

City of Rialto

*Council Chambers
150 S. Palm Ave.
Rialto, CA 92376*



Regular Meeting

Tuesday, November 22, 2016

5:00 PM

**CITY COUNCIL, City of Rialto, acting as Successor Agency to the
Redevelopment Agency, RIALTO UTILITY AUTHORITY, RIALTO
HOUSING AUTHORITY**

City Council

*Mayor Deborah Robertson
Mayor Pro Tem Joe Baca Jr.
Council Member Edward Palmer
Council Member Ed Scott
Barbara A. McGee City Clerk
Edward Carrillo City Treasurer
Fred Galante City Attorney
Mike Story City Administrator*

Members of the public are afforded an opportunity to speak on any listed agenda item. Please notify the City Clerk if you wish to do so. All agendas are posted in the City Hall Administration Building (150 South Palm Avenue, Rialto) at least 72 hours in advance of the meeting. All writings that relate to an agenda item for an open session of a regular meeting of the City Council distributed to all, or a majority, of the Council Members also shall be made available, at the same time but not sooner than 72 hours before a regular meeting, for public inspection in the Office of the City Clerk located at 290 West Rialto Avenue, Rialto, California (909-820-2519) from 7:00 a.m. to 6:00 p.m., Mondays through Thursdays, and on the City's website at www.rialtoca.gov Any person having a question concerning any agenda item may call the City Clerk's office to make inquiry concerning the nature of the item described on the agenda.

Based upon the open meeting laws (the Brown Act), additional items may be added to the agenda and acted upon by the City Council only if it is considered to be a "subsequent need" or "emergency" item and is added by a two-thirds vote. Matters raised under Oral Communications may not be acted upon at that meeting other than as provided above.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Director of Public Works at (909) 421-7279. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CAR 35.102-35.104 ADA Title II).

Next Ordinance No.1584

Next Resolution No.7039

Called to Order By:

ROLL CALL

Rialto – Entering a Second Century of Progress

- *Rialto will be a Family First Community*
- *Rialto Shall Attract High-Quality Development and Improve its Physical Environment*
- *Rialto's Economic Environment will be Healthy and Diverse*
- *Rialto will be an Active Community*

All items listed on this agenda are being considered and/or acted upon by the City Council on behalf of the City of Rialto, except for such items as are designated by the "RUA," "RHA," which items are being considered and/or acted upon by the Members of the Rialto Utility Authority or Rialto Housing Authority of the City of Rialto in its separate legal capacity. For convenience and ease of administration only, the agendas for each separate legal body have been consolidated herein

5:00 p.m.

CLOSED SESSION

- 1 [16-798](#) Conference with Legal Counsel - Existing Litigation: The City Council will discuss the following pending litigation(s) pursuant to Government Code Section 54956.9(d)(1):
- (a) City of Rialto v. Chevron
San Bernardino County Superior Court Case No. CIVDS1406197
 - (b) Daniel Kitt v. City of Rialto
WCAB CR-14-005008
 - (c) Joseph Cirilo v. City of Rialto
WCAB CR-10-005004 & CR-12-005074
- 2 [16-814](#) Conference with Real Property Negotiator. The City Council will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8:
- (a)Subject: Price and Terms-Acquisition of Real Property

Location: Rialto Municipal Airport Property

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
Bryan Goodman, Lewis Hillwood Rialto, LLC.
 - (b)Subject: Price and Terms-Acquisition of Real Property

Location: NEC Corner of Easton and Ayala
(APN 0264-151-79, 80, 81)

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
Successor Agency of the City of Rialto
 - (c)Subject: Price and Terms of Purchase

Location: General location of Riverside Avenue and Linden
Avenue (APN 0264-012-0-000)

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
West Valley Water District
- 3 [16-811](#) Conference with Legal Counsel - Anticipated Litigation: Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Government Code Section 54956.9. Number of cases: One case.

6:00 p.m.

C.1 [16-797](#) Regular City Council Meeting - November 08, 2016

Attachments: [November 8 2016 minutes.pdf](#)

D. SET PUBLIC HEARING

D.1 [16-749](#) Request City Council to Set a Public Hearing for **December 13, 2016** to Consider Adopting a Resolution to Modify the Optional Square Footage Method for Calculating Business License Taxes on Distribution Centers from \$0.050 per square foot to \$0.075 per square foot.

Attachments: [Exhibit A - Ordinance 955](#)
[Exhibit B - Resolution 2893](#)
[Exhibit C - Ordinance 983](#)
[Exhibit D - Ordinance 1009](#)
[Exhibit E - Resolution 4076](#)
[Exhibit F - Ordinance 1378](#)
[Exhibit G - Staff Report and Resoultion 5280](#)
[NOTICE OF PUBLIC HEARING- Bus License Tax on DC](#)

D.2 [16-792](#) Request City Council to Set a Public Hearing for **December 13, 2016**, to Consider Adoption of an Ordinance to amend portions of Chapter 5 of the Rialto Municipal Code related to Business Licenses and Regulations.

Attachments: [Exhibit A - Ordinance 983](#)
[Exhibit B - Ord. 1009](#)
[Exhibit C - Ord. 1378](#)

D.3 [16-753](#) Request City Council to Adopt **Resolution No. 7028** Initiating the Proceedings for the Annexation of Properties to the Rialto Landscaping and Lighting District No. 2 and to Levy and Authorize Collection of Assessments Commencing with Fiscal Year 2017/2018; to Adopt **Resolution No. 7029** Declaring the Intention to Annex Properties to the Rialto Landscaping and Lighting District No. 2 and Conduct a Property Owner Protest Ballot Proceeding On The Matter of the New Assessments Related Thereto Commencing with Fiscal Year 2017/2018; and to Set a Public Hearing for **January 10, 2017** to Conduct a Property Owner Protest Ballot Proceeding.

Attachments: [Attachment 1 - Rialto LLD Annexation ER](#)
[Resolution 1](#)
[Resolution 2](#)

- D.4 [16-778](#) Request City Council to Set the Public Hearing for **December 13, 2016** to Consider Adoption of **Resolution No. ___** to Approve Environmental Assessment Review No. 16-55, **Resolution No. ___** to Approve Amendment No. 6 to the Airport Specific Plan, **Resolution No. ___** to Approve Amendment No. 3 to the Renaissance Specific Plan, **Resolution No. ___** to Approve Tentative Tract Map No. 19779, **Resolution No. ___** to Approve Conditional Development Permit No. 823; **Resolution No. ___** to Approve Conditional Development Permit No. 825 and **Resolution No. ___** to Approve Development Agreement No. 16-04.

Attachments: [LOCATION MAP](#)

- D.5 [16-794](#) Request City Council to Set a Public Hearing for **December 13, 2016** to consider the first reading of Ordinance No. -___ Approving Development Agreement No. 16-03 by and between the City of Rialto and Oakmont El Rivino, LLC, related to the development of two (2) warehouse distribution facilities containing up to 2,471,000 square feet on a 121.83 acre site located at the northwest corner of El Rivino Road and Cactus Avenue in the City of Rialto.

Attachments: [Exhibit A - Site and Site Plan](#)

[NOTICE OF PUBLIC HEARING - El Rivino DA](#)

- D.6 [16-793](#) Request City Council to Conduct the First Reading of **Ordinance No. 1579** entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING CHAPTER 15.08 OF THE RIALTO MUNICIPAL CODE TO ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA BUILDING CODES OF THE CALIFORNIA CODE OF REGULATIONS AND OTHER RELATED CODES"; and set a final Public Hearing for **December 13, 2016**, for adoption of the ordinance.

Attachments: [Ordinance Adopting Building Codes by reference](#)

- D.7 [16-734](#) Request City Council to Conduct the First Reading of **Ordinance No. 1580** entitled " AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, DELETE IN ITS ENTIRETY TITLE 15, CHAPTER 15.28, OF THE RIALTO MUNICIPAL CODE TO ADOPT A NEW TITLE 15, CHAPTER 15.28 AND ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA FIRE CODE, FEES AND PENALTIES, THE CALIFORNIA CODE OF REGULATIONS, TITLE 19 AND 24, AND OTHER RELATED CODES" and set a Public Hearing for **December 13, 2016**, for adoption of the ordinance.

Attachments: [2016 Ordinance w findings draft](#)

E. MISCELLANEOUS

- E.1 [16-773](#) Request City Council to Approve an Increase to Purchase Order 2016-1495 with E CAM SECURE by \$18,506 for total of \$48,624 for Security Camera Services at 1479 N. Linden Avenue.
- E.2 [16-776](#) Request City Council, Acting as the Rialto Successor Agency to Adopt **Resolution No. SA8-16** Approving Amendment #2 to the Purchase and Sale Agreement by and between the Rialto Successor Agency and Fountainhead Shrugged LLC for (APN# 0127-041-45) to extend the Contingency Period.
Attachments: [Exhibit A - Site Maps](#)
[Exhibit B - Agreement](#)
[Exhibit C - PSA Amendment #1](#)
[Exhibit D - Resolution](#)
[Exhibit F - PSA Amendment #2](#)
- E.3 [16-783](#) Request City Council to Adopt Budget **Resolution No. 7030**, and Authorize the Release of Request for Bids No. 17-050 for the City Trench Repair Paving, City Project No. 170809.
Attachments: [Attachment 1 Veolia Invoice Asphalt Repair](#)
[Attachment 2 Notice of Exemption \(Pavement trench cut\) 11-07-16](#)
[Budget Resolution 11-16-16](#)
- E.4 [16-784](#) Request City Council to Authorize the Release of Request for Proposals (RFP) for California Voting Rights Act Consultant Services to Evaluate Establishing a By-District System of Elections.
Attachments: [RFP for CVRA Consultant Services](#)
[CVRA Consultant Listing](#)
- E.5 [16-777](#) Request City Council to Approve an Increase of the Purchase Order with Fernando Vargas, Information Specialist, for Fiscal Year 2016/2017 for Information System Support through June 2017 for a Total Cost of \$35,000.
- E.6 [16-709](#) Request City Council to Authorize Purchase of Camera Equipment for Rialto Network from B & H Photo in the total amount of \$41,008.06.
Attachments: [RFB 17-033 Camera Equipment- ABSTRACT](#)

- E.7 [16-733](#) Request City Council to Approve 1) an Encroachment and Maintenance Easement Agreement and 2) a Monument Relocation Agreement between the City of Rialto and Rialto Renaissance LLC related to the Monster Energy warehouse development located at the northeast corner of Locust Avenue and Miro Way.

Attachments: [Exhibit A - Encroachment and Maintenance Agreement 11-3-16](#)
[Exhibit B - Monument Relocation Agreement 001 \(002\)](#)

- E.8 [16-747](#) Request Rialto Housing Authority Board to Approve Subordination Agreement with Greystone Services Corporation and Renaissance Village Housing Partnership related to the Renaissance Village Located at 220 North Glenwood Avenue, Rialto, California.

Attachments: [Exhibit A - Staff Report](#)
[Exhibit B - Regulator Agreement](#)
[Exhibit C -Subordination Agreement](#)

TAB PUBLIC HEARING

- TAB1 [16-745](#) Request City Council to Conduct a Public Hearing for Formation of Community Facilities District (CFD) 2016-1; Consider Adoption of the CFD **Resolution No. 7031** of Formation; **Resolution No. 7032** Calling for the CFD Special Election; Conduct the CFD Special Election; Adopt **Resolution No. 7033** Declaring the Results of the Election and introduce for first reading **Ordinance No. 1581** entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (PUBLIC SERVICES) AUTHORIZING THE LEVY OF A SPECIAL TAX THEREIN" reading by title only and waiving further reading thereof

(ACTION)

Attachments: [Rialto CFD 2016-1 \(Public Services\) Resolution of Formation - City Form](#)
[City of Rialto CDF 2016-1 \(Public Services\) Resolution Calling Election - City Form](#)
[Rialto CFD 2016-1 \(Public Services\) Certificate of Election Official](#)
[Rialto CFD 2016-1 \(Public Services\) Resolution Declaring Results - City Form](#)
[City of Rialto CDF 2016-1 \(Public Services\) Ordinance - City Form](#)
[Exhibit A - Rialto CFD 2016-1 RMA - complete - 11.15.16](#)

TAB2 [16-782](#)

Request City Council and Rialto Public Financing Authority Board to Conduct a Joint Public Hearing to Approve the Section 108 Loan Guarantee Financing for Improvements to Bud Bender Park and Approve **Resolution No. 7034** of the City Authorizing the Public Financing Authority as its Designated Public Agency Borrower to Issue Notes of \$2,000,000 Aggregate Original Principal Amount Section 108 Government Guaranteed Certificates and **Resolution No. 01-16** of the Rialto Public Financing Authority, Authorizing the Issuance Of \$2,000,000.00 Aggregate Original Principal Amount Section 108 Government Guaranteed Certificates.

(ACTION)

Attachments: [\(SECTION 108 LOAN\) DPA Resolution - City Form](#)
[\(SECTION 108 LOAN\) DPA Resolution - PFA Form](#)
[Rialto Section 108 Loan Contract for Loan Guarantee Assistance](#)
[Rialto Subrecipient Agreement 108 Loan Final Versions](#)

TAB3 [16-788](#)

Request City Council to Conduct a Public Hearing to introduce for first reading **Ordinance No. 1582** entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTIONS 1.10.020, 1.10.30, 1.10.040, 1.10.050, 1.10.060, 1.10.070, 1.10.080, AND 1.10.090 OF THE RIALTO MUNICIPAL CODE, TO PROVIDE FOR PROCEDURES TO ADMINISTER ADMINISTRATIVE FINES WITH SHORTENED TIME FOR IMPOSING FINES"; reading by title only and waiving further reading thereof.

(ACTION)

Attachments: [Ordinance -final](#)
[Ordinance - redlined](#)

TAB4 [16-779](#) Request City Council to Conduct a Public Hearing to Approve **Resolution No. 7035** to initiate the filing process with the San Bernardino County Local Agency Formation Commission (LAFCO) to Annex five County Islands from the Rialto sphere of influence in Unincorporated San Bernardino County to the City of Rialto (Annexation No. 171).

(ACTION)

Attachments: [Five North Rialto Islands](#)
[4-11-2016 DRAFT Rialto Islands Plan for Service and Fiscal Analysis \(2\)](#)
[Island Annexation Intiation Filing- FINAL CC Resolution indemnification](#)
[Reso 3222](#)
[Area No. 1 Location Map](#)
[Area No. 2 Location Map](#)
[Area No. 3 Location Map](#)
[Area No. 4 Location Map](#)
[Area No. 5 Location Map](#)

TAB NEW BUSINESS

TAB5 [16-805](#) Request City Council to introduce for first reading **Ordinance No. 1583**, entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTION 2.12.040 OF THE RIALTO MUNICIPAL CODE RELATING TO THE COMPENSATION FOR COUNCILMEMBERS OF THE CITY OF RIALTO IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE," reading by title only and waiving further reading thereof.

(ACTION)

Attachments: [Ordinance Amending Council Compensation](#)

TAB6 [16-741](#)

Request City Council to Adopt **Resolution No. 7036** Authorizing the Issuance of Special Tax Refunding Bonds, Series 2016 for Community District No. 2006-1 (Elm Park), Approving certain documents and taking certain actions in connection thereto.

(ACTION)**Attachments:**

[Exhibit A - Rialto Contract 00146484 - Fieldman Rolapp](#)

[Exhibit B - Letter to George Harris](#)

[Exhibit C - Services Agreement - NRF](#)

[Exhibit D - Rialto CFD Refunding Ltr Prop Oct 2016_13423-Willdan](#)

[Exhibit E - Not to exceed Proposal Letter BMcB - Backstrom 10-24-16](#)

[Disclosure Letter-Backstrom Rialto](#)

[Disclosure Letter - Fieldman Rolapp](#)

[Exhibit F - Resolution for Issuance](#)

[Exhibit G \(Rialto Elm Park\) Rialto CFD 2006-1 \(ELM PARK\) 2016 Refunding Fiscal](#)

[Exhibit H Rialto CFD Bond Purchase Contract - 11.8.16 CLEAN\[1\]](#)

[Exhibit I Rialto CFD 2006-1 2016 \(Elm Park\) Bonds - CONTINUING DISCLOSURE](#)

[Exhibit J City of Rialto CFD 2006-1 \(Elm Park\) Escrow Agreement 11-8-16](#)

[Exhibit K RIALTO CFD 2006-1 \(ELM PARK\) 2016 Bonds - OFFICIAL STATEMEN](#)

TAB7 [16-727](#)

Request City Council to Approve Budget **Resolution No. 7037** and a Reimbursement Agreement by and between the City of Rialto and Lewis-Hillwood Rialto Company to reimburse costs for the SR-210/Alder Avenue Interchange Feasibility Study in an amount not to exceed \$275,000.

(ACTION)**Attachments:**

[Exhibit A - Map](#)

[Exhibit B - Scope of Work and Proposal](#)

[Exhibit C - LHR Reimbursement Agreement for Feasibility Study](#)

[Exhibit D - Budget Resolution](#)

TAB8 [16-729](#)

Request City Council to Authorize the Purchase of Three (3) Undercover Vehicles for the Police Department for Administrative Purposes in the Total Amount of \$86,018.50.

(ACTION)

TAB9 [16-780](#) Request City Council to Approve the Issuance of a Purchase Order for a Replacement Stencil Truck to Roadline Products, Inc. in the Total Amount of \$126,360.00.

(ACTION)

Attachments: [ATTACHMENT 1 - County RFP](#)

[ATTACHMENT 2 - Rialto Offer Confirmed Signed - 11-7-2016](#)

[ATTACHMENT 3 - Rialto Offer - Signed 11-7-2016](#)

TAB10 [16-697](#) Request City Council to Approve a Purchase Order with J&K Auto Body and Towing for Collision and Auto Body Repair Services in the Amount of \$75,000 for Fiscal Year 2016/2017 and Authorize the City Administrator or his Designee to Execute Annual Purchase Orders for Fiscal Years 2017/2018 and 2018/2019 in the amount of \$75,000 for each year, predicated upon Satisfactory Service.

(ACTION)

TAB11 [16-713](#) Request City Council to Approve Agreement No. XP-99T24001-0 and Accept a \$291,000 Water Infrastructure Grant from the United States Environmental Protection Agency and Adopt Budget **Resolution No. 7038** Amending the 2016/2017 Fiscal Budget to Appropriate \$291,000 to Design, Purchase, Install and Commission a Supervisory Control and Data Acquisition (SCADA) System for the Rialto Utility Authority.

(ACTION)

Attachments: [Attachment 1- Water Zones](#)

[Attachment 2- Water System Schematic](#)

[Attachment 3 Agreement XP-99T24001-0](#)

[Attachment 4 Notice of Exemption](#)

[Budget Resolution - 110816 - PW - EPA SCADA Grant](#)

TAB12 [16-812](#) Request City Council to Authorize submittal of an EDA grant application in the amount of \$3,000,000 for the Rialto Data Analytics, Logistics, Business Acceleration and Training Center, and direct staff to assign reserves in the amount of \$2,086,860 in the General Fund as a matching contribution.

(ACTION)

Attachments: [Exhibit A Executive Summary](#)

[Exhibit B October 25, 2016 EDC Presentation Materials](#)

[Exhibit C November 15, 2016 EDC Presentation Materials](#)

REPORTS

MAYOR:

COUNCIL MEMBERS:

CITY ATTORNEY:

CITY ADMINISTRATOR:

ADJOURNMENT



Legislation Details (With Text)

File #: 16-798 **Version:** 1 **Name:**
Type: Closed Session **Status:** Closed Session
File created: 11/15/2016 **In control:** City Council
On agenda: 11/22/2016 **Final action:**
Title: Conference with Legal Counsel - Existing Litigation: The City Council will discuss the following pending litigation(s) pursuant to Government Code Section 54956.9(d)(1):

(a) City of Rialto v. Chevron
San Bernardino County Superior Court Case No. CIVDS1406197

(b) Daniel Kitt v. City of Rialto
WCAB CR-14-005008

(c) Joseph Cirilo v. City of Rialto
WCAB CR-10-005004 & CR-12-005074

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Conference with Legal Counsel - Existing Litigation: The City Council will discuss the following pending litigation(s) pursuant to Government Code Section 54956.9(d)(1):

- (a) City of Rialto v. Chevron
San Bernardino County Superior Court Case No. CIVDS1406197
- (b) Daniel Kitt v. City of Rialto
WCAB CR-14-005008
- (c) Joseph Cirilo v. City of Rialto
WCAB CR-10-005004 & CR-12-005074



Legislation Details (With Text)

File #: 16-814 Version: 1 Name:

Type: Closed Session Status: Closed Session

File created: 11/17/2016 In control: City Council

On agenda: 11/22/2016 Final action:

Title: Conference with Real Property Negotiator. The City Council will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8:

(a)Subject: Price and Terms-Acquisition of Real Property

Location: Rialto Municipal Airport Property

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
Bryan Goodman, Lewis Hillwood Rialto, LLC.

(b)Subject: Price and Terms-Acquisition of Real Property

Location: NEC Corner of Easton and Ayala
(APN 0264-151-79, 80, 81)

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
Successor Agency of the City of Rialto

(c)Subject: Price and Terms of Purchase

Location: General location of Riverside Avenue and Linden
Avenue (APN 0264-012-0-000)

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
West Valley Water District

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Conference with Real Property Negotiator. The City Council will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8:

(a)Subject: Price and Terms-Acquisition of Real Property

Location: Rialto Municipal Airport Property

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
Bryan Goodman, Lewis Hillwood Rialto, LLC.

(b)Subject: Price and Terms-Acquisition of Real Property

Location: NEC Corner of Easton and Ayala
(APN 0264-151-79, 80, 81)

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
Successor Agency of the City of Rialto

(c)Subject: Price and Terms of Purchase

Location: General location of Riverside Avenue and Linden
Avenue (APN 0264-012-0-000)

Negotiators: Robb R. Steel, Asst.CA/Development Svs. Dir.
West Valley Water District



Legislation Details (With Text)

File #: 16-811 Version: 1 Name:

Type: Closed Session Status: Closed Session

File created: 11/17/2016 In control: City Council

On agenda: 11/22/2016 Final action:

Title: Conference with Legal Counsel - Anticipated Litigation: Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Government Code Section 54956.9. Number of cases: One case.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Conference with Legal Counsel - Anticipated Litigation: Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of Government Code Section 54956.9. Number of cases: One case.



Legislation Details (With Text)

File #: 16-800 Version: 1 Name:
Type: Presentation Status: Presentations/Proclamations
File created: 11/15/2016 In control: City Council
On agenda: 11/22/2016 Final action:
Title: Resolution-In Memoriam of Gary Lord-Mayor Deborah Robertson
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Resolution-In Memoriam of Gary Lord-Mayor Deborah Robertson



Legislation Details (With Text)

File #: 16-623 Version: 1 Name:
Type: Presentation Status: Presentations/Proclamations
File created: 8/29/2016 In control: City Council
On agenda: 11/22/2016 Final action:
Title: Presentation-Property Pride Awards-Beautification Commission Chairperson Andy Carrizales
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Presentation-Property Pride Awards-Beautification Commission Chairperson Andy Carrizales



Legislation Details (With Text)

File #: 16-752 Version: 1 Name:
Type: Presentation Status: Presentations/Proclamations
File created: 10/31/2016 In control: City Council
On agenda: 11/22/2016 Final action:
Title: Introduction of New Police Officers-Police Chief Randy De Anda
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Introduction of New Police Officers-Police Chief Randy De Anda



Legislation Details (With Text)

File #: 16-799 Version: 1 Name:
Type: Presentation Status: Presentations/Proclamations
File created: 11/15/2016 In control: City Council
On agenda: 11/22/2016 Final action:
Title: Introduction of the Rialto Institute of Progress 6th Class
City Administrator Mike Story

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Introduction of the Rialto Institute of Progress 6th Class
City Administrator Mike Story



Legislation Details (With Text)

File #: 16-795 Version: 1 Name: B.1
Type: Warrant Resolution Status: Consent Calendar
File created: 11/15/2016 In control: City Council
On agenda: 11/22/2016 Final action:
Title: Resolution No. 17 (10/28/16)
Sponsors:
Indexes:
Code sections:
Attachments: [Warrant Resolution No. 17.pdf](#)

Date	Ver.	Action By	Action	Result
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Resolution No. 17 (10/28/16)

FINANCE DEPARTMENT

ACCOUNTS PAYABLE : FY 2016-2017

WARRANT RESOLUTION **17**

RESOLUTION DATE **10/28/16**

SUMMARY OF ATTACHED REPORTS	
WARRANTS & WIRES	VOIDED CHECKS (- FIGURE)
\$2,638,789.90	-\$24.05

TOTALS

TOTAL RESOLUTION **\$2,638,765.85**

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190415	10/28/2016	14343 4IMPRINT	4989300	2017-1017	STAFF LANYARD	380.75
Total :						380.75
190416	10/28/2016	31518 9 FINGERS, INC.	4062984	2017-0153	BLANKET- UNIFORMS- PD	53.99
			4063434	2017-0153	BLANKET- UNIFORMS- PD	64.79
Total :						118.78
190417	10/28/2016	01606 A.M.S.	1466072800	2017-0988	ROOF TILES	128.23
Total :						128.23
190418	10/28/2016	19402 ALESHIRE & WYNDER, LLP	39272		MATTER 0001 - GENERAL	5,760.00
			39273GEN		MATTER 0003 - LITIGATION	1,127.50
			39274		MATTER 0004 - PERSONNEL	5,063.50
			39275		MATTER 0005 - PLANNING	9,684.50
			39276		MATTER 0006 - PUBLIC WORKS/EN	1,720.50
			39277		MATTER 0007 - FINANCE	1,295.00
			39278		MATTER 0008 - ASSESSMENT DIST	1,845.00
			39279		MATTER 0009 - WATER	4,323.50
			39280		MATTER 0010 - POLICE	6,295.15
			39281		MATTER 0011 - CODE ENFORCEME	19,098.13
			39282		MATTER 0012 - AGENCY	820.00
			39283		MATTER 0016 - ENTERPRISE	1,025.00
			39284		MATTER 0018 - REIMBURSABLE	6,830.56
			39285		MATTER 0019 - RISK MANAGEMEN	1,482.00
			39286		MATTER 0022 - FIRE DEPARTMENT	2,146.00
			39287		MATTER 0023 - SBVMWD VS SGVM	14,611.86
			39288		MATTER 0028 - CHEVRON USA, INC	78,889.74
			39289		MATTER 0030 - LAS PALMAS INVES	298.38
			39290		MATTER 0033 - PHILLIPS 66 COMP/	39,320.96
Total :						201,637.28
190420	10/28/2016	17376 AMAZON.COM	027204275079	2017-0884	HANDHELD LABEL MAKER	18.99
			027778958841	2017-0934	STOCK ITEMS	229.90
			038793422988	2017-0882	SANDISK WIRELESS FLASH DRIVE	83.03
			060349278549	2017-1002	LASER JET PRINTER TONER	186.83
			065317783157	2017-1031	PHONE CASE	55.95

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190420	10/28/2016	17376 AMAZON.COM	(Continued)			
			068741404691	2017-0970	ADMINISTRATION/I.A. - HEADPHON	74.79
			071857526169	2017-0981	PASSPORTS - LOBBY TABLE	56.33
			111656389692	2017-1033	I.T. - IN-LINE SERVER MEMORY	492.46
			113730522141	2017-1048	SSTOCK ITEMS	83.98
			113738273516	2017-1048	SSTOCK ITEMS	83.98
			113738621856	2017-1048	SSTOCK ITEMS	41.99
			115074696406	2017-1001	HALLOWEEN ACCESSORIES EBAY	35.40
			132673095058	2017-0915	HUMAN RESOURCES PHONE EQUI	16.15
			132673747694	2017-0915	HUMAN RESOURCES PHONE EQUI	188.07
			132674932445	2017-0915	HUMAN RESOURCES PHONE EQUI	88.84
			134530590987	2017-0883	IT-PRINTER/SCANNER	140.39
			134537372155	2017-0883	IT-PRINTER/SCANNER	140.39
			141280099038	2017-0916	IT - SHARING SWITCHES AND IPHC	291.00
			144866547116	2017-1037	SEGATE EXTERNAL HARD DRIVE	59.39
			161786262397	2017-1015	ADDITIONAL HISTORICAL COMMIS:	44.58
			168743321026	2017-0970	ADMINISTRATION/I.A. - HEADPHON	322.92
			169671559595	2017-0945	OFFICE SUPPLIES / AMAZON.COM	23.03
			169675254916	2017-0945	OFFICE SUPPLIES / AMAZON.COM	38.85
			190143775573	2017-0926	DETECTIVES, ADMIN AND PATROL	349.37
			192664138192	2017-0885	PORTABLE EXTERNAL DRIVE	28.31
			207227529230	2017-0956	48 CLEAR CARLISLE TUMBLERS	87.64
			222323864425	2017-0810	STOCK ITEMS	18.76
			226071407286	2017-1038	HP 6978 ALL-IN-ONE PRINTER	103.68
			246594541122	2017-0934	STOCK ITEMS	64.75
			251451303907	2017-0969	HISTORICAL COMMISSION BOOKS	22.29
			251454973352	2017-0969	HISTORICAL COMMISSION BOOKS	7.51
			251456689357	2017-0969	HISTORICAL COMMISSION BOOKS	89.16
			251589386565	2017-0913	CLIPBOARD WITH PEN FOR FRON	21.58
			254265460346	2017-0912	BUSINESS LICENSE INSPECTOR D	64.79
			262267591790	2017-1033	I.T. - IN-LINE SERVER MEMORY	1,235.38
			264002514773	2017-0885	PORTABLE EXTERNAL DRIVE	16.99
			271089527017	2017-0980	BELKIN STANDARD MOUSEPAD	2.06
			293723662452	2017-0810	STOCK ITEMS	37.88
					Total :	4,947.39
190421	10/28/2016	31358 APCO INTERNATIONAL	369768		MEMNERSHIP #370280 ANGELA HA	120.00

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190421	10/28/2016	31358 31358 APCO INTERNATIONAL	(Continued)		Total :	120.00
190422	10/28/2016	20162 ARCHITERRA DESIGN GROUP	22058	2014-2054	PSA - COMM GARDEN/BLOOMINGT 140306-01	3,651.74
					Total :	3,651.74
190423	10/28/2016	01726 AT&T	0518949242001		PHONE RECORDS WAREHOUSE R	41.32
					Total :	41.32
190424	10/28/2016	01726 AT&T	9093578116450		PHONE BILL	18.69
					Total :	18.69
190425	10/28/2016	18450 AUTHENTIC PROMOTIONS	131276 131277 131278	2017-0941 2017-0941 2017-0941	EMPLOYEES GIVE AWAYS EMPLOYEES GIVE AWAYS EMPLOYEES GIVE AWAYS	739.80 642.60 1,387.80
					Total :	2,770.20
190426	10/28/2016	20040 AUTO ZONE	5626168375 5626168467 5626168661 5626169441 5626176702 5626176941	2017-0082 2017-0082 2017-0082 2017-0082 2017-0082	BLANKET- SUPPLIES & REPAIRS- F BLANKET- SUPPLIES & REPAIRS- F	62.85 46.65 16.19 21.77 23.65 61.87
					Total :	232.98
190427	10/28/2016	10240 B&H PHOTO VIDEO	115768956 115803926	2017-0874 2017-0874	NETWORK EQUIPMENT NETWORK EQUIPMENT	182.73 24.75
					Total :	207.48
190428	10/28/2016	15961 BALDERAS, JOSE M.	102016		OCT 2016 MILEAGE	126.14
					Total :	126.14
190429	10/28/2016	32230 BAYLON, CHRISTOPHER	4	2017-0999	MUSIC SERVICE	75.00
					Total :	75.00
190430	10/28/2016	01617 BIO TOX LABORATORIES	32826	2017-0234	BLANKET- DRUG TESTING- PD	3,644.00
					Total :	3,644.00

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190431	10/28/2016	16147 BM INVESTMENTS LLC	REFUND20153786		REFUND PERMIT 2015-3786 PRECI	2,162.90
					Total :	2,162.90
190432	10/28/2016	18456 BRINK'S INCORPORATED	10126234	2017-0008	ANNUAL- ARMORED CARRIER SER	231.68
					Total :	231.68
190433	10/28/2016	32075 BRYANT, VARONICA	09142016		INSTRUCTOR PAY SEP 14-OCT 10	743.40
					Total :	743.40
190434	10/28/2016	19132 CALPERS	100000014852599		2016 REPLACEMENT BENEFIT COM	1,605.66
					Total :	1,605.66
190435	10/28/2016	31870 CARO, JAMES	REIMBURSEMENT		REIMBURSE PANEL LUNCH BUILDI	67.75
					Total :	67.75
190436	10/28/2016	09837 CDW GOVERNMENT, INC.	FQP0331	2017-1086	ADOBE ACROBAT STANDARD DC 2	257.21
					Total :	257.21
190437	10/28/2016	16497 CENTER FOR HEALING CHILDHOOD	3	2017-0503	ANNUAL - POSITIVE PARENTING - (531.95
					cb1740-04	
					Total :	531.95
190438	10/28/2016	06952 CENTER FOR HEALTHCARE EDU.INC.	63522	2017-0099	BLANKET- PROVIDER CARDS- FIRE	2,047.28
					Total :	2,047.28
190439	10/28/2016	32586 CINTAS CORPORATION NO. 2	5006181802	2017-0387	BLANKET-FIRST AID SUPPLIES- CI	72.97
			5006181857	2017-0386	BLANKET- FIRST AID SUPPLIES- PI	226.18
			9010066436	2017-0382	BLANKET- FIRST AID SUPPLIES- PV	130.62
					Total :	429.77
190440	10/28/2016	18522 CISNEROS, HERNANDO	1622	2017-1100	BALLOON FOR SENIOR CTR RENA	504.36
					Total :	504.36
190441	10/28/2016	03579 CLERK OF THE BOARD	EXEMPTIONPROJCB1601		NOE COMM. CNTR CAMPUS BUILD	50.00
					cb1601-15	
					Total :	50.00
190442	10/28/2016	02760 CONSOLIDATED ELECTRICAL	6903763938	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	481.95

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190442	10/28/2016	02760 CONSOLIDATED ELECTRICAL	(Continued) 6903763939 6903764430 6903764431	2017-0104 2017-0104 2017-0104	BLANKET- ELECTRICAL SUPPLIES- BLANKET- ELECTRICAL SUPPLIES- BLANKET- ELECTRICAL SUPPLIES-	34.01 452.27 204.32 Total : 1,172.55
190443	10/28/2016	07742 COSTCO	6271066385	2017-0107	BLANKET- COSTCO- REC	63.96 Total : 63.96
190444	10/28/2016	00910 COUNSELING TEAM INTERNATIONAL, TH 32362		2017-0453	BLANKET- COUNSELING- FIRE	350.00 Total : 350.00
190445	10/28/2016	13525 CRIME SCENE STERI CLEAN	36225	2017-0425	BLANKET- HAZ CLEAN UP- PD	300.00 Total : 300.00
190446	10/28/2016	02593 DAILY JOURNAL CORP.	B2917586 B2926054 B2929676	2017-0121 2017-0187 2017-0121	BLANKET- ADVERTISING- PW VARI BLANKET- ADVERTISING- CITY CLE BLANKET- ADVERTISING- PW VARI	1,504.80 213.40 488.40 Total : 2,206.60
190447	10/28/2016	02996 DANIELS TIRE SERVICE	230097507	2017-0521	BLANKET- TIRE- PW VARIOUS	1,417.70 Total : 1,417.70
190448	10/28/2016	00254 DANS LAWNMOWER CENTER	117978	2017-0123	BLANKET- REPAIRS & PARTS- PW	282.90 Total : 282.90
190449	10/28/2016	01186 DAVIDSONS AIR CONDITIONING	42522 42528	2017-0126 2017-0126	BLANKET- A/C & HEATER SERVICE BLANKET- A/C & HEATER SERVICE	269.54 30.31 Total : 299.85
190450	10/28/2016	09674 DELL MARKETING LP	XK1XD1841	2017-1081	I.T. - WARRANTY	3,943.48 Total : 3,943.48
190451	10/28/2016	32158 DICKEY, JAMES	40425	2017-0664	LIGHT TOWERS FOR HALLOWEEN	1,806.00 Total : 1,806.00
190452	10/28/2016	21381 DOKKEN ENGINEERING	30645	2013-2068	ENVIRO & CIVIL ENGINEERING DE	2,392.50

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190452	10/28/2016	21381 DOKKEN ENGINEERING	(Continued)		130801-01	
			30656	2014-1769	ENVIRO, ROW & ENGINEERING DE 140801-20	40,850.22
			30657	2014-1770	ENVIRO, ROW & DESIGN-VALLEY/C 140802-01	2,910.01
					Total :	46,152.73
190453	10/28/2016	32796 DOWD, MATTHEW JUADERRO	930407904		RELEASE OF PROPERTY TAG # 92	180.00
					Total :	180.00
190454	10/28/2016	32626 ECOLOGICAL SCIENCES, INC.	4460	2017-0586	BIOLOGICAL SERVICES 18.5 ACRE	7,495.00
					Total :	7,495.00
190455	10/28/2016	19625 EZ PARTY RENTS	23473	2017-0887	STAGE FOR HALLOWEEN HIJINKS	1,650.40
					Total :	1,650.40
190456	10/28/2016	07707 FEDEX	554020942	2017-0160	BLANKET- FEDEX- PW	38.34
			554848747	2017-0160	BLANKET- FEDEX- PW	21.70
			557866251	2017-0188	BLANKET- FEDEX- CITY CLERK	22.21
			557869421	2017-0155	BLANKET- FEDEX- HR/ RIDESHARE	66.98
					Total :	149.23
190457	10/28/2016	07707 FEDEX	557824237	2017-0156	BLANKET- FEDEX- DEV SVC	66.52
					Total :	66.52
190458	10/28/2016	09204 FERGUSON ENTERPRISES, INC.	3706913	2017-0140	BLANKET- PLUMBING SUPPLIES- F	281.04
			3709577	2017-0140	BLANKET- PLUMBING SUPPLIES- F	82.00
			3713492	2017-0140	BLANKET- PLUMBING SUPPLIES- F	318.96
			3751282	2017-0140	BLANKET- PLUMBING SUPPLIES- F	294.17
			3789158	2017-0140	BLANKET- PLUMBING SUPPLIES- F	62.49
			3796461	2017-0140	BLANKET- PLUMBING SUPPLIES- F	70.25
			3802821	2017-0140	BLANKET- PLUMBING SUPPLIES- F	212.48
			3860112	2017-0140	BLANKET- PLUMBING SUPPLIES- F	480.29
			38601121	2017-0140	BLANKET- PLUMBING SUPPLIES- F	17.36
			3902420	2017-0140	BLANKET- PLUMBING SUPPLIES- F	153.76

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190458	10/28/2016	09204	09204 FERGUSON ENTERPRISES, INC.			
			(Continued)			
					Total :	1,972.80
190459	10/28/2016	31762	FLYERS ENERGY LLC	16344688	2017-0143	BLANKET- UNLEADED & DIESEL FL
						1,851.75
					Total :	1,851.75
190460	10/28/2016	03248	FONTANA WATER CO.	35160110581		WATER 1526 MERRILL
				35160116651		WATER
						000061-00
					Total :	239.00
190461	10/28/2016	12218	FRITTS FORD	216683	2017-0145	BLANKET- AUTO PARTS & REPAIRS
						72.28
					Total :	72.28
190462	10/28/2016	01812	GENERAL SECURITY SERVICE INC.	184927	2017-1107	4TH OF JULY SECURITY
						414.00
					Total :	414.00
190463	10/28/2016	00408	GERARD, VICKI N.	11072016		PER DIEM NOV 7-9 2016 INTERNAL
						45.00
					Total :	45.00
190464	10/28/2016	18727	GIBBY, THOMAS E.	34071	2017-0200	BLANKET- BACKGROUNDS- PD
						4,000.00
					Total :	4,000.00
190465	10/28/2016	00741	GODDARDS SERVICE	9563	2017-1035	PD MAIN-STATION EMERGENCY PL
						680.00
					Total :	680.00
190466	10/28/2016	07850	GRAINGER INC.	9244729167	2017-0147	BLANKET- SUPPLIES & MATERIALS
						74.27
					Total :	74.27
190467	10/28/2016	17912	GRANICUS, INC.	80481	2017-0427	ANNUAL- WEBSTREAMING MAINT-
				80506	2017-0427	ANNUAL- WEBSTREAMING MAINT-
						2,455.37
					Total :	3,205.37
190468	10/28/2016	32774	HAVLIK, JOSEPH	3624	2017-1067	HALLOWEEN KREEPY KREATURES
						648.00
					Total :	648.00
190469	10/28/2016	11001	HAYNIE, JACQUELYN	09272016END		REIMB FUEL SEP 27-29 2016 PROJ
						24.85
					Total :	24.85
190470	10/28/2016	20477	HAYS, MIKE	SAFETYSHOES		REIMB.SAFETY SHOES
						74.98

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190470	10/28/2016	20477	20477 HAYS, MIKE		(Continued)	
					Total :	74.98
190471	10/28/2016	02215	HICE, CHRISTOPHER P.	11072016	PER DIEM NOV 7-10 2016 CATO CO	195.00
					Total :	195.00
190472	10/28/2016	00928	HI-WAY SAFETY INC.	50993	2017-0151	BLANKET- TRAFFIC SAFETY SUPPI
						550.80
					Total :	550.80
190473	10/28/2016	18518	HOLGUIN, CHRISTINA A.		REIMBURSEMENT	REIMBURSE TINY TOTS PETTING Z
						71.00
					Total :	71.00
190474	10/28/2016	00553	HOME DEPOT	1270074	2017-0404	BLANKET- MATERIALS & SUPPLIES
				2270071	2017-0170	BLANKET- MATERIALS & SUPPLIES
				2272103	2017-0170	BLANKET- MATERIALS & SUPPLIES
				2970267	2017-0951	MATERIALS & SUPPLIES - BUD BEN
						cb1302-60
				4970161	2017-0951	MATERIALS & SUPPLIES - BUD BEN
						cb1302-60
				5270053	2017-0170	BLANKET- MATERIALS & SUPPLIES
				7283293	2017-0189	BLANKET- MATERIALS & SUPPLIES
				8974592	2017-0170	BLANKET- MATERIALS & SUPPLIES
				9272124	2017-0172	BLANKET- MATERIALS & SUPPLIES
				9974559	2017-0170	BLANKET- MATERIALS & SUPPLIES
				9975002	2017-0169	BLANKET- MATERIALS & SUPPLIES
						Total :
						1,226.35
190475	10/28/2016	32745	HORIZON SAFETY DISTRIBUTING	35113	2017-1000	STOCK ITEMS- MICROFLEX GLOVE
						7,738.20
					Total :	7,738.20
190476	10/28/2016	02613	INLAND FAIR HOUSING AND	12670	2017-0506	ANNUAL - INLAND FAIR HOUSING M
						cb1750-04
						2,093.73
					Total :	2,093.73
190477	10/28/2016	20948	INLAND LIGHTING SUPPLIES, INC.	202682	2017-0181	BLANKET- LIGHTING SUPPLIES -PL
						97.20
					Total :	97.20
190478	10/28/2016	03797	INLAND OVERHEAD DOOR CO.	40330	2017-0182	BLANKET- DOOR REPAIR- PW
				40335	2017-0182	BLANKET- DOOR REPAIR- PW
						717.00
						839.75

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190478	10/28/2016	03797	03797 INLAND OVERHEAD DOOR CO.			
			(Continued)			
					Total :	1,556.75
190479	10/28/2016	15435	INLAND PRESORT & MAILING SERV.			
			20161418	2017-0353	BLANKET- MAIL PROCESSING- PUF	43.27
			20161444	2017-0353	BLANKET- MAIL PROCESSING- PUF	75.95
			20162798	2017-0353	BLANKET- MAIL PROCESSING- PUF	57.31
			20163028	2017-0353	BLANKET- MAIL PROCESSING- PUF	26.30
			20163050	2017-0353	BLANKET- MAIL PROCESSING- PUF	44.77
					Total :	247.60
190480	10/28/2016	00947	JOHNSONS HARDWARE			
			513511	2017-0194	BLANKET- MATERIALS & SUPPLIES	12.54
			513587	2017-0193	BLANKET- MATERIALS & SUPPLIES	143.34
			513596	2017-0193	BLANKET- MATERIALS & SUPPLIES	33.03
			513602	2017-0193	BLANKET- MATERIALS & SUPPLIES	153.34
			513609	2017-0193	BLANKET- MATERIALS & SUPPLIES	113.08
			513614	2017-0193	BLANKET- MATERIALS & SUPPLIES	86.46
			513624	2017-0196	BLANKET- MATERIALS & SUPPLIES	43.43
					Total :	585.22
190481	10/28/2016	21553	KALMIKOV ENTERPRISES, INC.			
			10703	2017-0201	KALMIKOV ENTERPRISES, INC., DE	295.43
			10704	2017-0201	KALMIKOV ENTERPRISES, INC., DE	319.99
			10705	2017-0201	KALMIKOV ENTERPRISES, INC., DE	847.47
			10706	2017-0201	KALMIKOV ENTERPRISES, INC., DE	2,629.63
			10707	2017-0201	KALMIKOV ENTERPRISES, INC., DE	444.99
			10708	2017-0201	KALMIKOV ENTERPRISES, INC., DE	2,438.38
			10709	2017-0201	KALMIKOV ENTERPRISES, INC., DE	3,134.18
			10710	2017-0201	KALMIKOV ENTERPRISES, INC., DE	224.16
			10711	2017-0201	KALMIKOV ENTERPRISES, INC., DE	208.88
			10712	2017-0201	KALMIKOV ENTERPRISES, INC., DE	273.50
			10713	2017-0201	KALMIKOV ENTERPRISES, INC., DE	2,621.31
					Total :	13,437.92
190482	10/28/2016	03329	KASCH GRAPHIC DESIGN			
			20356	2017-1016	SENIOR CENTER SIGNS	2,793.00
					Total :	2,793.00
190483	10/28/2016	01075	KEY PLACE, INC, THE			
			23596	2017-0203	BLANKET- LOCKSMITH- PW	291.01
					Total :	291.01
190484	10/28/2016	21631	KEYSTONE (US) MANAGEMENT, INC			
			10398318	2017-0019	ANNUAL- FIRE MONITORING- PW	1,971.60

