as % of Parking
Dallas	26	17	22	84.6%
McKinney	17	11	17	100.0%
Murphy	18	11	14	77.8%

Weekday Night

Location	Parking Provided	Average Demand	Maximum Demand	Max Demand as % of Parking
Dallas	26	8	11	42.3%
McKinney	17	4	5	29.4%
Murphy	18	11	13	72.2%

Weekend Midday

Location	Parking Provided	Average Demand	Maximum Demand	Max Demand as % of Parking
Dallas	26	16	21	80.8%
McKinney	17	15	22	129.4%*
Murphy	18	10	12	66.7%

Weekend Night

Location	Parking Provided	Average Demand	Maximum Demand	Max Demand as % of Parking
Dallas	26	11	15	57.7%
McKinney	17	8	11	64.7%
Murphy	18	10	17	94.4%

When parking use for all restaurants is compared, a maximum of 22 parking stalls are required to serve the Raising Cane's restaurants. Observations of 22 parking stalls were during Weekday Midday and Weekend Midday periods. The design of the Laguna Hills restaurant includes 43 parking stalls. Table 4 below shows that if the Laguna Hills restaurant experiences the same demand for parking as the Texas restaurants, that the Laguna Hills parking lot would be approximately 51% full during peak demand periods.

Table 4 – Maximum Demand

Time Period	Maximum Demand	% of Laguna Hills Parking
Weekday Midday	22	51.2%
Weekday Night	11	25.6%
Weekend Midday	22	51.2%
Weekend Night	17	39.5%

In summary the Dallas store is located on a highway and arterials that have equivalent traffic counts as the proposed Laguna Hills location. During maximum demand periods the Dallas restaurant has 22 parking stalls occupied. If the Laguna Hills restaurant experiences demands similar to the Dallas restaurant the Laguna Hills parking lot is anticipated to be approximately 51% full and will have adequate parking to serve the patrons of the restaurant.

Attachment 6

RK Engineering Memo Regarding Queuing and Circulation

February 2, 2015

Kenneth Rosenfield
CITY OF LAGUNA HILLS
24035 El Toro Road
Laguna Hills, CA 92653

**Subject: Raising Cane's Restaurant Parking and Queuing Analysis Review #5,
City of Laguna Hills**

Dear Mr. Rosenfield:

Introduction

RK ENGINEERING GROUP, INC. (RK) has further reviewed the proposed site plan for the Raising Cane's Drive-Thru Restaurant proposed to be located at the northwest corner of El Toro Road and Avenida De La Carlota, in the City of Laguna Hills. The revised proposed site plan for the project is included in Appendix A. The primary concern with the proposed site plan layout is relative to the proposed drive-thru lane located in close proximity to the driveway along El Toro Road. The currently proposed drive-thru lane, as shown in Appendix A, can accommodate eleven (11) vehicles in the queue without blocking internal circulation and/or the proposed driveway on El Toro Road. However, if additional queuing occurs it could have an adverse impact to El Toro Road.

Discussion

The primary concern with this site plan layout has to do with the potential for queuing within the internal circulation system, and of particular concern, with blocking the entrance/exit to the project at the El Toro Road driveway. Please see the "yellow" highlighted area in Appendix A. If this were to occur, potential impacts to traffic along El Toro Road, which is a major arterial highway, would be substantial. Queuing could back up into the driveway, hence, blocking traffic on southbound El Toro Road.

The traffic consultant has submitted a parking and queuing analysis, dated November 19th, 2014. This study was conducted at several Raising Cane Restaurants in the state of Texas. A summary of the Raising Cane's parking and queuing survey is shown in Table 1. While the average maximum queue was shown to be accommodated within the eleven (11) vehicle queue area, one of the review sites (Greenville, Texas) had a maximum queue of fifteen (15) vehicles. The maximum of fifteen (15) vehicles queued occurred at approximately 12:50 p.m. during weekend mid-day conditions. All other sites had shorter queues. If this maximum queue were to occur at the El Toro Road and Avenida De La

Carlota site, it would have substantial adverse traffic impacts to the proposed driveway on El Toro Road and would cause conflicts along southbound El Toro Road.

The proposed site plan layout as shown in Appendix A, has the end of the queue aligned directly at the El Toro Road driveway. This is not a good design and presents conflicts with the driveway and internal circulation. If traffic demand were similar to the Greenville, Texas site, substantial traffic conflicts would occur and would adversely affect the site itself and the adjoining El Toro Road.

Conclusions

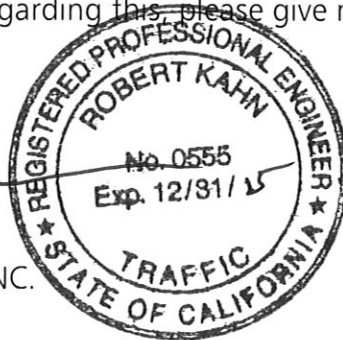
RK has reviewed the proposed Raising Cane's Restaurant at the northwest corner of El Toro Road and Avenida De La Carlota, in the City of Laguna Hills. The current proposed site plan is shown in Appendix A. The major problem of this layout is that the end of the queue is directly adjacent to the driveway which would cause conflicts with El Toro Road and internal circulation.

RK appreciates this opportunity to provide traffic review of the Raising Cane's Restaurant. If you have any questions regarding this, please give me a call.

Respectfully submitted,



Robert Kahn, P.E.
RK ENGINEERING GROUP, INC.
Principal



Attachment

TABLE 1
Raising Cane's Parking and Queuing Survey

Location	Weekday								Weekend							
	Midday				PM				Midday				PM			
	Parking		Queue		Parking		Queue		Parking		Queue		Parking		Queue	
	Max	Avg.	Max	Avg.	Max	Avg.	Max	Avg.	Max	Avg.	Max	Avg.	Max	Avg.	Max	Avg.
Greenville, Texas	22	17	9	4	11	8	11	7	21	16	15	9	15	11	11	5
McKinney, Texas	17	11	9	4	5	4	3	2	22	15	7	4	11	8	7	3
Murphy, Texas	14	11	4	2	13	11	6	2	12	10	8	4	17	10	7	2
3 Site Average	18	13	7	3	10	8	7	4	18	14	10	6	14	10	8	3

Appendix A
Proposed Site Plan
(Laguna Hills)

STANDARD DUTY ASPHALT
CONCRETE PAVEMENT

STANDARD DUTY CONCRETE PAVEMENT

HEAVY DUTY CONCRETE PAVEMENT

LANDSCAPE/PLANTER AREA

ACCESSIBLE ROUTE (LOCATION)

SIGN POST

ACCESSIBLE PARKING SPACE

DETECTABLE WARNING

NUMBER OF PARKING SPACES

PROJECT DESCRIPTION:

PROJECT DESCRIPTION: DEMOLITION OF EXISTING GAS STATION AND NEW CONSTRUCTION OF A RAISING CANE'S RESTAURANT

ADDRESS: 23971 EL TORO ROAD
LAGUNA HILLS, CA 92563

ZONING DISTRICT: VC

FLOOD ZONE: ZONE X - AREA OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD

TOTAL DISTURBED AREA:	41,003 S.F.	(0.94 AC)
TOTAL PAD AREA:	2,882 S.F.	(0.07 AC)

LOT COVERAGE		
TOTAL SITE AREA:	41,003 S.F.	(0.94 AC)
BUILDING AREA:	2,882 S.F.	(0.07 AC)
IMPERVIOUS AREA:	26,373 S.F.	(0.60 AC)
LANDSCAPE AREA:	11,748 S.F.	(0.27 AC)

PARKING/LANDSCAPE BUFFER

FRONT:	10.0'
REAR:	5.0'
SIDE (E):	10.0'
SIDE (W):	10.0'

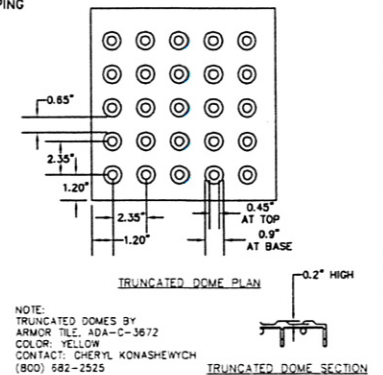
PARKING SUMMARY:

2.882 S.F. - 225 S.F. (RESTROOM AREAS) = 2.657 S.F.
2.657 S.F. (1 STALL/50 S.F.) = 54 STALLS REQUIRED PER CITY CODE
ADA PARKING FOR 41-80 PARKING STALLS = 2 ADA PARKING STALLS
REQUIRED PER CITY CODE

PARKING TABLE:
STANDARD
COMPACT (C)
MOTORCYCLE
ACCESSIBLE
TOTAL:

<u>REQUIRED</u>	<u>PROVIDED</u>
52	40
N/A	N/A
N/A	1
2	2
54	43

- 1 CONCRETE SIDEWALK
- 2 CONCRETE CURB
- 3 STANDARD DUTY ASPHALT CONCRETE PAVEMENT
- 4 LANDSCAPE/PLANTER AREA.
- 5 TRASH ENCLOSURE AREA TO BE HEAVY DUTY CONCRETE PAVEMENT
- 6 TRANSFORMER PAD
- 7 ACCESSIBLE 60' PARKING STALL STRIPING
- 8 HANDICAP SYMBOL
- 9 ACCESSIBLE PARKING STALL BOLLARD SIGN
- 10 ACCESSIBLE RAMP WITH DETECTABLE WARNING (TRUNCATED DOMES)
- 11 4" THICK WHITE STRIPING 60', 36" O.C.
- 12 JOIN EXISTING CURB, CURB & GUTTER, SIDEWALK.
- 13 "CLEAN AIR/VAN POOL/EV" IN 12" HIGH WHITE LETTERS AT THE END OF PARKING STALL
- 14 ADA PATH OF TRAVEL SIGN
- 15 PUBLIC CURB AND GUTTER PER CITY OF LAGUNA HILLS STANDARD PLAN 120-0
- 16 PUBLIC SIDEWALK PER CITY OF LAGUNA HILLS STANDARD PLAN 1205
- 17 DRIVEWAY PER CITY OF LAGUNA HILLS STANDARD PLAN 1210
- 18 EXISTING TREES TO REMAIN
- 19 6" THICK WHITE STRIPE WITH 6" ROUND PAVEMENT MARKERS AT 24" OC.
- 20 PYLON SIGN (5.0' MIN. SETBACK)
- 21 EXISTING DRIVEWAY TO REMAIN
- 22 INSTALL CAST-IN-PLACE DETECTABLE WARNING SYSTEM (TRUNCATED DOMES) SET IN CONCRETE PAVEMENT PER ARMOR TILE - 36"x48" PANEL. PRODUCT NO. ADA-C-3648W. SEE DETAIL 1.
- 23 STANDARD 90' PARKING STALL STRIPING
- 24 STANDARD 60' PARKING STALL STRIPING



NOTE: TRUNCATED DOMES BY ARMOR TILE, ADA-C-3672
COLOR: YELLOW
CONTACT: CHERYL KONASHEWICH
(800) 582-2525

TRUNCATED DOME SECTION



NOTE:
THIS DETAIL TO BE USED WHERE
LIMITED TO 3" DEEP

TRUNCATED DOMES DETAIL
scale: N.T.S.

① 30" x 30"

② 30" x 30"

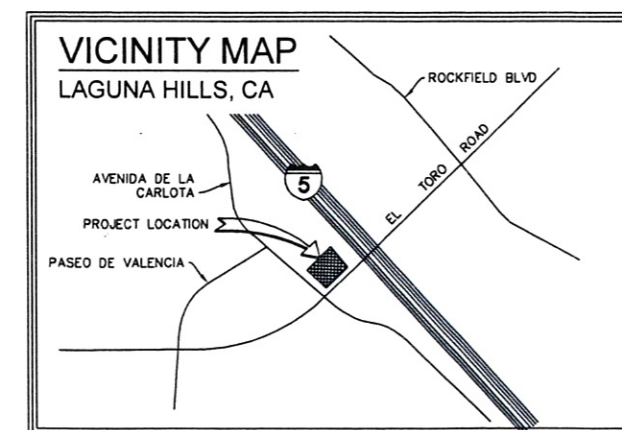
③ 24" x 24"

④ 24" x 24"

GRAPHIC SCALE IN FEET

0 10 20 40

SCALE: 1" = 20'

[illegible]

MJ
 DRAWN BY
 NK
 CHECKED BY
 TH
 RECOMMENDED

ENGINEERS SEAL

Kimley»Horn

765 THE CITY DRIVE, SUITE 200
ORANGE, CA 92668
(714) 939-1030

PREPARED UNDER THE DIRECT SUPERVISION OF:

DATE:

TYLER HOLST, R.C.E. NO. 71438 EXP. 12/31/15

CITY OF LAGUNA HILLS
BUILDING DEPARTMENT

CITY OF LAGUNA HILLS
CITY ENGINEER

REVIEWED AND RECOMMENDED BY: _____ DATE: _____



23971 EL TORO RD
LAGUNA HILLS, CA 92653

CITY OF LAGUNA HILLS

SITE PLAN

No.2

Attachment 7

Master Sign Program



Master Sign Plan

23971 El Toro Road
Laguna Hills, CA 92653

RECEIVED
NOV 24 2014
CITY OF LAGUNA HILLS

No.12

Monument Sign – (1) internally illuminated double-faced sign. Sign measures 6' H x 9' 3" W (55.5 sq. ft.) thought copy and corporate colors are only 3' H x 6' (18 sq. ft.) including decorative brick base to match the new building construction. Sign will be set 5' back from the property line. Existing monument sign will be removed.

Existing Freeway Pylon Sign – Reface existing illuminated Shell freeway sign

Wall Signs – (3) internally illuminated wall signs

- Front Elevation (facing El Toro Road): 32 sq. ft.
- Drive-Thru Elevation (facing Avenida de la Carlota): 32 sq. ft.
- Side Elevation (facing San Diego Fwy): 32 sq. ft.

Wall Sign – (1) externally illuminated, painted mural with consideration towards notes in LHMC 9-42.210 "Artistic, creative or unique signage is encouraged."

- Drive-Thru Elevation (facing Avenida de la Carlota): 139.5 sq. ft.

Special Signage - (1) externally illuminated banner to be considered permanent signage under the Master Sign Program. Affixed with brushed stainless hardware.

- Side Elevation (facing San Diego Fwy): 32 sq. ft.
- Total square footage for all wall signs (total less mural) **267.5 sq. ft. (128 sq. ft.)**

Drive-Thru Menu Boards – (2) illuminated menu boards, a 71" H x 22" W "pre-sell" board and a 71" H x 78" W order board

Exposed Neon Roofing Outline – White neon band to encircle the building along the parapet ledge. LED version is also available.

Exposed Neon Window Signs – (1) "Open" 14" H x 25" W and (1) "Chicken Fingers" 14" H x 54" W. Both signs have white neon copy surrounded by a yellow neon oval.

No.13

Existing freeway
pylon to be refaced

8' x 4' permanent
banner

4' x 8' wall sign

DO NOT ENTER
STOP
"LR" & "J"
ONE WAY

DO NOT ENTER
STOP
"LR" & "J"

TORO ROAD

4' x 8' wall sign

ASIAN CUISINE
RESTAURANT & BAR
2000 S. 10th St.

22" x 71" Pre-sell
Menu Board

78" x 71" Order Menu
Board

AVENIDA DE LA CARLOTA

15' 6" x 9' painted
mural

4' x 8' wall sign

6' x 9' 3" monument



1 30' x 30'



1 30' x 30'



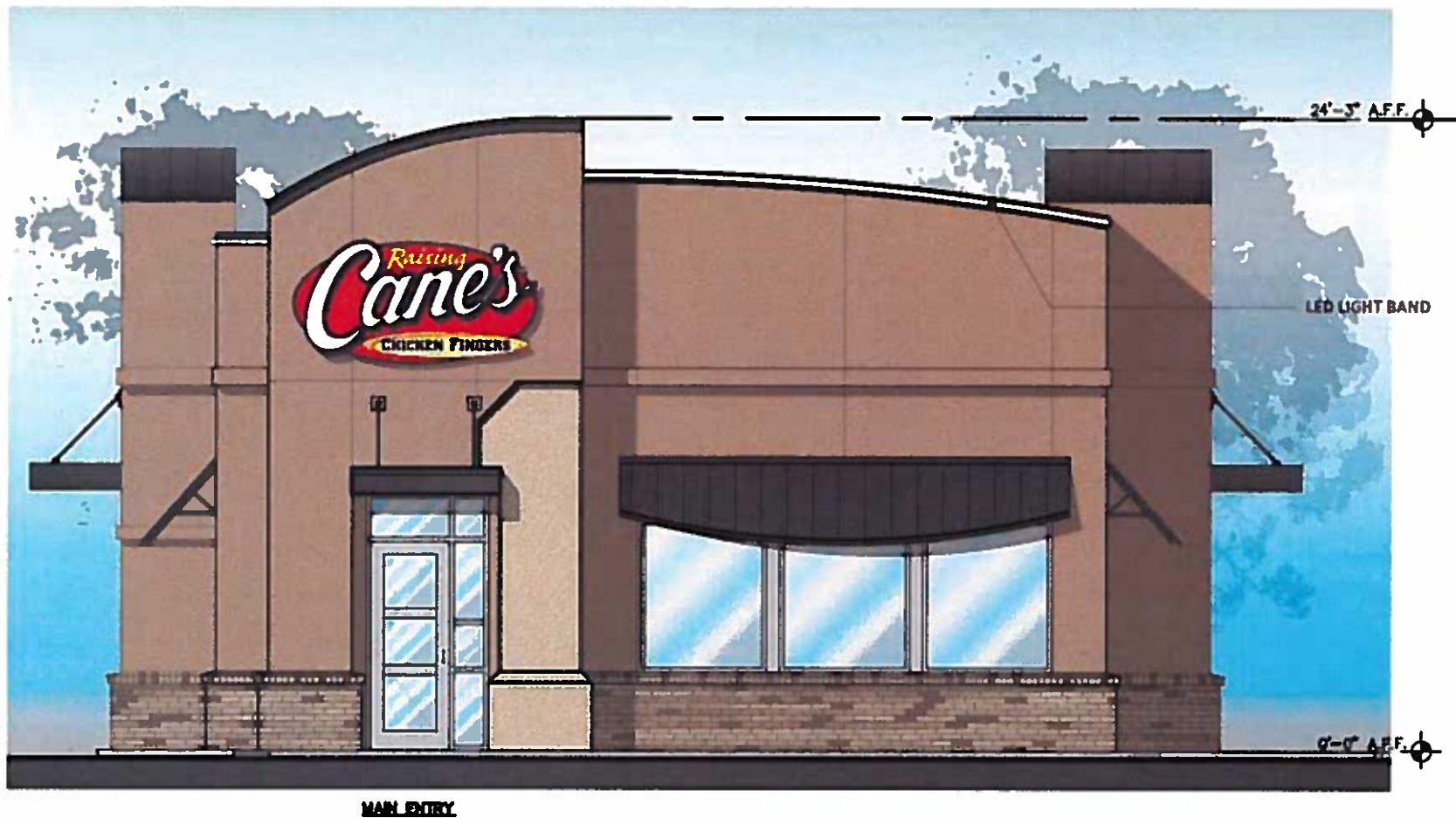
1 18'1" 24" x 24"
18'2" 18' x 24"



1 18'1" 24" x 24"
18'2" 18' x 24"

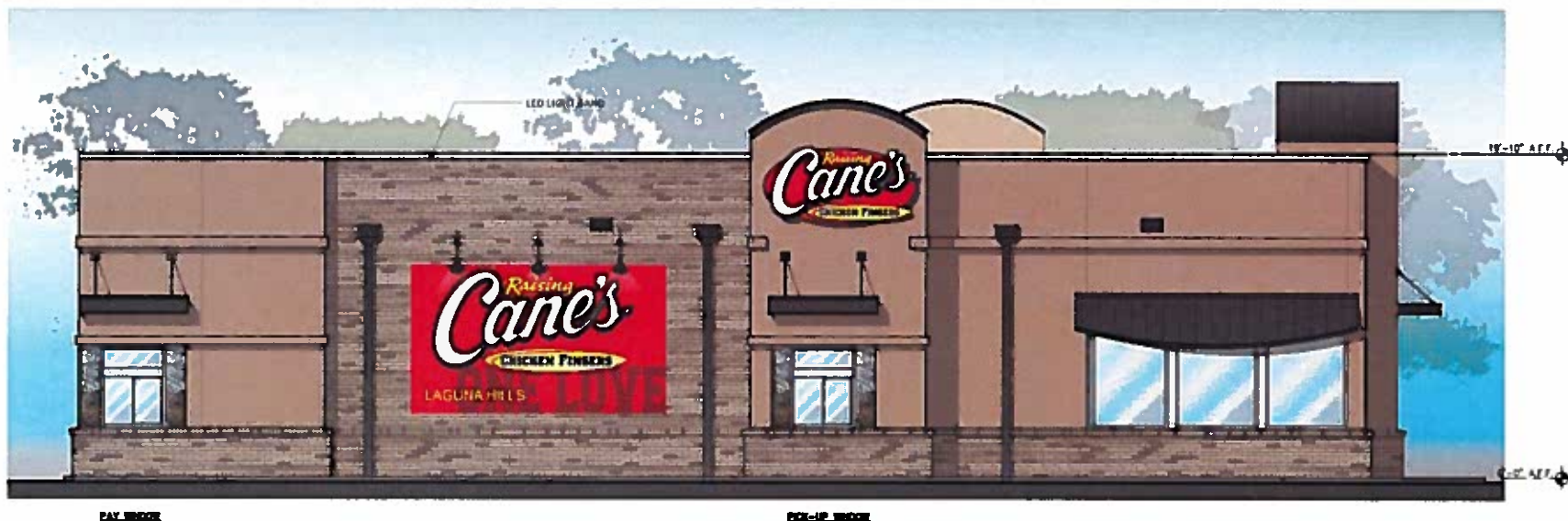


Front Elevation (facing El Toro Rd)



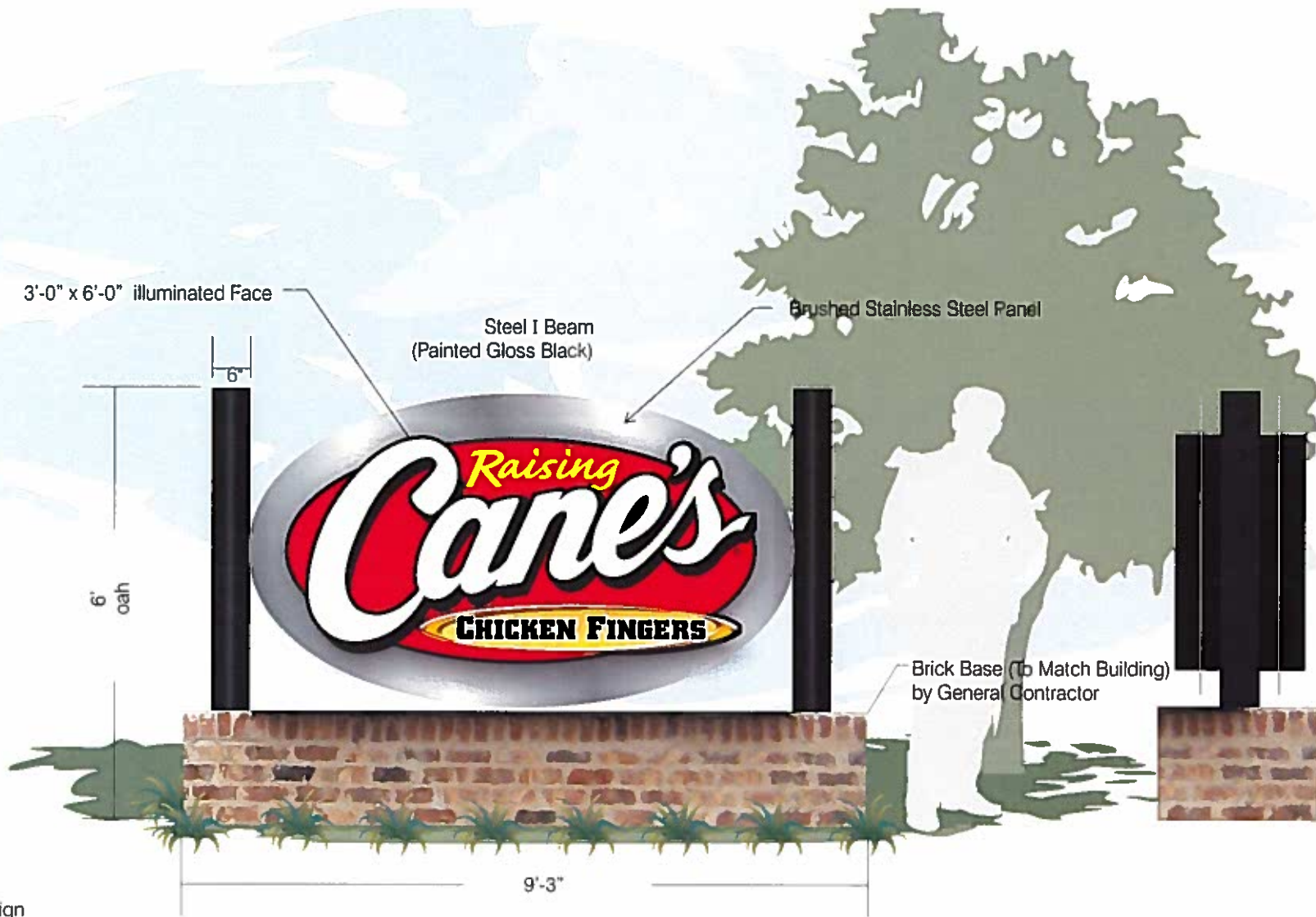
No.15

Drive-Thru Elevation (facing Avenida de la Carlota)



Side Elevation (facing San Diego Fwy)





Proposed: Monument Sign
 Background Panel (Non illuminated)
 -Brushed Stainless Steel Finish
 3'-0" x 6'-0" (2) S/F "Canes" Signs (Internally illuminated w/ LEDs)
 - Interior of Single Face Sign to be Painted w/ Light Enhancement Paint.
 -Cabinet - Black
 -Face Retainers - Black (Formed as Part of The Face)
 -Back - Black (.125 Aluminum)
 -Returns - Black (.063 Aluminum)

Color renderings are for presentation only and should not be considered as manufacturing drawings.

AGI YOUR IMAGE.
 OUR PRIORITY.
 ARCHITECTURAL GRAPHICS INC.



Raising Canes
 Monument

Customer: Canes Drawing Packet
 Created: 12/23/05
 Revised:
 Dwg: Spec Dwgs
 Scale: 1/2" = 1'-0"
 illustrated by: Roland

No.18



Reface existing illuminated Shell freeway sign. 3M Panaflex flexible substrate with 3M translucent vinyl.

2/10/2015 ITEM NO. 11

Color renderings are for presentation only and should not be considered as manufacturing drawings.

AGI YOUR IMAGE.
OUR PRIORITY.
ARCHITECTURAL GRAPHICS INC.

Approval: _____

Date: _____

Customer: Gen Dwg - Wendy's Monument
Created: 07/21/14
Revised:

Dwg: Pres101

Scale: Proportional
Illustrated by: Cox

No.19

Painted Mural 9' H x 15' 6" W with "Laguna Hills" Copy



Permanent Banner 8' H x 4' W

Canvas banner will be mounted to an aluminum backing/frame which will be securely attached to the wall.



No.22

MOUNTING HARDWARE CHART			
	MASONRY	WOOD	METAL
1/4" ZINC PLATED STEEL THREADED ROD THRU WALL	●	●	●
1/4" LAGS WITH SHIELDS	●		
1/4" LAG BOLTS		●	
1/4" TOGGLE BOLTS			●
NOTE:			
1) THREADED ROD WILL BE PROVIDED STANDARD - ALL OTHER HARDWARE IS TO BE PROVIDED BY THE INSTALLER AS REQ.			
2) DESIGN INTENDED FOR NOT GREATER THAN 3RD STORY MOUNTING - HIGHER ELEVATIONS REQUIRE REVIEW			

2/10/2015 ITEM NO. 1.

NOTES:
1.) TRANSFORMER IS MOUNTED REMOTELY
IN ATTIC. TRANSFORMERS ARE TO BE
ELECTRONIC.

AGI Architectural
Graphics
Incorporated
7065 International Parkway
P.O. Box 9173
Virginia Beach, VA 23450
(757) 427-1800

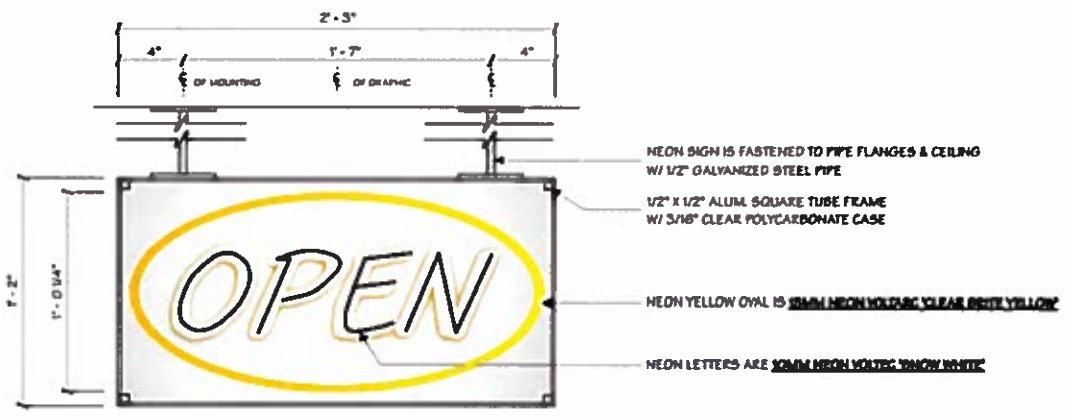
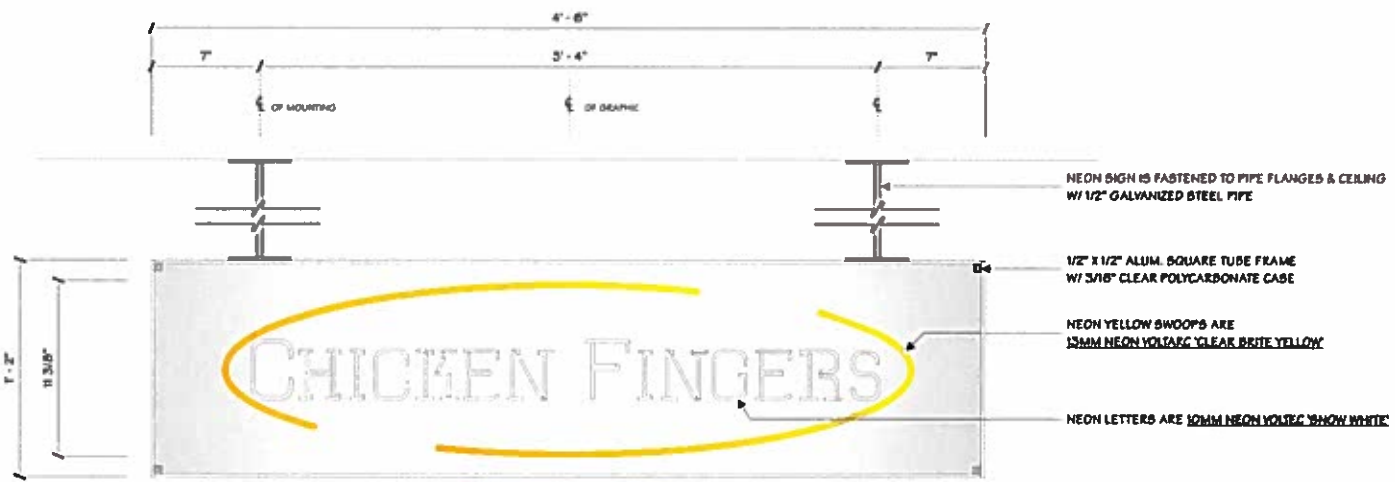
Project Title
RAISING CANES

Date **07.24.14**

AGI **Earl M. Smith**
Lead Drafter
Drawn By **MPK**
Project Mgr. **R. KERR**

General Sign Specifications

☒ Interior	☐ Exterior
☒ Single Faced	☐ Double Faced
☐ Non-Illuminated	
☒ Illuminated	
Volts _____ Amps (A) _____	
Location _____	
Windload _____	



1 FRONT ELEVATION
1/8" = 1"

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Code	Type
14387	C
Sign Type	PG 1:
NEON-CHKN	01

Attachment No. 8 referenced in
the Agenda Report:

Raising Cane's Company Information

is available for review in the
City Clerk's Department.

02/10/2015 ITEM NO. 1.

2/10/2015 ITEM NO. 1.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: PRESIDENT AND DIRECTORS

FROM: PEGGY J. JOHNS
CITY CLERK

ISSUE: ELECTION OF PUBLIC IMPROVEMENT CORPORATION OFFICERS

RECOMMENDATION: THAT THE BOARD OF DIRECTORS ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE LAGUNA HILLS PUBLIC IMPROVEMENT CORPORATION, LAGUNA HILLS, CALIFORNIA, ELECTING OFFICERS FOR 2015."

SUMMARY:

The second Tuesday of February is the time of the annual meeting of the Laguna Hills Public Improvement Corporation (PIC). The City Council sits as the Board of Directors. At this meeting, the Board will elect officers for 2015 and approve the minutes of the previous meeting of February 11, 2014. As the current President of the Public Improvement Corporation, President Andrew Blount will call the meeting to order. After the roll call, he will entertain a motion to adopt the Resolution electing the Officers for 2015. President Gilbert will then take the gavel and chair the remainder of the PIC meeting.

BACKGROUND:

In September 1998, the City Council, acting as the Board of Directors for the Laguna Hills Public Improvement Corporation (PIC), took several actions, including the adopting of bylaws, election of officers, and adoption of a Resolution appointing the time and place of meetings. The PIC is a nonprofit, public benefit corporation whose primary purpose is to render financial assistance to the City.

Pursuant to the bylaws, the annual meeting is to be held the second Tuesday of February each year, and the Board of Directors is to elect officers at the annual meeting. A Resolution has been prepared that will elect the Mayor as President and reelect the City Manager as Vice President, the Assistant City Manager as Treasurer, and the City Clerk as Secretary.

ATTACHMENTS:

- Resolution

RESOLUTION NO. 2015-1

A RESOLUTION OF THE LAGUNA HILLS PUBLIC
IMPROVEMENT CORPORATION, LAGUNA HILLS,
CALIFORNIA, ELECTING OFFICERS FOR 2015

RESOLVED, by the Board of Directors of the Laguna Hills Public Improvement Corporation, that the following persons are elected to the offices set forth opposite their names below, as officers of the Corporation, to serve until the election and qualification of their successors, as provided in Article IV, Section 2 of the Bylaws of the Corporation.

Name	Office
Dore J. Gilbert, M.D.	President
Bruce E. Channing	Vice President
Donald J. White	Treasurer
Peggy J. Johns	Secretary

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

I, Peggy J. Johns, Secretary of the Laguna Hills Public Improvement Corporation, DO HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a Resolution duly passed and adopted by the Board of Directors of the Laguna Hills Public Improvement Corporation, at a meeting thereof held on the 10th day of February 2015, by the following vote of the Directors thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

PEGGY J. JOHNS, SECRETARY

**CITY OF LAGUNA HILLS, CALIFORNIA
PUBLIC IMPROVEMENT CORPORATION
MINUTES
FEBRUARY 11, 2014**

CALL TO ORDER

The Regular Meeting of the Public Improvement Corporation of the City of Laguna Hills, California, was called to order by President Kogerman at 8:25 PM in the Laguna Hills City Council Chamber, 24035 El Toro Road, Laguna Hills.

ROLL CALL:

Present: President Kogerman, Director Blount, Director Bressette, Director Carruth, and Director Gilbert.

STAFF PRESENT: Bruce Channing, Vice President; Donald White, Treasurer; and Peggy Johns, Secretary.

ELECTION OF PUBLIC IMPROVEMENT CORPORATION OFFICERS

**THE PUBLIC IMPROVEMENT CORPORATION ADOPTED RESOLUTION NO. 2014-1, A RESOLUTION OF THE LAGUNA HILLS PUBLIC IMPROVEMENT CORPORATION, LAGUNA HILLS, CALIFORNIA, ELECTING OFFICERS FOR 2014, BY M/DIRECTOR BRESSETTE, S/DIRECTOR CARRUTH.
APPROVED BY A VOTE OF 5-0.**

MINUTES OF FEBRUARY 12, 2013, ANNUAL MEETING

**THE PUBLIC IMPROVEMENT CORPORATION APPROVED THE MINUTES OF THE FEBRUARY 12, 2013, ANNUAL MEETING, BY M/DIRECTOR CARRUTH, S/DIRECTOR BRESSETTE.
APPROVED BY A VOTE OF 5-0.**

ADJOURNMENT

There being no further business before the Public Improvement Corporation at this session, President Blount declared the meeting adjourned at 8:27 PM.

PEGGY J. JOHNS, SECRETARY



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: DAVID CHANTARANGSU
DIRECTOR OF COMMUNITY DEVELOPMENT

ISSUE: CONSIDERATION OF A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, TO AMEND AN EXISTING DEVELOPMENT AGREEMENT AND MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN ON-SITE IMPROVEMENTS IN PHASE 1 OF THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA

RECOMMENDATION: (1) THAT THE PLANNING AGENCY AND CITY COUNCIL CONDUCT A JOINT PUBLIC HEARING TO CONSIDER THE PROPOSED DEVELOPMENT AGREEMENT AMENDMENT AND MODIFICATION TO CONDITION OF APPROVAL NO. 47 OF THE EXISTING LAND USE ENTITLEMENTS FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA;

(2) THAT THE CITY COUNCIL INTRODUCE FOR FIRST READING, READ BY TITLE ONLY, AND WAIVE FURTHER READING OF AN ORDINANCE ENTITLED, "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT; AND

(3) THAT THE PLANNING AGENCY ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING RESOLUTION NOS. PA2014-02-11-2 AND PA2012-11-13-1 TO MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/ PRECISE PLAN/ DEVELOPMENT

AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN PHASE 1 ON-SITE IMPROVEMENTS, A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA."

SUMMARY:

Laguna Hills Investment Company and Oakbrook Urban Village 1, LLC (collectively, the "Owner") have requested that the City approve an amendment to the existing Development Agreement for the Oakbrook Village Shopping Center Redevelopment Project (the "Project") to extend the time periods pursuant to which Owner has (1) to commence façade renovations of the existing retail structures on the Property (with the exception of Lone Star and El Torito, for which no façade renovations are required) and (2) to complete the construction of certain pedestrian paseos/trails on the western and northern areas of the Property. The proposed Amendment No. 1 to the existing Development Agreement would result in the following extensions of time for these Phase 1 improvements:

Phase 1 Improvement Obligation	Existing Time	Proposed Extended Time
Obtain building permits for façade renovations for Building H (Trader Joe's)	On or before December 28, 2014	On or before April 15, 2015
Obtain building permits for façade renovations for Buildings A, B, C, P and Q	On or before December 28, 2014	On or before September 30, 2015
Complete construction of the north-south pedestrian paseo	Prior to issuance of <i>first</i> residential certificate of occupancy for Phase 1	Prior to issuance of <i>final</i> residential certificate of occupancy for Phase 1
Complete construction of the hillside paseo connecting the north-south pedestrian paseo with the Laguna Hills Mall property	Prior to issuance of <i>first</i> residential certificate of occupancy for Phase 1	On or before December 28, 2017
Complete construction of the pedestrian trail along the north Property line	Prior to issuance of <i>first</i> residential certificate of occupancy for Phase 1	On or before December 28, 2017

Extending the time for Owner to commence the façade renovations of the existing retail structures will allow the Owner to explore early lease termination agreements with certain tenants in order to facilitate the potential expedited development of Phase 2 of the Project. Extending the time to complete construction of the pedestrian paseos and trail on the

western and northern areas of the property will allow Owner to better coordinate their design and development with the future Laguna Hills Mall redevelopment efforts, which staff expects to commence within the next two years. Staff is supportive of the requested time extensions and proposed Development Agreement amendment.

If the City Council approves the proposed Amendment No. 1 to Development Agreement, it will also be necessary for the Planning Agency to modify Condition of Approval No. 47 to the Phase 1 land use entitlements for the Project so that it remains consistent with the amended Development Agreement.

BACKGROUND:

The City's Urban Village Specific Plan (UVSP) area is envisioned as a community gathering place where a variety of public, commercial, recreational and residential uses work together to create an "urban village." Oakbrook Village is one of the key properties of the UVSP where important features of the plan are envisioned to be located. In addition to the housing and commercial uses the property can support, these features include public plazas, internal roads, and pedestrian walkways important to the walkability and vehicular circulation of the planning area.

On November 13, 2012, the Planning Agency approved Site Development Permit/ Master Sign Program/ Conditional Use Permit/ Parking Use Permit/ Vesting Tentative Tract Map/ Precise Plan/ Development Agreement No. 12-11-2137 for the Phase 1 of the Project (the "Phase 1 Land Use Entitlements"), subject to several Conditions of Approval. To facilitate the redevelopment of Oakbrook Village and carry out the City's adopted land use and economic development goals for the UVSP, the City also entered into a Development Agreement with the Laguna Hills Investment Company for the Project, which took effect on December 28, 2012. On February 11, 2014, the Planning Agency adopted Resolution No. PA2014-02-11-2 approving various modifications to the Conditions of Approval for the Phase 1 Land Use Entitlements to allow for early issuance of building permits and to address Project sequencing issues. In April 2014, Laguna Hills Investment Company assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, a Shea Homes related entity.

The Development Agreement contemplates a Project consisting of two Phases. Phase 1 of the Project is reflected in the Phase 1 Land Use Entitlements and includes: (i) the demolition of approximately 82,730 square feet of the approximately 190,956 square feet of existing retail space on the Property; (ii) the construction of two "Deferred Retail Pads" and approximately 9,000 square feet of additional new retail space; (iii) the renovation of the façades of all remaining retail structures located on the Property other than restaurant Buildings D and E (Lone Star and El Torito); (iv) the construction of a maximum of 289 multi-family residential units; and (v) the construction of a 17,000-square foot Village Green, several pedestrian and parking lot paseos and a pedestrian trail on the Property,

and various off-site public improvements. The Development Agreement provides for the Owner to commence and complete the various Phase 1 improvements within specified timeframes, with an outside completion date of five (5) years, or December 28, 2017. To date, the Phase I improvements that have been started include items (i), (iv), and one of the building facades included in item (iii) (Building B).

Phase 2 of the Project contemplates the potential future construction of up to an additional 200 multi-family residential units, replacement retail structures, and another approximately 7,000 square foot Village Green. For Phase 2 improvements Owner has until eleven (11) years from the effective date, or December 28, 2023, to obtain all Phase 2 project approvals from the City. In the event Owner meets this requirement, the Development Agreement is automatically extended another four (4) years, or until December 28, 2027. A copy of the existing Development Agreement is included as **Attachment 1**.

DISCUSSION:

Subsequent to the effective date of the Development Agreement, two significant and unforeseen factors occurred that have an impact on Owner's development of the property. The first was when Merlone-Geier Partners (MGP) purchased the Laguna Hills Mall, and the second, was when MGP acquired the Sears' lease resulting in the store's closure. The Laguna Hills Mall and the former Sears' leasehold interest are immediately north of and adjacent to Owner's property. MGP's intention to redevelop the Mall, particularly the area adjacent to Owner's property, has a potential impact on certain public improvements and, according to Owner, their timing with respect to Phase 2. Accordingly, Owner is requesting an extension of certain time frames set forth in the Development Agreement in order to: (1) explore early lease termination agreements with certain tenants to expedite the development of Phase 2; and (2) coordinate the design and development of pedestrian trails and paseos on Owner's north property line with MGP. Staff has worked with Owner on this request and negotiated the following extensions:

1. Owner's obligation to commence façade improvements (obtain building permits) on Building H shall be extended from December 28, 2014 to April 15, 2015.
2. Owner's obligation to commence façade improvements (obtain building permits) on Buildings A, B, C, P and Q shall be extended from December 28, 2014 to September 30, 2015.
3. Owner's obligation to complete the north-south pedestrian paseo prior to the first residential certificate of occupancy for Phase 1 shall be extended to the final residential certificate of occupancy for Phase 1.

4. Owner's obligation to complete the hillside pedestrian paseo and the pedestrian trail along the north property line prior to the first residential certificate of occupancy for Phase 1 shall be extended to within five (5) years of the Development Agreement Date (12-28-17). The purpose of this extension is to allow Owner the opportunity to coordinate planning and construction of improvements along Owner's north property line with the owner of the Laguna Hills Mall. In exchange, Owner is agreeing that it shall coordinate with the owner of the Laguna Hills Mall to plan and construct improvements along Owner's north property line, including streets, vehicular access, pedestrian paseos, pedestrian connections and other landscaping and improvements.

Extensions 1, 2, and 3 above afford Owner an opportunity to effectuate an early start for Phase 2. Without these extensions (with the exception of Building H, Trader Joe's), Owner could theoretically make the building façade improvements only to have to demolish them to make way for the Phase 2 improvements. It should be noted that if Owner is successful over the next several months in negotiating early lease terminations, a second amendment to the Development Agreement will be necessary in order to facilitate the earlier commencement of Phase 2. If Owner is not successful, then Phase 1 will proceed as originally contemplated. Extension 4 above allows Owner the opportunity to coordinate improvements with MGP and their redevelopment of the Mall.

The City Attorney has prepared Amendment No. 1 to the Development Agreement and a proposed Ordinance for its adoption, which are included as **Attachment 2** to this report. For reference, the existing Phase 1 retail structures and pedestrian paseos / trails are attached as Exhibits "B" and "C", respectively, to the Amendment No. 1 to Development Agreement.

Condition of Approval No. 47 to the Existing Land Use Approvals currently contains time frames related to the construction of the pedestrian and parking lot paseos that are consistent with those set forth in the existing Development Agreement. Therefore, in conjunction with amendment of the Development Agreement modifying these timeframes, it is necessary for the Planning Agency to likewise modify Condition of Approval No. 47 to maintain consistency between the Project Conditions and the Development Agreement. A proposed Resolution approving the necessary modification to Condition of Approval No. 47 is included as **Attachment 3** to this report.

FISCAL IMPACT:

None.

CEQA FINDINGS:

It is recommended that the City Council and Planning Agency find that no further environmental review is required. The approval of Amendment No. 1 to the Development Agreement and corresponding modification to the Conditions of Approval of Planning Agency Resolution No. PA2012-11-13-1 (as modified by Planning Agency Resolution No. PA2014-02-11-2), as set forth in the attached Resolution, will only result in minor changes to the timing of the construction of certain on-site improvements, and will not result in any physical changes to the project. It is recommended that the Planning Agency find that the approval of Amendment No. 1 to the Development Agreement and modification to Conditions of Approval, as set forth in the attached Resolution, are within the scope of the Addendum adopted in conjunction with the approval of SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 and the Development Agreement, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the project requiring major revisions of the PEIR or the Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the project is being undertaken which will require major revisions of the PEIR or the Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) 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 or the Addendum was adopted showing that: (a) the project will have one or more significant effects not discussed in the PEIR or the Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or the Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or the Addendum 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).

ATTACHMENTS:

1. Existing Development Agreement
2. Proposed Ordinance / Amendment No. 1 to Development Agreement
3. Proposed Planning Agency Resolution of Approval

ATTACHMENT 1- EXISTING DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
City of Laguna Hills
c/o City Clerk
24035 El Toro Road
Laguna Hills, California 92653

Recorded In Official Records, Orange County
Renee Ramirez, Assistant Clerk-Recorder



NO FEE

* \$ R 0 0 0 5 4 7 7 4 6 8 \$ *

2013000002329 2:13 pm 01/02/13

62 417 A12 59

0.00 0.00 0.00 0.00 174.00 0.00 0.00 0.00

(Space Above Line for Recorder's Use)
Exempt from Recorder's Fees Pursuant to
Government Code §§ 6103 and 27383

DEVELOPMENT AGREEMENT
(Oakbrook Village Shopping Center Mixed Use Project)

BY AND BETWEEN

**THE CITY OF LAGUNA HILLS, a municipal corporation, duly organized and existing
under the Constitution and laws of the State of California**

AND

LAGUNA HILLS INVESTMENT COMPANY, a Delaware limited partnership

lx
59P
10P
NB
NFB

THIS DEVELOPMENT AGREEMENT SHALL BE RECORDED WITHIN TEN DAYS OF ITS EFFECTIVE DATE
PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE §65868.5

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**DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF LAGUNA HILLS
AND
LAGUNA HILLS INVESTMENT COMPANY**

This Development Agreement ("Development Agreement") is made and entered into this 28th day of December, 2012 ("Development Agreement Date"), by and between the City of Laguna Hills, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California ("City") and Laguna Hills Investment Company, a Delaware limited partnership (collectively "Owner"), pursuant to the authority set forth in Article 2.5 of Chapter 4 of Division I of Title 7, Sections 65864 through 65869.5 of the California Government Code (the "Development Agreement Statute").

RECITALS

This Development Agreement is predicated upon the following facts:

A. City is authorized, pursuant to California Government Code §§65864 through 65869.5 (the "Development Agreement Statute") and Chapter 9-84 of the Laguna Hills Municipal Code (the "Development Agreement Ordinance") to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property in order to, among other things: encourage and provide for the development of public facilities in order to support development projects; provide certainty in the approval of development projects in order to avoid the waste of resources and the escalation in project costs and to encourage investment in and commitment to comprehensive land use planning, which will make maximum efficient utilization of resources at the least economic cost to the public; provide assurance to the applicants of development projects: (i) that they may proceed with their projects in accordance with existing policies, rules and regulations, subject to the conditions of approval of such projects and provisions of such development agreements, and (ii) encourage private participation in comprehensive planning and reduce the private and public economic costs of development.

B. These Recitals refer to and utilize certain terms which are defined in this Development Agreement. The Parties intend to refer to those definitions in conjunction with the use thereof in these Recitals.

C. City desires that the approximately 240 acre area bounded by Paseo de Valencia on the north and west, Los Alisos Boulevard on the south, and I-5 on the east be developed in a manner consistent with the Village Commercial land use designation of the City's General Plan, which generally envisions the development of this area as 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 enhanced pedestrian areas conveniently linking commercial, residential, and civic areas.

D. In order to carry out the goals and policies of the General Plan for the Village Commercial area, on November 26, 2002, the Laguna Hills City Council adopted the Urban Village Specific Plan (the "Specific Plan"), establishing a land use concept, plans for additional public open space and pedestrian pathways, design guidelines, and development standards for new developments in the Specific Plan area aimed at creating an urban village identity. The allowed development intensity in the Specific Plan area is determined based upon vehicle trip generation limits, rather than land use type or size, and the Specific Plan 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 Specific Plan 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 Specific Plan area (the "Specific Plan Area Trip Budget Allocation"). Pursuant to the Specific Plan, 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 Specific Plan Area Trip Budget Allocation. In July 2009, the Laguna Hills City Council adopted a comprehensive update to the City's General Plan, which authorized increased development intensity, and a corresponding increased number of authorized aggregate additional vehicle trips to accommodate future development projects, within the Specific Plan area. In April 2011, the Laguna Hills City Council approved amendments to the Specific Plan in order to implement the General Plan update.

E. In 2009, in connection with approving the updated General Plan, 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 Mitigation Monitoring Program. City filed a Notice of Determination on July 15, 2009. On April 12, 2011, the City Council adopted an Addendum to the PEIR in connection with the adoption of the Specific Plan Amendment (the "First Addendum").

F. In order to implement the Project, Owner has submitted, and City has approved, Site Development Permit / Master Sign Program / Conditional Use Permit / Parking Use Permit / Vesting Tentative Map / Precise Plan / Development Agreement No. 12-11-2137 for Phase 1 of the Project (the "Phase 1 Project Approvals").

G. Owner represents that it owns in fee the approximately 19.2-acre existing Oakbrook Village shopping center property (the "Property") located at 24231-24391 Avenida de la Carlota, Laguna Hills, California, within the Specific Plan area, which is more particularly described in **Exhibit A** to this Development Agreement.

H. Owner desires to re-develop the existing shopping center Property in accordance with the provisions of this Development Agreement by developing a multi-phase, mixed-use project consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements, all as more particularly defined herein (hereinafter collectively referred to as the "Project").

I. City desires to accomplish the goals and objectives set forth in City's General Plan and the Specific Plan, and finds that the Project will accomplish said goals and objectives. The City has determined that the Project is consistent with the General Plan, the Specific Plan and the Existing Land Use Regulations, as defined below.