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190484	10/28/2016	21631	21631 KEYSTONE (US) MANAGEMENT, INC (Continued)		Total :	1,971.60
190485	10/28/2016	21631	KEYSTONE (US) MANAGEMENT, INC 27026803	2017-0019	ANNUAL- FIRE MONITORING- PW	260.07
					Total :	260.07
190486	10/28/2016	03335	KH METALS & SUPPLY 0365973IN	2017-0206	BLANKET- MATERIALS & SUPPLIES	110.81
					Total :	110.81
190487	10/28/2016	02592	KNORR SYSTEMS INC. PWSVI1828	2017-0920	TEMPORARY BLANKET- POOL HEA	673.22
					Total :	673.22
190488	10/28/2016	15599	KONICA MINOLTA BUSINESS 241843618	2017-0401	ANNUAL- COPIER MAINT- CITY CLE	1,057.92
					Total :	1,057.92
190489	10/28/2016	15599	KONICA MINOLTA BUSINESS 51964188	2017-0400	ANNUAL- COPIER LEASE- PW	419.56
					Total :	419.56
190490	10/28/2016	02668	L.N. CURTIS & SONS INV58170	2017-1041	CTC521 RESCUE 42	203.80
					Total :	203.80
190491	10/28/2016	04491	LEGAL AID SOCIETY OF SAN BRDO 1	2017-0853	ANNUAL- LEGAL AID SOCIETY- CDI	1,805.29
			2	2017-0853	ANNUAL- LEGAL AID SOCIETY- CDI	1,052.60
			3	2017-0853	ANNUAL- LEGAL AID SOCIETY- CDI	967.87
					Total :	3,825.76
190492	10/28/2016	01779	LESLIES POOL SUPPLIES INC. 692147935	2017-0209	BLANKET- MATERIALS & SUPPLIES	-116.63
			692147936	2017-0209	BLANKET- MATERIALS & SUPPLIES	195.32
			692148019	2017-0210	BLANKET- MATERIALS & SUPPLIES	195.32
					Total :	274.01
190493	10/28/2016	00547	LIFE ASSIST, INC. 768236	2017-0446	BLANKET- EMERGENCY MEDS- FIF	2,309.76
			769461	2017-0446	BLANKET- EMERGENCY MEDS- FIF	2,804.88
					Total :	5,114.64
190494	10/28/2016	00939	LINCOLN EQUIPMENT, INC., SI302654	2017-0355	BLANKET- POOL CHEMICALS- PW	363.30

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190494	10/28/2016	00939 00939 LINCOLN EQUIPMENT, INC.,	(Continued)			Total : 363.30
190495	10/28/2016	02806 LINDSAY, JOSHUA M.	11072016		PER DIEM NOV 7-9 2016 INTERNAL	45.00
					Total :	45.00
190496	10/28/2016	32799 LOPEZ, CARLOS	08012016 09272016		INSTRUCTOR PAY AUG 1-SEP 26 2016 INSTRUCTOR PAY SEP 27-OCT 10 2016	813.00 69.00
					Total :	882.00
190497	10/28/2016	32063 MAGIC JUMP RENTALS RIVERSIDE	4830	2017-1069	JUMPERS FOR HALLOWEEN HI-JIN	225.00
					Total :	225.00
190498	10/28/2016	21594 MENJIVAR, JOSE OMAR	09152016		INSTRUCTOR PAY SEP 15-OCT 10 2016	520.80
					Total :	520.80
190499	10/28/2016	02315 MERIT OIL	367671 369277	2017-0223 2017-0223	BLANKET- PROPANE- PW BLANKET- PROPANE- PW	11.52 46.04
					Total :	57.56
190500	10/28/2016	08566 MIRACLE RECREATION EQUIP. CO.	780854	2017-0227	BLANKET- MATERIALS & SUPPLIES	599.95
					Total :	599.95
190501	10/28/2016	02797 MOBILE MINI, LLC	9001090478	2017-0024	ANNUAL- STORAGE RENTAL- FIRE	160.25
					Total :	160.25
190502	10/28/2016	08709 NATIONAL CONSTRUCTION RENTALS	4555050	2016-1436	POLE RENTAL FOR TEMP POWER I cb1302-15	181.44
					Total :	181.44
190503	10/28/2016	19075 NATIONAL RECOVERY AGENCY	188183 188185		ACCT#004953-1 SEP 2016 COLL CC ACCT#004949-1 SEP 2016 COLL CC	167.90 9.30

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190503	10/28/2016	19075	19075 NATIONAL RECOVERY AGENCY (Continued)		Total :	177.20
190504	10/28/2016	32751	NETTIE DANIELSON TORNING	10312016FINAL	2017-1019 HALLOWEEN PETTING ZOO	799.50
					Total :	799.50
190505	10/28/2016	00003	OFFICE DEPOT			
			868137040001	2017-0335	BLANKET- OFFICE SUPPLIES- PW,	450.44
			870274841001	2017-1047	SUPPLIES FOR FRONT DESK	261.41
			870916176001	2017-0326	BLANKET- OFFICE SUPPLIES- PW,	106.95
			871017866001	2017-0335	BLANKET- OFFICE SUPPLIES- PW,	263.25
			871018126001	2017-0335	BLANKET- OFFICE SUPPLIES- PW,	46.53
			871018127001	2017-0335	BLANKET- OFFICE SUPPLIES- PW,	6.90
			871045574002	2017-0325	BLANKET- OFFICE SUPPLIES- CIT	17.26
			871931723001	2017-0334	BLANKET- OFFICE SUPPLIES- ADM	116.60
			871931855001	2017-0334	BLANKET- OFFICE SUPPLIES- ADM	6.47
			872720683001	2017-0327	BLANKET- OFFICE SUPPLIES- FIRI	138.62
			873074821001	2017-0325	BLANKET- OFFICE SUPPLIES- CIT	53.48
			873074947001	2017-0325	BLANKET- OFFICE SUPPLIES- CIT	8.63
			873076169001	2017-0332	BLANKET- OFFICE SUPPLIES- REC	109.24
					Total :	1,585.78
190506	10/28/2016	08055	PARTIDA, JOHNNY M.	11072016	PER DIEM NOV 7-9 2016 INTERNAL	45.00
					Total :	45.00
190507	10/28/2016	32608	PARTS AUTHORITY METRO LLC	710927	2017-0610 BLANKET- AUTO PARTS- PW VARIC	289.03
				722125	2017-0610 BLANKET- AUTO PARTS- PW VARIC	344.76
					Total :	633.79
190508	10/28/2016	32608	PARTS AUTHORITY METRO LLC	035103	2017-0610 BLANKET- AUTO PARTS- PW VARIC	55.73
				035126	2017-0610 BLANKET- AUTO PARTS- PW VARIC	22.08
					Total :	77.81
190509	10/28/2016	03201	PATIO WEST DELI	888724	2017-1109 LUNCH FOR SENIOR CENTER REN	331.96
					Total :	331.96
190510	10/28/2016	11721	PETSMART	T2417C1011011341101	2017-0246 BLANKET- K9 SUPPLIES- PD	145.86
					080216-00	
					Total :	145.86

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190511	10/28/2016	31124 PRISTINE UNIFORMS, LLC	3560	2017-0248	BLANKET - UNIFORMS - POLICE	26.99
Total :						26.99
190512	10/28/2016	00243 PRUDENTIAL OVERALL SUPPLY	22321191	2017-0254	CUST 1281607 MATS- PW 335 W RI	19.83
			22321192	2017-0254	CUST 1299901 MATS - PW BREAK F	14.20
			22321193	2017-0254	CUST 1281603 MATS- M & O BLDG	19.63
			22321194	2017-0254	CUST 1299900 LINENS - FLEET-MA	46.87
			22321196	2017-0254	CUST 1299900 LINENS - FLEET-MA	37.93
			22321197	2017-0254	CUST 1299900 LINENS - FLEET-MA	45.01
			22321199	2017-0254	CUST 1299900 LINENS - FLEET-MA	25.25
			22321201	2017-0254	CUST 1281600 MATS- FLEET	48.08
			22321204	2017-0254	CUST 1299900 LINENS - FLEET-MA	28.54
			22321207	2017-0253	CUST 1281602 MATS- POLICE DEP	15.33
			22321209	2017-0251	CUST 1281605 MATS- PLANNING	19.53
			22321212	2017-0250	CUST 1281601 MATS CITY HALL	15.33
			22321214	2017-0410	CUST 1281604 MATS - TOWELS- RE	23.89
Total :						359.42
190513	10/28/2016	32103 RIALTO CHILD ASSISTANCE	3	2017-0855	ANNUAL - RIALTO CHILD ASSISTAN cb1760-04	296.86
Total :						296.86
190514	10/28/2016	21302 RIALTO WATER SERVICES	CYCLE3		CYCLE 3 WATER BILLS	31,127.02

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190514	10/28/2016	21302 RIALTO WATER SERVICES	(Continued)		000081-00 000039-00 000022-00 000039-00 000064-00 000024-00 000026-00 000042-00 000035-00 000054-00 000112-00 000096-00 000004-00 000023-00 000088-00 000005-00 000010-00 000032-00 000029-00 000001-00 000021-00 000015-00 000015-00	
					Total :	31,127.02
190515	10/28/2016	02844 SAN BRDO CO. TREASURER	013102133/40	2017-1093	PROPERTY TAX PAYMENT	1,524.26
					Total :	1,524.26
190516	10/28/2016	32797 SANCHEZ, BENITO	792889		REFUND PET LICENSE	23.70

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190516	10/28/2016	32797 32797 SANCHEZ, BENITO	(Continued)		Total :	23.70
190517	10/28/2016	18410 SEELIG, CHRISTOPHER	11092016		PER DIEM NOV 9 2016 CRITICAL LE	15.00
					Total :	15.00
190518	10/28/2016	15257 SHAMROCK SUPPLY	2052289 2055058	2017-0938 2017-0938	STOCK ITEMS STOCK ITEMS	609.41 43.68
					Total :	653.09
190519	10/28/2016	32621 SIMONSON, CYNNAMON	0683	2017-0908	HALLOWEEN BALLOON TWISTING	680.00
					Total :	680.00
190520	10/28/2016	32191 SITEONE LANDSCAPE SUPPLY LLC	77912196	2017-0280	BLANKET- IRRIGATION SUPPLIES-	74.68
					Total :	74.68
190521	10/28/2016	03644 SMART & FINAL	131146 173176 182927 183318	2017-0281 2017-0286 2017-0285 2017-0281	BLANKET- FOOD & SUPPLIES- FIRE BLANKET- FOOD & SUPPLIES- PW BLANKET- FOOD & SUPPLIES- REC BLANKET- FOOD & SUPPLIES- FIRE	123.93 116.06 43.75 247.08
					Total :	530.82
190522	10/28/2016	03131 SOUTHERN CA. EDISON CO.	2214855215 2272526583 2279331961 2319576500 2373426766		275 W SECOND ELECTRIC BILL RD 1002 N MERIDAN/1004 N PEPPER E 050001-00 2508 W SUMMIT 2591 N LINDEN /251 S WILLOW 1912 W BASELINE AVE PED	91.80 50.79 14.67 516.38 26.51
					Total :	700.15
190523	10/28/2016	00258 STATE BOARD OF EQUALIZATION	57425941		JUL-SEP DIESEL FUEL TAX	32.00
					Total :	32.00
190524	10/28/2016	32464 STEWARD JR, DAVID E	10312016	2017-0781	BAND FOR HALLOWEEN HI JINKS	800.00
					Total :	800.00
190525	10/28/2016	05415 SUN, THE	0000285911	2017-0879	2016 FESTIVAL & GARDEN ADS	1,500.00
					Total :	1,500.00

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190526	10/28/2016	00864 SUNRISE FORD	984912	2017-0296	BLANKET- AUTO PARTS & REPAIRS	828.45
			984913	2017-0296	BLANKET- AUTO PARTS & REPAIRS	242.10
			985742	2017-0296	BLANKET- AUTO PARTS & REPAIRS	223.26
			985806	2017-0296	BLANKET- AUTO PARTS & REPAIRS	31.02
					Total :	1,324.83
190527	10/28/2016	09288 THOMPSON BUILDING MATERIALS	IVF87179	2017-0301	BLANKET- SUPPLIES- PW	738.53
					Total :	738.53
190528	10/28/2016	09856 TIME WARNER CABLE	8448208990016802		CABLE ACCESS SEP 1-30 2016~	150.00
			8448400600180611		CABLE ACCESS OCT 21- NOV 20 2016	238.77
			8448400600183045		CABLE ACCESS OCT 20 - NOV 19 2016	110.33
			8448400600206226		CABLE ACCESS-OCT 18-NOV 17 2016	330.87
			8448400600991579		CABLE ACCESS OCT 19 - NOV 18 2016	300.51
					Total :	1,130.48
190529	10/28/2016	31799 TITAN TIRE RECYCLING INC	207148	2017-0303	BLANKET- TIRE RECYCLING- WAS	291.50
					Total :	291.50
190530	10/28/2016	18413 TROPHIES UNLIMITED	Q10434	2017-1113	HALL OF FAME PLAQUES	4,698.00
					Total :	4,698.00
190531	10/28/2016	08718 UNITED RENTALS	141155518001	2017-0309	BLANKET- EQUIPMENT RENTAL- PW	257.57
					Total :	257.57
190532	10/28/2016	16103 URIMAGE	9280	2017-0370	BLANKET- MISC PRINTING- PW	30.24
			9284	2017-0370	BLANKET- MISC PRINTING- PW	36.72
					Total :	66.96
190533	10/28/2016	01247 VULCAN MATERIALS	71261976	2017-0313	BLANKET- ASPHALT & BASE- PW M	459.33
			71267935	2017-0313	BLANKET- ASPHALT & BASE- PW M	74.80
					Total :	534.13
190534	10/28/2016	02853 WEST COAST ARBORISTS	119255	2017-0541	ANNUAL- TREE TRIMMING & REMO	33,858.95
					Total :	33,858.95
190536	10/28/2016	03545 WEST VALLEY WATER DIST.	1355113944		PKWY METER/CACTUS-MALLORY 000056-00	549.47

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190536	10/28/2016	03545 WEST VALLEY WATER DIST.	(Continued)			
			1358713978		SPRUCE/MALLORY PKWY 000056-00	102.27
			1376514148		NW POMONA/CACTUS 000065-00	104.57
			1379314174		631 VALLEY 000095-00	171.98
			1380514186		SAN BERNARDINP E/C 000036-00	292.11
			1429114658		PKWY TR 13378 000058-00	483.69
			1489715246		SAN BERNARDINO/CEDAR 000050-00	231.08
			1491050		2611 LINDEN PARK	1,604.48
			14938862		LILAC/CASMALIA PKWY	159.33
			1571058		2611 LINDEN(PARK SNK BAR)	1,485.57
			1633716620		CEDAR/RANDALL PKWY 000037-00	98.61
			1633916622		RANDALL/MERRILL 000037-00	117.01
			1671068		PARK ON LINDEN	1,629.78
			17312574		1502 N EUCYLPTUS 000091-00	225.11
			1973919854		SHAMWOOD/RIVERSIDE 000034-00	445.43
			1985319958		INNER RIVERSIDE PAR 000034-00	1,051.11
			1985341356		175 EASTON PRKWY 000034-00	270.65
			1985341358		175 EASTON PKWY 000034-00	91.71
			1985341360		175 EASTON PKWY 000034-00	84.81
			1985341362		175 EASTON PKWY 000034-00	135.41
			1985341366		PEPPER/LORD RANCH PKWY 000034-00	2,538.05

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190536	10/28/2016	03545 WEST VALLEY WATER DIST.	(Continued)			
			2178321802		2470 GLENWOOD 000003-00	174.51
			2187521890		AYALA & MOFFATT PKWY 000001-00	237.76
			2451144		2395 SUNRISE 003002-00	10,028.21
			2471146		3288 N ALDER FIRE STN	284.52
			2491148		3450 N LOCUST 000080-00	144.21
			2511150		1975 W BUENA VISTA 000095-00	390.08
			2531152		BUENA VISTA 000095-00	805.00
			2551154		2050 W CASA GRANDE 000088-00	622.84
			2591158		3288 N ALDER FIRE STN	66.08
			2628526080		3656 N RIVERSIDE	169.45
			2651126302		305 W RESOURCE DR	189.69
			2691168		ALDER & TERRA VISTA 000080-00	860.66
			2711170		TERRA VISTA 000080-00	405.26
			2731172		3591 PALMETTO 000080-00	832.83
			2751174		PALMETTO/SUNRISE 000080-00	880.90
			27540194		142 W EASTON WATER	70.02
			2771176		3819 N LIVE OAK 000080-00	430.56
			2791178		3820 N LIVE OAK 000080-00	777.17
			2811180		3909 N LIVE OAK 000080-00	918.85
			2831182		4334 N RIVERSIDE 000080-00	1,682.91

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190536	10/28/2016	03545 WEST VALLEY WATER DIST.	(Continued)			
			2891188		TERRA VISTA/DOVE TREE 000103-00	192.74
			2911190		4328 N RIVERSIDE 000080-00	511.52
			2931192		3623 N RIVERSIDE 000080-00	595.01
			3231222		2008 RIVERSIDE 000075-00	326.83
			35454328		2359 RIVERSIDE 000073-00	932.20
			3751274		620 EASTON	22.21
			3771276		620 EASTON 1	52.24
			3791278		620 EASTON 2	1,825.29
			3811280		620 EASTON 3	1,934.08
			3831282		EASTON	3,414.79
			3851284		EASTON 1~	195.97
			3881319294		RIVERSIDE PARK WY 000052-00	53.25
			5033339168		CACTUS/MALLORY PKWY	44.43
			66037290		E SCOTT & RIVERSIDE 000017-00	68.17
			66937374		WALNUT & RIVERSIDE 000025-00	48.77
			67497426		E CASCADE/SYCAMORE PKWY 000102-00	35.70
					Total :	42,096.94
190537	10/28/2016	32182 WJI INDUSTRIES	95683519	2016-1220	STAFFING FOR BUSINESS LICENS	630.24
					Total :	630.24
190538	10/28/2016	21686 WOMANS CLUB OF RIALTO	RESERVATION		REREVATION SPAGHETTI DINNER I	100.00
					Total :	100.00
190539	10/28/2016	31728 WORLAND, JOHN M.	0262	2017-0038	ANNUAL- AQUARIUM SERVICE- RE	145.00
					Total :	145.00

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190540	10/28/2016	17829 WROE, TOM	112016		REFUND NOV 2016 MEDICAL PER /	237.40
					Total :	237.40
190541	10/28/2016	19202 WURTH USA INC.	95493071	2017-0320	BLANKET- HARDWARE & SUPPLIE	15.20
			95499840	2017-0320	BLANKET- HARDWARE & SUPPLIE	111.66
			95499885	2017-0320	BLANKET- HARDWARE & SUPPLIE	27.17
			95499914	2017-0320	BLANKET- HARDWARE & SUPPLIE	139.58
			95499979	2017-0320	BLANKET- HARDWARE & SUPPLIE	188.13
			95500217	2017-0320	BLANKET- HARDWARE & SUPPLIE	234.59
			95501270	2017-0320	BLANKET- HARDWARE & SUPPLIE	35.50
					Total :	751.83
190542	10/28/2016	01307 XEROX CORP.	086532702	2017-0419	ANNUAL- XEROX MAINT- RRFC	84.26
					Total :	84.26
190543	10/28/2016	20311 YANCEY, JOE D.	2016010		AIRPORT RELOCATION CLAIM 2016	6,145.00
					130704-34	
					Total :	6,145.00
190544	10/28/2016	32685 YOUNGSTOWN SHADE & ALUMINUM	8926	2017-0747	BLINDS FOR POOL OFFICE	1,435.76
					Total :	1,435.76
99201763	10/3/2016	16452 ETS CORP.	6329394750511516		SEP 2016 CUSTOMER CR.CARD FE	138.86
					Total :	138.86
99201764	10/3/2016	16452 ETS CORP.	632939475011518		SEP 2016 CUSTOMER CR.CARD FE	1,171.23
					Total :	1,171.23
99201765	10/20/2016	02863 WELLS FARGO BANK	102016		REIMB.WORKERS COMP ACCT.	70,000.00
					Total :	70,000.00
99201768	10/20/2016	02837 RIALTO CITY TREASURER	10022016GEN		REIMB. PAYROLL PAID OCT 21 2016	2,025,029.34
					Total :	2,025,029.34
132 Vouchers for bank code : gen						Bank total : 2,588,409.33

Bank code : rsa

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
18930	10/28/2016	03545 WEST VALLEY WATER DIST.	630034464		2524 S LILAC	22.21
					Total :	22.21
99201766	10/20/2016	02837 RIALTO CITY TREASURER	10022016RSA		REIMB. PAYROLL PAID OCT 21 2016	10,174.80
					Total :	10,174.80
2 Vouchers for bank code : rsa						Bank total : 10,197.01

Bank code : rua

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
39658	10/28/2016	19402 ALESHIRE & WYNDER, LLP	39273RUA		MATTER 0003 - LITIGATION	123.00
					Total :	123.00
39659	10/28/2016	11346 NORTON ROSE FULBRIGHT US LLP	11624848	2017-1075	NORTON ROSE FULBRIGHT- CONC	26,637.23
					Total :	26,637.23
99201767	10/20/2016	02837 RIALTO CITY TREASURER	10022016RUA		REIMB PAYROLL PAID OCT 21 2016	13,423.33
					Total :	13,423.33
3 Vouchers for bank code : rua						Bank total : 40,183.56
137 Vouchers in this report						Total vouchers : 2,638,789.90

FINANCE DEPARTMENT

ACCOUNTS PAYABLE : FY 2016-2017

VOIDED CHECK LISTS

Check History Listing
CITY OF RIALTO

Bank code: gen

Check #	Date	Vendor	Status	Clear/Void Date	Invoice	Inv. Date	Amount Paid	Check Total
190309	10/21/2016	11001 JACQUELYN HAYNIE	V	10/24/2016	09272016END	09/29/2016	24.05	24.05
							gen Total:	24.05
1 checks in this report							Total Checks:	24.05



Legislation Details (With Text)

File #: 16-796 Version: 1 Name: B.2
Type: Warrant Resolution Status: Consent Calendar
File created: 11/15/2016 In control: City Council
On agenda: 11/22/2016 Final action:
Title: Resolution No. 18 (11/04/16)
Sponsors:
Indexes:
Code sections:
Attachments: [Warrant Resolution No. 18.pdf](#)

Date	Ver.	Action By	Action	Result
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Resolution No. 18 (11/04/16)

FINANCE DEPARTMENT

ACCOUNTS PAYABLE : FY 2016-2017

WARRANT RESOLUTION **18**

RESOLUTION DATE **11/04/16**

SUMMARY OF ATTACHED REPORTS	
WARRANTS & WIRES	VOIDED CHECKS (- FIGURE)
\$3,689,943.43	-\$653.00

TOTALS

TOTAL RESOLUTION **\$3,689,290.43**

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190545	10/26/2016	32504 R-JS GENERAL CONSTRUCTION	2	2016-2085	MAPLE AVENUE IMPROVEMENT/AN cb1504-05 cb1604-22 cb1604-23 150810-05	373,217.00
Total :						373,217.00
190546	11/4/2016	21082 20/20 NETWORK	2090	2017-0002	ANNUAL- PUBLIC RELATIONS- ADM	1,250.00
Total :						1,250.00
190547	11/4/2016	03406 3M TRAFFIC CONTROL MATERIALS	SS34724	2017-1085	TRAFFIC SIGN MATERIAL	1,117.81
Total :						1,117.81
190548	11/4/2016	16338 AAA CONTAINERS SALES & RENTALS	10612	2017-1036	PD IT - CONTAINER	2,584.00
Total :						2,584.00
190549	11/4/2016	17677 ABDO, ARKAN ISSA	SAFETYSHOES2		REIMB.SAFETY SHOES	200.00
Total :						200.00
190550	11/4/2016	03503 ADVANCE REFRIGERATION &	41927	2017-0067	BLANKET- SUPPLIES & REPAIRS- F	609.56
Total :						609.56
190551	11/4/2016	31419 AIRGAS, INC.	9056362255 9056550209	2017-0073 2017-0073	BLANKET- OXYGEN & RELATED ITE BLANKET- OXYGEN & RELATED ITE	42.56 42.89
Total :						85.45
190552	11/4/2016	32795 ALL PRO PLUMBING CORP	273139	2017-1053	POLICE STATION PLUMBING REPAI	275.00
Total :						275.00
190553	11/4/2016	08515 APPLE ONE EMPLOYMENT SERVICES	014248461	2017-0076	BLANKET- TEMP STAFFING FOR SC	481.80
Total :						481.80
190554	11/4/2016	03207 AQMD	3014166	2017-0078	BLANKET- ANNUAL FEES- PW	251.36
Total :						251.36
190555	11/4/2016	31770 ARC DOCUMENT SOLUTIONS, LLC	8866322	2017-0079	BLANKET- PLAN & SPECIFICATION	64.64

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190555	11/4/2016	31770	31770 ARC DOCUMENT SOLUTIONS, LLC (Continued)			
					Total :	64.64
190556	11/4/2016	01726 AT&T	3312710031092		PHONE BILL	88.94
			3312710225654		PHONE BILL	70.05
			3312710247742		PHONE BILL	91.51
			3312710285275		PHONE BILL	70.05
			3312718356066		PHONE BILL	80.93
			3352531336348		PHONE BILL	232.49
			3393413283595		T1 LINE	232.49
			3393431914654		ITS/FITNESS CENTER LINE	188.07
			3393444957993		PHONE BILL FIRE STN 202	80.93
			3393813149141		PHONE BILL	80.93
			3393813151138		PHONE BILL	80.93
			3393813260546		PHONE BILL	80.93
			3394511903735		PHONE BILL	70.05
			9093571225891		911 LINES PD	20.74
			9098221105511		MULTI PHONE LINE	76.60
			9098231514556		FAX LINE - AIRPORT	20.72
			9098741509177		PHONE BILL ~ PRESTON DAY CARI	39.38
			9098751517563		PHONE BILL	20.74
			9098751921526		PHONE BILL	20.72
			9098752681446		FRISBIE PARK SECURITY LINE	39.38
			9098757625420		PHONE BILL	107.72
					Total :	1,794.30
190557	11/4/2016	20040 AUTO ZONE	5626183820	2017-0082	BLANKET- SUPPLIES & REPAIRS- F	26.37
			5626183838	2017-0082	BLANKET- SUPPLIES & REPAIRS- F	14.34
			5626185024	2017-0082	BLANKET- SUPPLIES & REPAIRS- F	41.93
					Total :	82.64
190558	11/4/2016	08825 BALDERAS, CYNTHIA I	102016		OCT 2016 MILEAGE	77.33
					Total :	77.33
190559	11/4/2016	15961 BALDERAS, JOSE M.	10112016END		REIMB LODGING/PARKING OCT 12-	117.12
					Total :	117.12
190560	11/4/2016	20460 BATTERY WORX INC	72377	2017-0086	BLANKET- AUTOMOTIVE BATTERIE	177.03

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190560	11/4/2016	20460	20460 BATTERY WORX INC				
			(Continued)				
					Total :	177.03	
190561	11/4/2016	14949	BICKMORE RISK SERVICES	BRS0014026	2017-1156	BICKMORE	10,425.00
						Total :	10,425.00
190562	11/4/2016	15320	BLUE, FLOYD NATHANIEL	10182016		PER DIEM OCT 18 2016 ELECTRON	15.00
						Total :	15.00
190563	11/4/2016	17211	BOWLING, VANESSA	10202016		PER DIEM OCT 20 2016 DISPATCH	15.00
						Total :	15.00
190564	11/4/2016	31729	BULLSEYE TELECOM, INC	0048F82		SUMMARY PHONE BILL	4,721.94
						Total :	4,721.94
190565	11/4/2016	20867	CALIFORNIA HAZARDOUS SERVICES	59934	2017-0947	FUEL TANK CLEANING AND FILTER	1,195.00
						Total :	1,195.00
190566	11/4/2016	17870	CARDENAS, LAURA CASEY	TUITION		REIMBURSE TUITION PER MOU	1,370.00
						Total :	1,370.00
190567	11/4/2016	20619	CARL WARREN AND COMPANY	092016		REIMB. LIABILITY ACCOUNT SEP 21	58,686.77
						Total :	58,686.77
190568	11/4/2016	13455	CARLSON, BRETT	R161154	2017-0910	BLANKET-BOARD UP/ABATEMENT-	124.00
				R161162	2017-0910	BLANKET-BOARD UP/ABATEMENT-	1,917.00
				R161164	2017-0910	BLANKET-BOARD UP/ABATEMENT-	150.00
				R161166	2017-0910	BLANKET-BOARD UP/ABATEMENT-	150.00
				R161171	2017-0910	BLANKET-BOARD UP/ABATEMENT-	105.00
				R161181	2017-0910	BLANKET-BOARD UP/ABATEMENT-	220.00
				R161182	2017-0910	BLANKET-BOARD UP/ABATEMENT-	165.00
				R161184	2017-0910	BLANKET-BOARD UP/ABATEMENT-	165.00
						Total :	2,996.00
190569	11/4/2016	31227	CASH	10172016A		ASSET SEIZURE CONTRACT # N93	8,800.00
						Total :	8,800.00
190570	11/4/2016	31227	CASH	10172016B		ASSET SEIZURE CONTRACT # N93	7,600.00
						Total :	7,600.00

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190571	11/4/2016	32752 CHARGEPOINT INC	34932	2017-1028	VEHICLE CHARGING STATIONS 160812-05	17,250.44
Total :						17,250.44
190572	11/4/2016	02760 CONSOLIDATED ELECTRICAL	6903764433	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	115.44
			6903764707	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	308.51
			6903764852	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	35.71
			6903764989	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	273.15
			6903764990	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	399.79
			6903764991	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	84.44
			6903765042	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	389.20
			6903765044	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	336.14
			6903765045	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	336.14
			6903765046	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	168.07
			6903765052	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	104.36
			6903765187	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	72.52
			6903765189	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	153.17
			6903765271	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	643.68
			6903765282	2017-0104	BLANKET- ELECTRICAL SUPPLIES-	59.16
Total :						3,479.48
190573	11/4/2016	32806 CORREIA, LAZERES PETRIVORS	930311876		RELEASE OF PROPERTY TAG #880	252.00
Total :						252.00
190574	11/4/2016	07742 COSTCO	6278162104	2017-0107	BLANKET- COSTCO- REC	61.43
Total :						61.43
190575	11/4/2016	00910 COUNSELING TEAM INTERNATIONAL, TH 32328		2017-0456	BLANKET- COUNSELING- HR	1,250.00
Total :						1,250.00
190576	11/4/2016	20954 CPRS	129	2017-0942	CPRS RECREATION UNIVERSITY T	100.00
			130	2017-0942	CPRS RECREATION UNIVERSITY T	100.00
			131	2017-0942	CPRS RECREATION UNIVERSITY T	100.00

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190576	11/4/2016	20954 CPRS	(Continued)			
			132	2017-0942	CPRS RECREATION UNIVERSITY T	100.00
			133	2017-0942	CPRS RECREATION UNIVERSITY T	100.00
			135	2017-0942	CPRS RECREATION UNIVERSITY T	100.00
			152	2017-0942	CPRS RECREATION UNIVERSITY T	100.00
					Total :	700.00
190577	11/4/2016	00901 CREST CHEVROLET	612193	2017-0114	BLANKET- AUTO PARTS- PW VARIC	257.85
					Total :	257.85
190578	11/4/2016	20747 CRON & ASSOC. TRANSCRIPTION	4706	2017-0219	ANNUAL- TRANSCRIPTION SERVIC	267.75
					Total :	267.75
190579	11/4/2016	01455 CSK AUTOMOTIVE, INC	2677233951	2017-0115	BLANKET- AUTO PARTS- PW VARIC	-260.54
			2677239576	2017-0115	BLANKET- AUTO PARTS- PW VARIC	15.77
			2677239979	2017-0115	BLANKET- AUTO PARTS- PW VARIC	35.61
			2677240138	2017-0115	BLANKET- AUTO PARTS- PW VARIC	32.38
			2677241689	2017-0116	BLANKET- AUTO PARTS- FIRE	64.76
			2677241692	2017-0116	BLANKET- AUTO PARTS- FIRE	9.44
			2677243260	2017-0115	BLANKET- AUTO PARTS- PW VARIC	43.18
			2677243316	2017-0115	BLANKET- AUTO PARTS- PW VARIC	7.01
			2677243434	2017-0115	BLANKET- AUTO PARTS- PW VARIC	14.03
			2677244510	2017-0115	BLANKET- AUTO PARTS- PW VARIC	25.83
			2677244692	2017-0115	BLANKET- AUTO PARTS- PW VARIC	5.85
			2677244767	2017-0115	BLANKET- AUTO PARTS- PW VARIC	23.68
			2677244898	2017-0115	BLANKET- AUTO PARTS- PW VARIC	101.50
					Total :	118.50
190580	11/4/2016	32807 CUEVAS, MELANIE	RECFUND		REFUND PRESCHOOL FEES	180.00
					Total :	180.00
190581	11/4/2016	01186 DAVIDSONS AIR CONDITIONING	42541	2017-0126	BLANKET- A/C & HEATER SERVICE	194.85
					Total :	194.85
190582	11/4/2016	09674 DELL MARKETING LP	XK22N9D73	2017-1080	I.T. - HARD DRIVE CARRIERS	141.78
					Total :	141.78
190583	11/4/2016	20290 DELTA CARE USA	112016		NOV 2016 COBRA PREMIUM DENT/	34.79

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190583	11/4/2016	20290	20290 DELTA CARE USA		(Continued)		
					Total :	34.79	
190584	11/4/2016	13907	DELTA DENTAL OF CALIFORNIA	112016	NOV 2016 COBRA PREMIUM	294.18	
					Total :	294.18	
190585	11/4/2016	00723	DUQUE, ERICA JEAN	10192016	PER DIEM OCT 19-20 2016 REENTF	15.00	
					Total :	15.00	
190586	11/4/2016	32266	ECAMSECURE	539066ACCTCORRECTION	2016-1495	1451 N. LINDEN- SECURITY CAMEF 130704-35	0.00
				539398ACCTCORRECTION	2016-1495	1451 N. LINDEN- SECURITY CAMEF 130704-35	0.00
				539734	2016-1495	1451 N. LINDEN- SECURITY CAMEF 130704-35	2,643.60
				540065	2016-1495	1451 N. LINDEN- SECURITY CAMEF 130704-35	2,643.60
					Total :	5,287.20	
190587	11/4/2016	01984	EDEN SYSTEMS A TYLER TECH. CO.	025167899RC	2017-1140	TYLER - ACUCORP SERVER SUPPL	2,088.12
						Total :	2,088.12
190588	11/4/2016	01162	ESTVANDER, DALE ZOLTEN	10262016		OCT 26 2016 COMMISSIONERS CC	40.00
						Total :	40.00
190589	11/4/2016	07707	FEDEX	557732684	2017-0159	BLANKET- FEDEX- PD	174.31
						Total :	174.31
190590	11/4/2016	09204	FERGUSON ENTERPRISES, INC.	3911769	2017-0140	BLANKET- PLUMBING SUPPLIES- F	230.98
						Total :	230.98
190591	11/4/2016	20372	FIDELITY SECURITY LIFE INS/EYE	112016		NOV 2016 COBRA PREMIUM VISION	23.65
						Total :	23.65
190592	11/4/2016	31762	FLYERS ENERGY LLC	16345448	2017-0162	BLANKET - FUEL - PD	375.39
				16349534	2017-0163	BLANKET - FUEL - FIRE	792.29
				16352347	2017-0163	BLANKET - FUEL - FIRE	1,955.74

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190592	11/4/2016	31762	31762 FLYERS ENERGY LLC				
			(Continued)				
					Total :	3,123.42	
190593	11/4/2016	08118	G4S SECURE SOLUTIONS (USA) INC	7943054	2017-0450	BLANKET- JAILER SERVICES- POLI	7,386.25
						Total :	7,386.25
190594	11/4/2016	32804	GALLOBRUNO, VINCENT	939902216		RELEASE OF PROPERTY TAG #583	250.00
						Total :	250.00
190595	11/4/2016	02944	GALLS LLC	BC0332488	2017-0199	BLANKET- UNIFORMS- PD	718.20
				BC0332489	2017-0199	BLANKET- UNIFORMS- PD	718.20
				BC0333769	2017-0199	BLANKET- UNIFORMS- PD	718.20
						Total :	2,154.60
190596	11/4/2016	31053	GARCIA, CRUZ	10052016		EBT REIMBURSEMENT OCT 5-26 2	99.00
						Total :	99.00
190597	11/4/2016	19813	GARY W. MILLER, ARCHITECT	1500129RA	2016-1759	FOURTH AMENDMENT TO THE PSA cb1601-01	1,327.33
						Total :	1,327.33
190598	11/4/2016	20045	GASPAR, SCOTT MICHAEL	11142016		PER DIEM NOV 14-17 2016 INTERM	60.00
						Total :	60.00
190599	11/4/2016	31056	GAYTAN, ADRIAN	10052016		EBT REIMBURSEMENT OCT 5-26 2	61.00
						Total :	61.00
190600	11/4/2016	21417	GONZALEZ, FRANK NAVOR	10262016		OCT 26 2016 COMMISSIONERS CC	40.00
						Total :	40.00
190601	11/4/2016	32695	GONZALEZ, VICTOR	10052016		EBT REIMBURSEMENT OCT 5-26 2	86.00
						Total :	86.00
190602	11/4/2016	17912	GRANICUS, INC.	81186	2017-0427	ANNUAL- WEBSTREAMING MAINT-	750.00
				81223	2017-0427	ANNUAL- WEBSTREAMING MAINT-	2,455.37
						Total :	3,205.37
190603	11/4/2016	18476	GUTIERREZ, JERRY	10262016		OCT 26 2016 COMMISSIONERS CO	50.00
						Total :	50.00

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190604	11/4/2016	31686 HILLCREST CONTRACTING INC	3	2017-0587	AYALA DRIVE WIDENING PROJECT 090804-22	422,446.00
Total :						422,446.00
190605	11/4/2016	19751 IBM CORP.	8633057	2017-0897	CAU - PATTERN TRACER	460.00
Total :						460.00
190606	11/4/2016	03441 INLAND EMPIRE ECONOMIC PRTN SHP	65269	2017-1129	ANNUAL- MEMBERSHIP DUES- ADP	7,500.00
Total :						7,500.00
190607	11/4/2016	31096 INLAND EMPIRE LANDSCAPE, INC	9462	2017-0685	ANNUAL- LANDSCAPE MAINT- PW	57,154.67
Total :						57,154.67
190608	11/4/2016	15435 INLAND PRESORT & MAILING SERV.	20163098	2017-0353	BLANKET- MAIL PROCESSING- PUF	60.78
Total :						60.78
190609	11/4/2016	03399 J & K AUTO BODY & TOWING	210	2017-1119	R607 PAINT REPAIR	1,201.96
Total :						1,201.96
190610	11/4/2016	00947 JOHNSONS HARDWARE	513615	2017-0193	BLANKET- MATERIALS & SUPPLIES	15.75
			513625	2017-0193	BLANKET- MATERIALS & SUPPLIES	49.19
			513644	2017-0196	BLANKET- MATERIALS & SUPPLIES	11.65
Total :						76.59
190611	11/4/2016	00388 JOHNSTONE SUPPLY	077080	2017-0197	BLANKET- MATERIALS & SUPPLIES	125.57
			077097	2017-0197	BLANKET- MATERIALS & SUPPLIES	97.41
			077152	2017-0197	BLANKET- MATERIALS & SUPPLIES	44.17
			077184	2017-0197	BLANKET- MATERIALS & SUPPLIES	41.41
Total :						308.56
190612	11/4/2016	14272 JONES, CHARLES L.	10192016		PER DIEM OCT 19-21 2016 EXPLOF	155.00
			REIMBURSEMENT		REIMBURSE FUEL OCT 19-21 2016	80.00
Total :						235.00
190613	11/4/2016	19341 KCALS OFFICIALS	11042016	2017-0484	BLANKET- REFEREES - REC	270.00
			11052016	2017-0484	BLANKET- REFEREES - REC	1,650.00
Total :						1,920.00

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190614	11/4/2016	31286 KEETLE, ALEXANDER D	11142016		PER DIEM NOV 14-18 2016 BASIC T	75.00
					Total :	75.00
190615	11/4/2016	31258 KIMLEY-HORN AND ASSOCIATES INC	0949210010916 0949210020916	2016-2190 2016-2185	PROFESSIONAL SERVICES AGREE KIMLEY-HORN -HOUSING ELEMEN	2,792.60 747.50
					Total :	3,540.10
190616	11/4/2016	32800 KIRTLAND, KAREN ANN	11345	2017-1123	RIALTO AIRPORT BORROWING OW 130704-45	12,999.10
					Total :	12,999.10
190617	11/4/2016	15599 KONICA MINOLTA BUSINESS	65751821	2017-0393	ANNUAL- COPIER LEASE/MAINT- D	348.23
					Total :	348.23
190618	11/4/2016	15599 KONICA MINOLTA BUSINESS	900280791	2017-0399	ANNUAL- COPIER MAINT- PD DISP/	92.96
					Total :	92.96
190619	11/4/2016	21679 KRATOS PUBLIC SAFETY& SECURITY	SM55392	2017-1051	ID BADGES & ID PRINTER RIBBON	1,030.27
					Total :	1,030.27
190620	11/4/2016	20936 LD PRODUCTS INC.	SIP005374444 SIP005388648	2017-1050 2017-1072	STOCK TONER STOCK TONER	249.97 485.78
					Total :	735.75
190621	11/4/2016	00413 LIEBERT CASSIDY WHITMORE	1428504 1428911		LEGAL SERVICES MATTER RI020-0 LEGAL SERVICES MATTER RI020-0	105.00 1,146.00
					Total :	1,251.00
190622	11/4/2016	00547 LIFE ASSIST, INC.	770166	2017-0446	BLANKET- EMERGENCY MEDS- FIF	246.69
					Total :	246.69
190623	11/4/2016	00939 LINCOLN EQUIPMENT, INC.,	SI303245	2017-0355	BLANKET- POOL CHEMICALS- PW	328.47
					Total :	328.47
190624	11/4/2016	19074 LITTLE BEAR PRODUCTIONS	1334	2017-0965	RIALTO JOB FAIR FLYER	85.00
					Total :	85.00
190625	11/4/2016	19548 LIVING IT UP	10801	2017-1122	JOB FAIR PRODUCTION FEE	2,000.00

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190625	11/4/2016	19548 LIVING IT UP	(Continued) 10809	2017-1122	JOB FAIR PRODUCTION FEE	2,000.00
					Total :	4,000.00
190626	11/4/2016	31125 M.H.M., & ASSOCIATES, ENTERPRISE INC BSCC416ADC		2016-1795	CALGRIP GRANT - CONSULTANT	89,095.00
					Total :	89,095.00
190627	11/4/2016	20484 MADRID, DENITA M.	10202016		PER DIEM OCT 20 2016 DISPATCHE	15.00
					Total :	15.00
190628	11/4/2016	32063 MAGIC JUMP RENTALS RIVERSIDE	4870	2017-0620	BUNGEE, BOUNCER FOR OPEN HC	75.00
					Total :	75.00
190629	11/4/2016	18193 MARQUEZ, GREGORY N	10192016		PER DIEM OCT 19-20 2016 REENTF	15.00
					Total :	15.00
190630	11/4/2016	02198 MATICH CORP.	8	2016-1411	AWARD CONSTRUCTION CONTRA 130801-22 130801-23	97,159.46
					Total :	97,159.46
190631	11/4/2016	01949 MCCULLOUGH, CARLA R.	11082016		PER DIEM NOV 8-9 2016 FIRST AID,	30.00
					Total :	30.00
190632	11/4/2016	32770 MCKESSON MEDICAL-SURGICAL INC	87223185	2017-1071	SHARPS CONTAINERS	761.94
					Total :	761.94
190633	11/4/2016	18137 MERRILL, LYNN C.	FY1614	2016-1057	SIXTH AMENDMENT TO PSA - LYNN	12,312.40
					Total :	12,312.40
190634	11/4/2016	17997 MOONEY, SHAUN R.	11142016		PER DIEM NOV 14-17 2016 INTERM	60.00
					Total :	60.00
190635	11/4/2016	20044 MORALES, JACQUELYN LAUREN	11142016		PER DIEM NOV 14-18 2016 CLEARSE	120.00
					Total :	120.00
190636	11/4/2016	01304 MOTOROLA SOLUTIONS, INC.	13132002	2017-1034	PATROL - HT BATTERIES	1,978.00
					Total :	1,978.00

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190637	11/4/2016	03010 MUIR, ROBERT J.	10182016		PER DIEM OCT 18 2016 ELECTRON	15.00
					Total :	15.00
190638	11/4/2016	01290 NEOPOST USA INC.	14973186	2017-0323	BLANKET- POSTAGE SUPPLIES- PL	191.15
					Total :	191.15
190639	11/4/2016	18809 NORMAN A. TRAUB ASSOCIATES INC	160661		LEGAL SERVICES OCT 2016	11,660.54
					Total :	11,660.54
190640	11/4/2016	32805 NORTON, LEON BARRY	939904223		RELEASE OF PROPERTY TAG #586	2,560.00
					Total :	2,560.00
190641	11/4/2016	00003 OFFICE DEPOT	871956377001	2017-0330	BLANKET - OFFICE DEPOT - PD	438.02
			871956436001	2017-0330	BLANKET - OFFICE DEPOT - PD	826.17
			872531970001	2017-1089	NARCOTICS - BOXES	155.50
				2017-1089		
			872859674001	2017-0329	BLANKET- OFFICE SUPPLIES- DEV	27.08
			872860054001	2017-0329	BLANKET- OFFICE SUPPLIES- DEV	71.47
			873751797001	2017-0325	BLANKET- OFFICE SUPPLIES- CIT	325.79
			873752849001	2017-0325	BLANKET- OFFICE SUPPLIES- CIT	21.05
			874485381001	2017-0327	BLANKET- OFFICE SUPPLIES- FIRI	66.33
			874485652001	2017-0327	BLANKET- OFFICE SUPPLIES- FIRI	215.79
					Total :	2,147.20
190642	11/4/2016	13483 ORTEGA, JOHN	SAFETYSHOES		REIMB.SAFETY SHOES	162.36
					Total :	162.36
190643	11/4/2016	08055 PARTIDA, JOHNNY M.	11142016		PER DIEM NOV 14-16 2016 SLI CLA	135.00
					Total :	135.00
190644	11/4/2016	32608 PARTS AUTHORITY METRO LLC	037629	2017-0610	BLANKET- AUTO PARTS- PW VARIC	96.71
					Total :	96.71
190645	11/4/2016	32608 PARTS AUTHORITY METRO LLC	729671	2017-0610	BLANKET- AUTO PARTS- PW VARIC	6.80
					Total :	6.80
190646	11/4/2016	03201 PATIO WEST DELI	888726	2017-0239	BLANKET- FOOD & REFRESHMENT	69.99

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190646	11/4/2016	03201 03201 PATIO WEST DELI	(Continued)		Total :	69.99
190647	11/4/2016	21310 PC MALL GOV	R09825420101	2017-0922	PATROL - MICROSOFT LICENSE - P	1,310.26
					Total :	1,310.26
190648	11/4/2016	31634 PEACEKEEPER PRODUCTS INTL	1616740	2017-1092	PATROL - BATON HOLSTERS	498.37
					Total :	498.37
190649	11/4/2016	32549 PERALTA GOMEZ, MOISES	REIMBURSEMENT		REIMB REGISTRATION MECHANIC/	80.00
					Total :	80.00
190650	11/4/2016	15825 PEREZ, JESSICA	REIMBURSEPUMPKINS		REIMBURSE PURCHASE OF PUMPI	97.99
					Total :	97.99
190651	11/4/2016	11721 PETSMART	T3325C1011010127101	2017-0246	BLANKET- K9 SUPPLIES- PD 080216-00	268.42
					Total :	268.42
190652	11/4/2016	13595 PEUKERT, JOHN	10202016		OCT 26 2016 COMMISSIONERS CC	40.00
					Total :	40.00
190653	11/4/2016	32111 PMAM CORPORATION	20161037	2017-0025	ANNUAL- ALARM BILLING- PD	4,670.25
					Total :	4,670.25
190654	11/4/2016	16918 PREMIERE GLOBAL SERVICES	22256774	2017-0232 2017-0231	BLANKET- CONFERENCE CALL SEI	169.00
					Total :	169.00
190655	11/4/2016	31124 PRISTINE UNIFORMS, LLC	3628 3631	2017-0248 2017-0248	BLANKET - UNIFORMS - POLICE BLANKET - UNIFORMS - POLICE	48.07 38.87
					Total :	86.94
190656	11/4/2016	00243 PRUDENTIAL OVERALL SUPPLY	22325076 22325077 22325078 22325079 22325080 22325081	2017-0254 2017-0254 2017-0254 2017-0254 2017-0254 2017-0254	CUST 1281607 MATS- PW 335 W RI CUST 1299901 MATS - PW BREAK F CUST 1281603 MATS- M & O BLDG CUST 1299900 LINENS - FLEET-MA CUST 1299900 LINENS - FLEET-MA CUST 1299900 LINENS - FLEET-MA	19.83 14.20 19.63 46.87 37.93 45.01

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190656	11/4/2016	00243 PRUDENTIAL OVERALL SUPPLY	(Continued)			
			22325082	2017-0254	CUST 1299900 LINENS - FLEET-MA	26.47
			22325083	2017-0254	CUST 1281600 MATS- FLEET	48.08
			22325084	2017-0254	CUST 1299900 LINENS - FLEET-MA	28.54
			22325087	2017-0253	CUST 1281602 MATS- POLICE DEP	15.33
			22325088	2017-0252	CUST 1281606 LINENS- FIRE	65.83
			22325089	2017-0251	CUST 1281605 MATS- PLANNING	19.53
			22325090	2017-0250	CUST 1281601 MATS CITY HALL	15.33
					Total :	402.58
190657	11/4/2016	20089 PUBLIC SAFETY VOLUNTEER INSTIT	06222016	2017-0414	ANNUAL- COMMUNITY SERVICE SC	384.00
					Total :	384.00
190658	11/4/2016	31052 QUEZADA, NOEMI L	10052016		EBT REIMBURSEMENT OCT 5-26 2	42.00
					Total :	42.00
190659	11/4/2016	01995 REGENCY PET HOTEL	120368	2017-0297	BLANKET- K9 SUPPLIES- PD 080216-00	60.00
					Total :	60.00
190660	11/4/2016	32726 REYES, ROBERT	2074	2017-1095	BLANKET- SECURITY AND FORENS	3,900.00
					Total :	3,900.00
190661	11/4/2016	21302 RIALTO WATER SERVICES	CYCLE4		CYCLE 4 WATER BILLS	20,360.77
					003002-00	
					003003-00	
					000006-00	
					000047-00	
					000068-00	
					000078-00	
					000033-00	
					000008-00	
					Total :	20,360.77
190662	11/4/2016	31081 RICE, DWUAN D	10192016		PER DIEM OCT 19-20 2016 REENTF	15.00
					Total :	15.00
190663	11/4/2016	11040 ROBERTSON, LELIA D.	11162016		ADVANCE PER DIEM NOV 16-18 20	162.00

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190663	11/4/2016	11040	11040 ROBERTSON, LELIA D.			
			(Continued)			
					Total :	162.00
190664	11/4/2016	02055	SAFETY KLEEN SYSTEMS INC			
			71433442	2017-1120	WASTE OIL PICK-UP SERVICE	35.00
			71668505	2017-1120	WASTE OIL PICK-UP SERVICE	1,351.35
					Total :	1,386.35
190665	11/4/2016	20032	SAN BRDO CO FIRE PROTECTION			
			IN0116890	2017-0270	ANNUAL- CUPA PERMIT- PW	847.00
					Total :	847.00
190666	11/4/2016	03151	SCOTT, G. EDWARD			
			VISION		REIMBURSE EYECARE PER MOU	300.00
					Total :	300.00
190667	11/4/2016	15257	SHAMROCK SUPPLY			
			2054701	2017-0864	PAINT SUPPLIES FOR PARK MAINT	933.39
					Total :	933.39
190668	11/4/2016	32191	SITEONE LANDSCAPE SUPPLY LLC			
			78078698	2017-1013	TEMPORARY BLANKET- MATERIAL	121.90
			78217092	2017-0280	160206-05 BLANKET- IRRIGATION SUPPLIES-	297.07
					Total :	418.97
190669	11/4/2016	03644	SMART & FINAL			
			186450	2017-0282	BLANKET- FOOD & SUPPLIES- POL	80.57
			187413	2017-0285	BLANKET- FOOD & SUPPLIES- REC	2.69
			187485	2017-0285	BLANKET- FOOD & SUPPLIES- REC	184.66
			187873	2017-0287	BLANKET- FOOD & SUPPLIES- WA	46.30
			187918	2017-0282	BLANKET- FOOD & SUPPLIES- POL	54.66
			188083	2017-0285	BLANKET- FOOD & SUPPLIES- REC	136.88
					Total :	505.76
190671	11/4/2016	03131	SOUTHERN CA. EDISON CO.			
			2032929432		SUMMARY ELECT.BILL	40,752.16
					000935-00	
					000936-00	
					003008-00	
					003011-00	
					003004-00	
					003006-00	
					003013-00	
					003005-00	
			2103687679		495 CACTUS AVE ELECTRIC BILL	48.85

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190671	11/4/2016	03131 SOUTHERN CA. EDISON CO.	(Continued)			
			2104856828		101 S CEDAR TCI TRAFFIC SIG. ELI	57.88
			2188243380		810 W EASTON ELECTRIC BILL	24.06
					000110-00	
			2201464757		1497 FOOTHILL ELECTRIC BILL	59.85
			2228208732		SUMMARY ELECTRIC BILL ~	105.68
			2248754665		1411 S RIVERSIDE AVE ELECTRIC	3,867.19
			2249166539		3383 RIVERSIDE TC1	49.51
			2258579879		1415 RIVERSIDE PED	83.10
			2259265270		1413 S RIVERSIDE DR TC	39.85
			2262450117		1475 N LINDEN ELECT.	112.41
			2266228410		2301 W WALNUT TC1 TRAFFIC SIG	50.34
			2276473535		3333 S RIVERSIDE ELECT. BILL	54.27
			2281109355		726 LILAC	81.66
			2287647895		1605 1/2 N CACTUS AVE ELECT.BIL	41.81
			2287679849		1200 S RIVERSIDE AVE ELECT.BILL	2,063.76
			2290187061		1605 N CACTUS AVE	53.05
			2290534619		796 N CEDAR AVE	51.21
			2299242065		1662 S LILAC TC-1 PED	47.32
			2303612782		776 E ETIWANDA CROSSWALK	26.31
			2303628200		3346 S RIVERSIDE LMD	25.90
			2307090811		ELECTRIC 3716 S RIVERSIDE AVE /	79.50
			2314674441		ELECTRIC: 910 E FOOTHILL LS-3	40.66
			2314674581		ELECTRIC: 908 E FOOTHILL TC-1	53.37
			2318770559		1446 ALDER AVE LS3	37.44
			2318770609		1446 ALDER TC1	49.06
			2318770633		1448 LOCUST LS1	36.02
			2318770716		1496 LINDEN	45.46
			2318770740		1496 LINDEN	37.30
			2318770799		1552 N AYALA DR LS3	35.78
			2318770815		1552 N AYALA DR TC1	51.25
			2323489906		ELECTRIC 1455 N LINDEN #A RDA	55.35
					110701-02	
			2328087853		2097 S RIVERSIDE	47.06
			2329497804		ELECTRIC BUS SHELTER	33.37
			2329497929		ELECTRIC BUS SHELTER 1167 RIVI	30.33
			2334519402		ELECTRIC BILL 520 N LINDEN	25.90

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190671	11/4/2016	03131 SOUTHERN CA. EDISON CO.	(Continued)			
			2334751781		2088 AYALA DR LS3	34.73
			2334751849		2088 AYALA DR TC1	48.15
			2340224344		1700 RIVERSIDE FIRE STATION 202	1,248.34
			2340364298		1712 S RIVERSIDE AVE LS-3	3,811.94
			2340831940		SUMMARY ELECTRIC BILL	152.65
			2344220074		1693 S CACTUS AVE LS-3	192.34
			2357720838		228 E EASTON	55.20
					100704-15	
			2357721463		222 E EASTON	24.58
			2357721570		110 E EASTON	24.45
			2357721729		112 E EASTON	55.37
					100704-15	
			2358059996		188 E EASTON	29.57
			2358060127		190 E EASTON	49.67
			2358346039		168 E EASTON	179.88
					100704-15	
			2358346211		170 E EASTON	24.98
					100704-15	
			2358386779		1900 N LAUREL	41.33
			2359587995		1900 LAUREL LS-3	45.61
			2362569535		822 PEPPER IRRG	25.39
			2365980820		1706 W BASELINE RD PED TC-1	31.54
			2367225620		1980 N PEPPER AVE PED LS-3	12.95
			2370508681		1708 W BASELINE RD PED LS-3	49.66
			2370510190		2233 W RENAISSANCE PKWY	24.73
			2373249481		196 N CEDAR ~	398.02
			2373249770		189 N LINDEN AL-2 & TC-1	198.19
			2378895031		1317 N PALMETTO AVE PED	29.82
			2378895189		1352 N TAMARIND AVE ELECTRIC~	28.76
			2380299362		3258 S CACTUS AVE ELECTRIC	18.30
			2385603550		ELECTRIC 300 N LILAC	1,606.05
			2386447098		1512 W BASELINE TC-1	79.34
					Total :	56,875.56
190672	11/4/2016	00898 ST. BERNARDINE MEDICAL CENTER	3800429877		FRANK MORALES MR3800429877 A	2,121.00

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190672	11/4/2016	00898	00898 ST. BERNARDINE MEDICAL CENTER (Continued)			Total : 2,121.00
190673	11/4/2016	13253	STELLA, PAUL J	11142016	PER DIEM NOV 14-17 2016 POST M	180.00
						Total : 180.00
190674	11/4/2016	07782	STRADLING YOCCA CARLSON &	3141570187	2012-1628 CITY, RHA AND RSA LEGAL SERVIC 140701-14 130704-14	8,935.50
						Total : 8,935.50
190675	11/4/2016	32163	SUNGARD PUBLIC SECTOR INC.	110696 126129	2016-1141 2016-1141 SUNGARD PUBLIC SECTOR INC. SUNGARD PUBLIC SECTOR INC.	6,500.00 49,000.00
						Total : 55,500.00
190676	11/4/2016	00864	SUNRISE FORD	986227	2017-0296 BLANKET- AUTO PARTS & REPAIRS	15.41
						Total : 15.41
190677	11/4/2016	32004	THOMPSON, GLENDA J	10052016	EBT REIMBURSEMENT OCT 5-26 2	26.00
						Total : 26.00
190678	11/4/2016	16558	TIDLER, DOROTHY PAULINE	10262016	OCT 26 2016 COMMISSIONERS CC	40.00
						Total : 40.00
190679	11/4/2016	09856	TIME WARNER CABLE	8448400600160787	CABLE ACCESS NOV 1-30 2016	211.88
						Total : 211.88
190680	11/4/2016	19671	TSR CONSTRUCTION AND INSPECTIO	1	2017-0955 EASTON DEVELOPMENT PARKING 160812-05	35,648.75
						Total : 35,648.75
190681	11/4/2016	00913	TWINE, ALPHONSO HERNANDAZ	10262016	OCT 26 2016 COMMISSIONERS CC	40.00
						Total : 40.00
190682	11/4/2016	08718	UNITED RENTALS	141155518001	2017-1121 TRENCHER RENTAL 160206-05 160206-05	257.57
						Total : 257.57

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190683	11/4/2016	16103 URIMAGE	9354	2017-0896	IA - COMPLAINT FORMS	117.72
			9355	2017-0896	IA - COMPLAINT FORMS	294.84
					Total :	412.56
190684	11/4/2016	16583 US BANK	333748633	2017-1105	CAR RENTAL FOR MUTUAL AID	768.80
					Total :	768.80
190685	11/4/2016	32472 VALTIERRA, ERIK	REIMBURSEMENT		REIMBURSE FUEL OCT 19-21 2016	30.00
					Total :	30.00
190686	11/4/2016	10250 VERIZON	37246265700001GEN		CELL SERVICE SEP 24-OCT 23 2016	2,243.98
					Total :	2,243.98
190687	11/4/2016	31724 VETERANS COMMUNICATION SERVICE	106227	2017-0376	ANNUAL - PARK CAMERA MAINT- P	7,050.00
					Total :	7,050.00
190688	11/4/2016	32703 VILLARREAL, EDGAR	11142016		PER DIEM NOV 14-18 2016 BEHAVI	75.00
					Total :	75.00
190689	11/4/2016	21253 VOLUNTEER SOFTWARE	322565	2017-1126	VOLUNTEER SOFTWARE	300.00
					Total :	300.00
190690	11/4/2016	01247 VULCAN MATERIALS	71272467	2017-0313	BLANKET- ASPHALT & BASE- PW M	73.44
			71274879	2017-0313	BLANKET- ASPHALT & BASE- PW M	108.82
					Total :	182.26
190691	11/4/2016	32798 WEBQA INC	1184160726	2017-1114	ANNUAL- ARCHIVE SERVICE SYST	11,550.00
					Total :	11,550.00
190692	11/4/2016	02853 WEST COAST ARBORISTS	116453A	2017-0541	ANNUAL- TREE TRIMMING & REMO	9,865.05
					Total :	9,865.05
190693	11/4/2016	03545 WEST VALLEY WATER DIST.	14910586		1867 WEST COAST/SOUTH PRKWY	145.63
			1525915598		PKWY MTR 13096	726.26
			1583716146		000048-00	
					PKWY-AYALA/RIVERSIDE	120.67
					000052-00	

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190693	11/4/2016	03545 WEST VALLEY WATER DIST.	(Continued)			
			1587516184		PKWY CEDAR/RIVERSIDE 000052-00	313.87
			1767717894		1001 PARK/CACTUS WY 000024-00	22.21
			1778117996		1008 PARK/MERRILL WY 000018-00	99.97
			1780318016		CACTUS/CARTER 000018-00	73.95
			1802318224		1002 PARK/CACTUS WY 000018-00	84.27
			1802718228		1003 PKWY/CACTUS 000033-00	102.67
			1821118402		1004 PARK/RANDALL WY 000033-00	187.16
			1821318404		1005 PARK/RANDALL WY 000033-00	77.37
			1821518406		1007 PARK/CACTUS WY 000082-00	106.88
			1823918426		1006 PARK/CACTUS WY 000033-00	77.37
			1942519550		PKWY ANNEX 66 000066-00	146.37
			1942538046		LMD MAPLE/EVERGREEN PKWY 000066-00	64.11
			4449736498		WILDFLOWER/CEDAR PKWY 050002-00	66.41
			6812739616		1508 CARPENTER/LINDEN PRKWY	96.95
			78838502		PKWY WILLOW/WALNUT 000040-00	275.71
			8079139208		2751 N ASHFORD/BASIN PKWY	424.98
			82678862		N RIVERSIDE/N CASMALIA 000051-00	484.39
			85759162		WS QUINCE/CRAIG 000052-00	35.91
			88139392		PKWY ANNEX WAY 60 000060-00	128.11

Voucher List
CITY OF RIALTO

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190693	11/4/2016	03545 WEST VALLEY WATER DIST.	(Continued) 90219574		PKWY TR#13385 000057-00	208.62
			90239576		AYALA/ SO BOHNERT 000052-00	72.77
			92359782		W AYALA/ NO NORWOOD 000052-00	95.77
			92379784		W AYALA/NORWOOD 1N 000052-00	51.61
			92419788		LINDEN & NORWOOD 000046-00	161.86
			959110130		WILDFLOWER/LINDEN 1 000093-00	35.91
					Total :	4,487.76
190694	11/4/2016	03061 WILLDAN ASSOCIATES	00514290	2014-0730	CONSTRUCTION SUPPORT & INSP 100704-15	542.50
					Total :	542.50
190695	11/4/2016	03725 WILLDAN FINANCIAL SERVICES	01032640	2017-1007	SPECIAL TAX CONSULTING SERVIC	9,500.00
					Total :	9,500.00
190696	11/4/2016	12098 WIRZ AND COMPANY	89104	2017-0318	BLANKET-MISC PRINTING & PAPER	466.56
					Total :	466.56
190697	11/4/2016	32182 WJI INDUSTRIES	95684555 95685071	2016-1220 2016-1220	STAFFING FOR BUSINESS LICENS STAFFING FOR BUSINESS LICENS	748.80 723.84
					Total :	1,472.64
190698	11/4/2016	19202 WURTH USA INC.	95501270 95501557	2017-0320 2017-0320	BLANKET- HARDWARE & SUPPLIE BLANKET- HARDWARE & SUPPLIE	35.50 11.00
					Total :	46.50
190699	11/4/2016	01307 XEROX CORP.	086578085	2017-0422	ANNUAL- XEROX MAINT- PURCH	47.33
					Total :	47.33
190700	11/4/2016	32704 ZIRKLE, JARROD	11142016		PER DIEM NOV 14-18 2016 BEHAVI	75.00

Bank code : gen

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
190700	11/4/2016	32704 32704 ZIRKLE, JARROD	(Continued)			
					Total :	75.00
190701	11/4/2016	18223 ZOLL MEDICAL CORP.	2389303A	2016-1968	ZOLL EQUIPMENT& SUPPLIES	2,328.48
					Total :	2,328.48
99201770	10/11/2016	02863 WELLS FARGO BANK	092016		SEP 2016 REIMB.WORKERS COMP	43,135.73
					Total :	43,135.73
99201771	10/28/2016	01974 PUBLIC EMPLOYEES RET.SYS.(MED)	112016		NOV 2016 GROUP MEDICAL PREM	117,027.54
					Total :	117,027.54
99201772	10/31/2016	32810 DEPT OF HEALTH CARE SERVICES	1490702		INTERGOVERNMENTAL AGREEMENT	1,446,413.00
					Total :	1,446,413.00
99201773	10/31/2016	32810 DEPT OF HEALTH CARE SERVICES	1490761		INTERGOVERNMENTAL AGREEMENT	289,283.00
					Total :	289,283.00
99201774	10/31/2016	32810 DEPT OF HEALTH CARE SERVICES	1490706		INTERGOVERNMENTAL AGREEMENT	215,352.00
					Total :	215,352.00
99201775	10/31/2016	32810 DEPT OF HEALTH CARE SERVICES	1490765		INTERGOVERNMENTAL AGREEMENT	43,070.00
					Total :	43,070.00
162 Vouchers for bank code : gen						Bank total : 3,665,674.12

Voucher List
CITY OF RIALTO

Bank code : rsa

<u>Voucher</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>PO #</u>	<u>Description/Account/Project #</u>	<u>Amount</u>
18931	11/4/2016	17867 ECORP CONSULTING, INC.	79254	2012-1211	PSA FOR PEPPER AVE BIOLOGICA 000893-02	3,341.63
					Total :	3,341.63
18932	11/4/2016	03725 WILLDAN FINANCIAL SERVICES	01032525	2017-1157	ARBITRAGE REBATE SERVICES	1,750.00
					Total :	1,750.00
2 Vouchers for bank code : rsa						Bank total : 5,091.63

Bank code : rua

Voucher	Date	Vendor	Invoice	PO #	Description/Account/Project #	Amount
39660	11/4/2016	31387 PAUL HASTINGS LLP	2102081		MATTER #78238-00007	10,428.38
					Total :	10,428.38
39661	11/4/2016	10250 VERIZON	37246265700001RUA		CELL SERVICE RUA SEP 24-OCT 2016	28.30
					Total :	28.30
99201769	10/26/2016	07996 FIDELITY NATIONAL TITLE CO.	ALTALEASEHOLD	2017-1117	ALTA LEASEHOLD TITLE INSURANCE	8,721.00
					Total :	8,721.00
3 Vouchers for bank code : rua						Bank total : 19,177.68
167 Vouchers in this report						Total vouchers : 3,689,943.43

FINANCE DEPARTMENT

ACCOUNTS PAYABLE : FY 2016-2017

VOIDED CHECK LISTS

Check History Listing
CITY OF RIALTO

Bank code: gen

Check #	Date	Vendor	Status	Clear/Void Date	Invoice	Inv. Date	Amount Paid	Check Total
188705	07/29/2016	00262 FOOTHILL CHAPTER I.C.C.	V	11/01/2016	CARO	06/30/2017	50.00	
			V	11/01/2016	WALTON	06/30/2017	10.00	60.00
190038	10/07/2016	19981 JEREMY R HINTZ	V	11/01/2016	10192016	10/21/2016	155.00	155.00
190383	10/21/2016	03151 G. EDWARD SCOTT	V	11/01/2016	VISION	09/02/2016	300.00	
			V	11/01/2016	11022016	11/03/2016	138.00	438.00

gen Total: 653.00

3 checks in this report

Total Checks: 653.00



Legislation Details (With Text)

File #: 16-797 Version: 1 Name: C.1
Type: Minutes Status: Consent Calendar
File created: 11/15/2016 In control: City Council
On agenda: 11/22/2016 Final action:
Title: Regular City Council Meeting - November 08, 2016
Sponsors:
Indexes:
Code sections:
Attachments: [November 8 2016 minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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Regular City Council Meeting - November 08, 2016

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL
City of Rialto, acting as Successor Agency to the
Redevelopment Agency**

**MINUTES
November 8, 2016**

A regular meeting of the City Council of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday, November 8, 2016.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

0o0

CALL TO ORDER

Mayor Robertson called the meeting to order at 5:01 p.m.

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The roll was called and the following were present: Mayor Deborah Robertson, Council Member Scott and Council Member Ed Palmer. Also present were City Administrator Michael Story, City Attorney Fred Galante, and City Clerk Barbara McGee. Mayor Pro Tem Baca Jr. and City Treasurer Edward Carrillo were absent.

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CLOSED SESSION

1. Conference with Legal Counsel - Existing Litigation: The City Council will discuss the following pending litigation(s) pursuant to Government Code Section 54956.9(d)(1):
 - (a) Equilon Enterprises, LLC v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1602980
 - (b) Phillips 66 Company v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1516839
 - (c) SFPP, L.P. v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1603260

CLOSED SESSION

- (d) Tesoro Logistics Operations, LLC v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1603163
- (e) City of Rialto v. Chevron
San Bernardino County Superior Court Case No. CIVDS1406197
- (f) Jeff Houlemard v. City of Rialto
San Bernardino County Superior Court Case No. CIVCS1907317
- (g) Lionel Lopez v. City of Rialto
WCAB CR-09-0500056; CR-03-0500017; and CR-10-005001

2. Conference with Labor Negotiator regarding the following recognized employee organization pursuant to Government Code Section 54957.4:

Agency designated representatives:

Fred Galante, City Attorney

Mike Story, City Administrator

Employee organizations:

CGMA Bargaining Unit

3. Conference with Real Property Negotiator. The City Council will confer with its real property negotiator concerning the following properties pursuant to Government Code Section 54956.8:

Subject: Price and Terms of Conveyance - Contract of Sale

Location: Rialto Municipal Airport Property

(Generally, the southwest corner of Ayala Drive and Renaissance Parkway)

Negotiators: Robb R. Steel, ACA/Development Svs. Dir.

Bryan Goodman, Lewis Hillwood Rialto, LLC

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CLOSED SESSION

CLOSED SESSION

Motion by Council Member Palmer, second by Council Member Scott and carried by a 3-0 vote to go into Closed Session at 5:03 pm. Mayor Pro Tem Baca Jr. was absent.

City Council returned at 5:57 pm.

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CALL TO ORDER

Mayor Robertson called the meeting to order at 6:05 p.m.

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The roll was called and the following were present: Mayor Deborah Robertson, Mayor Pro Tem Joe Baca Jr., Council Member Ed Scott and Council Member Ed Palmer. Also present were City Administrator Michael Story, City Clerk Barbara McGee, City Treasurer Edward Carrillo and City Attorney Fred Galante.

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Pledge of Allegiance and Invocation

Mayor Deborah Robertson led the pledge of allegiance.

Pastor Dino Esquivel – Integrity Outreach Ministries gave the Invocation.

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**City Attorney's Report on
Closed Session**

City Attorney Fred Galante stated that City Council met in Closed Session and discussed all items listed on the Agenda.

1. City Council met on the following items of existing litigation.

- (a) Equilon Enterprises, LLC v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1602980
- (b) Phillips 66 Company v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1516839
- (c) SFPP, L.P. v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1603260
- (d) Tesoro Logistics Operations, LLC v. City of Rialto
San Bernardino County Superior Court Case No. CIVDS1603163

City Council received an update on the four matters, provided direction and no reportable action was taken.

- (e) City of Rialto v. Chevron
San Bernardino County Superior Court Case No. CIVDS1406197
City Council received an update and no further reportable action was taken.

- (f) Jeff Houlemard v. City of Rialto
San Bernardino County Superior Court Case No. CIVCS1907317
City Council received an update and no further reportable action was taken.

- (g) Lionel Lopez v. City of Rialto
WCAB CR-09-0500056; CR-03-0500017; and CR-10-005001
City Council received an update on the Workers Compensation matter and no further reportable action was taken.

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Item 2 was not discussed in Closed Session.

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- 3. Conference with Real Property Negotiator concerning property in the former Rialto Airport. (Generally, the southwest corner of Ayala Drive and Renaissance Parkway). City Council received an update on those negotiations on the Contract of Sale, price and terms. No further reportable action was taken.

Mayor Pro Tem Baca Jr. arrived at 5:50 p.m. and participated in Item 3 of Closed Session.

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**PRESENTATIONS AND
PROCLAMATIONS**

- 1. Proclamation-Law Enforcement Records and Support Personnel Day
Mayor Deborah Robertson
- 3. Certificate of Recognition - Bloomington Christian School 50th Anniversary - Mayor Deborah Robertson
- 4. Resolution-In Memoriam
Eric Albert Arrington
July 21, 1962 – October 4, 2016

PRESENTATIONS AND PROCLAMATIONS

2. Presentation - Inland Empire Media Awards presented the City of Rialto and Mr. Joe Lyons – 2015-2016 Media Professional of the Year- Mayor Deborah Robertson

5. Resolution-In Memoriam

Lorenzo H. Mills

March 13, 1937 – October 1, 2016

6. Presentation – Charter of Compassion Initiative – Ms. Sohelia Azizi

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ORAL COMMUNICATIONS

No one came forward to speak.

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Consideration of Removing or Continuing Items on the Agenda

City Administrator Story stated that they would like to continue TAB 5 to a future City Council Meeting.

They would also like to continue Consent Calendar Item E.7 until the November 22nd City Council Meeting.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

B.1 Resolution No. 13 (09/30/16)

B.2 Resolution No. 14 (10/07/16)

B.3 Resolution No. 15 (10/14/16)

B.4 Resolution No. 16 (10/21/16)

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C. APPROVAL OF MINUTES

C.1 Regular City Council Meeting – September 27, 2016

D. SET PUBLIC HEARING

D.1 Request City Council to Set a Public Hearing for the November 22, 2016, City Council Meeting to Consider the First Reading of an Ordinance Amending Chapter 1.10 to the Rialto Municipal Code Dealing with Administrative Citations and Fines.

D.2 Request City Council to Set a Public Hearing for November 22, 2016, to initiate the filing process with the San Bernardino County Local Agency Formation Commission (LAFCO) to Annex five County Islands from the Rialto sphere of influence in Unincorporated San Bernardino County to the City of Rialto (Annexation No. 171).

CONSENT CALENDAR

- D.3 Request City Council to Conduct the First Reading of Ordinance No. 1579 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING CHAPTER 15.08 OF THE RIALTO MUNICIPAL CODE TO ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA BUILDING CODES OF THE CALIFORNIA CODE OF REGULATIONS AND OTHER RELATED CODES"; and set the Public Hearing for November 22, 2016 to conduct the second reading and adoption of the ordinance.
- D.4 Request City Council to Set a Public Hearing for December 13, 2016, to Consider the Placement of Liens for Delinquent Refuse Collection Accounts for the 2nd Quarter of the 2016 Calendar Year.

E. MISCELLANEOUS

- E.1 Request City Council to Adopt Resolution No. 7017 approving a Memorandum of Understanding (MOU) between the City of Rialto and the National Council of Negro Women Bethune Center providing Office Space for the implementation of Job Services academic preparations and community resources served out of the Rialto Resource Center and Waiving Rental Fees.
- E.2 Request City Council to Approve a Purchase Order with Socrata, Inc. for a total not to exceed \$26,496 for Open Budget, a Transparent Budget Application.
- E.3 Request City Council to Receive and File the Statement of Income and Expenses related to Airport Escrow Account for September 2016.
- E.4 Request City Council to Receive and File the Statement of Income and Expenses related to the Miro Way, Alder Avenue, and Locust/Laurel/Walnut Escrow Accounts for September 2016.
- E.5 Request City Council to Increase the current Purchase Order of \$ 15,000 to Stericycle Environmental Solutions dba Double Barrel Environmental Services LLC for FY2016-17 to \$48,500 for Hazardous Materials CleanUp and Hazardous Waste Disposal.
- E.6 Request City Council to Adopt Resolution No. 7018 Approving the Measure I 2010-2040 Maintenance of Effort Base Year Level.
- E.7 Request City Council to Approve Amendment #1 to the Purchase and Sale Agreement between the City of Rialto and Arrow United Investment LLC related to the purchase and concurrent conveyance of County property (portions of APN 1119-241 -01 and 02).
- E.8 Request City Council to Adopt Resolution No. 7019 Approving Tract Map 19977 for the Subdivision of 9.24 Gross-Acres of Land into SeventyFive (75) Detached Single-Family Lots and Approve the Subdivision Improvement Agreement with Rialto 75, LLC.
- E.9 Request City Council to Adopt Resolution No. 7020 for the Placement of Liens Against Abandoned Properties for Failure to Comply with Administrative Citation to Correct Code Violations.

CONSENT CALENDAR

- E.10 Request City Council to Adopt Resolution No. 7021 Authorizing the Destruction of Certain Municipal Records of the Finance Department.
- E.11 Request City Council to Approve Resolution No. 7022 Authorizing the Submission of a Grant Application to California Department of Water Resources Water Energy Grant Program.
- E.12 Request City Council to Authorize the Release of Request for Bids for Street Light Maintenance Services.
- E.13 Request City Council to Authorize the Release of Request for Proposals (RFP) No. 17-047 for Engineering, Landscape Design and Project Management Services for the Design of Phase II Citywide Parks Improvements.
- E.14 Request City Council to Issue a Purchase Order to Diamondback Fire & Rescue in the amount of \$28,981.52 for Hydraulic Rescue Equipment.
- E.15 Request City Council to Adopt Resolution No. 7023 Approving a Billboard Relocation Agreement by the City of Rialto and San Diego Outdoor Advertising, dba General Outdoor Advertising
- E.16 Request City Council/Rialto Utility Authority to Approve an Agreement with BDP Technologies, LLC, a California limited liability company (BDP), for the demonstration project for alternative treatment technology through a grant by the California Energy Commission and Adopt Resolution No. 7024.
- E.17 Request City Council to Receive and File the Interim Financial Report for the fourth quarter of the Fiscal Year thru June 30, 2016.
- E.18 Request City Council to Approve Modification to the National Pollution Discharge Elimination System Joint Defense Agreement between the City of Rialto, the County of San Bernardino as Principal Permittee, the Fifteen Area Cities as Co-Permittees and Steptoe & Johnson, LLP as new Counsel to the NPDES Program.
- E.19 Request City Council to Authorize the Release of Request for Bid No. 17-030 for the 2014/15 & 2015/16 Street Overlay Project, City Project No.160801.
- E.20 Request City Council to Adopt on Second Reading Ordinance No. 1576 "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, APPROVING ZONE CHANGE NO. 335 TO CHANGE THE ZONING DESIGNATION OF APPROXIMATELY 4.57 GROSS ACRES OF LAND (APNS: 0131 -212-06, -19 & -20) LOCATED AT THE SOUTHWEST CORNER OF BLOOMINGTON AVENUE AND WILLOW AVENUE FROM AGRICULTURAL (A-1) TO PLANNED RESIDENTIAL DEVELOPMENT-DETACHED (PRD-D)."

CONSENT CALENDAR

E.21 Request City Council to Adopt on Second Reading Ordinance No. 1577 “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, APPROVING AMENDMENT NO. 4 TO THE GATEWAY SPECIFIC PLAN TO CHANGE THE ZONING DESIGNATION OF APPROXIMATELY 14.67 GROSS ACRES OF LAND (APNS: 0132-191 - 03, -07, -08, -09, -14 & -15) LOCATED ON THE SOUTH SIDE OF VALLEY BOULEVARD BETWEEN WILLOW AVENUE AND LILAC AVENUE FROM FREEWAY COMMERCIAL (F-C) WITHIN THE GATEWAY SPECIFIC PLAN TO INDUSTRIAL PARK (I-P) WITHIN THE GATEWAY SPECIFIC PLAN.”

E.22 Request City Council to Adopt on Second Reading Ordinance No. 1578 “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING THE RIALTO MUNICIPAL CODE TO ADD CHAPTER 9.97 CONCERNING THE REMOVAL OF MOBILE BILLBOARD ADVERTISING DISPLAYS AND REGULATION OF ADVERTISING SIGNS ON MOTOR VEHICLES PARKED OR LEFT STANDING ON CITY STREETS OR PUBLIC LANDS.”

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott, and carried by unanimous vote to approve Consent Calendar with the exception of Item E.7.

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TAB 1 – Construction and Credit Agreement - State Pipe and Supply Company

Robb Steel, Development Services Director presented the staff report regarding the Construction and Credit Agreement by and between the City of Rialto and State Pipe and Supply Company.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to (1) Adopt Resolution No. 7025 Approving a Construction and Credit Agreement by and between the City of Rialto and State Pipe and Supply Company in the amount of \$99,914.60 and (2) Adopt Budget Resolution No. 7026.

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TAB 2 - Cumulative Contract Change Order – Metrolink Parking Lot Expansion Project

Jeff Schaffer, Public Works, presented the staff report regarding the Contract Change Order No. 5 for Metrolink Parking Lot Expansion Project, City Project 120808.

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Council member Scot asked if there are additional funds in that grant?

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TAB 2 - Cumulative Contract Change Order – Metrolink Parking Lot Expansion Project

Robert Eisenbeisz, Public Works Director stated yes there are additional funds originally for a second phase. They will have discussions with Omnitrans and SANBAG about using the funds on the station and address the ADA around the station.

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Council Member Scott stated that is probably a great idea but he had the opportunity to ride the Metrolink and the condition of the station is deplorable. The restrooms are deplorable and no one wants to sit on the benches. He wants to know when they are going to start keeping that station clean and respectable.

Has the one bus stop been removed?

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Mr. Eisenbeisz stated that there still some items the contractor has to complete. They are looking to get paid for the stuff already done. They know there have some punch list items.

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Council Member Scott asked for a report on what they are going to do about the condition of the Metrolink station.

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Mayor Pro Tem Baca Jr. stated that he concurs with Council Member Scott about the condition of the Metrolink. Also when they give direction on certain projects, he feels they are taking too long and falling behind. They need to complete projects and keep moving forward.

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Mayor Robertson asked for a complete comprehensive report on the status of what they are going to do and the fact they are going to expand it. Also, she knows there was a plan with SANBAG for double tracking. It's sad to hear they fell from number one station that people admired to the bottom. They will need to know what the schedule is for the expansion at the next EDC.

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Motion by Council Member Scott, second by Mayor Pro Tem Baca Jr. and carried by unanimous vote to Approve Contract Change Order No. 5 in the Amount of \$22,599.38 for a Cumulative Contract Change Order Amount of \$75,235.69 for the Metrolink Parking Lot Expansion Project, City Project 120808, and Authorize the City Administrator or his Designee to Execute Contract Change Order No. 5.

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TAB 3 - Contract Change Order No. 4 - Storm Drainage Improvement Project, City Project 130801

Hector Gonzales, Public Works, presented the staff report regarding Contract Change Order No. 4 for the San Bernardino Avenue, Riverside Avenue and Willow Avenue Street and Storm Drainage Improvement Project, City Project 130801.

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Council Member Scott asked what was the current status of Riverside Avenue between San Bernardino and Valley and between Riverside and Cactus. It seems the project has been sitting there for weeks now with nobody working.

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Robert Eisenbeisz, Public Works Director stated that the contractor completed the improvements and put in temporary striping so the roads can be used. The final cap is waiting for all the utility cuts that will happen with the parcels on the outer edge. They are ahead of schedule for the Walmart.

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Council Member Scott asked if there some grounding down of some existing pavement, not just capping it. Who coordinated this that utility cuts didn't get done in a timely manner to coincide with paving. This project has been under construction for a while. The dates on the sign are not even valid anymore.

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Mr. Eisenbeisz stated that the developer runs on a different timeline. They were not on the same timeline as Walmart. They have been through the plan check and map process but they didn't start at the same time Walmart started.

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Council Member Scott stated that this sounds like a situation again where they have Willdan as project manager and the project is not being managed. There are some areas that have not been worked on for weeks or more. They look terrible compared to other cities, they need to figure out what is wrong in the City that they can't get these projects done. If it's Willdan, then it's time to get rid of Willdan.

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Mr. Eisenbeisz stated they are ready to go but they don't want them to finish and then have the other developer come in and make cuts.

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Council Member Scott stated that there are new signal lights at Acacia and Baseline. There are is no management on these projects and no coordination. He has done this kind of work all his life and he doesn't understand how they start a project and then they sit for weeks waiting for utility cuts.

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TAB 3 - Contract Change Order No. 4 - Storm Drainage Improvement Project, City Project 130801

Council Member Palmer commended them for waiting to put the cap on because for years he was amazed at the fact that they work on Riverside Avenue to pave it and then two weeks later someone comes and cuts into it. He understands that Walmart is working on one schedule and it's probably a developer issue because they are at the mercy of the other pads that are going up.

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Mr. Eisenbeisz stated that it had to do with some timing issues with Walmart and transferring ownership.

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Robb Steel, Development Services Director stated that Walmart is responsible for giving the out parcels to Jay Marconi's group, they delayed it.

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Council Member Scott stated that they were there complaining that they were not allowed to move fast enough on the street.

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Mr. Steel stated that he remembered that they were complaining, but Walmart didn't convey the parcels to Newmark Merrill until mid-September.

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Mr. Eisenbeisz stated so that conveyance didn't happen. The outer parcel developer couldn't start until that conveyance occurred. They are trying to make sure that they don't come back and cut in pavement. Fortunately the contractor has been very cooperative with them.

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Mayor Robertson stated that it seems they are holding off on one thing or another. Do they have everything that actually needs to be accomplished in this project? Or is there anything else. The balance of \$19,000 in the construction budget is not a lot.

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Mr. Eisenbeisz stated there are no outstanding issues. This is an add-on to do the cap all at the same time after grinding that existing pavement. There is going to be some concrete work in advance of that.

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Mr. Steel stated that Walmart will pay for a portion of this work, so they work the reimbursement into the budget.

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TAB 3 - Contract Change Order No. 4 - Storm Drainage Improvement Project, City Project 130801

Mayor Robertson stated then he only issue is that the contractor Match has not pressed the issue about being held up or delayed. Soon there will be a climate issue and further delay. Who will end up paying for that delay?

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City Administrator Story asked for a weekly update he can provide to City Council each week.

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Motion by Council Member Palmer, second by Council Member Scott and carried by unanimous vote to Authorize the City Administrator to Approve Contract Change Order No. 4 in the amount of \$670,145.30 for the San Bernardino Avenue, Riverside Avenue and Willow Avenue Street and Storm Drainage Improvement Project, City Project 130801.

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TAB 4 - (COPS) Allocation of 2016/2017 Funding

Capt. Wilson presented the staff report regarding the California Citizens Option for Public Safety (COPS) Allocation of 2016/2017 Funding.

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Motion by Council Member Palmer, second by Council Member Scott and carried by unanimous vote to Accept California Citizens Option for Public Safety (COPS) Allocation of 2016/2017 Funding and Adopt Budget Resolution No. 7027 Appropriating Funds in the Amount of \$165,294.

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TAB 5 – LED Conversion of City owned Street Lights

TAB 5 was removed from the Agenda.

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REPORTS

City Council gave their reports.

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ADJOURNMENT

Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to adjourn the City Council meeting at 6:52 p.m. in memory of:

**Mr. Eric Albert Arrington
and
Mr. Lorenzo H. Mills**

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MAYOR DEBORAH ROBERTSON

ATTEST:

CITY CLERK BARBARA A. McGEE



Legislation Details (With Text)

File #: 16-749 Version: 2 Name: D.1
 Type: Public Hearing Status: Agenda Ready
 File created: 10/31/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Set a Public Hearing for December 13, 2016 to Consider Adopting a Resolution to Modify the Optional Square Footage Method for Calculating Business License Taxes on Distribution Centers from \$0.050 per square foot to \$0.075 per square foot.

Sponsors:

Indexes:

Code sections:

- Attachments: [Exhibit A - Ordinance 955](#)
[Exhibit B - Resolution 2893](#)
[Exhibit C - Ordinance 983](#)
[Exhibit D - Ordinance 1009](#)
[Exhibit E - Resolution 4076](#)
[Exhibit F - Ordinance 1378](#)
[Exhibit G - Staff Report and Resoultion 5280](#)
[NOTICE OF PUBLIC HEARING- Bus License Tax on DC](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb Steel, Assistant CA/Development Services Director

Request City Council to Set a Public Hearing for December 13, 2016 to Consider Adopting a Resolution to Modify the Optional Square Footage Method for Calculating Business License Taxes on Distribution Centers from \$0.050 per square foot to \$0.075 per square foot.

BACKGROUND:

On April 1, 1986, the City adopted Ordinance No. 955 (**Exhibit A**) amending and updating certain portions of Chapter 5 of the Rialto Municipal Code (RMC) related to Business Licenses and Regulations. Ordinance No. 955, amongst other things, amended and established certain definitions, including the definition of "gross receipts" for calculating business license taxes. Additionally, Ordinance 955 amended Section 5.04.060 to provide the City Council with the right to establish and/or change the business classifications and rates by Resolution. On April 1, 1986, the City Council also adopted Resolution No. 2893 (Exhibit B), which established various business classifications and the effective tax rates the businesses based upon the gross receipts methodology.

On November 3, 1986, the City adopted Ordinance No. 983 (Exhibit C), which completely replaced Chapter 5 of the RMC related to *Business Licenses and Regulations*. Ordinance No. 983 also permitted the City Council to periodically modify business classifications and business license tax rates by adoption of a resolution, as follows:

5.04.060 - Council Action.

For businesses whose license tax is to be determined by gross receipts pursuant to the provisions of this chapter, the city council shall be resolution establish both the classifications for the various businesses, as well as the schedule for the annual amount payable to the city. The classifications and schedules as established by the city council may be changed from time to time by resolution of the city council. (Ord. 955 (part), 1986: Ord. 727 (part), 1977: Ord. 640 §1, 1973: Ord. 617 §1, 1972: 1965 code Title V, Ch. 1, §1(B.4)). 1234

On November 4, 1986, California voters approved Proposition 62. Proposition 62 required that all new taxes or tax increases to be submitted to the voters for approval. In 1991, the Courts initially declared Proposition 62's voter approval requirement unconstitutional; however, in 1995 the judiciary determined that Prop 62 satisfied constitutional requirements. Because the City had adopted Ordinance No. 955 and No. 983 prior to passage of Proposition 62, the City never submitted the City's Business License Tax (Chapter 5 of RMC) for voter approval after the Courts deemed it constitutional in 1995.

On October 20, 1987, the City Council adopted Ordinance 1009 (Exhibit D) which amended Chapter 5 of the RMC to include Chapter 5.14, related to Warehouses. Chapter 5.14 also contained a definition of a Warehouse, as follows:

"Warehouse" means and includes "any enclosed place used strictly for the storage of materials, supplies and similar items used in conjunction with a business whose principle business address is at a different location in the City."

Ordinance 1009 also established a Warehouse as a new business classification or category and established a Business License tax rate of \$50.00, for both regulatory and revenue purposes.

On November 15, 1994, the City adopted Resolution No. 4076 (**Exhibit E**), which modified Resolution No. 2893 that originally established the business license tax rates based upon the gross receipts of the business. Resolution 4076 created new business classifications and for the first time listed "distribution centers" as a business type and established that "*gross receipts*" for distribution facilities was to be based upon the "value of the inventory shipped annually" (emphasis added).