J. In accordance with the Specific Plan, Owner has prepared a comprehensive traffic study dated October, 2012, (the "Traffic Study"), which analyzes the anticipated traffic impacts of the Project, calculates the additional peak hour vehicle trips that will be generated as a result of the Project, and demonstrates that there are sufficient remaining additional peak hour vehicle trips available in the current Specific Plan Area Trip Budget Allocation to accommodate the Project.

K. As consideration for the benefits gained by Owner from the vested rights acquired pursuant to the Development Agreement Statute and to conform with the requirements of the Specific Plan, City is requiring that Owner construct and install as part of Development of the Project certain public improvements and provide other public benefits.

L. In order to avoid any misunderstandings or disputes which may arise from time to time between Owner and City concerning the proposed Development of the Project and to assure each party of the intention of the other as to the processing of any land use entitlements which now or hereafter may be required for such development, the Parties believe it is desirable to set forth their intentions and understandings in this Development Agreement. In order for both City and Owner to achieve their respective objectives, it is imperative that each be as certain as possible that Owner will develop and that City will permit Owner to proceed with Development of the Project and public improvements and other public benefits as approved by City within the time periods provided in this Development Agreement, except as otherwise indicated herein.

M. On November 2, 2012, as required by Section 65867 of the Development Agreement Statute, the City caused public notice to be given of the City Council's intention to consider adoption of a development agreement for the Project.

N. On November 13, 2012, as required by Section 65867 of the Development Agreement Statute, the City Council held a public hearing on the Development Agreement.

O. The City has prepared an initial study checklist and has determined that the Project is within the scope of the PEIR. Based on the initial study completed, the Project will not result in any new significant effects that were not examined in the PEIR, or require any new mitigation measures pursuant to Public Resources Code Section 21166 and/or CEQA Guidelines Section 15162. The applicable mitigation measures identified in the PEIR are incorporated into the design of the Project and will be imposed as conditions of approval, as appropriate. The City, therefore, has prepared an Addendum to the PEIR for the Project (the "Second Addendum"). The City Council, after considering the requirements of the California Environmental Quality Act, Public Resources Code Section 21000 *et seq.*, and California Code of Regulations, Title 14, Sections 15000 *et seq.* ("CEQA"), including Sections 21083.3 and 21166, of the California Public Resources Code and Sections 15168, 15162, 15164, and 15183 of the CEQA Guidelines, independently considered the Second Addendum, along with the PEIR, prior to approving this Development Agreement.

P. The City Council hereby finds and determines that this Development Agreement: (i) is consistent with the objectives, policies, general land uses, and programs contained City's General Plan and Urban Village Specific Plan; (ii) is compatible with the uses authorized in the Village Commercial land use district; (iii) provides for the orderly development of the Property; and (iv) is entered into pursuant to and in compliance with the requirements of Section 65867 of the Development Agreement Statute.

Q. In preparing and adopting the General Plan and in granting the Existing Development Approvals, City considered the health, safety and general welfare of the residents of City and prepared in this regard an extensive environmental impact report and other studies. Without limiting the generality of the foregoing, in preparing and adopting the General Plan and in granting the Existing Development Approvals, the City Council carefully considered and determined the projected needs (taking into consideration the planned development of the Project and all other areas within the City) for water service, sewer service, storm drains, electrical facilities, traffic/circulation infrastructure, police and fire services, paramedic and similar improvements, facilities and services within the Specific Plan, and the appropriateness of the density and intensity of the development comprising the Project and the needs of City and surrounding areas for other infrastructure.

R. On November 27, 2012, the City Council adopted the Authorizing Ordinance approving and authorizing the execution of this Development Agreement.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Statute, and pursuant to the Development Agreement Ordinance, and pursuant to the mutual promises and covenants herein contained, the Parties hereto agree as follows:

SECTION 1 DEFINITIONS

The following words and phrases are used as defined terms throughout this Development Agreement, and each defined term shall have the meaning set forth below.

1.1 Authorizing Ordinance. The "Authorizing Ordinance" means Ordinance No. 2012-4 approving and authorizing this Development Agreement.

1.2 CEQA. "CEQA" means the California Environmental Quality Act, Public Resources Code Section 21000 *et seq.*, and the regulations adopted pursuant thereto (Title 14 of the California Code of Regulations, Section 15000 *et seq.*), as they may be amended from time to time.

1.3 City. "City" means the City of Laguna Hills, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California.

1.4 Deferred Retail Pads. "Deferred Retail Pads" means the two pads identified as "Deferred Retail Pad" on the Phase 1 Site Plan and Phase 2 Building Envelope attached at Exhibit C to this Development Agreement, and on the site plan approved pursuant to the Phase 1 Project Approvals, and consisting of approximately 14,000 square feet of new retail space.

1.5 Development. "Development" or "Redevelopment" means the improvement or renovation of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, without limitation: grading; the construction of infrastructure and public facilities related to the Project, whether located within or outside the Property; the construction of buildings, structures, and other facilities; the installation of landscaping; and the construction of other facilities and improvements necessary or appropriate for the Project. "Development" or "Redevelopment" does not mean the maintenance, repair or reconstruction of any building, structure, improvement, landscaping or facility after the initial construction and completion thereof.

1.6 Development Agreement. "Development Agreement" means this Development Agreement and any subsequent amendments to this Development Agreement which have been made in compliance with the provisions of this Development Agreement, the Development Agreement Statute, and the Development Agreement Ordinance.

1.7 Development Agreement Date. The "Development Agreement Date" means the effective date of the Authorizing Ordinance, which date is shown on page 1, paragraph 1 of this Development Agreement.

1.8 Development Agreement Ordinance. The "Development Agreement Ordinance" means Chapter 9-84 of the Laguna Hills Municipal Code.

1.9 Development Agreement Statute. The "Development Agreement Statute" means Sections 65864 through 65869.5 of the California Government Code as it exists on the Development Agreement Date.

1.10 Development Approvals. "Development Approvals" means the Specific Plan, maps, permits and other entitlements to use of every kind and nature which are approved or granted by City in connection with Development of the Property, including, but not limited to: site plans, precise plans, tentative and vesting tentative maps, final subdivision maps, variances, conditional use permits, parking use permits, master sign programs, site development permits, lot line adjustments, and grading, building and other similar permits. To the extent any of such site specific plans, maps, permits and other entitlements to use are amended from time to time, "Development Approvals" shall include such matters as so amended. If this Development Agreement is required by law to be amended in order for "Development Approvals" to include any such amendments, "Development Approvals" shall not include such amendments unless and until this Development Agreement is so amended.

1.11 Development Fees. "Development Fees" shall have the meaning ascribed in Section 10.1 of this Development Agreement, as specified in **Exhibit B** to this Development Agreement.

1.12 Development Plan. "Development Plan" means Development of the Property pursuant to this Development Agreement, the Existing Development Approvals, and the Existing Land Use Regulations, as well as all Subsequent Development Approvals, and all Subsequent Land Use Regulations to which Owner has consented to in writing.

1.13 Discretionary Action(s), Discretionary Approval(s), or Discretionary Permit(s). "Discretionary Action(s)", "Discretionary Approval(s)", or "Discretionary Permit(s)" means an action which requires the exercise of judgment, deliberation or discretion on the part of the City, including any board, agency, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which is defined herein as a Ministerial Action, Ministerial Approval, or Ministerial Permit.

1.14 Existing Development Approvals. "Existing Development Approvals" means all Development Approvals, including, without limitation, the Specific Plan, this Development Agreement, and the Phase 1 Project Approvals, approved or issued for the Project on or before the Development Agreement Date.

1.15 Existing Land Use Regulations. "Existing Land Use Regulations" means all ordinances, laws, resolutions, codes, rules, regulations, moratoria, initiatives, policies, requirements, or guidelines of the City in effect on the Development Agreement Date, which govern the permitted uses of land, the density and intensity of use, and the design, improvement, construction standards and specifications applicable to the development of the Property, including, but not limited to, the General Plan, the Zoning Code, the Specific Plan, Mitigation Monitoring Program, and all other ordinances of City establishing subdivision standards, park regulations, impact or Development Fees and building and improvement standards. Existing Land Use Regulations do not include non-land use regulations, which include, without limitation, all City ordinances, resolutions, rules, regulations or official policies governing: business licenses issued by the City for the conduct of businesses, professions, and occupations; taxes and assessments; the control and abatement of nuisances; the granting of encroachment permits and the conveyance of rights and interests which provide for the use of the entry upon public property; and/or the exercise of the power of eminent domain.

1.16 General Plan. "General Plan" means the City General Plan, as updated on July 14, 2009.

1.17 Ministerial Action(s), Ministerial Approval(s), or Ministerial Permit(s). "Ministerial Action(s)", "Ministerial Approval(s)", and "Ministerial Permit(s)" means a permit approval or clearance in conformance with the Existing Land Use Regulations, including, without limitation, conformance maps for tentative maps, determinations of compliance with the Project conditions of approval of the Development Approvals, grading plans, improvement plans, buildings plans and specifications, and ministerial issuance of one or more final maps, zoning clearances, grading permits, improvement permits, wall permits, building permits, demolition permits, lot line adjustments, encroachment permits, temporary use permits, and certificates of use and occupancy as necessary for completion of the Development of the Property, as distinguished from an activity which is defined herein as a Discretionary Action, Discretionary Approval, or Discretionary Permit.

1.18 Mitigation Monitoring Program. "Mitigation Monitoring Program" means the Mitigation Monitoring and Reporting Program adopted by the City Council on July 14, 2009 in conjunction with certification of the Program Environmental Impact Report prepared in connection with the 2009 Comprehensive Update of the City's General Plan.

1.19 Mortgage. "Mortgage" means a mortgage, deed of trust or sale and leaseback arrangement or other transaction in which the Property, or a portion thereof or an interest therein, is pledged as security.

1.20 Mortgagee. "Mortgagee" means the holder of the beneficial interest under a Mortgage, or the owner of the Property, or interest therein, under a Mortgage.

1.21 Owner. "Owner" is Laguna Hills Investment Company, and any person or entity with which or into which Laguna Hills Investment Company may merge, and any person or entity who may acquire substantially all of the assets of Laguna Hills Investment Company, and any person or entity who receives any of the rights or obligations under this Development Agreement in accordance with the provisions of Section 21 (Assignment) of this Development Agreement.

1.22 Parties. "Parties" means the Owner and the City.

1.23 Phase 1. "Phase 1" of the Project means those certain improvements described in the Phase 1 Project Approvals and the public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals. Phase 1 of the Project generally includes, without limitation: (i) the demolition of approximately 82,730 square feet of the approximately 190,956 square feet of existing retail space on the Property; (ii) the construction of the Deferred Retail Pads and approximately 9,000 square feet of additional new retail space, resulting in approximately 132,200 square feet, and no less than a minimum of 124,000 square feet of retail space on the Property; (iii) the renovation of the façades of all remaining retail structures located on the Property other than restaurant Buildings D and E (Lone Star and El Torito); (iv) the construction of a maximum of 289 multi-family residential units; and (v) the construction of the Phase 1 Public Improvements, as defined in Section 1.25, below.

1.24 Phase 1 Project Approvals. "Phase 1 Project Approvals" means Site Development Permit / Master Sign Program / Conditional Use Permit / Parking Use Permit / Vesting Tentative Map / Precise Plan / Development Agreement No. 12-11-2137 and all conditions of approval with respect thereto.

1.25 Phase 1 Public Improvements. "Phase 1 Public Improvements" means the following improvements, as more specifically described in the Phase 1 Project Approvals and this Development Agreement: (i) the construction of an approximately 17,000 square foot Village Green; (ii) the construction of an east-west pedestrian paseo; (iii) the construction of an improved north-south pedestrian paseo; (iv) the construction of a hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall; (v) the construction of a pedestrian trail along the north property line; (vi) the construction of two parking lot paseos; (vii) the construction of various pedestrian connections between all buildings; (viii) the installation of a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Property, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development; (ix) dedication of the public right-of-way necessary for, and construction of,

a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk; (x) construction of storm drain connections, inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida de la Carlota; (xi) the installation of debris gates at all catch basin inlets along the Property frontage to Avenida de la Carlota; (xii) the realignment of the intersection of the northerly entrance to the Property with Avenida de la Carlota; (xiii) the construction or reconstruction of all curb ramps on Avenida de la Carlota at each entrance to the Property to current Americans with Disability Act ("ADA") standards; and (xiv) construction of any and all other public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals.

1.26 Phase 2. "Phase 2" of the Project means the Development or Redevelopment of the Property in accordance with the Subsequent Development Approvals and in a manner that shall result in: (i) the construction of a maximum of 200 additional multi-family residential units; (ii) the required construction of a minimum of 27,000 square feet of new retail space within the residential/retail mixed-use structures or on other areas on the Property; (iii) the required construction of such additional new retail space necessary to result in a minimum of 125,000 total aggregate square feet of retail space on the Property; and (iv) the required construction of an approximately 7,000 square foot secondary Village Green area directly adjacent to the Phase 1 Village Green area. Phase 2 may be developed in sub-phases, if, and to the extent, authorized pursuant to the Subsequent Development Approvals. The approximate locations and/or building envelope of the residential and retail structures and Village Green area on the Property following completion of Phase 2 are generally depicted on **Exhibit C** to this Development Agreement.

1.27 Phase 2 Project Approvals. "Phase 2 Project Approvals" means all Development Approvals necessary for Development of all portions and/or sub-phases Phase 2 of the Project, and which require Discretionary Action or Discretionary Approval by the City's Planning Agency or City Council.

1.28 Project. The "Project" means Phase 1 and Phase 2. In general, the Project consists of the Development of a multi-phase, mixed-use project on the Property generally consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements.

1.29 Project Trip Budget Allocation. "Project Trip Budget Allocation" means the total aggregate net additional AM and PM peak hour vehicle trips anticipated to be generated as a result of full development of the Project, as determined by the Traffic Study (see pages 14-15 and Table 5) and in accordance with Section 5.6. As set forth in the Traffic Study, as of the Development Agreement Date, the Project is allocated 194 total additional AM and 44 total additional PM peak hour vehicle trips.

1.30 Property. The "Property" means the real property described in **Exhibit A** to this Development Agreement.

1.31 Specific Plan. "Specific Plan" means the Urban Village Specific Plan approved by the City Council on November 26, 2002, and amended by the City Council in 2011.

1.32 Specific Plan Area Trip Budget Allocation. "Specific Plan Area Trip Budget Allocation" means the then current number of remaining AM and PM peak hour vehicle trips available to accommodate future new development in the Specific Plan area as calculated by the City in accordance with the vehicle trip budget debiting process contemplated by the General Plan and the Specific Plan.

1.33 Subsequent Development Approvals. "Subsequent Development Approvals" means all Development Approvals approved, granted, or issued for the Project after the Development Agreement Date, including the Phase 2 Project Approvals, which are required or permitted by the Existing Land Use Regulations, or by the Subsequent Land Use Regulations to which Owner has consented in writing, and this Development Agreement.

1.34 Subsequent Land Use Regulations. "Subsequent Land Use Regulations" means any change in or addition to the Existing Land Use Regulations adopted or becoming effective after the Development Agreement Date, including, without limitation, any change in any applicable general or specific plan, zoning, subdivision, or building regulation, including, without limitation, any such change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever by the City Council or any other board, agency, commission or department of City, or any officer or employee thereof, or by the electorate, as the case may be, or changes in state law, which would, absent this Development Agreement, otherwise be applicable to the Project.

1.35 Term. "Term" is defined in Section 2 of this Development Agreement.

1.36 Traffic Study. "Traffic Study" means the comprehensive traffic study dated October, 2012, submitted by Owner pursuant to the Specific Plan and in conjunction with the Second Addendum, which analyzes the anticipated traffic impacts of the Project and calculates the additional AM and PM peak hour vehicle trips that will be generated by the Project. Pursuant to the Traffic Study, the estimated total additional AM and PM peak hour vehicle trips that will be generated by the Project are calculated utilizing the trip generation rates set forth in the Institute of Traffic Engineer's (ITE) Trip Generation Manual, 8th Edition.

1.37 Uniform Codes. "Uniform Codes" means codes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, and also adopted by the City, if applicable City-wide.

1.38 Zoning Code. "Zoning Code" refers to Title 9 of the Laguna Hills Municipal Code.

SECTION 2 TERM

2.1 Duration of Term. The term ("Term") of this Development Agreement shall be that period of time during which this Development Agreement shall be in effect and bind the Parties hereto. The Term shall commence on the Development Agreement Date and shall extend for an initial period of eleven (11) years thereafter, terminating at the end of the day on the eleventh (11th) anniversary of the Development Agreement Date, subject to the mandatory

extension provisions of Section 2.2 , the termination provisions of Sections 2.3, 2.4, 2.5, and 5.4.1, the mutual cancellation provisions of Section 17, the periodic review provisions of Section 18, the default provisions of Section 19, the modification or termination provisions of Section 20, and the force majeure tolling provisions of Section 22.1, respectively, of this Development Agreement.

2.2 Extension of Term. The Term of this Development Agreement shall be automatically extended an additional four (4) years if, prior to expiration of the initial Term, as defined in Section 2.1, Owner has completed Development of all portions of Phase 1 of the Project and has obtained all Phase 2 Project Approvals. For purposes of the foregoing sentence, "completed" shall have the same meaning as defined in Section 5.4.1 of this Development Agreement. Notwithstanding the foregoing, the Parties may mutually agree to extend the Term of the Development Agreement, regardless of whether the mandatory extension provisions of this Section 2.2 are applicable.

2.3 Termination Due to Owner's Failure to Timely Commence or Complete Phase 1. This Development Agreement and all Development Approvals for the Project shall automatically terminate and be void and of no further force and effect upon the effective date of an ordinance adopted by the City Council in accordance with Section 5.4.1 of this Development Agreement terminating the Development Agreement pursuant to a finding by the City Council that Owner has failed to timely commence or complete Phase 1 of the Project.

2.4 Termination Due to Judicial Order. This Development Agreement shall terminate and be of no further force and effect upon the occurrence of the entry of a final judgment or issuance of a final order, after all appeals have been exhausted, directed to City as a result of any lawsuit filed against City to set aside, withdraw or abrogate the approval of the City Council of this Development Agreement.

2.5 Automatic Termination upon Completion of Project. If not already terminated by reason of any other provision in this Development Agreement, or for any other reason, this Development Agreement shall automatically terminate and be of no further force and effect upon completion of the Project pursuant to the terms of this Development Agreement and any further amendments thereto and the issuance of all occupancy permits and acceptance by City of all dedications and improvements as required by the Development of the Project.

2.6 Effect of Expiration of Term Prior to Completion of Project. If not already terminated by reason of any other provision in this Development Agreement, or for any other reason, this Development Agreement and all Development Approvals shall automatically terminate and be of no further force and effect upon expiration of the Term, regardless of whether the Project has been completed. Upon expiration of the Term, Owner's rights to proceed with Development of the Project pursuant to this Development Agreement shall also automatically terminate and be of no further force and effect.

SECTION 3 BINDING COVENANTS

The provisions of this Development Agreement to the extent permitted by law shall constitute covenants which shall run with the Property for the benefit thereof, and the benefits and burdens of this Development Agreement shall bind and inure to the benefit of the Parties and all successors in interest to the Parties hereto.

SECTION 4 EFFECT OF AGREEMENT

As a material part of the consideration of this Development Agreement, unless otherwise provided herein, the Parties agree that the Existing Land Use Regulations shall be applicable to development of the Project. In connection with all subsequent Discretionary Actions which City takes or has the right to take under this Development Agreement relating to the Project, including any review, approval, renewal, conditional approval or denial, City shall exercise its discretion or take action in a manner which complies and is consistent with the Existing Land Use Regulations (as same may be modified in accordance with this Development Agreement) and such other standards, terms and conditions expressly contained in this Development Agreement. City shall accept and timely process, in the normal manner for processing such matters as may then be applicable, all applications for further approvals with respect to the Project called for or required under this Development Agreement, including, without limitation, any necessary site plan, precise plan, site development permit, conditional use permit, parking use permit, lot line adjustment, tentative map, vesting tentative map, final map and any grading, construction or other permits filed by Owner in accordance with the Development Approvals.

SECTION 5 DEVELOPMENT OF PROJECT

5.1 Rights to Develop. Subject to and during the Term of this Development Agreement, including Section 16 (Reserved Authority), Owner shall have a vested right to develop the Project in accordance with, and to the extent of, the Development Plan, the Development Approvals, and this Development Agreement. No Subsequent Land Use Regulation shall delay, hinder, or impede the purpose or the effect of this vested right unless specifically permitted by this Development Agreement or agreed to in writing by Owner. The Project shall remain subject to all Subsequent Development Approvals required to complete the Project as contemplated by the Development Plan. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes shall be those set forth in the Development Plan.

5.2 Vesting of Rights of Developer. The City agrees that the right to Develop the Project consistent with the Development Plan is vested in Owner by this Development Agreement. Owner's right to develop the Project shall be vested in accordance with this Development Agreement and the Development Agreement Statute.

5.3 Effect of Development Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Development Agreement, the only rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to Development of the Property, shall be

those set forth in the Existing Land Use Regulations and the Subsequent Land Use Regulations to which Owner has consented in writing, subject to the terms of this Development Agreement.

5.4 Timing of Development.

5.4.1 Phase 1. Owner expressly understands and agrees that its commitment to timely commence and complete Phase 1 of the Project is a material inducement to City's approval of this Development Agreement. Accordingly, except as otherwise expressly provided herein, Developer shall (i) have obtained all applicable grading, encroachment, building, demolition, and similar permits for Development of all portions of Phase 1 of the Project within two (2) years of the Development Agreement Date, and (ii) have completed Development of all portions of Phase 1 of the Project within five (5) years of the Development Agreement Date. For purposes of this Section 5.4.1, "completed" means that Owner (i) has obtained all required written City approvals for the façade renovations required by the Existing Development Approvals, (ii) has obtained residential and commercial certificates of occupancy for all Development contemplated under the Existing Development Approvals, and (iii) has obtained written approval from the appropriate City officials for all Phase 1 Public Improvements. Notwithstanding Sections 17, 18, 19, 20, or any other provision of this Development Agreement, and without complying with the provisions of Sections 17, 18, 19, and 20, it is expressly understood and agreed by the Parties that the City Council may unilaterally terminate this Development Agreement if, following notice and a public hearing in accordance with applicable law, the City Council finds that Owner has failed to commence or complete the required portions of Phase 1 of the Project in accordance with this Section. Notwithstanding Section 5.5, below, this Development Agreement and Development Approvals for the Project shall automatically expire, terminate and be of no further force and effect upon the effective date of an ordinance adopted by the City Council terminating this Development Agreement based on such a finding pursuant to this Section.

5.4.2 Deferred Retail Pads. Owner's Development of the Deferred Retail Pads shall not be subject to the requirements of Section 5.4.1 and may be completed at any time prior to, or concurrently with, Owner's Development of Phase 2. In addition, subject to all applicable Subsequent Development Approvals, in lieu of Development of either or both of the Deferred Retail Pads at the locations specified in the Phase 1 Project Approvals, Owner may proceed with Development or Redevelopment of an equivalent or greater amount of new retail space on the Property. If Owner elects to proceed with Development or Redevelopment of an equivalent or greater amount of new retail space on the Property, rather than proceed with the Development of either or both of the Deferred Retail Pads at the locations specified in the Phase 1 Site Plan and Phase 2 Building Envelope attached at **Exhibit C** and in the Phase 1 Project Approvals, such new retail space shall be in addition to, and not be included in the calculation of, the minimum 27,000 square feet of new retail space required to be constructed within the residential/retail mixed-use structures as part of Phase 2.

5.4.3 Phase 1 Public Improvements. Notwithstanding Section 5.4.1, Owner shall not be obligated to commence the Phase 1 Public Improvements within two (2) years of the Development Agreement Date. However, with the exception of the Village Green, Owner shall complete the Phase 1 Public Improvements prior to issuance of the first residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City

shall not be obligated to issue, certificates of occupancy for any residential units constructed in Phase 1 of the Project until all Phase 1 Public Improvements, other than the Village Green, have been completed and accepted by City. Owner shall complete construction of the Phase 1 Village Green prior to issuance of the final residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City shall not be obligated to issue, a certificate of occupancy for the last residential unit (or the building in which the last residential unit is located, if applicable) constructed in Phase 1 of the Project until the Village Green for Phase 1 has been completed and approved in writing by the City.

5.4.4 Phase 2. In the event Owner elects to proceed with the Development of Phase 2, Owner shall apply for all Phase 2 Project Approvals simultaneously, and Owner's Development of Phase 2 of the Project shall be in accordance with the Development Plan, including, but not limited to, the Subsequent Development Approvals. Except as otherwise modified pursuant to the Subsequent Development Approvals, the approximate locations and/or building envelope of the Phase 2 residential and retail structures and Village Green area shall be as generally depicted on **Exhibit C** to this Development Agreement. Owner expressly understands and agrees that Owner's right pursuant to this Development Agreement to proceed with the Development of any residential units as part of Phase 2 is expressly contingent upon: (i) Owner's Development of a minimum of 27,000 square feet of new retail space within the residential/retail mixed-use structure or structures housing the residential units or on other areas on the Property; (ii) Owner's Development of such additional retail space necessary to result in a minimum of 125,000 total aggregate square feet of retail space on the Property (inclusive of the Deferred Retail Pads) and/or payment of a Phase 2 retail loss impact fee pursuant to Section 10.4; and (iii) Owner's construction of a minimum 7,000 square foot secondary Village Green area on the Property. Accordingly, the timing and sequencing of Development of the component portions of Phase 2 shall be subject to City's discretionary approval pursuant to the Subsequent Development Approvals, provided, however, that Development of all of Phase 2 shall be completed within the Term of this Development Agreement. For purposes of this Section 5.4.4, "completed" means that Owner (i) has obtained residential and commercial certificates of occupancy for all Development contemplated under the Subsequent Development Approvals, and (ii) has obtained written approval from the appropriate City officials for the Phase 2 secondary Village Green area.

5.4.5 Owner's Discretion in Timing of Development. The Parties acknowledge that Owner cannot at this time predict when or the precise rate at which the Property will be developed. Such decisions depend upon numerous factors which are not within the control of Owner, such as market orientation and demand and other similar factors. The California Supreme Court held in *Pardee Construction v. City of Camarillo* (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a latter-enacted initiative restricting the timing of development to prevail over such parties' agreement. It is the Parties' intent to cure that deficiency by expressly addressing the timing of Development. Except as expressly set forth in the Development Plan, including, without limitation, Section 5.4 of this Development Agreement, regardless of any future enactment, whether by initiative or otherwise, Owner shall have the vested right to Develop the various components of the Project in such order, at such rate, and at such times as Owner deems appropriate within the exercise of its subjective business judgment.

5.5 Tentative Subdivision Map and Other Entitlement Extensions. Unless otherwise terminated pursuant to Section 5.4.1, above, in accordance with California Government Code Sections 65863.9 and 66452.6, all tentative subdivision maps or tentative parcel maps, whether vesting or not, or any other Development Approvals, except for grading and building permits and certificates of occupancy, which may be approved by the City in connection with Development of the Property, shall be granted an extension of time for the Term of this Development Agreement. The Parties also agree that phased final subdivision maps may be processed and recorded.

5.6 Project Trip Budget Allocation. During the Term of this Development Agreement, the City shall allocate to the Project the number of A.M. and P.M. peak hour vehicle trips equal to the Project Trip Budget Allocation and debit an equal amount from the Specific Plan Area Trip Budget Allocation available for other future new development in the Specific Plan area. As of the Development Agreement Date, the Project Trip Budget Allocation is equal to 194 total additional AM and 44 total additional PM peak hour vehicle trips, which has been calculated in accordance with the trip generation rates published in the Institute of Traffic Engineer's (ITE) Trip Generation Manual, 8th Edition (see Traffic Study, pages 14-15 and Table 5). During the Term of this Development Agreement, the Project Trip Budget Allocation shall be automatically adjusted without the need to amend this Development Agreement, to account for future changes in the trip generation rates published in future editions of the ITE Trip Generation Manual. Prior to issuance or approval of any permits or land use entitlements for the expansion or intensification of existing uses or the construction of new development in the Specific Plan area that would necessitate adjustment to the Specific Plan Area Trip Budget Allocation, City's City Manager, or his or her designee, shall review the trip generation rates published in the then latest edition of the ITE Trip Generation Manual and determine whether the Project Trip Budget Allocation should be automatically adjusted in accordance therewith. If the City Manager, or his or her designee, determines, in his or her reasonable discretion, that the Project Trip Budget Allocation should be automatically adjusted due to changes in the published trip generation rates, City shall debit the number of A.M. and P.M. peak hour vehicle trips equal to the adjusted Project Trip Budget Allocation from the Specific Plan Area Trip Budget Allocation available for other future new development in the Specific Plan area.

SECTION 6 ENFORCEMENT

Unless this Development Agreement is terminated or cancelled pursuant to the provisions of this Development Agreement, this Development Agreement or any amendment hereto, shall be enforceable by any party hereto notwithstanding any change hereafter in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building ordinance adopted by City which alters or amends the rules, regulations or policies of Development of the Project as provided in this Development Agreement pursuant to Section 65865.4 of the Development Agreement Statute; provided, however, that the limitations of this Section shall not apply to changes mandated by State or Federal laws or other permissible changes or new regulations as more particularly set forth in Section 16 of this Development Agreement.

SECTION 7 PUBLIC BENEFITS

7.1 Installation of Traffic Signal. In accordance with the Phase 1 Project Approvals, before issuance of the first residential certificate of occupancy for Phase 1 of the Project, Owner shall install, to the reasonable satisfaction of the City Engineer, a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Project, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard via conduit and hardware, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development. Said traffic signal shall be constructed to applicable State and City standards and specifications and shall be equipped with video detection and controller equipment as approved by City. The sidewalks and ramps at all corners of the newly signalized intersection and the sidewalk connection to the Oakbrook Plaza office development on the easterly side of Avenida de la Carlota shall be constructed and/or modified to conform to City and Americans With Disabilities Act ("ADA") standards.

7.2 Installation of New Curb Line, Landscaped Parkway, and Sidewalk. In accordance with the Phase 1 Project Approvals, before issuance of the first residential certificate of occupancy for Phase 1 of the Project, Owner shall dedicate and transfer to City the public right-of-way necessary for, and shall construct and create, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk to City standards and specifications. Such improvements shall not interfere with existing vehicular lane configurations or result in modifications that have the effect of reducing any on-site parking for the Project. Required parkway improvements shall be as shown on the landscape plans approved as part of the Phase 1 Project Approvals, shall be consistent with the Specific Plan, and shall include all irrigation and drainage facilities and improvements deemed necessary by City's City Engineer.

7.3 Provision of the Village Green Park Facilities. In accordance with the Development Approvals, Owner shall complete the construction and improvement of an approximately 17,000 square foot Village Green park facility in Phase 1 of the Project and an approximately 7,000 square foot Village Green park facility in Phase 2 of the Project. The Village Green park facilities are generally described and depicted in **Exhibit D** to this Development Agreement. Although the Village Greens will be available for public access and will be publically accessible, subject to Owner and City reaching an agreement upon park area operating hours and authorized uses, the Village Greens shall be privately owned, operated, and maintained by Owner.

7.4 Construction of Pedestrian Paseos. In accordance with the Development Approvals, Owner shall complete construction of various pedestrian paseos and pathways during Phase 1 of the Project, including, but not limited to, the following: (i) a pedestrian paseo, extending from the western driveway of the Project to the Laguna Hills Mall, connecting to the Village Green and then east to Avenida de la Carlota; (ii) a improved north-south pedestrian paseo; (iii) a hillside paseo connecting the north-south paseo with the Laguna Hills Mall; (iv) a pedestrian trail along the north Property line; (v) and two parking lot paseos. The pedestrian paseos are described and depicted in **Exhibit E** to this Development Agreement.

7.5 Provision of Public Art. Owner shall furnish public art in connection with the Project, and/or pay an in-lieu fee, pursuant to the Specific Plan and other Existing Development Approvals. The Parties understand and agree that the City shall have the right to approve, in advance, the proposed type, size, art medium, location, and content of all Public Art. The Parties agree that, to the extent that the value of the public art provided and/or in-lieu fee paid by Owner for Phase 1 exceeds one-half percent (0.5%) of the total construction costs of Phase 1, as determined by the City, if Owner Develops Phase 2, Owner shall be entitled to a credit in such amount towards Owner's obligation to provide public art and/or pay an in-lieu fee pursuant to the Development of Phase 2.

SECTION 8 PUBLIC IMPROVEMENTS AND SERVICES

8.1 Public Improvements Required to Support the Project. As material consideration for City's entering into this Development Agreement, Owner shall undertake the construction and installation of public improvements required by the Development Approvals, the Existing Land Use Regulations, this Development Agreement, and the Specific Plan to support the Project as specified in **Exhibit F** to this Development Agreement. **Exhibit F** constitutes a complete list of all required public improvements for the Project, unless the Project is modified, requiring the modification of **Exhibit F**.

8.2 Cooperation by City and Owner for Public Improvements. The required public improvements will be designed and constructed in phases as required to service the Project or as otherwise required by the Project conditions of approval and/or this Development Agreement. Owner shall design and construct these public improvements in accordance with all applicable federal, state and City laws, ordinances, regulations, codes, standards, and other applicable requirements. These improvements shall be subject to City's approval and acceptance. City shall cooperate with Owner for the purpose of coordinating all public improvements constructed under the Development Approvals or this Development Agreement to existing or newly constructed public improvements, whether located within or outside of the Property. Owner shall be responsible for and use good faith efforts to acquire any right(s)-of-way necessary to construct the public improvements required by, or otherwise necessary to comply with the conditions of, this Development Agreement or any Development Approvals. Should it become necessary due to Owner's failure or inability to acquire said right(s)-of-way within four (4) months after Owner begins its efforts to so acquire said right(s)-of-way, City shall negotiate the purchase of the necessary right(s)-of-way to construct the public improvements as required by, or otherwise necessary to comply with the conditions of, this Development Agreement and, if necessary in accordance with the procedures established by State law, and the limitations hereinafter set forth in this Section, City may use its powers of eminent domain to condemn said required right(s)-of-way. Owner agrees to pay for all costs associated with said acquisition and condemnation proceedings. If City cannot make the proper findings or if for some other reason under the condemnation laws City is prevented from acquiring the necessary right(s)-of-way to enable Owner to construct the public improvements required by, or otherwise necessary to comply with the conditions of, this Development Agreement, then the Parties agree to amend this Development Agreement to modify Owner's obligations accordingly. Any such required modification shall involve the substitution of other considerations or obligations by Owner (of similar value) as are negotiated in good faith between the parties hereto. Nothing contained in

this Section shall be deemed to constitute a determination or resolution of necessity by City to initiate condemnation proceedings.

8.3 Timing, Phasing and Sequence of Public Improvements and Facilities. The timing, phasing and sequence of the construction of public improvements, facilities or the payment of fees therefore shall be constructed or paid in accordance with the timing, phasing and sequence set forth in the Development Plan.

8.4 Maintenance of Public Improvements. City shall not be responsible or liable for the maintenance or care of public improvements, intended to be dedicated to the City, until City approves and accepts them. City shall exercise no control over the public improvements until accepted. Any use by any person of the public improvements, or any portion thereof, shall be at the sole and exclusive risk of the Owner at all times prior to City's acceptance of the public improvements. Owner shall maintain all the public improvements in a state of good repair until they are completed by Owner and approved and accepted by City. If Owner fails to properly prosecute its maintenance obligation under this Section, City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Owner under this Development Agreement. City shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the public improvements or their condition prior to acceptance. Approval and acceptance of public improvements shall not be unreasonably withheld by the City.

8.5 Acceptance of Improvements; As-Built or Record Drawings. If the public improvements are properly completed by Owner and approved by the City Engineer, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, the City shall accept the public improvements. Prior to the total or partial acceptance of the public improvements by City, Owner shall file with the Recorder's Office of the County of Orange a notice of completion for the accepted public improvements in accordance with California Civil Code section 3093, at which time the accepted public improvements shall become the sole and exclusive property of City without payment therefore. Issuance by City of occupancy permits for any buildings or structures located on the Property shall not be construed in any manner to constitute City's acceptance or approval of any public improvements. Notwithstanding the foregoing, City may not accept any public improvements unless and until Owner provides the required sets of "as built" or record drawings or plans to the City for review and approval for all such public improvements. The drawings shall be certified and shall reflect the condition of the public improvements as constructed, with all changes incorporated therein.

8.6 Facilitation of the Building of Future Pedestrian Connection Improvements. The City agrees that it shall use reasonable efforts to coordinate with the owner of the Laguna Hills Mall to facilitate the potential future building of a pedestrian connection between the northwest corner of the Property to the existing transit station and a pedestrian connection from the Property's west vehicular entry point to the Laguna Hills Mall.

SECTION 9 DEDICATIONS AND EXACTIONS

9.1 Dedications In Conjunction With Public Improvements. Right-of-way or property for required public improvements shall be irrevocably offered for dedication as required by the Phase 1 Project Approvals. These dedications shall be in fee or as an easement at the discretion of City. The City may accept the Owner's offer of dedication upon Owner's completion and acceptance by City of the associated improvements in compliance with the specifications as approved by City. Nothing contained in this Development Agreement, however, shall be deemed to preclude City from exercising the power of eminent domain with respect to the Property or the Project, or any part thereof.

9.2 Dedication for Public Roadway and Signalized Intersection at Laguna Hills Mall. In order to accommodate the potential need for a future public roadway along the southerly property line of the Laguna Hills Mall ("Mall") and a signalized intersection at the west vehicular entry point to the Mall, Owner shall irrevocably offer to dedicate real property needed for such public roadway and traffic signal improvements, as more particularly described and depicted on the vesting tentative map approved pursuant to the Phase 1 Project Approvals. If City accepts the irrevocable offer to dedicate while the Development Agreement is still in effect, Owner agrees to contribute Owner's fair share, as determined by the City in its reasonable discretion, of the cost of signal improvements for one signal for the future public roadway described above, not to exceed fifty percent (50%) of such estimated cost. Owner shall deposit said fair share of the estimated cost with City within one hundred twenty (120) days of written demand from City. If Owner's fair share of the actual cost to construct the signal improvements exceeds the amount of Owner's deposit, Owner shall deposit the difference with City within thirty (30) days of receipt of written notice and an accounting from City. If Owner's fair share of the actual cost to construct the signal improvements is less than the amount of Owner's deposit, City shall refund the difference to Owner.

9.3 Dedication for New Curb Line, Landscaped Parkway, and Sidewalk Along Avenida de la Carlota. Owner shall dedicate to City the real property necessary for the new curb line, six (6) foot wide landscaped parkway space, and a minimum six (6) foot wide sidewalk along the entire Property frontage of Avenida de la Carlota, as further described in Section 7.2. Such dedication shall be made pursuant to the vesting tentative map approved pursuant to the Phase 1 Project Approvals.

9.4 Dedication Associated with New Southerly Entrance to Property. Owner shall dedicate to City the real property necessary for street and highway and incidental purposes associated with Owner's construction of the southerly entrance to the Project. Such dedication shall be made pursuant to the vesting tentative map approved pursuant to the Phase 1 Project Approvals.

9.5 Vacation of Portion of Public Driveway Accessing Avenida de la Carlota. The Parties acknowledge that the existing driveway providing ingress and egress to the Property from Avenida de la Carlota includes property dedicated as public right of way, and that, as part of the Project, Owner intends to relocate said driveway. Subject to limitation by applicable legal and regulatory authority, upon Owner's completion of relocation of the driveway to the reasonable satisfaction of the City Engineer, in his sole discretion, City agrees to institute proceedings to

vacate that portion of the public right of way over the existing driveway determined by the City to no longer be necessary for public use and to promptly pursue such proceedings to a final decision. Upon completion of said vacation proceedings and vacation of the applicable portion of public right of way, City shall convey such portion of the former public right of way at no cost to Owner, which conveyance may be executed by City's City Manager.

SECTION 10 FEES

10.1 Development Fees Applicable to the Project. Owner shall pay all existing impact and development fees applicable to the Project on the Development Agreement Date charged by City for the purpose of defraying all or a portion of the cost of public facilities related to development of the Project ("Development Fees"). All Development Fees applicable to the Project are listed in **Exhibit B** to this Development Agreement.

The Parties acknowledge that the following fees, taxes, and charges do not constitute Development Fees and that nothing in this Development Agreement is intended or shall be construed to release Owner from the obligation to pay these fees, taxes, and charges, including increases, if and when they become due:

(a) City's normal fees for processing, environmental assessment and review, tentative tract and parcel map review, plan checking, site review and approval, administrative review, building permit, grading permit, inspection, and similar fees imposed to recover City's costs associated with processing, reviewing, and inspecting project applications, plans, and specifications; and

(b) Fees and charges levied by any other public agency, utility, district, or joint powers authority, regardless of whether City collects those fees and charges; and

(c) Community facility district special taxes or special district assessments or similar assessments, business license fees, bonds or other security required for public improvements, sales taxes, property taxes, sewer lateral connection fees, water service connection fees, new water meter fees, and the property development tax payable under the Laguna Hills Municipal Code.

10.2 Fees Applicable for Modified Development Approvals. Notwithstanding Section 10.1 of this Development Agreement, if and to the extent that the Development Approvals applicable to the Property are amended after the Development Agreement Date and Owner is authorized under the modified Development Approvals to develop any additional density or intensity of use beyond what is allowed as of the Development Agreement Date, City shall retain the right to require Owner to pay all City fees for such additional density or intensity of use to the extent such fees would be applicable in the absence of this Development Agreement.

10.3 Public Park In-lieu Fees. Owner hereby agrees that Chapter 8-06 of the Laguna Hills Municipal Code pertaining to park dedication and in-lieu fee requirements shall apply to both Phase 1 and Phase 2 of the Project, regardless of whether Owner proposes a subdivision map for each Phase. Accordingly, as part of the Development Fees applicable to the Project pursuant to this Development Agreement, Owner hereby agrees to, and shall, pay City a public park in-lieu fee of Seven Thousand Three Hundred Ninety Two Dollars (\$7,392.00) for each

residential unit constructed as part of the Project, which amount the Parties agree is the applicable per dwelling unit fee calculated pursuant to Chapter 8-06 of the Laguna Hills Municipal Code. Said fee shall be paid on a per unit basis at the time of filing of the final map or, if no final map is filed, prior to issuance of a building permit for each residential unit.

10.4 Phase 2 Retail Loss Impact Fee. Owner understands and agrees that Owner's commitment to timely construct such additional new retail space necessary to result in a minimum of 125,000 total aggregate square feet of retail space on the Property is a material inducement to City's agreement to permit Owner to demolish existing retail space and construct additional residential units on the Property in Phase 2, and that Owner's failure to complete construction of all such additional new retail space prior to completion of the additional Phase 2 residential units will result in the loss of future revenue to City necessary to offset the costs of certain City services required by the Project that are not otherwise being reimbursed to City. Accordingly, as security for Owner's commitment to construct such additional new retail space in Phase 2, prior to issuance of the first residential Certificate of Occupancy for Phase 2 for any portion of Phase 2, Owner shall provide security to the City in the amounts and forms described below.

10.4.1 Amount of Security. Owner shall provide security to the City in an amount equal to the present value of the aggregate "Projected Annual City Sales Tax Revenue" anticipated to be generated by the "Retail Square Footage Deficit" over a twenty (20) year period commencing on January 1st of the calendar year in which the "Phase 2 Retail Commencement Date" occurs, where:

(a) the assumed present value interest factor / discount rate is four percent (4.0%);

(b) "Projected Annual City Sales Tax Revenue" is assumed to equal three dollars (\$3.32) per square foot of retail space as of 2012 and to increase at a rate of two and one-half percent (2.5%) per year thereafter; and

(c) the "Retail Square Footage Deficit" is an amount of retail space equal to (1) 125,000 square feet, minus (2) the total square feet of additional new retail space anticipated to be constructed within one or more residential/retail mixed use structures in Phase 2 pursuant to the Subsequent Development Approvals, minus (3) the difference between (i) the actual total square feet of usable retail space existing on the Property as of the date the City issues the first building or demolition permit for any portion of Phase 2 and (ii) the total square feet of retail space anticipated to be demolished in Phase 2 pursuant to the Subsequent Development Approvals; and

(d) the "Phase 2 Commencement Date" is the date that is the earlier of (i) the date the City issues the first residential Certificate of Occupancy for Phase 2, or (ii) the date that is thirty (30) months after the date the City issues the first building or demolition permit for any portion of Phase 2.

10.4.2 Minimum Cash Deposit. Prior to issuance of the first residential Certificate of Occupancy for Phase 2, Owner shall provide a deposit to City, in immediately payable funds, of

a portion of the required security in an amount at least equal to the present value of the aggregate "Projected Annual City Sales Tax Revenue" anticipated to be generated by the "Retail Square Footage Deficit" over a five (5) year period commencing on January 1st of the calendar year in which the Phase 2 Commencement Date occurs. City shall place said deposit in a separate dedicated account and not commingle the funds with other funds of the City.

10.4.3 Alternative Security Instrument for Remaining Security Amount. Prior to issuance of the first residential Certificate of Occupancy for Phase 2, Owner shall provide City with a security instrument acceptable to City in its sole discretion, naming City as beneficiary, which guarantees payment to City upon demand of that additional amount of the required security due from Owner to City pursuant to Section 10.4.1 not included in the cash deposit described in Section 10.4.2. Such security instrument may be in the form of a letter of credit from a surety or financial institution acceptable to City, or such other type of security instrument deemed acceptable by City in its sole discretion. The terms and conditions of any letter of credit or other security instrument provided by Owner shall be subject to approval of City in its sole and absolute discretion.

10.4.4 Forfeiture of Security Due to Owner's Failure to Timely Construct Additional New Retail Space. If, prior to the earlier to occur of (i) expiration of the Term of this Development Agreement or (ii) the five (5) year anniversary of the date the Phase 2 Project Approvals are approved by the City, Owner has not obtained final certificates of occupancy for all new retail structures necessary to cause the total aggregate retail space actually existing on the Property (excluding any retail structures anticipated to be, but not yet, demolished) to equal at least 125,000 square feet, Owner shall forfeit the full amount of the security required to be provided pursuant to Section 10.4.1, City shall be entitled to retain the entire cash deposit provided by Owner pursuant to Section 10.4.2, and City shall be entitled to demand and retain payment from the surety or financial institution pursuant to the letter of credit or other security instrument provided by Owner pursuant to Section 10.4.3.

10.4.5 Partial Refund of Security to Owner. If, prior to the earlier to occur of (i) expiration of the Term of this Development Agreement or (ii) the five (5) year anniversary of the date the Phase 2 Project Approvals are approved by the City, Owner has obtained final certificates of occupancy for all new retail structures necessary to cause the total aggregate retail space actually existing on the Property (excluding any retail structures anticipated to be, but not yet, demolished) to equal at least 125,000 square feet, City shall take the following actions:

(a) City shall release the letter of credit or other security instrument provided by Owner pursuant to Section 10.4.3;

(b) City shall retain a portion of the cash deposit provided by Owner pursuant to Section 10.4.2 in an amount equal to the present value of the aggregate "Projected Annual City Sales Tax Revenue" anticipated to be generated by the "Retail Square Footage Deficit" over the period of time commencing on January 1st of the calendar year in which the Phase 2 Commencement Date occurs and running for a length of time equal to the number of days that elapse between the Phase 2 Commencement Date and the date Owner obtains a final certificate of occupancy for the retail structure or structures, which cause(s) the total aggregate retail space existing on the Property (excluding any retail

structures anticipated to be, but not yet, demolished) to equal at least 125,000 square feet; and

(c) City shall refund to Owner the portion of the cash deposit not retained by City pursuant to Section 10.4.5(b).

10.4.6 Phase 2 Retail Loss Impact Fee. Owner and City hereby agree that the amounts authorized to be retained by City pursuant to Sections 10.4.4 and 10.4.5, above, are intended to offset the costs of certain City services required by the Project that are not otherwise being reimbursed to City and shall be referred to collectively in this Development Agreement as the "Phase 2 Retail Loss Impact Fee."

10.4.7 Examples. For purposes of illustration and reference, depictions of the calculations of the amount of security that would be required and the amount of the Phase 2 Retail Loss Impact Fee pursuant to this Section 10.4 under various hypothetical circumstances are set forth in **Exhibit G** to this Development Agreement. The Projected Annual City Sales Tax Revenue per year and the Net Present Value multipliers to be used in calculating the amount of the required security and the Phase 2 Retail Loss Impact Fee pursuant to this Section 10.4 shall be those set forth in **Exhibit G**.

10.4.8 Survival of Termination of Development Agreement. Notwithstanding any other provision of this Development Agreement, to the extent, and for the period, necessary to implement the provisions hereof, this Section 10.4 shall survive termination of this Development Agreement and remain enforceable and executory by the Parties notwithstanding termination of the remainder of this Development Agreement.

SECTION 11 EXISTING USES

City and Owner agree that those existing legally established uses on the Property may be retained until the Project is implemented.

SECTION 12 FUTURE APPROVALS

12.1 Basis for Denying or Conditionally Granting Future Approvals. Before Owner can begin grading on the Property or other development of the Property, Owner must secure additional permits and/or approvals from City. The Parties agree that for Development of Phase 1 of the Project, only Ministerial Approvals are required. The Parties agree that to the extent said Development Approvals are Ministerial in nature, City shall not, through the enactment or enforcement of any subsequent ordinances, rules, regulations, initiatives, policies, requirements, guidelines, or other constraints, withhold such approvals as a means of blocking construction or of imposing conditions on the Project which were not imposed during an earlier approval period unless City has been ordered to do so by a court of competent jurisdiction. Notwithstanding the previous sentence, City and Owner will use reasonable efforts to ensure each other that all applications for and approvals of all required permits, or other Development Approvals, necessary for Owner to develop the Project in accordance with this Development Agreement are sought and processed in a timely manner.

12.2 Standard of Review. Except as otherwise provided under the terms of this Development Agreement, the rules, regulations and policies that apply to any Subsequent Development Approvals which Owner must secure prior to the Development of the Property shall be the Existing Land Use Regulations, as defined in this Development Agreement.

SECTION 13 AMENDMENT

13.1 Initiation of Amendment. Either party may propose an amendment to this Development Agreement.

13.2 Procedure. The procedure for proposing and adopting an amendment to this Development Agreement shall be the same as the procedure required for entering into this Development Agreement in the first instance.

13.3 Consent. Except as provided elsewhere within this Development Agreement, any amendment to this Development Agreement shall require the consent of both Parties. No amendment of this Development Agreement or any provision hereof shall be effective unless set forth in writing and signed by duly authorized representatives of each party hereto.

13.4 Effect of Amendment to Development Agreement. The Parties agree that except as expressly set forth in any such amendment, an amendment to this Development Agreement will not alter, affect, impair, modify, waive or otherwise impact any other rights, duties or obligations of either party under this Development Agreement.

13.5 Operating Memoranda. The provisions of this Development Agreement require a close degree of cooperation and flexibility between the City and Owner. The Development of the Property may demonstrate that clarifications or modifications to this Development Agreement and the Existing Land Use Regulations are appropriate with respect to the details of performance of the City and Owner. To the extent allowable by law, Owner shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Development Agreement. When and if the Owner finds it necessary or appropriate to make changes, adjustments or clarifications to matters, items or provisions, the Parties shall effectuate such changes, adjustments or clarifications through operating memoranda ("Operating Memoranda") approved by the Parties in writing which reference this Section 13.5. Operating Memoranda are not intended to constitute either a substantive change or an amendment to this Development Agreement, but are ministerial clarification; therefore public notices and hearings shall not be required. Operating Memoranda may be used and thus deemed non-substantive and/or procedural if they do not result in, for example: i) a material changes in fees or costs; ii) an increase in density or intensity of use; iii) a change in permitted uses; iv) an increase in the maximum height and size of buildings; v) a decrease in the amount of land to be dedicated for public purposes; or vi) the reduction of improvement and construction standards and specifications for the Project. The City Attorney shall be authorized, upon consultation with, and approval of, the Owner, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute either a substantive change or an amendment to this Agreement which requires compliance with the provisions of Section 13.2 of this Development Agreement.

SECTION 14 NON-CANCELLATION OF RIGHTS

Subject to defeasance pursuant to Sections 2, 5.4.1, 20, 21 or 22 of this Development Agreement, the Development Approvals as provided for in this Development Agreement shall be final and the rights once granted thereby shall be vested in the Property upon recordation of this Development Agreement.

SECTION 15 UNDERTAKINGS AND ASSURANCES CONTEMPLATED AND PROMOTED BY DEVELOPMENT AGREEMENT STATUTE

The mutual undertakings and assurances described above and provided for in this Development Agreement are for the benefit of City and Owner and promote the comprehensive planning, private and public cooperation and participation in the provision of public facilities, and the effective and efficient development of infrastructure and facilities supporting development which was contemplated and promoted by the Development Agreement Statute. City agrees that it will not take any actions which are intended to circumvent this Development Agreement; provided, however, that any action of the electorate shall not be deemed an action for purposes of this Section.