On November 1, 2005, the City Council adopted Ordinance No. 1378 (**Exhibit F**), which amended Section 5.14.010 and Section 5.14.020 of the RMC and consolidated them into a new Section 5.14.01 - Definitions, which created specific definitions for various types of businesses, including Manufacturers, Retail Merchants (food and non-food), Service Businesses, Wholesalers, and Distribution Facilities, as noted below:

"Distribution Facility" means and includes "any person, firm or corporation that conducts, manages, or carries on a business consisting principally of warehousing and/or distribution activities for any product or component, including but not limited to goods, wares, consumer products, materials or merchandise."

On November 1, 2005, the City Council also adopted Resolution No. 5280, approving an alternative method of calculating the Business License Fee for Distribution Centers based upon the gross square footage of the building methodology. A copy of the November 1, 2015 staff report and Resolution 5280 are attached hereto as Exhibit G. Prior to the adoption of Resolution 5280, the City calculated business license taxes for distribution centers using a gross receipts method, (i.e., based upon the value of inventory shipped annually).

On July 22, 2015, staff presented a proposed increase in the optional building square footage method of calculating the business license fee for distribution centers to the City's Economic Development Committee (EDC) - raising it from \$0.050 per square foot to \$0.075 per square foot. The EDC recommended that the City Council consider increasing the optional square footage method of calculating business license fees on distribution Centers from \$0.050 per square foot to \$0.075 per square foot, subject to the review and determination of the City Attorney.

The City Attorney reviewed all relevant information including all relevant Ordinance and Resolutions to determine if the proposed increase in the optional methodology to calculate the business license tax on distribution centers would be a tax increase and therefore subject to voter approval. The City Attorney opined that because this assessment methodology was "optional," a business could choose this or the other assessment methodology to calculate and pay the business license tax. Because the business could voluntarily choose the most advantageous method, the City Attorney opined that the proposed increase in the optional per square foot methodology should not result in a higher fee and therefore would not likely be a tax increase subject to voter approval.

On November 18, 2015, the EDC again discussed the proposed increase to the optional square footage method of calculating business license tax on Distribution Centers from \$0.050 per square foot to \$0.075 per square foot. The EDC recommended that the City Council approve the proposed increase in the optional per square foot methodology from \$0.050 per square foot to \$0.075 per square foot. The EDC further recommended that the City Council consider allocating revenues derived from the distribution centers into a special fund earmarked for roadway maintenance in the City.

ANALYSIS/DISCUSSION:

Most cities currently use the gross receipts or cost of inventory method to assess business licenses on most business, including wholesalers, warehouses, and distribution centers. The following cities in the region assess distribution centers on a per square footage basis:

Fontana	\$0.075 psf
Rialto	\$0.050 psf
Redlands	\$0.050 psf
Ontario	\$0.020 psf

Fontana, which is the highest amongst the cities surveyed at \$0.075, established its fee in 2000 and has not made any subsequent changes or increases to that rate. The City of Redlands established its business license tax by a vote of the people on November 6, 2007.

Based upon Fontana's rate of \$0.075 per square foot, the City of Rialto could raise the optional methodology of calculating the business license tax due from the existing \$0.050 per square foot to

\$0.075 and remain competitive with the City of Fontana.

Because the gross receipts/value of inventory method is difficult to verify and administer, the City Council established the optional square footage methodology, which simplifies the assessment and collection of business license fees on distribution centers. The per square footage methodology also eliminates any business from reporting potentially sensitive information regarding its business operations. Since adopting this alternative method, the majority of distribution centers have opted to use the square footage methodology for calculating its business license tax.

Public Hearing:

The City Council must hold a noticed public hearing prior to considering the proposed increase to the option square footage methodology for calculating the business license tax on distribution centers in the City. Notice of the Public Hearing (Exhibit H) shall be published at least 10 days prior to the date of the public hearing.

ENVIRONMENTAL IMPACT:

The action to approve an increase in the optional method of calculating the business license fee on distribution centers is an administrative or fiscal activity of the City Council that will not result in direct or indirect physical changes in the environment and is not deemed to be a Project under the California Environmental Quality Act (CEQA) Pursuant to Section 15378 of CEQA.

A 'Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, such as: (1) Government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, or (2) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

The City of Rialto has identified several goals and objectives within the City's recently adopted General Plan through which the City looks to improve the community. The proposed action to acquire right-of-way is consistent with the following goals and objectives contained in the General Plan:

Goal 3-1: Strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

Increasing the optional per square footage rate for calculating the business license tax on distribution centers from \$0.050 per square foot to \$0.075 per square foot will likely result in an increase in business license revenues for the City. However, the proposed increase may result in some distribution centers opting back to the gross receipts (value of inventory) methodology to calculate its business license tax, if that method produces a lower effective business license tax.

RECOMMENDATION:

Staff recommends the City Council Set a Public Hearing for December 13, 2016 to Consider Adopting a Resolution to Modify the Optional Square Footage Method for Calculating Business License on Distribution Centers from \$0.050 per square foot to \$0.075 per square foot.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, STATE OF CALIFORNIA, AMENDING A PORTION OF TITLE 5 OF THE RIALTO MUNICIPAL CODE DEALING WITH BUSINESS LICENSE taxes BASED UPON GROSS RECEIPTS.

The City Council of the City of Rialto, State of California, hereby ordains as follows:

Section 5.04.020 of the Rialto Municipal Code is amended to read:

5.04.020 Definitions. For the purposes of this chapter, unless otherwise apparent from the context, certain words and phrases used in this chapter are defined as follows:

A. "Business" shall mean and include professions, trades, occupations, and all and every kind of calling, whether or not carried on for profit.

B. "City" shall mean the City of Rialto, a municipal corporation of the State, in its present incorporated form or in any later reorganized, consolidated, enlarged, or reincorporated form.

C. "Collector" shall mean the City Clerk or other City official charged by the City Administrator with the administration of the provisions hereof.

D. "Gross receipts" shall mean and include the total of amounts actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, or whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of, or in connection with the sale of material, goods, wares, or merchandise. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from 'gross receipts' shall be the

	DATE	OPERATOR
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1 following:

- 2 1. Cash discounts allowed and taken on sales;
- 3 2. Credit allowed on property accepted as part of the purchase
- 4 price and which property may later be sold;
- 5 3. Any tax required by law to be included in, or added to, the
- 6 purchase price and collected from the consumer or purchaser;
- 7 4. Such part of the sale price of property returned by purchasers
- 8 upon rescission of the contract of sale as is refunded, either in cash or by
- 9 credit;
- 10 5. Amounts collected for others where the business is acting as
- 11 an agent or trustee to the extent that such amounts are paid to the persons for
- 12 whom collected provided the agent or trustee has furnished the Collector with
- 13 the names and addresses of such other persons and amounts paid to them;
- 14 6. Receipts of refundable deposits, except that refundable
- 15 deposits forfeited and taken into the income of the business shall not be
- 16 excluded;
- 17 7. As to property management, the gross receipts involving three
- 18 (3) or less residential units and a lessor of only one commercial rental unit;
- 19 8. As to a retail gasoline dealer, a portion of his receipts from
- 20 the sale of motor vehicle fuels equal to the motor vehicle fuel license taxes
- 21 imposed by, and previously paid pursuant to, the provisions of Part 2 of
- 22 Division 2 of the Revenue and Taxation Code of the State;
- 23 9. As to a retail gasoline dealer, the special motor fuel taxes
- 24 imposed by the provisions of Section 4041 of Title 26 of the United States
- 25 Code if paid by the dealer or collected by him from the consumer or purchaser;
- 26 and
- 27 10. Uncollectable chargeoffs.
- 28

///

1 E. "Person" shall mean and include all domestic and foreign
2 corporations, associations, syndicates, joint stock corporations, partnerships
3 of every kind, clubs, businesses, common law trusts, societies, and individuals
4 transacting and carrying on any business in the City other than as an employee.

5 F. "Sale" shall mean and include the transfer, in any manner or by any
6 means whatsoever, of title to property for a consideration of any property; and
7 a transaction whereby the possession of property is transferred and the seller
8 retains the title as security for the payment of the price. Such definition shall
9 not be deemed to exclude any transaction which is or which, in effect, results
10 in a sale within the contemplation of law.

11 G. "Sworn statement" shall mean an affidavit sworn to before a person
12 authorized to take oaths, or a declaration or certification made under penalty
13 of perjury."

14 Section 5.04.025 is added to the Rialto Municipal Code:

15 **5.04.025 Licenses -- application forms.** Upon making
16 application for the first license to be issued pursuant to the provisions of this
17 chapter or for a newly established business, the applicant shall furnish to the
18 Collector, an application furnished by the City setting forth the following
19 information:

20 A. The exact nature or kind of business for which a license is
21 requested.

22 B. The place where such business is to be carried on, and if the
23 business is not to be carried on at any permanent place of business, the place
24 of residence of the owner of such business.

25 C. In the event the application is made for the issuance of a license to
26 a person doing business under a fictitious name, the name and place of
27 residence of the person owning the business.

28 / / /

1 D. In the event the application is made for the issuance of a license to
2 a corporation or a partnership, the names and places of residence of the
3 officers or partners thereof.

4 E. In all cases where the amount of the license tax to be paid is
5 measured by gross receipts, such information as may be required and as may be
6 necessary to determine the amount of the license tax to be paid by the
7 applicant.

8 F. Further information which the Collector may reasonably require to
9 enable him to issue the type of license applied for."

10 Section 5.04.030 of the Rialto Municipal Code is amended to read:

11 **"5.04.030 Licenses -- issuance and estimate of gross**
12 **receipts.** If the amount of the license tax to be paid by the applicant is
13 measured by gross receipts, such applicant shall, within thirty (30) days after
14 the expiration of the period for which such license was issued, furnish the
15 Collector with a sworn statement, upon a form furnished by the Collector,
16 showing the gross receipts during the period of such license, and the license
17 tax for such period shall be finally ascertained and paid in the manner provided
18 in this chapter for the ascertaining and paying of renewal license taxes for
19 other businesses. In the first year of the operation of this Chapter, or in the
20 first year reported by a newly formed business, there shall be an estimate of
21 such gross receipts, which amounts shall be adjusted as reflected in the actual
22 receipts, in the manner prescribed above, in the next succeeding year."

23 Section 5.04.035 is added to the Rialto Municipal Code:

24 **"5.04.035 Licenses: gross receipts -- renewal.** If the amount
25 of the license tax to be paid by the applicant is measured by gross receipts, the
26 applicant for the renewal license required by the provisions of this chapter
27 shall submit to the Collector for his guidance in ascertaining the amount of the
28 license tax to be paid by the applicant, a sworn statement, upon a form to be

1 provided by the Collector, setting forth such information concerning the
2 applicant's business during the preceeding year as may be required by the
3 Collector to enable him to ascertain the amount of the license tax to be paid by
4 such applicant."

5 Section 5.04.040 of the Rialto Municipal Code is amended to read:

6 **"5.04.040 Determination of tax; hearings.** A. Determination of
7 tax -- If the Collector is not satisfied with the information furnished him, he
8 may determine and fix the amount of the license tax due by other means.
9 Thereupon he shall give notice thereof personally (or by certified mail
10 addressed to the last known address) to the person so assessed.

11 B. Right of Appeal -- Any person aggrieved by such determination, or
12 by any other written decision of the Collector, or his refusal to issue a license,
13 may appeal therefrom.

14 C. Time and Manner of Appeal -- Appeals shall be taken by filing a
15 written notice of appeal with the City Clerk within thirty (30) days of the act
16 which is appealed. Said notice shall specify the name and address of the person
17 making the appeal, the act appealed from, the representative of the City who
18 did the act, the date of the act and the date appellant learned of the act.

19 D. Hearing of the Appeal -- The City Clerk shall refer the appeal to the
20 Council at it next regular meeting after the filing of the notice of appeal. The
21 Council shall fix a date of hearing of the appeal not less than fifteen (15) nor
22 more than sixty (60) days thereafter. The City Clerk shall give notice to the
23 appellant of the hearing. At the hearing the Council shall consider all evidence
24 submitted and then shall determine the issues specified in the notice of appeal.
25 Written notice of such determination shall be mailed by the City Clerk to the
26 appellant."

27 / / /

28 / / /

1 Section 5.04.045 is added to the Rialto Municipal Code:

2 **5.04.045 Statements and records -- inspection and verifi-**
3 **cation.** The statements required by the provisions of this chapter and each of
4 the several items therein contained shall be subject to inspection and
5 verification by the Collector, his deputies, or authorized employees of the City
6 who hereby are authorized to examine and inspect such books and records of any
7 licensee or applicant for a license as may be necessary, in the judgment of such
8 Collector, deputies, or authorized employees, to verify or ascertain the amount
9 of license tax due; provided, however, such inspection and verification shall be
10 limited to those books and records necessary to establish gross receipts. A
11 certificate executed by a certified public accountant licensed by the State
12 shall establish a rebuttable presumption that the gross receipts of such
13 licensee are as stated in the statements required by the provisions of this
14 chapter.

15 All persons subject to the provisions of this chapter shall keep
16 complete records of business transactions, including sales, receipts, and
17 purchases, and shall retain all such records for examination by the Collector.
18 Such records shall be maintained for a period of at least three (3) years. No
19 person required to keep records pursuant to the provisions of this section shall
20 unreasonably refuse to permit authorized representatives of the Collector to
21 examine such records at reasonable times and places."

22 Section 5.04.050 of the Rialto Municipal Code is amended to read:

23 **5.04.050 Information confidential.** It shall be unlawful for the
24 Collector or any person having an administrative duty pursuant to the
25 provisions of this chapter to make known in any manner whatever the business
26 affairs, operations, or information obtained by an investigation of the records
27 and equipment of any person required to obtain a license or pay a license tax, or
28 any other person visited or examined in the discharge of an official duty, or

1 the amount or source of income, profits, losses, expenditures, or any particular
2 thereof, set forth in any statement or application, or to permit any statement
3 or application, or copy of either, or any book containing any abstract or
4 particulars thereof to be seen or examined by any person; provided, however,
5 the provisions of this section shall not be construed to prevent:

6 A. The disclosure to, or the examination of records and equipment by,
7 another City official, employee, or agent for the collection of taxes or for the
8 sole purpose of administering or enforcing any provisions hereof or collecting
9 taxes imposed by the provisions hereof;

10 B. The disclosure of information to, or the examination of records by,
11 Federal or State officials, or the tax officials of another city or county if a
12 reciprocal arrangement exists, or to a grand jury or court of law upon subpoena;

13 C. The disclosure of information and results of the examination of
14 records of particular applicants or licensees, or relating to particular
15 applicants or licensees, to a court of law in a proceeding brought to determine
16 the existence or amount of any license tax liability of the particular taxpayers
17 to the City;

18 D. The disclosure, after the filing of a written request to such effect,
19 to the applicant or licensee himself or to his successors, receivers, trustees,
20 executors, administrators, assignees, and guarantors, if directly interested, or
21 information relating to the items included in the measure of any paid tax or any
22 unpaid tax or amounts of tax required to be collected, including interest and
23 penalties; provided, however, the City Attorney shall approve each such
24 disclosure;

25 E. The disclosure of the names and addresses of persons to whom
26 licenses have been issued and the general type or nature of their business;

27 F. The disclosure by way of public meeting, or otherwise, of such
28 information as may be necessary to the Council in order to permit it to be fully

1 advised of the facts when an applicant or licensee files a claim for refund of
2 licensee taxes, or submits an offer of compromise with regard to a claim
3 asserted against him by the City for license taxes, or when acting upon any
4 other matter; and

5 G. The disclosure of general statistics regarding taxes collected or
6 business done in the City."

7 Section 5.04.055 is added to the Rialto Municipal Code:

8 **"5.04.055 Constitutional apportionment.** None of the license
9 taxes provided for by this chapter shall be so applied as to occasion an undue
10 burden upon interstate commerce or be violative of the equal protection and due
11 process clauses of the Constitutions of the United States and of the State of
12 California.

13 In any case where a license tax is believed by a licensee or applicant
14 for a license to place an undue burden upon interstate commerce or be violative
15 of such constitutional clauses, he may apply to the Collector for an adjustment
16 of the tax. Such application may be made, before, at, or within six months
17 after payment of the prescribed license tax. The applicant shall, by sworn
18 statement and supporting testimony, show his method of business and the gross
19 volume or estimated gross volume of business and such other information as
20 the Collector may deem necessary in order to determine the extent, if any, of
21 such undue burden or violation. The Collector shall then conduct an
22 investigation, and, after having first obtained the written approval of the City
23 Attorney, shall fix as the license tax for the applicant, an amount that is
24 reasonable and nondiscriminatory, or if the license tax has already been paid,
25 shall order a refund of the amount over and above the license tax so fixed. In
26 fixing the license tax to be charged, the Collector shall have the power to base
27 the license tax upon a percentage of gross receipts or any other measure which
28 will assure that the license tax assessed shall be uniform with that assessed

1 on businesses of like nature, so long as the amount assessed does not exceed
2 the license tax prescribed by this chapter.

3 Should the Collector determine the gross receipts measure of license
4 tax to be the proper basis, he may require the applicant to submit, either at the
5 time or termination of applicant's business in the City, or at the end of each
6 three month period, a sworn statement of the gross receipts and pay the
7 amount of license tax thereof, provided that no additional license tax during
8 any one calendar year shall be required after the licensee shall have paid an
9 amount equal to the annual license tax as prescribed in this chapter."

10 Section 5.04.060 of the Rialto Municipal Code is amended to read:

11 **"5.04.060 Council action.** For businesses whose license tax is to
12 be determined by gross receipts pursuant to the provisions of this chapter, the
13 city council shall by resolution establish both the classifications for the
14 various businesses, as well as the schedule for the annual amount payable to
15 the City. The classifications and schedules as established by the city council
16 may be changed from time to time by resolution of the city council."

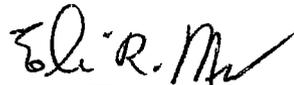
17 Section 5.04.065 is added to the Rialto Municipal Code:

18 **"5.04.065 Statements nonconclusiveness - actions to collect.**

19 No statement required by the provisions of this chapter shall be
20 conclusive as to the matters set forth therein; nor shall the filing of the same
21 preclude the City from collecting by appropriate action such sum as is actually
22 due and payable pursuant to the provisions of this chapter.

23
24 PASSED, APPROVED AND ADOPTED this _____ 1st day of

25 _____ April _____, 1986.

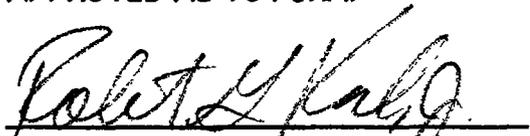
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27 _____
28 ELVIN R. MEEK, Mayor
City of Rialto

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ATTEST:


JOSEPH H. SAMPSON, City Clerk

APPROVED AS TO FORM:


ROBERT G. KOCH, JR., City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
CITY OF RIALTO)

I, JOSEPH H. SAMPSON, City Clerk of the City of Rialto, DO HEREBY CERTIFY that the foregoing Ordinance No. 955 was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the 1st day of April, 1986.

Upon motion of Councilman Sawyer, seconded by Councilman Holland, the foregoing Ordinance No. 955 was duly passed and adopted.

VOTE ON THE MOTION:

AYES: Councilmen: Sawyer, Holland and Mc Clure

NOES: Mayor Meek and Councilman Curtis

ABSENT: None

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this 8th day of April, 1986.


JOSEPH H. SAMPSON, City Clerk

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RESOLUTION NO. 2893

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO, STATE OF CALIFORNIA, ESTABLISHING THE FEES FOR BUSINESS LICENSES BASED UPON GROSS RECEIPTS.

WHEREAS, the City Council of the City of Rialto, State of California, has adopted Ordinance No. 955, amending a portion of Title 5 of the Rialto Municipal Code; and

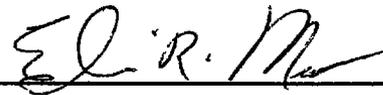
WHEREAS, said Ordinance provides for the payment of business license fees based upon gross receipts; and

WHEREAS, said Ordinance provides for the City Council to establish and/or change the business classifications and rates by resolution; and

WHEREAS, the City Council has reviewed the schedule of business classifications and rates attached hereto.

BE IT THEREFORE RESOLVED by the City Council of the City of Rialto that the initial business classifications and rates for the payment of business license fees based upon gross receipts shall be established as set forth on the attached schedule.

PASSED, APPROVED AND ADOPTED this 1st day of April, 1986.



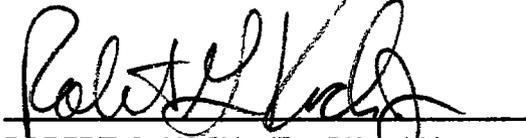
ELVIN R. MEEK, Mayor
City of Rialto

ATTEST:


JOSEPH H. SAMPSON, City Clerk

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Proof	8/15/95	P.R.
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1
2 APPROVED AS TO FORM:

3 
4 ROBERT G. KOCH, JR., City Attorney

5
6 STATE OF CALIFORNIA)
7 COUNTY OF SAN BERNARDINO) ss.
8 CITY OF RIALTO)

9 I, JOSEPH H. SAMPSON, City Clerk of the City of Rialto, DO HEREBY CERTIFY
10 that the foregoing Resolution No. 2893 was duly passed and adopted at a
11 regular meeting of the City Council of the City of Rialto held on the 1st day
12 of April, 1986.

13 Upon motion of Sawyer, seconded by
14 Holland, the foregoing Resolution No. 2893 was duly
15 passed and adopted.

16 VOTE ON THE MOTION:

17 AYES: Councilmen: Sawyer, Holland and Mc Clure

18 NOES: Mayor Meek and Councilman Curtis

19 ABSENT: None

20 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal
21 of the City of Rialto this 8th day of April, 1986.

22 
23 JOSEPH H. SAMPSON, City Clerk
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PROPOSED GROSS RECEIPTS FEE SCHEDULE - IV

Exhibit A

A	B	C	D	E	F	G
PROFESSIONAL SERVICES \$79 + 1% per 1000 over 25,000	SERVICE BUSINESSSES \$79 + .75% per 1000 \$25,000	RETAIL MERCHANT OTHER THAN FOOD \$79 + .00040 of dollar value over 15,000	RETAIL MERCHANT - FOOD \$79 + .0005 of dollar value over 25,000	AUTO SALES, TELEPHONE COMPANIES, WHOLESALE & PETROLEUM WHOLESALEERS (same as "F#")	MANUFACTURERS \$79 or .00025 of gross receipts (within or without the City)	HOTEL, HOTEL, APARTMENTS, OFFICE RENTAL, MOBILE PARK & COMMERCIAL RENTALS

Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee
\$10,000	\$79	\$10,000	\$79	\$15,000	\$79	\$25,000	\$79	\$200,000	\$79	\$15,000	\$79
\$15,000	\$79	\$15,000	\$79	\$25,000	\$83	\$50,000	\$92	\$300,000	\$79	\$20,000	\$79
\$20,000	\$79	\$25,000	\$79	\$50,000	\$93	\$75,000	\$104	\$400,000	\$100	\$25,000	\$79
\$25,000	\$79	\$50,000	\$98	\$75,000	\$103	\$100,000	\$117	\$500,000	\$125	\$30,000	\$79
\$50,000	\$104	\$75,000	\$117	\$100,000	\$113	\$200,000	\$167	\$750,000	\$188	\$35,000	\$79
\$75,000	\$129	\$100,000	\$135	\$125,000	\$123	\$300,000	\$217	\$1,000,000	\$250	\$40,000	\$90
\$100,000	\$154	\$125,000	\$154	\$150,000	\$133	\$400,000	\$267	\$1,500,000	\$375	\$45,000	\$100
\$125,000	\$179	\$150,000	\$173	\$175,000	\$143	\$500,000	\$317	\$2,000,000	\$500	\$50,000	\$110
\$150,000	\$204	\$175,000	\$192	\$200,000	\$153	\$600,000	\$367	\$2,500,000	\$625	\$55,000	\$120
\$175,000	\$229	\$200,000	\$210	\$250,000	\$173	\$700,000	\$417	\$3,000,000	\$750	\$60,000	\$130
\$200,000	\$254	\$225,000	\$229	\$300,000	\$193	\$800,000	\$467	\$3,500,000	\$875	\$65,000	\$140
\$250,000	\$304	\$250,000	\$248	\$350,000	\$213	\$900,000	\$517	\$4,000,000	\$1,000	\$70,000	\$150
\$300,000	\$354	\$275,000	\$267	\$400,000	\$233	\$1,000,000	\$567	\$4,500,000	\$1,125	\$75,000	\$160
\$350,000	\$404	\$300,000	\$285	\$450,000	\$253	\$2,000,000	\$1,067	\$6,000,000	\$1,500	\$80,000	\$170
\$400,000	\$454	\$325,000	\$304	\$500,000	\$273	\$3,000,000	\$1,567	\$7,000,000	\$1,750	\$85,000	\$180
\$450,000	\$504	\$350,000	\$323	\$600,000	\$313	\$4,000,000	\$2,067	\$8,000,000	\$2,000	\$90,000	\$190
\$500,000	\$554	\$375,000	\$342	\$700,000	\$353	\$5,000,000	\$2,567	\$9,000,000	\$2,250	\$95,000	\$200
\$700,000	\$754	\$400,000	\$360	\$800,000	\$393	\$10,000,000	\$3,067	\$10,000,000	\$2,500	\$100,000	\$210
\$850,000	\$904	\$425,000	\$379	\$900,000	\$433	\$15,000,000	\$3,567	\$11,000,000	\$2,750	\$110,000	\$220
\$1,000,000	\$1,054	\$450,000	\$398	\$1,000,000	\$473	\$20,000,000	\$4,067	\$12,000,000	\$3,000	\$150,000	\$235
		\$475,000	\$417	\$1,250,000	\$573			\$13,000,000	\$3,250	\$200,000	\$260
		\$500,000	\$435	\$1,500,000	\$673			\$14,000,000	\$3,500	\$300,000	\$310
		\$550,000	\$473	\$1,750,000	\$773			\$15,000,000	\$3,750	\$400,000	\$360
		\$600,000	\$510	\$2,000,000	\$873			\$16,000,000	\$4,000	\$500,000	\$410
		\$650,000	\$548	\$2,500,000	\$1,073			\$17,000,000	\$4,250	\$750,000	\$535
										\$1,000,000	\$660

ORDINANCE NO. 983

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO,
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AMENDING
THE RIALTO MUNICIPAL CODE BY DELETING TITLE 5, ENTITLED
" BUSINESS LICENSES AND REGULATIONS" AND SUBSTITUTING A
NEW TITLE 5 IN LIEU THEREOF.

TITLE 5

BUSINESS LICENSES AND REGULATIONS

7 Chapters:

- 8 5.04 General Provisions
- 9 5.08 Outdoor Advertising
- 5.12 Dancehalls
- 5.16 Fire, Removal or Close-out Sales
- 10 5.20 Fireworks
- 5.24 Massage Parlors and Massage Technicians
- 11 5.28 Solicitors
- 5.32 Charitable Contributions

- 12 5.40 Taxicabs
- 13 5.44 CATV Systems
- 5.48 Truck Delivery
- 14 5.54 Pawnbrokers and Secondhand Dealers
- 5.55 Psychic Activities
- 15 5.56 Contractor's License
- 5.58 Entertainment in Food or Refreshment Establishments
- 16 5.64 Bingo Games
- 5.66 Burglary, Robbery and Fire Alarm Systems
- 17 5.68 Home Occupations
- 5.70 Hotel, Motel, Rooming, Lodging, Boarding, Apartments,
18 Ministorage, Office Rental or Commercial and Industrial
Property

Chapter 5.04

GENERAL PROVISIONS

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22 Sections:

- 23 5.04.010 Required - Payment period.
- 5.04.020 Definitions
- 24 5.04.025 Licenses - Application forms.
- 5.04.030 Licenses - Issuance and estimate of gross receipts.
- 25 5.04.035 Licenses - Gross receipts - Renewal
- 5.04.040 Determination of tax - Hearings
- 26 5.04.045 Statements and records - Inspection and verification
- 5.04.050 Information confidential.
- 27 5.04.055 Constitutional appointment.
- 5.04.060 Council action.
- 28 5.04.065 Statements nonconclusive- Actions to collect.

1	5.04.070	Businesses paying franchise fee.
	5.04.090	Temporary auctioneers.
2	5.04.100	Shooting galleries.
	5.04.110	Handbill distributors.
3	5.04.120	Itinerant merchants.
	5.04.130	Amusement machines.
4	5.04.135	Amusement machines - Payment of license fees.
	5.04.140	Shows.
5	5.04.150	Vending machines - Based on annual gross receipts
	5.04.160	Vending machines - Certified statement required.
6	5.04.170	Delinquency penalty.
	5.04.180	Businesses established in city during calendar year.
7	5.04.200	Nontransferability - No rebates.
	5.04.220	Certificate of occupancy.
8	5.04.240	Chapter exclusions.
	5.04.250	Fee deemed debt to city.
9	5.04.260	Operating without license - Prohibited.
	5.04.270	License required for each place of business.
10	5.04.280	To correct error.

11 5.04.010 Required - Payment period. In the exercise, where applicable, of the
12 city police powers and, in all other cases for the purpose of revenue, each and every kind
13 of business or profession transacted and carried on within the city limits including shows,
14 exhibitions and lawful games carried on therein, is required to be licensed and the license
15 fee is at the following rates designated in this chapter, annually payable between January
16 1st and 31st of each calendar year unless otherwise fixed herein. (Ord. 727 (part), 1977:
17 1965 code Title V, Ch. 1, §1(part)).

15 5.04.020 Definitions. For the purposes of this chapter, unless otherwise apparent
16 from the context, certain words and phrases used in this chapter are defined as follows:

16 A. "Business" means and includes professions, trades, occupations, and all and
17 every kind of calling, whether or not carried on for profit.

17 B. "City" means the city of Rialto, a municipal corporation of the state, in its present
18 incorporated form or in any later reorganized, consolidated, enlarged or reincorporated
19 form.

19 C. "Collector" means the city clerk or other city official charged by the city ad-
20 ministrator with the administration of the provisions hereof.

20 D. "Gross receipts" means and includes the total of amount actually received or
21 receivable from sales and the total amounts actually received or receivable for the perfor-
22 mance of any act or service, or whatever nature it may be, for which a charge is made or
23 credit allowed, whether or not such act or service is done as a part of, or in connection
24 with the sale of material, goods, wares or merchandise. Included in "gross receipts" shall be
25 all receipts, cash, credits, and property of any kind or nature, without any deductions there-
26 from on account of the cost of the property sold, the cost of materials used, labor or ser-
27 vices costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from
28 "gross receipts" shall be the following:

24 1. Cash discounts allowed and taken on sales;

25 2. Credit allowed on property accepted as part of the purchase price and which
26 property may later be sold;

26 3. Any tax required by law to be included in, or added to, the purchase price and
27 collected from the consumer or purchaser;

27 4. Such part of the sale price of property returned by purchasers upon rescission of
28 the contract of sale as is refunded, either in cash or by credit;

28 5. Amounts collected for others where the business is acting as an agent or trustee
to the extent that such amounts are paid to the persons for whom collected, provided the

1 agent or trustee has furnished the collector with the names and addresses of such other persons and amounts paid to them;

2 6. Receipts of refundable deposits, except that refundable deposits forfeited and taken into the income of the business shall not be excluded;

3 7. As to property management, the gross receipts involving three or less residential units and a lessor of only one commercial rental unit;

4 8. As to a retail gasoline dealer, a portion of his receipts from the sale of motor vehicle fuels equal to the motor vehicle fuel license taxes imposed by, and previously paid pursuant to, the provisions of Part 2 of Division 2 of the Revenue and Taxation Code of the state;

6 9. As to a retail gasoline dealer, the special motor fuel taxes imposed by the provisions of Section 4041 of Title 26 of the United States Code if paid by the dealer or collected by him from the consumer or purchaser; and

7 10. Uncollectable chargeoffs.

8 E. "Person" means and includes all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, businesses, common law trusts, societies, and individuals transacting and carrying on any business in the city other than as an employee.

10 F. "Sale" means and includes the transfer, in any manner or by any means whatsoever, of title to property for a consideration of any property; and a transaction whereby the possession of property is transferred and the seller retains the title as security for the payment of the price. Such definition shall not be deemed to exclude any transaction which is or which, in effect, results in a sale within the contemplation of law.

12 G. "Sworn statement" means an affidavit sworn to before a person authorized to take oaths, or a declaration or certification made under penalty of perjury. (Ord. 955 (part), 1986: Ord. 727 (part), 1977: Ord. 611 §1, 1971: 1965 code Title V, Ch. 1 §1(A)).

14 5.04.025 Licenses - Application forms. Upon making application for the first license to be issued pursuant to the provisions of this chapter or for a newly established business, the applicant shall furnish to the collector, an application furnished by the city setting forth the following information:

15 A. The exact nature or kind of business for which a license is requested;

16 B. The place where such business is to be carried on, and if the business is not to be carried on at any permanent place of business, the place of residence of the owner of such business;

17 C. In the event the application is made for the issuance of a license to a person doing business under a fictitious name, the name and place of residence of the person owning the business;

18 D. In the event the application is made for the issuance of a license to a corporation or a partnership, the names and places of residences of the officers or partners thereof;

19 E. In all cases where the amount of the license tax to be paid is measured by gross receipts, such information as may be required and as may be necessary to determine the amount of the license tax to be paid by the applicant;

20 F. Further information which the collector may reasonably require to enable him to issue the type of license applied for. (Ord. 955 (part), 1986).

21 5.04.030 Licenses - Issuance and estimate of gross receipts. If the amount of the license tax to be paid by the applicant is measured by gross receipts, such applicant shall, within thirty days after the expiration of the period for which such license was issued, furnish the collector with a sworn statement, upon a form furnished by the collector, showing the gross receipts during the period of such license, and the license tax for such period shall be finally ascertained and paid in the manner provided in this chapter for the ascertaining and paying of renewal license taxes for other businesses. In the first year of the operation of this chapter, or in the first year reported by a newly formed business, there shall be an estimate of such gross receipts, which amounts shall be adjusted as reflected in the actual

1 receipts, in the manner prescribed above, in the next succeeding year. (Ord. 955 (part), 1986:
2 Ord. 727 (part), 1977: Ord. 611 §2, 1971: 1965 code Title V, Ch. 1, §1(B)).

3 5.04.035 Licenses - Gross receipts - Renewal. If the amount of the license tax
4 to be paid by the applicant is measured by gross receipts, the applicant for the renewal li-
5 cense required by the provisions of this chapter shall submit to the collector for his guidance
6 in ascertaining the amount of the license tax to be paid by the applicant, a sworn statement,
7 upon a form to be provided by the collector, setting forth such information concerning the
8 applicant's business during the preceeding year as may be required by the collector to enable
9 him to ascertain the amount of the license tax to be paid by such applicant. (Ord. 955 (part),
10 1986).

11 5.04.040 Determination of tax - Hearings. A. Determination of Tax. If the
12 collector is not satisfied with the information furnished him, he may determine and fix the
13 amount of the license tax due by other means. Thereupon, he shall give notice thereof per-
14 sonally (or by certified mail addressed to the last known address) to the person so assessed.

15 B. Right of Appeal. Any person aggrieved by such determination, or by any
16 other decision of the collector, or his refusal to issue a license, may appeal therefrom.

17 C. Time and Manner of Appeal. Appeals shall be taken by filing a written notice
18 of appeal with the city clerk within thirty days of the act which is appealed. Said notice
19 shall specify the name and address of the person making the appeal, the act appealed from,
20 the representative of the city who did the act, the date of the act and the date appellant
21 learned of the act.

22 D. Hearing of the Appeal. The city clerk shall refer the appeal to the council
23 at its next regular meeting after the filing of the notice of appeal. The council shall fix a
24 date of hearing of the appeal not less than fifteen nor more than sixty days thereafter. The
25 city clerk shall give notice to the appellant of the hearing. At the hearing the council shall
26 consider all evidence submitted and then shall determine the issues specified in the notice
27 of appeal. Written notice of such determination shall be mailed by the city clerk to the ap-
28 pellant. (Ord. 955 (part), 1986: Ord. 727 (part), 1977: Ord. 611 §3, 1971: 1965 code Title V,
Ch. 1, §1(B.1)).

1 5.04.045 Statements and records - Inspection and verification. A. The state-
2 ments required by the provisions of this chapter and each of the several items therein con-
3 tained shall be subject to inspection and verification by the collector, his deputies, or autho-
4 rized employees of the city who are authorized to examine and inspect such books and records
5 of any licensee or applicant for a license as may be necessary, in the judgment of such collec-
6 tor, deputies or authorized employees, to verify or ascertain the amount of license tax due;
7 provided, however, such inspection and verification shall be limited to those books and records
8 necessary to establish gross receipts. A certificate executed by a certified public accountant
9 licensed by the state shall establish a rebuttable presumption that the gross receipts of such
10 licensee are as stated in the statements required by the provisions of this chapter.

11 B. All persons subject to the provisions of this chapter shall keep complete re-
12 cords of business transactions, including sales, receipts, and purchases, and shall retain all
13 such records for examination by the collector. Such records shall be maintained for a period
14 of at least three years. No person required to keep records pursuant to the provisions of this
15 section shall unreasonably refuse to permit authorized representatives of the collector to ex-
16 amine such records at reasonable times and places. (Ord. 955 (part), 1986).

17 5.04.050 Information confidential. It shall be unlawful for the collector or any
18 person having an administrative duty pursuant to the provisions of this chapter to make known
19 in any manner whatever the business affairs, operations or information obtained by an inves-
20 tigation of the records and equipment of any person required to obtain a license or pay a li-
21 cense tax, or any other person visited or examined in the discharge of an official duty, or the
22 amount or source of income, profits, losses, expenditures, or any particular thereof, set forth
23 in any statement or application, or to permit any statement or application, or copy of either,
24

1 or any book containing any abstract or particulars thereof to be seen or examined by any person; provided, however, the provisions of this section shall not be construed to prevent:

2 A. The disclosure to, or the examination of records and equipment by, another
3 city official, employee, or agent for the collection of taxes or for the sole purpose of administering or enforcing any provisions of this chapter or collecting taxes imposed by the provisions of this chapter;

4 B. The disclosure of information to, or the examination of records by, federal
5 or state officials, or the tax officials of another city or county if a reciprocal arrangement exists, or to a grand jury or court of law upon subpoena;

6 C. The disclosure of information and results of the examination of records of
7 particular applicants or licensees, or relating to particular applicants or licensees, to a court of law in a proceeding brought to determine the existence or amount of any license tax liability of the particular taxpayers to the city;

8 D. The disclosure, after the filing of a written request to such effect, to the
9 applicant or licensee himself or to his successors, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, or information relating to the items included in the measure of any paid tax or any unpaid tax or amounts of tax required to be collected, including interest and penalties; provided, however, the city attorney shall approve
10 each such disclosure;

11 E. The disclosure of the names and addresses of persons to whom licenses have
12 been issued and the general type or nature of their business;

13 F. The disclosure by way of public meeting, or otherwise, of such information as
14 may be necessary to the council in order to permit it to be fully advised of the facts when an applicant or licensee files a claim for refund of license taxes, or submits an offer of compromise with regard to a claim asserted against him by the city for license taxes, or when acting upon any other matter; and

15 G. The disclosure of general statistics regarding taxes collected or business done
16 in the city. (Ord. 955 (part), 1986: Ord. 727 (part), 1977: Ord. 611 §4, 1971: 1965 code
17 Title V, Ch. 1, §1(B.2)).

18 5.04.055 Constitutional apportionment. A. None of the license taxes provided
19 for by this chapter shall be so applied as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States and the state of California.

20 B. In any case where a license tax is believed by a licensee or applicant for a
21 license to place an undue burden upon interstate commerce or be violative of such constitutional clauses, he may apply to the collector for an adjustment of the tax. Such application may be made, before, at, or within six months after payment of the prescribed license tax. The applicant shall, by sworn statement and supporting testimony, show his method of business and the gross volume or estimated gross volume of business and such other information as the collector may deem necessary in order to determine the extent, if any, of such undue burden or violation. The collector shall then conduct an investigation, and, after having first
22 obtained the written approval of the city attorney, shall fix as the license tax for the applicant, an amount that is reasonable and nondiscriminatory, or if the license tax has already
23 been paid, shall order a refund of the amount over and above the license tax so fixed. In fixing the license tax to be charged, the collector shall have the power to base the license tax
24 upon a percentage of gross receipts or any other measure which will assure that the license tax assessed shall be uniform with that assessed on businesses of like nature, so long as the
25 amount assessed does not exceed the license tax prescribed by this chapter.

26 C. Should the collector determine the gross receipts measure of license tax to
27 be the proper basis, he may require the applicant to submit, either at the time of termination of applicant's business in the city, or at the end of each three-month period, a sworn
28 statement of the gross receipts any pay the amount of license tax thereof, provided that no additional license tax during any one calendar year shall be required after the licensee shall have paid an amount equal to the annual license tax as prescribed in this chapter. (Ord. 955 (part), 1986).

1 5.04.060 Council action. For businesses whose license tax is to be determined
2 by gross receipts pursuant to the provisions of this chapter, the city council shall be resolu-
3 tion establish both the classifications for the various businesses, as well as the schedule for
4 the annual amount payable to the city. The classifications and schedules as established by
5 the city council may be changed from time to time by resolution of the city council. (Ord.
6 955 (part), 1986: Ord. 727 (part), 1977: Ord. 640 §1, 1973: Ord. 617 §1, 1972: 1965 code
7 Title V, Ch. 1, §1(B.4)).

8 5.04.065 Statements nonconclusive - Actions to collect. No statement required
9 by the provisions of this chapter shall be conclusive as to the matters set forth therein; nor
10 shall the filing of the same preclude the city from collecting by appropriate action such sum
11 as is actually due and payable pursuant to the provisions of this chapter. (Ord. 955 (part),
12 1986).

13 5.04.070 Businesses paying franchise fee. For businesses which pay a franchise
14 fee to the city in addition to the business license fee, the maximum business and profession
15 fee shall not exceed two hundred dollars annually. (Ord. 727 (part), 1977: Ord. 617 §2, 1972:
16 1965 code Title V, Ch. 1, §1(B.4)).

17 5.04.090 Temporary auctioneers. The fee for temporary auctioneers is sixty-
18 two dollars per day or one hundred dollars per month or portion thereof. (Ord. 727 (part),
19 1977: 1965 code Title V, Ch. 1, §1(D)).

20 5.04.100 Shooting galleries. The fee for shooting galleries is one hundred fifty-
21 seven dollars per month or portion thereof. (Ord. 727 (part), 1977: 1965 code Title V, Ch. 1,
22 §1(E)).

23 5.04.110 Handbill distributors. For the posting and distributing of advertise-
24 ments the fee is forty-eight dollars per day, unless otherwise licensed under this title, or
25 unless the advertisements are solely of a political nature pertaining to the election of public
26 officials or the adoption of public measures and the distribution is limited to homes or the
27 interior of business establishments. (Ord. 727 (part), 1977: Ord. 599 §1, 1971: 1965 code
28 Title V, Ch. 1, §1(F)).

5.04.120 Itinerant merchants. The fee for itinerant merchants is thirty-four
dollars per day. (Ord. 727 (part), 1977: 1965 code Title V, Ch. 1, §1(G)).

5.04.130 Amusement machines. A. Businesses or persons receiving any of the
proceeds from any amusement machine the operation, use or play of which is controlled by
placing therein any coin, plate, disk, token, plug, key or other device or by the payment of
any fee, located on property owned, leased or rented by said businesses or persons shall pay
an annual license fee of eighty dollars for each said machine.

 B. In addition to the annual per machine fee required by Section 5.04.130(A),
each such business qualifying as an "amusement arcade" as defined by Section 18.04.095
shall pay an annual license fee of two hundred fifty dollars for each such "amusement ar-
cade." (Ord. 846 (part), 1982).

5.04.135 Amusement machines - Payment of license fees. A. The license fee
required by Section 5.04.130(A) shall be payable no later than the close of business hours
the first day of each calendar quarter. The amount of each said quarterly payment shall be
determined by the maximum number of machines at any such location during the previous
calendar quarter. This maximum number shall be determined by random city inspections of
the location during normal business hours.

 B. The annual business fee required by Section 5.04.130(B) shall be payable no
later than the close of business hours on the last regular business day of January of each

1 year. For businesses establishing in the city during the calendar year, said fee shall be pro-
2 rated in the manner set forth in Section 5.04.180. (Ord. 846 (part), 1982).

3 5.04.140 Shows. The fee for shows, entertainment or exhibitors is one hundred
4 dollars per day. (Ord. 727 (part), 1977: 1965 code Title V, Ch. 1, §1(I)).

5 5.04.150 Vending machines - Based on annual gross receipts. A. Businesses or
6 persons devoted to the placing of vending machines shall pay a license tax based on the entire
7 annual gross receipts of the previous year, which are attributable to the business activities
8 conducted within the city. The amount of said license tax shall be equal to one quarter of
9 one percent of said annual gross receipts.

B. Businesses or persons establishing within the city during the year shall pay a
license fee based on an estimated gross income approved by the licensing officer.

C. Businesses or persons that were established during the previous year: their
gross receipts shall be multiplied by whatever fraction is necessary to arrive at a reasonable
estimate of a full year's receipts. (Ord. 865, 1982; Ord. 846 (part), 1982: Ord. 727 (part),
1977: Ord. 631 §1 (part), 1972: 1965 code Title V, Ch. 1 §1(J)).

10 5.04.160 Vending machines - Certified statement required. Each business or
11 person to be licensed under Section 5.04.150 must present to the licensing officer, by five
12 p.m. of the last regular business day in January, a certified statement giving the location and
13 gross receipts, during the last preceding calendar year, of each vending machine owned or
14 operated by them within the city. (Ord. 846 (part), 1982: Ord. 727 (part), 1977: Ord. 631
15 §1 (part), 1972: 1965 code Title V, Ch. 1, §1(K)).

16 5.04.170 Delinquency penalty. A. For all established businesses or professions
17 as outlined in this Title, the license fee becomes delinquent at the close of business hours on
18 January 31st of each calendar year, after which a penalty is levied, assessed and paid in ad-
19 dition to the regular business license fee, as follows:

1. During the first month of delinquency, the penalty is twenty-five (25%) per-
cent of the license fee.

2. During the second month of delinquency, the penalty is thirty-five (35%) per-
cent of the license fee.

3. During the third month of delinquency, the penalty is fifty (50%) percent of
the license fee.

4. If, after the end of the third month of delinquency, all applicable fees and
penalties are not paid, collection procedures may be imposed as prescribed in Section 5.04.250.

B. Any business or profession subject to being licensed under this chapter which
commences operation in the City without first having obtained a license to do so, is required
to pay, in addition to the regular license fee, a delinquency penalty as prescribed in para-
graphs A(1) through A(4) above. The amount of the penalty shall be determined by the length
of time that the business or profession has been operating without a license.

C. For businesses paying both a business license fee and a franchise fee, said
delinquency penalties are payable solely on the business license fee.

D. Failure to receive the notice to renew a business license does not relieve the
business owner of the remedies prescribed herein. (Ord. 960, 1986: Ord. 846 (part), 1982:
Ord. 739 §1, 1978: Ord. 727 (part), 1977: Ord. 611 §5, 1971: 1965 code Title V, Ch. 1, §2(A)).

25 5.04.180 Businesses established in city during calendar year. Fractional years
26 will be prorated as follows:

1. Businesses established in the first calendar quarter of the year (January 1
through March 31) will pay the full fee.

2. Businesses established in the second calendar quarter of the year (April 1
through June 30) will pay three-fourths of the full fee.

3. Businesses established in the third calendar quarter of the year (July 1 through
September 30) will pay one-half of the full fee.

1 4. Businesses established in the fourth calendar quarter of the year (October 1
2 through December 31) will pay one-fourth of the full fee.

3 5.04.200 Nontransferability - No rebates. Licenses are not transferable and
4 there are no rebates if the business or profession is discontinued during the period for which
5 the license was issued.

6 5.04.220 Certificate of occupancy. When a business applies for a business license
7 under this title, the business premises shall be inspected for safety, fire protection, plumbing,
8 electrical wiring and zoning and, if violations are found, the owner of the premises shall be
9 served with a notice of violation and given a reasonable time not to exceed ninety days to
10 bring the premises up to code requirements. The department in whose jurisdiction a viola-
11 tion falls shall have the responsibility for following up to see that such violation has been re-
12 moved. No business license shall be issued until the applicant has obtained a certificate of
13 occupancy.

14 5.04.240 Chapter exclusions. The following types of businesses are excluded
15 from the effect of Chapter 5.04, except with regards to Section 5.04.170, delinquency penalty.

- 16 A. Contractors and subcontractors as defined in Chapter 5.56;
- 17 B. Billboards and advertising signs as defined Chapter 5.08;
- 18 C. Truck deliveries as defined in Chapter 5.44;
- 19 D. Solicitors as defined in Chapter 5.48;
- 20 E. Public dances and dancehalls as defined in Chapter 5.12 .

21 5.04.250 Fee deemed debt to city. The amount of any license imposed by this
22 chapter is a debt to the city and any person, firm or corporation carrying on any business,
23 profession, show or exhibition or game mentioned in this chapter, without having a license
24 from the city to do so, is liable to an action in the name of the city in any court of compe-
25 tent jurisdiction for the amount of the license by this chapter imposed on such business,
26 profession, show or exhibition or game. The city is hereby given the right to make such in-
27 spection of the books and records of the licensee as it may deem necessary to determine
28 that the license tax has been correctly computed and paid.

5.04.260 Operating without license - Prohibited. In addition to any other pen-
alties provided by law, it is a misdemeanor for any person, firm or corporation to commence
or engage in conducting or carrying on any business, profession, show, exhibition or game in
this chapter specified, within the city limits, without first having obtained a license from the
city so to do, as provided in this chapter, and the conducting of any business, profession,
show, exhibition or game mentioned in this chapter without first having procured a license
from the city so to do as herein provided, constitutes a separate violation of this chapter for
each and every day that such business, show, exhibition or game is carried on.

5.04.270 License required for each place of business. If the same person, firm
or corporation operates more than one place of business in the city, each such place of busi-
ness shall be considered a separate business for licensing purposes under this title.

5.04.280 To correct error. In no case shall any error made by the city licensing
officer or his deputies in preparing a license or stating the amount of the fees therefor pre-
judice the collection of the proper license fees by the city; nor shall the issuance of any li-
cense authorize the carrying on of any business, trade or occupation in any zone, or location
contrary to the provisions of the zoning requirements and restrictions.

27 Chapter 5.08

28 OUTDOOR ADVERTISING

1 Sections:

2	5.08.010	License - Required.
3	5.08.020	Outdoor advertising defined.
4	5.08.030	License - Fee.
	5.08.040	Unlicensed operation prohibited.
	5.08.050	Violation - Penalty.

5 5.08.010 License - Required. In the exercise of the police powers of the
6 city and for the purpose of revenue and regulation, every person, firm or corporation en-
7 gaged in carrying on the business or occupation of poster hanging, advertising, sign paint-
8 ing or outdoor advertising or maintaining poster boards is licensed and the fee charged
9 therefor is set forth in this chapter.

10 5.08.020 Outdoor advertising defined. "Outdoor advertising", for the pur-
11 pose of this chapter, shall have the same meaning as that defined in Chapter 18.102 of
12 this code.

13 5.08.030 License - Fee. The license fee imposed by this chapter is twenty-
14 four dollars for each calendar quarter and payable and collected in like manner as other
15 business licenses in the city; provided, that any poster within fifty feet of a place of busi-
16 ness advertising the business or its wares or services is a part of the business unit and ex-
17 empt from the fee herein imposed, so long as the city received a regular business license
18 fee for the business and all such posters shall otherwise fully comply with this chapter.
19 For the purpose of this chapter, any person, firm or corporation or other legal entity erec-
20 ting a poster-board means an outdoor advertising operator, except those erected within
21 fifty feet of a place of business as provided and each poster board is construed as a sepa-
22 rate business requiring a separate license fee. Churches, service clubs and nonprofit insti-
23 tutions may be exempt from the payment of the license fee by resolution of city council.

24 5.08.040 Unlicensed operation prohibited. No person, firm or corporation
25 shall engage in or carry on the business or occupation of poster hanging, advertising, sign
26 painting or outdoor advertising or maintaining poster boards without paying the license fee
27 provided in this chapter.

28 5.08.050 Violation - Penalty. Any person, firm or corporation violating any
of the provisions of this chapter is guilty of a misdemeanor, and upon conviction thereof,
shall be punishable as set forth in Section 1.16.010. Each such person, firm or corporation
is guilty of a separate offense for every day during any portion of which violation of any
provision of this chapter is committed, continued or permitted by such person, firm or cor-
poration, after written notice from the city clerk setting forth that such poster board or
advertising sign board is not constructed or maintained in accordance with the provisions
of this chapter, and specifying the respect or respects in which the same does not comply
with the provisions of this chapter.

1 Chapter 5.12

2 DANCEHALLS

3 Sections:

4	5.12.010	Definitions.
	5.12.020	License - Required.
5	5.12.030	License - Application.
	5.12.040	License - Issuance.
6	5.12.050	License - Fee.
	5.12.060	License - Suspension or revocation.
7	5.12.070	License - Appeal.
	5.12.080	Curfew.
8	5.12.090	Employment of dancing partners prohibited.
	5.12.100	Operation detrimental to public morals prohibited.

9 5.12.010 Definitions. As used in this chapter:

10 A. A "public dance" or a "public dancehall" means and includes any public place
11 open to the public wherein or whereat the public may engage in dancing, including places and
12 dances where admission is by membership or other special privilege.

12 B. "Disturbance of the peace" means and includes disturbing the peace as it is
13 defined and set forth in Section 415 of the Penal Code of the state of California.

13 5.12.020 License - Required. It is a misdemeanor for any person, corporation or
14 association of persons to operate, conduct or carry on a public dance or operate a public
15 dancehall in the city without first obtaining a license to do so, as in this chapter provided.

15 5.12.030 License - Application. Application for such license shall be made to
16 the city clerk in writing, and state the name and address of the applicant, the place where
17 the dance or dancehall is to be conducted.

17 5.12.040 License - Issuance. Upon approval of such license, the city clerk shall
18 issue a license to the applicant, and such license shall set forth the name of the applicant and
19 place where the dance or dancehall is to be conducted. Each license shall be nontransferable,
20 posted in a conspicuous place in or on the premises in respect to which it is issued and exhi-
21 bited to any peace officer. Each license issued hereunder is separate and distinct and no per-
22 son shall seek to exercise the privileges granted thereunder except the person, corporation or
23 association of persons to whom it is issued and at the specific place for which it was issued.

21 5.12.050 License - Fee. The license fee for operating, conducting and carrying
22 on such dance or dancehall is eight dollars per night for each and every night a dance is con-
23 ducted or carried on, or at a monthly rate of twenty-one dollars per month. Such license fee
24 is payable in advance and paid to the city clerk upon the issuance of such license. The license
25 fee may, in the discretion of the city clerk, be waived upon a showing that the applicant is a
26 charitable or nonprofit organization, or a public or private school.

25 5.12.060 License - Suspension or revocation. The city clerk may investigate the
26 conduct of any such dancehall and has power to temporarily suspend or permanently revoke
27 a license issued hereunder for any of the following:

- 26 A. Misrepresentation of a material fact by the applicant in obtaining the license;
- 27 B. Violation of any of the provisions of this chapter;
- 27 C. Commission of any act which, under this chapter, would be sufficient ground
28 for denial of an application for a license;
- 28 D. Disturbance of the peace in or upon or about the premises for which the li-

1 cense was issued or permitting the peace to be disturbed upon or about the premises;

2 E. Written protest against the operation and conducting of any public dance or
3 public dancehall, signed by a majority of the persons residing within one thousand feet of any
4 such dance or dancehall.

5 5.12.070 License - Appeal. Upon the occurrence of any act for the suspension or
6 revocation of a permit, as herein above provided, the city clerk may temporarily suspend or
7 permanently revoke any license issued hereunder. Notice of the action by the city clerk tem-
8 porarily suspending or revoking such license is served upon the licensee, which notice is
9 served upon the licensee either by personal service or by registered mail to the last known ad-
10 dress of such licensee. The licensee thereafter may, within ten days after the service or re-
11 ceipt of the notice, demand a hearing before the city council as to why the license should not
12 be continued in force and effect. At the time set for hearing, the city council shall hear the
13 holder of the license, who may present any facts to show why the license should or should not
14 be revoked, and hear statements from other persons who may attend the hearing and present
15 reasons why the license should or should not be revoked; provided, that the city council may
16 close the hearing when it is convinced that no public good will result from its continuance.
17 At the close of the hearing, or at any time within thirty days thereafter, the city council
18 shall determine from the facts produced at the hearing and from any other facts in its pos-
19 session whether or not the license should be revoked and make its order accordingly. A notice
20 of the action of the city council after the hearing shall be served upon the licensee in the
21 same manner as hereinabove provided for the suspension or revocation of the license.

22 5.12.080 Curfew. It is unlawful for any person, corporation or association of
23 persons to operate, conduct or carry on a public dance, or a public dancehall, or for any per-
24 son to dance at any public dance, or in any public dancehall, between two a.m. and eight a.m.

25 5.12.090 Employment of dancing partners prohibited. It is unlawful for
26 any person, corporation or association of persons to employ any person at a salary or on a
27 commission, or for anything of value, directly or indirectly, whose duty or business it is or
28 shall be to dance with or act as dancing partners at any public dance or in any public dance-
hall or for any female person to engage in such employment.

5.12.100 Operation detrimental to public morals prohibited. It is a misdemeanor
for any person, corporation or association of persons to operate, conduct or carry on a public
dance or a public dancehall in such a manner as to be detrimental to public morals or a dis-
turbance of the peace.

Chapter 5.16

FIRE, REMOVAL OR CLOSE-OUT SALES

Sections:

- 5.16.010 Definitions.
- 5.16.020 Permit - Required.
- 5.16.030 Examination of records.
- 5.16.040 Permit - Application - Contents.
- 5.16.050 Permit - Application - Endorsement.
- 5.16.060 Permit - Application - False statement.
- 5.16.070 Permit - Granting.
- 5.16.080 Permit - Supplemental.
- 5.16.090 Permit - Duration
- 5.16.100 Removal of goods.

1	5.16.110	Goods ordered for contemplated sale.
	5.16.120	Unusual additions to stock.
2	5.16.130	Addition to stock during sale.
	5.16.140	Permit - Revocation.
3	5.16.150	Advertising.
	5.16.160	Chapter exemptions.

4
5 5.16.010 Definitions. For the purpose of this chapter only, "fire, removal or
6 closing-out sales" means any sale of goods, wares or merchandise as a fire, damage by fire or
7 water, removal, close-out, liquidation, bankruptcy or other similar sale of goods, wares or
8 merchandise, but does not include sheriff's, marshal's, or other public or court officer or per-
son acting under the direction, license or authority of any court selling goods, wares or mer-
chandise in the course of their official duties. For the purpose of this chapter only, "close-
out — removal" means the closing out of a merchant's entire business as distinguished from
lines of merchandise.

9 5.16.020 Permit - Required. No person shall advertise, represent or hold out
10 that any sale of goods, wares and merchandise is a fire, removal or close-out sale unless he
first obtains a permit to conduct such sale from the city council.

11 5.16.030 Examination of records. The city council or its agent, at all times, has
12 the power to make an examination or investigation of all inventory and/or inventory records
13 for comparison to that inventory originally submitted for the purpose of conducting a fire, re-
moval or close-out sale.

14 5.16.040 Permit - Application - Contents. Applicants for such a permit shall
15 make application therefor to the city clerk and, at the time of filing, pay a filing fee of
forty dollars. Such application must be in writing and under oath and specify:

- 16 A. The facts in regard to the insurance, bankruptcy, mortgaging, insolvency, as-
17 signment, administration, receivership, trusteeship, or removal by reason of which such sale
is to be conducted, or in regard to the closing out of the stock of goods, wares or merchan-
dise or any particular line or part thereof, with a statement as to the reason for such closing
out, or in regard to the injury caused to such goods, wares or merchandise by fire, smoke,
water or otherwise;
- 18 B. All the facts in regard to the sale which he proposes to conduct;
- 19 C. The place and manner of conducting the sale, including an inventory of the
goods, wares and merchandise to be sold at such sale;
- 20 D. A statement, as far as is possible, of the names of the persons from whom the
goods, wares and merchandise to be sold were obtained;
- 21 E. The date of the delivery of such goods, wares and merchandise to the person
applying for the license;
- 22 F. The place from which the goods, wares and merchandise were last taken;
- 23 G. All details necessary to fully identify the goods, wares and merchandise to
be sold;
- 24 H. The proposed period of time over which such sales continue, which period
shall not exceed three months;
- 25 I. Whether the applicant proposed to advertise or conduct such sale as an insu-
26 rance, bankruptcy, mortgage, insolvent, assignee's, executor's administrator's, receiver's,
trustee's, removal or closing-out sale, or a sale of goods, wares or merchandise damaged by
fire, smoke, water or otherwise, or a sale of goods from the stock of a bankrupt, receiver,
trustee, insurance company, receivership or trusteeship.

27 5.16.050 Permit - Application - Endorsement. The city clerk shall endorse upon
28 such application the date of its filing, preserve the same as a record of its office, and make
an abstract of the facts set forth in such application in a book kept for that purpose, properly

1 indexed, containing:

- 2 A. The names of the persons asking for such permit;
- 3 B. The nature of the proposed sale;
- 4 C. The place where such sale is to be conducted;
- 5 D. Its duration;
- 6 E. The inventory value of the goods, wares and merchandise to be sold and a

7 general statement as to where the goods came from. The city clerk shall make in the book a
8 notation as to the issuance or refusal of the permit applied for, together with the date there-
9 of. The city clerk shall endorse on the application the date the permit therein applied for is
10 granted or refused, and such application and abstract are prima facie evidence of all state-
11 ments therein contained.

12 5.16.060 Permit - Application - False statement. It is a misdemeanor to make a
13 false statement in the application provided for in this chapter.

14 5.16.070 Permit - Granting. If the council is satisfied from the application that
15 the proposed sale is of the character which the applicant desires to conduct and advertise,
16 and that neither the applicant nor any of its officers, directors or owners have violated this
17 chapter or other ordinances, the council shall issue a permit to the person applying for the
18 same, authorizing him to advertise and conduct a sale of the particular kind mentioned in the
19 application, according to the requirements of this chapter.

20 5.16.080 Permit - Supplemental. If it is made to appear upon sworn application
21 to the council at any time during the period of three months that all of the goods, wares and
22 merchandise described and inventoried in the original application have not been sold, which
23 application is accompanied by a statement or inventory of what remains thereof, a permit
24 supplemental to the original may be issued by the council upon the same terms and conditions
25 as the original permit, granting authority to continue such sale for a further period of three
26 months.

27 5.16.090 Permit - Duration. The permits provided for in this chapter are valid
28 only for a sale of the goods, wares and merchandise inventoried and described in the applica-
tion for the permit, in the manner and at the time and place mentioned and set forth in the
application.

5.16.100 Removal of goods. Any removal of any goods, wares or merchandise
inventoried and described in the application from the place of sale mentioned in the applica-
tion causes the goods, wares and merchandise to lose their identity as an insurance, bankrupt,
mortgagee's, insolvent's, assignee's, executor's, administrator's, receiver's, or trustee's stock
of goods, wares and merchandise, or a stock of goods, wares and merchandise damaged by
fire, smoke, water or otherwise, and no permit thereafter will be issued for the conducting of
a sale of any such goods, wares or merchandise so removed from the place set forth and de-
scribed in such application at any other place.

5.16.110 Goods ordered for contemplated sale. No person in contemplation of
conducting a fire or closing-out sale under a permit as provided in this chapter shall order any
goods, wares or merchandise for the purpose of selling and disposing of the same at such sale.

5.16.120 Unusual additions to stock. If the council determines after a hearing
and upon giving at least a five-day notice in writing to the applicant, stating the time, place
and purpose of such hearing and giving the applicant the right to be present and heard at such
hearing, that any unusual purchase and additions to the stock of such goods, wares or mer-
chandise have been made within sixty days prior to the filing of the application for a permit
to conduct such fire or closing-out sale, the council shall refuse to issue the permit.

1 5.16.130 Addition to stock during sale. No person carrying on or conducting a
2 fire or closing-out sale under a permit shall, during the continuance of such sale, add any
3 goods, wares or merchandise for the purpose of selling the same, to the stock of goods, wares
4 or merchandise described and inventoried in his original application for such permit. No goods,
5 wares or merchandise shall be sold at or during such sale, excepting the goods, wares or mer-
6 chandise described and inventoried in the original application, and each and every addition of
7 goods, wares or merchandise for the purpose of sale, to such stock of goods, wares or mer-
8 chandise described and inventoried in the application, and each sale of goods, wares of mer-
9 chandise as were not inventoried and described in the application, constitutes a separate of-
10 fense under this chapter.

11 The city council may permit merchants who show definite proof of continuing
12 business in the city at another location for a period of one year after the sale to add addition-
13 al stock during the continuance of such sale not to exceed twenty-five percent of the approved
14 inventory filed with their original application.

15 5.16.140 Permit - Revocation. Any permit issued pursuant to the provisions
16 hereof shall be revoked by the council if after due investigation the council finds:

- 17 A. That the holder of any such permit has made any material misstatement in
18 the application for such permit;
19 B. That he has been guilty of any fraudulent practice or practices in the conduct
20 of the sale authorized by such permit;
21 C. That he has failed to include in the inventory required by the provisions of
22 this chapter the goods, wares and merchandise required to be contained in such inventory;
23 D. That he has violated any of the provisions of this chapter or of any law re-
24 lating to advertising.

25 5.16.150 Advertising. No person shall advertise, represent or hold out any sale
26 of goods, wares or merchandise to be a fire or closing-out sale without having first complied
27 with the provisions of this chapter. It is further required that the permit number be included
28 on all advertising matter pertaining to the sale.

5.16.160 Chapter exemptions. Nothing contained in this chapter applies to any
publisher of a newspaper, magazine, or other publication who publishes the advertisement in
good faith, without knowledge of its false, deceptive or misleading character, or without
knowledge that the provisions of this chapter have not been complied with.

Chapter 5.20

FIREWORKS

Sections:

22	5.20.010	Time restrictions.
23	5.20.020	License - Required.
24	5.20.030	License - Application.
25	5.20.040	License - Granting or rejection notice.
26	5.20.050	License - Issuance prerequisites.
27	5.20.060	Temporary stands - Requirements.
28	5.20.070	License - General requirements.
	5.20.080	License - Fee.
	5.20.090	Sales tax permit - When required.
	5.20.100	Display of license and sales tax permit.
	5.20.110	Temporary stands - Operation.
	5.20.120	Discharge restrictions.

1 5.20.010 Time restrictions. Safe and sane fireworks as defined by Section 12504
2 of the Health and Safety Code of the state of California may be sold and discharged within
3 the city during the period beginning at twelve noon on June 28 and ending at twelve midnight
4 on July 4 each year pursuant to the provisions of this chapter and not otherwise.

5 5.20.020 License - Required. Except as provided herein, no person shall offer
6 for sale or sell at retail any fireworks of any kind in the city without having first applied for
7 and received a license therefor.

8 5.20.030 License - Application. All applications for a license for fireworks shall:
9 A. Be made between the first day and last day of March each year, except when
10 the last day falls on a Saturday or Sunday, the following business day is determined the last
11 day;

12 B. Set forth the proposed location of the fireworks stand applied for. The stands
13 must be on private property located in a "C-1" or heavier industrial or manufacturing zone
14 and the written permission of the owner of record or principal lessee must accompany the
15 application;

16 C. Be accompanied by an assurance that if the license is issued to applicant,
17 applicant shall, at the time of receipt of the license, deliver to the city clerk's office one
18 hundred thousand dollars/three hundred thousand dollars public liability and fifty thousand
19 dollars property damage insurance certificates designating the city as an additional insured
20 thereunder, and a copy of the requisite permit from the state Fire Marshal;

21 D. Include a statement that the applicant agrees to comply strictly with the
22 terms of any retail permit granted to it and furnish any additional information upon request
23 of the city administrator or committee designated by the city council;

24 E. Submit to the city a current organization budget and audited statement show-
25 ing proposed distribution of the funds realized from holding of such permit within thirty days
26 of close of fireworks operation.

27 5.20.040 License - Granting or rejection notice. Applicants for any such license
28 shall be notified by the city clerk's office by April 15th of the granting or rejection of the
application for a license.

5.20.050 License - Issuance prerequisites. The following qualifications must be
met by each applicant for a license issued hereunder:

 A. No license is issued to any person, firm or corporation except nonprofit as-
sociations or corporations organized primarily for civic betterment or youth activities.

 B. Each such organization must have its principal and permanent meeting place
in the city limits and must have been organized and established in the city limits for a mini-
mum of one year continuously preceding the filing of the application for the license, and must
have a bona fide membership of at least twenty members.

 C. No organization may receive more than one license for fireworks sale during
any one calendar year. One license may be issued to two or more qualifying applicants as a
joint venture. The maximum number of licenses which may be issued pursuant to ordinance
during any one calendar year shall not exceed one license for each three thousand residents
of the city, or fraction thereof, based on the latest Department of Finance, state of Califor-
nia census estimate. The city council shall determine the number of licenses to be issued not
later than January 31st of each year.

 D. If the number of applications exceeds the number of licenses to be issued,
the licensees during the preceding year have the first priority for the available licenses; pro-
vided, each license retains the same participating organizations which operated under the li-
cense during the preceding year. Each participating organization is a co-licensee and joint
venturer with the licensee claiming the first priority and has the same duties and liabilities
under the license. If there are any additional licenses available, such additional licenses are
granted by a drawing supervised by the city administrator.

1 5.26.060 Temporary stands - Requirements. All retail sales of "safe and sane"
2 fireworks are permitted only from within a temporary fireworks stand, and the sale from any
3 other building or structure is prohibited. Temporary stands are subject to the following pro-
4 visions:

5 A. No fireworks stand shall be located within twenty-five feet of any other
6 building nor within one hundred feet of any gasoline pump.

7 B. Firework stands need not comply with the provisions of the city building code;
8 provided, however, that all stands are erected under the supervision of the director of building
9 and safety who shall require that stands be constructed in such a manner which will reason-
10 ably insure the safety of attendants and patrons.

11 C. No stand shall have a floor area in excess of three hundred feet.

12 D. Each stand in excess of twenty-four feet in length must have at least two
13 exits; and each stand in excess of forty feet in length must have at least three exits spaced
14 approximately equidistant apart; provided, however, that in no case shall the distance be-
15 tween exits exceed twenty-four feet.

16 E. Each stand shall be provided with two (2) two and one-half (2½) gallon "soda
17 and acid" or "water pressure" type fire extinguishers, underwriter approved, in good working
18 order and easily accessible for use in case of fire.

19 5.20.070 License - General requirements. General requirements for licenses are
20 as follows:

21 A. All weeds and combustible material shall be cleared from the location of the
22 stand including a distance of at least twenty feet surrounding the stand.

23 B. "No smoking" signs shall be prominently displayed on the fireworks stand.

24 C. Each stand must have an adult in attendance and in charge thereof while the
25 fireworks are stored within. Sleeping or remaining in stand after close of business each day
26 is forbidden.

27 D. The sale of fireworks shall not begin before twelve noon on June 28th nor con-
28 tinue after twelve midnight on July 4th.

 E. All unsold stock and accompanying litter shall be removed from the location
by twelve noon on July 6th.

 F. The fireworks stand shall be removed from the temporary location by twelve
noon on July 18th, and all accompanying litter cleared from the location by that time and
date.

 G. Each license holder shall comply with all requirements of this chapter, inclu-
ding but not limited to the removal of the stand, cleaning of the site, and filing of a financial
statement. In the event the licensee does not so comply, in a manner satisfactory to the city
clerk, the city council may refuse to issue a permit to sell fireworks to that organization the
following year.

5.20.080 License - Fee. The license fee for selling fireworks is fifty dollars to
be paid to the city clerk by the close of business on June 28th.

5.20.090 Sales tax permit - When required. Organizations licensed for the sel-
ling of fireworks are required to obtain a temporary sales tax permit from the San Bernardino
office of the State Board of Equalization.

5.20.100 Display of license and sales tax permit. The license to sell fireworks
and the temporary sales tax permit shall be displayed in a prominent place in the fireworks
stand.

5.20.110 Temporary stands - Operation. A. No person other than the licensee
organization shall operate the stand for which the license is issued or share or otherwise par-
ticipate in the profits of the operation of such stand.

 B. No person other than the individuals who are members of the licensee organi-

1 zation, or the wives or husbands of adult children of such members, shall sell or otherwise partici-
2 cipate in the sale of fireworks at such stand.

3 C. No person shall be paid any consideration for selling or otherwise partici-
4 pating in the sale of fireworks at such stand.

5 5.20.120 Discharge restrictions. It is unlawful for any person to ignite, ex-
6 plode, project, or otherwise fire or use, any fireworks, or permit the ignition, explosion or
7 projection thereof, upon or over or onto the property of another without his consent, or to
8 ignite, explode, project, or otherwise fire or make use of, any fireworks within ten feet of any
9 residence, dwelling or other structure used as a place of habitation by human beings.

10 Chapter 5.24

11 MESSAGE PARLORS AND MESSAGE TECHNICIANS

12 Sections:

13	5.24.010	Definitions.
14	5.24.020	License required - Fee.
15	5.24.030	Permit required - Fee.
16	5.24.040	Exceptions.
17	5.24.050	Application contents.
18	5.24.060	License - Procedure.
19	5.24.070	Display of permit.
20	5.24.080	Change of location.
21	5.24.090	Permit expiration and renewal.
22	5.24.100	Facilities.
23	5.24.110	Employee - Restrictions.
24	5.24.120	Audio/video recording - Prohibited.
25	5.24.130	Inspection.
26	5.24.140	Records of treatment.
27	5.24.150	Grounds for revocation.
28	5.24.160	Revocation and appeal.
	5.24.170	Abatement.
	5.24.180	Severability.

19 5.24.010 Definitions. The following words as used in this chapter shall have
20 the signification attached to them in this chapter unless otherwise clearly apparent from the
21 context:

22 A. "Massage" means and includes the manipulation of the human body tissues
23 for remedial or hygienic purposes by rubbing, touching, stroking, tapping, kneading or vibra-
24 ting with the hands or by an instrument.

25 B. "Massage technician" means any person who practices or administers as
26 to all or any of the following named subjects, and who has made a study of the underlying
27 principles of anatomy and physiology as generally included in a regular course of study by a
28 recognized and approved school of massage: the art of body massage, either by hands or with
a mechanical or vibrating apparatus for the purpose of body massaging, reducing or contour-
ing, the use of oil rubs, heat lamps, hot and cold packs, tub, shower or cabinet baths. Varia-
tions of the above following procedures are employed, touch, stroking, friction, kneading, vi-
bration, percussion and medical gymnastics. Massage technicians shall not diagnose or treat
classified diseases, nor practice spinal or other joint manipulations, nor prescribe medicine or
drugs.

D. "Massage parlor" means any massage establishment or place of business
wherein massage as to all, or any one or more of the abovenamed subjects and methods is ad-
ministered or used.

1 5.24.020 License required - Fee. Every person practicing, engaging or car-
2 rying on the business of a massage technician, or conducting a massage parlor, shall pay a
3 business license fee. The fee for massage technicians who do not maintain a permanent place
4 of business in the city is one hundred dollars per day. The fee for massage technicians and
5 massage parlor operators maintaining a permanent place of business in the city shall be one
thousand two hundred fifty dollars for the first year; provided, however, that if there are no
civil or criminal complaints regarding the licensee's operations during such year, the sum of
seven hundred fifty dollars of such fee shall be refunded to the licensee. Thereafter, the li-
cense fee shall be five hundred dollars per year.

6 5.24.030 Permit required - Fee. A. It is unlawful for any person, association,
7 firm or corporation to engage in, conduct or carry on, or permit to be engaged in, conducted
8 or carried on, in or upon any premises within the city, the business of a massage parlor, or to
9 render or permit to render massage services at any location removed from a massage es-
10 tablishment within the city in the absence of a city business license and permit issued pursu-
11 ant to the provisions hereinafter set forth.

12 B. Massage Technicians to be Licensed. It is unlawful for any person or per-
13 sons to engage in the practice, or attempt to practice, massage, whether for a fee or gratui-
14 ty, or to conduct massage without a permit issued pursuant to the provisions of this section.

15 C. It is unlawful for any person, association, firm or corporation to operate
16 or conduct any massage parlor which does not conform to the sanitary provisions contained in
17 this chapter, or to employ any person as a massage operator who does not hold a permit.

18 D. All applicants for a license under this chapter shall be subject to a waiting
19 period not to exceed one hundred twenty days starting from the date such license is first ap-
20 plied for. During such time, as a condition precedent to such applicant's right to receive a
business license under this chapter, shall present evidence satisfactory to the city clerk ne-
cessary to conduct an investigation to support or reject a permit to carry on the business of a
massage technician or massage parlor.

21 E. The processing and investigative fee for each massage technician and/or
22 massage parlor operator, shall be twenty-five dollars each and is nonrefundable.

23 5.24.040 Exceptions. The requirements of this section shall have no applica-
24 tion and no effect upon, and shall not be construed as applying to, any physician, surgeon, chi-
25 ropractor, osteopath, or physical therapist fully licensed by the state, or any nurse, assistant,
26 trainee or other person administering under the immediate direction, supervision and control
27 of any physician, surgeon, chiropractor, osteopath, or physical therapist duly licensed by the
28 state. This section does not apply to any treatment administered in good faith in the course
of the practice of any healing art or professions by any person licensed to practice any such
art or professions under the Business and Professions Code of the state or any other law of
the state.

29 5.24.050 Application contents. An applicant for a permit shall submit the
30 following information:

31 A. Full name and any aliases heretofore used or currently used, and current
32 addresses;

33 B. Fingerprints as may be required by the police department of the city, and
34 current fees as may be required by the department of justice, state of California, for proces-
35 sing such fingerprints;

36 C. The two previous business and residence addresses of the applicant imme-
37 diately prior to the current address;

38 D. Written statements of at least three bona fide residents of San Bernardi-
no County that the applicant is a person of good moral character;

 E. Written proof that the applicant is over the age of eighteen years;

 F. Applicant's height, weight, color of hair and eyes;

 G. Two current photographs at least two inches by two inches in size;

 H. The business, occupation, or employment of the applicant for three years
immediately preceding the date of the application;

1 I. Any massage or similar business license history of the applicant, including
2 whether such person, in previous operation, in this or another area, has had his or her license
3 revoked or suspended, the reason therefor, and any business activity or occupation subsequent
4 to the action of suspension or revocation;

5 J. All convictions and the grounds therefor;

6 K. A certificate from a medical doctor designating that the applicant has,
7 within thirty days immediately prior thereto, been examined and found to be free of any con-
8 tagious or communicable disease;

9 L. Applicant must furnish a diploma or certificate of graduation from a rec-
10 ognized school or other institution of learning wherein the method, profession, or work of
11 massage technician or therapist is taught. "Recognized school" means and includes any
12 school or institution of learning approved by the California State Board of Education, which
13 has for its purpose the teaching of the theory, method, profession, or work of massage tech-
14 nician, which school requires a resident course of study of not less than six hundred hours to be
15 given in not less than six calendar months before the student shall be furnished with a diplo-
16 ma or certificate of graduation from such school or institution of learning showing the suc-
17 cessful completion of such study or learning. Schools offering correspondence courses and
18 not requiring actual class attendance shall not be deemed recognized schools. The city clerk
19 shall confirm an applicant has actually attended classes and matriculated in a recognized
20 school.

21 5.24.060 License - Procedure. Upon payment of all fees, submitting of all
22 information required by the application and upon proper inspection, a permit shall be granted,
23 if all requirements of all departments concerned as well as those described in this chapter are
24 met, and unless it appears that any such applicant has deliberately falsified the application,
25 or the record of such applicant reveals a conviction of a felony or a crime of moral turpitude.
26 Any person denied a permit pursuant to these provisions may appeal to the city council in
27 writing, stating reasons why the permit should be granted. The city council may grant or
28 deny the permit. All permits issued hereunder are nontransferable; provided, however, that a
change of location of a massage parlor may be permitted pursuant to the provisions hereof.

5.24.070 Display of permit. Every person to whom a permit shall have been
granted shall display said permit in a conspicuous place.

5.24.080 Change of location. A change of location of the massage premises
shall be approved by the city clerk, provided all general ordinances are complied with and
the change of location fee of ten dollars is first paid.

5.24.090 Permit expiration and renewal. All permits issued under provisions
of this chapter shall expire on the first day of January of each year. A renewal permit may
be issued upon application to the city clerk and the payment of a renewal fee of ten dollars.
Any application for renewal must be made on or before the fifteenth day of January of each
year. In the event of failure to so apply for renewal of a permit on or before the fifteenth
day of January, a person whose permit has expired shall be deemed a new applicant and shall
have to requalify under the provisions of this chapter.

5.24.100 Facilities. No permit to conduct a massage parlor shall be issued
unless an inspection discloses that the massage parlor complies with each of the following
minimum requirements:

A. A readable sign shall be posted at the main entrance identifying the es-
tablishment as a massage parlor; provided, also, that all such signs shall otherwise comply
with the general sign requirements of the ordinances of the city.

B. Minimum lighting shall be provided in accordance with the Uniform Build-
ing Code, and additionally, at least one artificial light of not less than forty watts shall be
provided each enclosed room or booth where massage services are being rendered.

C. Minimum ventilation shall be provided in accordance with the Uniform
Building Code.

D. Adequate equipment for disinfecting and sterilizing any instruments used
for massage shall be provided.

E. Hot and cold running water shall be shall be provided.

1 F. Closed cabinets shall be utilized for the storage of clean linen;
2 G. Adequate dressing and toilet facilities shall be provided for the patrons.
Such facilities shall be equipped with adequate locking devices.

3 H. All walls, ceilings, floors, steam or vapor rooms, and all other physical
facilities for the massage parlor shall be kept in good repair, maintained in a clean and sani-
4 tary condition.

I. Clean and sanitary towels and linens shall be provided for patrons recei-
5 ving massage services. No common use of towels or linens shall be permitted.

6 5.24.105 Hours of operation and other restrictions. No massage parlor shall
be open between the hours of ten p.m. and seven a.m. Massage parlors shall not serve food
or beverages on the premises of the massage parlor.

7 5.24.110 Employee - Restrictions. No person shall be employed, used, or per-
mitted to practice as a massage technician by the holder of the permit for a massage parlor
8 unless such massage technician has first obtained a valid permit pursuant to this section. Each
massage technician shall biannually submit a certificate from a medical doctor designating
9 that such massage technician has, within thirty days immediately prior thereto, been exa-
mined and found to be free of any contagious or communicable disease.

10 5.24.115 Prohibited conduct by technician. No massage technician or mas-
sage parlor owner or employee may expose his or her genitals, buttocks, or in the case of a
11 female, her breast(s), nor in the course of administering a massage, make intentional contact
with the genitals or anus of any other person. Violation of this section shall not constitute a
misdemeanor or an infraction, but such violation may be used as a ground for license revoca-
12 tion pursuant to the provisions of Sections 5.24.150, 5.24.160 and 5.24.170.

13 5.24.120 Audio/video recording - Prohibited. Activities which include, but
are not limited to, the audio and/or video recording of massage procedures delivered to pa-
trons or others by massage technicians are prohibited. Such recordings include, but are not
14 limited to, audio recording, video recording, closed-circuit television, and photography, both
still and motion pictures.

15 5.24.130 Inspection. At least twice a year an inspection of the massage par-
lor may be made for the purpose of determining that the provisions of this chapter are met.
16 Such inspections may be made by the chief of police and/or the city clerk of the city or their
representative.

17 5.24.140 Records of treatment. Every person, association, firm, or corpora-
tion operating a massage parlor under a permit as provided in this chapter shall keep a record
18 of the date and hour of each treatment, the name and address of the patron, and the name of
the technician administering such treatment. Identical records shall be kept of treatment
19 rendered off the business site, and, in addition, shall describe the address where the treatment
was rendered. The records shall be maintained for a period of two years. The records shall be
20 open to inspection by officials charged with the enforcement of these provisions for the pur-
poses of law enforcement and for other purposes related to this chapter.

21 5.24.150 Grounds for revocation. The permit of a massage technician may be
revoked on one or more of the following grounds:

22 A. That the holder is guilty of fraud or deceit in his being licensed to the
practice of massage;

23 B. That the holder is practicing massage in a manner intended to arouse, ap-
24 peal to, or gratify the lust or passions or sexual desires of another, whether by performing the
activities described in Section 5.24.115, or otherwise;

25 C. That the holder has been convicted in a court of competent jurisdiction of
a felony or a crime of moral turpitude. The conviction of a felony shall be the conviction of
26 an offense which, if committed within the state, would constitute a felony under the laws
thereof;

27 D. That the holder is impersonating another practitioner of a like or differ-
ent name;

28 E. That the holder has employed, allowed or permitted an unlicensed person
to perform massage in his or her massage parlor.

1 without a police certificate; provided, however, that no such certificate is required of drum-
2 mers, traveling salesmen, or other persons engaged in soliciting or taking orders exclusively
3 from the trade, or established retail dealers, for the delivery of goods, wares or merchandise
4 by wholesale.

5 5.28.020 Police certificate - Application. An application for a police cer-
6 tificate required by the provisions of Section 5.28.010 shall be made in writing to the chief
7 of police, presented in person, and set forth the nature of the business of the applicant, the
8 firm or corporation which the applicant represents, the kind of goods or property to be sold,
9 solicited or dealt in, and include one gloss photograph of applicant, size three inches by five
10 inches, and such further information as the chief of police may require. Such application
11 shall be accompanied by the written recommendation to the satisfaction of the chief of po-
12 lice, concerning the moral character, honesty and integrity of the applicant.

13 5.28.030 License - Fee. Each business shall pay a license fee for the permit
14 of twenty-four dollars per quarter, payable in like manner as other business license fees of
15 the city as now in force. If the city clerk finds the applicant to be a charitable institution
16 or entity, he may waive payment of the license fee and requirements of photograph, provi-
17 ding all other provisions of this chapter are complied with. In the event of doubt concerning
18 the qualifications of the applicant, the matter shall be referred to the city council for deter-
19 mination.

20 5.28.040 Nuisance, misdemeanor when - Penalty. The practice of being in
21 and upon private residences in the city by solicitors, peddlers, hawkers, itinerant merchants
22 and transient featurers of merchandise for the purpose of soliciting orders for the sale of
23 goods, wares and merchandise and/or for the purpose of disposing of and/or peddling or hawk-
24 ing the same when the owner and/or owners or occupant and/or occupants indicate by a plain-
25 ly visible sign that such practice is not wanted, is declared a nuisance. Such nuisance or any
26 violation of this chapter is a misdemeanor, and upon conviction thereof, is punishable as set
27 forth in Section 1.16.010.

28 5.28.050 Waiver. Any person may, by receiving permission in writing from
the city council, have waived the provisions of this chapter.

Chapter 5.32

CHARITABLE CONTRIBUTIONS

Sections:

20	5.32.010	Definition.
21	5.32.020	Permit - Required.
22	5.32.030	Permit - Issuance - Contents.
23	5.32.040	Permit - Facsimile in possession.
24	5.32.050	Permit - Revocation.
25	5.32.060	Statement - Filing required.
26	5.32.070	Appeal.

27 5.32.010 Definition. A "Charitable organization" is one whose work and/or
28 collections of goods or money is used to benefit others within the community who are disad-
vantaged economically or socially. Further, solicitations which will result in betterment of
life for the majority of the city's residents may be considered charitable.

5.32.020 Permit - Required. Any charitable or philanthropic association
which desires to conduct a solicitation within the city limits must secure a permit for such
solicitation at least ten days prior to such solicitation. The written permit will be issued by
the city clerk following review.

5.32.030 Permit - Issuance - Contents. The required permit may be issued

1 without fee if, in the opinion of the city clerk, the purpose of the solicitation falls within the provisions of Section 5.32.020. The permit shall contain the following:

- 2 A. Organization to whom issued;
- 3 B. Date issued, effective date, termination date;
- 4 C. Type of solicitation permitted, i.e., phone, door-to-door, other;
- 5 D. Permit number.

6 5.32.040 Permit - Facsimile in possession. An exact facsimile of the permit must be in the possession of each and every solicitor whenever actively soliciting, and such permit facsimile must be tendered whenever requested by anyone being solicited.

7 5.32.050 Permit - Revocation. The city clerk may suspend or revoke any permit immediately and without cause if, in his opinion, the solicitation depends on mis-statement, deception, fraud, abuse or if numerous complaints are received, or if, in the opinion of the chief of police, the solicitation is not being conducted in a legal, proper and ethical manner.

8 5.32.060 Statement - Filing required. Organizations or associations wishing to conduct solicitations within the city must file with the clerk a statement certifying to the purposes of the organization, naming the elected officers of the organization and their home addresses and telephone numbers, the headquarters mailing address of the applicant organization, and the proposed use of funds or goods to be collected including the percentage to be used for administrative or promotional purposes.

9 5.32.070 Appeal. Any applicant whose request has been denied or whose permit has been revoked may appear before the council and present an appeal. The appeal shall be in writing and filed with the city clerk within thirty days after the denial or revocation.

13 Chapter 5.40

14 TAXICABS

15 Sections:

16	5.40.010	Definitions.
17	5.40.020	Exclusions.
18	5.40.030	Insurance required.
19	5.40.040	Identification.
20	5.40.050	Numbering.
21	5.40.060	Advertising on vehicles.
22	5.40.070	Equipment, cleanliness and inspection.
23	5.40.080	Defrauding carrier.
24	5.40.090	Receipts for fare.
25	5.40.100	Notices.
26	5.40.110	Enforcement.
27	5.40.120	Bureau of franchises.
28	5.40.130	Appeals.
	5.40.140	Rules and regulations.
	5.40.150	Inspection of records.
	5.40.160	Permit - Required.
	5.40.170	Permit - Application.
	5.40.180	Permit - Investigation.
	5.40.190	Permit - Hearing.
	5.40.200	Permit - Transfer.
	5.40.210	Permit - Fees.
	5.40.220	Permit - Revocation or suspension
	5.40.230	Permittee not to exceed authorized service.
	5.40.240	Permit - Issuance to owners only.

1	5.40.250	Availability of service.
	5.40.251	Response time.
2	5.40.260	Cruising and loading.
	5.40.270	Maximum number of passengers.
3	5.40.280	Direct route - Sharing cab.
	5.40.290	Identity lights.
4	5.40.300	Taximeters.
	5.40.310	Taxistands.
5	5.40.330	Rates - Generally.
	5.40.340	Rates - Complaints.
6	5.40.350	Rates - Display required.
	5.40.360	Rates - Waiting time computation.
7	5.40.370	Rates - Legal.
	5.40.380	Rates - Disputes resolved by police.
8	5.40.390	Drivers - Generally.
	5.40.400	Drivers - Restrictions.
9	5.40.410	Drivers - Permit - Required.
	5.40.420	Drivers - Permit - Revocation.
10	5.40.430	Drivers - Permit - Display required.
	5.40.440	Trip sheets.

11
12 5.40.010 Definitions. For the purposes of this chapter, the following words
and phrases have the meanings respectively ascribed to them by this section:

13 A. "Advertise" means to give public notice either by publication in a news-
14 paper, or by means of handbills, placards, or other written public notice or call to the public
attention by any means whatsoever.

15 B. "Bureau" means the bureau of franchises of the city.

16 C. "Carrier" means every person, firm, corporation, partnership, joint ven-
17 ture or other form of business organization engaged in operating, or causing to be operated,
any vehicle required by the provisions of this chapter to be covered by a permit.

18 D. "Charter vehicle" means every vehicle other than taxicabs, chauffeured
19 limousines and sight-seeing vehicles used for the public transportation of passengers for com-
20 pensation over the streets of the city, not over defined routes, to a destination or over a route,
or routes, designated by the hirer thereof when the point of origin is within the city.

21 E. "Chauffeured limousine" means every vehicle, the seating capacity of
22 which has been specified by the manufacturer to be seven persons or more, but does not in-
clude a bus, not equipped with a taximeter, and used for the transportation of passengers for
23 compensation over the streets of the city but not over defined routes, when point of origin is
within the city.

24 F. "Compensation" means any money, thing of value, payment, considera-
25 tion, reward, tip, donation, gratuity or profit paid, accepted or received for transportation of
a person or persons or for services rendered, whether paid upon solicitation, demand or con-
26 tract, or voluntarily, or intended as a gratuity or donation.