SECTION 16 RESERVED AUTHORITY

16.1 Reservation of Authority With Respect to Subsequent Development Approvals. Owner expressly understands and agrees that all Subsequent Development Approvals (including all Development Approvals required for Phase 2) shall be subject to review by the City pursuant to CEQA. Notwithstanding any other provision set forth in this Development Agreement to the contrary, City reserves the right after the Development Agreement Date to exercise the same degree of discretion and control in its consideration of Subsequent Development Approvals that it would have in the absence of this Agreement to impose conditions under CEQA, and other applicable laws and regulations that apply to all similar development throughout the City in order to mitigate the Project's impact on the environment.

16.2 State and Federal Laws and Regulations. In the event that the State or Federal laws or regulations enacted after this Development Agreement has been entered into prevent or preclude compliance with one or more provisions of the Development Agreement, such provisions of the Development Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations, provided, however, that this Development Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

16.3 Uniform Codes. This Development Agreement shall not prevent City from applying new rules, regulations and policies contained in Uniform Codes as long as adoption of the Uniform Codes applies to all development in the City.

16.4 Public Health and Safety. This Development Agreement shall not prevent City from adopting new rules, regulations and policies, including amendments or modifications to Uniform Codes described in Section 16.3 of this Development Agreement which directly result

from findings by City that failure to adopt such rules, regulations or policies would result in a condition injurious or detrimental to the public health and safety.

SECTION 17 CANCELLATION

17.1 Initiation of Cancellation. Either Party may propose cancellation of this Development Agreement.

17.2 Procedure. The procedure for proposing a cancellation of and cancelling this Development Agreement shall be the same as the procedure required for entering into this Development Agreement in the first instance. Such procedures are set forth in Section 65868 of the California Government Code.

17.3 Consent of Owner and City. Any cancellation of this Development Agreement shall require the mutual consent of Owner and City.

SECTION 18 PERIODIC REVIEW

18.1 Time for Review. In accordance with the procedures set forth in the Development Agreement Ordinance, City shall, at least every twelve (12) months after the Development Agreement Date, review the extent of good faith compliance by Owner with the terms of this Development Agreement. Such periodic review shall determine compliance with the terms of this Development Agreement pursuant to California Government Code Section 65865.1 and other successor laws and regulations. If City fails to review the Project and the Owner's compliance with the material terms of this Development Agreement, Owner will be deemed to be in compliance with the provisions of this Development Agreement, and the Development Agreement will be deemed in full force and effect. The City's failure to review the Project or Owner's compliance with the terms of the Development Agreement, or Owner's failure to submit evidence concerning its good faith compliance with the material terms of the Development Agreement as specified in Section 18.2 of this Development Agreement, shall not constitute or be asserted by either Party as a breach of the Development Agreement by the other Party.

18.2 Owner's Submission. Each year, not less than forty-five (45) days nor more than ninety (90) days prior to the anniversary of the Development Agreement Date, Owner shall submit evidence to the City's Community Development Director demonstrating its good faith compliance with the terms and conditions of this Development Agreement. Owner shall pay to City a reasonable processing fee in an amount as City may reasonably establish from time to time on each occasion that Owner submits its evidence for a periodic review.

18.3 Findings. Within sixty (60) days after the submission of Owner's evidence, the City Council shall determine, on the basis of substantial evidence, whether or not Owner has, for the period under review, complied in good faith with the terms and conditions of this Development Agreement. The burden of proof on this issue shall be on the Owner. If the City Council finds that Owner has so complied, the review for that period shall be deemed concluded. If the City Council finds and determines, on the basis of substantial evidence, that Owner has not complied in good faith with the terms and conditions of this Development Agreement for the period under review, Owner shall be deemed to be in default of the Development Agreement, and City may proceed in accordance with Section 19.1.

18.4 Initiation of Review by City. In addition to the periodic review set forth in this Development Agreement, the City may at any time initiate a review of this Development Agreement upon the giving of written notice thereof to Owner. Within thirty (30) days following receipt of such notice, Owner shall submit evidence to the City's Community Development Director of Owner's good faith compliance with this Development Agreement and such review and determination shall proceed in the manner as otherwise provided in this Development Agreement.

SECTION 19 EVENTS OF DEFAULT

19.1 Defaults by Owner. If the City Council finds and determines, on the basis of substantial evidence, that Owner has not complied in good faith with the terms and conditions of this Development Agreement, City may, by written notice to Owner, specify the manner in which Owner has failed to so comply and state the steps Owner must take to bring itself into compliance. Owner shall be given at least sixty (60) days to cure such non-compliance and if the actions required to cure such non-compliance take more than sixty (60) days, then City shall give Owner additional time provided that Owner is making reasonable progress towards such end. If during the cure period, Owner fails to cure such noncompliance or is not making reasonable good faith progress towards such end, then, the City Council may, at its discretion, proceed to modify or terminate this Development Agreement or establish a time schedule for compliance in accordance with the procedures set forth in Section 20 of this Development Agreement.

19.2 Specific Performance Remedy. After implementation of the Project, Owner may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Owner has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Development Agreement and will be investing even more significant time in implementing the Project in reliance upon the terms of this Development Agreement, and it is not possible to determine the sum of money which would adequately compensate Owner for such efforts. For the above reasons, City and Owner agree that damages would not be an adequate remedy if City fails to carry out its obligations under this Development Agreement. Therefore, specific performance of this Development Agreement is the only remedy which would compensate Owner if City fails to carry out its obligations under this Development Agreement, and City hereby agrees that Owner shall be entitled to specific performance in the event of a default by City hereunder. City and Owner acknowledge that, if Owner fails to carry out its obligations under this Development Agreement, City shall have the right to refuse to issue any permits or other approvals which Owner would otherwise have been entitled to pursuant to this Development Agreement. If City issues a permit or other approval pursuant to this Development Agreement in reliance upon a specified condition being satisfied by Owner in the future, and if Owner then fails to satisfy such condition, City shall be entitled to specific performance for the sole purpose of causing Owner to satisfy such condition. City's right to specific performance shall be limited to those circumstances set forth above, and City shall have no right to seek specific performance to cause Owner to otherwise proceed with the Development of the Project in any manner.

SECTION 20 MODIFICATION OR TERMINATION

If pursuant to Section 19.1 of this Development Agreement, City elects to modify or terminate this Development Agreement or establish a revised time schedule for compliance as herein provided, then City shall proceed as set forth in this Section.

20.1 Notice to Owner. City shall give notice to Owner of the City Council's intention to proceed to modify or terminate this Development Agreement or establish a time schedule for compliance within ten (10) days of making City's findings.

20.2 Public Hearing. The City Council shall set and give notice of a public hearing on modification, termination or a time schedule for compliance to be held within forty-five (45) days after the City Council gives notice to Owner.

20.3 Decision. The City Council shall announce its findings and decisions on whether this Development Agreement is to be terminated, how this Development Agreement is to be modified or the provisions of the Development Agreement with which Owner must comply and a time schedule therefore not more than ten (10) days following completion of the public hearing.

20.4 Standard of Review. Any determination by City to terminate this Development Agreement because Owner has not complied in good faith with the terms of this Development Agreement must be based upon a finding by the City Council, on the basis of substantial evidence, that Owner is in default and has not cured that default in the timeframe permitted by Sections 18 and 19 of this Development Agreement, as applicable.

20.5 Implementation. Amending or terminating this Development Agreement shall be accomplished by City enacting an ordinance. The ordinance shall recite the reasons which, in the opinion of City, make the amendment or termination of this Development Agreement necessary. Not later than ten (10) days following the adoption of the ordinance, one copy thereof shall be forwarded to Owner. This Development Agreement shall be terminated or this Development Agreement as modified shall become effective on the effective date of the ordinance terminating or modifying this Development Agreement.

20.6 Schedule for Compliance. Setting a reasonable time schedule for compliance with this Development Agreement may be accomplished by City enacting a resolution. The resolution shall recite the reasons which, in the opinion of City, make it advisable to set a schedule for compliance and why the time schedule is reasonable. Not later than ten (10) days following adoption of the resolution, one copy thereof shall be forwarded to Owner. Compliance with any time schedule so established as an alternative to amendment or termination shall be subject to periodic review as provided in this Development Agreement and lack of good faith compliance by Owner with the time schedule shall be basis for termination or modification of this Development Agreement.

SECTION 21 ASSIGNMENT

21.1 Right to Assign. Owner shall have the right to sell, mortgage, hypothecate, assign or transfer this Development Agreement, and any and all of its rights, duties and obligations hereunder, to any person, partnership, joint venture, firm or corporation at any time during the

Term of this Development Agreement, provided that any such sale, mortgage, hypothecation, assignment or transfer must be pursuant to a sale, assignment or other transfer of the interest of Owner in the Property, or a portion thereof. In the event of any such sale, mortgage, hypothecation, assignment or transfer, (a) Owner shall notify City of such event and the name of the transferee, together with the corresponding entitlements being transferred to such transferee, and (b) the agreement between Owner and such transferee shall provide that either Owner or the transferee or both shall be liable for the performance of all obligations of Owner pursuant to this Development Agreement and the Development Approvals. Such transferee and/or Owner shall notify City in writing which entity shall be liable for the performance of such obligations, and upon the express written assumption of any or all of the obligations of Owner under this Development Agreement by such assignee, transferee or purchaser shall, without any act of or concurrence by City, relieve Owner of its legal duty to perform said obligations under this Development Agreement with respect to the Property or portion thereof, so transferred, except to the extent Owner is in default under the terms of this Development Agreement.

21.2 Release upon Transfer. It is understood and agreed by the Parties that the Property may be subdivided following the Development Agreement Date. One or more of such subdivided parcels may be sold, mortgaged, hypothecated, assigned or transferred to persons for development by them in accordance with the provisions of this Development Agreement. Effective upon such sale, mortgage, hypothecation, assignment or transfer, the obligations of Owner shall become several and not joint. Upon the sale, transfer, or assignment of Owner's rights and interests under this Development Agreement as permitted pursuant to Section 21.1 of this Development Agreement, Owner shall be released from its obligations under this Development Agreement with respect to the Property, or portion thereof so transferred, provided that (a) Owner is not then in default under this Development Agreement, (b) Owner has provided to City the notice of such transfer specified in Section 21.1 of this Development Agreement, and (c) the transferee executes and delivers to City a written agreement in which (i) the name and address of the transferee is set forth and (ii) the transferee expressly and unconditionally assumes all the obligations of Owner under this Development Agreement and the Development Approvals with respect to the property, or portion thereof, so transferred. Non-compliance by any such transferee with the terms and conditions of this Development Agreement shall not be deemed a default hereunder or grounds for termination hereof or constitute cause for City to initiate enforcement action against the other Party or persons then owning or holding interest in the Property or any portion thereof and not themselves in default hereunder. The provisions of this Section shall be self-executing and shall not require the execution or recordation of any further document or instrument. Any and all successors, assigns and transferees of Owner shall have all of the same rights, benefits and obligations of Owner as used in this Development Agreement and the term "Owner" as used in this Development Agreement shall refer to any such successors, assigns and transferees unless expressly provided herein to the contrary.

SECTION 22 GENERAL

22.1 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes of beyond

the party's control. If any such events shall occur, the Term of this Agreement and the time for performance by either party of any of its obligations hereunder shall be extended for the period of time that any such events exist and/or delay or prevent performance of such obligations, provided the notice is timely given pursuant to this Section 22.1. Owner shall give notice to City of any delay which Owner believes to have occurred as a result of the occurrence of any of the events described in Section 22.1. For delays of six months or longer, this notice shall be given within a reasonable time after Owner becomes aware that the delay has lasted six (6) months or more. In no event, however, shall notice of a delay of any length be given later than thirty (30) days after the end of the delay or thirty days before the end of the Term, whichever comes first. In addition to the foregoing, any litigation filed attacking City's approval of the Development Approvals or this Development Agreement shall toll the expiration date of this Development Agreement and all Development Approvals for the length of time such litigation is pending until it is finally resolved.

22.2 Construction of Development Agreement. The language in all parts of this Development Agreement shall in all cases, be construed as a whole and in accordance with its fair meaning. The captions of the paragraphs and subparagraphs of this Development Agreement are for convenience only and shall not be considered or referred to in resolving questions of constructions. This Development Agreement shall be governed by the laws of the State of California. The Parties understand and agree that this Development Agreement is not intended to constitute, nor shall it be construed to constitute, an impermissible attempt to contract away the legislative and governmental functions of City, and in particular, City's police powers. In this regard, the Parties understand and agree that this Development Agreement shall not be deemed to constitute the surrender or abnegation of City's governmental powers over the Property.

22.3 Severability. If any provision of this Development Agreement shall be adjudged to be invalid, void or unenforceable, such provision shall in no way affect, impair or invalidate any other provision hereof, unless such judgment affects a material part of this Development Agreement, the Parties hereby agree that they would have entered into the remaining portions of this Development Agreement not adjudged to be invalid, void or illegal. In the event that all or any portion of this Development Agreement is found to be unenforceable, this Development Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event they shall take all steps necessary to comply with such public hearings and/or notice requirements as may be necessary in order to make valid this Development Agreement or that portion which is found to be unenforceable. Notwithstanding any other provisions of this Development Agreement, in the event that any material provision of this Development Agreement is found to be unenforceable, void or voidable, Owner or City may mutually agree to terminate this Development Agreement in accordance with the provisions of the Development Agreement Statute.

22.4 Cumulative Remedies. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including suits for declaratory relief, specific performance, relief in the nature of mandamus and actions for damages. All of the remedies described above shall be cumulative and not exclusive of one

another, and the exercise of anyone or more of the remedies shall not constitute a waiver or election with respect to any other available remedy.

22.5 Indemnification. Owner agrees to, and shall, to the fullest extent permitted by law, defend (with legal counsel approved or selected by City and at Owner's sole cost and expense), indemnify and hold City and City's elective and appointive councils, boards, commissions, officers, officials, agents, representatives and employees harmless from any liability for damages or claims for damage for personal injury, including death, and from claims for property damage which may arise from the construction activities of Owner or Owner's contractors, subcontractors, agents, or employees which relate to the Project whether such activities be by Owner, or by any of Owner's contractors, subcontractors, or by anyone or more persons directly or indirectly employed by, or acting as agent for Owner or any of Owner's contractors or subcontractors. Additionally, Owner agrees to, and shall, to the fullest extent permitted by law, defend (with legal counsel approved or selected by City and at Owner's sole cost and expense), indemnify, and hold harmless City and City's elective and appointive councils, boards, commissions, officers, officials, agents, representatives and employees from and against each and every claim, action, proceeding, cost, fee, legal cost, damage, award or liability of any nature whatsoever arising out of City's approval of or its performance under this Development Agreement and/or the Development Approvals. City may in its discretion participate in the defense of any such legal action. The provisions of this Subsection shall not be binding on Owner to the extent the liability arises out of the gross negligence or willful misconduct of City, or its elective and appointive councils, boards, commissions, officers, officials, agents, representatives or employees. Owner's indemnity obligations set forth in this Development Agreement shall survive termination of this Development Agreement.

22.6 Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Development Agreement and/or the Development Approvals, the Parties hereby agree to cooperate fully with each other in defending said action and the validity of each provision of this Development Agreement; however, it is expressly understood and agreed to by Owner that Owner shall be solely liable for all legal expenses and costs incurred in defending any such action. City shall have the right to approve or select legal counsel to defend against any such legal action. Owner shall pay any attorneys' fees awarded against City or Owner, or both, resulting from any such legal action. Owner shall be entitled to any award of attorneys' fees arising out of any such legal action.

22.7 Public Agency Coordination. City and Owner shall cooperate and use reasonable efforts in coordinating the implementation of the Development Approvals with other public agencies, if any, having jurisdiction over the Property or the Project.

22.8 Initiative Measures. Both City and Owner intend that this Development Agreement is a legally binding contract which will supersede any initiative, measure, moratorium, referendum, statute, ordinance or other limitation (whether relating to the rate, timing or sequencing of the Development or construction of all or any part of the Project and whether enacted by initiative or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative or final), building permits, occupancy certificates or other entitlements to use approved, issued or granted within City, or portions of City, and which

Agreement shall apply to the Project to the extent such initiative, measure, moratorium, referendum, statute, ordinance or other limitation is inconsistent or in conflict with this Development Agreement. Should an initiative, measure, moratorium, referendum, statute, ordinance, or other limitation be enacted by the citizens of City which would preclude construction of all or any part of the Project, and to the extent such initiative, measure, moratorium, referendum, statute, ordinance or other limitation be determined by a court of competent jurisdiction to invalidate or prevail over all or any part of this Development Agreement, Owner shall have no recourse against City pursuant to the Development Agreement, but shall retain all other rights, claims and causes of action under this Development Agreement not so invalidated and any and all other rights, claims and causes of action at law or in equity which Owner may have independent of this Development Agreement with respect to the Project. The foregoing shall not be deemed to limit Owner's right to appeal any such determination that such initiative, measure, referendum, statute, ordinance or other limitation invalidates or prevails over all or any part of this Development Agreement. City agrees to cooperate with Owner in all reasonable manners in order to keep this Development Agreement in full force and effect, provided Owner shall reimburse City for its out-of-pocket expenses incurred directly in connection with such cooperation and City shall not be obligated to institute a lawsuit or other court proceedings in this connection.

22.9 Attorneys' Fees. In the event of any dispute between the Parties involving the covenants or conditions contained in this Development Agreement, the prevailing party shall be entitled to recover reasonable expenses, attorneys' fees and costs.

22.10 No Waiver. No delay or omission by either party in exercising any right or power accruing upon non-compliance or failure to perform by the other party under any of the provisions of this Development Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of any of the covenants or conditions to be performed by the other party shall not be construed as a waiver of any succeeding breach of nonperformance of the same or other covenants and conditions hereof.

22.11 Authority to Execute. The person executing this Development Agreement on behalf of Owner represents and warrants that he/she has the authority to execute this Development Agreement on behalf of his/her partnership and represents and warrants that he/she has the authority to bind Owner to the performance of Owner's obligations hereunder.

22.12 Notice.

22.12.1 To Owner. Any notice required or permitted to be given by City to Owner under or pursuant to this Development Agreement shall be deemed sufficiently given if in writing and delivered personally to an officer of Owner or mailed with postage thereon fully prepaid, registered or certified mail, return receipt requested, addressed; to Owner as follows:

Laguna Hills Investment Company
3425 Via Lido, Suite 250
Newport Beach, California 92663
Attn: Ryan Jones

With copies to:

Fritz Duda Company
The Berkshire at Preston Center
5950 Berkshire Lane
Suite 800
Dallas, TX 75225
Attn: Chief Financial Officer

and

Allen Matkins Leck Gamble Mallory & Natsis LLP
1900 Main Street, 5th Floor
Irvine, CA 92614
Attn: John Condas

or such changed address as Owner shall designate in writing to City.

22.12.2 To City. Any notice required or permitted to be given to City under or pursuant to this Development Agreement shall be made and given in writing, if by mail addressed to:

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

With copies to:

City Attorney
City of Laguna Hills
24035 El Toro Road
Laguna Hills, California 92653

or such changed address as City shall designate in writing to Owner. Alternatively, notices to City may also be personally delivered to the City Clerk, at the Laguna Hills City Hall, 24035 El Toro Road, Laguna Hills, California 92653, together with copies marked for the City Manager and the City Attorney or, if so addressed and mailed, with postage thereon fully prepaid, registered or certified mail, return receipt requested, to the City Council in care of the City Clerk at the above address with copies likewise so mailed to the City Manager and the City Attorney, respectively and also in care of the City Clerk at the same address. The provisions of this Section shall be deemed permissive only and shall not detract from the validity of any notice given in a manner which would be legally effective in the absence of this Section.

22.13 Captions. The captions of the paragraphs and subparagraphs of this Development Agreement are for convenience and reference only and shall in no way define, explain, modify, construe, limit, amplify or aid in the interpretation, construction or meaning of any of the provisions of this Development Agreement.

22.14 Consent. Any consent required by the Parties in carrying out the terms of this Development Agreement shall not unreasonably be withheld.

22.15 Further Actions and Instruments. Each of the Parties shall cooperate with and reasonably provide to the other to the extent contemplated hereunder in the performance of all obligations under this Development Agreement and the satisfaction of the conditions of this Development Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Development Agreement to carry out the intent and to fulfill the provisions of this Development Agreement or to evidence or consummate the transactions contemplated by this Development Agreement.

22.16 Subsequent Amendment to Authorizing Statute. This Development Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute in effect as of the Development Agreement Date. Accordingly, to the extent that subsequent amendments to the California Government Code would affect the provisions of this Development Agreement, such amendments shall not be applicable to this Development Agreement unless necessary for this Development Agreement to be enforceable or unless this Development Agreement is modified pursuant to the provisions set forth in this Development Agreement and California Government Code Section 65868 as in effect on the Development Agreement Date.

22.17 Governing Law. This Development Agreement, including, without limitation, its existence, validity, construction and operation, and the rights of each of the Parties shall be determined in accordance with the laws of the State of California.

22.18 Effect on Title. Owner and City agree that this Development Agreement shall not continue as an encumbrance against any portion of the Property as to which this Development Agreement has terminated.

22.19 Mortgagee Protection. Entering into or a breach of this Development Agreement shall not defeat, render invalid, diminish, or impair the lien of Mortgagees having a mortgage on any portion of the Property made in good faith and for value, unless otherwise required by law. No Mortgagee shall have an obligation or duty under this Development Agreement to perform Owner's obligations, or to guarantee such performance prior to any foreclosure or deed in lieu thereof.

22.20 Notice of Default to Mortgagee, Right of Mortgagee to Cure. If the City Clerk timely receives notice from a Mortgagee requesting a copy of any notice of default given to Owner under the terms of this Development Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Owner. The Mortgagee

shall have the right, but not the obligation, for a period up to sixty (60) days after the receipt of such notice from City to cure or remedy, or to commence to cure or remedy the default unless a further extension of time to cure is granted in writing by City. If the default is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee shall seek to obtain possession with diligence and continually through foreclosure, a receiver or otherwise, and shall thereafter remedy or cure the default or noncompliance within thirty (30) days after obtaining possession. If any such default or noncompliance cannot, with diligence, be remedied or cured within such thirty (30) day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such default or noncompliance if such Mortgagee commences cure during such thirty (30) day period, and thereafter diligently pursues and completes such cure.

22.21 Bankruptcy. Notwithstanding the foregoing provisions of Section 22.20 of this Development Agreement, if any Mortgagee is prohibited from commencing or pursuing and prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving City, the times specified in this Section for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

22.22 Disaffirmance.

22.22.1 New Development Agreement upon Most Senior Mortgagee's Request. City agrees that in the event of termination of this Development Agreement by reason of any default by City, or by reason of the disaffirmance hereof by a receiver, liquidator or trustee for Owner or its property, City, if requested by any Mortgagee, shall enter into a new Development Agreement for the Project with the most senior Mortgagee requesting such new agreement, for the remainder of the Term, effective as of the date of such termination, upon the terms, provisions, covenants and agreements as herein contained to the extent and subject to the law then in effect, and subject to the rights, if any, of any parties then in possession of any part of the Property, provided:

(a) The Mortgagee shall make written request upon City for the new Development Agreement for the Project within thirty (30) days after the date of termination;

(b) The Mortgagee shall pay to City at the time of the execution and delivery of the new Development Agreement for the Project expenses, including reasonable attorneys' fees, to which City shall have been subjected by reason of Owner's default; and

(c) The Mortgagee shall perform and observe all covenants herein contained on Owner's part to be performed, and shall further remedy any other conditions which Owner under the terminated agreement was obligated to perform under its terms, to the extent the same are curable or may be performed by the Mortgagee.

22.22.2 New Development Agreement Not Required. Nothing herein contained shall require any Mortgagee to enter into a new Development Agreement pursuant to

Section 22.22.1 of this Development Agreement, nor to cure any default of Owner referred to above.

22.23 No Third Party Beneficiaries. This Development Agreement and all provisions hereof is made and entered into for the sole protection and benefit of City, Owner and their successors and assigns. No other person shall have right of action based upon any provision in this Development Agreement.

22.24 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Development Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

22.25 Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Development Agreement. No partnership, joint venture or other association of any kind is formed by this Development Agreement. The only relationship between City and Owner is that of a government entity regulating the development of private property and the owner of such private property.

22.26 Restrictions. Owner shall place in any agreements to sell or convey any interest in the Property or any portion thereof, provisions making the terms of this Development Agreement binding on any successors in interest of Owner and express provision for Owner or City, acting separately or jointly, to enforce the provisions of this Development Agreement and to recover attorneys' fees and costs for such enforcement.

22.27 Recitals. The recitals in this Development Agreement constitute part of this Development Agreement and each party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this Development Agreement.

22.28 Recording. The City Clerk shall cause a copy of this Development Agreement to be executed by City and recorded in the Official Records of Orange County no later than ten (10) days after the Development Agreement Date.

22.29 Entire Agreement. This Development Agreement, constitutes the entire agreement between the Parties with respect to the subject matter of this Development Agreement, and this Development Agreement supersedes all previous negotiations, discussions and agreements between the Parties, and no parol evidence of any prior or other agreement shall be permitted to contradict or vary the terms hereof.

22.30 Successors and Assigns. The burdens of the Development Agreement shall be binding upon, and the benefits of the Development Agreement inure to all successors in interest and assigns of the Parties to the Development Agreement.

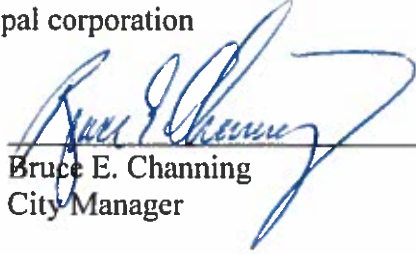
22.31 Exhibits. All exhibits, including attachments thereto, are incorporated in this Development Agreement in their entirety by this reference.

IN WITNESS WHEREOF, City and Owner have executed this Development Agreement as of the date and year first above written.

"CITY"

CITY OF LAGUNA HILLS, a California
municipal corporation

By:


Bruce E. Channing
City Manager

"OWNER"

LAGUNA HILLS INVESTMENT
COMPANY, a Delaware limited partnership

By: FRITZ DUDA COMPANY, a Texas
Corporation

Its General Partner

By:

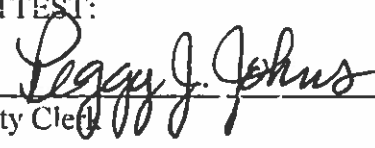

Fritz L. Duda
President

By:

Name:

Title:

ATTEST:


Peggy J. Johns
City Clerk

APPROVED AS TO FORM:


City Attorney

All signatures to be acknowledged by a Public Notary

STATE OF CALIFORNIA

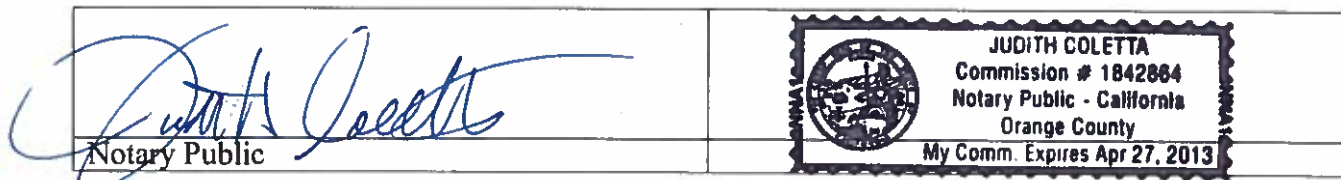
COUNTY OF ORANGE

SS

On November 6, 2012, before me, Judith Coletta, a Notary Public, personally appeared John & Susan, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



STATE OF CALIFORNIA

COUNTY OF ORANGE

SS

On November 27, 2012, before me, Peggy J. Johns, a Notary Public, personally appeared Bruce E. Channing, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



EXHIBIT A

PROPERTY DESCRIPTION

PARCELS 1 THROUGH 16 INCLUSIVE, AS SHOWN ON A MAP FILED IN BOOK 187, PAGES 42, 43 AND 44 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA. EXCEPTING ALL RIGHTS TO OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES LYING UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO ENTER UPON ANY PORTION OF THE SURFACE AND 500 FEET BELOW THE SURFACE THEREOF, AS RESERVED IN DEEDS FROM GLEN E. MATHIS AND WIFE AND FIRST WESTERN BANK AND TRUST COMPANY, A CALIFORNIA CORPORATION, RECORDED JULY 28, 1972 IN BOOK 10248, PAGES 164, 167 AND 170 OF OFFICIAL RECORDS.

EXHIBIT B
DEVELOPMENT FEES

Public Park In-lieu Fees

Owner hereby agrees that Chapter 8-06 of the Laguna Hills Municipal Code pertaining to park dedication and in-lieu fee requirements shall apply to both Phase 1 and Phase 2 of the Project, regardless of whether Owner proposes a subdivision map for each Phase. Accordingly, as part of the Development Fees applicable to the Project pursuant to this Development Agreement, Owner hereby agrees to, and shall, pay City a public park in-lieu fee of Seven Thousand Three Hundred Ninety Two Dollars (\$7,392.00) for each residential unit constructed as part of the Project, which amount the Parties agree is the applicable per dwelling unit fee calculated pursuant to Chapter 8-06 of the Laguna Hills Municipal Code. Said fee shall be paid on a per unit basis at the time of filing of the final map or, if no final map is filed, prior to issuance of a building permit for each residential unit.

Urban Village Traffic Impact Mitigation Fee

Owner 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 Project, as determined by the City Engineer based upon a traffic study.

Public Art / Public Art In-Lieu Fee

Owner shall furnish public art in connection with the Project, and/or pay an in-lieu fee, pursuant to the Specific Plan and other Existing Development Approvals. The Parties understand and agree that the City shall have the right to approve, in advance, the proposed type, size, art medium, location, and content of all Public Art. The Parties agree that, to the extent that the value of the public art provided and/or in-lieu fee paid by Owner for Phase 1 exceeds one-half percent (0.5%) of the total construction costs of Phase 1, as determined by the City, if Owner Develops Phase 2, Owner shall be entitled to a credit in such amount towards Owner's obligation to provide public art and/or pay an in-lieu fee pursuant to the Development of Phase 2.

Phase 2 Retail Loss Impact Fee

Owner shall pay City a Phase 2 Retail Loss Impact Fee in an amount calculated pursuant to Section 10.4 of the Development Agreement in order to offset the costs of certain City services required by the Project that are not otherwise being reimbursed to City.

EXHIBIT C

PHASE 1 SITE PLAN AND PHASE 2 BUILDING ENVELOPE

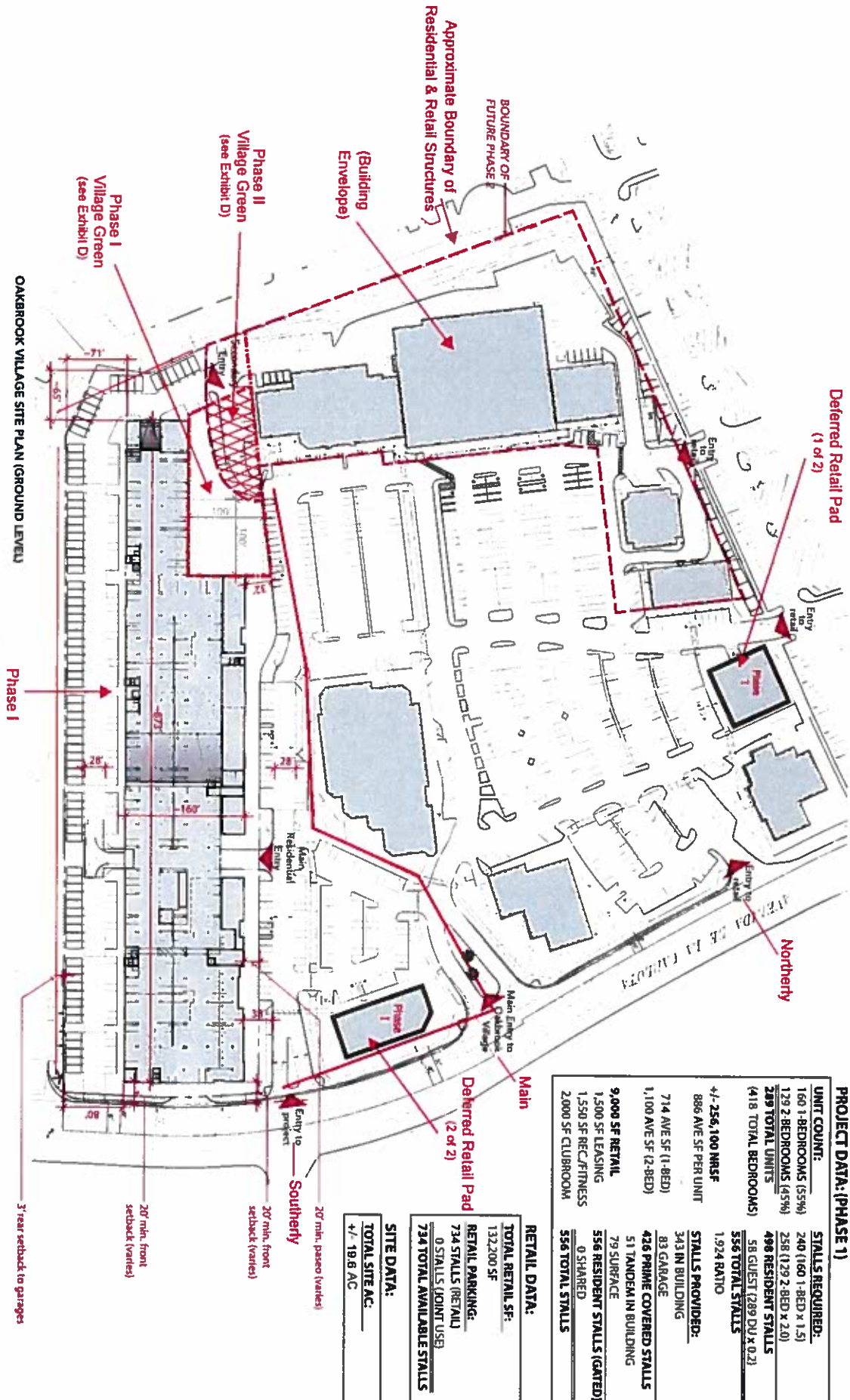
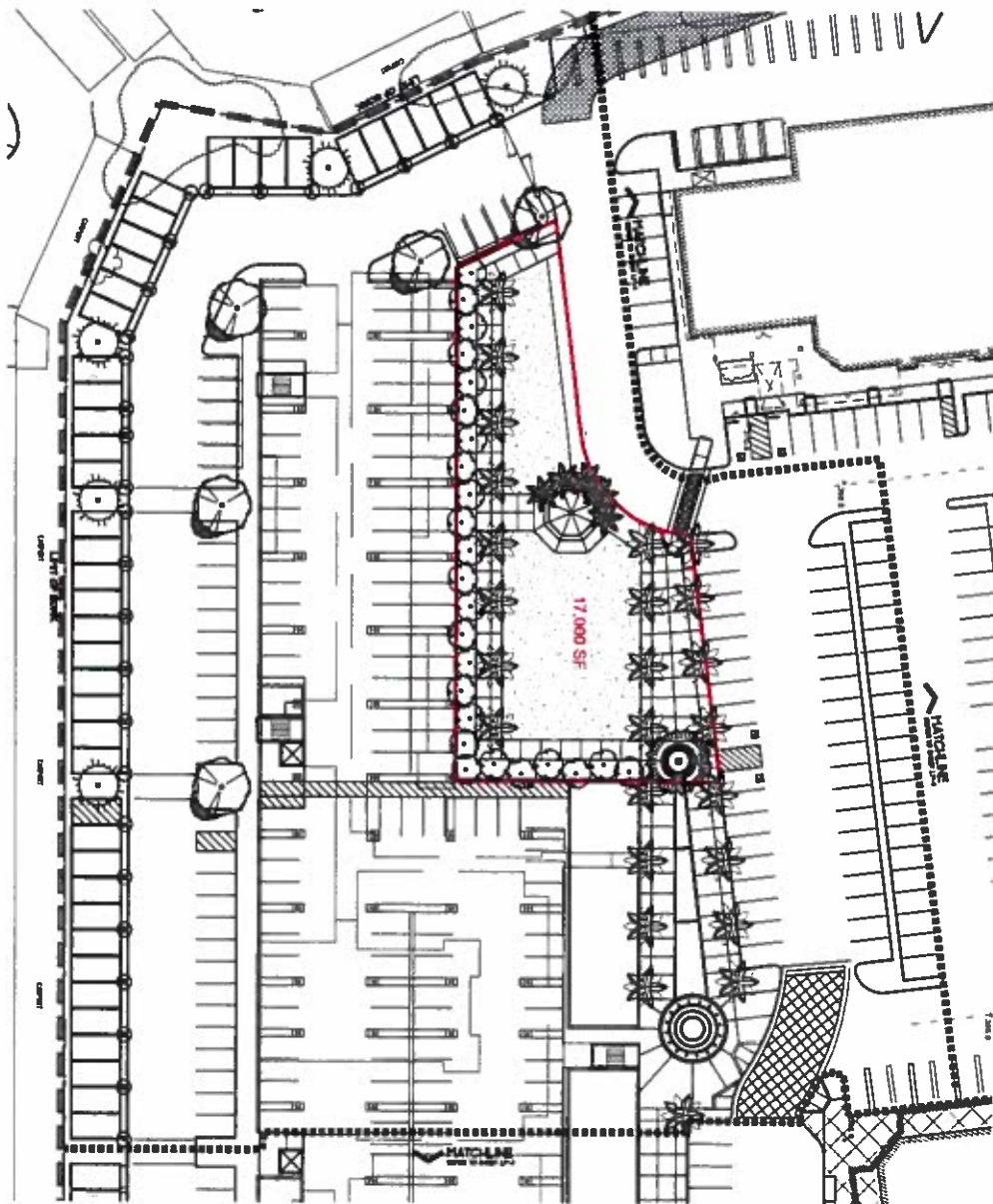


EXHIBIT D

VILLAGE GREEN FACILITIES FOR PHASE 1 AND PHASE 2



TREE LEGEND

SYMBOL	SYMBOL NAME	COMMON NAME
	Arbutus menziesii	Arbutus
	Arbutus menziesii	Arbutus
	Arbutus menziesii	Arbutus
	Arbutus menziesii	Arbutus
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	Arbutus menziesii	Arbutus
	Arbutus menziesii	Arbutus
	Arbutus menziesii	Arbutus

VINE LEGEND

SYMBOL	SYMBOL NAME	COMMON NAME
	Arbutus menziesii	Arbutus
	Arbutus menziesii	Arbutus

EXHIBIT D
VILLAGE GREEN PHASE I



CITY OF LAGUNA HILLS	
24391 AVENIDA DE LA CAROLINA	
TREE PLANTING LAYOUT	
DATE	2/10/2015
BY	U-1

EXHIBIT E

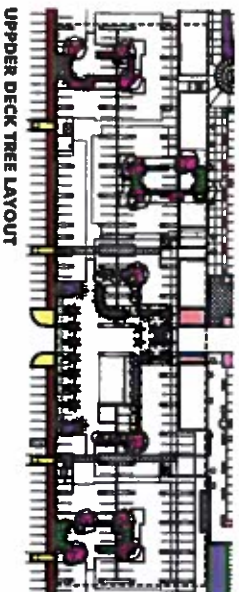
PEDESTRIAN PASEOS DEPICTION

OVERALL SITE TREE LAYOUT

OAKBROOK VILLAGE LAGUNA HILLS, CALIFORNIA

Pedestrian Paseo from
Western Driveway to
Laguna Hills Mall

The Pedestrian Paseo's will be designed and constructed in accordance with the Urban Village Specific
Plan adopted by the City of Laguna Hills on November 28, 2002, City Council Ordinance No. 2002-4,
Section III - Land Use Plan, Pedestrian Pathways.



GROUND COVER LEGEND

SYMBOL	DESCRIPTION
[Symbol]	Grass
[Symbol]	Gravel
[Symbol]	Asphalt
[Symbol]	Concrete
[Symbol]	Water
[Symbol]	Shrubbery
[Symbol]	Other

BRUSH LEGEND

SYMBOL	DESCRIPTION
[Symbol]	Grass
[Symbol]	Gravel
[Symbol]	Asphalt
[Symbol]	Concrete
[Symbol]	Water
[Symbol]	Shrubbery
[Symbol]	Other

BRUSH LEGEND

SYMBOL	DESCRIPTION
[Symbol]	Grass
[Symbol]	Gravel
[Symbol]	Asphalt
[Symbol]	Concrete
[Symbol]	Water
[Symbol]	Shrubbery
[Symbol]	Other

BRUSH LEGEND

SYMBOL	DESCRIPTION
[Symbol]	Grass
[Symbol]	Gravel
[Symbol]	Asphalt
[Symbol]	Concrete
[Symbol]	Water
[Symbol]	Shrubbery
[Symbol]	Other

BRUSH LEGEND

SYMBOL	DESCRIPTION
[Symbol]	Grass
[Symbol]	Gravel
[Symbol]	Asphalt
[Symbol]	Concrete
[Symbol]	Water
[Symbol]	Shrubbery
[Symbol]	Other

BRUSH LEGEND

SYMBOL	DESCRIPTION
[Symbol]	Grass
[Symbol]	Gravel
[Symbol]	Asphalt
[Symbol]	Concrete
[Symbol]	Water
[Symbol]	Shrubbery
[Symbol]	Other

FRITZ DUDA COMPANY
3425 Via Lido Suite 210
Newport Beach, California 92663
(949) 723-7700



EXHIBIT F

ALL REQUIRED PUBLIC IMPROVEMENTS

1. Installation, to the reasonable satisfaction of the City Engineer, of a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Project, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard via conduit and hardwire, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development. Said traffic signal shall be constructed to applicable State and City standards and specifications and shall be equipped with video detection and controller equipment as approved by City. The sidewalks and ramps at all corners of the newly signalized intersection and the sidewalk connection to the Oakbrook Plaza office development on the easterly side of Avenida de la Carlota shall be constructed and/or modified to conform to City and Americans With Disabilities Act ("ADA") standards.
2. Dedication of the public right-of-way necessary for, and construction of, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk, to City standards and specifications.
3. Construction of storm drain connections, and inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida de la Carlota.
4. Installation of debris gates of the type specified by the City Engineer at all catch basin inlets along the Property frontage to Avenida de la Carlota.
5. Realignment of the intersection of the northerly entrance to the Property with Avenida de la Carlota to intersect Avenida de la Carlota at ninety (90) degrees, to the reasonable satisfaction of the City Engineer and as shown on the vesting tentative map approved as part of the Phase 1 Project Approvals.
6. Construction or reconstruction of all curb ramps on Avenida de la Carlota at each entrance to the Property to current ADA standards.
7. Construction of any and all other public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals.

EXHIBIT G

PHASE 2 RETAIL LOSS IMPACT FEE EXAMPLES

Example 1

Calculation of Amount of Security

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	March 1, 2024
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	September 1, 2027
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	3 Years, 184 Days
Present Value Interest Factor	4.00%		

Calendar Year	Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	4% Present Value Interest Factor Table (20 Years)	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount ^a	Alternative Security Instrument Amount ^a
2013	\$3.40				
2014	\$3.48				
2015	\$3.57				
2016	\$3.66				
2017	\$3.75				
2018	\$3.84				
2019	\$3.94				
2020	\$4.04				
2021	\$4.14				
2022	\$4.24				
2023	\$4.35				
2024	\$4.46	0.9615	\$4.29	\$199,646.98	
2025	\$4.57	0.9246	\$4.23	\$196,784.65	
2026	\$4.68	0.889	\$4.16	\$193,938.02	
2027	\$4.80	0.8548	\$4.10	\$191,139.11	
2028	\$4.92	0.8219	\$4.04	\$188,377.01	
2029	\$5.04	0.7903	\$3.99		\$185,662.74
2030	\$5.17	0.7599	\$3.93		\$182,983.99
2031	\$5.30	0.7307	\$3.87		\$180,351.44
2032	\$5.43	0.7026	\$3.82		\$177,751.19
2033	\$5.57	0.6756	\$3.76		\$175,193.46
2034	\$5.71	0.6496	\$3.71		\$172,662.54
2035	\$5.85	0.6246	\$3.65		\$170,168.02
2036	\$6.00	0.6006	\$3.60		\$167,720.12
2037	\$6.15	0.5775	\$3.55		\$165,301.08
2038	\$6.30	0.5553	\$3.50		\$162,920.32
2039	\$6.46	0.5339	\$3.45		\$160,557.78
2040	\$6.62	0.5134	\$3.40		\$158,252.71
2041	\$6.78	0.4936	\$3.35		\$155,953.21
2042	\$6.95	0.4746	\$3.30		\$153,698.90
2043	\$7.13	0.4564	\$3.25		\$151,499.97
			Subtotal	\$969,885.76	\$2,520,677.49

a. Discounted Projected City Sales Tax Revenue X Retail Square Footage Deficit

Example 1 Continued

Calculation of Phase 2 Retail Loss Impact Fee

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	March 1, 2024
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	September 1, 2027
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	3 Years, 184 Days
Present Value Interest Factor	4.00%		

Calendar Year	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount	Phase 2 Retail Loss Impact Fee	Refund to Owner
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024	\$4.29	\$199,646.98	\$199,646.98	
2025	\$4.23	\$196,784.65	\$196,784.65	
2026	\$4.16	\$193,938.02	\$193,938.02	
2027	\$4.10	\$191,139.11	\$96,355.06 ^a	
2028	\$4.04	\$188,377.01		
	Subtotal	\$969,885.76	\$ 686,724.70	\$283,161.06^b

a. $\$191,139.11 \times (184 \text{ Days} \div 365 \text{ Days}) = \$96,355.06$

b. $\$969,885.76 - \$686,724.70 = \$283,161.06$

Example 2

Calculation of Amount of Security

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	January 1, 2018
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	November 1, 2020
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	2 Years, 304 Days
Present Value Interest Factor	4.00%		

Calendar Year	Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	4% Present Value Interest Factor Table (20 Years)	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount ^a	Alternative Security Instrument Amount ^a
2013	\$3.40				
2014	\$3.48				
2015	\$3.57				
2016	\$3.66				
2017	\$3.75				
2018	\$3.84	0.9615	\$3.70	\$172,154.97	
2019	\$3.94	0.9246	\$3.64	\$169,686.78	
2020	\$4.04	0.889	\$3.59	\$167,232.14	
2021	\$4.14	0.8548	\$3.54	\$164,818.66	
2022	\$4.24	0.8219	\$3.49	\$162,436.90	
2023	\$4.35	0.7903	\$3.44		\$160,096.40
2024	\$4.46	0.7599	\$3.39		\$157,786.52
2025	\$4.57	0.7307	\$3.34		\$155,516.48
2026	\$4.68	0.7026	\$3.29		\$153,274.30
2027	\$4.80	0.6756	\$3.24		\$151,068.77
2028	\$4.92	0.6496	\$3.20		\$148,886.37
2029	\$5.04	0.6246	\$3.15		\$146,735.35
2030	\$5.17	0.6006	\$3.11		\$144,624.54
2031	\$5.30	0.5775	\$3.06		\$142,538.60
2032	\$5.43	0.5553	\$3.02		\$140,485.68
2033	\$5.57	0.5339	\$2.97		\$138,448.47
2034	\$5.71	0.5134	\$2.93		\$136,460.82
2035	\$5.85	0.4936	\$2.89		\$134,477.96
2036	\$6.00	0.4746	\$2.85		\$132,534.08
2037	\$6.15	0.4564	\$2.80		\$130,637.95
2038	\$6.30				
2039	\$6.46				
2040	\$6.62				
2041	\$6.78				
2042	\$6.95				
2043	\$7.13				
			Subtotal	\$836,329.46	\$2,173,572.30

a. Discounted Projected City Sales Tax Revenue X Retail Square Footage Deficit

Example 2 Continued

Calculation of Retail Loss Impact Fee

ASSUMPTIONS

Retail Square Footage Deficit	46,574	Phase 2 Commencement Date	January 1, 2018
Projected Annual City Sales Tax Revenue (including Use Tax) Per Sq. Ft. (2012 Dollars)	\$3.32	Date of Final Certificate of Occupancy for Minimum 125,000 Sq. Ft. Retail	November 1, 2020
Inflation Factor	2.50%	Time Elapsed Between March 1, 2024 and September 1, 2027	2 Years, 304 Days
Present Value Interest Factor	4.00%		

Calendar Year	Discounted Projected Annual City Sales Tax Revenue (Per Sq. Ft.)	5-Year Cash Deposit Amount	Phase 2 Retail Loss Impact Fee	Refund to Owner
2013				
2014				
2015				
2016				
2017				
2018	\$3.70	\$172,154.97	\$172,154.97	
2019	\$3.64	\$169,686.78	\$169,686.78	
2020	\$3.59	\$167,232.14	\$139,283.76 ^a	
2021	\$3.54	\$164,818.66		
2022	\$3.49	\$162,436.90		
2023	\$3.44			
2024	\$3.39			
2025	\$3.34			
2026	\$3.29			
2027	\$3.24			
2028	\$3.20			
	Subtotal	\$836,329.46	\$481,125.51	\$355,203.95 ^b

a. $\$167,232.14 \times (304 \text{ Days} \div 365 \text{ Days}) = \$139,283.76$

b. $\$836,329.46 - \$481,125.51 = \$355,203.95$

**ATTACHMENT 2- PROPOSED ORDINANCE / AMENDMENT NO. 1 TO
DEVELOPMENT AGREEMENT**

ORDINANCE NO. 2015-__

AN ORDINANCE OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, APPROVING AND ADOPTING AN
AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA
HILLS INVESTMENT COMPANY AND OAKBROOK
URBAN VILLAGE I, LLC, FOR THE OAKBROOK VILLAGE
SHOPPING CENTER REDEVELOPMENT PROJECT

WHEREAS, the City of Laguna Hills (the "City") and Laguna Hills Investment Company previously entered into that certain Development Agreement, which was approved pursuant to City Council Ordinance No. 2012-4 on November 27, 2012, became effective December 28, 2012, and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329 (the "Development Agreement"), pertaining to the redevelopment of the Oakbrook Village Shopping Center property (the "Property"), located at 24231-24391 Avenida de la Carlota in the Urban Village Specific Plan area with a multi-phase, mixed-use project consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements within the Village Commercial District of the Urban Village Specific Plan area, generally located south of the Laguna Hills Mall along Avenida de la Carlota to the East, north of Los Alisos Boulevard (the "Project"). A copy of the Development Agreement is on file in the office of the City Clerk of the City of Laguna Hills; and

WHEREAS, on November 27, 2012, pursuant to the California Environmental Quality Act ("CEQA"), the City Council and Planning Agency determined that the Project is within the scope of the "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"), and that the Project would not result in any new significant effects that were not examined in the PEIR, a substantial increase in the severity of significant effects examined in the PEIR, or require any new mitigation measures or alternatives. The City therefore adopted Addendum to the PEIR for the Project pursuant to Public Resources Code Sections 21166, 21083.3, and CEQA Guidelines Sections 15168, 15162, 15164, and 15183. The City filed a Notice of Determination on November 28, 2012; and

WHEREAS, following the approval and execution of the Development Agreement, Laguna Hills Investment Company subsequently assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, as described and as set forth in that certain Assignment of Development Agreement dated April 24, 2014, as recorded in the Official Records, Orange County, Clerk Recorder, on April 24, 2014, bearing document number 2014000157001; and

WHEREAS, Laguna Hills Investment Company and Oakbrook Urban Village I, LLC are collectively referred to herein as the "Owner"; and

WHEREAS, the Development Agreement establishes specified time periods by which the Owner is required to commence and complete the various components of Phase 1 of the Project, including, without limitation, the renovation of the façades of all remaining retail structures located on the Property and various pedestrian paseos and trails; and

WHEREAS, in accordance with Section 13 of the Development Agreement, the Owner has proposed that the Development Agreement be amended to extend the time periods by which the Owner is required (i) to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property (other than restaurant Buildings D and E (Lone Star and El Torito), for which façade renovation is not required), and (ii) to complete construction of the improved north-south pedestrian paseo, the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and the pedestrian trail along the north Property line; and

WHEREAS, the City Council serves as, and is, the Planning Agency of the City pursuant to Government Code Section 65100; and

WHEREAS, on January 30, 2015 as required by Government Code Section 65867, the City caused public notice to be given of the City Council's intention to consider adoption of the Amendment No. 1 to Development Agreement for the Project (the "Amendment No. 1"), and on February 10, 2015, as required by Government Code Section 65867, the City Council held a public hearing on adoption of the Amendment No. 1, and introduction and first reading of this ordinance; and

WHEREAS, on February 24, 2015, the City Council considered the adoption of this ordinance approving and authorizing the execution of the Amendment No. 1; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City hereby determines that no further environmental review is required. The Amendment No. 1 will merely extend the time periods by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos for Phase 1 of the Project, but will not impact the scope of the Project. Accordingly, the City hereby determines that the Amendment No. 1 is within the scope of the Addendum adopted on November 27, 2012, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the Project requiring major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified

significant effects; (ii) there are no substantial changes with respect to the circumstances under which the Project is being undertaken which will require major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) 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 or Addendum was adopted showing that: (a) the Project will have one or more significant effects not discussed in the PEIR or Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or Addendum 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.)