27 G. "Driver" means every person driving, operating, or in charge of any ve-
hicle regulated by this chapter.

28 H. "Driver's permit" means a permit issued by the city clerk to any person
who operates or drives any vehicle regulated by this chapter.

I. "Sight-seeing vehicle" means every vehicle other than taxicabs and char-
29 ter vehicles used for the transportation of passengers for compensation over the streets of
the city, whether or not over defined routes, for sight-seeing purposes or showing points of
interest when the route is designated by the carrier and when the point of origin is within the
city.

J. "Street" means every public street and road, alley, place, way, or highway
in the city.

K. "Taxicab" means every vehicle used for the public transportation of pas-

1 sengers over the streets of the city, but not over defined routes, irrespective of whether such
2 operations extend beyond the city, whether or not compensation is paid for such transporta-
tion, and whether or not the charge to patrons is determined and indicated by the mechanical
calculation of a taximeter as defined herein.

3 L. "Taximeter" means a mechanical instrument or device by which the
4 charge for hire of a taxicab is mechanically calculated, either for distance traveled or for
waiting time, or both, and upon which such charge is plainly registered by means of figures,
indicating dollars and cents.

5 M. "Taxistand" means a place on a public street designated by the bureau
for the use, while awaiting employment, of a vehicle covered by this chapter.

6 N. "Temporary driver's permit" means a permit issued by the city clerk to
any person who temporarily operates or drives any vehicle regulated by this chapter.

7 5.40.020 Exclusions. The definitions set forth in Section 5.40.010 shall not
include limousines used as a part of a funeral service.

8 5.40.030 Insurance required. No taxi carrier shall operate, or permit to be
9 operated, any vehicle under the provisions of this chapter, unless and until such vehicle is cov-
ered by public liability insurance of not less than one hundred thousand dollars for the injury
10 or death of one person, and three hundred thousand dollars for the injury or death of two or
more persons in any one accident, and property damage insurance of not less than fifty thou-
11 sand dollars for any one accident, and the policy of such insurance or certificate thereof in an
insurance company approved by the bureau has been filed with the bureau. Such policy or
12 certificate shall set forth with particularity the make, model, year and other identifying data
of each vehicle covered by such policy, together with the expiring date of such policy and
other required information.

13 5.40.040 Identification. No permit shall be granted to any carrier to oper-
14 ate any vehicle covered by this chapter whose color scheme, name, trade name, monogram or
insignia is in conflict with, or in imitation of, any color scheme, name, trade name, monogram
15 or insignia used by any other carrier as defined herein, and which is of such character and na-
ture as to be misleading or deceptive to the public.

16 5.40.050 Numbering. Each vehicle operated pursuant to the terms of this
chapter shall be numbered. Such number shall be painted upon the body of the vehicle in nu-
17 merals not less than four inches nor more than six inches in height in a position, or positions,
approved by the bureau.

18 5.40.060 Advertising on vehicles. No advertising or advertising device shall
be placed on or in any vehicle operated under the provisions of this chapter without the ap-
19 proval of the bureau.

20 5.40.070 Equipment, cleanliness and inspection. All vehicles operated by
any carrier as defined herein shall, before being placed in service, be approved by the city
21 clerk. All such vehicles shall be of a design and type of construction to comply with orders,
regulations pertaining to such equipment adopted from time to time by the bureau. Such ve-
22 hicles shall at all times be kept in a clean and sanitary condition and in a good state of repair,
and be subject to inspection at all times by the bureau or its representative. Any vehicle
23 which becomes unsafe, unclean, unserviceable, or mechanically defective may be retired from
service upon order of the bureau, and no vehicle which has been so retired shall be again oper-
ated in such service, except with approval of the bureau. All taxicabs shall, at all times, be
subject to any inspection by the city clerk or his designee or health official of the city.

24 5.40.080 Defrauding carrier. It is unlawful for any person to hire any vehi-
25 cle herein defined with intent to defraud the person from whom it is hired or engaged of the
value of such service.

26 5.40.090 Receipts for fare. It is unlawful for the driver of any vehicle, upon
receiving full payment for a fare as indicated by the taximeter or for services rendered, to
27 refuse to give a receipt upon the request of any person making such payment. When the taxi-
meter is of the so-called "receipt type," a receipt shall always be offered the passenger upon
receiving payment without a request therefor being made.

28 5.40.100 Notices. Whenever a notice is required to be given, unless differ-

ent provisions herein are otherwise specifically made, such notice may be given either by personal delivery thereof to the person to be notified or by deposit in the United States mail in a sealed envelope, postage prepaid, addressed to the person to be notified at his last known business or residence address as the same appears in the public records or other records pertaining to the matter to which such notice is directed. Service by mail is deemed completed at the time of deposit in the post office. Proof of giving such notice may be made by an affidavit of any person over the age of eighteen years, which affidavit shows service in conformity with this chapter or other provisions of law applicable to the subject matter concerned.

5.40.110 Enforcement. Upon the granting of any permit to any carrier as provided by this chapter, a copy of such permit shall be transmitted by the bureau to the chief of police who is charged with the duty of enforcement of all provisions of this chapter and other provisions pertaining to the operation of vehicles for hire.

5.40.120 Bureau of franchises. A bureau of franchises is created consisting of the city council. The bureau performs such services as are delegated to the bureau by this code and such other duties prescribed by order of the city council.

5.40.130 Appeals. Reserved for future materials.

5.40.140 Rules and regulations. The bureau has, subject to the approval of the city council, power and authority to adopt such rules and regulations as are consistent with the provisions of this chapter.

5.40.145 Penalty for violation. A person who violates any of the provisions of this chapter or violates any provisions or conditions of any permit issued by the bureau hereunder to any carrier, is guilty of a misdemeanor and, upon conviction thereof, may be fined not more than five hundred dollars or may be imprisoned for not more than six months or may be subject to both such fine and imprisonment.

5.40.160 Permit - Required. No person shall drive, operate or cause to be operated, nor shall any person employ, permit or allow another to drive, operate or cause to be operated, any taxi, charter vehicle, or sight-seeing vehicle over any street regardless of whether such operation extends beyond the boundary limits of the city, nor shall any person advertise for, solicit, induce, persuade, invite, or procure such transportation of passengers without a permit first having been obtained from the bureau except:

A. A vehicle being operated pursuant to a franchise issued by the authority of the state Public Utilities Commission or Interstate Commerce Commission;

B. A vehicle being operated for the purpose of transporting bona fide pupils attending an institution of learning between their homes and such institution;

C. A vehicle being operated under what is commonly referred to as a "share-the-ride" plan or arrangement where a person enroute from his place of residence to his place of business, or vice versa, transports another person living and working in the same general vicinity upon payment of a sum estimated to cover the actual or approximate cost of operation of the vehicle;

D. Vehicles rented or leased for self-operation by a person using such vehicle under a plan commonly known as "U-drive" but not when transporting other persons for compensation;

E. A towing vehicle being operated in response to calls other than police calls;

F. The bureau finds that the permittee refusing service was not able by reason of unavailability of equipment and personnel to render such service. In making this finding, the bureau may require the permittee to furnish any information reasonably necessary for such determination;

G. A system known as "dial-a-ride" is established to provide low-cost transportation to the handicapped, aged, and other needy persons;

H. Regional and/or local transit system buses or vehicles.

5.40.170 Permit - Application. Any person desiring a permit to operate vehicles covered by this chapter shall file a petition therefor with the city clerk. Such petition shall be verified by oath of the applicant, if a natural person; or by oath of an officer or partner of the applicant, if applicant is a corporation, partnership, association or unincorporated

1 company, and which petition shall set forth the name, age, and address of the petitioner, if a
2 natural person; or if a corporation, its name, date and place of incorporation, address of its
3 principal place of business, and the names of all its officers together with their respective
4 residence addresses; or if a partnership, association or unincorporated company, the names of
5 the partners or persons comprising the partnership, association or company, together with
6 their respective ages and residence addresses. The petition shall also state the trade name
or style, if any, under which the applicant proposes to operate, full information pertaining to
the character and nature of the proposed operations, and the manner in which such proposed
operations are to be conducted, the type, model, capacity and condition of the vehicles pro-
posed to be operated, a full statement of the petitioner's assets and liabilities, and such other
or additional information as the bureau may require.

7 5.40.180 Permit - Investigation. The bureau shall, upon receipt of the pe-
8 tition filed pursuant to Section 5.40.170, make full and complete inquiry into the facts set
9 forth therein, hold a hearing thereon upon such notice to interested persons as it prescribes,
10 and either grant or deny a permit upon the proposed terms or upon terms other than those
11 proposed. Such permit is for a specified number of vehicles which shall only be increased by
12 authority of the bureau. Such permit may, at the pleasure of the bureau, be for a prescribed
13 period or for an indefinite period; provided, that, in either event, the permit is subject to re-
14 vocation, suspension, as provided in this chapter or other city ordinances. When issued, such
15 permit constitutes evidence of compliance with the terms of this chapter, and authorizes the
16 permittee to operate vehicles under the conditions therein specified; subject, however, to the
17 requirements, obligations and limitations imposed by other applicable laws, this code and or-
18 ders of the bureau, and becomes effective only upon payment of the fees required by the pro-
19 visions of this code and other ordinances applicable thereto.

20 At, or before, the time the petition is filed with the bureau, the petitioner
21 shall pay the city clerk a filing fee of five hundred forty seven dollars (\$547.00).

22 5.40.190 Permit - Hearing. A. No permit shall be granted to any carrier
23 except after a hearing thereon conducted under and in accordance with such rules and regula-
24 tions as may, from time to time, be prescribed therefor by the bureau and until the bureau
25 has determined that the public convenience and necessity require the operation proposed by
26 the applicant for such permit. The bureau, in determining whether or not such facts exist,
27 takes into consideration the public demand for such service, the adequacy or inadequacy of
28 service being rendered by other carriers, the effect of such service upon traffic, the finan-
cial responsibility of the applicant, the amount of wages to be paid to employees, the charac-
ter of equipment proposed to be furnished, and any and all other facts which the bureau deems
relevant.

B. Before granting any such permit, the bureau shall require the city clerk
to present, either orally or in writing, a report together with his opinion as to the existence of
public convenience and necessity for the operation proposed by the applicant. However, the
burden of establishing the existence of public convenience and necessity always is borne by
the applicant, and no permit shall be issued unless there has been an affirmative showing of
the existence of such public convenience and necessity by the applicant. The foregoing pro-
visions and requirements also apply where an increase in service is requested. In making the
above determination the bureau is governed by the following:

If the bureau finds that further service in the nature of that proposed in
the city is required by the public convenience and necessity, then each holder of a certificate
to operate taxi vehicles shall be notified as to the total increase in the number of such vehi-
cles for which the convenience and necessity is found. The bureau shall then determine, sub-
ject to approval, reversal or modification thereof by the mayor and city council, whether
each such holder shall have the right to increase the number of such vehicles in the same pro-
portions that the total increase bears to the number of such vehicles theretofore operated by
said holder. In the event any holder entitled to increase the number of such vehicles as pro-
vided hereunder fails and neglects or refuses to do so, then the increase to which such holder
would have been entitled shall be distributed among all other holders in accordance with the
formula herein set forth. Should the existing holders of certificates to operate vehicles in

1 the class proposed to be increased fail to increase their service as herein provided within sixty
2 days from notice of entitlement of the increase, then the applicant shall be entitled to a
3 permit as hereinafter provided upon the condition that the applicant meets all requirements
4 of this chapter and is fit, willing and able to perform such public transportation as has been
5 proposed, and the bureau shall issue a certificate stating the name and address of the appli-
6 cant, the number of vehicles authorized under such certificate and the date of issuance.
7 Otherwise, the application shall be denied.

8 C. In making the above findings and determinations, the bureau shall be
9 governed and limited by the following standards:

10 1. Not more than one taxicab shall be permitted for each three
11 thousand residents of the city. The said limitation of not more than one vehicle for the in-
12 dicated number of residents means one operating vehicle during each hour of any day;

13 2. Not more than one chauffeured limousine shall be permitted for
14 each twenty-five thousand residents of the city or major portion thereof.

15 The number of residents of the city shall be determined by the bureau.

16 5.40.200 Permit - Transfer. No permit issued under the provisions of this
17 chapter shall be sold, transferred, assigned, mortgaged or otherwise conveyed without the
18 consent of the bureau and the city council and the sale, assignment, mortgaging or otherwise
19 conveying of any such certificate without the consent and approval of the bureau and the
20 city council shall revoke the certificate. Any successor, transferee or assignee shall comply
21 with each requirement and condition of the permit or certificate.

22 5.40.210 Permit - Fees. Each permit issued pursuant to this chapter enti-
23 tles the holder thereof to obtain a license to engage in the business described in the permit
24 upon payment of the fees required by this chapter; provided, the holder of such permit com-
25 plies with all other applicable provisions of law, and this code.

26 Prior to issuance of any such license, the applicant therefor shall obtain
27 from the bureau a certificate showing that a permit is in effect authorizing the proposed ser-
28 vice by the applicant, that issuance as required by ordinance is in effect and describing the
vehicles so authorized to be used. The applicant shall file the certificate so issued by the
bureau with the license tax collector at the time the license is issued. The license tax col-
lector shall retain such certificate so filed and indicate thereon the serial number of the li-
cense issued pursuant thereto.

Any permittee holding a valid and effective permit for operation of a char-
ter vehicle is entitled, provided all other applicable laws are complied with, to obtain a li-
cense to engage in the business thereby permitted and is, likewise, entitled to receive a cer-
tificate from the bureau that such permit or permits are in effect. Each such licensee shall,
not later than the tenth day of each month, file with the bureau a verified report covering
the operation of charter vehicles by such licensee for the previous calendar month. Such re-
port shall show the date, the place of origin, the ultimate destination, the name of the party
employing the vehicle, the type, make, and state license number of the vehicle and such other
data as may be required by the bureau upon forms provided by it. Failure to file such report
or if such report is filed incomplete, is grounds for immediate revocation of the permit by
the bureau.

5.40.220 Permit - Revocation or suspension. The bureau has the power to
suspend or revoke any or all of the carrier permits granted under the provisions of this chap-
ter when it has determined that any of the provisions hereof have been violated, or that any
holder of such permit has failed to comply with the terms of such permit or the rules and re-
gulations of the bureau pertaining to the operation, character and quality of the service of
any such vehicles. Before revocation of such permit, the carrier is entitled to a hearing be-
fore the bureau and shall be notified of it.

Notice of said hearing shall be in writing and served at least five days prior
to the date of the hearing and shall be served in accordance with guidelines established in
Section 5.40.100 of this chapter.

5.40.230 Permittee not to exceed authorized service. It is unlawful for
any carrier granted a permit under the provisions of this chapter to conduct any operation or

1 give any service other than the service authorized by its permit granted by the bureau.

2 5.40.240 Permit - Issuance to owners only. All taxicabs except those then
3 being operated under existing carrier permits shall be owned by the carrier to whom a permit
4 to operate such taxicab has been issued and no permit shall be granted to any carrier for any
5 taxicab unless such taxicab is owned by such carrier.

6 5.40.250 Availability of service. Taxicab service shall be available at all
7 times by telephone call, by engagement of the taxicab when standing at a regularly assigned
8 stand, or when hailed from the street or curb. It is unlawful for any carrier or driver of a
9 taxicab to refuse or neglect to transport any orderly person or persons upon request anywhere
10 in the city when a taxicab of such carrier is standing in a regularly assigned taxistand, and
11 such service shall be rendered immediately upon request.

12 5.40.251 Response time. Taxicab service shall be available to any person
13 within the city, after the proper placing of telephone call for such service within a time lapse
14 not to exceed fifteen minutes from the time the call was received by the carrier.

15 5.40.260 Cruising and loading. It is unlawful for any driver of any vehicle
16 licensed hereunder, while driving such vehicle, to cruise, loiter or stop on a public street for
17 the purpose of soliciting passengers or seeking a place in a taxistand which is already occu-
18 pied. It is lawful, however, for such vehicle while proceeding to a regularly assigned taxi-
19 stand, regularly established call station, or to the carrier's principal place of business, to ac-
20 cept employment when hailed from the street or curb; provided, that it is unlawful for such
21 driver to accept passengers at any of the following places:

- 22 A. In any marked or unmarked crosswalk;
- 23 B. At any regularly established bus stop;
- 24 C. At any place in a street except alongside a curb;
- 25 D. Alongside any curb opposite a regularly established and marked traffic
26 safety zone.

27 5.40.270 Maximum number of passengers. The number of adult passengers
28 which may be carried in any vehicle covered by this chapter is limited to the seating capacity
of such vehicle as specified by the manufacturer. The number of passengers consisting of
children attending schools below the level of junior high schools which may be carried in any
vehicle covered by this chapter is limited to the adult seating capacity of such vehicle, as
specified by the manufacturer, plus one. No person shall be carried in such vehicle who is
required to share in any way the seating space occupied by another, nor shall any person be
carried who is not provided a seat.

18 5.40.280 Direct route - Sharing cab. A. Every driver of a taxicab who is
19 engaged to carry passengers shall take the most direct route possible that will carry the pas-
20 sengers safely and expeditiously to their destinations unless otherwise directed by the hirer.

21 B. When a taxicab is engaged, the person, or persons, engaging such taxi-
22 cab has the exclusive right to the full and complete use of the passenger compartment, and it
23 is unlawful for the carrier or driver of such taxicab to solicit or carry additional passengers
24 therein; provided, however, that where the bureau finds that public necessity requires the
25 grouping of passengers in such taxicabs, the bureau may issue a special written permit, which
26 permit specifically sets forth the rules and regulations under which such passenger grouping
27 is permitted. It is unlawful for any driver or carrier to operate, or permit to be operated,
28 any taxicab in violation of any of the rules and regulations set forth in such special permits.

24 5.40.290 Identity lights. Every taxicab shall be equipped with an identity
25 light attached to the top of such taxicab. Such identity light shall be constructed in one unit
26 consisting of an illuminated plate or cylinder upon which is printed the trade name of the re-
27 spective taxicab company or as approved by the bureau. The overall dimensions of such iden-
28 tity light shall not exceed six inches in height by twenty inches in length. The lights of the
identity light shall be operated manually to illuminate the identity light when the taximeter
is not in operation during dark hours and while available for hire, indicating the cab is vacant
and for hire, and to extinguish the identity light when the taximeter is in operation. It is un-
lawful to drive or operate any taxicab with such identity light illuminated while carrying pas-
sengers for compensation, and it is unlawful to drive, operate or be in charge of any taxicab

1 unless such identity light is illuminated when such taxicab is for hire.

2 5.40.300 Taximeters. A. It is unlawful for any carrier to operate or cause
3 to ^{be} operated any taxicab in the city unless and until such taxicab is equipped with a taximeter
4 of a type and design approved by the bureau, and it is the duty of the carrier operating such
5 taxicab, and also of the driver thereof, to keep such meter operating at all times within such
6 standard of accuracy as may be prescribed by the bureau. No passenger shall be carried in
7 any such cab unless the taximeter is in operation. This provision applies regardless of whether
8 the taxicab is engaged for a trip entirely within the boundaries of the city or partially outside
9 thereof, and such meter shall be kept operating continuously during the entire time that it is
10 engaged in the transportation of passengers for compensation, regardless of the point of des-
11 tination.

12 B. The taximeter shall be placed in each taxicab so that the reading dial
13 showing the amount to be charged is well lighted and readily discernible to a passenger riding
14 in any such taxicab.

15 C. Every taximeter used in the operation of taxicabs is subject to inspec-
16 tion at any time by the bureau or any of its representatives. Upon discovery or notice from
17 the bureau of any inaccuracy of such taximeter, the operator thereof shall remove or cause
18 to be removed from service any vehicle equipped with such taximeter until such taximeter
19 has been repaired and accurately adjusted or replaced with one approved by the bureau.

20 D. Every taximeter shall be inspected and tested for accuracy by the car-
21 rier at least once every six months. Upon the completion of such inspection and of any ad-
22 justments necessary to cause such taximeter to operate within the standards of accuracy ap-
23 proved by the bureau, the carrier shall place upon such meter a gummed label having printed
24 thereon the following:

25 "This taximeter was inspected and tested on (date) and found to comply
26 with the standard of accuracy prescribed by the Bureau of Franchises of the City of Rialto."

27 The date on which such inspection was made shall be stamped in the blank
28 space provided for that purpose. No such label shall be removed except at the time a subse-
quent inspection is made.

E. It is unlawful for any driver of any taxicab while carrying passengers,
to display the flag attached to the taximeter in such a position as to denote that such vehicle
is not employed, or to fail to throw the flag of the taximeter to a position indicating the ve-
hicle is unemployed at the termination of each and every service.

F. All charges for taxicab service shall be calculated and indicated by a
taximeter and, at all times while the taxicab is engaged, the flag of the taximeter shall be
thrown into a position to register charges for mileage, or into a position to register charges
for waiting time. No taximeter shall be
used whose mechanism will register a combined charge for mileage and waiting time in any
single position, and no taximeter shall be so operated as to cause any charge to be registered
thereon except during the time while the taxicab is engaged by a passenger or passengers.

21 5.40.310 Taxistands. A. No automobile for hire or taxicab for which a
22 permit has been granted shall remain standing upon any portion of any public street within
23 the city for a period of more than three minutes; provided, that the city council may, by or-
24 der, specify stands at which such automobiles for hire and such taxicabs may be parked pursu-
25 ant to the provisions of any ordinance or law now in force or that may be hereafter enacted
26 governing the parking of motor vehicles within the city, and may by such order specify the
27 nature and extent of the use to which such stand may be devoted.

28 B. The stand shall consist of one car space, to be marked off, painted and
reserved for such automobile for hire or taxicab only.

C. No permit for a stand shall be granted, save and except upon the filing
by the applicant therefor with the city clerk of a verified petition addressed to the city coun-
cil setting forth the name and business address of the applicant and the stand desired, and
accompanying the petition, the written consent of the owner and tenant or owners or tenants
of the frontage immediately adjacent to the stand, and the written consent of two-thirds of
the property owners and tenants owning or occupying the premises fifty feet on each side of

1 the stand so applied for, and the written approval of the chief of police.

2 D. The decision of the city council is final and conclusive thereon and the
3 applicant, his agent or representative are barred from filing a petition for the stand so re-
4 fused for six months from the date of the decision.

5 E. No taxi owner, company or combination of owners or companies shall be
6 granted more than two stands in the city.

7 F. The city council has the right to establish and grant permits for such
8 temporary emergency stands for a period of thirty days or less, as they may designate, in ad-
9 dition to the stands herein.

10 G. The operator of the taxicab shall remain within ten feet of the taxi so
11 parked at the stand, except when assisting passengers to load or unload or when answering
12 his telephone.

13 H. The stand and the permit therefor may be revoked in the same manner,
14 upon the same grounds, and by the same procedure as specified under Section 5.40.220.

15 I. It is unlawful to solicit patronage for an automobile for hire or taxicab
16 upon any public street within the city, except at the place where a stand therefor has been
17 granted by the city council as herein provided.

18 5.40.330 Rates - Generally. No rate or fare shall be placed in effect,
19 charged, demanded or collected by any carrier for the transportation of passengers by vehi-
20 cles, for its services as covered by this chapter until the bureau, after a hearing upon its own
21 motion, or upon application, or complaint, has found and determined such rate to be just, rea-
22 sonable and nondiscriminatory, nor in any way, in violation of any provisions herein contained
23 or any provision of law; nor until such rate or fare has been established and authorized by the
24 bureau with the approval of the mayor and city council. In establishing and authorizing such
25 rates or fares, the bureau takes into account, and gives due and reasonable consideration of,
26 the cost of all comparable transportation services performed by all persons, firms or corpo-
27 rations engaged in such transportation services for compensation in the city, whether by vir-
28 tue of any franchise granted by the city council or otherwise, including length of haul, any
additional transportation service, performed, or to be performed, or of any accessorial ser-
vice, and the value of the facilities reasonably necessary to perform such transportation ser-
vices.

5.40.340 Rates - Complaints. The bureau has power, upon a hearing upon
it own motion, or upon application, or complaint, to investigate a single rate of fare or the
entire schedule of fares in effect, charged, demanded, or collected for the transportation ser-
vices by vehicles covered by this chapter and, with the approval of the city council, establish
a new rate, fare or schedule of fares in lieu thereof.

5.40.350 Rates - Display required. Every vehicle used or operated hereun-
der shall, at all times, have displayed therein, in a location and manner approved by the bu-
reau, the rates to be charged for such service, and which rates shall always be visible.

5.40.360 Rates - Waiting time computation. For the purpose of this sec-
tion "waiting time" means the time consumed while the taxicab is not in motion at the direc-
tion of a passenger, and also the time consumed while waiting for a passenger after having
responded to a call. No charge is made for the time consumed by the premature response to
a call, or for the first three minutes following timely arrival at any location in response to a
call or for time lost through traffic interruptions or for delays caused by the inefficiency of
the taxicab or its driver.

5.40.370 Rates - Legal. It is unlawful for any carrier, or any agent or em-
ployee thereof, or any driver or operator of any vehicle covered by this chapter to charge,
collect, demand, receive, arrange, solicit, or bargain for any amount of compensation in ex-
cess of or less than the rates or fares established and authorized by the bureau.

5.40.380 Rates - Disputes resolved by police. All disputes as to fare are
determined by the officer in charge of the police station. It is unlawful for any owner, driver
or operator to charge or collect any sum in excess of or lower than the sum fixed by the sche-
dule of rates filed with the city council.

5.40.390 Drivers - Generally. Vehicles covered by this chapter shall be op-

1 erated only by the carrier, if a person, or by a person employed by the carrier, or by a person
2 authorized by a carrier to operate a vehicle under such carrier's permit. All such authorized
3 persons are subject to and shall comply with all the applicable provisions of this chapter, and
4 no carrier shall impose upon such persons any terms or conditions inconsistent with those set
5 forth in this chapter. If the person so authorized is not an employee, the arrangement, con-
tract, or lease under which such authority is exercised shall be in writing, filed with the bu-
reau, and approved by it before becoming effective; provided, however, that the bureau shall
not approve any such arrangement, contract or lease if any of the terms thereof are not in
conformity with the provisions of this chapter.

6 5.40.400 Drivers - Restrictions. It is unlawful for any carrier to permit
7 the operation of any vehicle licensed to him under this chapter by any person other than the
holder of a driver's permit issued hereunder, or in any manner contrary to the terms of this
chapter.

8 5.40.410 Drivers - Permit - Required. A. It is unlawful for any person to
9 drive, operate, or be in charge of any vehicle operated under this chapter without first having
obtained a driver's permit, or temporary driver's permit, issued pursuant to this chapter.

B. An applicant for such permit shall:

10 1. Deposit with the city clerk a fee of nine dollars for such per-
mit and secure a receipt therefor. The fee so deposited shall cover the expenses incurred, and
no refund shall be made for any reason.

11 2. Appear personally and file with the city clerk an application,
12 in writing, containing such information as the city clerk may require, and satisfy the city clerk
that the deposit hereinabove has been made.

13 C. When an applicant has applied for a driver's permit and paid the fee for
such permit, the city clerk may, subject to the conditions contained in subsection E, issue a
14 temporary driver's permit, unless otherwise ordered in writing by the bureau. Such temporary
driver's permit shall have written or printed thereon the expiration date, which is thirty days
15 from the date of issuance, and also the fact that such permit automatically becomes null and
void upon the expiration date. After the expiration of the time so allotted, the temporary
16 permit is of no further force or effect and shall not be renewed or extended. It is also sub-
ject to suspension and revocation as provided in Section 5.40.420.

17 D. The city clerk shall promptly make an investigation regarding the char-
acter and moral fitness of such applicant. If satisfied that the operation by applicant of a ve-
18 hicle authorized to be operated under the terms of this chapter is not detrimental to the pub-
lic health, peace, safety or welfare, he, on or before the expiration of the applicant's tempo-
rary driver's permit, issues to applicant a driver's permit in the manner hereinafter provided;
19 otherwise, he denies the application.

20 E. No driver's permit or temporary driver's permit shall be issued to any
applicant who is under the age of twenty-one years, or who is over twenty-one years and has
failed to obtain the appropriate license or permit required by the state.

21 F. If the city clerk has determined that he will approve an application for
a driver's permit, he will issue to the applicant such permit authorizing such applicant to
22 drive, operate or be in charge of any vehicle in the city, operated pursuant to the terms of
this chapter.

23 G. The city clerk shall keep a copy of such driver's permit on file in his
office. Such driver's permit constitutes evidence of compliance with the terms of this chap-
24 ter, but is subject to all other applicable laws, ordinances, or orders of the bureau. Such dri-
ver's permit is effective until the expiration date printed thereon, unless suspended or revoked
25 as provided in Section 5.40.420.

26 H. All permits, except temporary permits, issued as in this section provi-
ded, expire on December 31 next following the date of issuance unless previously suspended,
27 or revoked. All driver's permits and temporary driver's permits authorized to be issued under
this section are effective only while the driver to whom such permit is issued is employed or
28 authorized by a carrier holding a valid permit issued pursuant to this chapter. Upon such
driver terminating his engagement with such carrier, his permit is automatically suspended

1 and becomes effective again only when and if such driver is again engaged by such carrier
2 during the terms for which the permit was issued.

3 I. A renewal or transfer driver's permit is issued by the city clerk to any
4 permittee who has paid the city clerk the fee of three dollars for such transfer or renewal.
5 Application for such renewal or transfer permit shall be made not less than thirty days prior
6 to the expiration of the existing driver's permit.

7 5.40.420 Drivers - Permit - Revocation. A. The city clerk may summarily
8 revoke any driver's permit issued under the provisions of this chapter if he has knowledge that
9 the holder thereof has been convicted of violating any of the provisions of this chapter or has
10 been convicted of a felony, or the violation of any of the provisions of the state Alcoholic
11 Beverage Control Act, the state Narcotic Law, or of assault, battery, pandering, driving a
12 vehicle while under the influence of intoxicants or narcotics, or reckless driving. Whenever
13 charges involving any of the above offenses are formally made by the filing of a complaint,
14 indictment or information against the holder of such permit, and the city clerk has knowledge
15 thereof, he shall temporarily suspend such driver's permit pending determination of such charges,
16 but such suspension shall not remain in force after an acquittal or dismissal of the charges.
17 Notice of such suspension or revocation shall be given to the person involved.

18 B. Any driver who may be aggrieved by the action of the city clerk in sus-
19 pending or revoking his permit, or any applicant who may be aggrieved by the denial by the
20 city clerk of his application within ten days from such denial, suspension or revocation, may
21 apply to the bureau for a hearing as to the matters in question, whereupon a time for such
22 hearing shall be set which shall be not later than thirty days thereafter, at which time a full
23 and complete hearing shall be held before the bureau. At the conclusion of the hearing, the
24 bureau may affirm, modify or overrule the action of the city clerk, in which latter event the
25 driver's permit is granted or reinstated, as the case may be, and the decision of the bureau is
26 final. Such hearing, or application therefor, shall not, however, affect the order of suspen-
27 sion or revocation of the city clerk, unless and until acted upon and reversed or modified by
28 the bureau.

29 C. The bureau likewise has power to suspend or revoke a driver's permit
30 either for any of the foregoing reasons or others from which the bureau concludes that a con-
31 tinuation of a driver's activities as such driver is or may be detrimental to the public health,
32 peace safety, or welfare; provided, however, the bureau may take such action only after a
33 hearing for such purpose, which is held after five days notice, and an opportunity to be heard
34 has been given to such driver.

35 D. Any driver whose permit is revoked pursuant to this chapter shall not
36 be reinstated or granted a new permit before the expiration of one year from the date of any
37 such revocation.

38 5.40.430 Drivers - Permit - Display required. It is unlawful for any driver
39 to operate or be in charge of any vehicle licensed by this chapter without having in his imme-
40 diate possession the driver's permit required by this chapter. It is also unlawful for any driver
41 operating, or in charge of any vehicle covered by this chapter to display upon his person or to
42 use for the purpose of operating such vehicle a driver's permit issued to another.

43 5.40.440 Trip sheets. The driver of every vehicle covered by this chapter
44 shall keep or cause to be kept a complete and accurate record of each trip upon a daily trip
45 sheet, the form of which shall be approved by the bureau, showing the time and place of ori-
46 gin and destination of the trip, the number of passengers carried, and the mileage and the
47 amount of fare or charge collected. This record shall be filed with the bureau upon request.

48 The trip sheets shall be retained as a record for a period of at least one
49 year, after which time it may be destroyed upon affirmative action therefor by the bureau.

50 Chapter 5.44

51 CATV SYSTEMS

1 Sections:

2	5.44.010	Definitions.
3	5.44.020	Franchise - Granting.
4	5.44.030	Franchise - Uses permitted.
5	5.44.050	Franchise - Duration.
6	5.44.060	Franchise - Payments.
7	5.44.070	Franchise - Limitations.
8	5.44.080	Rights reserved to city.
9	5.44.090	Permits - Installation - Service.
10	5.44.100	Grantee property - Location.
11	5.44.110	Grantee property - Removal or abandonment.
12	5.44.120	Failure to perform street work.
13	5.44.130	Surety bonds.
14	5.44.140	Insurance requirements.
15	5.44.150	Inspection of property and records.
16	5.44.160	Operational standards.
17	5.44.170	Miscellaneous provisions.
18	5.44.180	Adoption of rules and regulations.
19	5.44.190	Franchise - Application - Contents.
20	5.44.200	Franchise - Application - Fee.
21	5.44.210	Effect of annexations.
22	5.44.220	Effect of preemption.
23	5.44.230	Franchise - Renewal.
24	5.44.240	Violations.

14 5.44.010 Definitions. For the purpose of this chapter, the following terms,
15 phrases, words and their derivations have the meaning given herein. When not inconsistent
16 with the context, words used in the present tense include the future; words in the plural num-
ber include the singular; and words in the singular number include the plural. "Shall" is always
mandatory and not merely directory.

17 A. "City" means the city of Rialto in its present incorporation form or in
any later recognized, consolidated, enlarged or reincorporated form.

18 B. "Council" means the present governing body of the city, or any future
board constituting the legislative body of the city.

19 C. "Person" means any individual, firm, partnership, association, corpora-
tion, company or organization of any kind.

20 D. "Grantee" means the person, firm or corporation to whom or to which
a franchise under this chapter is granted by the council, and the lawful successor or assignee
of the person, firm or corporation.

21 E. "Community antenna television system," or "CATV" system means a
22 system of antennae, coaxial cables, wave guides, poles, wires, underground conduits, manholes
and other conductors, equipment or facilities designed, constructed or used for the purpose
23 of providing television, radio or other service by cable or through its facilities as herein con-
templated. CATV does not mean or include the transmission of any special program or event
24 for which a separate and distinct charge is made to the subscriber in the manner commonly
known and referred to as pay television.

25 F. "Subscriber" means any person or entity receiving for any purpose the
CATV service of the grantee herein.

26 G. "Gross annual receipts" means any and all compensation in the form of
gross rental and/or service receipts, including initial installation charges, received directly
or indirectly from subscribers or users in payment for CATV services received within the city.

27 "Gross annual receipts" does not include any taxes on services furnished by
the grantee imposed directly on any subscriber or used by any city, state or other governmen-
28 tal unit and collected by the grantee for such governmental unit.

1 H. "Franchise area" means the territory within the city throughout which
2 grantee is authorized to construct, maintain and operate its system and includes any enlarge-
ments thereof and additions thereto.

3 I. "Street" means the surface of and the space above and below any public
street, road, highway, freeway, land, path, alley, court, sidewalk, parkway, or drive, now or
4 hereafter existing as such within the city.

5 J. "Property of grantee" means all property owned, installed or used by a
grantee in the conduct of a CATV business in the city under the authority of a franchise gran-
ted pursuant to this chapter.

6 5.44.020 Franchise - Granting. A franchise to construct, operate and main-
tain a community antenna television system within all or any portion of the incorporated area
7 of the city may be granted by the council to any person, firm or corporation, whether opera-
ting under an existing franchise or not, offering to furnish and provide such system pursuant
8 to the terms and provisions of this chapter. Such a franchise is not exclusive, and the city
reserves the right to grant a similar franchise to any person at any time. No provision of this
9 chapter requires the granting of a franchise when in the opinion of the council it is in the pub-
lic interest to restrict the number of grantees to one or more or to refrain from granting the
franchise at that time.

10 5.44.030 Franchise - Uses permitted. Any franchise granted pursuant to
the provisions of this chapter authorizes and permits the grantee to engage in the business of
11 operating and providing a CATV system in the city for that purpose to erect, install, con-
struct, operate, repair, replace, reconstruct, maintain and retain in, on, over, under, upon,
12 across and along any public highway, street, alley, public way or public place, such poles,
wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, applicances, attach-
13 ments and other property as may be necessary and appurtenant to the CATV system; and, in
addition, so to use, operate and provide similar facilities on properties rented or leased from
14 other persons, firms or corporations including, but no limited to, a public utility or other
grantee franchised or permitted to do business in the city.

15 The grantee has the authority to promulgate such rules, regulations, terms
and conditions governing the conduct of its business and reasonably necessary to enable it to
16 exercise its rights and perform its obligations under the franchise, and to insure an uninter-
rupted service to each and all of its customers; provided, however, that such rules, regula-
17 tions, terms and conditions are not in conflict with the provisions hereof or of the laws of the
city, the state of California, or the United States of America.

18 The grantee has authority to trim trees upon and over hanging streets, al-
leys, sidewalks and public places of the city so as to prevent the branches of such trees from
19 coming into contact with the wires and cables of grantee, all trimming to be done under the
supervision and direction of the city and at the expense of grantee.

20 5.44.050 Franchise - Duration. Any franchise, granted by the city council
pursuant to this chapter, shall be for a term of not less than ten years nor more than twenty
21 years following the date of acceptance of such franchise by the grantee or renewal thereof.
Any such franchise may be terminated prior to its date of expiration by the city council in
22 the event that the council finds, after thirty days' notice of proposed termination and public
hearing, that:

23 A. The grantee has failed to comply with any provision of this chapter, or
has, by act or omission, violated any term or condition of its franchise or permit issued under
24 this chapter; or

25 B. Any provision of this chapter has become invalid or unenforceable and
the council further finds that such provision constitutes a consideration material to the grant
of the franchise; or

26 C. The city acquires the CATV property of grantee.

27 5.44.060 Franchise - Payments. A. Acceptance Fee. The grantee of any
franchise granted pursuant to this chapter shall pay the city upon acceptance of such fran-
chise a fee certain in an amount to be determined or approved by the city council, which in
28 the case of bid is that amount offered in the successful bid.

1 B. Annual Franchise Fee. The grantee of any franchise under this chapter
2 shall pay annually to the city during the life of such franchise a fixed percentage of the gross
3 receipts of the grantee derived from subscribers within the city. Such percentage shall be
4 negotiated between grantor and grantee and is established by the city council for the life of
5 the franchise by specifying such percentage in the ordinance granting the franchise.

6 The grantee shall file with the city, within thirty days after the expiration
7 of any calendar year during which the franchise is in force, a financial statement prepared by
8 a certified public accountant showing in detail the gross annual receipts, as defined herein, of
9 grantee, its successors and assigns, during the preceding calendar year. It is the duty of the
10 grantee to pay the city, within ten days after the time for filing such statement, any unpaid
11 balance for the calendar year covered by such statement.

12 In the event that the above payment is not received by the city within the
13 specified time, grantee shall pay the city a penalty of two percent per month of the unpaid
14 balance in addition thereto.

15 In any year or portion thereof commencing at the conclusion of the first
16 year that service is provided during which payments to grantee for installation and service
17 amount to less than fifteen hundred dollars per month, grantee shall pay to the city a mini-
18 mum amount of fifty dollars per month.

19 The right is reserved to the city of audit and recomputation of any and all
20 amounts paid under this chapter, and no acceptance of any payment shall be construed as a
21 release or as an accord and satisfaction of any claim that city may have for further or addi-
22 tional sums payable under this chapter or for the performance of any obligation thereunder.

23 In the event of any holding over after expiration or other termination of the
24 franchise, without the consent of the city, the grantee shall pay the city damages of not less
25 than twenty percent of its gross profits during that period.

26 5.44.070 Franchise - Limitations. A. No privilege or exemption shall be
27 granted or conferred by a franchise granted pursuant to this chapter except those specifically
28 prescribed herein.

B. The grantee is subject to all requirements of the ordinances, rules, regu-
lations, fees and specifications of the city heretofore or hereafter enacted or established, in-
cluding, but not limited to, those concerning street work, street excavation, use, removal,
and relocation of property within a street, and other street work.

C. All transmission and distribution structures, lines and equipment of the
grantee within the city shall be so located as to cause minimum interference with the proper
use of streets, alleys and other public ways and places, and to cause minimum interference
with the rights or reasonable convenience of property owners who adjoin any of the streets,
alleys or other public ways and places, all as determined by the city engineer.

D. In case of any disturbance of pavement, sidewalk, driveway or other
surfacing, the grantee shall, at its own cost and expense and in a manner approved by the city
engineer, replace and restore all paving, sidewalk, driveway or surface of any street or alley
disturbed, in as good condition as before said work was commenced and to the satisfaction of
the city engineer and shall maintain the restoration in an approved condition for the duration
of the franchise.

E. The grantee shall, at its expense, protect, support, temporarily discon-
nect, relocate or remove from any public street, alley or other public way, any property of
the grantee when required by the city engineer by reason of traffic conditions, public safety,
street vacation, freeway or street construction, change or establishment of street grade, in-
stallation of sewers, drains, water pipes, power lines, signal lines, and tracks or any other type
of structures or improvements by government agencies when acting in a governmental or pro-
prietary capacity, or any other structures or public improvements; provided, however, the
grantee shall in all cases have the privileges to be subject to the obligations to abandon any
property of the grantee in place, as provided in Section 5.44.110.

F. Whenever it is necessary to shut off or interrupt service for the purpose
of making repairs, adjustments, alterations or installations, the grantee shall do so at such
time as will cause the least amount of inconvenience to its customers, and unless such inter-

1 ruption is unforeseen and immediately necessary, it shall give reasonable notice thereof to
2 its customers.

3 G. Any such franchise is a privilege to be held in trust by the original
4 grantee. It cannot in any event be sold, transferred, leased, assigned or disposed of, in whole
5 or in part, either by forced or involuntary sale, merger, consolidation or otherwise, without
6 prior consent of the council expressed by resolution, and then only under such conditions as
7 may be therein prescribed. The grantee shall file with the council within thirty days after
8 any sale, transfer, assignment, or lease of the franchise or any part thereof, or any of the
9 rights or privileges granted thereby, written evidence of the transaction certified to by the
10 grantee or its duly authorized officers. The proposed assignee must show financial responsi-
11 bility and agree to comply with all provisions of this chapter. No such consent is required
12 for a transfer in trust, mortgage or other hypothecation as a whole, to secure an indebtedness.

13 H. Time is of the essence of any such franchise granted. The grantee shall
14 not be relieved of his obligation to comply promptly with any of the provisions of this chapter
15 by failure of the city to enforce prompt compliance.

16 I. Any right or power in, or duty impressed upon, any city officer, employ-
17 ee, department or board is subject to transfer by the city to any other city officer, employ-
18 ee, department or board.

19 J. The grantee has no recourse whatsoever against the city for any loss,
20 cost, expense or damage arising out of any provisions or requirements of this chapter or its
21 enforcement.

22 K. Any such franchise granted shall not relieve the grantee of any obliga-
23 tion involved in obtaining pole space from any city department, utility company, or from
24 others maintaining poles in streets.

25 L. Any franchise granted hereunder is in lieu of any and all other rights,
26 privileges, powers, immunities, and authorities owned, possessed, controlled, or exercisable
27 by grantee, or by any successor to any interest of grantee, of or pertaining to the construc-
28 tion, operation, or maintenance of any CATV system in the city. And the acceptance of any
franchise hereunder operates, as between grantee and the city, as an abandonment of any and
all of such rights, privileges, powers, immunities, and authorities within the city, to the ef-
fect that, as between grantee and the city, any and all construction, operation and mainten-
ance by any grantee of any CATV system in the city is, in all instances and respects, under
and pursuant to the franchise and not under or pursuant to any other right, privilege, power,
immunity, or authority whatsoever, in lieu of all of which is granted any franchise hereunder.

5.44.080 Rights reserved to city. A. No franchise granted under this chap-
ter in any way impairs or affects the right of the city to acquire the property of the grantee
by purchase of condemnation.

B. No franchise granted under this chapter is ever given any value before
any court or other public authority if any proceedings of any character in excess of the cost
to the grantee of the necessary publication and any other sum paid by it to the city therefor
at the time of acquisition.

C. There is reserved to the city every right and power which is required
to be reserved or provided by any city ordinance or resolution, and the grantee, by its accep-
tance of any franchise, agrees to be bound thereby and comply with any action or require-
ments of the city in its exercise of such rights or power, enacted or established.

D. Neither the granting of a franchise under this chapter nor any of the
provisions contained in this chapter prevents the city from granting any identical or similar
franchise to any other person, firm or corporation, either within or without the designated
area of the franchise.

E. The city council may do all things which are necessary and convenient
in the exercise of its jurisdiction under this chapter and determine any question of fact
which arises during the existence of any franchise issued under the provisions of this chapter.

F. The city administrator is authorized and empowered to adjust, settle
or compromise any controversy or charge arising from the operations of any grantee under
this chapter, either on behalf of the city, the grantee, or any subscriber, in the best interest

1 of the public. Either the grantee or any member of the public who may be dissatisfied with
2 the decision of the city administrator may appeal the matter to the council for hearing and
3 determination. The council may accept, reject or modify the decision of the city administra-
4 tor, and the council may adjust, settle or compromise any controversy or cancel any charge
5 arising from the operations of any grantee or from any provision of this chapter.

6 5.44.090 Permits - Installation - Service. A. Within thirty days after ac-
7 ceptance of any franchise the grantee shall proceed with due diligence to obtain all necessary
8 permits and authorizations which are required in the conduct of its business, including but not
9 limited to any utility joint use attachment agreements, microwave carrier licenses, and other
10 permits, licenses, and authorizations to be granted by duly constituted regulatory agencies
11 having jurisdiction over the operation of CATV systems or their associated microwave trans-
12 mission facilities.

13 B. Within ninety days after obtaining all necessary permits, licenses and
14 authorizations, grantee shall commence construction and installation of the CATV system.

15 C. Within one hundred eighty days after the commencement of construc-
16 tion and installation of the system, grantee shall proceed to render service to subscribers, and
17 the completion of the construction and installation shall be pursued with reasonable diligence
18 to the end that service is made available to all potential subscribers throughout the entire
19 franchise area within such time and upon such conditions as are determined by the city coun-
20 cil.

21 D. Failure to do any of the foregoing is grounds for termination of the
22 franchise.

23 E. The city administrator may extend the time for obtaining necessary
24 permits and authorization and for beginning construction and installation for additional peri-
25 ods in the event the grantee, acting in good faith, experiences delays by reason of circum-
26 stances beyond his control.

27 5.44.100 Grantee property - Location. A. Any poles, wires, cable lines,
28 conduits, or other properties of the grantee to be constructed or installed in streets, alleys
or other public places, shall be so constructed or installed only at such locations and in such
manner as are approved by the city engineer acting in the exercise of his reasonable discre-
tion.

B. The grantee shall not install or erect any facilities or apparatus on pub-
lic property or rights-of-way within the city, except those installed or erected upon public
utility facilities now existing, without written approval of the city engineer.

C. In those areas and portions of the city where both the transmission and
distribution facilities of the public utility providing telephone service and those of the utility
providing electric service are underground or hereafter may be placed underground, then the
grantee shall likewise construct, operate, and maintain all of its transmission and distribution
facilities underground. Amplifiers in grantee's transmission and distribution lines may be in
appropriate housings upon the surface of the ground as approved by the city engineer.

5.44.110 Grantee property - Removal or abandonment. A. In the event
that the use of any part of the CATV system is discontinued for any reason for a continuous
period of three months, or in event such system or property has been installed in any street,
alley or public place without complying with the requirements of its franchise or ordinance,
or the franchise has been terminated, cancelled or has expired, the grantee shall properly,
upon being given thirty days' notice, remove from the streets, alleys or public places all such
property and poles of such system other than any which the city engineer may permit to be
abandoned in such place. In the event of any such removal, the grantee shall promptly restore
the street, alley or other area from which such property has been removed, to a condition sa-
tisfactory to the city engineer.

B. Any property of the grantee remaining in place ninety days after the
termination of the franchise is considered permanently abandoned. The city administrator
may extend such time not to exceed an additional thirty days.

C. Any property of the grantee to be abandoned in place shall be abandoned
in such manner as the city engineer prescribes. Upon permanent abandonment of the proper-

1 ty of the grantee in place, the property becomes that of the city, and the grantee shall sub-
2 mit to the city council an instrument, to be approved by the city attorney, transferring to
the city the ownership of such property.

3 5.44.120 Failure to perform street work. Upon failure of the grantee to
4 commence, pursue, or complete any work required by law or by the provisions of this chapter
5 or by its franchise to be done in any street, alley or other public places within the time pre-
6 scribed, and to the satisfaction of the city engineer, the administrator may at his option cease
7 such work to be done and the grantee shall pay the city the cost thereof in the itemized
8 amounts reported by the city administrator to the grantee within ten days after receipt of
9 such itemized report.

10 5.44.130 Surety bonds. A. Bond for Protection of City. The grantee shall,
11 concurrently with the filing of an acceptance of award of franchise granted under this chap-
12 ter, file with the city clerk and at all times thereafter maintain in full force and effect for
13 the term of such franchise or renewal thereof, at grantee's sole expense, a corporate surety
14 bond in a company approved by and in a form to be approved by the city attorney in the
15 amount of fifty thousand dollars, renewable annually, and conditioned upon the faithful per-
16 formance of grantee and upon the further condition that in the event grantee fails to comply
17 with any one or more of the provisions of this chapter or of the franchise issued to the gran-
18 tee hereunder, there is recoverable jointly and severally from the principal and surety of
19 such bond any damages or loss suffered by the city as a result thereof, including the full
20 amount of any compensation, indemnification, or cost of removal or abandonment of any pro-
21 perty of the grantee as prescribed hereby which may be in default, plus a reasonable allow-
22 ance for attorney's fees and costs, up to the full amount of the bond, the condition to be a
23 continuing obligation for the duration of such franchise or any renewal thereof, and there-
24 after until the grantee has liquidated all of its obligations with the city that may have arisen
25 from the acceptance of the franchise by the grantee or from its exercise of any privileges
therein granted. The bond shall state that thirty days' prior written notice of intention not
to renew, of cancellation, or of material change, is to be given to the city.

Neither the provisions of this section nor any bond accepted by the city
pursuant thereto, nor any damage recovered by the city thereunder, excuses faithful perfor-
mance by the grantee or limits the liability of the grantee under any franchise issued here-
under or for damages, either to the full amount of the bond or otherwise.

17 5.44.140 Insurance requirements. A. The grantee shall, at all times during
18 the existence of any franchise issued hereunder, maintain in full force and effect, furnish to
19 the city, and file with the city clerk at its own cost and expense, a general comprehensive
20 liability insurance policy in protection of the city, its officers, boards, commissions, agents
21 and employees, in a company approved by the city administrator and in a form satisfactory
22 to the city attorney, protecting the city and all persons against liability for loss or damage
23 for personal injury, death and property damage, occasioned by the operations of grantee un-
24 der such franchise, with minimum combined single limits of liability coverage in the amount
25 of one million dollars for personal injury or death of any person, or damage to property resul-
ting from any occurrence.

22 B. The policies mentioned in subsection A shall name the city, its officers,
23 boards, commissions, agents and employees as additional insured and contain a provision that
24 a written notice of any cancellation, modification or reduction in coverage of the policies
25 be delivered to the city clerk thirty days in advance of the effective date thereof; if such
insurance is provided in either case by a policy which also covers grantee or any other entity
or person, other than those above named, then such policy shall contain the standard cross-
liability endorsement.

26 C. No franchise granted under this chapter is effective unless and until
27 each of the foregoing policies of insurance as required in this section has been delivered to
the city clerk.

28 5.44.150 Inspection of property and records. A. At all reasonable times,
the grantee shall permit any duly authorized representative of the city to examine all prop-
erty of the grantee, together with any appurtenant property of the grantee situated within
or without the city, and to examine and transcribe any and all maps and other records kept

1 or maintained by the grantee or under its control which deal with the operations, affairs,
2 transactions or property of the grantee with respect thereto. If any of such maps or records
3 are not kept in the city, or upon reasonable request made available in the city, and if the
4 city administrator determines that an examination thereof is necessary or appropriate, then
5 all travel and maintenance expense necessarily incurred in making such examination shall be
6 paid by the grantee.

7 B. The grantee shall prepare and furnish to the city administrator and/or
8 the city clerk, at the times and in the form prescribed by either of these officers, such re-
9 ports with respect to its operations, affairs, transactions or property, as may be reasonably
10 necessary or appropriate to the performance of any of the rights, functions or duties of the
11 city by any of its officers in connection with the franchise.

12 C. The grantee shall, at all times, make and keep in the city full and com-
13 plete plans and records showing the exact location of all CATV system equipment installed
14 or in use in streets, alleys and public places in the city. The grantee shall file with the city
15 engineer on or before March 31 of each year, a current set of maps drawn to scale showing
16 all CATV system equipment installed and in place in streets, alleys and other public places
17 of the city during the previous year.

18 5.44.160 Operational standards. The CATV system shall be installed and
19 maintained in accordance with the highest and best accepted standards of the industry to the
20 effect that subscribers shall receive the highest possible service. The following minimum
21 standards are required:

22 A. The system shall be installed using all band equipment capable of pass-
23 ing the entire VHF and FM spectrum, and it shall have the further capability of covering UHF
24 for distributors to subscribers of the VHF band.

25 B. The system, as installed, shall be capable of passing standard color TV
26 signals without the introduction of material degradation on color fidelity and intelligence.

27 C. The system and all equipment shall be designed and rated for twenty-
28 four-hour-day continuous operation.

29 D. The system shall provide for a signal level of two thousand microvolts
30 at the input terminals of each TV receiver.

31 E. Grantee shall, without charge, provide all subscriber services of its
32 system to all public school buildings, city police and fire stations, city recreation centers and
33 such other buildings owned or controlled by the city as the city administrator designates,
34 provided the cable passes immediately adjacent to the facilities or the outlets for the facili-
35 ty is brought at the expense of the public entity desiring the service to the nearest transmis-
36 sion line of grantee. Such service consists of a drop connection to the exterior of the build-
37 ing or property involved and a connection to the interior of the building or property to a te-
38 levision set if desired.

39 5.44.170 Miscellaneous provisions. A. All matters herein provided to be
40 filed with the city shall be filed with the city clerk.

41 B. The rate schedule for any connection fee or monthly service charge, or
42 change thereto, to subscribers shall be filed with the city clerk.

43 C. The grantee must pay the city a sum sufficient to reimburse it for ex-
44 penses incurred by it in publishing legal notice and ordinances in connection with the granting
45 of a franchise pursuant to the provisions of this chapter; such payment to be made within
46 thirty days after the city shall furnish such grantee with a written statement of such expense.

47 D. The grantee shall maintain a toll-free telephone number within the
48 city so that CATV maintenance service shall be promptly available to subscribers.

49 E. No person, firm or corporation in the existing service area of grantee
50 shall be arbitrarily refused service; provided, however, that the grantee is not required to
51 provide service to any subscriber who does not pay the applicable connection fee or the ap-
52 plicable monthly service charge.

53 F. The city council may, upon finding that extraordinary circumstances
54 applying to the land, buildings or CATV system do exist, waive any or all of the requirements
55 of this chapter.

1 5.44.180 Adoption of rules and regulations. A. Power to Adopt Rules and
2 Regulations. The city council is authorized to adopt rules and regulations consistent with
3 the provisions of this chapter governing the operation of CATV systems in the city and such
4 rules and regulations apply to and govern the operations of the grantee of any franchise granted
5 pursuant to the provisions of this chapter.

6 B. Procedure Adopting Rules and Regulations. The city council may adopt
7 rules and regulations or amend, modify, delete or otherwise change such rules and regulations
8 adopted in the following manner:

9 1. The city council shall pass a resolution of intention describing
10 the rules or regulations to be adopted, amended, modified, deleted or otherwise changed and
11 set a day, hour and place for public hearing. Such resolution shall direct the city clerk to
12 publish the same at least once within fifteen days of the passage thereof.

13 2. The city clerk shall cause such resolution to be published at
14 least once in the official newspaper of the city and cause a copy to be mailed or delivered to
15 any grantee not less than ten days prior to the time fixed for hearing thereon.

16 3. At the time for public hearing or at any adjournment thereof
17 the city council shall proceed to hear and pass upon such evidence, comments and objections
18 as may adopt, amend, modify, delete, or otherwise change the rules and regulations.

19 5.44.190 Franchise - Application - Contents. A. Application for a fran-
20 chise hereunder shall be filed with the city clerk in a form approved by the city and contain
21 the following information:

22 1. The name and address of applicant.

23 2. A general description of applicant's proposed CATV operation, including
24 a tentative map of areas to be served.

25 3. A statement of schedule in a form approved by the city of proposed
26 rates and charges to subscribers for installation and services, and a copy of proposed service
27 agreement between the grantee and its subscribers shall accompany the application.

28 4. A copy of any contract or permit, if existing, between the applicant and
any public utility providing for the use of facilities of such public utility, such as poles, lines
or conduits.

 5. A statement of the organization of applicant, including the names and
addresses of its offices, directors and associates, and also, including the names of subsidiary
companies with a listing of other areas being served by CATV or similar corporation posing
as a front or representative for another person, firm, group or corporation, and such informa-
tion is not disclosed in the original application, such franchise may be revoked by the city
council.

 6. Applicant shall also furnish a financial statement as to the company's
or corporation's financial ability to complete installation and operation of the CATV system.

 B. Upon consideration of any such application, the city council may grant
a franchise for CATV to such applicant as may appear from the application to be in its opin-
ion qualified to render proper and effective CATV service to television viewers and subscri-
bers in the city. If favorably considered the application submitted constitutes and forms a
part of the franchise as granted.

 C. Prior to the granting of a franchise pursuant to this chapter, the city
council shall pass a resolution declaring its intention to grant the same, stating the name of
the proposed grantee, the character of the franchise and the terms and conditions upon which
it is proposed to be granted. Such resolution fixes and sets forth the day, hour and place when
and where any persons having any interest therein or any objection to the granting thereof
may appear before the city council and be heard thereon. It directs the city clerk to publish
the resolution at least once within fifteen days of the passage thereof in the official newspa-
per. This notice shall be published at least ten days prior to the date of hearing. At the time
set for the hearing, the city council proceeds to hear and pass upon all protests and its deci-
sion thereon is final and conclusive. Thereafter it may, by ordinance, grant the franchise on
the terms and conditions specified in the resolution of intention to grant same, subject to the
right of referendum of the people, or it may deny the same. If the city council determines

1 that changes should be made in the terms and conditions upon which the franchise is proposed
2 to be granted, a new resolution of intention shall be adopted and like proceedings had thereon.

3 D. Any franchise issued pursuant to this chapter shall include the following
4 conditions: "The CATV system herein franchised shall be used and operated solely and exclu-
5 sively for the purpose expressly authorized by ordinance of the City of Rialto and no other
6 purpose whatsoever." The inclusion of the foregoing statement in any such franchise does
7 not limit the authority of the city to include any other reasonable condition, limitation or re-
8 striction which it deems necessary to impose in connection with such franchise pursuant to
9 the authority conferred by this chapter.

10 5.44.200 Franchise - Application - Fee. Each application shall be accom-
11 panied by an application fee of seven hundred fifty dollars, which is used by the city to cover
12 the costs of studying, investigating and processing such application.

13 5.44.210 Effect of annexations. A. In the event any new territory is an-
14 nexed to the city which is contiguous to only one franchise area in the city, such new terri-
15 tory becomes by operation of law a part of the franchise area immediately upon the comple-
16 tion of such annexation.

17 B. In the event any new territory becomes annexed to the city which is
18 contiguous to more than one franchise area in the city or it is not contiguous to any franchise
19 area in the city, the city council determines which grantee or grantees shall serve such
20 new territory.

21 C. Whenever any portion of unincorporated territory, which is covered by
22 an existing franchise granted by the county of San Bernardino, is annexed to the city, the
23 rights reserved under the franchise to the county of San Bernardino or to any officer thereof
24 inure to the benefit of the city.

25 5.44.220 Effect of preemption. In the event the Federal Communications
26 Commission or the Public Utilities Commission of the state of California or any other federal
27 or state body or agency now or hereafter exercises any paramount jurisdiction over the sub-
28 ject matter of any franchise hereunder, than to the extent such jurisdiction preempts or pre-
cludes the exercise of like jurisdiction by the city, the jurisdiction of the city shall, to the
extent so preempted or precluded, cease and no longer exist; provided, however, that the
preemption or preclusion of the exercise by the city of any of its police powers shall not di-
minish, impair, alter or affect any contractual benefit to the city nor any contractual obliga-
tion of the grantee under any franchise issued hereunder; and in this respect, any and all mi-
nimum standards governing the operation of grantee and any and all maximum rates, ratios,
and charges specified herein or in any franchise issued hereunder, existing now and at any
time in the future, including such time as any paramount jurisdiction preempts or precludes
that of the city, and any and all rights, powers, privileges, and authorities of the city to de-
termine, establish, or fix any of the same, are each and all declared by the city and by any
grantee accepting any franchise hereunder to ^{be} contractual in nature and for the benefit of the
city and all subscribers situated therein, and the agreement of grantee to accept and conform
to such standards, rates, ratios, and charges is declared by the city and by any grantee accep-
ting any franchise hereunder of the most material and essential consideration for the granting
of such franchise, in the absence of which, in whole or in part, the city would not grant such
franchise.

29 5.44.230 Franchise - Renewal. Any franchise granted under this chapter is
30 renewable at the application of the grantee, its lawful successors or assignee for such period
31 of time as the city council and the applicant may agree upon by negotiation.

32 5.44.240 Violations. A. It is unlawful for any person, firm or corporation
33 to make any unauthorized connection in physical contact with any part of a franchised CATV
34 system within this city for the purpose of taking or receiving or enabling himself or others
35 to receive any television signals, radio signals, picture, programs or sound.

36 B. It is unlawful for any person, without the consent of the owner, to will-
37 fully tamper with, remove or injure any cables, wires, or equipment used for distribution of
38 television signals, radio signals, pictures, programs or sound.

C. From and after October 3, 1968, it is unlawful for any person to con-

1 struct, install or maintain within any public street in the city or within other public property
2 of the city or within any privately owned area within the city, which has not yet become a
3 public street but is designated or delineated as a proposed public street on any tentative sub-
4 division map approved by the city, any equipment or facilities for distributing any television
5 signals or radio signals through a CATV system unless a franchise authorizing such use of
6 such street or property or area has first been obtained pursuant to the provisions of this chap-
7 ter and unless such franchise is in full force and effect.

8 Chapter 5.48

9 TRUCK DELIVERY

10 Sections:

11 5.48.010 License required.

12 5.48.010 License required. In the exercise of the police powers of the
13 city and for the purpose of revenue, every person, firm or corporation conducting and carry-
14 ing on any business in the city for making any deliveries in the city in connection with any
15 business conducted elsewhere in this state, employing vehicles, automobiles or motor vehicles
16 in connection with such business or delivery, shall be licensed and the license fee is seventy-
17 nine dollars per year; provided, however, this chapter shall not apply to any person, firm or
18 delivery already holding a license for the conducting of a business in the city or owning or
19 using such vehicle in connection with agricultural land owned by such person, firm or corpora-
20 tion.

21 Chapter 5.54

22 PAWNBROKERS AND SECONDHAND DEALERS

23 Sections:

24 5.54.010 Persons affected.

25 5.54.020 City license.

26 5.54.010 Persons affected The persons affected by this chapter are all
27 those covered by the term "Secondhand dealer," as defined in Section 21626 (subject to the
28 exemptions in Section 21629) of the California Business and Professions Code, including, but
not limited to, pawnbrokers, secondhand dealers and junk dealers.

29 5.54.020 City license. In addition to the annual permit fee required by
the Police Department, each person, firm or corporation conducting and carrying on business
as a pawnbroker and/or secondhand dealer under this chapter shall pay a city license compu-
ted, paid and enforced under the general rules set forth in Chapter 5.04 of Title 5 of this code.

30 Chapter 5.55

31 PSYCHIC ACTIVITIES

32 Sections:

33 5.55.010 Psychic activities - license required.

- 1 5.55.020 License application.
- 5.55.030 Investigation.
- 2 5.55.040 Approval of license.
- 5.55.050 Issuance of license and bonding.

3 5.55.010 Psychic activities - license required. It shall be unlawful for any
 4 person, in exchange for any fee or consideration, to practice the art or business of fortune-
 5 telling, predicting or foretelling the future, or to furnish any information not otherwise ob-
 6 tainable by the ordinary process of knowledge, by means of analyzing any animate or inani-
 7 mate objects including but not limited to celestial bodies, crystal balls, tea leaves, playing or
 8 other cards, or through the exercise of any purported psychic, mediumistic, prophetic, occult,
 9 clairvoyant, or supernatural powers without having first applied for and received the city li-
 0 cense as hereinafter provided.

1 5.55.020 License application. Each license to practice or engage in the
 2 above-described conduct shall be applied for by permit which contains the following informa-
 3 tion:
 4 1. The business name and address, mailing address, and home and business
 5 telephone numbers of the applicant ;
 6 2. The record of conviction for violations of the law, excluding minor
 7 traffic violations;
 8 3. The fingerprints of the applicant on a form provided by the police de-
 9 partment;
 10 4. The address, city and state and the approximate dates where and when
 11 the applicant practiced a similar business, either alone or in conjunction with others;
 12 5. The type of ownership of the business and the owners or principal offi-
 13 cers of the business;
 14 6. The estimated gross receipts of the business through the end of the
 15 calendar year.

16 5.55.030 Investigation. Upon filing, the application shall be referred to
 17 the police department for investigation to verify the facts contained therein and any support-
 18 ing data. The police department shall report its findings to the city clerk and shall recom-
 19 mend approval or denial of the license. A report recommending denial shall set forth the
 20 grounds for the recommendation, and a copy shall be provided to the applicant.

21 5.55.040 Approval of license. The city clerk shall approve the business
 22 license upon the city clerk's determination that:
 23 1. All of the information contained in the application and supporting data
 24 are true;
 25 2. The applicant has not, within the previous two years, been convicted
 26 of any violation of this chapter or any law relating to fraud or moral turpitude.

27 5.55.050 Issuance of license and bonding. An approved business license
 28 shall be issued to the applicant upon the posting of a bond in the principal amount of twenty-
 five thousand (25,000) dollars, executed by the applicant as principal and by a good and suffi-
 cient corporate surety authorized to do business in California, in a form approved by the city
 attorney. The bond shall insure good faith and fair dealing by the applicant and shall provide a
 guarantee of indemnity for any and all loss, damage or deprivation suffered by any patron of
 the applicant in the conduct of his business.

Chapter 5.56

CONTRACTORS LICENSES

1 Sections:

2	5.56.010	Purpose.
3	5.56.020	Definitions.
3	5.56.030	Tax required.
4	5.56.040	Rate.
4	5.56.050	Payment date.
5	5.56.070	Debt.

6 5.56.010 Purpose. The purpose of this chapter is to levy a tax for general purposes on the doing of business a contractor or subcontractor in the city.

7 5.56.020 Definitions. The following words and terms have the meanings hereinafter ascribed to them:

8 A. "Contractor" means every person who for either a fixed sum, price, fee, percentage or other compensation, other than wages, undertakes or offers to undertake with another to construct, alter, repair, add to or improve any building, highway, road, excavation, or other structure, project, development or improvement, other than personally, but not including anyone who merely furnishes materials or supplies without fabricating the same into, or consuming the same in the performance of the work of a contractor as herein defined.

11 B. "Subcontractor" means every contractor who, under a general contractor, owner or another subcontractor, takes part in the construction, alteration, repair, addition to, or improvements of any building, highway, road, excavation or other structure, project, development or improvement as above set forth in the definition of "contractor."

13 5.56.030 Fee required. In the exercise of the police powers of the city and for the purpose of revenue, every person, firm or corporation doing business as a contractor or subcontractor in the city is required to be licensed and the fee charged therefor is as hereinafter set forth in this chapter.

15 5.56.040 Rate. The rate of license fee for contractors and subcontractors is established as seventy-nine dollars per year.

16 5.56.050 Payment date. The fee herein imposed is payable annually for a calendar year beginning January 1.

17 5.56.070 Debt. Enforcement of the provisions of this chapter shall not be by criminal process; but the amount of any license fee established by this chapter is a debt due to the city, and any person carrying on the business of contractor or subcontractor as defined in Section 5.56.010 without paying the license fee is liable in any action in the name of the city in any court of competent jurisdiction, for the amount of such license fee, plus a penalty, if any, and for costs of suit.

20

Chapter 5.58

21

ENTERTAINMENT IN FOOD OR
REFRESHMENT ESTABLISHMENTS

22

23 Sections:

24	5.58.010	License required.
25	5.58.020	Application and license fee.
25	5.58.030	Application for license.
26	5.58.040	Granting permit.
26	5.58.050	Entertainer permit.
27	5.58.060	Exclusions.
27	5.58.070	Issuance of license.
28	5.58.080	Display of license.
28	5.58.090	License not transferable.

1	5.58.100	Suspension or revocation of license.
	5.58.110	Disciplinary action - Grounds.
2	5.58.120	Suspension or revocation without hearing.
	5.58.130	Procedure.
3	5.58.140	Pending revocation or suspension proceedings-
		Effect on licensee.
4	5.58.150	Fictitious name.
	5.58.160	Penalty.

5.58.010 License required. A. No person shall provide or permit any type of entertainment in a coffee shop, restaurant or place where food or other refreshments are served, and which is open to the public, unless such person first obtains a license to do so from the city clerk as provided in this chapter.

B. A restaurant or place where food or other refreshments are served includes any place or premises where alcoholic beverages only are served.

C. "Entertainment" includes any presentation or activity of any nature which is designed or intended to divert, amuse, or attract the attention of persons observing such presentation.

D. The word "entertainment" also includes any act described or defined in Chapter 9.38 of this code, and persons acting, performing, or participating in such.

E. Entertainers shall not be permitted to mingle with the customers present on the premises, and such entertainers shall be restricted to performing in a specific portion of the premises separated from that portion occupied by customers. Any stage, platform or other area utilized for any performance by any entertainer in an establishment licensed under this chapter shall contain not less than forty square feet of area and shall be illuminated by at least one unfiltered white lamp of one hundred watts or more. No part of any stage, platform or performing area shall be, and no entertainer shall perform, closer than six feet to any area occupied by any customer or area devoted to customer use.

F. The area adjacent to the premises, including any parking area, shall be lighted by lamps of at least one hundred watts placed equidistant at a height of no less than fifteen feet. There shall be at least one lamp for each one thousand square feet of area.

5.58.020 Application and license fee. A. An application fee of thirty-three dollars shall be paid upon the filing of each application for a license, for the purpose of defraying the expenses incidental to the processing of the application.

B. A license fee of ninety-six dollars shall be charged for each month and shall be paid quarterly in advance.

C. The application fee of seventeen dollars shall be in addition to the license fee.

5.58.030 Application for license. An applicant for entertainment licenses shall file a written, signed and acknowledged application with the city clerk showing:

A. The name and permanent address of the applicant;

B. A detailed description of the entertainment, including the type of entertainment, number of persons engaged in the entertainment, purpose of the entertainment, and any further information about the entertainment that the city clerk may deem necessary;

C. The date, hours and location where the entertainment is proposed, and the admission fee, if any, to be charged;

D. The name or names of the person or persons having the management or supervision of the applicant's business;

E. The length of residence of the applicant within the county;

F. A statement of the nature and character of the applicant's business; if any, to be carried on in conjunction with the entertainment;

G. Whether or not the owner, manager, supervisor or other person or persons having the management or supervision of applicant's business have been convicted of a crime, the nature of such offense, and the sentence received therefor;

H. Such other reasonable information regarding the identity or character of the owner, manager, supervisor or other person or persons having the management of su-

1 pervision of applicant's business that the city clerk may deem necessary.

2 5.58.040 Granting permit. A. After the making and filing of the applica-
3 tion described in Section 5.58.030 the city clerk shall refer the application to the planning
4 department, the public works department and the chief of police for investigation concerning
5 the applicant's business, and the character of the applicant. The planning department, public
6 works department and the chief of police shall make reports of their findings, together with
7 a recommendation as to whether or not the applicant shall be granted a license, to the city
8 clerk within ten days after the application was referred to them.

9 B. The license shall be granted for the specific location requested or, if
10 the request is for a continuous license, the license shall be issued for not longer than one year.

11 C. Any change in personnel having management or supervision of the ap-
12 plicant's business shall be reported to the city clerk within ten days after such change. A vio-
13 lation of this provision shall be grounds for suspension or revocation of the license.

14 5.58.050 Entertainer permit. No entertainer shall perform within premi-
15 ses licensed under this chapter unless a permit has previously been issued to such entertainer
16 by the city clerk. The permit shall be in a form designated by the city clerk and shall include
17 a photograph of the permittee. Application for a permit shall be made to the city clerk on a
18 form prepared by the city. The application shall be accompanied by payment of a permit fee
19 of nine dollars.

20 5.58.060 Exclusions. The provisions of Section 5.58.010 shall not be
21 deemed to require a license for the following:

22 A. The use of a radio, music-recording machine, or jukebox in any estab-
23 lishment;

24 B. Any entertainment provided for members and their guests at a private
25 club where admission is not open to the public;

26 C. Entertainment conducted in connection with a regularly established
27 recreation park, circus or fairground;

28 D. Entertainment conducted by or sponsored by any bona fide club, so-
ciety, or association, organized or incorporated for benevolent, charitable, dramatic or li-
terary purposes, having an established membership, and which holds meetings other than with
entertainment at regular intervals, when proceeds, if any, arising from such entertainment
are used for the purposes of such club, society or association;

E. Entertainment conducted in connection with any dance as defined or
regulated by Chapter 5.12 of this code.

5.58.070 Issuance of license. The city council, upon receiving an applica-
tion and the reports of the planning department, public works department and the chief of
police, shall either approve or disapprove the issuance of a license.

5.58.080 Display of license. Every licensee shall display the license is-
sued by the city council in a conspicuous place on this business premises.

5.58.090 License not transferable. Each license issued under this chapter
shall be issued to a specific person and in no event shall be transferable from one person to
another.

5.58.100 Suspension or revocation of license. The city council, upon its
own motion or upon the verified complaint in writing of any person may investigate the actions
of any licensee any may temporarily suspend, for a period not exceeding one year, or revoke
the permit of any licensee who commits any one or more of the acts of omissions constitu-
ting grounds for disciplinary action under this chapter.

5.58.110 Disciplinary action - Grounds. It shall be grounds for denial, re-
vocation, or other disciplinary action if any applicant, licensee, his agent or employee, or any
person connected or associated with the applicant or licensee as partner, director, officer,
stockholder, general manager or other person who is exercising managerial authority of or on
behalf of the licensee has:

A. Knowingly made any false, misleading or fraudulent statement of a
material fact in an application for a license, or in any report or record required to be filed
with the city clerk; or

1 B. Violated any provision of this chapter or of any statute relating to his
permitted activity; or
2 C. Been convicted of a felony or any crime involving moral turpitude; or
3 D. Engaged in any unlawful, false, fraudulent, deceptive or dangerous
act while conducting a permitted business; or
4 E. Violated any rule or regulation adopted by the city council relating to
the licensee's business; or
5 F. Conducted the permitted business in a manner contrary to the peace,
health, safety and general welfare of the public; or
6 G. Failed to comply with the zoning and building and safety regulations
of the city, the county health department, and local fire chief or deputy State Fire Marshal.

7 5.58.120 Suspension or revocation without hearing. If any person holding
a license under this chapter is convicted in any court of the violation of any law regulating
8 any activity at the licensee's premises, the city council may revoke the license forthwith
without any further action thereon other than giving notice or revocation to the licensee.

9 5.58.130 Procedure. An applicant of licensee, within ten days after ser-
vice upon him of a written notice of denial of a license or suspension or revocation of his li-
10 cense, may file a request for a hearing with the city council. The request for hearing shall
be in writing and be signed by or on behalf of the applicant of licensee. It need not be veri-
fied or follow any particular form. Failure to file such a request for a hearing shall consti-
11 tute a waiver of the licensee's right to a hearing.

12 5.58.140 Pending revocation or suspension proceedings - Effect on licen-
see. A. Continuing business. Pending the final determination of a proceeding for revocation
or suspension of a license, a licensee may continue to engage in the business for the period
13 of his license or until the city council makes such final determination.

14 B. Renewal - Application. A licensee may file an application for renewal
of a license pursuant to Section 5.58.010 accompanied by the required fee during the pendency
15 of a proceeding to suspend or revoke his license. Such filing shall continue the license in full
force and effect until the entry of the final order by the city council terminating the procee-
dings. Failure of the city council to revoke, suspend, limit or condition the license shall have
16 the effect of granting said license. The application for renewal shall become a part of the
pending proceedings and be subject to all evidence which has been or is thereafter presented.
17 No further notice to the applicant is required. The city council is authorized to consider and
make findings upon the application in accordance with this chapter.

18 5.58.150 Fictitious name. It is unlawful for any person or persons to sign
a fictitious name or fictitious address in connection with the requirements of this chapter.

19 5.58.160 Penalty. Any person violating any provision of this chapter shall
20 be guilty of a misdemeanor and subject to a fine of not more than five hundred dollars, or im-
prisonment in the county jail for not more than six months, or both such fine and imprison-
ment.

22 Chapter 5.64

23 BINGO GAMES

24 Sections:

25	5.64.010	Bingo defined.
26	5.64.020	Organizations eligible for city license to conduct bingo games.
	5.64.030	License required.
27	5.64.040	Application for license.
	5.64.050	Investigation of applicant.
28	5.64.060	Contents of license.

1	5.64.070	Summary suspension of license.
2	5.64.080	Appeal of revocation of city council.
3	5.64.090	Maximum amount of prize.
4	5.64.100	Profits to be kept in separate fund or account.
5	5.64.110	Financial interest in licensee only.
6	5.64.120	Exclusive operation by licensee.
7	5.64.130	Transfer of license prohibited.
8	5.64.140	Determination of good moral character.
9	5.64.150	Appeal of operator eligibility to city council.
10	5.64.160	Bingo games open to the public.
11	5.64.170	Certificate of occupancy prerequisite.
12	5.64.180	Attendance limits.
13	5.64.190	Bingo games conducted on licensee's property.
14	5.64.200	Bingo equipment.
15	5.64.210	Minors not to participate.
16	5.64.220	Intoxicated persons not to participate.
17	5.64.230	Hours of operation.
18	5.64.240	Participant must be present.
19	5.64.250	City may enjoin violation.
20	5.64.260	Licensing period.
21	5.64.270	License fees.
22	5.64.280	Terms.
23	5.64.290	Penalty.

13 5.64.010 Bingo defined. As used in this chapter, "bingo" means a game of
14 chance in which prizes are awarded on the basis of designated number or symbols on a card
15 which conforms to numbers or symbols selected at random. As used in this chapter, the game
16 of bingo also includes cards having numbers or symbols which are concealed and preprinted in
17 a manner providing for distribution of prizes. The winning cards shall not be known prior to
18 the game by any person participating in the playing or operation of the bingo game. All such
19 preprinted cards shall bear the legend, "for sale or use only in a bingo game authorized under
20 California law and pursuant to local ordinance."

21 5.64.020 Organizations eligible for city license to conduct bingo games.
22 Bingo games shall be allowed for the benefit of organizations exempted from the payment of
23 the bank and corporation tax by Section 23701D of the Revenue and Taxation Code and a con-
24 tribution or gift to which would be a charitable contribution under Section 170(c)(2) of the
25 Internal Revenue Code of 1954, and mobile home park associations and senior citizens' orga-
26 nizations; provided that the proceeds of such games are used only for charitable purposes.

27 5.64.030 License required. No individual, corporation, partnership or
28 other legal entity shall conduct a bingo game without first obtaining a license from the chief
licensing officer.

5.65.040 Application for license. Written application for a license requir-
22 ed by this chapter shall be made by affidavit under penalty of perjury and filed with the li-
23 censing officer on a form supplied by the licensing officer. Such application shall contain:
24 A. The name of the organization;
25 B. The names, signatures, addresses, dates of birth, driver's license num-
26 bers and expiration dates and Social Security account numbers for the officers of the organi-
27 zation;
28 C. The days and hours of operation of the bingo games;
 D. A copy of the certificate of letter from the Franchise Tax Board evi-
dencing exempt status under Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g or
23701-1 of the Revenue and Taxation Code if so exempt;
 E. The address of the premises where bingo games will be conducted;
 F. A statement of ownership or lease of the premises or other evidence
of authority to conduct bingo games at the address indicated;
 G. The purposes for which such premises are used by the applicant organi-

1 zation;

2 H. A statement of ownership of the bingo equipment used in the operation of bingo games at the address indicated;

3 I. A statement of consent to examination and audit by the city administrator, the city clerk or any other person duly authorized by the city council, of any and all records and bank account(s) kept by the licensee pursuant to Section 5.64.100 of this chapter.

4 J. The name of each individual, corporation, partnership or other legal entity which has a financial interest in the conduct of the bingo games;

5 K. The name of the person responsible for the operation of the bingo games;

6 L. Such further information as may be required by the licensing officer to effectuate the purposes of this chapter.

7 5.64.050 Investigation of applicant. Upon receipt of the completed application and the fee, the licensing officer shall refer the same to interested departments of the city, including but not necessarily limited to, the city administrator, city attorney, planning, finance, police and fire departments for investigation as to whether or not all the statements in the application are true and whether or not property of the applicant qualifies and the extent to which it qualifies, as property on which bingo games may lawfully be conducted as to fire, occupancy and other applicable requirements. Any licensee or applicant shall be subject to investigation at any time and applicants for renewal of a license shall be investigated in the same manner as an applicant for a new license.

12 5.64.060 Contents of license. Upon being satisfied that the applicant is fully qualified under the law to conduct bingo games in the city, the licensing officer shall issue a license to said applicant, which shall contain the following information:

13 A. The name and nature of the organization to which the license is issued;

14 B. The address where bingo games are authorized to be conducted;

15 C. The occupancy capacity of the room in which bingo games are to be conducted;

16 D. The date of the expiration of such license;

17 E. Such other information as may be necessary or desirable for the enforcement of the provisions of this chapter.

18 5.64.070 Summary suspension of license. Whenever it appears to the city clerk that the licensee is conducting a bingo game in violation of any of the provisions of this chapter, he shall have the authority to summarily suspend the license and order the licensee to immediately cease and desist any further operation of any bingo games until such time as the licensee has complied with all provisions and requirements of this chapter.

19 5.64.080 Appeal of revocation to city council. A. Any holder of a license whose license is revoked under this chapter shall have the right, within ten days after receiving notice in writing of the revocation, to file a written appeal to the city council. Such appeal shall set forth the specific ground or grounds on which it is based. The city council shall hold a hearing on the appeal within thirty days after its receipt by the city, or at a time thereafter agreed upon, and shall cause the appellant to be given at least ten days' written notice of such hearing. At the hearing the appellant or its authorized representative shall have the right to present evidence and a written or oral argument, or both, in support of his appeal. The determination of the city council on the appeal shall be final.

24 B. Any organization whose license is finally revoked may not again apply for a license to conduct bingo games in the city for a period of one year from the date of such revocation; provided, however, if the ground for revocation is cancellation of the exemption granted under Section 23701d of the Revenue and Taxation Code, such organization may again apply for a license upon proof of reinstatement of said exemption.

26 5.64.090 Maximum amount of prize. The total value of prizes awarded during the conduct of any bingo game shall not exceed two hundred and fifty dollars in cash or in kind, or both, for each separate game which is held.

28 5.64.100 Profits to be kept in separate fund or account. All profits derived from a bingo game shall be kept in a special fund or account and shall not be commin-

1 gled with any other fund or account. The licensee shall keep and preserve for a period of
2 three years, full and accurate records of the total receipts, disbursements, income and expen-
3 ses received and disbursed in connection with its operation, conduct, promotion, supervision
4 and any other phase of bingo games which are authorized by each separate license issued pur-
5 suant to this chapter. The city administrator, city clerk or other city council appointee shall
6 have the right to examine and audit such record at any reasonable time and licensee shall
7 fully cooperate with the city by making such records available.

8 5.64.110 Financial interest in licensee only. No individual, corporation,
9 partnership, or other legal entity except the licensee shall hold a financial interest in the con-
10 duct of any bingo game licensed under this chapter.

11 5.64.120 Exclusive operation by licensee. A bingo game shall be operated
12 and staffed only by members of the licensee's organization. Such members shall not receive a
13 profit, wage, or salary from any bingo game. Only the licensee shall operate such game, or
14 participate in the promotion, supervision, or any other phase of such game.

15 5.64.130 Transfer of license prohibited. Licenses are not transferable and
16 there are no rebates if the bingo operation licensed hereunder is discontinued during the peri-
17 od for which the license was issued.

18 5.64.140 Determination of good moral character. A. Licensee shall fur-
19 nish the city clerk with the names and residence addresses of all of its members. The mem-
20 bers who staff or operate the games shall furnish the city clerk with such information as he
21 reasonably requires to determine that they are of good moral character. Persons determined
22 by the city clerk not to be of good moral character shall not operate or staff a game.

23 B. The city clerk, through the chief of police, shall have the authority to
24 obtain criminal history information for each person operating or assisting in the operation of
25 a bingo game for purposes of determining those who have been convicted within the past five
26 years of crimes involving lotteries, gambling, larceny, perjury, bribery, extortion, fraud or
27 similar crimes involving moral turpitude, and to present such information at any bingo permit
28 hearing; provided, however, that if the city clerk shall find that any person investigated does,
in fact, have a criminal record, such person shall be notified prior to such permit hearing and
may withdraw as a participant, applicant or operator prior to the hearing. If such person shall
withdraw, the city clerk shall not disclose such person's criminal record, but such person shall
not, at any time in the future, be permitted to participate in any way in any bingo operation
licensed under this chapter.

5.64.150 Appeal of operator eligibility to city council. Any organization
member who is denied eligibility by the city clerk to operate a bingo game on the basis of good
moral character shall have the right, within ten days after receiving notice in writing of the
denial, to file a written appeal to the city council. Such appeal shall set the specific ground
or grounds on which it is based. The city council shall hold a hearing on the appeal within
thirty days after its receipt by the city, or at a time thereafter agreed upon and shall cause
the appellant to be given at least ten days' written notice of such hearing. At the hearing,
the appellant or his authorized representative shall have the right to present evidence and a
written or oral argument, or both, in support of his appeal. The determination of the city
council on the appeal shall be final.

5.64.160 Bingo games open to the public. All bingo games licensed under
this chapter shall be open to the public and not just to members of the licensee's organization.

5.64.170 Certificate of occupancy prerequisite. Prior to commencing the
operation of any bingo games licensed under this chapter, the requirements of Section 5.04.220
of the Rialto municipal code shall be strictly observed and complied with.

5.64.180 Attendance limits. Notwithstanding that bingo games are open
to the public, attendance at any bingo game shall be limited to the occupancy capacity of the
room in which such game is conducted as determined by the fire department and building and
safety department of the city in accordance with applicable laws and regulations. Licensee
shall not reserve seats or space for any person.

5.64.190 Bingo games conducted on licensee's property. A licensee shall
conduct a bingo game only on property used by such organization for an office, meeting place,

1 or for performance of the purposes for which the organization is organized. The license issued
2 under this chapter shall authorize the holder thereof to conduct bingo games only on such prop-
3 erty, the address of which is stated in the application. In the event the described property
4 ceases to be used as an office, meeting place, or as a place for performance of the purpose
5 for which the licensee is organized, the license shall have no further force or effect. A new
6 license may be obtained by an eligible organization, upon application under this chapter, when
7 it again acquires property used by it for an office, meeting place, or for performance of the
8 purposes for which the organization is organized.

5.64.200 Bingo equipment. All equipment used in the operation of bingo
games shall be owned by the licensee authorized to conduct such bingo games.

5.64.210 Minors not to participate. No person under the age of eighteen
years of age shall be licensed or allowed to operate or participate in any bingo games licensed
under this chapter.

5.64.220 Intoxicated persons not to participate. No person who is obvi-
ously intoxicated shall be allowed to participate in a bingo game licensed under this chapter.

5.64.230 Hours of operation. No licensee shall conduct any bingo game
licensed under this chapter more than six hours out of any twenty-four-hour period. No bingo
game licensed under this chapter shall be conducted between 2:00 a.m. and 10:00 a.m.

5.64.240 Participant must be present. No person shall be allowed to par-
ticipate in a bingo game licensed under this chapter unless the person is physically present at
the time and place in which the bingo game is being conducted.

5.64.250 City may enjoin violation. The city may bring an action in court
of competent jurisdiction to enjoin a violation of Section 326.5 of the Penal Code or of this
chapter.

5.64.260 Licensing period. Each license that is issued to organizations
which qualify as provided in this chapter shall be issued a license not to exceed six months in
duration. Licensees are required to reapply within ten working days following the expiration
of the previous license. If licensee fails to reapply within the ten working days' period follow-
ing expiration of the license, they may be required to apply as an original applicant.

5.64.270 License fees. The fee for a license shall be twenty-five dollars,
payable at the time of issuance and each renewal thereof.

5.64.280 Terms. Within thirty days following expiration of the period of
the license, each licensee shall file a report made under penalty of perjury with the licensing
officer containing the following information:

A. Any changes in or additions to the information required in the applica-
tion;

B. The total amount of money received from the operation of the bingo
games in the previous fiscal year;

C. The total amount paid out in prizes.

5.64.290 Penalty. A. Any person who, through negligence, violates any
provision of this chapter shall be subject to a civil penalty of fifty dollars for each such viola-
tion or revocation of the license granted hereunder or both such civil penalty and loss of said
license.

B. Any person violating any provision of this chapter fraudulently or with
intentional disregard of the provisions thereof shall be guilty of a misdemeanor and subject to
a fine of not more than five hundred dollars or imprisonment in the county jail for not more
than six months, or both such fine and imprisonment; provided, however, pursuant to subsec-
tions (b) and (c) of Section 326.5 of the Penal Code, any person receiving a profit, wage, or
salary from any bingo game authorized by Section 19 of Article IV of the state constitution
and this chapter shall be guilty of a misdemeanor and shall be punishable by a fine not to ex-
ceed ten thousand dollars.

Chapter 5.66

BURGLARY, ROBBERY AND FIRE ALARM SYSTEMS

Sections:

5.66.010	Purpose.
5.66.020	Exemption.
5.66.030	Fee exemption.
5.66.040	Definitions.
5.66.070	License and/or permit required.
5.66.080	Issuance of license and permit.
5.66.090	Fees.
5.66.100	Grounds for denial, suspension or revocation of license.
5.66.120	Authority.
5.66.130	Penalty.
5.66.140	Severability

5.66.010 Purpose. The purpose of this chapter is to set forth regulations governing burglary, robbery and fire alarm systems and related businesses and agents within the city, require licenses, permits and fees therefor, and provide punishment of violations of the provisions of this chapter.

5.66.020 Exemption. The term "person" shall not include the city of Ri-alto. The provisions of this chapter are not applicable to audible alarms affixed to automob-iles, or sprinkled audible fire alarms required by the Uniform Building Code or fire depart-ment.

5.66.030 Fee exemption. The United States Government, the State of California, counties, municipal corporations, departments thereof and other government en-tities are exempt from fees required by this chapter.

5.66.040 Definitions. For the purposes of this chapter the words set out in this section shall have the following meanings:

A. "Alarm business" means the business by any individual, partnership, cor-poration, or other entity of manufacturing, selling, leasing, maintaining, servicing, repairing, altering, replacing, moving, or installing any alarm system or causing to be manufactured, sold, leased, maintained, serviced, repaired, altered, replaced, moved or installed any alarm system in or on any building, structure or facility.

B. "Alarm agent" means any person who is employed by an alarm business, either directly or indirectly, whose duties include any of the following: selling, maintaining, leasing, servicing, repairing, altering, replacing, moving, or installing on or in any building, structure, or facility any alarm system.

C. "Alarm system" means any mechanical or electrical device which is designed or used for the detection of fires or an unauthorized entry into a building, structure or facility, or both; and which emits a sound or transmits a signal when activated. This defi-nition does not include auxiliary devices installed by the telephone company to protect tele- phone company systems which might be damaged or disrupted by the use of an alarm system; nor does it include smoke alarms audible solely within a residential structure.