SECTION 2. The Amendment No. 1 to Development Agreement with the Owner for the Project attached hereto as Exhibit "A" is hereby APPROVED based on the following statement of findings:

- A. The findings set forth in City Council Ordinance No. 2012-4, adopted on November 27, 2012, supporting the adoption and approval of the Development Agreement, are hereby incorporated by reference as if set forth in full herein.
- B. The Amendment No. 1 has been properly requested pursuant to Section 13 of the Development Agreement.
- C. The Development Agreement, as amended by the Amendment No. 1, and the Project remain consistent with the objectives, policies, general land uses, and programs of the Laguna Hills General Plan and the Urban Village Specific Plan encouraging an urban village identity to include a variety of high quality public, regional commercial, recreational, and high density residential uses working in concert to create an "urban village" with enhanced pedestrian areas conveniently linking commercial, residential, and civic areas. The Amendment No. 1 merely modifies the time periods set forth in the Development Agreement by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos for Phase 1 of the Project, but does not modify the scope of the Project.
- D. The Development Agreement, as amended by the Amendment No. 1, and the Project remain consistent with the densities and uses authorized for the Project site specified in the Laguna Hills General Plan, the Urban Village Specific Plan, and the Zoning and Development Code of the City.

- E. The Development Agreement, as amended by the Amendment No. 1, continues to provide for the orderly development of the Project property. The Development Agreement, as amended by the Amendment No. 1, continues to identify the different phases and timing for construction of the Project and public improvements.
- F. The Development Agreement, as amended by this Amendment No. 1, and the Project remain consistent with the Zoning and Development Code of the City, compatible with the present and future logical growth of the proposed project area (as envisioned in the Laguna Hills General Plan and Urban Village Specific Plan), and designed to protect and promote the public health, safety and welfare.

SECTION 3. The City Council finds that the above recitations are true and correct and constitute the findings of the City Council and Planning Agency in this case.

SECTION 4. The City Manager is hereby directed and authorized to take all necessary actions to implement this ordinance, including but not limited to, the execution of the Amendment No. 1 to Development Agreement attached hereto as Exhibit "A" and other related documents.

SECTION 5. A fully executed copy of the Amendment No. 1 to Development Agreement attached hereto as Exhibit "A" between the City and the Owner shall be filed and maintained in the office of the City Clerk.

SECTION 6. The City Clerk shall record a copy of the Amendment No. 1 to Development Agreement within 10 days of the effective date of this Ordinance, on or before April 6, 2015.

SECTION 7. This Ordinance shall become effective 30 days after its adoption, on March 27, 2015.

SECTION 8. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 9. The City Clerk shall certify to the adoption of this ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this ordinance and a certified copy of the text of this ordinance shall be posted in the office of the City Clerk five days prior to the date of adoption of this ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the

aforementioned summary and shall post a certified copy of this ordinance, together with the vote for and against the same, in the office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

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

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2015- _ was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the 10th day of February, 2015, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the 24th day of February, 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK

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

AFFIDAVIT OF POSTING
AND PUBLICATION

PEGGY J. JOHNS, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. -1, being:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING AND ADOPTING AN AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE I, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER REDEVELOPMENT PROJECT

on the 6th day of March 2015, was published in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the 25th day of February 2015, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
The Courtyard at La Paz Center

PEGGY J. JOHNS, CITY CLERK
Laguna Hills, California

EXHIBIT A

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Laguna Hills
c/o City Clerk
24035 El Toro Road
Laguna Hills, California 92653

(Space Above Line for Recorder's Use)
Exempt from Recorder's Fees Pursuant to
Government Code §§ 6103 and 27383

**AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
(Oakbrook Village Shopping Center Mixed Use Project)**

BY AND BETWEEN

**THE CITY OF LAGUNA HILLS, a municipal corporation, duly organized and existing
under the Constitution and laws of the State of California**

AND

LAGUNA HILLS INVESTMENT COMPANY, a Delaware limited partnership

AND

OAKBROOK URBAN VILLAGE I, LLC, a Delaware limited liability company

THIS AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT SHALL BE RECORDED WITHIN TEN DAYS OF ITS EFFECTIVE
DATE PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE §65868.5

1052779.5

2/10/2015 ITEM NO.

**AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF LAGUNA HILLS
AND
LAGUNA HILLS INVESTMENT COMPANY
AND
OAKBROOK URBAN VILLAGE I, LLC**

This Amendment No. 1 to Development Agreement ("Amendment No. 1") is made and entered into this 27th day of March, 2015 ("Effective Date"), by and between the City of Laguna Hills, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California ("City"), on the one hand, and Laguna Hills Investment Company, a Delaware limited partnership, and Oakbrook Urban Village I, LLC, a Delaware limited liability company (collectively "Owner"), on the other hand, pursuant to the authority set forth in Article 2.5 of Chapter 4 of Division I of Title 7, Sections 65864 through 65869.5 of the California Government Code (the "Development Agreement Statute").

RECITALS

A. City is authorized, pursuant to California Government Code §§65864 through 65869.5 (the "Development Agreement Statute") and Chapter 9-84 of the Laguna Hills Municipal Code (the "Development Agreement Ordinance") to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property.

B. City and Laguna Hills Investment Company previously entered into to that certain Development Agreement, which was approved pursuant to City Council Ordinance No. 2012-4 on November 27, 2012, became effective December 28, 2012, and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329 (the "Development Agreement"), pertaining to the redevelopment of the Oakbrook Village Shopping Center property (the "Property"), located at 24231-24391 Avenida de la Carlota in the Urban Village Specific Plan area, which is more particularly described in **Exhibit A** attached hereto, with a multi-phase, mixed-use project consisting of multi-family residential units, renovated and expanded retail uses, public open space, pedestrian pathways, and private and public infrastructure improvements (the "Project").

C. On November 27, 2012, pursuant to the California Environmental Quality Act ("CEQA"), the City Council and Planning Agency determined that the Project is within the scope of the "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"), and that the Project would not result in any new significant effects that were not examined in the PEIR, a substantial increase in the severity of significant effects examined in the PEIR, or require any new mitigation measures or alternatives. The City therefore adopted Addendum to the PEIR for the Project pursuant to Public Resources Code Sections 21166, 21083.3, and CEQA Guidelines Sections 15168, 15162, 15164, and 15183. The City filed a Notice of Determination on November 28, 2012.

D. Following the approval and execution of the Development Agreement, Laguna Hills Investment Company subsequently assigned an interest in the Development Agreement to Oakbrook Urban Village I, LLC, as described and as set forth in that certain Assignment of Development Agreement dated April 24, 2014, as recorded in the Official Records, Orange County, Clerk Recorder, on April 24, 2014, bearing document number 2014000157001.

E. The Project consists of two phases. Phase 1 of the Project ("Phase 1") generally includes, without limitation: (i) the demolition of approximately 82,730 square feet of the approximately 190,956 square feet of existing retail space on the Property; (ii) the construction of the "Deferred Retail Pads" (as defined in Section 1.4 of the Development Agreement) and approximately 9,000 square feet of additional new retail space, resulting in approximately 132,200 square feet, and no less than a minimum of 124,000 square feet of retail space on the Property; (iii) the renovation of the façades of all remaining retail structures located on the Property other than restaurant Buildings D and E (Lone Star and El Torito); (iv) the construction of a maximum of 289 multi-family residential units; and (v) the construction of the "Phase 1 Public Improvements" (as defined in Section 1.25 of the Development Agreement).

F. The Phase 1 Public Improvements consist of several improvements, including, without limitation: (i) the construction of an approximately 17,000 square foot Village Green; (ii) the construction of an east-west pedestrian pasco; (iii) the construction of an improved north-south pedestrian paseo; (iv) the construction of a hillside pedestrian paseo connecting the north-south pedestrian pasco with the adjacent property occupied by the Laguna Hills Mall; (v) the construction of a pedestrian trail along the north Property line; (vi) the construction of two parking lot pascos; (vii) the construction of various pedestrian connections between all buildings; (viii) the installation of a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Property, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development; (ix) dedication of the public right-of-way necessary for, and construction of, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk; (x) construction of storm drain connections, inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida de la Carlota; (xi) the installation of debris gates at all catch basin inlets along the Property frontage to Avenida de la Carlota; (xii) the realignment of the intersection of the northerly entrance to the Property with Avenida de la Carlota; (xiii) the construction or reconstruction of all curb ramps on Avenida de la Carlota at each entrance to the Property to current Americans with Disability Act ("ADA") standards; and (xiv) construction of any and all other public improvements required to be constructed pursuant to the Existing Land Use Regulations and the conditions of approval to the Existing Development Approvals.

G. Section 5.4.1 of the Development Agreement provides, in part, that, except as otherwise expressly provided in the Development Agreement, Owner (i) shall have obtained all applicable grading, encroachment, building, demolition, and similar permits for Development of all portions of Phase 1 of the Project within two (2) years of the Development Agreement Date

(i.e., December 28, 2014), and (ii) shall have completed Development of all portions of Phase 1 of the Project within five (5) years of the Development Agreement Date (i.e., December 28, 2017). Section 5.4.3 of the Development Agreement provides that, notwithstanding Section 5.4.1 of the Development Agreement, Owner shall not be obligated to commence the Phase 1 Public Improvements within two (2) years of the Development Agreement Date; however, with the exception of the Village Green, Owner shall complete the Phase 1 Public Improvements prior to the issuance of the first residential certificate of occupancy for Phase 1. Section 5.4.3 further provides that Owner shall complete construction of the Phase 1 Village Green prior to issuance of the final residential certificate of occupancy for Phase 1.

H. In accordance with Section 13 of the Development Agreement, Owner has proposed that the Development Agreement be amended to extend the time periods by which Owner is required (i) to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property (other than restaurant Buildings D and E (Lone Star and El Torito), for which façade renovation is not required), and (ii) to complete construction of the improved north-south pedestrian paseo, the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and the pedestrian trail along the north Property line.

I. The remaining retail structures located on the Property to which façade renovations are to be made are described and depicted on **Exhibit B** attached to this Amendment No. 1. The pedestrian paseos and pedestrian trail to be constructed are described and depicted in **Exhibit C** attached to this Amendment No. 1, which shall hereafter replace **Exhibit E** to the Development Agreement.

J. On January 30, 2015, as required by Section 65867 of the Development Agreement Statute, the City caused public notice to be given of the City Council's intention to consider adoption of this Amendment No. 1.

K. On February 10, 2015, as required by Section 65867 of the Development Agreement Statute, the City Council held a public hearing on this Amendment No. 1.

L. The City has determined that no further environmental review is required. The Amendment No. 1 will merely extend the time periods by which Owner is required to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property and to complete construction of three pedestrian paseos, but will not impact the scope of Phase 1. Accordingly, the City has determined that the Amendment No. 1 is within the scope of the Addendum adopted on November 27, 2012, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the Project requiring major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the Project is being undertaken which will require major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) 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 or Addendum

was adopted showing that: (a) the Project will have one or more significant effects not discussed in the PEIR or Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or Addendum 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.)

M. The City Council hereby finds and determines that the Development Agreement, as modified pursuant to this Amendment No. 1: (i) is consistent with the objectives, policies, general land uses, and programs contained City's General Plan and Urban Village Specific Plan; (ii) is compatible with the uses authorized in the Village Commercial land use district; (iii) provides for the orderly development of the Property; and (iv) is entered into pursuant to and in compliance with the requirements of Section 65867 of the Development Agreement Statute.

N. On February 24, 2015, the City Council adopted an Ordinance approving and authorizing the execution of this Amendment No. 1.

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Statute, and pursuant to the Development Agreement Ordinance, and pursuant to the mutual promises and covenants herein contained, the Parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

2. Capitalized Terms. Unless otherwise specified herein, all capitalized terms in this Amendment No. 1 shall have the meaning(s) set forth for the same in the Development Agreement.

3. Amendment Extending Time to Commence Renovation of Façades of Remaining Retail Structures. Notwithstanding the provision of Section 5.4.1 of the Development Agreement requiring that Owner have obtained all applicable grading, encroachment, building, demolition, and similar permits for Development of Phase I of the Project within two (2) years of the Development Agreement Date, the dates by which Owner is required to obtain all applicable permits for the renovation of the façades of the remaining retail structures located on the Property are hereby extended as provided below:

A. Owner shall have obtained all applicable grading, encroachment, building, demolition, and similar permits for the façade renovations required by the Existing Development Approvals for Building H on or before April 15, 2015.

B. Owner shall have obtained all applicable grading, encroachment, building, demolition, and similar permits for the façade renovations required by the Existing Development Approvals for Buildings A, B, C, P and Q on or before September 30, 2015.

4. Amendment to Section 5.4.3 of the Development Agreement, entitled "Phase 1 Public Improvements". Section 5.4.3 of the Development Agreement is hereby amended as follows (additions shown in **bold/underline** text; deletions shown in ~~strikethrough~~ text):

5.4.3 Phase 1 Public Improvements. Notwithstanding Section 5.4.1, Owner shall not be obligated to commence the Phase 1 Public Improvements within two (2) years of the Development Agreement Date. However, with the exception of the (i) Village Green, **(ii) the improved north-south pedestrian paseo, (iii) the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and (iv) the pedestrian trail along the north Property line,** Owner shall complete the Phase 1 Public Improvements prior to issuance of the first residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City shall not be obligated to issue, certificates of occupancy for any residential units constructed in Phase 1 of the Project until all Phase 1 Public Improvements, other than the (i) Village Green, **(ii) the improved north-south pedestrian paseo, (iii) the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and (iv) the pedestrian trail along the north Property line,** have been completed and accepted by City. Owner shall complete construction of the Phase 1 Village Green **and the north-south pedestrian paseo** prior to issuance of the final residential certificate of occupancy for Phase 1. Accordingly, Owner shall not be entitled to the issuance of, and City shall not be obligated to issue, a certificate of occupancy for the last residential unit (or the building in which the last residential unit is located, if applicable) constructed in Phase 1 of the Project until the Village Green **and the improved north-south pedestrian paseo** for Phase 1 have been completed and approved in writing by the City.

The Parties acknowledge that it is in their mutual interest for the planning and construction of the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north Property line be coordinated with the owners of the adjacent property occupied by the Laguna Hills Mall. Therefore, completion of these two portions of the Phase 1 Public Improvements shall not be a condition precedent to City's issuance of residential certificates of occupancy for Phase 1. However, in accordance with Section 5.4.1, Owner shall have completed the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north Property line within five (5) years of the Development Agreement Date (i.e., December 28, 2017). Owner agrees that it shall use best efforts to coordinate with the owner of the property occupied by the Laguna Hills Mall to plan and construct the Phase 1 Public Improvements along Owner's north property line that are adjacent to the Laguna Hills Mall property.

5. Amendment to Exhibit E, entitled "Pedestrian Paseos Exhibit," of Development Agreement. Exhibit E to the Development Agreement is hereby replaced in its entirety by the depiction attached as Exhibit C to this Amendment No. 1, which is hereby incorporated into the Development Agreement by reference.
6. Full Force and Effect. This modifying Amendment No. 1 is supplemental to the Development Agreement and is by reference made a part of said Development 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 No. 1 and any provisions of the Agreement, the provision of this Amendment No. 1 shall in all respects govern and control.
7. Binding Effect. This Amendment No. 1 shall be binding on the parties hereto and their respective successors and assigns.
8. Authority to Execute. The person(s) executing this Amendment No. 1 on behalf of Owners represent and warrant that he/she/they has/have the authority to execute this Amendment No. 1 on behalf of his/her/their corporate entity/partnership and represent(s) and warrant(s) that he/she/they has/have the authority to bind Owners to the performance of Owners' obligations hereunder.
9. Counterparts. This Amendment No. 1 may be executed in one or more counterparts, all counterparts shall be valid and binding on the party executing them, and all counterparts shall together constitute one and the same document for all purposes.
10. Recording. The City Clerk shall cause a copy of this Amendment No. 1 to be executed by City and recorded in the Official Records of Orange County no later than ten (10) days after the Effective Date.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, City and Owners have executed this Amendment No. 1 as of the date and year first above written.

"CITY"

CITY OF LAGUNA HILLS, a California
municipal corporation

By: _____
Bruce E. Channing
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

"OWNERS"

LAGUNA HILLS INVESTMENT
COMPANY, a Delaware limited partnership

By: FRITZ DUDA COMPANY, a Texas
Corporation
Its General Partner

By: _____
Fritz L. Duda
President

By: _____
Name: _____
Title: _____

OAKBROOK URBAN VILLAGE I, LLC,
a Delaware limited liability company

By: Shea Properties Management Company,
Inc., a Delaware corporation,
Its Development Manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

All signatures to be acknowledged by a Public Notary

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

STATE OF CALIFORNIA

COUNTY OF ORANGE

)
) ss
)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public	

EXHIBIT A

PROPERTY DESCRIPTION

LOT 1-4 OF ILA 2013-01 RECORDED APRIL 24, 2014 AS INSTRUMENT NO. 2014000156993 TOGETHER WITH PARCELS 5-15 AS SHOWN ON PARCEL MAP 80-120 FILED IN BOOK 187, PAGES 42-44 OF PARCEL MAPS, IN THE CITY OF LAGUNA HILLS, COUNTY OF ORANGE, BOTH OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, STATE OF CALIFORNIA.

EXHIBIT B

PHASE 1 REMAINING RETAIL STRUCTURES

Exhibit B - Phase 1 Remaining Retail Structures

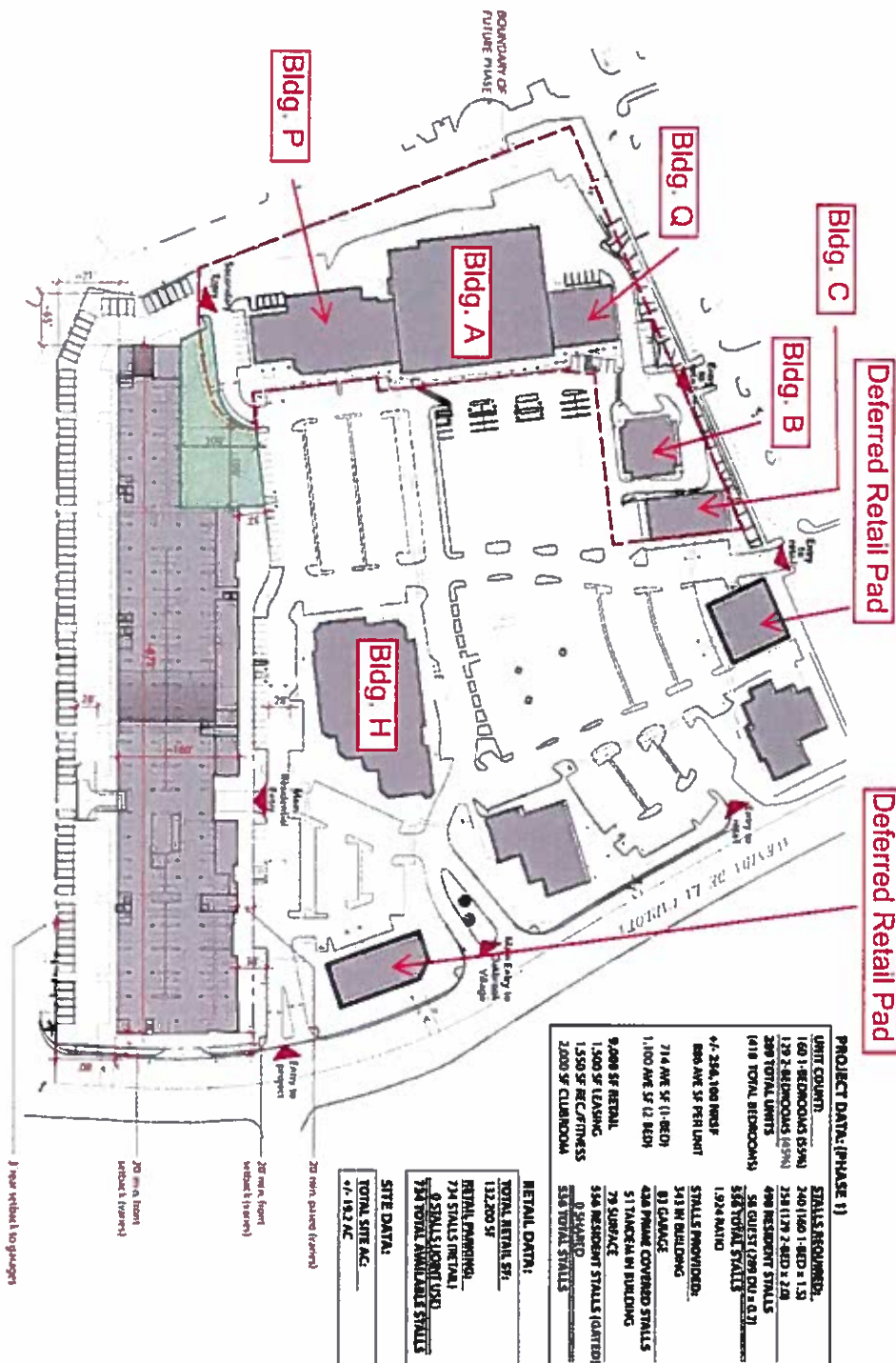


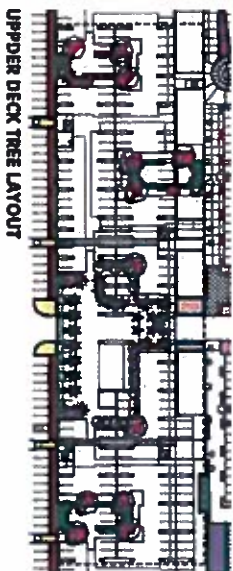
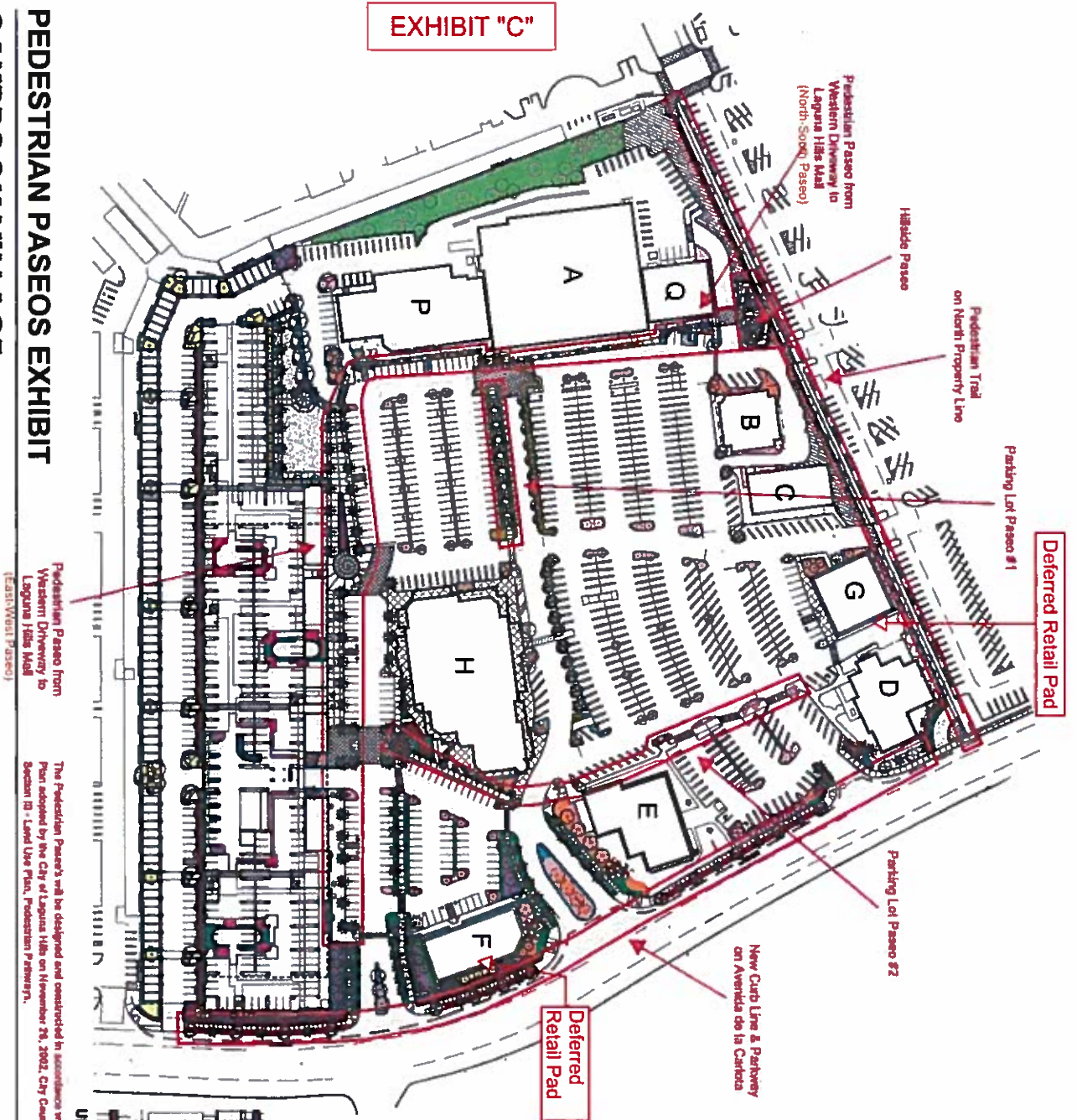
EXHIBIT C

PEDESTRIAN PASEOS DEPICTION

1052779.5

2/10/2015 ITEM NO.

**OAKBROOK VILLAGE
LAGUNA HILLS, CALIFORNIA**

[illegible]

FRITZ DUDA COMPANY
3425 Via Loma Solon 250
Newport Beach, California 92643
(949) 721-7100

FORM
Number 6-2017
© 29 587 100
SCALE: P=50'-0"

ATTACHMENT 3- PROPOSED PLANNING AGENCY RESOLUTION OF APPROVAL

RESOLUTION NO. PA

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING RESOLUTION NOS. PA2014-02-11-2 AND PA2012-11-13-1 TO MODIFY CONDITION OF APPROVAL NO. 47 OF SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/ CONDITIONAL USE PERMIT/ PARKING USE PERMIT/VESTING TENTATIVE TRACT MAP/PRECISE PLAN/ DEVELOPMENT AGREEMENT NO. 12-11-2137 TO EXTEND THE TIME PERIODS FOR COMMENCEMENT OR COMPLETION OF CERTAIN PHASE I ON-SITE IMPROVEMENTS, A REQUEST BY LAGUNA HILLS INVESTMENT COMPANY AND OAKBROOK URBAN VILLAGE 1, LLC FOR THE OAKBROOK VILLAGE SHOPPING CENTER LOCATED AT 24231-24391 AVENIDA DE LA CARLOTA.

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

WHEREAS, on November 13, 2012, the Planning Agency adopted Resolution No. PA2012-11-13-1 approving Site Development Permit/ Master Sign Program/ Conditional Use Permit/ Parking Use Permit/ Vesting Tentative Tract Map/ Precise Plan/ Development Agreement (SDPM/MSP/CUP/PUP/TTM/PREC/DEVA) No. 12-11-2137 the redevelopment of Oakbrook Village Shopping Center with a Phase 1 mixed-use project (the "Project"), located at 24231-24391 Avenida de la Carlota, subject to specified conditions of approval (the "Conditions of Approval"); and

WHEREAS, on November 27, 2012, the City Council of the City of Laguna Hills adopted Ordinance No. 2012-4 approving a Development Agreement between the City of Laguna Hills and Laguna Hills Investment Company pertaining to the Project (the "Development Agreement"), which Development Agreement became effective December 28, 2012 and was recorded in the Official Records, Orange County Clerk-Recorder's Office on January 2, 2013, as Document No. 2013000002329; and

WHEREAS, on November 27, 2012, pursuant to the California Environmental Quality Act ("CEQA"), the City Council and Planning Agency determined that the Project is within the scope of the "City of Laguna Hills General Plan Program Environmental Impact Report, June 2009, State Clearinghouse No. 20080811100" ("PEIR"), and that the Project would not result in any new significant effects that were not examined in the PEIR, a substantial increase in the severity of significant effects examined in the PEIR, or require any new mitigation measures or alternatives. The City therefore adopted an addendum to the PEIR for the Project pursuant to Public Resources Code Sections 21166, 21083.3, and CEQA Guidelines Sections 15168, 15162, 15164, and 15183. The City filed a Notice of Determination on November 28, 2012; and

WHEREAS, on February 11, 2014, the Planning Agency adopted Resolution No. PA2014-02-11-2 making modifications to certain Conditions of Approval of SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137; and

WHEREAS, Laguna Hills Investment Company and Oakbrook Urban Village I, LLC (collectively, the "Owner") have now requested that the Laguna Hills City Council approve an Amendment No. 1 to Development Agreement extending the time periods by which the Owner is required (i) to obtain all applicable permits for the renovation of the façades of all remaining retail structures located on the Property (other than restaurant Buildings D and E (Lone Star and El Torito), for which façade renovation is not required), and (ii) to complete construction of the improved north-south pedestrian paseo, the hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall, and the pedestrian trail along the north Property line (the "Amendment No. 1 to Development Agreement"); and

WHEREAS, Condition of Approval No. 47 specifies timeframes pertaining to the construction of pedestrian paseos and the pedestrian trail consistent with those set forth in the Development Agreement, some of which would be modified pursuant to Amendment No. 1 to Development Agreement; and

WHEREAS, the Owner has requested that the Planning Agency amend Resolution Nos. PA2012-11-13-1 and PA2014-02-11-2 to modify Condition of Approval No. 47 to be consistent with the Development Agreement, as amended by Amendment No. 1 to Development Agreement; and,

WHEREAS, the Planning Agency has considered evidence presented by the Community Development Department, the Owner, and other interested parties with respect to the subject application at a public hearing, which was noticed for February 10, 2015.

NOW, THEREFORE, THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES 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 hereby finds and determines that no further environmental review is required. The modifications to the Conditions of Approval, as set forth herein, will merely extend the time periods by which Owner is required to complete construction of three pedestrian paseos for Phase 1 of the Project, but will not impact the scope of the Project or result in any physical changes to the Project. Accordingly, the Planning Agency hereby determines that the modifications to the Conditions of Approval, as set forth herein, are within the scope of the Addendum adopted on November 27, 2012, and that none of the circumstances triggering further environmental review have occurred since the adoption of the Addendum: (i) there are no substantial changes in the Project requiring major revisions of the PEIR or

Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (ii) there are no substantial changes with respect to the circumstances under which the Project is being undertaken which will require major revisions of the PEIR or Addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; and (iii) 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 or Addendum was adopted showing that: (a) the Project will have one or more significant effects not discussed in the PEIR or Addendum; (b) significant effects previously examined will be substantially more severe than shown in the PEIR or Addendum; (c) mitigation measures or alternatives previously found not feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Project, but the mitigation measures or alternatives have not been adopted; or (d) mitigation measures or alternatives considerably different from those analyzed in the PEIR or Addendum 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).

SECTION 3. The required findings for approval of SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 set forth in Planning Agency Resolution No. 2012-11-13-1 are hereby reaffirmed and incorporated herein by reference as if set forth in full.

SECTION 4. Planning Agency Resolution Nos. PA2012-11-13-1 and PA2014-02-11-2 approving SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 and the related Conditions of Approval are hereby amended to modify Condition of Approval No. 47 as follows (deleted text is identified by ~~strike-through~~ formatting, and added text is indicated by underlined/bold formatting):

- 47a. Prior to the ~~issuance of the first residential Certificate of Occupancy~~ their installation and construction, plans for the pedestrian and parking lot paseos shall be reviewed and approved by the Community Development Director. The design shall be consistent with Figures 17 and 18 of the Urban Village Specific Plan.
- 47.b. All paseos shall be installed and constructed prior to the issuance of the first residential Certificate of Occupancy, except as otherwise provided in Conditions 47.c. and 47.d.
- 47.c. The north-south pedestrian paseo shall be installed and constructed prior to issuance of the final residential Certificate of Occupancy.

47.d. The hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north Property line shall be installed and constructed on or before December 28, 2017.

SECTION 5. All Conditions of Approval to SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137, as modified herein, are set forth for reference purposes only in Exhibit "A" to this Resolution.

SECTION 6. This effectiveness of this Resolution shall be contingent upon the adoption and effectiveness of an Ordinance by the Laguna Hills City Council approving and adopting the proposed Amendment No. 1 to Development Agreement. Should an Ordinance approving and adopting said Amendment No. 1 to Development Agreement not be adopted or take effect, this Resolution shall automatically be deemed null and void.

PASSED, APPROVED, AND ADOPTED this 10th day of February 2015.

DORE J. GILBERT, M.D., CHAIR

ATTEST:

PEGGY J. JOHNS, CITY CLERK

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

I, Peggy J. Johns, 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- adopted by the Planning Agency of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 10th day of February, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

PEGGY J. JOHNS, CITY CLERK

EXHIBIT "A"

CONDITIONS OF APPROVAL (AS OF FEBRUARY 10, 2015)

General

1. This approval 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.
2. Failure to abide by and faithfully comply with any and all conditions of approval shall constitute grounds for revocation and/or termination of the Site Development Permit, the Master Sign Program, the Conditional Use Permit, the Parking Use Permit, the Vesting Tentative Tract Map, and/or the Precise Plan approved in conjunction with the Project (collectively, the "Entitlements").
3. All Conditions of Approval set forth herein shall be binding on and enforceable against each of the following, and whenever used herein, the term "Applicant" shall mean and refer to the Project Applicant, the developer of the Project, the subdivider of the property, the owner(s) and tenant(s) of the property, and/or their successors and assigns, as applicable.
4. As a condition of issuance of the Entitlements granted herein, the Applicant hereby agrees, at its sole cost and expense and to the fullest extent permitted by law, to defend (with legal counsel approved or selected by City), indemnify, and hold harmless the City, its officers, employees, agents, and consultants, from any claim, action, or proceeding brought by a third party against the City, its officers, employees, agents, and consultants, which seeks to attack, challenge, set aside, void, or annul an approval of the City Council, Planning Agency, or other decision-making body, or staff action concerning this Project. The City agrees to promptly notify the Applicant of any such claim filed against the City and to fully cooperate in the defense of any such action. The City may, but is not obligated to, at its sole cost and expense, elect to participate in the defense of any such action under this condition.
5. The Applicant shall agree in writing to these conditions of approval within 30 days of the Planning Agency's approval.

6. The Applicant shall reimburse the City for any outstanding staff time spent on processing SDPM/MSP/CUP/PUP/TTM/PREC/DEVA No. 12-11-2137 within 60 days of the Planning Agency's approval.
7. The Entitlements shall become effective only upon the adoption and effective date of an Ordinance approving the Development Agreement for the "Oakbrook Village Shopping Center Mixed Use Project" between the City of Laguna Hills and the Applicant.
8. Within 30 days from the date of approval, the Applicant shall reimburse the City for fees associated with filing the Notice of Determination, including posting fees and Department of Fish and Game fees, if applicable.

Building

9. The Applicant shall obtain applicable building permits, as required by Section 105 of the 2010 California Building Code, prior to commencement of any work for which a permit is required.
10. 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 2010 California Building Code.
11. For building permit purposes only, the Applicant shall secure any required approvals from the Orange County Fire Authority, El Toro Water District, and City Planning and Engineering Departments prior to issuance of any required building permit.
12. At time of building permit issuance, the Applicant shall submit Construction and Demolition Waste Recycling Program documentation, if applicable, as required by the City of Laguna Hills Ordinance No. 2003-9 and to comply with mandates of the California Integrated Waste Management Board (CIWMB).
13. The Applicant shall comply with all applicable general construction Water Quality Ordinances, as required by the City of Laguna Hills and Ordinance No. 2003-12.
14. The Applicant shall secure any required approvals from Orange County Health Department as required.
15. The Applicant shall ensure compliance with the California Disabled Accessibility requirements, as required by Chapter 11 of the California Building Code.

16. The Applicant shall comply with all California Energy Code requirements, as required by the California Energy Commission.
17. All construction shall comply with applicable building codes including the 2010 California Building, Plumbing, Mechanical, Electrical, and Green Building Codes in regards to applicable occupancy types.
18. The California Green Building Code shall apply to all newly constructed buildings (from the ground up).
19. The Applicant shall comply with the City of Laguna Hills Water Efficient Landscape Ordinance.

OCFA

20. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval a fire master plan (Service Code PR 145). A detailed fire master plan will be required demonstrating access to all rescue windows throughout the project. Fire hydrants and fire lanes shall be indicated on this plan.
21. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval architectural plans (Service Code PR 200- PR 285), when required by the OCFA "Plan Submittal Criteria Form."
22. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval plans for underground piping for private hydrants and fire sprinkler systems (Service Code PR 470- PR 475).
23. Prior to issuance of building permits, the Applicant shall submit to Orange County Fire Authority for review and approval a fire sprinkler system plan (Service Code PR 400- PR 465).
24. Prior to concealing interior construction, the Applicant shall submit to Orange County Fire Authority for review and approval plans for a sprinkler monitoring system plan (Service Code PR 500).
25. Prior to concealing interior construction, the Applicant shall submit to Orange County Fire Authority for review and approval plans for a fire alarm system plan (Service Code PR 500 – PR 520).

26. Specific submittal requirements to Orange County Fire Authority may vary from conditions numbered 22-27 listed above depending on actual project conditions identified or present during design development, review, construction, inspection, or occupancy. The Applicant shall comply with all submittal requirements of the Orange County Fire Authority.
27. Prior to commencement of construction, the Applicant or its agent shall attend a pre-construction meeting with an Orange County Fire Authority inspector. Call OCFA Inspection Scheduling at 714-573-6150 at least two days in advance to schedule and pay for the pre-construction meeting.
28. After installation of required fire access roadways and hydrants, the Applicant shall receive clearance from the OCFA prior to bringing combustible building materials on-site. Call OCFA Inspection Scheduling at 714-573-6150 with the Service Request number of the approved fire master plan at least two days in advance to schedule the lumber drop inspection.

Planning

29. 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.
30. All noise generated by the Project, including construction noise, delivery noise, and other operational noise shall at all times meet noise requirements pursuant to LHMC section 5-24 (Noise Control).
31. If future activity or expansion at the subject site results in a change of use (switches to a different land use category), the Shared Parking model 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.
32. 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

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.

33. 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.
34. No building permits for any dwelling unit 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 the construction of dwelling units 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 such dwelling units. 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, CC&Rs have been approved by the City in accordance with Condition of Approval No. 37, 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.
35. (Intentionally Omitted)
36. Prior to the commencement of any work, the Applicant shall provide a contact number for the public to call concerning dust or noise complaints. The information shall also be posted on site in a manner approved by the Community Development Director.
37. The Applicant shall prepare Covenants, Conditions, and Restrictions, or another appropriate recordable document(s) or agreement(s) acceptable to the City that runs with the land and

binds future owners (collectively, "CC&Rs") for review and approval by the City Attorney's office and Community Development Department. The approved CC&Rs shall be recorded concurrently with the final subdivision map, and the Applicant shall provide a recorded copy of the CC&Rs prior to the issuance of certificates of occupancy. The CC&Rs shall provide for the establishment of a homeowners association and/or property owners' association, as applicable; shall address, to the satisfaction of the City, responsibilities for all common areas, utilities, drainage devices, ingress and egress, property maintenance, and building architecture; shall require that residents of the residential component of the Project to make their required garage parking available for the parking of automobiles at all times; shall include provisions identifying a property owner's association or other entity responsible for ongoing implementation and funding of the Operations and Maintenance (O&M) Plan associated with the WQMP for the Project and compliance with the City's Stormwater Quality Ordinance and other applicable National Pollutant Discharge Elimination System (NPDES) regulations; shall provide that those provisions of the CC&Rs benefitting the City may not be substantively amended or terminated without City approval; and shall provide that the City may, but shall not be obligated to, enforce the CC&Rs. The CC&Rs shall be submitted to the City Attorney for review and approval and shall be recorded concurrently with the final map. The Applicant shall provide a recorded copy of the CC&Rs prior to the issuance of occupancy. The Applicant shall reimburse the City for all legal costs associated with this condition.

38. A final landscape and irrigation plan for all Project landscaping shall be submitted to the City for review and approval prior to the issuance of a building permit. 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. The Community Development Department shall inspect Applicant-installed landscaping to ensure full coverage of all landscaped areas. The Applicant shall provide additional material as required. Approved landscape and irrigation improvements shall be installed prior to the issuance of any occupancy, except for the Village Green area. Village Green landscape and irrigation improvements shall be installed prior to the issuance of the last residential occupancy.
39. Prior to the issuance of any building permit, 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 jacuzzis, cabanas, barbeques, fire pits, wet bars, and seating areas as depicted on Sheets A1.3a and A1.3b of the project architectural plans submitted to the City in support of the Entitlements.

40. The Applicant shall submit a final project photometric study to the Community Development Department for review and approval prior to the issuance of any building permits. Pedestrian and parking lot lighting poles and fixture types shall be consistent with the types depicted in the Urban Village Specific Plan.
41. Prior to the recordation of the Final Map or the issuance of building permits, whichever occurs first, sewer improvement plans to serve the project shall be designed to the satisfaction of the El Toro Water District.
42. Prior to the issuance of any certificates of occupancy, all sewer improvements shall be constructed to the satisfaction of the El Toro Water District.
43. Prior to the recordation of the Final Map, or the issuance of building permits, whichever occurs first, water improvement plans to serve the Project shall be designed to the satisfaction of the El Toro Water District. At a minimum, water lines shall be sized to accommodate the total domestic requirements and fire-flow requirements of OCFA.
44. Prior to the issuance of any occupancy, all water improvements shall be constructed to the satisfaction of the El Toro Water District.
45. Prior to the recordation of the Final Map, or the issuance of building permits, whichever occurs first, existing water line easements on the site shall be relocated to the satisfaction of the El Toro Water District.
46. No overhead utilities shall be installed.
47. 47a. Prior to their installation and construction, plans for the pedestrian and parking lot paseos shall be reviewed and approved by the Community Development Director. The design shall be consistent with Figures 17 and 18 of the Urban Village Specific Plan.

47b. All paseos shall be installed and constructed prior to the issuance of the first residential Certificate of Occupancy, except as otherwise provided in Conditions 47.c. and 47.d.

47c. The north-south pedestrian paseo shall be installed and constructed prior to issuance of the final residential Certificate of Occupancy.

47d. The hillside pedestrian paseo connecting the north-south pedestrian paseo with the adjacent property occupied by the Laguna Hills Mall and the pedestrian trail along the north property line shall be installed and constructed on or before December 28, 2017.

48. All vehicle and pedestrian gates shall be reviewed and approved by OCFA and OCSD for conformance with the respective agencies' requirements for limited access devices.
49. Prior to the issuance of grading permits for the Project, the southwest gated parking entrance shall be redesigned to avoid interfering with vehicles backing out of garage spaces.
50. 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 protest period, commencing from the date of approval of the Project, has begun.
51. Prior to the issuance of any building permits for the project, the Applicant shall submit plans and specifications for the construction/fabrication and installation of public art required by the Urban Village Specific Plan. The proposed art work and its location shall be reviewed and approved by the Planning Agency along with conformance of the requirements and goals of the City's Public Art Program, which review and approval shall be completed prior to the issuance of any building permits for the project in accordance with the Urban Village Specific Plan. The public art shall be created and installed, or the required public art in lieu fee paid, prior to the issuance of the first residential certificate of occupancy for the project. Sequencing and phasing of the installation of public art within the Village Green area may be considered through an operating memoranda pursuant to the Development Agreement.
52. As indicated on the vesting tentative map, portions of the site required for public improvements shall be irrevocably offered for dedication prior to the recordation of the final map. Dedications shall be in fee or as an easement at the discretion of City. At the City's discretion, all such irrevocable offers of dedication shall either be made on the final map or by separate recorded instrument

approved by the City Attorney. The City may accept the Owner's offer of dedication upon Owner's completion and acceptance by City of the associated improvements in compliance with the specifications as approved by City. In no event shall any Certificate of Occupancy be issued until all required public improvements have been constructed and completed and the above-referenced irrevocable offers of dedication and associated improvements have been accepted by the City.

53. Prior to the City Council's approval of the final map, the Applicant shall pay the public park in-lieu fee of Seven Thousand Three Hundred Ninety Two Dollars (\$7,392.00) for each residential unit constructed as part of the Project. Consistent with Development Agreement No. 12-11-2137, if building permits are issued prior to the City Council's approval of the final map, then said fee shall be paid on a per unit basis prior to issuance of a building permit for each residential unit.
54. Prior to the issuance of the last residential certificate of occupancy, the Applicant shall construct the Secondary Entry Signs depicted by Exhibit G of the Project's proposed Master Sign Program.
55. Prior to the issuance of a building permit, the Applicant shall revise the Project's proposed Master Sign Program to the satisfaction of the Community Development Director to include the following:
 - a. General Specification No. 28 for Primary and Secondary Signs shall be revised to refer to the City of Laguna Hills Community Development Director.
 - b. Design Specifications for Primary Signs shall be revised to refer to the appropriate exhibit depicting the wood beam detail.
 - c. The height of stacked signs for In-Line Shop Buildings and Multi-Tenant Pads shall not exceed 12 inches.
 - d. (Intentionally omitted)
 - e. Unreadable text pertaining to sign locations on Exhibit A shall be revised.
 - f. Exhibit D shall be revised to show a readable canopy detail.
 - g. The maximum sign area for individual wall signs for In-Line Shop Buildings and Multi-Tenant Pads shall not exceed 150 square feet.
 - h. The maximum wall sign area for Major Anchor Retailer tenants shall be 150 square feet.
 - i. (Intentionally omitted)
 - j. (Intentionally omitted)
 - k. The description of the "Center Identification" provisions shall be revised to preclude the installation of a Perimeter Entry Sign facing the Laguna Hills Mall until the installation of an adjoining street between Oakbrook Village and the mall.
 - l. Secondary Entry Features shall not exceed a sign area of 15

square feet for the display of the shopping center name.

- m. Directional signage specifications shall be revised to a maximum height of 8 feet and a width of 4 feet and a maximum letter height of 3 inches.

Public Services

- 56. 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.
- 57. 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.
- 58. Construction traffic shall not access or depart the 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 or construction work. The City Engineer may approve requests for alternative access, routing, and hours of access under special circumstances.
- 59. 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 as a result of the proposed construction.
- 60. All public improvements shall be constructed and completed to the satisfaction of the City Engineer prior to the recordation of a Final Map, or the Applicant shall enter into a Subdivision Improvement Agreement to include the posting of securities to guarantee the completion of the public improvements as approved by the City Attorney. In no event shall any Certificate of Occupancy be issued until and unless all required public improvements have been constructed and completed and accepted by the City.
- 61. The Subdivision Map shall be prepared in accordance with City, County, and State requirements and standards. The Applicant shall submit the Final Map for plan check to both the City Engineer and County Surveyor and pay all applicable plan check fees. The Applicant shall submit a current Title Report, supporting documents, and traverse closure calculations.

62. Any existing monumentation disturbed during construction shall be restored by a California Licensed Land Surveyor, and Corner Records shall be filed with the City Engineer and County Surveyor.
63. The Applicant shall submit a final grading plan and erosion control plan on 24"x 36" sheets to the City Engineer. A separate hydrology report shall also be provided. All plans shall be prepared by a registered Civil Engineer. The grading plan 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 area. All grading shall be designed and constructed in accordance with the City's Grading and Excavation Code. The final grading plan shall be approved by the City Engineer prior to the issuance of a building permit. No concentrated drainage shall be allowed onto driveways or sidewalks and shall be conveyed to the street via a storm drain pipeline or culvert, as applicable.
64. A separate Grading Plan with related documents shall be required for each phase of development. Prior to the recordation of a final map, the Grading Plan for Phase One shall be submitted for review and approval by the City Engineer.
65. The Applicant shall submit a geotechnical report prepared by a Registered Engineering Geologist for approval by the City Engineer. The report shall include evaluation of onsite soils and provide recommendations on pavement sections, building foundations, and a discussion of the functionality of the water quality features.
66. All 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.
67. Prior to issuance of a grading 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 Project, as determined by the City Engineer based upon a traffic study.
68. Prior to the issuance of grading, building, encroachment, or other permits, as applicable, the Applicant shall pay, or 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 school district fees.

69. Prior to issuance of any grading or building permits, the Applicant shall submit for approval by the Community Development Department and Public Services Department 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. 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. Include a design goal to maintain or replicate the pre-development hydrologic functions through site preservation, infiltration, retention, detention, evapotranspiration, and filtration treatment systems.
 - 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 to the approval of the City Engineer;
 - 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.

70. Prior to issuance of grading permits, the Applicant shall submit a copy of the 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.
71. 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 in the grading plans.
72. Prior to issuance of the first residential certificate of occupancy, the Applicant shall install, to the reasonable satisfaction of the City Engineer, a traffic signal at the intersection of Avenida de la Carlota and the main entrance to the Property, including interconnection to the existing traffic signal at the intersection of Avenida de la Carlota and Los Alisos Boulevard via conduit and hardwire, and construction on the easterly side of Avenida de la Carlota of a public sidewalk connection to the Oakbrook Plaza office development. Said traffic signal shall be constructed to applicable State and City standards and specifications and shall be equipped with video detection and controller equipment as approved by City. The sidewalks and ramps at all corners of the newly signalized intersection and the sidewalk connection to the Oakbrook Plaza office development on the easterly side of Avenida De La Carlota shall be constructed and/or modified to conform to City and Americans With Disabilities Act ("ADA") standards. Prior to construction of said improvements, the Applicant shall prepare, and the City Engineer shall approve, a Traffic Signal Improvement Plan and a Striping Plan for the proposed traffic signal, including a traffic signal interconnection plan to interconnect the new traffic signal with the existing traffic signal at the intersection of Avenida de la Carlota at Los Alisos Boulevard.

73. The Applicant shall design and construct, to the satisfaction of the City Engineer, storm drain connections, inlets, and/or other improvements necessary to eliminate all cross-gutter drainage across both the main and the northerly entrance driveway intersections with Avenida De La Carlota. No cross-gutters shall be used at the above-described intersections.
74. Debris gates of the type specified by the City Engineer shall be installed at all catch basin inlets along the Property frontage to Avenida De La Carlota.
75. The northerly entrance intersection with Avenida De La Carlota shall be realigned to intersect Avenida De La Carlota at 90 degrees to the reasonable satisfaction of the City Engineer and as shown on the Vesting Tentative Map.
76. Prior to issuance of the first residential certificate of occupancy, the Applicant shall dedicate and transfer to City the public right-of-way necessary for, and shall construct and create, a new curb line along the entire Property frontage of Avenida de la Carlota, including a six (6) foot wide landscaped parkway space and a minimum six (6) foot wide sidewalk to City standards and specifications. Such improvements shall not interfere with existing vehicular lane configurations or result in modifications that have the effect of reducing any on-site parking for the Project. Required parkway improvements shall be as shown on the approved landscape plans, shall be consistent with the Urban Village Specific Plan, and shall include all irrigation and drainage facilities and improvements deemed necessary by the City Engineer.
77. All of the curb ramps on Avenida De La Carlota at each entrance to Oakbrook Village shall be reconstructed to current ADA standards to the satisfaction of the City Engineer with detectable warning surface by Armor Tile, cast in place, and blue in color.
78. The Applicant shall provide an Americans with Disabilities Act (ADA) site review of existing pathways, sidewalks and access ramps for both on-site 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. Any sidewalk or pathway not in compliance with ADA standards shall be reconstructed.

79. The Applicant shall demonstrate that all on-site access routes are capable to accommodate truck access and truck turning radii.
80. Prior to the grading permit close out (which may occur after the issuance of building permits) or the issuance of a certificate of use and occupancy, 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.
81. 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.
82. The Applicant shall install "Smart" landscape irrigation controllers, low precipitation-rate sprinkler heads, and water efficient landscaping throughout the property in conformance with Municipal Code Chapter 9-47.

Additional Mitigation Measures / Conditions

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

83. During grading activities, all rubber-tired dozers and scrapers (≥ 50 horsepower) shall be CARB Tier 3 Certified or better. Additionally, the maximum (actively graded) disturbance area shall not exceed four acres per day.
84. 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
85. The Applicant shall implement the following measures, as applicable, during construction of the Project to reduce exhaust emissions from construction equipment:
 - 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 NO_x and PM₁₀ control equipment will be available.

86. 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.
87. 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:

88. 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.
89. 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:

90. 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:

91. 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.
92. Trucks associated with construction activities shall follow designated truck routes, where appropriate.
93. 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.
94. 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.
95. 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 utilities and service systems impacts:

96. 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.
97. The project shall be connected to the public sewer.

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City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: FEBRUARY 10, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD WHITE
ASSISTANT CITY MANAGER**

ISSUE: CITY APPLICATION FOR FY 2015/2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR PUBLIC FACILITIES AND IMPROVEMENTS FOR THE FLORENCE SYLVESTER MEMORIAL SENIOR CENTER

RECOMMENDATION: THAT THE CITY COUNCIL: (1) CONDUCT A PUBLIC HEARING; AND (2) CONFIRM STAFF'S SUBMITTAL OF A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION FOR PUBLIC FACILITIES AND IMPROVEMENTS FOR THE 2015/2016 FISCAL YEAR.

SUMMARY:

Staff was recently advised of the availability of Federal Community Development Block Grant (CDBG) funding for Public Facilities and Improvements for FY 2015/2016, administered by the County of Orange. However, in order to apply for these grant funds, the County of Orange requires a public hearing be held so that members of the community and public may comment on the City's application for funding. The Request for Proposal (RFP) application deadline for this year's funds was January 7, 2015. Consequently, staff submitted an application for Public Facilities and Improvement funds in the amount of \$78,200 prior to the public hearing and City Council approval in order to meet the deadline. Staff recommends the City Council conduct a public hearing, and confirm staff's submittal of a CDBG application for Public Facilities and Improvements for FY 2015/2016.

BACKGROUND:

The County of Orange is responsible for administering all programs for those cities who participate in the Urban County Program, including the CDBG program. The Urban County consists of the unincorporated areas of Orange County, and the cities which are "non-entitlement" cities. "Non-entitlement" cities are those with a population under 50,000.

The County's application process for funding is a competitive process. Projects are evaluated on their ability to meet standards set forth in the County's Consolidated Plan, including their ability to meet the needs of low/moderate areas and/or benefiting low/moderate income residents of the City.

Over the past five years, the City has applied for and obtained grant monies totaling \$290,764 to address extensive repairs and deferred maintenance issues, as well as some Americans with Disabilities Act (ADA) upgrades at the Florence Sylvester Senior Center. Specifically, these grant monies were utilized to remove and replace existing doors, remove and replace existing floor tiles, replace existing carpeting and baseboards, construct a designated storage area, repair various plumbing issues, install hands-free restroom fixtures, paint the interior of the Center, and install a solar panel electrical system. These funds represented a one-year commitment and the City is once again eligible to apply for additional grant monies for FY 2015/2016.

After speaking with staff at Age Well Senior Services regarding their facility needs for the upcoming fiscal year, staff submitted an application for Public Facilities and Improvement funds in the amount of \$78,200 to assist with the cost of facility improvements at the Center. Specifically, these funds will be used to: repaint the interior and exterior of the building, grout and reseal tile throughout the Center, refinish all wood doors and cabinets, replace existing obsolete phone system, remove and replace existing carpet, and remove existing door on north side of the building and replace with automatic door. In order to apply for these grant funds, the County of Orange requires a public hearing be held so that members of the community and the public may comment on the City's application for funding. The RFP application deadline for this year's funds was January 7, 2015. In order to meet the deadline, staff submitted an application prior to the public hearing and City Council approval. Upon holding the public hearing, the City must provide documentation to the County of City Council approval.

It is anticipated that a preliminary decision regarding the approval of funds will be made by the County sometime in February 2015.

FISCAL IMPACT:

There is no fiscal impact this year other than staff's time. If the City's CDBG application is funded, funding would be for the 2015/2016 fiscal year and would not require any General Fund commitment.

CEQA FINDINGS:

The Florence Sylvester Senior Center project has been found to be Categorically Exempt from the requirements of the California Environmental Quality Act based upon a Class 1 – Existing Facilities (Section 15301) exemption.

ATTACHMENTS:

- Request from Age Well Senior Services
- FY 2015/2016 Public Facilities and Improvements Application

From: [Dan Palumbo](#)
To: [Melissa Au-Yeung](#)
Cc: [Shirley Witt](#); [Mary Miranda \(mmiranda@fsmc.occoxmail.com\)](#)
Subject: RE: FY 15/16 CDBG Facility Grant Request-Florence Sylvester Memorial Senior Center
Date: Tuesday, December 30, 2014 3:49:45 PM

Melissa,

Age Well Senior Services would appreciate consideration for the following items in the next CDBG funding cycle for the Florence Sylvester Memorial Senior Center.

1. Paint the entire interior and exterior of the facility
\$25,000
2. Clean tile and grout of tile throughout the building and reseal.
\$12,500
3. Refinish all wood doors and cabinets.
\$15,000
4. Replace obsolete phone system.
\$ 8,500
5. Remove existing carpet in hall, offices and meeting rooms and replace with tile and carpet. \$ 7,200
6. Remove existing north door and replace with an automatic door and awning for the bus stop. \$ 10,000

Total based on previous meetings and discussions with contractors and staff. \$78,200

Thank you for your patience and support.

Daniel C. Palumbo
Chief Operating Officer
Age Well Senior Services
949.855.8033

From: Melissa Au-Yeung [mailto:MAu-Yeung@ci.laguna-hills.ca.us]
Sent: Tuesday, December 30, 2014 2:46 PM
To: Dan Palumbo
Subject: RE: FY 15/16 CDBG Facility Grant Request-Florence Sylvester Memorial Senior Center

Dan,

Just a reminder that I will need to get this information from you sometime today in order to get the application completed this week.

Thanks!

Melissa Au-Yeung
Senior Management Analyst
City of Laguna Hills

(949) 707-2621

From: Dan Palumbo [<mailto:dpalumbo@myagewell.org>]
Sent: Monday, December 22, 2014 9:47 AM
To: Melissa Au-Yeung
Cc: Marilyn Ditty; Don White; Shirley Witt
Subject: RE: FY 15/16 CDBG Facility Grant Request-Florence Sylvester Memorial Senior Center

Melissa,

I'll check with Shirley and Marilyn and get back to you by 12-30-14.

Thank you,

Daniel C. Palumbo
Chief Operating Officer
Age Well Senior Services
949.855.8033

From: Melissa Au-Yeung [<mailto:MAu-Yeung@ci.laguna-hills.ca.us>]
Sent: Friday, December 19, 2014 12:05 PM
To: Dan Palumbo
Cc: Marilyn Ditty; Don White
Subject: FY 15/16 CDBG Facility Grant Request-Florence Sylvester Memorial Senior Center

Dan,

As you are aware, for FY 14/15, the City applied for a CDBG grant for Public Facilities and Improvements in the amount of \$75,000 on behalf of Age Well Senior Services for the following improvements at the Florence Sylvester Memorial Senior Center: remove the landscape on the south side of the building where we stage the meals on wheels and replace it with hardscape to create a larger area for safety purposes; purchase and install a/v equipment for educational presentations; and replace all fluorescent light fixtures and replace them with energy efficient fixtures and bulbs to reduce energy consumption. City staff is currently working with Age Well Senior Services to complete this project.

The County has announced that it will once again accept applications for CDBG Public Facilities and Improvements funds for the upcoming 2015/2016 fiscal year. In light of the announcement, we are inviting Age Well Senior Services to submit to the City any requests it may have for repairs and/or deferred maintenance issues that the City may apply for on behalf of Age Well Senior Services.

Should you desire to submit a request for different improvements than mentioned above, please make sure to include the following with your request:

- A. A detailed description of the repair and/or deferred maintenance issue(s).
- B. An estimate of the cost to repair and/or address the deferred maintenance issue(s), including any supporting documentation that might be available to substantiate the estimate.
- C. Any other information that might be pertinent to your request.

If you are interested in having the City submit an application, we will need the above requested information **no later than December 30, 2014**. Feel free to contact me if you have any questions.

Melissa Au-Yeung
Senior Management Analyst
City of Laguna Hills
(949) 707-2621

**PUBLIC FACILITIES AND IMPROVEMENTS
FUNDING APPLICATION
FISCAL YEAR 2015-16
Bid #012-629323**

APPLICATION SUPPORTING DOCUMENTS CHECKLIST (BLUE)

Applicants must submit a complete Public Facilities and Improvements Funding Application one (1) clearly marked original, six (6) copies and one (1) electronic copy on a CD or USB drive, of the Application Package by the deadline. Your Application Package must include your narrative responses, attachments and all requested supporting documentation.

Minimum Requirements	Attachment 1: Organizational Information
	Attachment 2: Project Information
	Attachment 3: Organizational Background
	Attachment 4: Civil Rights Laws Compliance and HUD Standing
	Attachment 5: Signature and Assurances
Scored Criteria	Attachment 6: Performance Objectives and Outcomes
	Attachment 7: Priority Needs, HUD Eligibility Requirements and National Objective
	Attachment 8: Eligible Block Groups
	Attachment 9: Funding Request, Accomplishment Budget and Leveraging
	Attachment 10: Project Cost Budget
	Attachment 11: Organizational/Project Capacity and Experience
	Attachment 12: Organizational/Project Readiness
	Attachment 13: Bonus Point Criteria

Supplemental Document Instructions: Attachments requesting supplemental or narrative information should be formatted per the following:

1. Each response must be typewritten; double-spaced; and in Arial, size 10-font.
2. Not to exceed one (1) page per question.
3. Responses should include the question and be concise but detailed enough to address what is being asked.

All Applications must be submitted via hardcopy only: one (1) original clearly marked, six (6) clearly marked copies and one (1) electronic copy containing the entire application on a CD or USB drive. All copies must be legible and in the format as stated in the Application. See RFP for additional information.

Public Facilities & Improvements Application

Fiscal Year 2015--16
Bid #012-629323

ATTACHMENT 1: ORGANIZATIONAL INFORMATION

1. Organization Name: City of Laguna Hills

Address: 24035 El Toro Road

City/State/Zip: Laguna Hills, CA 92653

Phone: 949-707-2621 Fax: 949-707-2614

Email: mau-yeung@ci.laguna-hills.ca.us

Orange County Supervisorial District where organization's office is located: 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒

DUNS Number: 79-879-4947 W-9(Federal ID Number) 33-049-060

2. Authorized Person: For the purposes of this RFP, the "Authorized Person" is the individual within your organization who has the authority to enter into a contract. The authorized person will be copied on all correspondence.

Authorized Person's Name: Bruce E. Channing

Authorized Person's Title: City Manager

(i.e., Executive Director, Organization's Signature Authority)

☒ Check here if the address for the Authorized Person is the same as that of the organization.

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

3. Contact Person: For the purpose of this RFP, the "Contact Person" will be the primary recipient for all correspondence related to this RFP. The contact person should be available to respond to any inquiries throughout the RFP process.

Contact Person's Name: Melissa Au-Yeung

Contact Person's Title: Senior Management Analyst

Address: 24035 El Toro Road

City/State/Zip: Laguna Hills, CA 92653

Phone: 949-707-2621 Fax: 949-707-2614

Email: mau-yeung@ci.laguna-hills.ca.us

Public Facilities & Improvements Application

Fiscal Year 2015--16
Bid #012-629323

ATTACHMENT 2: PROJECT INFORMATION

1. Project Title: Florence Sylvester Memorial Senior Center Rehabilitation

Project Address: 23721 Moulton Parkway

City/State/Zip: Laguna Hills, CA 92653

Amount Requested \$ 78,200

- Maximum funding amount for Public Facilities and Improvements (PF&I) project - \$350,000 with 20% leveraged other funds.
- Maximum funding amount for Public Facilities and Improvements (PF&I) project funding is \$150,000 without 20% leveraged funding.

2. Orange County Supervisorial District where project will be located:

1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒

3. Congressional District where project will be located (please check one)

40 ☐ 42 ☐ 44 ☐ 46 ☐ 48 ☒

4. Provide a high-level summary description of your project.

The Florence Sylvester Memorial Senior Center provides a variety of services to the elderly/frail elderly population of the community. Because of the high number of elderly/frail elderly population that utilize the Center on a daily basis & the high visibility of the Center, staff is requesting funds for the following improvements: paint the interior & exterior of the facility, grout & reseal tiles, refinish wood doors & cabinets, replace obsolete phone system, remove existing carpet and replace with tile & new carpet, and replace existing door with automatic door.

(If more space is needed, please attach a separate sheet)

5. Minority-Owned and Women-Owned business (MBE/WBE)

a. Will this project provide an opportunity to hire MBE and/or WBE business? Yes ☐ No ☒

b. Describe all actions your organization has taken in support of HUD's goal to provide Opportunities to MBE/WBE's.

The City of Laguna Hills makes all efforts to provide equal opportunities to minority-owned businesses and women-owned businesses. In addition, the City complies

Public Facilities & Improvements Application

Fiscal Year 2015--16
Bid #012-629323

5b. Minority-Owned and Women-Owned business (MBE/WBE)(Cont.)

with all state, federal, and other local ordinances as required by a City and HUD.

(if more space is needed, please attach a separate sheet)

Public Facilities & Improvements Application

Fiscal Year 2015--16
Bid #012-629323

ATTACHMENT 3: ORGANIZATIONAL BACKGROUND

Answer each question below in approximately one to four paragraphs, not to exceed one (1) page per question, if applicable. Each response must be typewritten; double-spaced; and in Arial, size 10-font. Your responses should include the question, be concise but detailed enough to address what is being asked.

1. Is the applicant a Non-Profit organization? Yes ☐ No ☒

If "yes", please answer questions A-P below:

- A. Describe the organization's goals, objectives, and mission.
- B. Provide a brief description of your organization's accounting system and controls in place.
- C. Describe the organization's fund development method.
- D. List the person(s) who have legal authority to sign contracts and other legal documents, payment requests, and checks related to this application proposal.
- E. Submit a copy of organization's most recent audit (within the last two years) by an independent CPA and a description of corrective action taken for any findings identified by the auditor, both of which will be reviewed by the OC Community Services Accounting Manager or designated staff.
- F. In the past ten years, has your organization ever had its non-profit status revoked or withheld by the IRS, the Secretary of State, the State Attorney General, or the Franchise Tax Board? If yes, please provide an explanation.
- G. Has your organization been sued in the last five years? If yes, please provide an explanation.
- H. Are any of your managers or staff with fiscal responsibilities involved in litigation presently that has any bearing on fiduciary trust or employee relations? If yes, please provide an explanation.
- I. Have any unfavorable rulings been handed down by any court against your organization or executive director in the past five years? If yes, please provide an explanation.
- J. Does your organization currently have any unresolved fiscal, reporting or program issues with any of its funding sources? If yes, please provide an explanation.
- K. Provide an organizational chart of your organization, including key staffing for the project.
- L. Provide a copy of your organization's Board of Director's list.
- M. Provide a copy of your organization's 501c (3). Also provide an IRS tax-exempt letter dated no earlier than December 2013, or a Certificate of Status provided by the Secretary of State, Business Programs Division. Online Certificates of Status can be found on the Internet at: http://www.sos.ca.gov/business/pdf/be_ircform.pdf. (Process may take up to 24 calendar days).
- N. Provide a copy of your organization's Articles of Incorporation and By-Laws.
- O. Provide a copy of the minutes of your organization's board meeting where the proposed project was discussed.
- P. Provide IRS 990 form "Return of Organization Exempt from Income Tax."

Public Facilities & Improvements Application

Fiscal Year 2015-16

Bid #012-629323

ATTACHMENT 4: CIVIL RIGHTS LAWS COMPLIANCE AND HUD STANDING

1. Has your organization been a past recipient of assistance under a HUD McKinney Act program or the HUD Single Family Property Disposition Homeless Program?

Yes ☐ - No ☒

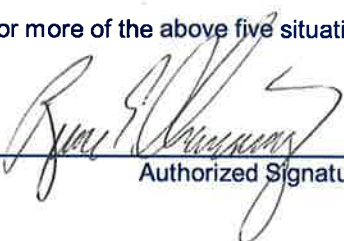
2. If you have been a recipient under either of these programs, has your organization experienced any project or construction delay, HUD finding or outstanding audit that HUD deems serious regarding the administration of HUD McKinney Act programs or the HUD Single Family Property Division Homeless Program?

Yes ☐ No ☒

If you answered "Yes," please attach a brief description of the circumstances and outcomes.

3. Applicants must be in compliance with applicable civil rights laws and Executive Orders. Applications will be rejected if your agency has any of the following: (1) Any pending civil rights lawsuits instituted by the U.S. Department of Justice; (2) Any non-compliance with civil rights statutes, Executive Orders or regulations as a result of formal administrative proceedings, unless the applicant is operating under a HUD-approved compliance agreement designed to correct the area of non-compliance or is currently negotiating such an agreement; (3) Any unresolved secretarial charge of discrimination issues under Section 810 (g) of the Fair Housing Act, as implemented by 24 CFR 103.400; (4) Any adjudication of a civil rights violation in a civil action brought against the agency by a private individual, unless the applicant is operating in compliance with a court order designed to correct the area of non-compliance or the applicant has discharged any responsibility arising from such litigation; (5) Any deferral of the processing of applications from the sponsor imposed by HUD under Title VI of the Civil Rights Act of 1964, the Attorney General's Guidelines (28 CFR 50.3) or the HUD Title VI regulations 24 CFR 1.8) and procedures, or under Section 504 of the Rehabilitation Act of 1973 and HUD Section 504 regulations (24 CFR 8.57).

If one or more of the above five situations exist within your agency, please attach a brief description.



Authorized Signature

12/31/2014

Date

Public Facilities & Improvements Application

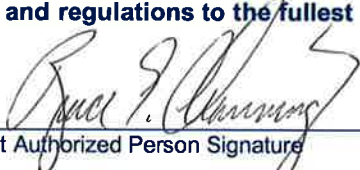
Fiscal Year 2015-16

Bid #012-629323

ATTACHMENT 5: SIGNATURES AND ASSURANCES

1. **Non-Discrimination:** This agency will, through all possible means, ensure equal opportunity for all persons to receive services, to participate in the volunteer structure, and to be employed regardless of age, handicap, national background, race, religion, or sex. An existing sectarian nature of the agency shall not suffer impairment under this agreement, but participation in religious observances, rituals or services will not be required as a condition of receiving food, services, or shelter paid for by this grant.
2. **Accountability:** We commit this agency, of a grant is received, to provide all reports to the County of Orange as required; to expend monies only on eligible cost' to keep complete documentation (copies of all canceled checks, invoices, receipts, etc.) on all expenditures for a minimum of three years; to spend all funds and close out the program on the required date; to return any unused funds to the County of Orange; to cooperate with monitoring or site visits, and; to provide complete documentation of expenses to the County of Orange, if requested, by the required date.
3. **Non-collusion:** This proposal is genuine, and not sham or collusive, nor made in the interest or on behalf of any person not herein named; the proposer has not directly induced or solicited any other proposer to put in a sham proposal, or any other person, firm or corporation to refrain from submitting a proposal; the proposer has not in any manner sought by collusion to secure for him/herself an advantage over any other proposer.

We affirm that all information in this application is true and correct to the best of our knowledge and that the applicant under our authority will execute its responsibility under the proposed contract and adhere to all other applicable rules and regulations to the fullest extent possible.



*First Authorized Person Signature

12/31/2014

Date

Bruce E. Channing, City Manager

Print First Authorized Person's Name and Title

**Second Authorized Person Signature

Date

Print Second Authorized Person's Name and Title

*First Authorized Person is:

**Second Authorized Person is:

Public Facilities & Improvements Application

Fiscal Year 2015-16

Bid #012-629323

ATTACHMENT 6: PERFORMANCE OBJECTIVES AND OUTCOMES

Using the definitions below, complete the Performance Objectives and Outcomes chart by stating project activity, output, performance objectives and performance outcomes.

Activity Identify project activities geared towards completing project, set quantifiable units of accomplishments (e.g., planning, construction, inspections).

Output Identify project outputs such as proposed units of accomplishments (what do you hope to achieve from your project, (e.g., complete 1,000 lf of sidewalk).

Performance Objectives

- No. 1.** Suitable Living Environment: In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- No. 2.** Decent Affordable Housing: The activities that typically would be found under this objective are designed to cover the wide-range of housing possible under HOME, CDBG, HOPWA, or ESG. This objective focuses on housing programs where the purpose for the project is to meet the individual family or community needs and not programs where the housing is an element of a larger effort.
- No. 3.** Creating Economic Opportunities: This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

Performance Outcomes

- No. 1.** Availability/Accessibility: This outcome category applies to activities that make services, infrastructure, housing, or shelter available or accessible to low and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate-income people.
- No. 2.** Affordability: This outcome category applies to activities that provide affordability in a variety of ways in the lives of low and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- No. 3.** Sustainability (Promoting Livable or Viable Communities): This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

PERFORMANCE OBJECTIVES AND OUTCOMES CHART			
Example			
Activity	Outputs	Performance Objectives	Performance Outcomes
Inspection	1000 Lf. of Sidewalk	Suitable Living Environment	Availability/Accessibility
Construction	300 Sq. Ft. of Lumber	Decent Affordable Housing	Affordability
Activity	Outputs	Performance Objectives	Performance Outcomes
Construction	1 Phone System	Suitable Living Environment	Availability/Accessibility
Construction	1 Automatic Door	Suitable Living Environment	Availability/Accessibility
Construction	1500 Sq Ft of Carpet	Suitable Living Environment	Availability/Accessibility

Public Facilities & Improvements Application

Fiscal Year 2015-16
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ATTACHMENT 7: PRIORITY NEEDS, HUD ELIGIBILITY REQUIREMENTS AND NATIONAL OBJECTIVE

1. Please explain the beneficiaries and services the project provides.
2. Please provide a comprehensive description of the project's (1) priority, (2) sub-activity, (3) population(s) to be served, (4) accomplishment level, and (5) services to be provided and (6) does project meet the HUD Eligibility Requirements and a National Objective (LMC, LMA or LMH). The applicants must describe why this project is needed, and cite evidence to substantiate the need.
3. Answer the following:
 - a. Summarize the Scope of Work for your project including the minimum number of units to be assisted by federal funding.
 - b. Why is the project needed?
 - c. Describe how the project preserves a low and moderate-income neighborhood, or provided other community benefits.
4. HUD Demographics:

a. Does this project help prevent homelessness?	Yes	☐	No	☒
b. Does this project help the homelessness?	Yes	☐	No	☒
c. Does this project help those with HIV or AIDS?	Yes	☐	No	☒
d. Does this project primarily help persons with disabilities?	Yes	☒	No	☐
5. Refer to chart below: Funding Request and Accomplishment Budget enter the total dollar amount of Urban County funds that will be used for this project, next to the community development need that best fits your project's scope. Projects may address more than one community development need; however, in order to be considered as addressing a "High Priority" community development need, the application/project must meet the High Priority Needs Level identified by the Urban County, see chart below. Projects with a medium or low needs level **will not be considered** for funding this fiscal year.

Public Facilities & Improvements Application

Fiscal Year 2015-16
Bid #012-629323

ATTACHMENT 7: PRIORITY NEEDS, HUD ELIGIBILITY REQUIREMENTS AND NATIONAL OBJECTIVE (cont.)

Community Need Type	Priority Needs Level	Urban County Funds
Community Development Need		
01 Acquisition of Real Property 570.201(a)	High	
02 Disposition 570.201(b)	Medium*	
Public Facilities and Improvements Needs 570.201(c)		
03 Public Facilities and Improvements (General)	Medium	
03A Senior Centers	High	\$78,200
03B Handicapped Center	Medium	
03C Homeless Facilities	High	
03D Youth Centers	Medium	
03E Neighborhood Facilities/Libraries	High	
03F Parks and/or Recreational Facilities	Medium	
03G Parking Facilities	Medium	
03H Solid Waste Disposal Improvements	Medium	
03I Flood Drain Improvements	High	
03J Water/Sewer Improvements	High	
03K Street Improvements	High	
03L Sidewalks	High	
03M Child Care Centers	Medium	
03N Tree Planting	Medium	
03O Fire Stations/Equipment	Medium	
03P Health Facilities	Medium	
03Q Abused and Neglected Children Facilities	Medium	
03R Asbestos Removal	Low*	
03S Facilities for AIDS Patients (not operating costs)	Medium	
Total Amount of Funds Requested for High Priority Needs		
Total Amount of Funds Used for Project		\$ 78,200

Source: FY 2015-19 Consolidated Plan

***Low or medium Priority activities are not eligible for funding under this RFP.**

5. Answer each question below in approximately one to four paragraphs.

- Based upon your description of this project in Attachment 7: Priority Needs Chart, state how your organization will address meeting a priority need with your performance and outcomes. In your description, state how your performance objectives and performance outcomes apply to the project's beneficiaries and specifically explain how this project will affect the beneficiaries.
- Describe what tools your organization will utilize to measure this project's effect on the intended beneficiaries. In your description include how your organization will measure its success in meeting the needs of the project's beneficiaries.
- Describe the specific population that your project will serve (i.e., low to moderate-income).
- Describe the intended benefits to the population being served (i.e., preservation of a low to moderate-income neighborhood).
- Describe the ramifications if your project is not recommended for funding in this fiscal year.

SUPPLEMENTAL DOCUMENTATION

ATTACHMENT 7: PRIORITY NEEDS, HUD ELIGIBILITY REQUIREMENTS AND NATIONAL OBJECTIVE

1. The question was asked: Please explain the beneficiaries and services the project provides.

The Florence Sylvester Memorial Senior Center directly services the elderly/frail elderly population of the community, which are predominantly low and moderate-income persons, not only in the City of Laguna Hills but in the neighboring cities of Laguna Woods and Aliso Viejo as well. Currently, over 300 elderly persons are served on a daily basis. There are a number of services provided at the Florence Sylvester Senior Center including, but not limited to, adult education classes, nutritious lunch programs (including Meals on Wheels), exercise programs, preventative health programs, legal assistance, tax assistance, and health and wellness programs. This project is needed to increase the sustainability of the Center while decreasing overall costs, thereby resulting in continued and increased accessibility to the Center for the elderly/frail elderly.

2. The question was asked: Please provide a comprehensive description of the project's (1) priority, (2) sub-activity, (3) population(s) to be served, (4) accomplishment level, and (5) services to be provided and (6) does project meet the HUD Eligibility Requirements and a National Objective (LMC, LMA or LMH).

(1) Priority- As a Senior Center, this project is considered a high priority project as identified by the Urban County. The Florence Sylvester Memorial Senior Center provides vital services to the elderly/frail elderly population of the community. Currently, over 300 elderly persons are served on a daily basis.

(2) Sub-Activity – Funds are requested for the following improvements: repaint the interior and exterior of the building, grout and reseal tile throughout the Center, refinish all wood doors and cabinets, replace existing obsolete phone system, remove and replace existing carpet, and remove existing door on north side of building and replace with automatic door. These

improvements would directly benefit the community and its many low and moderate-income participants by increasing the Center's sustainability and simultaneously decreasing overall costs, thereby resulting in continued and increased accessibility to the Center for the elderly/frail elderly. In addition, replacing the existing door on the north side of the building and replacing it with an automatic door would provide increased accessibility to the disabled elderly/frail elderly that utilize the Center. These construction activities will allow the Center to better serve the needs of the elderly population.

(3) Population to be served - Because the Florence Sylvester Memorial Senior Center only services the elderly, these improvements will directly benefit the senior/elderly population of the community, which are predominantly low and moderate-income persons.

(4) Accomplishment Level - There are currently measures in place to track participation in the various programs offered at the Florence Sylvester Memorial Senior Center. With these improvements, the Florence Sylvester Memorial Senior Center staff will be better equipped to continue to meet the growing demand and utilization by this fast-growing demographic group. The project's effect on the intended participants will be noticeable as the Center's sustainability is improved and continued accessibility to the Center is improved. In addition, the Center will have the flexibility to better meet the needs of the elderly population of the community.

(5) Services to be provided - The Florence Sylvester Memorial Senior Center provides a number of vital services to the elderly/frail elderly population of the community. Currently, over 300 elderly persons are served on a daily basis. This project is needed to increase the sustainability of the Center while decreasing overall costs, thereby resulting in continued and increased accessibility to the Center for the elderly/frail elderly. In addition, this project will allow for increased access to disabled the elderly/frail elderly population of the community.

(6) Does project meet the HUD Eligibility Requirements and a National Objective - This project meets all the eligibility requirements as laid out by HUD due to a number of eligible block groups. In addition, this project's national objective serves a Low/Mod Area (LMA) and directly services a Low/Mod Clientele (LMC).

3. Summarize the Scope of Work for your project including at minimum the number of units to be assisted by federal funding.

The Florence Sylvester Memorial Senior Center provides a variety of services to the elderly/frail elderly population of the community. Because of the high number of elderly/frail elderly population that utilize the Center on a daily basis and the high visibility of the Center, staff is requesting funds for the following improvements at the Florence Sylvester Memorial Senior Center: repaint the interior and exterior of the building, grout and reseal tile throughout the Center, refinish all wood doors and cabinets, replace existing obsolete phone system, remove and replace existing carpet, and remove existing door on north side of building and replace with automatic door, thereby providing increased accessibility to the disabled elderly/frail elderly that utilize the Center.

- 3b. The question was asked: Why is this project needed?

The Florence Sylvester Memorial Senior Center provides a number of vital services to the elderly/frail elderly population of the community. Currently, over 300 elderly persons are served on a daily basis. This project is needed to increase the sustainability of the Center, to provide increased accessibility, and to decrease overall costs, thereby resulting in continued access to the Center for the elderly/frail elderly.

- 3c. The question was asked: Describe how the project preserves a low and moderate-income neighborhood, or provides other community benefits.

The Florence Sylvester Memorial Senior Center addresses the needs of the elderly population in the community, which are predominantly low and moderate-income persons. The Center represents a safe and accessible senior center for the community, and these improvements would allow the Center to provide continued access for the elderly/frail elderly population.

5a. The question was asked: Based upon your description of this project in Attachment 7: Priority Needs Chart, state how your organization will address meeting a priority need with your performance and outcomes. In your description, state how your performance objects and performance outcomes apply to the project's beneficiaries and specifically explain how this project will affect the beneficiaries.

The Florence Sylvester Memorial Senior Center provides vital services to the elderly/frail elderly population of the community. Funds are requested for the following improvements: repaint the interior and exterior of the building, grout and reseal tile throughout the Center, refinish all wood doors and cabinets, replace existing obsolete phone system, remove and replace existing carpet, and remove existing door on north side of building and replace with automatic door, thereby providing increased accessibility to the disabled elderly/frail elderly that utilize the Center. This project would directly benefit the community and its many low and moderate-income participants by increasing the Center's sustainability, increasing accessibility to the Center and simultaneously decreasing overall costs, thereby resulting in continued access to the Center for the elderly/frail elderly. In addition, replacing the existing door on the north side of the building and replacing it with an automatic door would provide increased accessibility to the disabled elderly/frail elderly that utilize the Center. These construction activities will allow the Center to better serve the needs of the elderly population. As such, these activities contribute to the performance objectives of creating a suitable living environment and result in performance outcomes of increased sustainability.

5b. The question was asked: Describe what tools your organization will utilize to measure this project's effect on the intended beneficiaries. In your description, include how your organization will measure its success in meeting the needs of the project's beneficiaries.

There are currently measures in place to track participation in the various programs offered at the Florence Sylvester Memorial Senior Center. With these improvements, the Florence Sylvester Memorial Senior Center staff will be better equipped to continue to meet the growing demand and utilization by this fast-growing demographic group. The

project's effect on the intended participants will be noticeable as continued accessibility to the Center is improved. In addition, the Center will have the flexibility to better meet the needs of the elderly population of the community.

5c. The question was asked: Describe the specific population that your project will serve (i.e., low to moderate-income).

Because the Florence Sylvester Memorial Senior Center only services the elderly, these improvements will directly benefit the senior/elderly population of the community, which are predominantly low and moderate-income persons.

5d. The question was asked: Describe the intended benefits to the population being served (i.e., preservation of a low to moderate-income neighborhood).

The intended benefits for the population being served are as follows: preservation of low and moderate-income elderly persons, improve and maintain quality of life of the elderly, and improve accessibility. Additionally, the Florence Sylvester Memorial Senior Center provides resources and assistance to family members and caregivers who feel overwhelmed and unprepared to handle caring for an older or disabled adult.

5e. The question was asked: Describe the ramifications if your project is not recommended for funding in this fiscal year.

Lack of funding for the Florence Sylvester Memorial Senior Center could result in limited/decreased accessibility to the facility for the elderly/frail elderly population of the community.

Public Facilities & Improvements Application

Fiscal Year 2015-16
Bid #012-629323

ATTACHMENT 8: ELIGIBLE BLOCK GROUPS

1. Is the project/activity Limited Clientele (LMC)? ☒ Yes ☐ No
2. Is the project/activity Low/Mod Housing (LMH)? ☐ Yes ☒ No
3. Does the project/activity serve Low/Mod Area (LMA)? ☒ Yes ☐ No

ELIGIBLE BLOCK GROUP – If your project's national objective is Low Mod Area (LMA) please complete the chart below.

A map identifying the eligible census tract(s) and block group(s) is required in this section if you are qualifying for a low to moderate-income area. The following is a link to obtain maps from the U.S. Department of Census Bureau: <http://www2.census.gov/geo/maps/dc10map/tract/> or at <http://www.huduser.org/datasets/qct.html>

ELIGIBLE BLOCK GROUP CHART				
Eligible Block Groups	Eligible Census Tracts	Number of Low to Moderate-Income Population	Total of Population	Percentage of Low to Moderate-Income Population
4	626.25	1,392	1,625	85.6%
5	626.22	1,077	1,281	84.0%
2	423.20	345	434	79.5%
5	423.07	1,086	1,235	87.9%

4. If a project's boundaries are not within an Eligible Block Group, please answer the following questions:

- a. Have you submitted a survey to HUD? Date survey submitted to HUD:

Yes ☐ No ☐

- b. Did HUD approve your survey? Please attach a copy of the approval letter from HUD. Projects cannot be awarded funding without a survey approved by HUD.

Yes ☐ No ☐

- c. Please attach clearly-defined map(s).



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Block Group 062625-4

Basic Information

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Census Tract 062625

[Laguna Hills, CA](#)[Orange County](#)[California State](#)[Los Angeles, Long Beach, Santa Ana Area](#)

Census Block Group 062625-4 in Orange County, California

Population and Races Income and Careers Housing

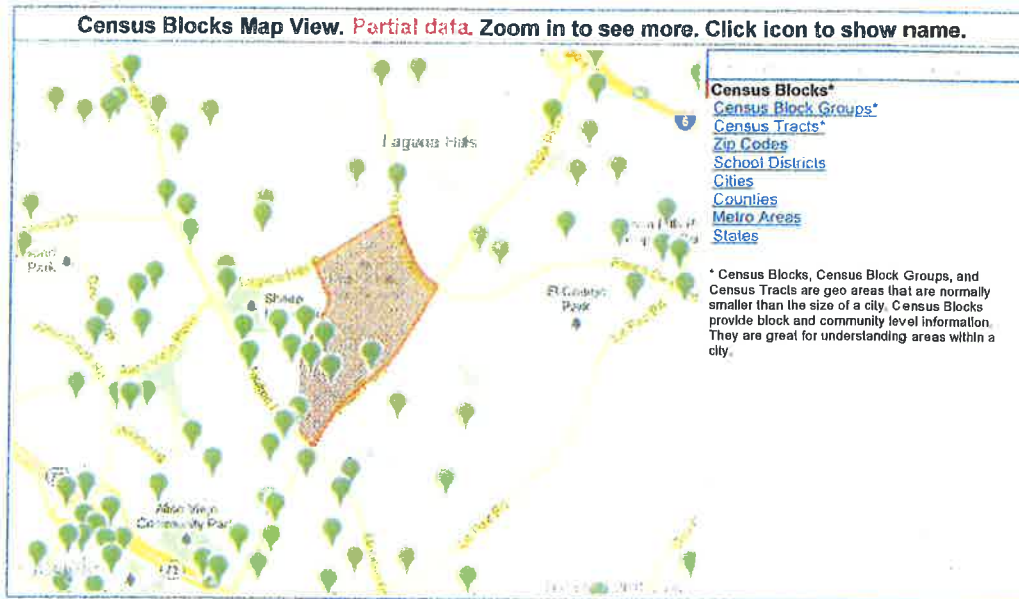
Population	1,625 (2010) see rank	
House Units	355 see rank	
Race	Whites: 38.5%, Hispanics: 82.5%, Blacks: 0.6%, Asians: 7.8%, Others: 53.1%	
Population Density:	7,439.20/sq mi see rank	
Median Household Income:	\$50,282 see rank	
Median House Price:	\$342,000 see rank	
Time Zone:	Pacific GMT -8:00 with Daylight Saving in the Summer	
Land Area:	0.22 sq mi see rank	
Water Area:	0.00 sq mi (0.00%) see rank	
State:	California	
Area:	Los Angeles-Long Beach-Santa Ana, CA	
County:	Orange County	
City:	Laguna Hills	
Census Tract:	062625	
School District:	Saddleback Valley Unified School District	

[The Richest Block Group Nearby](#)
[House Price Ranking Nearby](#)
[Population Ranking Nearby](#)
[Fastest / Slowest Growing Cities in CA](#)
[High / Low CA Cities by Males Employed](#)
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Block Group 062625-4 Map, Border, and Nearby Locations



Block Group 062625-4 Blocks

[CA0590626254000](#) Laguna Hills
[CA0590626254003](#) Laguna Hills
[CA0590626254006](#) Laguna Hills
[CA0590626254009](#) Laguna Hills
[CA0590626254012](#) Laguna Hills
[CA0590626254015](#) Laguna Hills
[CA0590626254018](#) Laguna Hills
[CA0590626254021](#) Laguna Hills

[CA0590626254001](#) Laguna Hills
[CA0590626254004](#) Laguna Hills
[CA0590626254007](#) Laguna Hills
[CA0590626254010](#) Laguna Hills
[CA0590626254013](#) Laguna Hills
[CA0590626254016](#) Laguna Hills
[CA0590626254019](#) Laguna Hills

[CA0590626254002](#) Laguna Hills
[CA0590626254005](#) Laguna Hills
[CA0590626254008](#) Laguna Hills
[CA0590626254011](#) Laguna Hills
[CA0590626254014](#) Laguna Hills
[CA0590626254017](#) Laguna Hills
[CA0590626254020](#) Laguna Hills

*A census block group is a geographic area defined by the United States Census Bureau and used for the census. On average, a census block group has around 1,500 residents. Census block groups, as well as census tracts, are more uniformly distributed in terms of the number of residents than cities or zip codes. Also, the census block group and the census tract demographic data are nearly 100% complete vs. less than 70% coverage of demographic data for cities and zip codes. Therefore census block groups and the census tracts are an excellent way to understand locations in a smaller scale, for example understanding the different areas of a large city. Census block groups are smaller than census tracts and can be further divided into census blocks for understanding locations at the block and community level.

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Block Group 062622-5

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Census Tract 062622

Orange County

California State

[Los Angeles, Long Beach, Santa Ana Area](#)

Census Block Group 062622-5 in Orange County, California

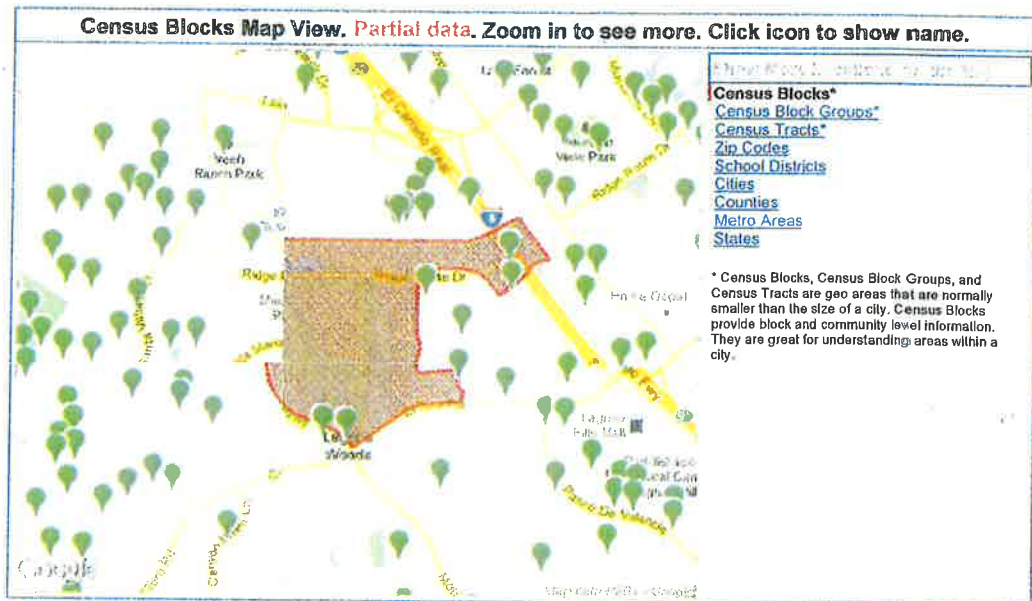
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Population	1,261 (2010) see rank
House Units	986 see rank
Race	Whites: 83.4% Hispanics: 4.8% Blacks: 0.9% Asians: 12.9% Others: 2.9%
Population Density:	2,806.39/sq mi. see rank
Median Household Income:	\$30,181 see rank
Median House Price:	\$225,500 see rank
Time Zone:	Pacific GMT -8:00 with Daylight Saving in the Summer
Land Area:	0.46 sq mi see rank
Water Area:	0.00 sq mi (0.04%) see rank
State:	California
Area:	Los Angeles-Long Beach-Santa Ana, CA
County:	Orange County
Census Tract:	062622
School District:	Saddleback Valley Unified School District ★★★★★

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 NEW HOMES IN
 SOUTH ORANGE COUNTY


Block Group 062622-5 Map, Border, and Nearby Locations



Block Group 062622-5 Blocks

[CA0590626225000](#) Laguna Hills
[CA0590626225003](#) Laguna Woods
[CA0590626225006](#) Laguna Woods
[CA0590626225009](#) Laguna Woods

[CA0590626225001](#) Laguna Hills
[CA0590626225004](#) Laguna Woods
[CA0590626225007](#) Laguna Woods
[CA0590626225010](#) Laguna Woods

[CA0590626225002](#) Laguna Hills
[CA0590626225005](#) Laguna Woods
[CA0590626225008](#) Laguna Woods
[CA0590626225011](#) Laguna Woods

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Block Group 042320-2

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Census Tract 042320

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Go to Nursing School

No waiting list for nursing courses
Financial Aid for those who qualify

Census Block Group 042320-2 in Orange County, California

Population and Races Income and Careers Housing

Population	434 (2010) see rank
House Units	306 see rank
Race	Whites: 78.3% , Hispanics: 17.3% , Blacks: 2.1% , Asians: 5.2% , Others: 13.8%
Population Density:	4,201.54/sq mi see rank
Median Household Income:	\$56,466 see rank
Median House Price:	\$278,900 see rank
Time Zone:	Pacific GMT -8:00 with Daylight Saving in the Summer
Land Area:	0.10 sq mi, see rank
Water Area:	0.00 sq mi (0.00%), see rank
State:	California
Area:	Los Angeles-Long Beach-Santa Ana, CA
County:	Orange County
Census Tract:	042320
School District:	Saddleback Valley Unified School District ★★★★★

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Block Group 042320-2 Map, Border, and Nearby Locations



Block Group 042320-2 Blocks

[CA0590423202000](#) Laguna Hills
[CA0590423202003](#) Laguna Hills
[CA0590423202006](#) Laguna Hills
[CA0590423202009](#) Aliso Viejo
[CA0590423202012](#) Aliso Viejo
[CA0590423202015](#) Aliso Viejo
[CA0590423202018](#) Aliso Viejo
[CA0590423202021](#) Aliso Viejo

[CA0590423202001](#) Laguna Hills
[CA0590423202004](#) Laguna Hills
[CA0590423202007](#) Laguna Hills
[CA0590423202010](#) Aliso Viejo
[CA0590423202013](#) Aliso Viejo
[CA0590423202016](#) Aliso Viejo
[CA0590423202019](#) Aliso Viejo
[CA0590423202022](#) Laguna Hills

[CA0590423202002](#) Laguna Hills
[CA0590423202005](#) Laguna Hills
[CA0590423202008](#) Laguna Hills
[CA0590423202011](#) Aliso Viejo
[CA0590423202014](#) Aliso Viejo
[CA0590423202017](#) Aliso Viejo
[CA0590423202020](#) Aliso Viejo

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Block Group 042307-5

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[Population and Races](#)[Income and Careers](#)[Housing](#)

Census Tract 042307

[Laguna Hills, CA](#)[Orange County](#)[California State](#)[Los Angeles, Long Beach, Santa Ana Area](#)

LVN School Orange County

Stanbridge College - Irvine CA
Licensed Vocational Nurse School
[Contact Us Today](#)

Train to be a Nurse

Complete your LVN Training in 13 Months. Contact Us Today.
[Contact Us Today](#)

Census Block Group 042307-5 in Orange County, California

Population and Races Income and Careers Housing

Population	1,235 (2010), see rank
House Units	411, see rank
Race	Whites: 58.4%, Hispanics: 37.3%, Blacks: 2.4%, Asians: 14.1%, Others: 25.1%
Population Density:	10,630.27/sq mi, see rank
Median Household Income:	\$42,530, see rank
Median House Price:	\$674,100, see rank
Time Zone:	Pacific GMT -8:00 with Daylight Saving in the Summer
Land Area:	0.12 sq mi, see rank
Water Area:	0.00 sq mi (0.00%), see rank
State:	California
Area:	Los Angeles-Long Beach-Santa Ana, CA
County:	Orange County
City:	Laguna Hills
Census Tract:	042307
School District:	Saddleback Valley Unified School District ★★★★★

[The Richest Block Group Nearby](#)[House Price Ranking Nearby](#)[Population Ranking Nearby](#)[Fastest/ Slowest Growing Cities in CA](#)[High/ Low CA Cities by Males Employed](#)[High/ Low CA Cities by Females Employed](#)[Best/ Worst Cities by Crime Rate in CA](#)[Richest/ Poorest Cities by Income in CA](#)[Expensive/ Cheapest Homes by City in CA](#)[Most/ Least Educated Cities in CA](#)

Block Group 042307-5 Map, Border, and Nearby Locations



Block Group 042307-5 Blocks

[CA0590423075000](#) Laguna Hills
[CA0590423075003](#) Laguna Hills

[CA0550423075001](#) Laguna Hills
[CA0590423075004](#) Laguna Hills

[CA0590423075002](#) Laguna Hills
[CA0590423075005](#) Laguna Hills

*A census block group is a geographic area defined by the United States Census Bureau and used for the census. On average, a census block group has around 1,500 residents. Census block groups, as well as census tracts, are more uniformly distributed in terms of the number of residents than cities or zip codes. Also, the census block group and the census tract demographic data are nearly 100% complete vs. less than 70% coverage of demographic data for cities and zip codes. Therefore census block groups and the census tracts are an excellent way to understand locations in a smaller scale, for example understanding the different areas of a large city. Census block groups are smaller than census tracts and can be further divided into census blocks for understanding locations at the block and community level.

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Public Facilities & Improvements Application

Fiscal Year 2015-16

Bid #012-629323

ATTACHMENT 9: FUNDING REQUEST, ACCOMPLISHMENT BUDGET & LEVERAGING

Funding Request and Accomplishment Budget is a snapshot of your total project budget. Complete the chart by providing the total requested amount for your project, the total leveraged amount for your project, and the total accomplishment level for your project.

FUNDING REQUEST & ACCOMPLISHMENT BUDGET ACTIVITY CHART		
Funds Request		
	Example	FY 2015-16
A. Funds Requested	\$ 75,000	\$78,200
B. Leveraging	\$ 50,000	\$10,485
C. Total Project Funding (A+B)	\$ 125,000	\$88,685
D. Goals/Accomplishments	2 Facilities	1 Facility

Only one (1) PF&I application per jurisdiction from the Urban County program participants. The Orange County Urban County Program is comprised of 13 cities with populations under 50,000 (participating cities). The 11 participating cities include Brea, Cypress, Dana Point, Laguna Beach, Laguna Hills, Laguna Woods, La Palma, Los Alamitos, Seal Beach, Stanton, and Villa Park. Along with 3 participating metro cities with populations over 50,000 - Aliso Viejo, Placentia and Yorba Linda.

Two Tier Funding:

Maximum funding amount for Public Facilities and Improvements (PF&I) project - \$350,000 with 20% leveraged other funds.

Maximum funding amount for Public Facilities and Improvements (PF&I) project funding is \$150,000 without 20% leveraged funding.

FY 2015-16 CDBG funding may increase or decrease based on HUD's final allocation of CDBG funds to the Urban County/OC Community Services. We estimate a total of \$915,766 may be available for PF&I projects.

Public Facilities and Improvements Application

Fiscal Year 2015-16
Bid #015

ATTACHMENT 9: LEVERAGING (Continued)

Complete Leveraging Chart:

Resource Value

Resources such as professional services should be valued at a fair-market rate. Buildings and equipment should also be valued at the fair-market rental value. Volunteer time should be valued at \$10.00 per hour.

Leveraging Directions

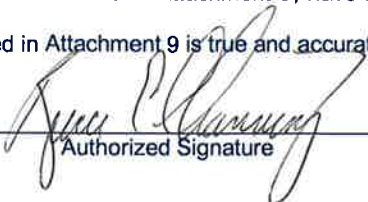
1. Type of resource to complete a specific project activity.
2. Project activity necessary to complete the project.
3. Source of Leverage, what is the source of the leverage.
4. Leverage value, earmarked for FY 2015-16.
5. Attach leveraging letters

LEVERAGING CHART			
Example			
1. Type of Resource	2. Project Activity	3. Source of Leverage	4. Leverage Value
Staffing	Project Management	Gas Tax	\$20,000
Engineer	Project Design/Engineering	City General Fund	\$50,000
Total Leveraging			\$70,000
1. Type of Resource	2. Project Activity	3. Source of Leverage	4. Leverage Value
Staffing	Project Management	General Fund	\$10,485
Total Leveraging			\$10,485

*Maximum number of points awarded to projects demonstrating dollar amount of leveraged resources.

LEVERAGING CERTIFICATION

I certify on behalf of City of Laguna Hills-Florence Sylvester Memorial Senior Center Rehabilitation and attest that all leveraged
(Agency and project name)
resources contained in Attachment 9, have not been previously used for other project(s) and that all information
contained in Attachment 9 is true and accurate to the best of my knowledge.


Authorized Signature

12/31/2014

Date



CITY OF LAGUNA HILLS

City Manager

Anna Plank
Manager, OC Community Services
1770 N. Broadway
Santa Ana, CA 92706

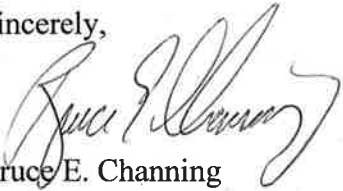
RE: RESOURCE LEVERAGING RELATED TO THE COMMUNITY
DEVELOPMENT BLOCK GRANT FOR FY 2015/2016 FOR THE FLORENCE
SYLVESTER MEMORIAL SENIOR CENTER PROJECT

Dear Ms. Plank:

The City of Laguna Hills is committed to the success of the Florence Sylvester Memorial Senior Center Project and anticipates dedicating staff time to the administration and monitoring of the construction activities and program implementation. We estimate that staff will provide an average of approximately 2.7 hours on a weekly basis beginning July 1, 2015 through June 30, 2016. Based on the hourly rate cost of staff administering the program, the City anticipates committing an estimated \$10,485 in staff time, paid from the City's General Fund.

Please contact me if you need any additional information.

Sincerely,



Bruce E. Channing
City Manager

Public Facilities & Improvements Application

Fiscal Year 2015-16
Bid #012-629323

ATTACHMENT 10: PROJECT COST BUDGET

Complete Project Cost Budget chart below, by listing the specific activities that will be paid for by Urban County funds and your leveraged dollars for each phase of this project (complete this activity by using the information you provided in the Funds Request portion of Attachment 9: (Funding Request and Accomplishment Budget Activity Chart).

- Maximum funding amount for Public Facilities and Improvements (PF&I) project - \$350,000 with 20% leveraged other funds.
- Maximum funding amount for Public Facilities and Improvements (PF&I) project funding is \$150,000 without 20% leveraged funding.

PROJECT COST BUDGET CHART			
Example			
Project Costs	Urban County Funds	Leveraged Resources	Total
Project Activity: Design/Project Development	\$ 50,000	\$ 30,000	\$ 80,000
Project Activity: Acquisition	\$ 25,000	\$ 20,000	\$ 45,000
Total Project Cost	\$ 75,000	\$ 50,000	\$ 125,000
Project Costs	Urban County Funds	Leveraged Resources	Total
Project Activity: Design/Project Development		\$10,485	\$10,485
Project Activity: Acquisition			
Project Activity: Construction	\$78,200		\$78,200
Project Activity:			
Project Activity:			
Project Activity:			
Project Activity:			
Project Activity:			
Project Activity:			
Total Project Cost	\$78,200	\$10,485	\$88,685

1. Provide a detailed description of each project activity listed in above Chart.

SUPPLEMENTAL DOCUMENTATION

ATTACHMENT 10: PROJECT COST BUDGET

1. The question was asked: Provide a detailed description of each project activity listed in above Chart.

There are two project activities associated with this project. Design/Project Development encompasses the project implementation and administration necessary in order to successfully complete the project. This activity is actively carried out in the City Manager's Office and includes contract administration, project development, and all other necessary oversight. The Construction project activity includes the following: repaint the interior and exterior of the building, grout and reseal tile throughout the Center, refinish all wood doors and cabinets, replace existing obsolete phone system, remove and replace existing carpet, and remove existing door on north side of building and replace with automatic door.

Public Facilities & Improvements Application

Fiscal Year 2015-16
Bid #012-629323

ATTACHMENT 11: ORGANIZATIONAL/PROJECT CAPACITY AND EXPERIENCE

1. Has your organization received funding for this type of activity during the previous three years?

Yes ☒ No ☐

- If you answered, "Yes", complete Previous Funding Chart below by identifying the contract number, award amount, program income, if generated; and any unspent funds.
- If you answered "No" above, submit a letter signed by this application's authorized person that identifies one reference from three different funding sources from whom you have received funding in the past three years. The letter must include contact information for the three references (funding source), the amount of funding awarded from each reference, explanation of the use of funds, duration of funding awarded, and state whether or not contractual performance measures were achieved.

PREVIOUS FUNDING CHART				
Year	Contract Number	Award Amount	Program Income Generated (If Applicable)	Unspent Funds from Award
2014-15	14-22-0004	\$75,000	n/a	\$0
2013-14	n/a			
2012-13	KC 12021	\$54,000	n/a	\$570

2. Describe the role of key administrators, staff members, contractors, and volunteers within your organization and their role in implementing the proposed project. Include experience, education, and licensing qualifications in your description.
3. Describe the organization's experience administering this type or similar project.
4. Please submit a copy of your most recent audit (within the last two years) by an independent CPA and a description of corrective action taken for any findings identified by the auditor, both of which will be reviewed by the OC Community Services Accounting Manager or designated staff. Cities: Submit Financial Audit Report and Financial Statements/Footnotes.

Non-Profit organizations please see Attachment 3: Organizational Background, Item E

5. Describe the reason why funds remain unspent in the Previous Funding Chart above. Include an explanation of how the organization intends to complete the project.

SUPPLEMENTAL DOCUMENTATION

ATTACHMENT 11: ORGANIZATIONAL/PROJECT CAPACITY AND EXPERIENCE

2. The question was asked: Describe the role of key administrators, staff members, contractors, and volunteers within your organization and their role in implementing the proposed project. Include experience, education, and licensing qualifications in your description.

This program will be monitored and implemented by staff from the City of Laguna Hills from the City Manager's Office. The lead staff member implementing the project for FY 2015/2016 has been responsible for the implementation of the City's past grant monies for Contracts #14-22-0004, KC12021, KC11981, KC10939, and KC09852. The experience of key administrators and other staff members throughout the City also includes experience monitoring past CDBG Housing Rehabilitation program funding. In addition, key administrators and staff members' experience includes over 36 years in Public Administration, 23 years in City Management experience, and 11 years in Community Development.

3. The question was asked: Describe the organization's experience administering this type or similar project.

The City of Laguna Hills has been the recipient of CDBG Public Facilities and Improvement grants in FY 2009/2010, FY 2010/2011, FY 2011/2012, FY 2012/2013, and FY 2014/2015 and has experience administering this type of grant. The City has also been the recipient of similar grants in the past, including CDBG Housing Rehabilitation funds. The City has worked closely with the County to ensure the funds were administered correctly. In addition, staff members have a wealth of municipal experience, including community development, rehabilitation activities and monitoring, public administration, public finance, and personnel.

5. The question was asked: Describe the reason why funds remain unspent in the Previous CDBG Funding Chart above.

Contract #14-22-0004 for FY 2014/2015 is currently in the process of being implemented and it is anticipated all the funds from the Contract will be spent. In regards to Contract KC12021, ending on June 30, 2013, the City expended all but \$570 of the allotted grant monies due to slight savings in construction costs. The Contract was, however, completed successfully.



CITY OF LAGUNA HILLS

California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2014

CITY MANAGER
Bruce E. Channing

ASSISTANT CITY MANAGER
Donald J. White



INTRODUCTORY SECTION

CITY OF LAGUNA HILLS

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CITY OF LAGUNA HILLS

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**City of Laguna Hills
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

A handwritten signature in black ink, reading 'Jeffrey R. Emer', is positioned above the title of the signatory.

Executive Director/CEO

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December 9, 2014

**Honorable Mayor and
Members of the City Council:**

The Comprehensive Annual Financial Report (CAFR) of the City of Laguna Hills for the fiscal year ended June 30, 2014, is submitted herewith. This report is published in accordance with local ordinance and State law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Laguna Hills. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. It is management's opinion that the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misrepresentation. As management, we assert that, to the best of our knowledge and belief, this financial report is complete

and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City, as well as the City as a whole.

The City's financial statements have been audited by Moss, Levy & Hartzheim, LLP, a public accounting firm fully licensed and qualified to perform audits of local government. The independent auditors concluded that there was a reasonable basis for rendering an unqualified opinion on the City's financial statements and that they present fairly, in all material respects, the financial condition of the City at the end of this fiscal year.

A narrative introduction, overview and analysis of the basic financial statements for the City for the fiscal year ended June 30, 2014, is discussed in the Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF LAGUNA HILLS

The City of Laguna Hills is located in South Orange County approximately 60 miles south of Los Angeles and 70 miles north of San Diego. Incorporated in 1991 under the laws of the State of California, it enjoys all the rights and privileges pertaining to "General Law" cities. The City is home to approximately 30,857 residents and over 1,000 businesses.

The City of Laguna Hills operates under a Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a four-member Council. The Mayor is annually selected by the City Council from among its membership, and serves a one-year term. The governing Council is responsible, among other things, for passing the City's ordinances and operating resolutions, adopting the biennial budget, appointing commissions and committees, and hiring the City Manager. The City Manager administers the daily operations and programs of the City through department heads, other staff members and employees.

The City contracts for selected municipal services utilizing agreements with other governmental entities, private firms and individuals. Police services are provided by the Orange County Sheriff's Department and fire services are provided through the Orange County Fire Authority, of which the City is a member.

Although the majority of the area in the City has a distinctive residential character, the City has a strong commercial base, specifically in the northern section of the City. This commercial area, or “Urban Village,” is anchored by the regional Laguna Hills Mall, the Oakbrook Village Shopping Center, and the Saddleback Memorial Medical Center. In addition, the area north of the Mall holds a complement of commercial and mixed-use industrial uses.

FACTORS AFFECTING FINANCIAL CONDITION

ECONOMIC CONDITIONS & OUTLOOK

In the five years since the Great Recession officially ended, it has become apparent that a structural correction has taken place in the general economy. The lingering effects have resulted in what many now refer to as the “new normal.” Government revenues at the local and regional level in particular have been affected. The City of Laguna Hills is no exception. In spite of the impact to revenues, the City has consistently maintained and continues to maintain a healthy financial condition. Much of this can be contributed to the City’s conservative financial policies. These policies played a critical role in allowing the City to respond quickly to the post-Recession difficulties prevalent in the economy. Another important factor in the City’s healthy financial condition is its strong and well-diversified tax base. Since Laguna Hills’ incorporation in 1991, its diversified tax base has consistently performed well in good economic times and, more importantly over these last five years, has helped the City weather slower economic conditions.

General fund revenues in Laguna Hills increased in FY 2013/14 by \$621,605, or 3.3%, most of which can be attributed to increases in property tax and sales tax revenues. Property tax revenues totaled \$8,826,271, representing a \$103,865 increase over the prior year revenues, and sales tax revenues came in at \$5,523,069, a \$331,151 increase over the previous year.

Total operating expenditures declined by \$181,214, or 1%, over the previous fiscal year, and came in \$43,010 under budget for FY 2013/14. Additionally, general fund revenues exceed operating expenditures by \$1,425,040.

As the real estate market in the City continues to recover, property taxes are expected to continue to rebound next year. Given a positive consumer price index, the end to most of the temporary Proposition 8 reductions imposed by the County Assessor over the last few years, and the overall improvement that is occurring in the

local housing market, property taxes are anticipated to increase over the next few years.

The City utilized a few key assumptions in the development of its biennial budget. The following assumptions and forecasts for 2015, should they hold true, will positively impact revenues in Laguna Hills:

- Taxable Sales +6.0%
- Consumer Price Index +2.5%
- Assessed Valuation +5.0%

LONG TERM FINANCIAL PLANNING

The City utilizes a customized 8-Year Resource Allocation plan that is specifically designed to project the City's operating and reserve policy ratios over an eight year forecast horizon while taking into account a temporarily lowered operating ratio minimum of 1.03 and 1.05 for Years 1 & 2, respectively, and a reserve policy minimum of 40% for the Unencumbered Fund Balance and 25% for the Unassigned Fund Balance. The operating ratio for FY 2013/14 fell to 1.02 and the Unencumbered Fund Balance and the Unassigned Fund Balance were at 32% and 23%, respectively. Consequently, the City identified a number of cost saving measures that, once implemented, will have a significant impact on the City's financial outlook. With full implementation of the cost savings measures, it is anticipated the City will meet its Fund Balance policy minimums by FY 2015/16 and its operating ratio minimum by FY 2016/17.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

In developing the City's accounting system, consideration was given to the adequacy of internal accounting controls, which are designed to provide reasonable, but not absolute, assurance in connection with: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Furthermore, the City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is authorized to transfer budgeted amounts within and between funds as deemed necessary in order to meet the City's needs. Revisions that exceed the appropriated budget must be approved by the City Council.

CASH MANAGEMENT

The City invests its temporary idle cash in investments authorized under the City's prevailing Investment Resolution and Policies, which are reviewed and approved annually. These policies are significantly more restrictive than State law, limiting investments to a maturity of one year or less. At the present time, the City's investments are limited to the Local Agency Investment Fund (LAIF), fully insured or collateralized certificates of deposit with qualified banks, and U.S. Treasury money market funds.

CAPITAL ASSETS

Generally, only assets which cost \$5,000 or more and which have a useful life of five years or more are considered capital assets. This designation is extensively discussed in the City's Internal Control Policies and Procedures for Capital Assets and Minor Equipment, which were developed for the City's compliance with the requirements with GASB 34.

MAJOR INITIATIVES

The following section provides a sampling of some of the various initiatives and highlights occurring throughout the 2013/2014 fiscal year:

LHHS ATHLETIC FIELDS SYNTHETIC TURF PROJECT

This project represents a strategic partnership between the City of Laguna Hills, Moulton Niguel Water District (MNWD), and the Saddleback Valley Unified School District (SVUSD) to convert the Laguna Hills High School's upper athletic fields to synthetic turf. The school district approached the City in February 2014 about partnering together to convert the athletic fields to artificial synthetic turf at an estimated cost of \$1.6 million. Through MNWD's Water Efficiency Rebate Program, including Turf Removal Rebates and Synthetic Turf Installation Rebates, funds were made available to convert the entire 247,000 square foot of fields to artificial turf. The City proceeded to successfully secure over \$1 million in rebates and incentives, allowing for the project at no cost to the City. Construction on the project has been completed and a groundbreaking ceremony was held on November 20, 2014. This project will result in a significant decrease in water usage, estimated at approximately 50 million gallons of water over the next 10 years, as well as provide additional savings of approximately \$50,000 annually in SVUSD's operating budget. The City, in exchange, was able to secure rights for increased usage of the fields for both adult and youth sports organizations.

THE VILLAGE AT
NELLIE GAIL

This 11.3 acre area located on the north side of La Paz Road between Moulton Parkway to the west and Alameda to the east was identified as an Opportunity Area in the City's General Plan. Following the rezoning of this parcel from open space to commercial retail, staff processed a tentative parcel map essentially creating a 3.055 acre lot with a 50-foot-wide open space/trail easement along La Paz Road. Three years ago, the City Council authorized staff to file a quiet title action in court, giving the City clear title on the property. At the April 24, 2012, City Council meeting, the City Council approved the sale of the property to Vintage Real Estate, the owner of the adjacent shopping center for \$2.75 million. At that meeting, the City Council also approved the addition of 29,098 square feet of general commercial space. The approved purchase and sale agreement also included a creative and first-of-its-kind water quality easement over a portion of contiguous city-owned open space that allowed the project to move forward. The City negotiated an additional \$211,416 in exchange for the use of these easements. The quiet title action was completed in June 2012 and escrow on the property closed in September 2012 in the amount of \$2,963,093. The Center, now branded as The Village At Nellie Gail, is anchored by The Fresh Market. The Fresh Market in Laguna Hills, which is the chain's first store in Southern California and the second in the State, celebrated its Grand Opening on July 30, 2014. The Center continues to lease up with a number of new retailers and restaurants, including MOD Pizza and Rita's Italian Ice. The rehabilitation of the 8.25-acre open space along La Paz Road between Alameda Avenue and Moulton Parkway was also completed July 2014 by the City at a cost of \$1.24 million.

LAGUNA HILLS
MALL

In May 2013, Merlone Geier Partners purchased the 68-acre mall from the Simon Property Group. Built in 1973, the Laguna Hills Mall will soon undergo a major redevelopment plan that creates a modern pedestrian-friendly town center with more cafes, restaurants, an upscale movie theater, and public plaza. The mall serves as the backbone of the Laguna Hills Urban Village plan to design a mixed-use downtown space that provides not only shopping, but also a pedestrian experience and public gathering space. Over the past year, Merlone Geier Partners purchased the Sears lease to make way for a major redevelopment of the property. Sears subsequently vacated its location over the summer. The property owner has indicated it will submit new concept plans in the early part of 2015. It is anticipated that the new

redevelopment plan for the mall will generate an increase in property and sales tax revenue to the City.

OAKBROOK VILLAGE

The owner of Oakbrook Village, Fritz Duda Company, received approval from the City in 2012 to create mixed-use development with new retail and residential units. This project will ultimately create the City's first urban village by demolishing 148,530 square feet of the existing 200,000 square foot center and replacing it with 489 homes in multi-story residential buildings and up to 82,574 square feet of new retail space. Phase 1 of this project, which includes the demolition of 82,730 square feet of retail uses and the development of 289 dwelling units and 23,974 square feet of new retail space, began grading and demolition work in April 2014. Building permits for the project were issued in October 2014 and construction for Phase I is anticipated to be completed in the spring of 2016. Additionally in October, the City received a total of \$2,777,779 in fees, including \$2,136,288 in Park In-lieu Fees.

POLICE SERVICES STUDY

One of the Major Plans identified as part of the 2013-15 Biennial Budget was a review of the current Police Services contract, including recommendations regarding possible modifications or reallocation of resources. The City awarded a contract to Matrix Consulting in November 2013 to conduct a comprehensive evaluation of police services in Laguna Hills. A final report was presented to the City Council in June 2014 that identified several potential cost saving measures, which are currently under review for implementation.

SOLID WASTE AND RECYCLING AGREEMENT

The City approved an amendment to its current franchise agreement with CR&R for waste hauling services, extending the term of the agreement by eight years through June 30, 2024. In exchange for the extension, CR&R reduced its rates for residential and commercial customers, effective October 1, 2014. Residential rates saw a 13% reduction, while commercial service rates decreased by 2.5% to 8%, depending on the size of the container and the number of weekly pickups. Commercial recycling rates also decreased from 2.5% to 29%, depending on the size of the container and the number of weekly pickups. In addition to the reduction in rates, CR&R is establishing an On-Call Residential Household Hazardous Waste (HHW) Pick Up Service.

**COMMUNITY
DEVELOPMENT BLOCK
GRANT (CDBG)**

Over the past ten years, the City has been awarded Community Development Block Grant (CDBG) funds totaling over \$2.7 million dollars. Nearly \$2.5 million has been used for the partial rehabilitation of more than 180 affordable housing units for very low, low, and moderate income households in the City. In 2014, the City was awarded \$80,000 to renovate homes in the 248-unit Aliso Meadows Condominium Association. The remaining \$290,000 in grant monies have been used to complete a number of improvements and address deferred maintenance issues at the Florence Sylvester Memorial Senior Center. In 2014, the City was awarded \$75,000 for the following improvements: (1) removal of the landscaping on the south side of the building and replacing it with hardscape to create a safe staging area for the Meals on Wheels program; (2) purchase and install audio/video equipment for educational presentations; and (3) remove all fluorescent light fixtures and replace them with energy-efficient fixtures to reduce energy consumption.

**STREET MAINTENANCE
CONTRACT**

Since its incorporation in 1991, the City has utilized the services of the County of Orange for routine maintenance of the City's eighty-one miles of public streets. Upon closer evaluation, it was determined the City could benefit from a procurement for these services and the services could likely be provided at a lower cost as compared to the current agreement and at equal or better service levels. Following a lengthy and complex bidding process, the City contracted with Charles Abbott and Associates for street maintenance services, resulting in a projected budget savings of \$100,000 per year.

**SOUND WALL ALONG
I-5 / ALISO CREEK**

The San Diego Freeway (I-5) Project from San Joaquin Hills Toll Road (SR-73) to El Toro Road is a \$481 million freeway widening project under the direction of Caltrans and in cooperation with OCTA. As part of the environmental review process and outreach, OCTA presented an overview of the project at a City Council meeting. At the time, the City Council indicated concerns regarding noise impacts to specific neighborhoods in the City. As the process progressed, the City challenged the conclusions set forth in the environmental documents regarding noise impacts in the Aliso Creek neighborhoods. The City worked closely with Caltrans and OCTA to seek a resolution, and ultimately a community enhancement wall was added to the project to protect residents in the area from traffic noise impacts, at no cost to the City. The I-5 project is currently in the design phase and anticipated to begin construction in 2018.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Laguna Hills for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the twenty-first consecutive year the City has received this prestigious award. The certificate is a national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards, and must satisfy both generally accepted accounting principles and applicable legal requirements.

The City also received the GFOA Distinguished Budget Presentation Award for its 2013-15 biennial budget document. To qualify for the GFOA award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Administrative Services Department. The contributions are invaluable and clearly reflect the high standards the City has set for itself.

In closing, without the effective leadership, guidance, and support provided by the Mayor and the City Council, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

Respectfully submitted,

Original signed

Bruce E. Channing
City Manager

Original signed

Donald J. White
Assistant City Manager

CITY OF LAGUNA HILLS

ELECTED OFFICIALS As of June 30, 2014



Andrew Blount
Mayor



Dore Gilbert
Mayor Pro Tem



Randal Bressette
Council Member



Melody Carruth
Council Member



Barbara Kogerman
Council Member

CITY OF LAGUNA HILLS

APPOINTED OFFICIALS As of June 30, 2014



Donald J. White
Assistant City Manager/Deputy Treasurer



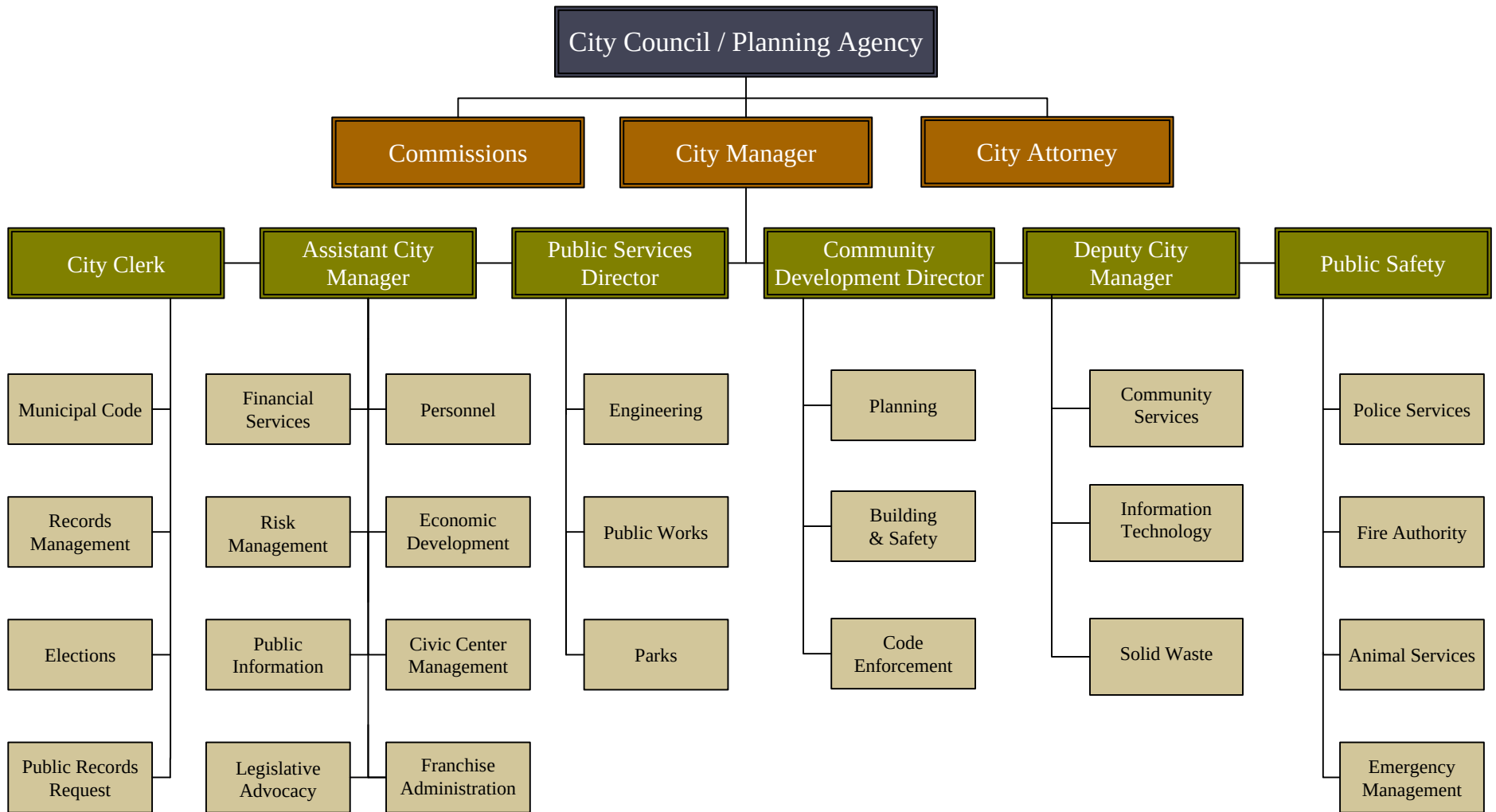
Bruce E. Channing
City Manager/Treasurer

♦ Gregory E. Simonian	City Attorney
♦ Peggy J. Johns	City Clerk
♦ David Chantarangsu	Community Development Director
♦ David T. Reynolds	Deputy City Manager
♦ Kenneth H. Rosenfield	Director of Public Works/City Engineer
♦ Lt. Roland Chacon	Police Chief (O.C. Sheriff Department)
♦ Bryan Brice	Division Chief (OC. Fire Department)

CITY OF LAGUNA HILLS

ORGANIZATIONAL CHART

June 30, 2014





FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Laguna Hills
Laguna Hills, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laguna Hills, California (City), as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in note 1 to the basic financial statements effective July 1, 2013, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, Statement No. 66, *Technical Correction-2012*, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages II-5 through II-16 and II-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, major capital projects and debt service budgetary schedules, fiduciary changes in assets and liabilities, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

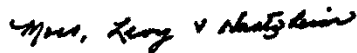
The combining and individual non-major fund financial statements and schedules, major capital projects and debt service budgetary schedules, fiduciary changes in assets and liabilities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules, major capital projects and debt service budgetary schedules, fiduciary changes in assets and liabilities are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of

the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP
Culver City, California
December 2, 2014

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MANAGEMENT'S DISCUSSION & ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Laguna Hills offers the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended **June 30, 2014**. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter on page I-1 and the basic financial statements in the appropriate section.

Financial Highlights

Government-Wide

- The net position of the City of Laguna Hills at the close of the most recent fiscal year was \$102,573,434. Of this amount, \$5,798,922 may be used to meet the City's ongoing obligations to its citizens and creditors.
- After recording the value of the City's infrastructure assets, net of accumulated depreciation, the decrease in the City's net position resulting from the most recent fiscal year's operation was \$1,383,189, approximately 1.3%.
- Total revenues from all sources were \$22,095,562.
- The total cost of all City programs and projects was \$23,478,751. Approximately 19%, or \$4,549,205, of this amount is attributable to depreciation on the City's capital assets.
- The net position of governmental activities was \$92,631,130 as of June 30, 2014, after recording the value of the City's infrastructure assets, net of accumulated depreciation and long term debt.
- Governmental activities, which include certain capital projects and depreciation related to capital assets, decreased the City's net position by \$874,853.

Fund Based

- As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of \$10,227,561.
- Total non-spendable fund balances, amounts that are either not in spendable form or are legally or contractually required to be maintained, were \$416,994.
- Total spendable fund balances were \$9,810,567. Of this amount, approximately 17% (\$1,726,228 total assigned) is constrained by the

City's intent to be used for a specific purpose and 43% (\$4,222,459 total restricted) is restricted in their use by external restrictions, such as by creditors, debt covenants, grantors, contributors, or by laws and regulations.

- Total governmental fund balances decreased by \$491,082.
- At the end of the most recent fiscal year, the total fund balance for the general fund was \$6,327,883; a decrease of \$1,832,535 over prior year.
- General fund reported revenues exceeded expenditures by \$1,425,040.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Laguna Hills' basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statement themselves.

- (1) **Government-wide financial statements.** These statements are designed to provide readers with a broad overview of the City of Laguna Hills' finances, in a manner similar to a private-sector business. The following reports comprise the government-wide financial statements:
 - a) Statement of Net Position. This report presents information on all the assets and liabilities, with the difference between the two reported as the *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening, though it is important to consider other non-financial factors in accurately assessing the overall health of the City, such as the property tax base or condition of the roads, etc.; and
 - b) Statement of Activities. The information presented in this report shows how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (referred to as *governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as *business-type*

activities).

The **governmental activities** of the City of Laguna Hills include general government, public services, community development, community services and public safety. Property taxes, sales and use taxes, transient occupancy taxes, and franchise fees finance most of these activities.

The **business-type activity** of the City of Laguna Hills pertains to the leasing of certain areas in the Laguna Hills Civic Center, which also houses City Hall.

The government-wide financial statements can be found on pages II-17 to II-19 of this report.

- (2) **Fund financial statements.** These statements show how the City services were financed in the short term as well as what remains for future spending. These statements also report the City's operation in more detail than the government-wide statements by providing information about the City's most significant funds, but not the City as a whole. Funds are required to be established, either by State or Federal laws, in order to meet legal responsibilities associated with the usage of certain taxes, grants, and other money. There are three types of funds, namely:

- a) Governmental funds. These statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information provides a short-term view of the City's general government operations and shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. These funds are reported using the *modified accrual method* of accounting, which measures cash and all other financial assets that can readily be converted to cash. The relationship between governmental activities and the governmental funds are reported in the reconciliation of government-wide and fund financial statements and in Note 1 in the Notes to the Basic Financial Statements.

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, capital projects fund, and debt service fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of *combining statements* elsewhere in this report.

- b) Proprietary funds. When the City charges for the services it provides, other than those services associated with the City's general governmental operations, these services are generally reported in proprietary funds. The proprietary fund is used to report the same function presented as *business-type activities* in the government-wide financial statements. The City uses the proprietary fund to account for its Civic Center leasing activity.
- c) Fiduciary funds. These funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

The fund financial statements can be found on pages II-21 to II-28 of this report.

- (3) **Notes to the basic financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages II-29 to II-57 of this report.
- (4) **Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the budgetary comparisons for the general fund.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government –Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of the City's financial position. The City's combined net position at the close of the most recent fiscal year ended June 30, 2014, was \$102,573,434, as shown on Table 1, on the following page.

By far the largest portion of the City's net position (roughly \$94 million, or 92% of total net position) reflects its investment in capital assets (land, building, machinery, and equipment) less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; Consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the

capital assets themselves cannot be used to liquidate these liabilities. There is \$13,436,572 in debt outstanding related to the acquisition and construction of these capital assets.

Table 1
Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 13,376	\$ 13,933	\$ 109	\$ 124	\$ 13,485	\$ 14,057
Capital assets	95,790	96,960	9,895	10,403	105,685	107,363
Total assets	<u>109,166</u>	<u>110,893</u>	<u>10,004</u>	<u>10,527</u>	<u>119,170</u>	<u>121,420</u>
Total deferred outflows	<u>305</u>				<u>305</u>	
Long-term liabilities						
outstanding	13,979	14,820	38	31	14,017	14,851
Other liabilities	2,861	2,115	23	45	2,884	2,160
Total liabilities	<u>16,840</u>	<u>16,935</u>	<u>61</u>	<u>76</u>	<u>16,901</u>	<u>17,011</u>
Net position:						
Net investment in capital assets	84,465	84,618	9,895	10,403	94,360	95,021
Restricted	2,415	999			2,415	999
Unrestricted	5,751	8,341	48	48	5,799	8,389
Total net position	<u>\$ 92,631</u>	<u>\$ 93,958</u>	<u>\$ 9,943</u>	<u>\$ 10,451</u>	<u>\$ 102,574</u>	<u>\$ 104,409</u>

Another portion of the City's net position, \$2,414,686 (2% of the total net position), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position is unrestricted net position of \$5,798,922, which may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's business-type activity involves the leasing of rentable areas in the Civic Center building. This 3-story building complex was renovated to accommodate the City offices and to add leasable spaces. Since June 28, 2004, the City government has operated from this facility. The occupancy rate was approximately 77% on June 30, 2014.

During the fiscal year ended June 30, 2014, the total revenue from all sources was \$22,095,562 and the cost of all activities was \$23,478,751, resulting in an overall decrease in net position of \$1,383,189. The City's governmental activities decreased total net position by \$874,853 and the City's business-type activities

decreased total net position by \$508,336. The decrease from governmental activities is primarily due to the planned use of reserves to fund capital improvement projects, namely the La Paz Open Space Improvement Project. The decrease from business-type activities is largely attributable to depreciation. Of the \$1,278,434 of total operating expenses related to the City's property leasing activities, depreciation represents 56% (\$712,735) of that total.

The details of the changes in the City's Net Position are shown in **Table 2** below.

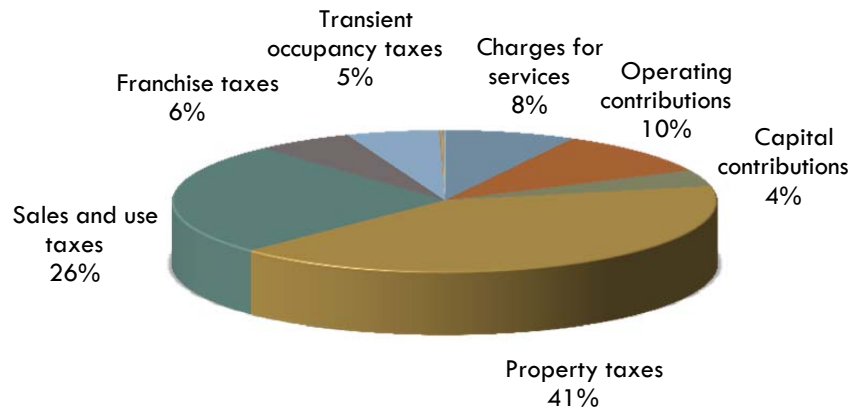
Table 2
Statement of Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 1,701	\$ 1,804	\$ 476	\$ 528	\$ 2,177	\$ 2,332
Operating contributions	2,186	2,138			2,186	2,138
Capital contributions	808	945			808	945
General Revenues:						
Property taxes	8,826	8,722			8,826	8,722
Sales and use taxes	5,563	5,305			5,563	5,305
Franchise taxes	1,259	1,211			1,259	1,211
Transient occupancy taxes	1,203	1,108			1,203	1,108
Motor vehicle in lieu taxes	14	17			14	17
State subvention	17				17	
Interest earnings	12	12			12	12
Sale of capital assets		2,770				2,770
Miscellaneous revenues	30	21			30	21
Total revenues	<u>21,619</u>	<u>24,053</u>	<u>476</u>	<u>528</u>	<u>22,095</u>	<u>24,581</u>
Expenses:						
Legislative/executive	1,547	1,546			1,547	1,546
Administrative services	1,758	1,976			1,758	1,976
Public services	6,377	6,151			6,377	6,151
Community development	1,266	1,138			1,266	1,138
Community services	3,886	3,777			3,886	3,777
Public safety	6,837	6,576			6,837	6,576
Property leasing			1,278	1,163		1,163
Interest	530	583			530	583
Total expenses	<u>22,201</u>	<u>21,747</u>	<u>1,278</u>	<u>1,163</u>	<u>23,479</u>	<u>22,910</u>
Change in net position before transfers	<u>(582)</u>	<u>2,306</u>	<u>(802)</u>	<u>(635)</u>	<u>(1,384)</u>	<u>1,671</u>
Transfers	<u>(294)</u>		<u>294</u>			
Change in net position	(876)	2,306	(508)	(635)	(1,384)	1,671
Net position, beginning, as restated	<u>93,506</u>	<u>91,652</u>	<u>10,451</u>	<u>11,086</u>	<u>103,957</u>	<u>102,738</u>
Net position, ending	<u>\$ 92,630</u>	<u>\$ 93,958</u>	<u>\$ 9,943</u>	<u>\$ 10,451</u>	<u>\$ 102,573</u>	<u>\$ 104,409</u>

Governmental Activities

The revenue sources from governmental activities presented in the preceding table are illustrated in a pie chart shown below as **Figure 1**, which illustrates the percentage relationship of these revenues to each other, as well as their impact on the City's total resources.

Figure 1
Revenue by Sources – Governmental Activities
FY 2013/14



As shown in the above pie chart, roughly 78% of the City's total governmental revenues are from taxes, comprised of property, sales and use, motor vehicle in lieu, franchise and transient occupancy taxes. Program revenues totaled 22% of the total resources, comprised of charges for services, operating and capital contributions.

The City's expenses in connection with its governmental activities are categorized by function, namely: legislative/executive, administrative services, public services, community development, community services and public safety. The program revenues associated with these governmental activities are classified into three categories, which are charges for services, operating contributions and capital contributions. The relationships of the City's program revenues with the related governmental functions are illustrated in a graph shown as **Figure 2** on the following page.

Expenses associated with governmental activities experienced only a slight increase of 2%, or \$452,792, this past year. This is largely attributable to an

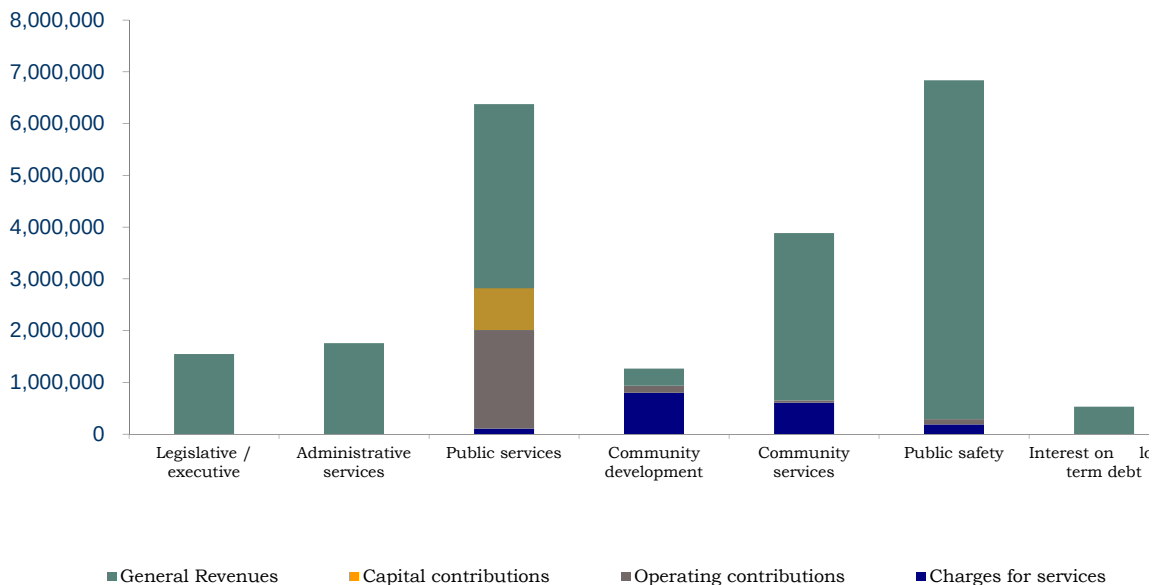
increase in building and landscape maintenance expenditures, due in part by a rise in the cost for water and electricity, as well as increase in recreation program activity, such as the Memorial Day Half Marathon and recreation classes. Of the \$22,200,317 of expenses, depreciation of capital assets accounts for \$3,836,470 (17%) and the debt service interest payment on capital related items accounts for \$530,039 (2%).

Program Revenues and Expenses:

Program revenues for the most recent fiscal year were \$4,694,768. Expenses related to governmental activities were \$22,200,317. The program revenues are generally not adequate to finance the governmental programs, so it is typical for governmental expenses to be subsidized by general revenues. The City's expenses for public services and public safety are comparatively higher than the other expense categories, as shown in **Figure 2** below. The interest on long-term debt was \$530,039.

Figure 2

FUNDING OF GOVERNMENTAL ACTIVITIES FY 2013/14



Business-type Activities

During the most recent fiscal year, the operating revenues of the Laguna Hills Civic Center were \$476,391 and the operating expenses were \$1,278,434, resulting in a net operating loss of \$802,043, which includes a depreciation charge of \$712,735. After interest earnings of \$16, the change in net position at

fiscal year-end was \$(802,027). The net cash provided by the leasing activities was \$1,246. The contra rent revenue associated with the occupied spaces for City Hall was \$613,071.

Analysis of Major Funds

As noted earlier, the City of Laguna Hills uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of the City of Laguna Hills' *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Laguna Hills' financing requirements. In particular, fund balances of the governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$10,227,561, a decrease of \$491,082 from prior year's balance. Of the ending fund balance, \$416,994 is non-spendable fund balance, which represents the portion of fund balance that is either not in spendable form or are legally or contractually required to be maintained. Of the remaining \$9,810,567 in spendable fund balance, \$4,222,459 is restricted fund balance, \$1,726,228 is assigned fund balance and \$3,861,880 is unassigned fund balance. Restricted fund balance includes amounts that have externally imposed restrictions on their usage by creditors, such as debt covenants, grantors, and contributors, or by laws and regulations. Assigned fund balance includes amounts which are constrained by the City's intent to be used for a specific purpose. These include \$200,000 designated for claims liability and a total of \$1,526,228 designated for equipment maintenance of the Civic Center, Community Center, Sports Complex, and various parks.

The fund balance of the City's general fund decreased by \$1,832,535 from the prior fiscal year's balance, resulting from the transfers out to fund debt service and certain capital improvement projects. The fund balance of the non-major governmental funds increased by \$1,348,755, which is largely attributable to gas tax revenue held to fund future capital projects in the capital projects fund, namely the annual street maintenance program.

Proprietary fund:

The proprietary fund provides the same type of information found in the government-wide financial statements. The City's proprietary fund consists of owning a piece of commercial real estate and leasing it to various entities. The total square footage of the building is 51,944. The City is a tenant using approximately 21,033 square feet of the building. The enterprise fund does not charge the City rent. The estimated annual rent for the space would be approximately \$613,071.

The statement of revenues, expenses, and changes in net position shows a net operating loss of \$802,043, before the interest earnings of \$16. The net effect, after a transfer in of \$293,691 from General Fund, is a decrease in the ending net position of \$508,336, which is largely attributable to depreciation. It should be noted that before accounting for depreciation the net operating loss would be \$89,308 from the City's leasing related activities.

General Fund Budgetary Highlights

At fiscal year-end, total revenues were below the budgeted amount by \$120,398, which is largely due to a decrease in fines and forfeiture activity. The City's top revenues source, property taxes, performed well in comparison to the budget. Property taxes totaled \$8,826,271, which was \$107,267 over the budget estimate. The total operating expenditures came in lower than the budgeted amount by \$43,010.

Capital Assets and Debt Administration**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounted to \$105,684,825 net of accumulated depreciation. This investment includes land, land improvements, easements, right of ways, building, building improvements, equipment, machinery, construction in progress, and infrastructure. In accordance with the requirement of GASB 34, the value of the City's infrastructure assets are included in this report, which include streets, sidewalks, curbs, gutters, playground equipment, and similar assets that are considered public property. Equipment and machinery includes vehicles, furniture, computer hardware and software.

A schedule showing the changes in the City's capital assets are shown in the following **Table 3** on the next page.

Table 3
City of Laguna Hills Capital Assets (Net of accumulated depreciation)
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land & improvements	\$ 29,736	\$ 29,692	\$ 2,855	\$ 2,855	\$ 32,592	\$ 32,547
Rights of ways/Easements	3,062	3,062			3,062	3,062
Building & improvements	5,524	6,197	7,039	7,547	12,563	13,745
Equipment and machinery	413	503			413	503
Construction in progress		696				696
Infrastructure						
Street signs	26	57			26	57
Storm drains	2,309	2,387			2,309	2,387
Streets	45,211	44,591			45,211	44,591
Parks inventory	1,485	1,414			1,485	1,414
Curbs, sidewalks, gutters	6,274	6,542			6,274	6,542
Bridges	1,750	1,819			1,750	1,819
Total capital assets net of accumulated depreciation	<u>\$ 95,790</u>	<u>\$ 96,960</u>	<u>\$ 9,895</u>	<u>\$ 10,403</u>	<u>\$ 105,685</u>	<u>\$ 107,363</u>

Additional information on the City's capital assets can be found in Note 5 on page II-47 of this report.

Long-term Debt

On January 26, 2010, to take advantage of favorable interest rates, the City issued \$17,190,000 of Certificates of Participation (COPs). Proceeds from the sale were placed in an irrevocable trust used to service the future debt requirements of the 2001 and 2003 Certificates of Participation, which were issued to finance a portion of the costs to develop certain property, including the Civic Center Renovation Project and Community Center. As a result, the balance of the 2001 and 2003 COPs are considered to be defeased and the liability for those bonds has been removed. At fiscal year-end June 30, 2014, the per capita liability of the City of Laguna Hills was \$407.85. Additional information on the City's long-term debt can be found in Note 7 on pages II-48 to II-49 of this report.

Budget and Economic Factors

The City's most recent adopted biennial budget for fiscal years 2013/14 - 2014/15 shows that the City continues to live within its means. The major goals and issues that dominated the budgeting process for this biennial budget are discussed in the transmittal letter together with the measures adopted to address the prevailing issues.

Requests for Information

This financial report is designed to provide a general overview of the City of Laguna Hills' finances to all interested parties. Any questions regarding this report or requests for additional information should be addressed to the City's Finance Department, at 24035 El Toro Road, Laguna Hills, California, 92653.

* * * * *

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF LAGUNA HILLS

STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments (note 2)	\$ 8,302,973	\$ 96,561	\$ 8,399,534
Taxes receivable	1,930,645		1,930,645
Accounts receivable, net of allowance	376,632	6,019	382,651
Interest receivable	5,349		5,349
Prepaid items	96,333	6,815	103,148
Due from other governments	809,081		809,081
Restricted cash and investments (note 2)	1,855,065		1,855,065
Capital assets, not depreciated (note 5)	20,815,814	2,855,425	23,671,239
Capital assets, net of accumulated depreciation (note 5)	74,974,508	7,039,078	82,013,586
Total assets	<u>109,166,400</u>	<u>10,003,898</u>	<u>119,170,298</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	304,796		304,796
Total deferred outflows of resources	<u>304,796</u>		<u>304,796</u>
LIABILITIES			
Accounts payable	1,262,970		1,262,970
Accrued liabilities	716,415	23,388	739,803
Interest payable	226,952		226,952
Due to other governments	654,845		654,845
Deposits		38,206	38,206
Noncurrent Liabilities (note 7):			
Due within one year	1,384,695		1,384,695
Due in more than one year	12,594,189		12,594,189
Total liabilities	<u>16,840,066</u>	<u>61,594</u>	<u>16,901,660</u>
NET POSITION			
Net investment in capital assets	84,465,323	9,894,503	94,359,826
Restricted for:			
Public services	2,319,956		2,319,956
Public safety	6,373		6,373
Community services	88,357		88,357
Unrestricted	5,751,121	47,801	5,798,922
Total net position	<u>\$ 92,631,130</u>	<u>\$ 9,942,304</u>	<u>\$ 102,573,434</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014



		Program Revenues			
		Charges for	Operating	Capital	Total
	Expenses	Services	Contributions and Grants	Contributions and Grants	Program Revenues
Governmental activities:					
Legislative/executive	\$ 1,546,625	\$ -	\$ -	\$ -	\$ -
Administrative services	1,758,062				
Public services	6,376,642	106,633	1,905,527	807,545	2,819,705
Community development	1,265,719	799,316	135,468		934,784
Community services	3,886,180	608,877	41,570		650,447
Public safety	6,837,050	186,347	103,485		289,832
Interest expense	530,039				
Total governmental activities	<u>22,200,317</u>	<u>1,701,173</u>	<u>2,186,050</u>	<u>807,545</u>	<u>4,694,768</u>
Business-type activities:					
Property leasing	<u>1,278,434</u>	<u>476,391</u>			<u>476,391</u>
Total business-type activities	<u>1,278,434</u>	<u>476,391</u>			<u>476,391</u>
Total primary government	<u>\$ 23,478,751</u>	<u>\$ 2,177,564</u>	<u>\$ 2,186,050</u>	<u>\$ 807,545</u>	<u>\$ 5,171,159</u>

General revenues:

Taxes:

Property taxes

Sales and use tax

Franchise tax

Transient occupancy tax

Intergovernmental, unrestricted:

Motor vehicle in lieu

State subvention

Investment earnings

Miscellaneous revenue

Transfers

Total general revenues

Changes in net position

Net position - beginning, as restated (note 14)

Net position - ending

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (1,546,625)	\$ -	\$ (1,546,625)
(1,758,062)		(1,758,062)
(3,556,937)		(3,556,937)
(330,935)		(330,935)
(3,235,733)		(3,235,733)
(6,547,218)		(6,547,218)
(530,039)		(530,039)
<u>(17,505,549)</u>		<u>(17,505,549)</u>
	<u>(802,043)</u>	<u>(802,043)</u>
	<u>(802,043)</u>	<u>(802,043)</u>
<u>(17,505,549)</u>	<u>(802,043)</u>	<u>(18,307,592)</u>
8,826,271		8,826,271
5,562,823		5,562,823
1,259,021		1,259,021
1,203,422		1,203,422
14,344		14,344
16,549		16,549
12,251	16	12,267
29,706		29,706
(293,691)	293,691	
<u>16,630,696</u>	<u>293,707</u>	<u>16,924,403</u>
(874,853)	(508,336)	(1,383,189)
93,505,983	10,450,640	103,956,623
<u>\$ 92,631,130</u>	<u>\$ 9,942,304</u>	<u>\$ 102,573,434</u>

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FUND FINANCIAL STATEMENTS

CITY OF LAGUNA HILLS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Assets					
Cash and investments	\$ 8,302,973	\$ -	\$ -	\$ -	\$ 8,302,973
Receivables:					
Taxes	1,930,645				1,930,645
Accounts	388,547				388,547
Interest	4,353		996		5,349
Prepaid items	96,333				96,333
Due from other funds (note 3)	2,120			2,414,686	2,416,806
Due from other governments	809,081				809,081
Advances to other funds (note 3)	320,661				320,661
Restricted assets:					
Cash and investments	48,288		1,806,777		1,855,065
Total assets	<u>\$ 11,903,001</u>	<u>\$ -</u>	<u>\$ 1,807,773</u>	<u>\$ 2,414,686</u>	<u>\$ 16,125,460</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,262,970	\$ -	\$ -	\$ -	\$ 1,262,970
Accrued liabilities	716,415				716,415
Due to other funds (note 3)	2,414,686			2,120	2,416,806
Due to other governments	654,845				654,845
Advances from other funds (note 3)				320,661	320,661
Total liabilities	<u>5,048,916</u>			<u>322,781</u>	<u>5,371,697</u>
Deferred Inflows of Resources					
Unavailable revenues	526,202				526,202
Total deferred inflows of resources	<u>526,202</u>				<u>526,202</u>
Fund balance (note 11):					
Nonspendable	416,994				416,994
Restricted			1,807,773	2,414,686	4,222,459
Assigned	1,726,228				1,726,228
Unassigned	4,184,661			(322,781)	3,861,880
Total fund balances	<u>6,327,883</u>		<u>1,807,773</u>	<u>2,091,905</u>	<u>10,227,561</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,903,001</u>	<u>\$ -</u>	<u>\$ 1,807,773</u>	<u>\$ 2,414,686</u>	<u>\$ 16,125,460</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Fund balances of governmental funds	\$ 10,227,561
-------------------------------------	---------------

Amounts reported for governmental activities in the Statement of
Net position are different because:

Accounts receivable allowance for uncollectible accounts.	(11,915)
---	----------

Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	95,790,322
--	------------

Long term debt, bond premium, compensated absences, and claims and judgments that have not been included in the governmental fund activity.	(13,978,884)
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Deferred outflows of resources (loss on refunding of bonds) that have not been included in the governmental fund activity.	304,796
---	---------

Accrued interest payable for the current portion of interest due on the Certificates of Participation has not been reported in the governmental funds.	(226,952)
--	-----------

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.	<u>526,202</u>
--	----------------

Net position of governmental activities	<u><u>\$ 92,631,130</u></u>
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See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	Capital Projects	Debt Service	Other Governmental Funds	Totals
Revenues:					
Taxes	\$ 11,288,714	\$ -	\$ -	\$ 20,000	\$ 11,308,714
Licenses and permits	737,110			41,098	778,208
Intergovernmental revenues	5,553,962			3,310,767	8,864,729
Charges for current services	931,909				931,909
Fines and forfeitures	186,347				186,347
Investment income	11,533		4,355	5,720	21,608
Total revenues	<u>18,709,575</u>		<u>4,355</u>	<u>3,377,585</u>	<u>22,091,515</u>
Expenditures:					
Current:					
Legislative/executive	1,536,724				1,536,724
Administrative services	1,631,541				1,631,541
Public services	4,334,264			65,440	4,399,704
Community development	1,126,247			135,468	1,261,715
Community services	1,833,117			27,749	1,860,866
Public safety	6,822,642			3,661	6,826,303
Capital outlay		2,965,511			2,965,511
Debt service:					
Interest			601,542		601,542
Principal retirement			1,205,000		1,205,000
Total expenditures	<u>17,284,535</u>	<u>2,965,511</u>	<u>1,806,542</u>	<u>232,318</u>	<u>22,288,906</u>
Excess (deficiency) of revenues over expenditures	<u>1,425,040</u>	<u>(2,965,511)</u>	<u>(1,802,187)</u>	<u>3,145,267</u>	<u>(197,391)</u>
Other financing sources (uses):					
Transfers in (note 4)	1,716,321	2,965,511	1,794,885	737,619	7,214,336
Transfers out (note 4)	<u>(4,973,896)</u>			<u>(2,534,131)</u>	<u>(7,508,027)</u>
Total other financing sources (uses)	<u>(3,257,575)</u>	<u>2,965,511</u>	<u>1,794,885</u>	<u>(1,796,512)</u>	<u>(293,691)</u>
Net change in fund balances	(1,832,535)		(7,302)	1,348,755	(491,082)
Fund balances, beginning of fiscal year, as restated (note 14)	<u>8,160,418</u>		<u>1,815,075</u>	<u>743,150</u>	<u>10,718,643</u>
Fund balances, end of fiscal year	<u>\$ 6,327,883</u>	<u>\$ -</u>	<u>\$ 1,807,773</u>	<u>\$ 2,091,905</u>	<u>\$ 10,227,561</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds	\$ (491,082)
--	--------------

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation & disposals exceed capital outlays in the current period.	(1,169,915)
--	-------------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Premiums associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the Statement of Net Position, the premiums are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	1,285,464
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Deferred losses on refunding of long-term debt in the Statement of Net Position are deferred and amortized throughout the period during which the related debt is outstanding.	(28,800)
--	----------

To record as an expense the net change in compensated absences and claims and judgments in the Statement of Activities.	(110,499)
---	-----------

Accrued interest for Certificates of Participation. This is the net change in accrued interest for the current period.	19,839
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in unearned revenue for the current period.	(379,860)
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Change in net position of governmental activities	<u>\$ (874,853)</u>
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See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS

PROPRIETARY FUND

STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Enterprise - Property Leasing</u>
ASSETS	
Current assets:	
Cash and investments (note 2)	\$ 96,561
Accounts receivable	6,019
Prepaid items	6,815
Total current assets	<u>109,395</u>
Noncurrent assets:	
Capital assets not depreciated	2,855,425
Capital assets, net of accumulated depreciation	7,039,078
Total noncurrent assets	<u>9,894,503</u>
Total assets	<u>10,003,898</u>
LIABILITIES	
Current liabilities:	
Accrued liabilities	23,388
Deposits	38,206
Total current liabilities	<u>61,594</u>
NET POSITION	
Net investment in capital assets	9,894,503
Unrestricted	<u>47,801</u>
Total net position	<u>\$ 9,942,304</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Enterprise - Property Leasing</u>
Operating revenues:	
Rental fees	\$ 460,468
CAM revenues	10,936
Other current service fees	4,987
Total operating revenues	<u>476,391</u>
Operating expenses:	
Direct operating expenses	450,573
Advertising and promotion	6,511
Administrative and professional fees	5,704
Legal fees	75
Repairs and maintenance	12,420
Bad debts	90,416
Depreciation expense	712,735
Total operating expenses	<u>1,278,434</u>
Operating income/(loss)	<u>(802,043)</u>
Nonoperating revenues (expenses):	
Interest income	16
Total nonoperating revenues (expenses)	<u>16</u>
Income/(loss) before transfers	(802,027)
Transfers in	<u>293,691</u>
Change in net position	(508,336)
Net position, beginning of fiscal year	<u>10,450,640</u>
Net position, end of fiscal year	<u><u>\$ 9,942,304</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS

PROPRIETARY FUND

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Enterprise - Property Leasing
Cash flows from operating activities:	
Receipts from tenants	\$ 582,747
Payments to suppliers for goods and services	(581,501)
Net cash provided by operating activities	1,246
Cash flows from capital and related financing:	
Transfers in	293,691
Acquisition of capital assets	(204,161)
Net cash provided for capital and related financing activities	89,530
Cash flows from investing activities:	
Interest on investments	16
Net cash provided by investing activities	16
Net increase (decrease) in cash and cash equivalents	90,792
Cash and cash equivalents at beginning of fiscal year	5,769
Cash and cash equivalents at end of fiscal year	\$ 96,561
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (802,043)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	712,735
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	105,399
(Increase) decrease in prepaid items	13
Increase (decrease) in accrued liabilities	(15,815)
Increase (decrease) in prepaid rent & CAM revenue	(5,584)
Increase (decrease) in deposits payable	6,541
Total adjustments	803,289
Net cash provided by operating activities	\$ 1,246

Non-cash investing, capital, and financing activities:

During the fiscal year ending June 30, 2014, there were no non-cash investing, or financing items.

See Accompanying Notes to the Basic Financial Statements

CITY OF LAGUNA HILLS
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2014

ASSETS

Cash and investments	<u>\$ 299,454</u>
Total assets	<u><u>\$ 299,454</u></u>

LIABILITIES

Deposits	<u>\$ 299,454</u>
Total liabilities	<u><u>\$ 299,454</u></u>

See Accompanying Notes to the Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

CITY OF LAGUNA HILLS

Notes to the Financial Statements
June 30, 2014

(1) Reporting Entity and Summary of Significant Accounting Policies

a) Summary of Significant Accounting Policies

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Financial Reporting Entity

The City of Laguna Hills (the City) was incorporated on December 20, 1991 under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, parks, solid waste, public improvements, planning and zoning, building and safety, community services, and general administrative services.

b) Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB Pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of*

accounting. Under the *economic resources measurement focus*, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to

finance the expenditures accrued for the reporting period. For this purpose, the City considers its general revenue, with the exception of property taxes, to be available if they are collected within 90 days of the end of the fiscal year. The City uses a 180-day availability period for special revenue grants and contributions, in accordance with the provisions set forth in Governmental Accounting, Auditing, and Financial Reporting (GAFR), Chapter 9, page 131, paragraph 4.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed non-exchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, they should not be considered “available spendable resources” since they do not represent net current assets. Recognition of governmental fund type revenues represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance nonspendable accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Proprietary Funds and Fiduciary Funds

The City's enterprise fund is a proprietary fund. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations; however, they do use the full accrual basis of accounting to recognize receivables and payables. The City has no internal service funds.

Proprietary fund operating revenues, such as rental fees, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment income, results from non-exchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as expenditures.

c) Major Funds and Fiduciary Fund Types

The City reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the City. It is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund

The Debt Service Fund is used to pay the City's debt service on its COP issue.

Capital Projects Fund

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition and construction of the City's capital projects.

The City reports the following major proprietary fund:

Property Leasing

The City Hall Fund is used to account for activity pertaining to the leasing of certain areas in the Laguna Hills Civic Center, which has been the City Hall site and seat of government since June 28, 2004.

Additionally, the City reports the following fund types:

Special Revenue Funds

The Special Revenue Funds are used to account for certain revenue sources set aside for specific purposes, to avoid including restricted revenues within the general fund and to provide separate information on the sources and applications of these restricted sources.

Fiduciary Fund Type

The City has one Fiduciary Fund Type, an Agency Fund, used to account for construction deposits and trust monies received from builders, land developers, and other agencies.

d) Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Position

"Total fund balances" of the City's governmental funds, \$10,227,561, differs from "net position" of governmental activities, \$92,631,130 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Accounts Receivable Related Items

When receivables that are to be used in governmental activities are deemed to be uncollectible in the short term the statement of net position includes an allowance to reflect the true net position of the City as a whole.

Traffic accidents reimbursement	<u>\$ (11,915)</u>
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Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$152,795,897
Accumulated depreciation	<u>(57,005,575)</u>
	<u>\$ 95,790,322</u>

Long-term Debt Transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities and refunding gains or losses (both current and long-term) are reported in the statement of net position. Balances at June 30, 2014 were:

Certificates of Participation	\$ (12,585,000)
COP bond premium, net of accumulated amortization of \$355,381	(851,572)
Claims and judgments	(226,611)
Compensated absences	<u>(315,701)</u>
	<u>\$ (13,978,884)</u>

Deferred Outflows of Resources

Deferred outflows of resources in the statement of net position differ from the amount reported in governmental funds due to COP deferred refunding loss, net accumulated of \$127,200.

Deferred refunding loss	<u>\$ 304,796</u>
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Accrued Interest

Accrued liabilities in the statement of net position differ from the amount reported in governmental funds due to accrued interest on Certificates of Participation.

Accrued interest	<u>\$ (226,952)</u>
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Other Long-term Assets

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds.

Sales tax triple flip	\$ 514,286
Miscellaneous accounts receivable	<u>11,916</u>
	<u>\$ 526,202</u>

Reclassifications and Eliminations

Interfund balances must generally be eliminated in the government-wide statements, except for net residual amounts due between governmental and business-type activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expenses of the function from which the

expenses are being allocated, so that expenses are reported only once - in the function in which they are allocated.

e) Explanation of Differences between Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for governmental funds, \$491,082, differs from the “change in net position” for governmental activities, \$874,853, reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effects of the differences are illustrated below.

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas the net position decreased by the amount of depreciation expense charged for the fiscal year.

Capital outlay	\$ 2,965,511
Less amounts expensed	(298,956)
Depreciation expense	<u>(3,836,470)</u>
	<u>\$ (1,169,915)</u>

Long-term Debt Transactions

The repayment of debt principal is reported as expenditures in the governmental funds. The proceeds from COP debt issuance and bond premium are reported as other financing sources. The net amount has the effect of reducing fund balance because current financial resources have been used. For the City as a whole, however, these payments reduce and proceeds increase the liabilities in the statement of net position.

Amortization of bond premium is not an expense of the governmental funds, but under the full accrual method is a component of interest expense.

Repayment of debt principal	\$ 1,205,000
Bond premium amortized	<u>80,464</u>
	<u>\$ 1,285,464</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This includes the net change in claims and judgments (see also Note 1 (j), Note 8 General Liability Insurance and Self-funded Workers’ Compensation, and Note 6 Compensated Absences.)

The City provides a Retiree Health Savings Plan for its employees, wherein the City deposits the equivalent of the balance of the eligible employee's accumulated sick leave balance to the plan on the eligible employee's anniversary hire date (see also Note 1 (k) and Note 6 Compensated Absences).

Claims and judgments	\$ (123,094)
Compensated absences	<u>12,595</u>
	<u>\$ (110,499)</u>

Deferred Outflows of Resources

Amortization of deferred refunding losses is not expenses of the governmental funds, but under the full accrual method is a component of interest expense.

Deferred refunding loss amortized	<u>\$ (28,800)</u>
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Accrued Interest

The statement of activities includes changes in accrued interest on Certificates of Participation.

Accrued interest	<u>\$ 19,839</u>
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Other Long-term Assets

Revenues that do not provide current financial resources are not reported as revenue in the governmental funds.

Sales tax triple flip	\$ 39,754
Other government grants receivable	(406,367)
Miscellaneous accounts receivable	<u>(13,247)</u>
	<u>\$ (379,680)</u>

Reclassification and Eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between business-type and governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once - in the function in which they are allocated.

f) Cash and Investments

Investments are reported in the accompanying basic financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not

transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for amounts held by fiscal agents. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

g) Statement of Cash Flows

The enterprise proprietary fund participates in the City-wide cash and investments pool, which provides immediate access to invested funds. Accordingly, all cash and investments are considered to be cash and cash equivalents for purposes of the Statement of Cash Flows.

h) Capital Assets

Capital assets are capital outlay for assets of a permanent nature, valued at \$5,000 or more and the usage of which is expected to be more than five years. Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution.

Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government – wide financial statements and in the fund financial statements of the enterprise fund. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class, are as follows:

Building and improvements	20 years
Machinery and equipment	5-20 years
Infrastructure	5-60 years

i) Property Taxes

The County of Orange collects property taxes for the City. Tax liens attach annually as of 12:01 am on the first day of January proceeding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured

personal property taxes become due on January 1 each year, and are delinquent, if unpaid, on August 31.

j) Claims and Judgments Payable

As of July 1, 2003, the City became a member of the Exclusive Risk Management Authority of California. The annual premium included estimates of amounts paid for reported claims and incurred-but-not-reported claims based upon past experience, modified for current trends and information. Premiums are recorded as expenditures when they become payable from expendable available resources. When it is probable that a claims liability has been incurred and the amount of the loss can be reasonably estimated through historical trends and calculation of incurred but not reported claims (IBNR), the City accrues the estimated liability for the expected claims and judgments. These amounts are recorded in the government-wide financial statements. A liability is reported in the governmental funds only if there is an amount due and payable at June 30.

k) Deferred Inflows and Outflows of Resources

Pursuant to GASB Statement No. 63 the City recognizes deferred inflows and outflows of resources. A deferred inflow or outflow of resources is defined as a resource or consumption of net position by the government that is applicable to a future reporting period. Refer to Note 6 for a detailed listing of the deferred inflows and outflows of resources that the City has recognized.

l) Compensated Absences

Vacation time is provided to all full-time and extended part-time employees. Upon separation or retirement from City service, all employees shall be compensated at their prevailing pay rate for their accrued vacation. No employee shall be allowed to carry over more than 320 hours of vacation time from one fiscal year to the next. At the start of the fiscal year, if an employee has more than 320 hours accrued, the City will automatically cash out any hours in excess of 320.

The City provides an ICMA Vantage Care Retirement Health Savings Plan to its full-time employees who have reached ten (10) years of service with the City. This employer-sponsored retiree health benefit allows employees to accumulate assets to pay for medical expenses upon retirement from the City or age 50 on a tax-free basis. The employee's beneficiary receives the assets of the individual plan after the employee's death. The assets of the individual plans are not subject to claims of the City's creditors. The start-up contribution for employees will be based on their accumulated sick leave hours in excess of 160 hours upon completion of ten (10) years of service to the City, at their prevailing pay rate. Thereafter, annual contributions will be made to each employee's account for their unused sick leave hours in excess of 160 hours on June 30th of each fiscal year at the

employees' prevailing pay rate. Upon separation from employment, the City will make a final contribution on behalf of the employee equivalent to all the unused sick leave balance of the employee at the employee's prevailing pay rate at the time of separation. The City also contributes on behalf of each Participant \$5,000 upon completion of ten years of service and annually thereafter on the Participant's employment anniversary date.

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

m) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The City has chosen to report the expenditures when benefitted.

n) Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and American Institute of Certified Public Accountants (AICPA), require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

o) Budgetary Information

Biennial budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain special revenue funds and capital projects funds, which adopt project length budgets and debt service funds that are not budgeted, as effective budgetary control is achieved through debt indenture provisions. The Public Art fund, JAG ARRA fund, and Other Law Enforcement Grants fund other did not have adopted budgets during the current fiscal year.

p) Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

q) New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 65

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation GASB Statement No. 65 had an impact on the City's financial statements for the fiscal year ended June 30, 2014 by requiring the removal of unamortized debt issuance costs from the Statement of Net Position and adding deferred outflows of resources related to the loss on debt refunding (Note 6) to the Statement of Net Position. Deferred inflows require the removal of unearned revenue from the Governmental Funds Balance Sheet liabilities and adding deferred inflows of resources unavailable revenues to the Governmental Funds Balance Sheet.

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction - 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement No. 54 and Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement No. 62 and Statements No. 13, Accounting for Operating Leases with Scheduled Rent Increases, regarding the

reporting of certain operating lease transactions, and No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

(2) Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Cash and investments at June 30, 2014, are reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 8,399,534
Restricted cash and investments	1,855,065
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>299,454</u>
Total cash and investments	<u>\$ 10,554,053</u>

Cash and investments at June 30, 2014, consisted of the following:

Cash on hand		\$ 2,250
Pooled deposits:		
Demand deposits	\$1,041,660	
Certificates of deposit	<u>820,503</u>	
Total pooled deposits		1,862,163
Pooled investments:		
Local Agency Investment Fund		6,834,575
Restricted cash and investments:		
Demand deposits	\$ 48,288	
Local Agency Investment Fund	<u>1,806,777</u>	
Total restricted cash and investments		<u>1,855,065</u>
Total cash and investments		<u>\$ 10,554,053</u>

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on quarterly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Deposits

At June 30, 2014, the carrying amount of the City's deposits was \$1,041,660 and the bank balance was \$1,229,356. The difference represents outstanding checks and other reconciling items.

<u>Pooled Deposits</u>	<u>Carrying Amount</u>
Demand Deposits:	
Bank Balance	\$ 1,229,356
Plus: Deposits in transit	3,139
Less: Outstanding warrants	<u>(190,835)</u>
Book Balance	1,041,660
Restricted Demand Deposits	48,288
Certificates of Deposit	<u>820,503</u>
Total Pooled Deposits	<u>\$ 1,910,451</u>

The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities with a fair value of 110% of a city's deposits. California law also allows financial institutions to secure a city's deposits by pledging first trust deed mortgage notes having a fair value of 150% of a city's total deposits. The City's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan

Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Authorized Investments

Under the provision of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments.

- U.S. Treasury bills
- U.S. Treasury notes, bonds or money market funds
- Certificates of deposit
- Money market mutual funds
- State Treasurer's Local Agency Investment Fund
- Overnight Government (U.S. Treasuries, Agencies, and Instrumentalities) Securities Investment Account managed by the City's primary bank
- Overnight Commercial Paper Investment Account managed by the City's primary bank
- Overnight repurchase agreements managed by the City's primary bank where market value of the repurchase agreement is 102 percent or greater than the value of the funds borrowed
- Commercial paper
- Prime Banker's Acceptances

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

GASB Statement No. 31

The City has adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external

investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

GASB Statement No. 40

The issuance of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, established the existing standards for providing note disclosures about a government's deposits and investments. This statement is designed to inform the user about deposit and investment risk and how it affects the entity's ability to provide services and meet its obligations as they become due. It requires an entity to disclose custodial credit risk only if they have:

- Deposits that are not insured and not collateralized, or that are collateralized with securities that are held by the bank or the bank's trust department or agent, but not in the government's name
- Investments that are not insured and are held by the other party or its trust department or agent, but not in the government's name.

The GASB also concluded that investments in mutual funds and external investment pools are not exposed to custodial credit risk and, therefore, do not have to be included in this disclosure.

Credit Risk

The City's investment policy limits investments in commercial paper and banker's acceptance to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policies further limits its investment choices. As of June 30, 2014, the City's investment in the State Treasurer's Local Agency Investment Fund has not been rated by a nationally recognized statistical rating organization. Investments in money market mutual funds are unrated, as well.

Concentration of Credit Risk

The City does not place a limit on the amount that may be invested with any one institution, with the exception of certificates of deposits. According to GASB 40, there is potential concentration of credit risk if more than 5 percent of the entity's investments are in any one issuer. As of June 30, 2014, none of the City's deposits or investments had been exposed to concentration of credit risk.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the

risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2014, none of the City's deposits or investments had been exposed to custodial credit risk.

Interest Rate Risk

The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates. The City limits the investment maturities for operating funds to be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures as well as considering sizable blocks of anticipated revenue. The City has elected the segment time distribution method to present the investment maturities as follows.

<u>Investment Type</u>	<u>6 months or less</u>	<u>Fair Value</u>
Local Agency Investment Funds	\$ 6,834,575	\$ 6,834,575
Investment with Fiscal Agent:		
Local Agency Investment Funds	1,806,777	1,806,777
Total	<u>\$ 8,641,352</u>	<u>\$ 8,641,352</u>

(3) Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2014, were as follows.

<u>Funds:</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Major Governmental:</u>		
General	\$ 2,120	\$ 2,414,686
<u>Non-major Governmental:</u>		
<u>Special Revenue Funds:</u>		
Gas Tax	1,052,250	
Grants & Contributions	126,758	
Senior Mobility Program	62,240	
SLEFS/COPS BRULTE	3,333	
CARITS	1,076,588	
Other Law Enforcement Grants	3,040	
Beverage Recycling	34,468	
CR&R Recycling Fee		2,120
C & D Forfeited Deposits	55,958	
AB 939 Surcharge Grant	51	
Total	<u>\$ 2,416,806</u>	<u>\$ 2,416,806</u>

Outstanding balances at the end of the fiscal year between funds are reported as “due to/from other funds”. These balances are the result primarily of interfund transfers that have not yet been funded.

Advances to and from other funds at June 30, 2014, were as follows:

<u>Funds:</u>	<u>Advances to other funds</u>	<u>Advances from other funds</u>
<u>Major Governmental:</u>		
General	\$ 320,661	\$ -
<u>Non-major Governmental:</u>		
<u>Special Revenue Funds:</u>		
Quimby Act Park Impact Fees		85,741
Public Art		234,920
Total	<u>\$ 320,661</u>	<u>\$ 320,661</u>

These outstanding balances at the end of the fiscal year are the result of interest-free advances from the General Fund to the Quimby Act Park Impact Fee Fund to cover various park capital improvements and to the Public Art Fund to cover the costs of the City’s Civic Center Public Art Program.

(4) Transfers In and Out

Transfers in and out for the fiscal year ended June 30, 2014 are as follows:

<u>Paying Fund</u>	<u>Transfers Out</u>	<u>Receiving Fund</u>	<u>Transfers In</u>
<u>Major Governmental:</u>		<u>Major Governmental:</u>	
General	\$ 4,973,896	General	\$ 1,716,321
		Capital Projects	2,965,511
		Debt Service	1,794,885
		<u>Major Enterprise:</u>	
		Property Leasing	293,691
<u>Non-major Governmental:</u>		<u>Non-major Governmental:</u>	
<u>Special Revenue Funds:</u>		<u>Special Revenue Funds:</u>	
Gas Tax	10,215	CARITS	697,251
Measure M	802,985	Senior Mobility Program	5,550
AB 2766	72,880	AB 2766	34,818
SLEFS/COPS BRULTE	100,000		
Grants & Contributions	1,195,172		
Quimby Park Impact Fees	85,741		
CARITS	267,138		
Total	<u>\$ 7,508,027</u>	Total	<u>\$ 7,508,027</u>

Interfund transfers are principally used to 1) provide available funds to the Debt Service Fund for interest and principal payments on the City’s long-term debt and 2) supply the Capital Projects Fund with funding necessary to accomplish those projects approved by the City Council. During the fiscal

year ended June 30, 2014, there were no significant interfund transfers that were not expected, budgeted for, unusual, or of a non-routine nature.

(5) Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance at</u> <u>July 1, 2013</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2014</u>
Governmental activities:					
Buildings and improvements	\$ 13,466,229	\$ -	\$ -	\$ -	\$ 13,466,229
Machinery and equipment	2,380,619		115,454	(24,833)	2,471,240
Land improvements	24,986,486	119,868	1,241,564		26,347,918
Infrastructure	87,808,720	576,439	1,309,537		89,694,696
Total cost of depreciable assets	128,642,054	696,307	2,666,555	(24,833)	131,980,083
Less accumulated depreciation for:					
Buildings and improvements	7,268,772		673,312		7,942,084
Machinery and equipment	1,877,819		205,209	(24,833)	2,058,195
Land improvements	13,048,632		1,317,396		14,366,028
Infrastructure	30,998,715		1,640,553		32,639,268
Total accumulated depreciation	53,193,938		3,836,470	(24,833)	57,005,575
Net depreciable assets	75,448,116	696,307	(1,169,915)		74,974,508
Land	17,754,286				17,754,286
Rights of way/Easements	3,061,528				3,061,528
Construction in progress	696,307	(696,307)			
Total cost of non-depreciable assets	21,512,121	(696,307)			20,815,814
Total capital assets, net	\$ 96,960,237	\$ -	\$ (1,169,915)	\$ -	\$ 95,790,322
Business-type activities:					
Buildings and improvements	\$ 14,050,544	\$ -	\$ 204,161	\$ -	\$ 14,254,705
Total cost of depreciable assets	14,050,544		204,161		14,254,705
Less accumulated depreciation for:					
Buildings and improvements	6,502,892		712,735		7,215,627
Total accumulated depreciation	6,502,892		712,735		7,215,627
Net depreciable assets	7,547,652		(508,574)		7,039,078
Land	2,855,425				2,855,425
Total capital assets, net	\$ 10,403,077	\$ -	\$ (508,574)	\$ -	\$ 9,894,503

Depreciation expense was charged in the following functions in The Statement of Activities:

Governmental activities:

Legislative/executive	\$ 9,901
Administrative services	140,310
Community development	4,004
Public services	1,616,614
Community services	2,054,894
Public safety	<u>10,747</u>
	3,836,470

Business-type activities:

Property leasing	<u>712,735</u>
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Total \$ 4,549,205

(6) Deferred Inflows and Outflows of Resources

Unavailable revenues and accounting gains and losses resulting from advance refunding of long-term debt are deferred in accordance with GASB Statement No. 23 and No. 65. Unavailable revenues of June 30, 2014, related to sales tax triple flip and miscellaneous accounts receivable was \$526,202. The deferred loss on refunding balance at June 30, 2014, related to the 2001 and 2003 Certificates of Participation bonds, was \$304,796

(7) Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

Governmental Activities :

	<u>Balance at</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2014</u>	<u>Amounts Due</u> <u>in One Year</u>
Certificates of Participation:					
2010 COP	\$ 13,790,000	\$ -	\$ 1,205,000	\$ 12,585,000	\$ 1,250,000
Unamortized premium	932,036		80,464	851,572	80,464
Total Certificates of Participation	<u>14,722,036</u>		<u>1,285,464</u>	<u>13,436,572</u>	<u>1,330,464</u>
Other Liabilities:					
Compensated absences	328,296	199,650	212,245	315,701	31,570
Claims and judgments	103,517	205,003	81,909	226,611	22,661
Total Other Liabilities	<u>431,813</u>	<u>404,653</u>	<u>294,154</u>	<u>542,312</u>	<u>54,231</u>
Totals	<u>\$ 15,153,849</u>	<u>\$ 404,653</u>	<u>\$ 1,579,618</u>	<u>\$ 13,978,884</u>	<u>\$ 1,384,695</u>

Typically, the City liquidates its compensated absences and claims and judgments with general fund resources.

2010 Certificates of Participation

On January 26, 2010, the City (through the City's blended component unit The Public Improvement Corporation) issued \$17,190,000 of Certificates of Participation (COPs). Proceeds from the sale were placed in an irrevocable trust that is used to service the future debt requirements of the 2001 and 2003 Certificates of Participation. This refunding resulted in an economic gain as well as savings from refunding. The economic gain realized in this refunding was \$1,072,242 and the savings resulting from the refunding was as follows:

Cash flow requirements to service old debt	\$ 23,858,154
Less: Cash flow requirements for new debt	<u>(22,738,962)</u>
Net savings from refunding	<u>\$ 1,119,192</u>

The 2010 COPs are direct obligations and pledge the full faith and credit of the City of Laguna Hills. The certificates were executed and delivered under the provisions of the Trust Agreement by and among The Bank of New York Mellon Trust Company, N.A, as trustee. The City is required under the Lease Agreement to make rental payments each 15th day of the month immediately preceding each February 1st and August 1st from any source of available funds in an amount sufficient to pay the annual principal and interest due with respect to the Certificates.

The Serial bonds mature in annual installments ranging from \$345,000 to \$1,670,000, commencing February 1, 2011 and ending February 1, 2025. Interest accrues at rates between 2.00% and 5.00% and is payable semiannually. The annual requirements to amortize the certificates of participation as of June 30, 2014, are as follows:

Fiscal Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,250,000	\$551,386	\$ 1,801,386
2016	1,300,000	501,386	1,801,386
2017	1,350,000	449,386	1,799,386
2018	1,390,000	395,388	1,785,388
2019	1,450,000	340,882	1,790,882
2020 - 2024	5,470,000	692,610	6,162,610
2025	<u>375,000</u>	<u>15,937</u>	<u>390,937</u>
Totals	<u>\$12,585,000</u>	<u>\$2,946,975</u>	<u>\$15,531,975</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. The long-term portion of this liability, amounting to \$284,131 at June 30, 2014 will be paid from fund balance.

(8) General Liability Insurance

In July 2003, the City joined the Exclusive Risk Management Authority of California (ERMAC), a pool of three other cities in California, namely Beaumont, Hayward, and Santa Maria, established under the provisions of California Government Code Section 6502, in order to jointly develop and fund General Liability insurance.

The ERMAC policy covers the City for losses due to personal injury, property damage, wrongful acts because of public officials' errors and omissions and unfair employment practices (see the chart below for City's retained limits and policy liability limits). Legal defense costs may be covered in addition to policy limits.

The City carries property, business interruption and boiler & machinery insurance with ERMAC (PEPIP Program) to cover all City property. In addition, Difference in Conditions (DIC) or earthquake and flood insurance is provided by Insurance Company of the West, which covers the Laguna Hills Civic Center only.

The following is a list of the allocation of risk coverage for the City as of June 30, 2014, taking in to account the City's self-insurance portion, if any.

Area of Risk	City Self-Insurance	Carrier	Risk Coverage
Municipal Broad General Liability	• \$100,000 for PI, PD or wrongful acts (public officials E&O) • \$1,000,000 for unfair employment practices	ERMAC	• \$25M per occurrence and in the annual aggregate excess of limit of the SIR
Property, Business Interruption and Boiler & Machinery	• \$10,000 per occurrence (specific perils may be higher)	ERMAC (PEPIP program)	• \$1B per occurrence combined • \$10M flood limit per occurrence • \$100M combined business interruption • \$100M boiler explosion & machinery breakdown combined
Difference in Conditions (Multi-peril) Civic Center only	• \$25,000 per occurrence • 5% earthquake • 5% flood	Insurance Company of the West	• \$5M per occurrence and annual aggregate • \$18.8M TIV

Area of Risk	City Self-Insurance	Carrier	Risk Coverage
Crime	• \$2,500	CSAC-EIA	• \$10M employee dishonesty • \$10M forgery alterations • \$10M money & securities theft, inside premises • \$10M money & securities theft, outside premises • \$10M computer fraud • \$10M money order & counterfeit currency • \$10M theft of other property, inside premises • \$10M theft of other property, outside premises
Recreational Class & Officials Supplemental	• None	SCMAF	• \$1M per occurrence • \$300,000 property damage • \$1M personal injury, products and partial liability • \$5,000 medical expense
Business Auto	• \$500	Columbia Insurance Company	• \$1M combined BI & PD • \$1M uninsured, under-insured motorist • \$5,000 medical payments • If any basis, non-owned or hired auto liability
Workers' Compensation & Employers' Liability	• None	SDRMA	• Statutory Workers' Compensation per occurrence • \$5M Employer's Liability per occurrence

Claims Liability

GASB Statement No. 10 specifies that a liability of outstanding unallocated loss adjustment expenses (ULAE) needs to be established, which are primarily composed of future claims administration for open claims, typically at 5% to 10% of estimated outstanding losses. The total amount designated for the Claims Liability Loss Reserve Fund as of June 30, 2014 is \$200,000.

When it is probable that a claims liability has been incurred and the amount of the loss can be reasonably estimated through historical trends and calculation of incurred but not reported claims (IBNR), the City accrues the estimated liability to the extent of the City's self-insured limit in the government-wide statements for expected claims and judgments.

The following is a summary of the changes in the claims liability for the last two fiscal years:

	<u>FY 2013/14</u>	<u>FY 2012/13</u>
Claims payable, beginning	\$ 103,517	\$ 116,938
Payments/changes in estimate	123,094	(13,421)
Claims payable, ending	<u>\$ 226,611</u>	<u>\$ 103,517</u>

(9) **Pension Plan**

Plan Description

The City of Laguna Hills contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office at 400 P. Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% (6.5% for Tier 2) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate. The current rate as of June 30, 2014 is 9.205% (6.7% for Tier 2) of annual covered payroll. The contribution requirements of plan members and the City are established by contract and may be amended by PERS.

Annual Pension Cost

For 2013-2014, the City's annual pension cost of \$488,169 for PERS was equal to the City's required and actual contributions.

THREE YEAR TREND INFORMATION FOR PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2012	\$494,848	100%	\$0
6/30/2013	\$537,319	100%	\$0
6/30/2014	\$488,169	100%	\$0

For fiscal years 2003-2014, the City of Laguna Hills participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100

active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in the risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date, starting with the June 30, 2003 valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

At the time of joining a risk pool, a side fund was created to account for the difference between the funded status of the pool and the funded status of the City's plan. On June 21, 2013, a lump sum payment of \$557,805 was made by the City to PERS. This lump sum pay off was sufficient to eliminate the side fund that resulted from risk pooling.

(10) Deferred Compensation

The City offers its employees two kinds of deferred compensation plans.

One plan is created in accordance with Internal Revenue Code Section 457. This plan, available to all employees, permits them to defer annually up to a maximum of \$17,500 for calendar year 2013 and \$17,500 for calendar year 2014. This maximum deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Amounts accumulated by the City under the plan have been invested in several investment options administered by independent third-party administrators at the direction of the employee. The assets of the Plan are held in trust, with the City as trustee, for the exclusive benefit of the Plan participants and their beneficiaries, and the assets cannot be diverted to any other purpose. The Trustee's beneficial ownership of Plan assets held in the ICMA Retirement Trust is held for the further exclusive benefit of the Plan participants and their beneficiaries. The Plan permits loans, administered by the City, in accordance with approved loan guidelines.

The other Plan is created in accordance with Internal Revenue Code Section 401A. This Plan is available to all management staff regardless of years of service, and non-management employees who have reached a minimum of ten years of service with the City. The City is the sole contributor to this Plan, and sets the contribution amount to each class of eligible employees. The contribution limit is in accordance with the prevailing IRS regulation. The assets of this Plan, held for the exclusive benefits of the Plan's participants and their beneficiaries, are administered by the Public Agency Retirement System (PARS), and the trustee is Union Bank of California. Amounts accumulated under this Plan are self-directed by each participant.

(11) Fund Equity

GASB Statement Nos. 34 and 63 add the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net Position

Net Position is divided into three captions under GASB Statement Nos. 34 and 63. These captions apply only to Net Position as determined at the Government-wide level, and are described below:

Net Investment in Capital Assets, describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less outstanding balance of any debt issued to finance these capital assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Restricted net position is subject to constraints either by (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulation of other governments or (2) imposed by law through constitutional provisions or enabling legislation. There was no net position at June 30, 2014 that was restricted by enabling legislation.

Unrestricted describes the portion of which is not restricted as to use.

Governmental activities restricted net position at June 30, 2014 is as follows:

Public Services	\$ 2,319,956
Public Safety	6,373
Community Services	<u>88,357</u>
Total Restricted Net Position-Governmental Activities	<u>\$ 2,414,686</u>

Fund Balances

Fund Balances of the governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance.

The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

Committed fund balances are those constrained to specific purposes by a government itself, using its highest level of decision-making authority. The City does not have any committed fund balances at June 30, 2014.

Assigned fund balances include amounts that are constrained by the City's intent to be used for specific purposes. The City Manager has the authority to assign the portion of the fund balance in the general fund that are constrained by the City's intent to be used for reserves as established in the City's Financial Policy No. 105 Section G.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

Fund balances are presented in the following categories: spendable, restricted, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2014 is as follows:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable:				
Prepaid Items	\$ 96,333	\$ -	\$ -	\$ 96,333
Advances	320,661			32,661
Total	416,994			416,994
Restricted:				
Debt Service		1,807,773		1,807,773
Gas Tax			1,052,250	1,052,250
CARITS			1,076,588	1,076,588
Beverage Recycling			34,468	34,468
Senior Mobility Program			62,240	62,240
C & D Forfeited Deposits			55,958	55,958
AB 939 Surcharge Grant			51	51
SLEFS/COPS BRULTE			3,333	3,333
Law Enforcement Other			3,040	3,040
Grants & Contributions			126,758	126,758
Total		1,807,773	2,414,686	4,222,459
Assigned:				
Claims Liability	200,000			200,000
Community Center Mtnc	496,147			496,147
Parks Maintenance	201,000			201,000
Sports Complex Mtnc	379,275			379,275
Civic Center Eqpt Mtnc	323,847			323,847
Slopes/Storm Drain Mtnc	125,959			125,959
Total	1,726,228			1,726,228
Unassigned	4,184,661		(322,781)	3,861,880
Total Fund Balances	\$ 6,327,883	\$ 1,807,773	\$ 2,091,905	\$ 10,227,561

(12) Joint Venture

Orange County Fire Authority

In January 1995, the City of Laguna Hills entered into a Joint Powers Agreement with the Cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Tustin, Villa Park, and Yorba Linda and the County of Orange to create the Orange County Fire Authority. Since the creation of the Authority, the cities of Aliso Viejo, Laguna Woods, Rancho Santa Margarita and Westminster have joined the Authority as members eligible for protection services. The purpose of the Authority is to provide for mutual fire protection, prevention and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services. The effective date of formation was March 1, 1995. The Authority's governing board consists of one representative from each City and two from the County. The operations of the Authority are funded with structural fire fees collected by the County through the property tax roll for the unincorporated area and on behalf of all member Cities except for the Cities of Stanton, Tustin, San Clemente, Buena Park, Placentia, Seal Beach and Westminster. The County pays all structural fire fees it collects to the Authority. The Cities of Stanton, Tustin, San Clemente, Buena Park, Placentia and Seal Beach are considered "cash contract cities" and accordingly make cash contributions based on the Authority's annual budget. No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2014. Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership.

Summarized information of the Authority for the fiscal year ended June 30, 2014, is as follows.

	<u>Government-Wide</u>
Total Assets	\$ 396,694,637
Total Liabilities	<u>(152,940,022)</u>
Total Net Position	<u>\$ 243,754,615</u>
Total Revenues	\$ 311,595,747
Total Expenditures	<u>(324,600,955)</u>
Net Change in Net Position	<u>\$ (13,005,208)</u>

Complete financial statements may be obtained from the Orange County Fire Authority (1 Fire Authority Road, Irvine, CA 92602).

(13) Related Party Transactions

The City's enterprise fund consists of owning a piece of commercial real estate and leasing it to various entities. The total square footage of the building is 51,944. The City is a tenant using approximately 21,033 square feet of the building. The enterprise fund does not charge the City rent. The estimated annual rent for the space occupied by the City would be approximately \$613,071.

(14) Prior Period Adjustment

A prior period adjustment of (\$452,089) was made in the Statement of Activities for Governmental Activities. This is due to an overstatement of unamortized debt issuance costs in the prior fiscal year of (\$232,805) for implementation of GASB Statement No. 65 and an overstatement of due from other governments in the prior fiscal year of (\$219,284).

A prior period adjustment of (\$208,921) was made in the General Fund for an overstatement of due from other governments in the prior fiscal year.

A prior period adjustment of (\$10,363) was made in the Measure M Special Revenue Fund for an overstatement of due from other governments in the prior fiscal year.

(15) Commitments and Contingencies

The City is occasionally a defendant in lawsuits which have arisen in the normal course of business. Damages are alleged in some of these actions and their outcome cannot be predicted with certainty. However, in the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of the City.

The City participates in several federal and state grant programs. The programs are subject to examination by the granters and the amount, if any, of expenses which may be disallowed by the granting agency cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

(16) Subsequent Events

During October 2014, the City received \$2,777,779 from the owners of the Oakbrook Village Shopping Center, associated with the Oakbrook Village Redevelopment Project. Below is a summary of the total fees collected:

Building permit fee	\$	320,824
Public art in-lieu fee		320,667
Park in-lieu fee		2,136,288
Total fees collected	\$	<u>2,777,779</u>

The City's Management has evaluated subsequent events through December 2, 2014, the date these financial statements were available to be issued, and has determined there were no other material events requiring disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGUNA HILLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. The City Council approves the two-year budget submitted by the City Manager prior to the beginning of the new two-year budget cycle. The Council conducts public hearings prior to its adoption. All remaining appropriations in the Operating Budget will be carried over from the first year to the second year of the two-year budget period. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to transfer budgeted amounts between funds and divisions as deemed necessary to meet the City's needs within the overall legal limit established by the City Council. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control is total expenditures by fund. Formal budgetary integration is employed as a management control device during the fiscal year for the governmental type funds.

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

Expenditures exceeded appropriations in the following General Fund departments:

	Appropriations	Expenditures	Variance Positive (Negative)
General Fund:			
Legislative/executive	\$1,508,585	\$1,536,724	\$ (28,139)
Public services	\$4,213,571	\$4,334,264	\$ (120,693)
Community Development	\$1,114,828	\$1,126,247	\$ (11,419)
Community services	\$1,779,971	\$1,833,117	\$ (53,146)

The over-expenditure in the Legislative/Executive Department is attributable to legal services for general counsel. The over-expenditure in the Public Services Department is attributable to higher costs for utilities, specifically

water and electricity, as well an increase in contractual engineering services for higher than anticipated improvement inspection activity. The over-expenditure in Community Development is due to a higher than anticipated use of contractual professional building and safety services as a result of an increase in building improvement activity. The over-expenditure in Community Services is attributable to the maintenance and operation of the Community Center building, as well as an increase in recreation program activity.

Expenditures exceeded appropriations in the following non-major governmental funds:

	Appropriations	Expenditures	Variance Positive (Negative)
Non-major Governmental Funds:			
CDBG	\$ 80,000	\$ 135,468	\$ (55,468)
CR&R Recycling	\$ 20,000	\$ 22,159	\$ (2,159)

The over-expenditure in the Debt Service Fund is the annual cost of trustee services. The over-expenditure in the CDBG Fund is directly attributable to an increase in awarded CDBG funds from the County of Orange to rehabilitate dwelling units within Aliso Meadows. The over-expenditure in the CR&R Recycling Fund is attributable to professional services to administer the pilot food waste program.

3. DEFICIT FUND BALANCE

A deficit fund balance of \$234,920 exists in the Public Art Special Revenue Fund. The deficit is due to the General Fund for incurring costs in advance of receiving revenue related to the City's Public Art Program.

A deficit fund balance of \$85,741 exists in the Quimby Act Special Revenue Fund. The deficit is due to the General Fund for incurring costs in advance of receiving anticipated revenue related to park in-lieu (Quimby Act) fees.

A deficit fund balance of \$2,120 exists in the CR&R Recycling Special Revenue Fund. The deficit is due to over-expenditure in professional services to administer the pilot food waste program.

CITY OF LAGUNA HILLS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variances with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Taxes	\$ 11,276,085	\$ 11,276,085	\$ 11,288,714	\$ 12,629
Licenses and permits	710,000	710,000	737,110	27,110
Intergovernmental revenues	5,559,000	5,559,000	5,553,962	(5,038)
Charges for current services	944,888	944,888	931,909	(12,979)
Fines and forfeitures	325,000	325,000	186,347	(138,653)
Investment income	15,000	15,000	11,533	(3,467)
Total Revenues	18,829,973	18,829,973	18,709,575	(120,398)
Expenditures:				
Legislative/executive	1,508,585	1,508,585	1,536,724	(28,139)
Administrative services	1,715,611	1,725,611	1,631,541	94,070
Public services	4,213,571	4,213,571	4,334,264	(120,693)
Community development	1,114,828	1,114,828	1,126,247	(11,419)
Community services	1,789,971	1,779,971	1,833,117	(53,146)
Public safety	6,984,979	6,984,979	6,822,642	162,337
Total Expenditures	17,327,545	17,327,545	17,284,535	43,010
Excess (Deficiency) of Revenues over Expenditures	1,502,428	1,502,428	1,425,040	(77,388)
Other Financing Sources (Uses):				
Transfers in	2,691,235	3,048,205	1,716,321	(1,331,884)
Transfers out	(5,709,041)	(6,104,156)	(4,973,896)	1,130,260
Total Other Financing Sources (Uses)	(3,017,806)	(3,055,951)	(3,257,575)	(201,624)
Net Change in Fund Balance	(1,515,378)	(1,553,523)	(1,832,535)	(279,012)
Fund Balance, beginning, as restated (note 14)	8,160,418	8,160,418	8,160,418	
Fund Balance, Ending	\$ 6,645,040	\$ 6,606,895	\$ 6,327,883	\$ (279,012)

See Notes to Required Supplementary Information

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SUPPLEMENTARY SCHEDULES

NON-MAJOR FUNDS

Gas Tax Fund - Used to account for revenues and expenditures for general street improvement maintenance related to the City's share of state gasoline taxes collected under Street and Highway Code, Sections 2103, 2105, 2106, 2107 and 2107.5.

Measure M Fund - Used to account for revenues and expenditures made for street improvement and transportation system maintenance financed through the Orange County Transportation Authority.

AB 2766 Fund - Used to account for revenues and expenditures made for air quality improvement. AB 2766 was enacted to authorize air pollution control districts to impose fees on motor vehicles.

Senior Mobility Program Fund - Used to account for revenues and expenditures related to help design and operate a transit program that best fits the needs of older adults under the OCTA Senior Mobility Program.

CARITS Fund - Used to account for revenues and expenditures related to the cooperative agreement with the County of Orange for Coastal Area Road Improvement and Traffic Signals (CARITS) fee program.

CDBG Fund - Used to account for revenues and expenditures to improve local and national objectives to provide decent and safe housing for low- and moderate-income families. This is grant funding obtained from the United States Department of Housing and Urban Development (HUD) for the purposes of rehabilitating "eligible" deteriorating housing.

Beverage Recycling Fund - Used to account for revenues and expenditures related to grant funding received from the California State Department of Conservation for the purpose of implementing and supporting beverage container recycling programs within the City.

CR&R Recycling Fund - Used to account for contractual revenues received from the City's franchised hauler, CR&R, for the purposes of recycling consulting services and general recycling activity expenditures.

C & D Forfeited Deposits Fund - Used to account for Construction and Demolition Waste Recycling Program security deposits, which have been forfeited by the applicant, used for administration costs of the program, or on programs to divert the waste from construction, demolition and alteration projects from landfill disposal, or other recycling programs.

AB 939 Surcharge Grant Fund - Used to account for revenues and expenditures related to the County of Orange Regional Recycling and Waste Diversion Grant Program for the purpose of implementing and supporting regional recycling and waste diversion within the City.

Quimby Act Fund - Used to account for revenues and expenditures related to the "Quimby Act", which authorizes the City to require dedication of parkland, or fees in-lieu of such dedication, to meet the needs of new residential subdivisions in accordance of the City's General Plan.

Grants & Contribution Fund - Used to account revenues and expenditures made for specific projects including landscape improvements and certain capital expenditures. Land developers and builders, as well as other public agencies provide financing.

Public Art Fund - Used to account for revenues and expenditures related to the City's Public Art program designed to enhance the cultural and aesthetic environment and to encourage creativity, education and appreciation of the arts.

SLESF/COPS Brulte Fund - Used to account for revenues received and expenditures made for front line law enforcement services related to the allocations received through the State Supplemental Law Enforcement Services Fund (SLESF)/COPS program.

Other Law Enforcement Grant Fund - Used to account for revenues received and expenditures made for law enforcement services related to the allocations received through other State and local law enforcement programs, which are not part of the State Supplemental Law Enforcement Services Fund (SLESF)/COPS program.

CITY OF LAGUNA HILLS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2014

	Special Revenue					
	Gas Tax	Measure M	AB 2766	Senior Mobility Program	CARITS	CDBG
Assets						
Due from other funds	\$ 1,052,250	\$ -	\$ -	\$ 62,240	\$ 1,076,588	\$ -
Total Assets	<u>\$ 1,052,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,240</u>	<u>\$ 1,076,588</u>	<u>\$ -</u>
Liabilities and Fund Balances						
Liabilities:						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advances from other funds						
Total Liabilities						
Fund Balances:						
Restricted	1,052,250			62,240	1,076,588	
Unassigned						
Total Fund Balance	<u>1,052,250</u>			<u>62,240</u>	<u>1,076,588</u>	
Total Liabilities and Fund Balance	<u>\$ 1,052,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,240</u>	<u>\$ 1,076,588</u>	<u>\$ -</u>

Special Revenue									Total
Beverage Recycling	CR&R Recycling Fee	C & D Forfeited Deposits	AB 939 Surcharge Grant	Quimby Act Park Impact Fees	Grants & Contributions	Public Art	SLEFS/COPS BRULTE	Other Law Enforcement	Nonmajor Governmental Funds
\$ 34,468	\$ -	\$ 55,958	\$ 51	\$ -	\$ 126,758	\$ -	\$ 3,333	\$ 3,040	\$ 2,414,686
<u>\$ 34,468</u>	<u>\$ -</u>	<u>\$ 55,958</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 126,758</u>	<u>\$ -</u>	<u>\$ 3,333</u>	<u>\$ 3,040</u>	<u>\$ 2,414,686</u>
\$ -	\$ 2,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,120
				85,741		234,920			320,661
	2,120			85,741		234,920			322,781
34,468		55,958	51		126,758		3,333	3,040	2,414,686
	(2,120)			(85,741)		(234,920)			(322,781)
34,468	(2,120)	55,958	51	(85,741)	126,758	(234,920)	3,333	3,040	2,091,905
<u>\$ 34,468</u>	<u>\$ -</u>	<u>\$ 55,958</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 126,758</u>	<u>\$ -</u>	<u>\$ 3,333</u>	<u>\$ 3,040</u>	<u>\$ 2,414,686</u>

CITY OF LAGUNA HILLS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue					
	Gas Tax	Measure M	AB 2766	Senior Mobility Program	CARITS	CDBG
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits						
Intergovernmental	1,061,045	723,647	37,999	35,507		135,468
Investment income	1,420	1,061	63	159	2,267	
Total Revenues	1,062,465	724,708	38,062	35,666	2,267	135,468
Expenditures:						
Current:						
Public services						
Community development						135,468
Community services				27,749		
Public safety						
Total Expenditures				27,749		135,468
Excess (Deficiency) of Revenues over Expenditures	1,062,465	724,708	38,062	7,917	2,267	
Other Financing Sources (Uses):						
Transfers in			34,818	5,550	697,251	
Transfers out	(10,215)	(802,985)	(72,880)		(267,138)	
Total Other Financing Sources (Uses)	(10,215)	(802,985)	(38,062)	5,550	430,113	
Net Change in Fund Balances	1,052,250	(78,277)		13,467	432,380	
Fund Balances (Deficit), Beginning Restated (note 14)		78,277		48,773	644,208	
Fund Balances (Deficit), Ending	\$ 1,052,250	\$ -	\$ -	\$ 62,240	\$ 1,076,588	\$ -

Special Revenue									Total
Beverage Recycling	CR&R Recycling Fee	C & D Forfeited Deposits	AB 939 Surcharge Grant	Quimby Act	Grants & Contributions	Public Art	SLEFS/COPS Brulte	Other Law Enforcement	Nonmajor Governmental Funds
\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
		41,098							41,098
8,326					1,195,172	10,294	103,157	152	3,310,767
91	13	102	1		367		176		5,720
8,417	20,013	41,200	1		1,195,539	10,294	103,333	152	3,377,585
18,745	22,159	21,695	2,841						65,440
									135,468
									27,749
								3,661	3,661
18,745	22,159	21,695	2,841					3,661	232,318
(10,328)	(2,146)	19,505	(2,840)		1,195,539	10,294	103,333	(3,509)	3,145,267
				(85,741)	(1,195,172)		(100,000)		737,619
				(85,741)	(1,195,172)		(100,000)		(2,534,131)
				(85,741)	(1,195,172)		(100,000)		(1,796,512)
(10,328)	(2,146)	19,505	(2,840)	(85,741)	367	10,294	3,333	(3,509)	1,348,755
44,796	26	36,453	2,891		126,391	(245,214)		6,549	743,150
\$ 34,468	\$ (2,120)	\$ 55,958	\$ 51	\$ (85,741)	\$ 126,758	\$ (234,920)	\$ 3,333	\$ 3,040	\$ 2,091,905

CITY OF LAGUNA HILLS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget- Positive(Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total Revenues				
Expenditures:				
Capital Outlay	3,812,000	4,207,115	2,965,511	1,241,604
Total Expenditures	3,812,000	4,207,115	2,965,511	1,241,604
Excess (Deficiency) of Revenues over Expenditures	(3,812,000)	(4,207,115)	(2,965,511)	1,241,604
Other Financing Sources (Uses):				
Transfers in	3,812,000	4,207,115	2,965,511	(1,241,604)
Total Other Financing Sources (Uses)	3,812,000	4,207,115	2,965,511	(1,241,604)
Net change in Fund Balance				
Fund Balance, Beginning				
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

CITY OF LAGUNA HILLS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget- Positive(Negative)
Revenues:				
Investment income	\$ 5,000	\$ 5,000	\$ 4,355	\$ (645)
Total Revenues	5,000	5,000	4,355	(645)
Expenditures:				
Debt Service:				
Interest	599,587	599,587	601,542	(1,955)
Principal	1,205,000	1,205,000	1,205,000	
Total Expenditures	1,804,587	1,804,587	1,806,542	(1,955)
Excess (Deficiency) of Revenues over Expenditures	(1,799,587)	(1,799,587)	(1,802,187)	(2,600)
Other Financing Sources (Uses):				
Transfers in	1,804,587	1,804,587	1,794,885	(9,702)
Total Other Financing Sources (Uses)	1,804,587	1,804,587	1,794,885	(9,702)
Net Change in Fund Balance	5,000	5,000	(7,302)	(12,302)
Fund Balance, Beginning	1,815,075	1,815,075	1,815,075	
Fund Balance, Ending	\$ 1,820,075	\$ 1,820,075	\$ 1,807,773	\$ (12,302)

CITY OF LAGUNA HILLS
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 987,179	\$ 987,179	\$ 1,061,045	\$ 73,866
Investment income	7,500	7,500	1,420	(6,080)
Total Revenues	994,679	994,679	1,062,465	67,786
Other Financing Sources (Uses):				
Transfers out			(10,215)	(10,215)
Total Other Financing Sources (Uses)			(10,215)	(10,215)
Net Change in Fund Balance	994,679	994,679	1,052,250	57,571
Fund Balance, Beginning				
Fund Balance, Ending	\$ 994,679	\$ 994,679	\$ 1,052,250	\$ 57,571

CITY OF LAGUNA HILLS
MEASURE M SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 603,235	\$ 757,099	\$ 723,647	\$ (33,452)
Investment income	6,000	6,000	1,061	(4,939)
Total Revenues	609,235	763,099	724,708	(38,391)
Other Financing Sources (Uses):				
Transfers out	(687,512)	(841,376)	(802,985)	38,391
Total Other Financing Sources (Uses)	(687,512)	(841,376)	(802,985)	38,391
Net Change in Fund Balance	(78,277)	(78,277)	(78,277)	
Fund Balances, Beginning, Restated (note 14)	78,277	78,277	78,277	
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

CITY OF LAGUNA HILLS
AB2766 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 37,999	\$ (2,001)
Investment income	600	600	63	(537)
Total Revenues	40,600	40,600	38,062	(2,538)
Other Financing Sources (Uses):				
Transfers in			34,818	34,818
Transfers out			(72,880)	(72,880)
Total Other Financing Sources (Uses)			(38,062)	(38,062)
Net Change in Fund Balance	40,600	40,600		(40,600)
Fund Balance, Beginning				
Fund Balance, Ending	\$ 40,600	\$ 40,600	\$ -	\$ (40,600)

CITY OF LAGUNA HILLS
QUIMBY ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
License & permit	\$ 977,000	\$ 977,000	\$ -	\$ (977,000)
Total Revenues	977,000	977,000		(977,000)
Other Financing Sources (Uses):				
Transfers out	(977,000)	(977,000)	(85,741)	891,259
Total Other Financing Sources (Uses)	(977,000)	(977,000)	(85,741)	891,259
Net Change in Fund Balance			(85,741)	(85,741)
Fund Balance, Beginning				
Fund Balance, Ending	\$ -	\$ -	\$ (85,741)	\$ (85,741)

CITY OF LAGUNA HILLS
SENIOR MOBILITY PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 31,500	\$ 31,500	\$ 35,507	\$ 4,007
Investment income	600	600	159	(441)
Total Revenues	32,100	32,100	35,666	3,566
Expenditures:				
Current:				
Community services	31,500	31,500	27,749	3,751
Total Expenditures	31,500	31,500	27,749	3,751
Excess (deficiency) of Revenues over Expenditures	600	600	7,917	7,317
Other Financing Sources (Uses):				
Transfers in			5,550	5,550
Total Other Financing Sources (Uses)			5,550	5,550
Net Change in Fund Balance	600	600	13,467	12,867
Fund Balance, Beginning	48,773	48,773	48,773	
Fund Balance, Ending	\$ 49,373	\$ 49,373	\$ 62,240	\$ 12,867

CITY OF LAGUNA HILLS
CARITS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 12,000	\$ 12,000	\$ 2,267	\$ (9,733)
Total Revenues	12,000	12,000	2,267	(9,733)
Other Financing Sources (Uses):				
Transfers in			697,251	697,251
Transfers out	(100,000)	(188,229)	(267,138)	(78,909)
Total Other Financing Sources (Uses)	(100,000)	(188,229)	430,113	618,342
Net Change in Fund Balance	(88,000)	(176,229)	432,380	608,609
Fund Balance, Beginning	644,208	644,208	644,208	
Fund Balance, Ending	\$ 556,208	\$ 467,979	\$ 1,076,588	\$ 608,609

CITY OF LAGUNA HILLS
CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 135,468	\$ 55,468
Total Revenues	80,000	80,000	135,468	55,468
Expenditures:				
Current:				
Community development	80,000	80,000	135,468	(55,468)
Total Expenditures	80,000	80,000	135,468	(55,468)
Net Change in Fund Balance				
Fund Balance, Beginning				
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

CITY OF LAGUNA HILLS
BEVERAGE RECYCLING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 44,710	\$ 44,710	\$ 8,326	\$ (36,384)
Investment income	600	600	91	(509)
Total Revenues	45,310	45,310	8,417	(36,893)
Expenditures:				
Current:				
Public Services	44,710	44,710	18,745	25,965
Total Expenditures	44,710	44,710	18,745	25,965
Net Change in Fund Balance	600	600	(10,328)	(10,928)
Fund Balance, Beginning	44,796	44,796	44,796	
Fund Balance, Ending	\$ 45,396	\$ 45,396	\$ 34,468	\$ (10,928)

CITY OF LAGUNA HILLS
CR&R RECYCLING FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Investment income	600	600	13	(587)
Total Revenues	20,600	20,600	20,013	(587)
Expenditures:				
Current:				
Public Services	20,000	20,000	22,159	(2,159)
Total Expenditures	20,000	20,000	22,159	(2,159)
Net Change in Fund Balance	600	600	(2,146)	(2,746)
Fund Balance, Beginning	26	26	26	
Fund Balance, Ending	\$ 626	\$ 626	\$ (2,120)	\$ (2,746)

CITY OF LAGUNA HILLS
C & D FORFEITED DEPOSITS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive (Negative)
Revenues:				
Licenses and permits	\$ 68,450	\$ 68,450	\$ 41,098	\$ (27,352)
Investment income	300	300	102	(198)
Total Revenues	68,750	68,750	41,200	(27,550)
Expenditures:				
Current:				
Public Services	68,450	68,450	21,695	46,755
Total Expenditures	68,450	68,450	21,695	46,755
Net Change in Fund Balance	300	300	19,505	19,205
Fund Balance, Beginning	36,453	36,453	36,453	
Fund Balance, Ending	\$ 36,753	\$ 36,753	\$ 55,958	\$ 19,205

CITY OF LAGUNA HILLS
AB 939 SURCHARGE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 300	\$ 300	\$ 1	\$ (299)
Total Revenues	300	300	1	(299)
Expenditures:				
Current:				
Public Services	3,133	3,133	2,841	292
Total Expenditures	3,133	3,133	2,841	292
Net Change in Fund Balance	(2,833)	(2,833)	(2,840)	(7)
Fund Balance, Beginning	2,891	2,891	2,891	
Fund Balance, Ending	\$ 58	\$ 58	\$ 51	\$ (7)

CITY OF LAGUNA HILLS
GRANTS AND CONTRIBUTIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget- Positive(Negative)
Revenues:				
Intergovernmental	\$ 418,000	\$ 532,877	\$ 1,195,172	\$ 662,295
Investment income	1,500	1,500	367	(1,133)
Total Revenues	419,500	534,377	1,195,539	661,162
Other Financing Sources (Uses):				
Transfers out	(418,000)	(532,877)	(1,195,172)	(662,295)
Total Other Financing Sources (Uses)	(418,000)	(532,877)	(1,195,172)	(662,295)
Net Change in Fund Balance	1,500	1,500	367	(1,133)
Fund Balance, Beginning	126,391	126,391	126,391	
Fund Balance, Ending	\$ 127,891	\$ 127,891	\$ 126,758	\$ (1,133)

CITY OF LAGUNA HILLS
SLESF/COPS BRULTE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive(Negative)
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 103,157	\$ 3,157
Investment income			176	176
Total Revenues	100,000	100,000	103,333	3,333
Other Financing Sources (Uses):				
Transfers out	(100,000)	(100,000)	(100,000)	
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	
Net Change in Fund Balance			3,333	3,333
Fund Balance, Beginning				
Fund Balance, Ending	\$ -	\$ -	\$ 3,333	\$ 3,333

CITY OF LAGUNA HILLS
AGENCY FUND
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets				
Cash and investments	\$ <u>233,280</u>	\$ <u>66,174</u>	\$ <u>-</u>	\$ <u>299,454</u>
Total assets	\$ <u><u>233,280</u></u>	\$ <u><u>66,174</u></u>	\$ <u><u>-</u></u>	\$ <u><u>299,454</u></u>
Liabilities				
Deposits	\$ <u>233,280</u>	\$ <u>66,174</u>	\$ <u>-</u>	\$ <u>299,454</u>
Total liabilities	\$ <u><u>233,280</u></u>	\$ <u><u>66,174</u></u>	\$ <u><u>-</u></u>	\$ <u><u>299,454</u></u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Laguna Hills' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Laguna Hills' overall financial health.

Contents

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Financial Trends

III-3

Financial trend schedules contain trend information to help the reader understand how the City of Laguna Hills' financial performance and well-being have changed over time.

Revenue Capacity

III-10

Revenue capacity schedules contain information to help the reader assess the City of Laguna Hills' most significant local revenue source, the property tax.

Debt Capacity

III-14

Debt capacity schedules present information to help the reader assess the affordability of the City of Laguna Hills' current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

III-19

Demographic and economic information schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Laguna Hills' financial activities take place.

Operating Information

III-21

Operating information schedules contain service and infrastructure data to help the reader understand how the information in the City of Laguna Hills' financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF LAGUNA HILLS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Investment in capital assets	\$ 44,165,410	\$ 46,474,237	\$ 50,728,980	\$ 52,338,159	\$ 56,606,677	\$ 76,364,755	\$ 78,797,985	\$ 82,982,768	\$ 84,618,576	\$ 84,465,323
Restricted	3,246,346	3,839,611	3,023,222	4,701,017	3,356,723	3,935,701	3,653,349	2,106,914	998,727	2,414,686
Unrestricted	9,308,718	9,377,131	10,606,335	10,230,570	7,858,499	7,501,713	6,504,972	6,944,547	8,340,769	5,751,121
Total government activities net position	<u>\$ 56,720,474</u>	<u>\$ 59,690,979</u>	<u>\$ 64,358,537</u>	<u>\$ 67,269,746</u>	<u>\$ 67,821,899</u>	<u>\$ 87,802,169</u>	<u>\$ 88,956,306</u>	<u>\$ 92,034,229</u>	<u>\$ 93,958,072</u>	<u>\$ 92,631,130</u>
Business-type activities										
Net Investment in capital assets	\$ 14,413,461	\$ 14,163,874	\$ 13,796,813	\$ 13,292,252	\$ 12,720,481	\$ 12,206,656	\$ 11,542,563	\$ 10,989,447	\$ 10,403,077	\$ 9,894,503
Restricted										
Unrestricted	169,956	540,017	359,254	195,703	134,998	150,668	85,344	96,511	47,563	47,801
Total business-type activities net position	<u>\$ 14,583,417</u>	<u>\$ 14,703,891</u>	<u>\$ 14,156,067</u>	<u>\$ 13,487,955</u>	<u>\$ 12,855,479</u>	<u>\$ 12,357,324</u>	<u>\$ 11,627,907</u>	<u>\$ 11,085,958</u>	<u>\$ 10,450,640</u>	<u>\$ 9,942,304</u>
Primary government										
Net Investment in capital assets	\$ 58,578,871	\$ 60,638,111	\$ 64,525,793	\$ 65,630,411	\$ 69,327,158	\$ 88,571,411	\$ 90,340,548	\$ 93,972,215	\$ 95,021,653	\$ 94,359,826
Restricted	3,246,346	3,839,611	3,023,222	4,701,017	3,356,723	3,935,701	3,653,349	2,106,914	998,727	2,414,686
Unrestricted	9,478,674	9,917,148	10,965,589	10,426,273	7,993,497	7,652,381	6,590,316	7,041,058	8,388,332	5,798,922
Total primary government net position	<u>\$ 71,303,891</u>	<u>\$ 74,394,870</u>	<u>\$ 78,514,604</u>	<u>\$ 80,757,701</u>	<u>\$ 80,677,378</u>	<u>\$ 100,159,493</u>	<u>\$ 100,584,213</u>	<u>\$ 103,120,187</u>	<u>\$ 104,408,712</u>	<u>\$ 102,573,434</u>

CITY OF LAGUNA HILLS

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
Legislative/executive	\$ 1,299,424	\$ 1,389,720	\$ 1,441,763	\$ 1,534,942	\$ 1,542,082	\$ 1,592,070	\$ 1,537,287	\$ 1,565,164	\$ 1,546,012	\$ 1,546,625
Administrative services	2,593,403	2,357,409	1,928,022	1,785,896	1,719,314	1,724,356	1,771,910	1,755,500	1,976,262	1,758,062
Public services	6,650,188	7,360,168	9,507,357	6,814,629	8,318,347	7,389,564	5,781,123	5,999,412	6,150,553	6,376,642
Community development	1,060,418	1,247,350	1,541,295	1,775,552	1,523,476	1,595,670	1,404,624	1,127,036	1,138,280	1,265,719
Community services	3,225,589	1,554,514	1,651,779	1,771,671	1,776,257	1,769,589	3,702,911	3,642,792	3,777,102	3,886,180
Public safety	5,288,663	5,598,571	5,893,769	6,503,096	6,422,802	6,597,894	6,487,711	6,528,489	6,575,855	6,837,050
Interest expense	1,002,505	973,024	942,801	910,500	875,447	636,441	663,944	620,376	583,461	530,039
Total governmental activities expenses	<u>21,120,190</u>	<u>20,480,756</u>	<u>22,906,786</u>	<u>21,096,286</u>	<u>22,177,725</u>	<u>21,305,584</u>	<u>21,349,510</u>	<u>21,238,769</u>	<u>21,747,525</u>	<u>22,200,317</u>
Business-type activities:										
Property leasing	1,035,344	1,087,912	1,139,550	1,162,891	1,117,002	1,125,330	1,190,752	1,154,967	1,163,305	1,278,434
Total business-type activities expenses	<u>1,035,344</u>	<u>1,087,912</u>	<u>1,139,550</u>	<u>1,162,891</u>	<u>1,117,002</u>	<u>1,125,330</u>	<u>1,190,752</u>	<u>1,154,967</u>	<u>1,163,305</u>	<u>1,278,434</u>
Total primary government expenses	<u>\$ 22,155,534</u>	<u>\$ 21,568,668</u>	<u>\$ 24,046,336</u>	<u>\$ 22,259,177</u>	<u>\$ 23,294,727</u>	<u>\$ 22,430,914</u>	<u>\$ 22,540,262</u>	<u>\$ 22,393,736</u>	<u>\$ 22,910,830</u>	<u>\$ 23,478,751</u>
Program Revenues										
Government activities:										
Charges for Services:										
Legislative/executive	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,236	\$ -	\$ -	\$ -
Administrative services							96,726	2,838		
Public services	48,696	38,683	59,584	58,539	98,818	86,176	155,373	83,989	112,629	106,633
Community development	552,029	535,973	672,168	616,819	544,227	514,162	653,918	669,936	750,626	799,316
Community services	511,766	540,369	562,584	683,911	687,987	703,099	701,040	657,129	714,634	608,877
Public safety	405,000	533,977	475,214	485,376	435,452	542,732	401,665	295,587	226,311	186,347
Operating Contributions	2,583,927	4,774,223	6,826,309	3,486,884	4,217,578	3,059,335	4,738,096	3,082,972	2,137,580	2,186,050
Capital Contributions	19,665	40,771	57,282	24,674			820,456	3,040,344	945,068	807,545
Total governmental activities program revenues	<u>4,121,083</u>	<u>6,463,996</u>	<u>8,653,141</u>	<u>5,356,203</u>	<u>5,984,062</u>	<u>4,905,504</u>	<u>7,569,510</u>	<u>7,832,795</u>	<u>4,886,848</u>	<u>4,694,768</u>
Business-type activities:										
Charges for Services:										
Property Leasing	406,721	588,842	688,215	790,817	591,665	649,270	535,455	527,530	527,931	476,391
Operating grants and contributions										
Capital grants and contributions	2,134,938							85,134		
Total business-type activities program revenues	<u>2,541,659</u>	<u>588,842</u>	<u>688,215</u>	<u>790,817</u>	<u>591,665</u>	<u>649,270</u>	<u>535,455</u>	<u>612,664</u>	<u>527,931</u>	<u>476,391</u>
Total primary government program revenues	<u>\$ 6,662,742</u>	<u>\$ 7,052,838</u>	<u>\$ 9,341,356</u>	<u>\$ 6,147,020</u>	<u>\$ 6,575,727</u>	<u>\$ 5,554,774</u>	<u>\$ 8,104,965</u>	<u>\$ 8,445,459</u>	<u>\$ 5,414,779</u>	<u>\$ 5,171,159</u>
Net (expense)/revenue										
Governmental activities	\$ (16,999,107)	\$ (14,016,760)	\$ (14,253,645)	\$ (15,740,083)	\$ (16,193,663)	\$ (16,400,080)	\$ (13,780,000)	\$ (13,405,974)	\$ (16,860,677)	\$ (17,505,549)
Business- type activities	1,506,315	(499,070)	(451,335)	(372,074)	(525,337)	(476,060)	(655,297)	(542,303)	(635,374)	(802,043)
	<u>\$ (15,492,792)</u>	<u>\$ (14,515,830)</u>	<u>\$ (14,704,980)</u>	<u>\$ (16,112,157)</u>	<u>\$ (16,719,000)</u>	<u>\$ (16,876,140)</u>	<u>\$ (14,435,297)</u>	<u>\$ (13,948,277)</u>	<u>\$ (17,496,051)</u>	<u>\$ (18,307,592)</u>

(continued)

CITY OF LAGUNA HILLS

CHANGE IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(continued)										
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 4,892,577	\$ 5,219,940	\$ 6,000,932	\$ 6,310,302	\$ 8,624,076	\$ 8,573,008	\$ 8,186,735	\$ 8,223,234	\$ 8,722,406	\$ 8,826,271
Sales and use taxes	7,964,948	6,868,829	6,811,004	6,368,887	5,522,204	5,197,367	5,238,949	5,157,787	5,305,487	5,562,823
Motor vehicle in lieu taxes	2,724,783	2,591,236	2,575,919	2,690,646	114,895	99,167	154,787	16,727	17,332	14,344
Other State subvention	1,919	95,072	25,026						-	16,549
Franchise taxes	920,778	1,006,109	1,218,116	1,202,702	1,237,335	1,217,595	1,199,882	1,223,523	1,210,837	1,259,021
Transient occupancy taxes	980,585	1,156,409	1,227,989	1,219,609	915,807	752,478	869,505	1,004,483	1,108,290	1,203,422
Investment earnings	134,912	210,046	325,266	469,876	119,006	29,205	25,267	15,736	12,216	12,251
Miscellaneous revenue	111,761	404,382	620,465	44,312	62,493	21,389	4,468	21,951	21,016	29,706
Lawsuit settlement										
Sale of capital assets									2,769,504	
Transfers	(30,000)	(599,379)	100,000	300,000	150,000	24,790	75,000			(293,691)
Total governmental activities	<u>17,702,263</u>	<u>16,952,644</u>	<u>18,904,717</u>	<u>18,606,334</u>	<u>16,745,816</u>	<u>15,914,999</u>	<u>15,754,593</u>	<u>15,663,441</u>	<u>19,167,088</u>	<u>16,630,696</u>
Business-type activities:										
Investment earnings	3,318	30	3,511	3,962	2,877	2,695	880	354	56	16
Transfers	30,000	599,379	(100,000)	(300,000)	(150,000)	(24,790)	(75,000)			293,691
Total business-type activities	<u>33,318</u>	<u>599,409</u>	<u>(96,489)</u>	<u>(296,038)</u>	<u>(147,123)</u>	<u>(22,095)</u>	<u>(74,120)</u>	<u>354</u>	<u>56</u>	<u>293,707</u>
Total primary government	<u>\$ 17,735,581</u>	<u>\$ 17,552,053</u>	<u>\$ 18,808,228</u>	<u>\$ 18,310,296</u>	<u>\$ 16,598,693</u>	<u>\$ 15,892,904</u>	<u>\$ 15,680,473</u>	<u>\$ 15,663,795</u>	<u>\$ 19,167,144</u>	<u>\$ 16,924,403</u>
Change in Net Position:										
Governmental activities	703,156	2,935,884	4,651,072	2,866,251	552,153	(485,081)	1,974,593	2,257,467	2,306,411	(874,853)
Business-type activities	1,539,633	100,339	(547,824)	(668,112)	(672,460)	(498,155)	(729,417)	(541,949)	(635,318)	(508,336)
Total primary government	<u>\$ 2,242,789</u>	<u>\$ 3,036,223</u>	<u>\$ 4,103,248</u>	<u>\$ 2,198,139</u>	<u>\$ (120,307)</u>	<u>\$ (983,236)</u>	<u>\$ 1,245,176</u>	<u>\$ 1,715,518</u>	<u>\$ 1,671,093</u>	<u>\$ (1,383,189)</u>

CITY OF LAGUNA HILLS
GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales & Use Tax	Motor Vehicle in Lieu Tax	Other State Subvention	Franchise Tax	Transient Occupancy Tax	Total
2005	4,892,577	7,964,948	2,724,783	1,919	920,778	980,585	17,485,590
2006	5,219,940	6,868,829	2,591,236	95,072	1,006,109	1,156,409	16,937,595
2007	6,000,932	6,811,004	2,575,919	25,026	1,218,116	1,227,989	17,858,986
2008	6,310,302	6,368,887	2,690,646		1,202,702	1,219,609	17,792,146
2009	8,624,076	5,522,204	114,895		1,237,335	915,807	16,414,317
2010	8,573,008	5,197,367	99,167		1,217,595	752,478	15,839,615
2011	8,186,735	5,238,949	154,787		1,199,882	869,505	15,649,858
2012	8,223,234	5,157,787	16,727		1,223,523	1,004,483	15,625,754
2013	8,722,406	5,305,487	17,332		1,210,837	1,108,290	16,364,352
2014	8,826,271	5,562,823	14,344	16,549	1,259,021	1,203,422	16,882,430

CITY OF LAGUNA HILLS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 52,957	\$ 40,016	\$ 30,745	\$ 186,524	\$ 44,610	\$ 15,624	\$ -	\$ -	\$ -	\$ -
Unreserved	9,252,463	10,074,573	11,019,918	10,313,093	8,582,945	8,611,931				
Nonspendable							305,302	311,223	335,603	416,994
Restricted										
Committed										
Assigned							1,318,164	1,284,939	1,315,557	1,726,228
Unassigned							4,716,361	5,149,410	6,718,179	4,184,661
Total general fund	<u>\$ 9,305,420</u>	<u>\$ 10,114,589</u>	<u>\$ 11,050,663</u>	<u>\$ 10,499,617</u>	<u>\$ 8,627,555</u>	<u>\$ 7,422,224</u>	<u>\$ 6,339,827</u>	<u>\$ 6,745,572</u>	<u>\$ 8,369,339</u>	<u>\$ 6,327,883</u>
All other governmental funds										
Reserved	\$ 628,258	\$ 652,694	\$ 419,790	\$ 421,484	\$ 415,078	\$ 1,817,086				
Unreserved, reported in:										
Special revenue funds	2,129,536	2,751,414	2,603,432	4,202,374	2,427,534	2,411,192				
Debt service funds	421,470	435,502								
Nonspendable										
Restricted							4,473,805	3,916,541	2,813,802	4,222,459
Committed										
Assigned										
Unassigned							(273,326)	(238,732)	(245,214)	(322,781)
Total all other governmental funds	<u>\$ 3,179,264</u>	<u>\$ 3,839,610</u>	<u>\$ 3,023,222</u>	<u>\$ 4,623,858</u>	<u>\$ 2,842,612</u>	<u>\$ 4,228,278</u>	<u>\$ 4,200,479</u>	<u>\$ 3,677,809</u>	<u>\$ 2,568,588</u>	<u>\$ 3,899,678</u>

CITY OF LAGUNA HILLS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Revenues:

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxes	\$ 7,312,670	\$ 7,412,442	\$ 8,598,829	\$ 8,843,272	\$ 10,858,989	\$ 10,553,196	\$ 10,513,681	\$ 10,533,542	\$ 11,061,533	\$ 11,308,714
Licenses and permits	530,839	505,608	599,423	579,915	521,724	423,012	550,155	816,863	655,855	778,208
Intergovernmental	12,348,515	14,796,110	16,153,141	12,364,967	9,727,124	7,975,877	10,023,285	10,960,315	8,597,520	8,864,729
Charges for current services	743,414	828,054	815,148	951,289	909,504	946,119	1,047,727	887,126	981,063	931,909
Fines and forfeitures	357,000	485,977	426,060	437,376	435,452	542,732	401,665	295,587	226,311	186,347
Miscellaneous		25,914								
Investment income	222,313	363,044	552,887	494,550	223,846	45,732	36,906	30,129	25,928	21,608
Total revenues	<u>21,514,751</u>	<u>24,417,149</u>	<u>27,145,488</u>	<u>23,671,369</u>	<u>22,676,639</u>	<u>20,486,668</u>	<u>22,573,419</u>	<u>23,523,562</u>	<u>21,548,210</u>	<u>22,091,515</u>

Expenditures:**Current:**

Legislative/executive	1,296,945	1,389,261	1,431,276	1,521,937	1,527,927	1,583,009	1,528,226	1,556,386	1,661,199	1,536,724
Administrative services	1,811,903	1,663,400	1,804,671	1,863,562	1,664,029	1,537,841	1,591,486	1,622,122	2,014,343	1,631,541
Public services	3,441,494	3,551,780	4,050,846	4,897,258	4,419,088	4,088,538	4,190,842	4,155,386	4,346,672	4,399,704
Community development	1,050,679	1,239,540	1,533,319	1,823,818	1,660,768	1,593,187	1,404,624	1,127,036	1,259,502	1,261,715
Community services	1,378,890	1,518,157	1,679,248	1,717,124	1,733,464	1,570,196	1,646,388	1,595,904	1,904,831	1,860,866
Public safety	5,303,888	5,630,812	5,915,809	6,524,289	6,427,542	6,585,639	6,475,456	6,494,020	6,591,732	6,826,303
Capital outlay	6,128,394	5,337,802	8,991,937	2,619,246	7,102,899	2,013,797	5,013,252	5,289,390	4,402,694	2,965,511
Debt service:										
Interest	1,004,910	975,512	945,372	913,325	878,480	427,854	712,976	670,243	625,043	601,542
Cost of bond issuance						301,477				
Payment to bond escrow agent										
Discount on bond										
Principal retirement	<u>1,216,000</u>	<u>1,130,000</u>	<u>1,160,000</u>	<u>1,016,178</u>	<u>1,010,000</u>	<u>820,000</u>	<u>1,090,000</u>	<u>1,130,000</u>	<u>1,180,000</u>	<u>1,205,000</u>
Total expenditures	<u>22,633,103</u>	<u>22,436,264</u>	<u>27,512,478</u>	<u>22,896,737</u>	<u>26,424,197</u>	<u>20,521,538</u>	<u>23,653,250</u>	<u>23,640,487</u>	<u>23,986,016</u>	<u>22,288,906</u>
Excess (deficiency) of revenues over expenditures	(1,118,352)	1,980,885	(366,990)	774,632	(3,747,558)	(34,870)	(1,079,831)	(116,925)	(2,437,806)	(197,391)

(Continued)

(Continued)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses):										
Transfers in	\$ 10,035,905	\$ 10,928,487	\$ 17,968,939	\$ 5,956,627	\$ 13,800,602	\$ 7,868,431	\$ 12,431,918	\$ 13,529,097	\$ 10,468,784	\$ 7,214,336
Transfers out	(10,065,905)	(11,527,866)	(17,868,939)	(5,656,627)	(13,650,602)	(7,843,641)	(12,356,918)	(13,529,097)	(10,468,784)	(7,508,027)
Bond Proceeds						17,190,000				
Payment to bond escrow agent						(18,081,996)				
Premium on bond issue						1,206,953				
Sales tax repayment			(358,909)							
Lawsuit Settlement			550,000	(70,000)	(55,750)	(7,500)	(105,365)			
Sale of Capital Assets									2,952,352	
Total other financing sources (uses)	(30,000)	(599,379)	291,091	230,000	94,250	332,247	(30,365)	-	2,952,352	(293,691)
Net change in fund balances	<u><u>\$ (1,148,352)</u></u>	<u><u>\$ 1,381,506</u></u>	<u><u>\$ (75,899)</u></u>	<u><u>\$ 1,004,632</u></u>	<u><u>\$ (3,653,308)</u></u>	<u><u>\$ 297,377</u></u>	<u><u>\$ (1,110,196)</u></u>	<u><u>\$ (116,925)</u></u>	<u><u>\$ 514,546</u></u>	<u><u>\$ (491,082)</u></u>
Debt service as a percentage of noncapital expenditures	11.20%	11.74%	10.13%	10.17%	9.77%	6.74%	9.67%	9.81%	9.22%	9.35%

CITY OF LAGUNA HILLS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended June 30	Secured Gross Value	Unsecured Gross Value	SBE Nonunitary	Exemptions	Total Taxable Assessed Value ⁽¹⁾	Percentage Increase	Total Direct Rate Applied ⁽²⁾
2005	4,344,058	163,468	199	30,625	4,507,725	7.4%	0.05330
2006	4,764,453	144,816	203	30,616	4,909,472	8.9%	0.05319
2007	5,160,814	154,887	190	31,676	5,315,891	8.3%	0.05342
2008	5,520,202	215,240		34,477	5,735,442	7.9%	0.10611
2009	5,516,226	174,459		32,955	5,690,685	-0.8%	0.10630
2010	5,413,579	175,241		33,614	5,588,820	-1.8%	0.10708
2011	5,299,826	160,738		33,534	5,460,565	-2.3%	0.10796
2012	5,308,488	156,488		33,852	5,464,976	0.1%	0.10853
2013	5,371,901	143,351		34,825	5,515,252	0.9%	0.10840
2014	5,509,351	146,695		35,252	5,656,046	2.6%	0.10583

Sources: HdL Coren & Cone, Orange County Assessor 2003/04 - 2013/14 Combined Tax Rolls

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property tax to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exception, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

⁽¹⁾ Exempt values are not included in Total

⁽²⁾ Because basic and debt rates vary by tax rate area, individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied.

CITY OF LAGUNA HILLS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING ⁽¹⁾ GOVERNMENTS
(RATE PER \$100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS

	Fiscal Year									
	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Overlapping and Direct Tax Rates ⁽¹⁾										
Overlapping Basic Rate ^{(2) (3)}	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Capistrano Union	0.01191	0.01078	0.00947	0.01019	0.00971	0.01077	0.01105	0.01101	0.01171	0.00972
Irvine Ranch Water	0.00000	0.00000	0.00000	0.00000	0.00000	0.03870	0.03870	0.04860	0.04860	0.04860
Metropolitan Water District	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350
Moulton Niguel Water District	0.21784	0.12923	0.11403	0.08830	0.11679	0.12104	0.12203	0.12936	0.14547	0.12977
Saddleback Valley Unified	0.03626	0.03079	0.03694	0.02668	0.02834	0.03043	0.03194	0.03163	0.03265	0.03207
Total	1.27181	1.17600	1.16514	1.12967	1.15914	1.20524	1.20742	1.22430	1.24193	1.22366
City Direct Rates										
City Share of 1% Levy Per Prop13 ^{(2) (3)}	0.05371	0.05371	0.05371	0.05371	0.12228	0.12282	0.05371	0.05371	0.05371	0.05371
Redevelopment Rate ⁽⁴⁾	1.00580	1.00520	1.00470	1.00450	1.00430	1.00430	1.00370	1.00370		
Total Direct Rate ⁽⁵⁾	0.05330	0.05319	0.05342	0.10611	0.10630	0.10708	0.10796	0.10853	0.10840	0.10583

Source: HdL Coren & Cone, Orange County Assessor 2003/04 - 2013/14 Tax Rate Table

- ⁽¹⁾ Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.
- ⁽²⁾ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.0% fixed rate. This 1.0% is shared by all taxing agencies for which the subject property resides within. In addition, to the 1.0% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- ⁽³⁾ City's Share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- ⁽⁴⁾ Redevelopment Rate is based on the largest RDA tax rate area and only includes rates from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied incremental property values. The approval of ABX126 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- ⁽⁵⁾ Because basic and debt rates vary by tax rate area, individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied.

CITY OF LAGUNA HILLS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MGP Fund X Laguna Hills LLC	\$ 121,203	1	2.14%	\$ -		
Acquiport Three Corporation	76,893	2	1.36%	61,030	2	1.35%
PMI Prado LLC	57,013	3	1.01%			
SPRTMRT Properties Trust	40,624	4	0.72%	31,487	5	0.70%
LHT Saddleback LLC	37,070	5	0.66%	30,615	6	0.68%
Lakehills at Laguna LLC	35,374	6	0.63%			
La Paz Office Plaza LLC	31,606	7	0.56%			
Memorial Health Services	24,946	8	0.44%			
Moulton Plaza LLC	23,501	9	0.42%			
Laguna Hills Investment Co.	22,997	10	0.41%	21,216	9	0.47%
Shopping Center Associates				105,506	1	2.34%
Landmark Laguna LP				40,485	3	0.90%
Pinebrook Apartments				36,397	4	0.81%
Frank N. Tomlinson Trust				27,149	7	0.60%
VV California				22,239	8	0.49%
LBA Realty Fund Holding				21,200	10	0.47%
Totals	<u>\$ 471,227</u>		<u>8.33%</u>	<u>\$ 397,324</u>		<u>8.81%</u>

Source: HdL Coren & Cone, Orange County Assessor Combined Tax Rolls

CITY OF LAGUNA HILLS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended June 30,			Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	<u>Secured</u>	<u>Unsecured</u>		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2005	4,488	230	4,718	4,631	98.2%	50	4,682	99%
2006	4,884	232	5,116	4,990	97.5%	54	5,044	99%
2007	5,266	267	5,533	5,325	96.2%	67	5,393	97%
2008	5,697	250	5,946	5,714	96.1%	116	5,830	98%
2009	5,675	250	5,925	5,685	96.0%	200	5,885	99%
2010	5,555	256	5,812	5,629	96.9%	203	5,832	100%
2011	5,489	248	5,737	5,577	97.2%	126	5,702	99%
2012	5,526	246	5,772	5,605	97.1%	87	5,693	99%
2013	5,587	239	5,827	5,694	97.7%	85	5,779	99%
2014	5,732	261	5,992	5,885	98.2%	62	5,946	99%

Source: County of Orange 2013 Tax Ledger Detail & Summary Reports, A43 Laguna Hills City

CITY OF LAGUNA HILLS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita amounts)

Fiscal Year	Total Government Certificates of Participation	Personal Income	Per Capita Personal Income	Percentage of Personal Income	Per Capita^(a)
2005	22,300	1,321,554	\$ 39,938	1.69%	676.02
2006	21,390	1,384,623	\$ 41,813	1.54%	646.42
2007	20,450	1,425,961	\$ 43,058	1.43%	617.54
2008	19,480	1,441,089	\$ 43,346	1.35%	588.22
2009	18,470	1,417,282	\$ 42,444	1.30%	555.56
2010	17,943	1,500,666	\$ 44,672	1.20%	537.36
2011	16,802	1,445,996	\$ 47,227	1.16%	500.16
2012	15,620	1,363,858	\$ 44,421	1.15%	510.16
2013	14,388	1,320,001	\$ 42,778	1.09%	468.63
2014	13,437	1,333,022	\$ 43,200	1.01%	435.45

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: 2002-2009 Income Data: ESRI-Demographic Estimates are based on the latest available Census 2010 and later -Income Data-US Census Bureau, most recent American Community Survey

^(a) *Population data can be found in the Schedule of Demographic and Economic Statistics on page III - 19.*

CITY OF LAGUNA HILLS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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Note: There was no general bonded debt outstanding for the last ten fiscal years.

CITY OF LAGUNA HILLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	132,275,000	0.258%	341,270
Saddleback Valley Unified School District	126,840,000	18.254%	23,153,374
Capistrano Unified School District Facilities Improvement District No. 1	35,109,930	0.025%	8,777
Moulton-Niguel Water District and, I.D.'s 6 & 8	13,855,000	3.303%	457,631
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT:			<u>\$ 23,961,052</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</u>			
Orange County General Fund Obligations	145,476,000	1.276%	\$ 1,856,274
Orange County Pension Obligations	32,195,288	1.276%	410,812
Orange County Board of Education Certificates of Participation	15,500,000	1.276%	197,780
Municipal Water District of Orange County Water Facilities Corporation	7,775,000	1.527%	118,724
Capistrano Unified School District Certificates of Participation	18,245,000	0.017%	3,102
Moulton-Niguel Water District Certificates of Participation	81,795,000	13.624%	11,143,751
SUBTOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			<u>\$ 13,730,443</u>
City of Laguna Hills Certificates of Participation, Direct Debt	12,585,000	100.000%	<u>12,585,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT, AND LAGUNA HILLS CERTIFICATES OF PARTICIPATION:			26,315,443
Less: MWDOC Water Facilities Corporation (100% self-supporting)			<u>(118,724)</u>
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT:			<u><u>\$ 26,196,719</u></u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	22,665,000	1.542%	349,434
<u>GROSS COMBINED TOTAL DEBT</u>			\$ 50,625,929
<u>NET COMBINED TOTAL DEBT</u>			\$ 50,507,205 ^(b)

(a) *Percentage of overlapping agency's assessed valuation located within boundaries of the city.*

(b) *Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations; see MWDOC above.*

Source: California Municipal Statistics, Inc.

CITY OF LAGUNA HILLS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 676,321	\$ 736,414	\$ 797,096	\$ 860,479	\$ 853,897	\$ 838,413	\$ 819,070	\$ 819,547	\$ 832,512	\$ 853,695
Total net debt applicable to limit	<u>22,300</u>	<u>21,390</u>	<u>20,450</u>	<u>19,480</u>	<u>18,470</u>	<u>17,190</u>	<u>16,100</u>	<u>14,970</u>	<u>13,790</u>	<u>12,585</u>
Legal debt margin	<u>\$ 654,021</u>	<u>\$ 715,024</u>	<u>\$ 776,646</u>	<u>\$ 840,999</u>	<u>\$ 835,427</u>	<u>\$ 821,223</u>	<u>\$ 802,970</u>	<u>\$ 804,577</u>	<u>\$ 818,722</u>	<u>\$ 841,110</u>
Total net debt applicable to limit, as a percentage of debt limit	3.30%	2.90%	2.57%	2.26%	2.16%	2.05%	1.97%	1.83%	1.66%	1.47%

Legal Debt Margin Calculation for Fiscal Year 2013/14

Assessed value	5,656,046
Add back: exempt real property	<u>35,252</u>
Total assessed value	5,691,297
Debt limit (15% of total assessed value)	853,695
Debt applicable to limit:	
Certificates of Participation	<u>12,585</u>
Total net debt applicable to limit	<u>12,585</u>
Legal debt margin	<u>\$ 841,110</u>

Note: Under state finance law, the City of Laguna Hills' outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF LAGUNA HILLS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Note: There was no debt covenants that required pledged-revenue coverage for the last ten fiscal years.

CITY OF LAGUNA HILLS

DEMOGRAPHIC & ECONOMIC STATISTICS

Calendar Year	Population ⁽¹⁾	Personal Income		Per Capita	
		(in thousands)		Personal Income	Unemployment Rate
2004	32,987	\$ 1,275,828	\$	38,677	3.6%
2005	33,090	\$ 1,321,554	\$	39,938	3.2%
2006	33,115	\$ 1,384,623	\$	41,813	2.9%
2007	33,117	\$ 1,425,961	\$	43,058	3.3%
2008	33,246	\$ 1,441,089	\$	43,346	4.4%
2009	33,392	\$ 1,417,282	\$	42,444	7.6%
2010	33,593	\$ 1,500,666	\$	44,672	8.1%
2011	30,618	\$ 1,445,996	\$	47,227	7.4%
2012	30,703	\$ 1,363,858	\$	44,421	4.8%
2013	30,737	\$ 1,320,001	\$	42,778	4.2%
2014	30,857	\$ 1,333,022	\$	43,200	4.2%

Consumer Price Index		
Year	CPI	% Change
2004	193.2	3.3%
2005	201.8	4.5%
2006	210.4	4.3%
2007	217.3	3.3%
2008	225.0	3.5%
2009	223.2	-0.8%
2010	225.8	1.2%
2011	231.9	2.7%
2012	236.7	2.1%
2013	239.2	1.1%

2010 Population by Race/Ethnicity		
White	18,725	61.7%
Hispanic	6,242	20.6%
Asian & Pacific Islander	3,790	12.5%
Black	373	1.2%
Other	1,214	4.0%

2010 Population by Age		
Age	Population	%
0-4	1,563	5.2%
5-14	3,804	12.5%
15-24	4,012	13.2%
25-34	3,466	11.4%
35-54	9,319	30.7%
55-64	4,290	14.1%
65-74	2,106	6.9%
75+	1,784	5.9%

Building Activity and Valuation (in thousands)			
	2011	2012	2013
Residential			
New Single Family	-	700	519
New Multi-Family	-	-	-
Additions, alterations	6,939	4,346	5,349
Total Residential	6,939	5,046	5,868
Commercial			
New Commercial	-	2,236	2,045
New Industrial	-	-	-
Additions, alterations	11,578	5,853	10,201
Total Non-Residential	11,578	8,089	12,246
Total Valuation	18,517	13,135	18,114
No. of New Dwelling Units	3	1	2

2012 Housing Units		
	Quantity	%
Total Housing Units	11,107	
Occupied	10,541	94.9%
Vacant	566	5.1%

Sources: Cal State Fullerton Center for Demographic Research, HDL Reported City of Laguna Hills' Demographic and Economic Statistics, US Census Bureau and Department of Labor and Statistics; State of California EDD.

⁽¹⁾ Population: California State Department of Finance. Demographic Data is totaled from Census Block Groups that overlap the City's Boundaries.

CITY OF LAGUNA HILLS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2014			2005		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Saddleback Memorial Medical	1,020	1	5.93%	1,020	1	5.90%
Professional Community Management	350	2	2.03%			
Veteran's Affairs, U.S. Department	260	3	1.51%			
Care Plus Home Care, Inc.	250	4	1.45%			
Allied Business Schools, Inc.	235	5	1.37%	200	5	1.16%
Kennedy Pipeline				320	2	1.85%
Country Villa				200	3	1.16%
Saddlebck Coordinated Home				200	4	1.16%
Total	<u>2,115</u>		12.30%	<u>1,940</u>		11.21%

Source: California State University, Fullerton, Center for Demographic Research, Orange County Progress Report 2014 & 2005

CITY OF LAGUNA HILLS
FULL-TIME EQUIVALENT PERSONNEL ALLOCATION BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time Equivalent Personnel at June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legislative/executive	4.31	5.31	5.31	5.31	5.72	5.72	5.72	5.72	5.72	5.72
Administrative services	9.03	7.28	7.78	6.78	6.18	6.18	6.18	6.18	7.28	7.28
Public services	30.00	30.00	41.00	41.00	42.00	42.00	44.00	44.00	44.00	44.00
Community development	6.00	7.85	8.30	8.30	8.15	7.15	8.15	8.15	7.85	7.85
Community services	14.25	14.25	14.25	14.25	15.61	15.61	15.75	15.75	15.75	15.75
Public safety	30.17	30.07	31.19	31.24	29.19	29.19	29.20	29.20	28.89	28.89
Total	<u>93.76</u>	<u>94.76</u>	<u>107.83</u>	<u>106.88</u>	<u>106.85</u>	<u>105.85</u>	<u>109.00</u>	<u>109.00</u>	<u>109.49</u>	<u>109.49</u>

Source: City of Laguna Hills' Biennial Budget

CITY OF LAGUNA HILLS
OPERATING INDICATORS
LAST TEN FISCAL YEARS

Function	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Police ^(b)										
Physical arrests	468	487	579	460	740	721	684	468	362	458
Parking violations	897	1,799	3,162	2,757	3,636	2,662	2,087	1,107	885	1,407
Traffic violations	3,637	5,367	3,846	5,566	4,886	5,781	4,089	3,074	2,462	2,070
Fire ^(c)										
Number of calls answered	2,211	2,373	2,424	2,434	2,421	2,558	2,614	2,550	2,579	2,584
Inspections	651	586	549	309	387	439	393	308	273	379
Highways and Streets ^(d)										
Sidewalk replacement (sq. ft.)	10,190	7,610	3,450	1,850	4,660	22,266	8,592	13,482	13,610	3,519
Curb & gutter replacement (linear ft.)	1,678	626	90	110	2,374	1,030	1,727	3,990	1,141	478
Asphalt concrete placed (tons)	12,244	15,203	13,385	11,362	21,291	15,695	14,454	15,692	16,319	7,857
Street sweeping debris collected (tons)	315	922	546	265	449	294	290	374	432	293
New sign installations	23	37	65	37	64	92	102	28	42	65
Sign Replacements	102	161	304	238	277	168	173	161	378	278
Trees trimmed	1,493	2,370	1,815	1,763	1,774	2,273	1,872	1,474	1,568	1,185
Trees removed	349	247	265	207	214	81	114	166	215	179
Trees planted	90	67	108	262	82	43	39	649	39	44
Sanitation ^(a)										
Refuse collected (tons/day)	83	80	70	63	50	46	46	44	47	41
Recyclables collected (tons/day)	72	77	65	55	52	50	47	45	46	42
Culture and Recreation ^(e)										
Community center programs (participants)	7,877	8,215	8,650	8,173	9,538	7,262	6,876	5,682	5,633	5,783
Athletic permits	70	74	71	70	76	69	57	44	41	45
Waste Stream ^(a)										
Refuse collected (tons)	30,124	29,126	25,705	22,981	18,089	16,698	16,814	15,932	17,185	14,925
Recyclables collected (tons)	26,102	27,927	23,691	20,120	19,081	18,162	17,325	16,391	16,753	15,454

^(a) CR&R Monthly Tonnage Report, 6/30/14

^(b) Orange County Sheriff's Department Deputy Statistics Report

^(c) Orange County Fire Authority- Clerk of the Authority, Safety & Environmental Services, Planning & Development

^(d) City of Laguna Hills, Public Works Department

^(e) City of Laguna Hills, Community Center Department

CITY OF LAGUNA HILLS
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Highways and streets										
Streets (miles)	83	83	83	83	83	83	83	83	83	83
Traffic signals	45	45	45	45	45	45	45	45	45	45
Culture and recreation										
Parks acreage	83	83	83	83	83	83	83	83	83	83
Parks	15	15	15	15	15	15	15	15	15	15
Community centers	1	1	1	1	1	1	1	1	1	1
Civic Center	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

CITY OF LAGUNA HILLS

AT A GLANCE

GENERAL INFORMATION

The City of Laguna Hills, located in South Orange County, has approximately 6.6 square miles of land in its corporate boundary and is now home to 30,857 people. Majority of the area in the City has a distinctive residential character. Yet, the City has a strong commercial base in its northern part. This commercial area, or “urban village”, is anchored by the regional Laguna Hills Mall, the Oakbrook Village Shopping Center, and the Saddleback Memorial Hospital. It includes approximately 2,000,000 square feet of retail, restaurant, professional office, and medical related building space. When the City annexed the “North Laguna Hills” area in July of 1996, the City acquired 1.2 square miles of primarily light industrial, professional office, specialty retail, hotel, and residential uses. This annexed area contains a furniture row, office headquarters, and the only light industrial/manufacturing establishments in the City. In September of 2000, the City grew by another 150 acres as a result of the annexation of residential properties identified as West Laguna Hills.

HISTORY

Laguna Hills is built on one of the major land grants developed during the rancho area. Following Mexico’s independence from Spain in 1821, those who had served in the government or who had friends in authority were given vast lands for cattle grazing. Rancho Lomas de Santiago, Rancho San Joaquin, and Rancho Niguel covered much of the western portion of the Saddleback Valley. Don Juan Avila was granted the 13,000-acre Rancho Niguel on which Laguna Hills is located.

In 1874, Lewis Moulton purchased Rancho Niguel from Don Juan Avila and increased the original grant to 22,000 acres. Moulton and his partner, Jean Piedrea Daguerre, used the ranch to raise sheep and cattle. The Moulton ranch was eventually subdivided in the early 1960s part of which is recognized as Laguna Hills.

Incorporation efforts began in 1987 and on March 5, 1991, the goal of incorporation was finally achieved with 86% of the residents voting in favor of forming the City of Laguna Hills. On December 20, 1991, Laguna Hills officially became a City.

CITY GOVERNMENT

The City of Laguna Hills is a General Law City that operates under the Council/Manager form of government. The voters elect five of their fellow citizens to the City Council for overlapping four-year terms. The Council, in turn, selects one of its members to serve as Mayor for a one-year term. The City Council holds regular public meetings on the second and fourth Tuesday of each month.

Public Facilities & Improvements Application

Fiscal Year 2015-16
Bid #012-629323

ATTACHMENT 12: ORGANIZATIONAL/PROJECT READINESS

Project milestones are an effective method of demonstrating overall project readiness. Enter the date the milestone action was completed in column 1.

If the milestone action is in progress, enter the start and end dates in columns 2 and 3.

If the action is not applicable to your project, check column 4.

ORGANIZATIONAL/PROJECT READINESS CHART				
	1 Action Complete	2 Action In Progress Start Date	3 Action In Progress End Date	4 Action N/A
Milestone Actions				
A. Governing Body approval to apply for funds		2/10/2015	2/10/2015	
B. Minute Order/Board Resolution		2/10/2015	2/10/2015	
C. Project found in current annual budget		7/1/2015	7/1/2015	
Staffing/Consultant assigned for design/ implementation		7/1/2015	7/1/2015	
D. Feasibility Study				n/a
Design		7/1/2015	9/1/2015	
Project in concept phase				n/a
RFP/RFQ process administered		10/1/2015	12/1/2015	
Consultant contract with design engineer negotiated				n/a
Final plans and specifications written		9/1/2015	10/1/2015	
Finals plans and specifications approved		9/1/2015	10/1/2015	
Environmental Approvals (CEQA/NEPA)				n/a
E. Acquisition/Rehabilitation		7/1/2015	3/31/2016	

1. Include in your application documentation regarding all completed milestone actions (i.e., Minute Order/Board Resolution, public hearing notice, closed session notice and/or Agenda and applicable documentation for Milestone Actions, A through E)
2. Include in your application a written status for all milestone actions marked as "In Progress."
Include supporting documentation to support progress.
3. Include in your application a brief explanation as to why a given milestone action is not applicable to the project, if necessary.

SUPPLEMENTAL DOCUMENTATION

ATTACHMENT 12: ORGANIZATIONAL/PROJECT READINESS

2. The question was asked: Include in your application a written status for all milestone actions marked as "In Progress." Include supporting documentation to support progress.

Milestone Action A is currently in progress. Approval to apply for funds is scheduled to appear before the governing board for approval at the February 10, 2015, City Council meeting as a public hearing item. Upon approval of the agenda item at the abovementioned City Council meeting, the Resolution of approval requested in Milestone Action B will be available on February 10, 2015. The minutes requested in Milestone Action B will be available upon approval following the February 24, 2015, City Council meeting. Regarding Milestone Action C, funds are included in the annual budget upon approval of the project. Final plans and specifications required for Milestone Action D will be drafted beginning July 1, 2015, upon approval of funds and contracts for the project. Rehabilitation and construction work as described in Milestone Action E will commence upon the completion of final plans and specification and the RFP process, anticipated for December 1, 2015. Supporting documentation to be provided upon publication and availability.

3. The question was asked: Include in your application a brief explanation as to why a given milestone action is not applicable to the project, if necessary.

Due to the limited scope of the project and rehabilitation activities, the following milestone actions are not applicable and/or necessary: feasibility study, project in concept phase, consultant contract with design engineer, and environmental approvals.

Public Facilities & Improvements Application

Fiscal Year 2015-16
Bid #012-629323

ATTACHMENT 13: BONUS POINTS CRITERIA (total of 5 or 10 points possible)

If you intend to be considered for any of the bonus point categories below, please complete the applicable questions. **You may only apply for one category:**

1. **Projects with a "Regional Benefit (Max. 5 Points):** Please describe how your project will benefit populations in other cities or jurisdictions other than your own.

OR

2. **Projects that serve the homeless and are consistent with the "County's Ten Year Plan to End Homelessness" (Max. 10 Points):** Please describe how your project serves the homeless population and how your project is consistent with the County's Ten Year Plan to end Homelessness.

OR

3. **Projects that fulfill federal Regulations or assist in achieving compliance with Federal law (e.g. Non Compliance with ADA) (Max. 5 points):** Please describe how your project is consistent with federal Regulations or how it will achieve compliance with federal Regulations.

Please site specific law or federal regulation.

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SUPPLEMENTAL DOCUMENTATION

ATTACHMENT 13: BONUS POINTS CRITERIA

1. The question was asked: Projects with a "Regional Benefit": Please describe how your project will benefit populations in other jurisdictions other than your own.

The Florence Sylvester Memorial Senior Center directly services the elderly/frail elderly population of the community, which are predominantly low and moderate-income persons, not only in the City of Laguna Hills but throughout the region, including the neighboring cities of Laguna Woods and Aliso Viejo. The region benefits greatly as over 300 elderly persons are currently served on a daily basis. This project would benefit the community of Laguna Hills and nearby jurisdictions by increasing the Center's sustainability, increasing accessibility to the Center and simultaneously decreasing overall costs, thereby resulting in continued access to the Center for the elderly/frail elderly members of the community. In addition, replacing the existing door on the north side of the building and replacing it with an automatic door would provide increased accessibility to the disabled elderly/frail elderly that utilize the Center.