D. "Permittee" means any person, firm, partnership, association or corpo-ration who, or which, shall be granted a permit provided for in this chapter, and his or its agents and representatives.

E. "License" means any written authorization or permission to conduct, manage or carry on business activity within this city.

F. "Subscriber" means any person who purchases, leases, contracts for or otherwise obtains an alarm system or who services or maintains an alarm system from an alarm business.

5.66.070 License and/or permit required. A. No person shall engage in,

1 conduct or carry on an alarm business, or operate as an alarm agent without first applying
for and receiving a business license in accordance with the provisions of this chapter.

2 B. No person shall subscribe to, possess, own or use an alarm system with-
out first applying for and receiving an alarm permit.

3 5.66.080 Issuance of Licenses and Permits. The issuing authority for li-
censes and permits as required in Section 5.66.070 shall be the city clerk or his representative.

4 5.66.090 Fees. Fees for licenses and permits shall be set from time to
time by resolution of the city council.

5 5.66.100 Grounds for denial, suspension or revocation of license. The fol-
lowing shall constitute grounds for denial, suspension or revocation of a business license is-
sued pursuant to this chapter:

6 A. The applicant, his employee or agent has knowingly made false, mis-
7 leading or fraudulent statements of a material fact in the application for the license, or in
any report or record required to be filed as prescribed by the provisions of this chapter.

8 B. Failure to provide satisfactory evidence that the required state license
issued by the State Department of Consumer Affairs is current and valid;

9 C. Where the applicant or permittee has had a similar type license pre-
viously revoked for good cause within the past year, unless the applicant can show a material
10 change in circumstances since the date of revocation.

11 5.66.120 Authority. Any permit issued herein may be denied, suspended
or revoked by the issuing authority for the grounds listed in Section 5.66.100 of this chapter.

12 5.66.130 Penalty. Any person violating any of the provisions of this chap-
ter or who does not obtain a license prior to doing business or who knowingly or intentionally
13 misrepresents to any city official any material fact in procuring a license herein provided for
shall be deemed guilty of an infraction and upon conviction thereof punishable by a fine in an
amount consistent with the provisions of the Government Code.

14 5.66.150 Severability. If any provisions of this chapter, or the appliction
thereof to any person or circumstances, is held invalid, the remainder of this chapter, or the
15 application of such provisions to other persons or circumstances, shall not be affected thereby,
and shall not affect the validity of the remaining provisions or applications of this chapter.

17 Chapter 5.68

18 HOME OCCUPATIONS

19 Sections:

20	5.68.010	Generally.
	5.68.020	Definitions - Home occupation defined.
21	5.68.030	Fees.
	5.68.040	Application.
22	5.68.050	Appeal.
	5.68.060	Declaration of permittee.
23	5.68.070	Criteria.
	5.68.080	Revocation.

24
25 5.68.010 Generally. Home occupations, as defined in this title, may be
allowed in R-1A (10,000), R-1A, R-1B, R-1C, R-3, R-4, PRDs or other zones which may contain
26 non-conforming residential occupancy. Residential occupancy shall be as defined in Title 18
of this code.

27 5.68.020 Definitions - Home occupation defined. A home occupation shall
be construed to be any use customarily conducted within a dwelling or garage and carried on
28 by the inhabitant thereof, which use is clearly incidental and secondary to the use of the
structure for dwelling purposes and which use does not change the integrity or character

1 thereof, or does not adversely affect the uses permitted in the zone of which it is a part.

2 5.68.030 Fees. It is determined that the cost of processing applications for
3 a home occupation license is not of general benefit, but of benefit to the applicant; and the
4 city council, from time to time, shall establish by resolution, filing fees for said applications
5 which shall be paid to the city at the time of filing. No application shall be considered filed
6 until the established fees have been paid to the city.

7 5.68.040 Application. Any person wishing to obtain a home occupation li-
8 cense shall file an application for such with the city clerk's office on the prescribed form
9 which shall be provided by the city. A filing fee shall be paid at the time of filing such appli-
10 cation. Within a reasonable time after receipt of such application, the city clerk's office and
11 other city departments as may be called upon, shall determine whether the intended home oc-
12 cupation will comply with the criteria as hereinafter set forth in Section 5.68.070. If it is
13 determined that the intended home occupation will comply with Section 5.68.070, the license
14 shall be issued. If it is determined that the intended home occupation will not comply with
15 the aforesaid guidelines, the city clerk shall notify the applicant of the rejection of said ap-
16 plication. Said notice of rejection may be mailed to the applicant at the address shown on
17 the application or delivered to the applicant in person.

18 5.68.050 Appeal. Should it be determined that the home occupation license
19 should not be issued, the applicant may appeal directly to the city council. Such appeal must
20 be effectuated by filing written notice of appeal with the city clerk's office within ten days
21 after the clerk's notice of rejection as specified in Section 5.68.080 of this chapter.

22 5.68.060 Declaration of permittee. Each year at the time the home occu-
23 pation licensee renews a business license, or at the time the home occupation licensee ob-
24 tains a business license for the year, or any portion thereof, said permittee shall execute, un-
25 der penalty of perjury, a declaration in the form prescribed by the city clerk, attesting to the
26 fact that the licensee has complied with, will in the future comply with, and is presently com-
27 plying with the criteria set forth in Section 5.68.070 of this chapter.

28 5.68.070 Criteria. The following criteria shall be utilized to determine a
valid home occupation:

A. There shall be no employment of help other than members of the resi-
dent's immediate family.

B. There shall be no use of material or mechanical equipment not recog-
nized as being part of normal household or hobby uses. Hobby products produced on premises
shall not be offered for sale. There shall be no hobby or act which increases or may cause an
increase of the hazard or menace of fire, inclusive, but not limited to, auto repair, auto body
and fender work, spray painting with flammable finishes or flammable dipping. There shall be
no storage of flammable liquids in excess of five gallons total. Welding and cutting, using
acetyline and/or oxygen, woodworking which produces chips or shavings and storage of wood
products inside or outside the premises is prohibited.

C. There shall be no sales or customer-producing services at the premises.

D. The use shall not generate pedestrian or vehicular traffic beyond that
which is normal to the zone in which is located.

E. It shall not involve the use of commercial vehicles for delivery or mate-
rial to or from the premises.

F. Storage of materials and supplies shall be confined to the inside and shall
be limited only to the one room, garage or patio used for home occupation purposes.

G. It shall not involve the use of signs or structures other than those permit-
ted in the zone of which it is a part.

H. No more than one room, or garage, or patio shall be utilized for the home
occupation and the applicant shall specify which room/garage/patio will be utilized.

I. No building or space outside of the main building or garage shall be used
for home occupation purposes.

J. In no way shall the appearance of the structure be so altered or the con-
duct of the occupation within the structure be such that the structure may be reasonably re-
cognized as serving a nonresidential use (either by color, materials, or construction, lighting,

signs, sounds or vibrations, etc.).

K. There shall be no use of utilities or community facilities beyond that which is normal to the use of the property for residential purposes.

L. No equipment which will cause interference with radio or television reception will be utilized in the home occupation.

5.68.080 Revocation. Should the home occupation fail at any time to comply with the criteria established by Section 5.68.070 of this chapter, said home occupation license may be revoked by the city council. Prior to the taking of such action, the city clerk shall be responsible to give written notice of the city council's intended action to the licensee. Said written notice shall specify in what respect the home occupation has failed to comply with the criteria set forth in Section 5.68.070. Said written notice shall be mailed to the licensee at least ten days prior to the council meeting at which the revocation is scheduled to be discussed.

Chapter 5.70

HOTEL, MOTEL, ROOMING, LODGING, BOARDING, APARTMENTS, MINI-STORAGE, OFFICE RENTAL OR COMMERCIAL AND INDUSTRIAL RENTAL PROPERTY

Sections:

5.70.010	Definitions.
5.70.020	License and fee payment required.
5.70.030	Evidence of doing business in the city.
5.70.040	Classification.
5.70.050	License fees.

5.70.010 Definitions. For the purpose of this chapter, the following words shall have the following meanings:

A. "Business" means commercial or industrial rental, hotel, roominghouse, lodginghouse, boardinghouse, motel, ministorage, etc. Every person, firm or corporation conducting, managing or carrying on the business of leasing or renting of commercial or industrial buildings or spaces where the buildings or spaces are to be utilized for any business purpose including retail sales, or leasing or renting office building rooms or suites or other business rentals including ministorage; operating a hotel, roominghouse, lodginghouse, apartment house, court motel, or structure or any combination of structures which compose three units or more shall pay a license fee as specified in this chapter.

B. Rental. The intent of this section is to require a license for the business of leasing or renting of commercial or industrial buildings, leasing or renting office building rooms or suites or other business rentals; leasing or renting of dwelling units, or of spaces for dwelling units, or storage units where three or more units exist on the same location, regardless of:

1. The plan of construction or assembly of the units;
2. Whether the units are all located on the same lot or parcel of property, so long as they are on contiguous lots or properties;
3. Whether all of the units are actually rented or leased;
4. Whether one of the units is occupied by the licensee or his or her agents as a private residence or office.

5.70.020 License and fee payment required. There is imposed upon the businesses, trades, professions, callings and occupations specified in this chapter, license fees in the amounts hereinafter prescribed. It shall be unlawful for any person, firm or corporation to transact and carry on any business, trade, profession, calling or occupation in the city without first having procured a license from the city so to do and paying the fee hereinafter

1 prescribed or without complying with any and all applicable provisions of this chapter.

2 Every person, firm or corporation conducting, managing or carrying on a
3 business activity of renting or leasing three or more rooms, units, suites, houses, apartment
4 units, commercial or industrial buildings, shall pay an annual business license fee.

5 5.70.030 Evidence of doing business in the city. When any person, firm or
6 corporation shall, by use of signs, circulars, cards, telephone books, newspapers or other
7 means, advertise, hold out or represent that he is in business in the city, deliver, distribute,
8 supply, manufacture, sell at retail or wholesale, lease, rent, provide a service or generate
9 revenue, such activity shall be deemed as evidence of doing business in the city.

10 5.70.040 Classification. Rental Property. Businesses consisting of the rental
11 or leasing of real property, whether such rental unit be commercial stores or offices, permanent
12 dwellings such as apartments or houses, transient occupancy facilities, warehouses,
13 campgrounds, unimproved land or other type of rental unit and whether the rental or leasing
14 be by day, week, month or year or other period of time, shall pay a fee to the city as herein-
15 after prescribed.

16 5.70.050 License fees. The city council shall, by resolution, establish business
17 license fees imposed by this chapter. Such fees may be changed from time to time as
18 deemed necessary by the city council.

19 PASSED, APPROVED AND ADOPTED this 3rd day of November,
20 1986.

21 
22 _____
23 ELVIN R. MEEK, MAYOR

24 ATTEST:

25 
26 _____
27 JOSEPH H. SAMPSON, CITY CLERK

28 APPROVED AS TO FORM:


ROBERT G. KOCH, JR., CITY ATTORNEY

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO)
3 CITY OF RIALTO)

4 I, JOSEPH H. SAMPSON, City Clerk of the City of Rialto, DO HEREBY
5 CERTIFY that the foregoing Ordinance No. 983 was duly passed and adopted at a
6 Regular Meeting of the City Council of the City of Rialto held on the 3rd day of
7 November, 1986.

8 Upon Motion of Councilmember Sawyer, seconded by Councilmember
9 Mc Clure, the foregoing Ordinance No. 983 was duly passed and adopted.

10 Vote on the Motion:

11 AYES: Mayor Meek; Councilmen: Sawyer, Mc Clure, Curtis and Holland

12 NOES: None

13 ABSENT: None

14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal
15 of the City of Rialto this 6th day of November, 1986.

16 
17 JOSEPH H. SAMPSON, City Clerk

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ORDINANCE NO. 1009

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING CERTAIN PORTIONS OF TITLE 5 OF THE RIALTO MUNICIPAL CODE RELATING TO BUSINESS LICENSES AND REGULATIONS AND ADDING CHAPTER 5.14 PERTAINING TO WAREHOUSES.

The City Council of the City of Rialto hereby ordains as follows:

Section 1. Section 5.04.020 of the Rialto Municipal Code is amended by the addition of Sub-Section H thereto as follows:

5.04.020 H. "Books" or "Set of Books" means any set of bookkeeping records which is maintained for the purpose of financial record-keeping in conjunction with the conduct of a business as defined in 'A' above.

Section 2. Section 5.70.030 is hereby deleted and replaced by an addition to Chapter 5.04, which shall be Section 5.04.023 as follows:

5.04.023 Evidence of doing business in the city.

When any person, firm or corporation shall, by the use of signs, circulars, cards, telephone books, newspapers or other means, advertise, hold out or represent that he is in business in the city, deliver, distribute, supply, manufacture, sell at retail or wholesale, lease, rent provide a service or generate revenue, such activity shall be deemed as evidence of doing business in the city.

Section 3. Section 5.04.070 is hereby amended to read as follows:

5.04.070 Businesses paying franchise fee.

For business which pay a franchise fee to the city, no business license fee shall be assessed.

Section 4. Chapter 5.04 is hereby amended by the addition of Section 5.04.080 as follows:

5.04.080 Curb numbering.

In addition to the business license fee payable pursuant to this Chapter, an applicant for a curb numbering license shall also comply with the conditions set forth in the "Curb Numbering Permit Request", which shall be applied for at the City Clerk's office.

Section 5. Section 5.04.240 is hereby amended by the addition of Sub-Section F as follows:

5.04.240 F. Warehouses as defined in Chapter 5.14.

Section 6. Chapter 5.04 is hereby amended by the addition of Section 5.04.275 as follows:

5.04.275 License required for each set of books.

In cases where there is more than one business activity, each separate set of books (bookkeeping records) shall be considered a separate business for licensing purposes under this title.

Section 7. Chapter 5.14 pertaining to warehouses is hereby added as follows:

Definitions - as used in this chapter:

A. "Warehouse" means and includes any enclosed place used strictly for the storage of materials, supplies and similar items used in conjunction with a business whose principle business address is at a different location.

Image	DATE	OPERATOR
Proof	9/8/95	P.R.
OCR/Index	9/8/95	P.R.

1 License - required.

2 In the exercise of the police powers of the City and for the purpose of revenue
3 and regulation, every person, corporation or association of persons engaged in carrying on
4 the business or occupation of a warehouse shall be licensed and the fee charged therefore
5 is set forth in this chapter.

6 Unlicensed operation prohibited.

7 It is a misdemeanor for any person, corporation or association of persons to oper-
8 ate, conduct or carry on a warehouse business in the City without first obtaining a license
9 to do so, as in this chapter provided.

10 License - application.

11 Application for such license shall be made to the City Clerk in writing, on such
12 form as provided by the City Clerk.

13 License - issuance.

14 Upon approval of such license, the City Clerk shall issue a license to the appli-
15 cant. Each license shall be non-transferable, posted in a conspicuous place in or on the
16 premises in respect to which it is issued and shall be exhibited to any public official upon
17 request. Each license issued under this chapter is separate and distinct and no person
18 shall seek to exercise the priveleges granted thereunder except the person, corporation or
19 association of persons to whom it is issued and at the specific place for which it was is-
20 sued.

21 License - fee.

22 The license fee for operating, conducting or carrying on such warehouse is fifty
23 dollars (\$50.00) per calendar year. Such license fee is payable in advance and paid to the
24 City Clerk upon the issuance of such license.

25 Section 8. Chapter 5.28 is hereby amended by the addition of Sections 5.28.000 and
26 5.28.005 as follows:

27 5.28.000 Definitions - as used in this chapter.

28 A. "Solicitor", "Peddler" or "Hawker" shall mean any person, either individually
or as a representative of someone else, who travels from house to house, place to place,
or upon any public street in the City for the purpose of taking orders for the sale of goods,
wares and merchandise, or for the purpose of disposing of or peddling or hawking the same.

5.28.005 License required - application.

It is a misdemeanor for any person to solicit in the City without first obtaining a
license to do so. Application for such license shall be made to the City Clerk on a form
provided by the City Clerk.

Section 9. Section 5.28.030 is hereby amended to read as follows:

5.28.030 License - fee.

Each business shall pay a license fee for the solicitor's license of twenty-four
dollars (\$24.00) per calendar quarter, payable in like manner as other business license fees
of the City now in force. If the City Clerk finds the applicant to be a charitable institu-
tion or entity, he may waive payment of the license fee, providing all other provisions of
this chapter are complied with. In the event of doubt concerning the qualifications of the
applicant, the matter shall be referred to the City Council for determination.

Section 10. Section 5.68.020 is hereby amended to read as follows:

5.68.020 Definitions - Home occupation defined.

"Home occupation" means and shall be construed to be any use within a dwelling
or garage and carried on by the inhabitant thereof, which use is clearly incidental and
secondary to the use of the structure for dwelling purposes and which use does not change
the integrity or character thereof, or does not adversely affect the uses permitted in the
zone of which it is a part.

1 Section 11. Section 5.68.070 is hereby amended to read as follows:

2 5.68.070 Criteria.

3 The following criteria shall be utilized to determine a valid home occupation:

4 A. There shall be no employment of help other than members of the resident's
5 immediate family; except that in the case of a partnership, only one partner must reside
6 at the subject residence.

7 B. No more than one room, or garage, or patio shall be utilized for the home oc-
8 cupation.

9 C. There shall be no use of material or mechanical equipment not recognized as
10 being part of normal household or hobby uses. Hobby products produced on the premises
11 shall not be offered for sale on the premises. There shall be no hobby or act which in-
12 creases or may cause an increase of the hazard or menace of fire, inclusive, but not limi-
13 ted to: auto repair, auto body and fender work, spray painting with flammable finishes or
14 flammable dipping. There shall be no storage of flammable liquids in excess of five gallons
15 total. Welding and cutting, using acetyline and/or oxygen, woodworking which produces
16 chips or shavings and storage of wood products inside or outside the premises are prohibited.

17 D. There shall be no sales at the premises. If the business is service-oriented,
18 no services shall be available to customers at the residence.

19 E. The use shall not generate pedestrian or vehicular traffic beyond that which
20 is normal to the zone in which it is located.

21 F. The use shall not involve the use of commercial vehicles for delivery of ma-
22 terial to or from the premises.

23 G. Storage of materials and supplies shall be confined to the inside and shall be
24 limited only to the one room, garage or patio used for home occupation purposes.

25 H. The use shall not involve the use of signs or structure other than those per-
26 mitted in the zone of which it is a part.

27 I. No building or space outside of the main building or garage shall be used for
28 the home occupation purposes.

J. In no way shall the appearance of the structure be so altered or the conduct
of the occupation within the structure be such that the structure may be reasonably re-
cognized as serving a nonresidential use (either by color, materials or construction, light-
ing, signs, sounds or vibration, etc.)

K. There shall be no use of utilities or community facilities beyond that which
is normal to the use of the property for residential purposes.

L. No equipment which will cause interference with radio or television recep-
tion will be utilized in the home occupation.

Section 12. Section 5.68.060 is hereby amended to read as follows:

5.68.060 Declaration of permittee.

At the time the home occupation licensee obtains a business license, the permit-
tee shall execute, under penalty of perjury, a declaration in the form prescribed by the
City Clerk, attesting to the fact that the licensee has complied with, will in the future
comply with, and is presently complying with the criteria set forth in Section 5.68.070 of
this chapter.

Section 13. Chapter 5.70 is hereby amended by the addition of Sub-Section C to Section
5.70.010 as follows:

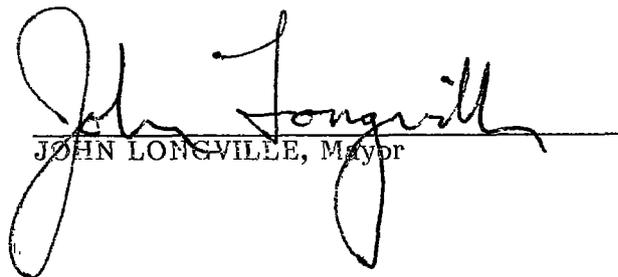
5.70.010 C. "Property management", for the purpose of this chapter, shall mean
the carrying on of the business of managing single-family dwelling rental properties from
a location outside the City limits of Rialto.

Section 14. Chapter 5.70.010 B(2) is hereby amended to read as follows:

5.70.010 B(2). Whether the units are all located on the same lot or parcel of
peoperty.

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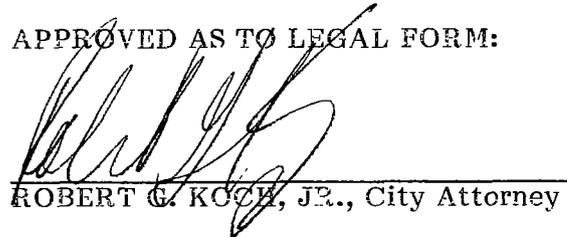
PASSED, APPROVED AND ADOPTED this 20th day of October, 1987.


JOHN LONGVILLE, Mayor

ATTEST:


JOSEPH A. SAMPSON, City Clerk

APPROVED AS TO LEGAL FORM:


ROBERT C. KOCH, JR., City Attorney

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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF RIALTO)

I, JOSEPH H. SAMPSON, City Clerk of the City of Rialto, DO HEREBY CERTIFY that the foregoing Ordinance No. 1009 was duly passed and adopted at a Regular Meeting of the City Council of the City of Rialto held on the 20th day of October, 1987

Upon Motion of Councilmember McClure, seconded by Councilmember Curtis, the foregoing Ordinance No. 1009 was duly passed and adopted.

Vote on the Motion:

AYES: Mayor Longville; Councilmen: McClure, Curtis, Sawyer and Nix

NOES: None

ABSENT:None

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this 27th day of October, 1987


JOSEPH H. SAMPSON, City Clerk

1 RESOLUTION NO. 4076

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 RIALTO, CALIFORNIA, AMENDING RESOLUTION NOS. 2893
4 AND 3976 RELATING TO FEES FOR BUSINESS LICENSES
5 AND ALARM PERMITS

6 WHEREAS, the City Council of the City of Rialto desires to increase
7 revenues; and

8 WHEREAS, the Budget Advisory Committee met and made recommendations
9 pertaining to raising revenues and cutting expenditures;

10 NOW, THEREFORE, the City Council of the City of Rialto DOES HEREBY
11 RESOLVE:

12 Section 1. Resolution No. 2893 is amended by amending Exhibit A,
13 which sets forth the amount of business license taxes paid by
14 businesses which are taxed based on gross receipts.

15 a. All references to the maximum business license tax of
16 \$10,000.00 are removed.

17 b. Truck Delivery is added to Rate Code 45.

18 c. Rate Code 50 is added for Contractors to be taxed as
19 follows:

20	Classifications A & B	\$100.00 per calendar year
21	All Others	79.00 per calendar year
22	Multiple Classifications	100.00 per calendar year

23 Section 2. Resolution No. 3976 is amended by amending Exhibit D,
24 which sets forth certain City Clerk and Administrative fees.

25 a. Yard Sale Permits are \$5.00 if paid in the office and
26 \$20.00 if collected in the field.

27 b. Residential alarm permits are \$11.00 per calendar year.

28 c. Commercial alarm permits are based on the square footage
of the business as follows:

29	Up to 1,500 square feet	\$ 11.00 per year
30	1,501 to 10,000 square feet	22.00 per year
31	Over 10,000 square feet	33.00 per year

32 Section 3. Effective Date.

33 The effective date of this Resolution will be the same date that
34 Ordinance Nos. 1221, 1222 & 1223 becomes effective.

35 PASSED, APPROVED AND ADOPTED this 15th day of November, 1994.

	DATE	OPERATOR
Image	8/30/95	DLB
Proof	8/30/95	DLB
OCR/Index	---	---

John Longville
JOHN LONGVILLE, Mayor

36 ATTEST:

Diane M. Young

37 DIANE M. YOUNG, Deputy City Clerk

	DATE	OPERATOR
Image	0/23	UA
Proof	5/23	UA
OCR/Index	---	---

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APPROVED AS TO FORM:



ROBERT A. OWEN, City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)ss.
CITY OF RIALTO)

I, DIANE M. YOUNG, Deputy City Clerk of the City of Rialto, DO
HEREBY CERTIFY that the foregoing Resolution No. 4076 was duly
passed, approved and adopted by the City Council of the City of
Rialto at a regular meeting held on the 15th day of November, 1994.

Upon motion by Council Member Zupanic-Skaggs, seconded by Council
Member Hirtz, the Resolution was duly passed and adopted.

VOTE ON THE MOTION:

AYES: Mayor Longville; Councilmembers: Zupanic-Skaggs, Hirtz
Dvorak and Curtis

NOES: None

ABSENT: None

IN WITNESS WHEREOF, I hereunto set my hand and the Official Seal of
the City of Rialto this 14th day of December, 1994.


Diane M. Young, Deputy City Clerk

EXHIBIT D

CITY CLERK & CITY-WIDE ADMINISTRATIVE FEES

The following City Clerk fees are based upon cost data worksheets and authorized by Rialto Municipal Code Chapter 3.32.

Cost Study Refer	Service Center	New Fee	Old Fee	Cost
T062	New Business Use Review and Inspection	27	96	27
	New Business Use Review and Inspection for Home Occupat.	23	48	*** #
T106	Midyear Business License Modification	10	0	5
T068	Bicycle License Fees (set by State Law) Renewals \$3, \$2 & \$1 for 3, 2 & 1 year license	3-Yr 6 2-Yr 4 1-Yr 2	3-Yr 3 2-Yr 2 1-Yr 1	24
T069	Garage Sale Permit	5	5	25 #
	In Field Garage Sale Permit	20	10	***
T100	Dog Licenses - Senior owned Spayed/Neutered	6	5	22
	Unspayed/Unneutered	11	10	22
T100	Dog Licenses - All Other Spayed/Neutered	12	10	22
	Unspayed/Unneutered	22	20	22
	Prorated Dog License Fee after July 1	12.50	12.50	***
T099	Alarm Permits - Single Family	11	11	11
	- Multi-Family (per unit)	11	11	
	- Commercial To 1500 sqft	11	11	
	1500 to 10000 sqft	22	11	
	Over 10000 sqft	33	11	
T184	Returned Check (NSF) charge	15	13	23
	Computer Generated Reports (time as designated on report)	4 p/min 5 minimum	4 p/min 5 minimum	***
	Photocopying	3 first pg, 10 cnts extra	3 first pg, 10 cnts extra	***

*** Due to inconclusive data, current fees will remain.
 # Recovery limited per Muni-Code. See Attachment #1.

EXHIBIT D (CONTINUED)

**CITY CLERK & ADMINISTRATIVE FEES
 EFFECTIVE AUGUST 18, 1993**

Cost Study Refer	Service Center	New Fee	Old Fee	Cost
	Copy of City Financials	20	18	***
	Copy of City Budget	25	25	***
	Copy of Council Agenda and Minutes(annually)	84	84	***
	Warehouse Facility Rental	30 cents p/sq ft	30 cents p/sq ft	***
	Research Fee	30	30	***
T191	Document Research Cert.	10	9	13
T192	Copy of Taped Official record -Citizen supplied tape	27 18	32 17	27

*** Due to inconclusive data, current fees will remain. Copies of the City financials were raised by same percentage as the audit cost.

Rate Code 09 HOME OCCUPATION
 Rate Code 25 PROFESSIONAL SERVICES
 Rate Code 28 SERVICE BUSINESSES
 Rate Code 35 RETAIL MERCHANT NON-FOOD
 Rate Code 40 RETAIL MERCHANT FOOD
 Rate Code 45 AUTO SALES, DISTRIBUTION CENTERS, WHOLESALERS, NEW STRUCTURE SALES TRUCK DELIVERIES
 Rate Code 48 MANUFACTURERS
 Rate Code 55 HOTEL, MOTEL, APARTMENTS OFFICE & COMMERCIAL RENTALS
 Rate Code 50 CONTRACTORS

Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	Gross Receipts	Fee	State Classification/ Fee
\$0 - \$5,000	\$25	\$0 - \$25,000	\$ 79	\$0 - \$25,000	\$79	\$0 - \$15,000	\$79	\$0 - \$25,000	\$79	\$0 - \$500,000	\$79	\$0 - \$300,000	\$79	\$0 - \$300,000	\$79	\$0 - \$300,000	\$79	Classification A \$100
\$5,000.01 - \$10,000	\$30	\$25,000.01 - \$50,000	\$104	\$50,000.01 - \$75,000	\$117	\$15,000.01 - \$25,000	\$83	\$25,000.01 - \$50,000	\$92	\$300,000.01 - \$400,000	\$100	\$300,000.01 - \$400,000	\$100	\$300,000.01 - \$400,000	\$100	\$300,000.01 - \$400,000	\$100	Classification B \$79
\$10,000.01 +	\$79	\$75,000.01 - \$100,000	\$154	\$100,000.01 - \$125,000	\$179	\$50,000.01 - \$75,000	\$95	\$75,000.01 - \$100,000	\$104	\$400,000.01 - \$500,000	\$125	\$400,000.01 - \$500,000	\$125	\$400,000.01 - \$500,000	\$125	\$400,000.01 - \$500,000	\$125	Classification B \$79
		\$100,000.01 - \$125,000	\$179	\$125,000.01 - \$150,000	\$204	\$75,000.01 - \$100,000	\$103	\$100,000.01 - \$125,000	\$117	\$500,000.01 - \$750,000	\$188	\$500,000.01 - \$750,000	\$188	\$500,000.01 - \$750,000	\$188	\$500,000.01 - \$750,000	\$188	Multiple Class. \$100
		\$150,000.01 - \$175,000	\$229	\$175,000.01 - \$200,000	\$254	\$100,000.01 - \$150,000	\$113	\$125,000.01 - \$150,000	\$125	\$750,000.01 - \$1,000,000	\$250	\$750,000.01 - \$1,000,000	\$250	\$750,000.01 - \$1,000,000	\$250	\$750,000.01 - \$1,000,000	\$250	
		\$200,000.01 - \$225,000	\$279	\$225,000.01 - \$250,000	\$304	\$150,000.01 - \$175,000	\$133	\$175,000.01 - \$200,000	\$143	\$1,000,000.01 - \$1,500,000	\$375	\$1,000,000.01 - \$1,500,000	\$375	\$1,000,000.01 - \$1,500,000	\$375	\$1,000,000.01 - \$1,500,000	\$375	
		\$250,000.01 - \$275,000	\$329	\$275,000.01 - \$300,000	\$354	\$200,000.01 - \$225,000	\$153	\$225,000.01 - \$250,000	\$163	\$1,500,000.01 - \$2,000,000	\$500	\$1,500,000.01 - \$2,000,000	\$500	\$1,500,000.01 - \$2,000,000	\$500	\$1,500,000.01 - \$2,000,000	\$500	
		\$300,000.01 - \$325,000	\$379	\$325,000.01 - \$350,000	\$404	\$250,000.01 - \$275,000	\$163	\$275,000.01 - \$300,000	\$173	\$2,000,000.01 - \$2,500,000	\$625	\$2,000,000.01 - \$2,500,000	\$625	\$2,000,000.01 - \$2,500,000	\$625	\$2,000,000.01 - \$2,500,000	\$625	
		\$350,000.01 - \$375,000	\$429	\$375,000.01 - \$400,000	\$454	\$300,000.01 - \$325,000	\$173	\$325,000.01 - \$350,000	\$183	\$2,500,000.01 - \$3,000,000	\$750	\$2,500,000.01 - \$3,000,000	\$750	\$2,500,000.01 - \$3,000,000	\$750	\$2,500,000.01 - \$3,000,000	\$750	
		\$400,000.01 - \$425,000	\$479	\$425,000.01 - \$450,000	\$504	\$350,000.01 - \$375,000	\$183	\$375,000.01 - \$400,000	\$193	\$3,000,000.01 - \$3,500,000	\$875	\$3,000,000.01 - \$3,500,000	\$875	\$3,000,000.01 - \$3,500,000	\$875	\$3,000,000.01 - \$3,500,000	\$875	
		\$450,000.01 - \$475,000	\$529	\$475,000.01 - \$500,000	\$554	\$400,000.01 - \$425,000	\$193	\$425,000.01 - \$450,000	\$203	\$3,500,000.01 - \$4,000,000	\$1000	\$3,500,000.01 - \$4,000,000	\$1000	\$3,500,000.01 - \$4,000,000	\$1000	\$3,500,000.01 - \$4,000,000	\$1000	
		\$500,000.01 - \$525,000	\$579	\$525,000.01 - \$550,000	\$604	\$450,000.01 - \$475,000	\$203	\$475,000.01 - \$500,000	\$213	\$4,000,000.01 - \$4,500,000	\$1125	\$4,000,000.01 - \$4,500,000	\$1125	\$4,000,000.01 - \$4,500,000	\$1125	\$4,000,000.01 - \$4,500,000	\$1125	
		\$550,000.01 - \$575,000	\$629	\$575,000.01 - \$600,000	\$654	\$500,000.01 - \$525,000	\$213	\$525,000.01 - \$550,000	\$223	\$4,500,000.01 - \$5,000,000	\$1250	\$4,500,000.01 - \$5,000,000	\$1250	\$4,500,000.01 - \$5,000,000	\$1250	\$4,500,000.01 - \$5,000,000	\$1250	
		\$600,000.01 - \$625,000	\$679	\$625,000.01 - \$650,000	\$704	\$550,000.01 - \$575,000	\$223	\$575,000.01 - \$600,000	\$233	\$5,000,000.01 - \$5,500,000	\$1375	\$5,000,000.01 - \$5,500,000	\$1375	\$5,000,000.01 - \$5,500,000	\$1375	\$5,000,000.01 - \$5,500,000	\$1375	
		\$650,000.01 - \$675,000	\$729	\$675,000.01 - \$700,000	\$754	\$600,000.01 - \$625,000	\$233	\$625,000.01 - \$650,000	\$243	\$5,500,000.01 - \$6,000,000	\$1500	\$5,500,000.01 - \$6,000,000	\$1500	\$5,500,000.01 - \$6,000,000	\$1500	\$5,500,000.01 - \$6,000,000	\$1500	
		\$700,000.01 - \$725,000	\$779	\$725,000.01 - \$750,000	\$804	\$650,000.01 - \$675,000	\$243	\$675,000.01 - \$700,000	\$253	\$6,000,000.01 - \$6,500,000	\$1625	\$6,000,000.01 - \$6,500,000	\$1625	\$6,000,000.01 - \$6,500,000	\$1625	\$6,000,000.01 - \$6,500,000	\$1625	
		\$750,000.01 - \$775,000	\$829	\$775,000.01 - \$800,000	\$854	\$700,000.01 - \$725,000	\$253	\$725,000.01 - \$750,000	\$263	\$6,500,000.01 - \$7,000,000	\$1750	\$6,500,000.01 - \$7,000,000	\$1750	\$6,500,000.01 - \$7,000,000	\$1750	\$6,500,000.01 - \$7,000,000	\$1750	
		\$800,000.01 - \$825,000	\$879	\$825,000.01 - \$850,000	\$904	\$750,000.01 - \$775,000	\$263	\$775,000.01 - \$800,000	\$273	\$7,000,000.01 - \$7,500,000	\$1875	\$7,000,000.01 - \$7,500,000	\$1875	\$7,000,000.01 - \$7,500,000	\$1875	\$7,000,000.01 - \$7,500,000	\$1875	
		\$850,000.01 - \$875,000	\$929	\$875,000.01 - \$900,000	\$954	\$800,000.01 - \$825,000	\$273	\$825,000.01 - \$850,000	\$283	\$7,500,000.01 - \$8,000,000	\$2000	\$7,500,000.01 - \$8,000,000	\$2000	\$7,500,000.01 - \$8,000,000	\$2000	\$7,500,000.01 - \$8,000,000	\$2000	
		\$900,000.01 - \$925,000	\$979	\$925,000.01 - \$950,000	\$1004	\$850,000.01 - \$875,000	\$283	\$875,000.01 - \$900,000	\$293	\$8,000,000.01 - \$8,500,000	\$2125	\$8,000,000.01 - \$8,500,000	\$2125	\$8,000,000.01 - \$8,500,000	\$2125	\$8,000,000.01 - \$8,500,000	\$2125	
		\$950,000.01 - \$975,000	\$1029	\$975,000.01 - \$1,000,000	\$1054	\$900,000.01 - \$925,000	\$293	\$925,000.01 - \$950,000	\$303	\$8,500,000.01 - \$9,000,000	\$2250	\$8,500,000.01 - \$9,000,000	\$2250	\$8,500,000.01 - \$9,000,000	\$2250	\$8,500,000.01 - \$9,000,000	\$2250	
		\$1,000,000.01 - \$1,025,000	\$1079	\$1,025,000.01 - \$1,050,000	\$1104	\$950,000.01 - \$975,000	\$303	\$975,000.01 - \$1,000,000	\$313	\$9,000,000.01 - \$9,500,000	\$2375	\$9,000,000.01 - \$9,500,000	\$2375	\$9,000,000.01 - \$9,500,000	\$2375	\$9,000,000.01 - \$9,500,000	\$2375	
		\$1,050,000.01 - \$1,075,000	\$1129	\$1,075,000.01 - \$1,100,000	\$1154	\$1,000,000.01 - \$1,025,000	\$313	\$1,025,000.01 - \$1,050,000	\$323	\$9,500,000.01 - \$10,000,000	\$2500	\$9,500,000.01 - \$10,000,000	\$2500	\$9,500,000.01 - \$10,000,000	\$2500	\$9,500,000.01 - \$10,000,000	\$2500	
		\$1,100,000.01 - \$1,125,000	\$1179	\$1,125,000.01 - \$1,150,000	\$1204	\$1,050,000.01 - \$1,075,000	\$323	\$1,075,000.01 - \$1,100,000	\$333	\$10,000,000.01 - \$10,500,000	\$2625	\$10,000,000.01 - \$10,500,000	\$2625	\$10,000,000.01 - \$10,500,000	\$2625	\$10,000,000.01 - \$10,500,000	\$2625	
		\$1,150,000.01 - \$1,175,000	\$1229	\$1,175,000.01 - \$1,200,000	\$1254	\$1,100,000.01 - \$1,125,000	\$333	\$1,125,000.01 - \$1,150,000	\$343	\$10,500,000.01 - \$11,000,000	\$2750	\$10,500,000.01 - \$11,000,000	\$2750	\$10,500,000.01 - \$11,000,000	\$2750	\$10,500,000.01 - \$11,000,000	\$2750	
		\$1,200,000.01 - \$1,225,000	\$1279	\$1,225,000.01 - \$1,250,000	\$1304	\$1,150,000.01 - \$1,175,000	\$343	\$1,175,000.01 - \$1,200,000	\$353	\$11,000,000.01 - \$11,500,000	\$2875	\$11,000,000.01 - \$11,500,000	\$2875	\$11,000,000.01 - \$11,500,000	\$2875	\$11,000,000.01 - \$11,500,000	\$2875	
		\$1,250,000.01 - \$1,275,000	\$1329	\$1,275,000.01 - \$1,300,000	\$1354	\$1,200,000.01 - \$1,225,000	\$353	\$1,225,000.01 - \$1,250,000	\$363	\$11,500,000.01 - \$12,000,000	\$3000	\$11,500,000.01 - \$12,000,000	\$3000	\$11,500,000.01 - \$12,000,000	\$3000	\$11,500,000.01 - \$12,000,000	\$3000	
		\$1,300,000.01 - \$1,325,000	\$1379	\$1,325,000.01 - \$1,350,000	\$1404	\$1,250,000.01 - \$1,275,000	\$363	\$1,275,000.01 - \$1,300,000	\$373	\$12,000,000.01 - \$12,500,000	\$3125	\$12,000,000.01 - \$12,500,000	\$3125	\$12,000,000.01 - \$12,500,000	\$3125	\$12,000,000.01 - \$12,500,000	\$3125	
		\$1,350,000.01 - \$1,375,000	\$1429	\$1,375,000.01 - \$1,400,000	\$1454	\$1,300,000.01 - \$1,325,000	\$373	\$1,325,000.01 - \$1,350,000	\$383	\$12,500,000.01 - \$13,000,000	\$3250	\$12,500,000.01 - \$13,000,000	\$3250	\$12,500,000.01 - \$13,000,000	\$3250	\$12,500,000.01 - \$13,000,000	\$3250	
		\$1,400,000.01 - \$1,425,000	\$1479	\$1,425,000.01 - \$1,450,000	\$1504	\$1,350,000.01 - \$1,375,000	\$383	\$1,375,000.01 - \$1,400,000	\$393	\$13,000,000.01 - \$13,500,000	\$3375	\$13,000,000.01 - \$13,500,000	\$3375	\$13,000,000.01 - \$13,500,000	\$3375	\$13,000,000.01 - \$13,500,000	\$3375	
		\$1,450,000.01 - \$1,475,000	\$1529	\$1,475,000.01 - \$1,500,000	\$1554	\$1,400,000.01 - \$1,425,000	\$393	\$1,425,000.01 - \$1,450,000	\$403	\$13,500,000.01 - \$14,000,000	\$3500	\$13,500,000.01 - \$14,000,000	\$3500	\$13,500,000.01 - \$14,000,000	\$3500	\$13,500,000.01 - \$14,000,000	\$3500	
		\$1,500,000.01 - \$1,525,000	\$1579	\$1,525,000.01 - \$1,550,000	\$1604	\$1,450,000.01 - \$1,475,000	\$403	\$1,475,000.01 - \$1,500,000	\$413	\$14,000,000.01 - \$14,500,000	\$3625	\$14,000,000.01 - \$14,500,000	\$3625	\$14,000,000.01 - \$14,500,000	\$3625	\$14,000,000.01 - \$14,500,000	\$3625	
		\$1,550,000.01 - \$1,575,000	\$1629	\$1,575,000.01 - \$1,600,000	\$1654	\$1,500,000.01 - \$1,525,000	\$413	\$1,525,000.01 - \$1,550,000	\$423	\$14,500,000.01 - \$15,000,000	\$3750	\$14,500,000.01 - \$15,000,000	\$3750	\$14,500,000.01 - \$15,000,000	\$3750	\$14,500,000.01 - \$15,000,000	\$3750	
		\$1,600,000.01 - \$1,625,000	\$1679	\$1,625,000.01 - \$1,650,000	\$1704	\$1,550,000.01 - \$1,575,000	\$423	\$1,575,000.01 - \$1,600,000	\$433	\$15,000,000.01 - \$15,500,000	\$3875	\$15,000,000.01 - \$15,500,000	\$3875	\$15,000,000.01 - \$15,500,000	\$3875	\$15,000,000.01 - \$15,500,000	\$3875	
		\$1,650,000.01 - \$1,675,000	\$1729	\$1,675,000.01 - \$1,700,000	\$1754	\$1,600,000.01 - \$1,625,000	\$433	\$1,625,000.01 - \$1,650,000	\$443	\$15,500,000.01 - \$16,000,000	\$4000	\$15,500,000.01 - \$16,000,000	\$4000	\$15,500,000.01 - \$16,000,000	\$4000	\$15,500,000.01 - \$16,000,000	\$4000	
		\$1,700,000.01 - \$1,725,000	\$1779	\$1,725,000.01 - \$1,750,000	\$1804	\$1,650,000.01 - \$1,675,000	\$443	\$1,675,000.01 - \$1,700,000	\$453	\$16,000,000.01 - \$16,500,000	\$4125	\$16,000,000.01 - \$16,500,000	\$4125	\$16,000,000.01 - \$16,500,000	\$4125	\$16,000,000.01 - \$16,500,000	\$4125	
		\$1,750,000.01 - \$1,775,000	\$1829	\$1,775,000.01 - \$1,800,000	\$1854	\$1,700,000.01 - \$1,725,000	\$453	\$1,725,000.01 - \$1,750,000	\$463	\$16,500,000.01 - \$17,000,000	\$4250	\$16,500,000.01 - \$17,000,000	\$4250	\$16,500,000.01 - \$17,000,000	\$4250	\$16,500,000.01 - \$17,000,000	\$4250	
		\$1,800,000.01 - \$1,825,000	\$1879	\$1,825,000.01 - \$1,850,000	\$1904	\$1,750,000.01 - \$1												

1 amounts shall be adjusted as reflected in the actual receipts on a quarterly basis, or by the
2 documentary evidence of the gross receipts presented in the next succeeding year.

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4
5 **Section 5.04.035 Licenses ---- Gross receipts ---- Renewal.**

6 At the time of a license renewal, if the amount of the license tax to be paid by the
7 applicant is measured by gross receipts, such applicant shall submit documentary evidence of
8 gross receipts for the previous year, or previous license period if less than a year, to the
9 collector to ascertain the amount of license tax to be paid for the renewal period, along with a
10 sworn statement upon the City's business license form. The collector shall determine if the
11 documentary evidence submitted is sufficiently reliable to document the amount of license tax
12 required for renewal.

13
14 **Section 2.** Chapter 5.14 of the Rialto Municipal Code is hereby amended to amend
15 Section 5.14.010 and Section 5.14.020. These sections shall read in their entirety as follows:

16
17 **Section 5.14.01 Definitions.**

18 As used in this chapter, the business license categories not otherwise defined in this
19 chapter are as follows:

- 20 A. "Distribution Facility" means and includes any person, firm or corporation that
21 conducts, manages, or carries on a business consisting principally of
22 warehousing and/or distribution activities for any product or component,
23 including but not limited to goods, wares, consumer products, materials or
24 merchandise.
- 25 B. "Manufacturer," includes any person, firm, or corporation that conducts,
26 manages, or carries on a business consisting mainly of packing, carrying or
27 selling at wholesale, making or processing any goods, wares, merchandise or
28 produce.

- 1 C. "Professional Service" includes any person, firm, or corporation that conducts,
2 manages or carries on a profession or vocation that is licensed by the State of
3 California including the activities related to the licensed profession, consulting,
4 and/or activities that require a period of specialized training.
- 5 D. "Retail Merchant – Food" includes any person, firm, or corporation that
6 conducts, handles or carries on a business consisting mainly of the operation of
7 a food establishment that prepares or serves or sells food of any type, including
8 grocery stores and restaurants.
- 9 E. "Retail Merchant- Non-Food" includes any person, firm, or corporation that
10 conducts, manages or carries on a business consisting mainly of the selling of
11 goods, wares, or other items of value at retail.
- 12 F. "Service Business" includes any person, firm or corporation that provides
13 services, performs physical labor or other skills for the benefit of others, and
14 which does not provide any retail sales.
- 15 G. "Truck Deliveries" includes any person, firm, or corporation that conducts and
16 carries on any business in the City that entails making deliveries within the
17 City in connection with any business that may be conducted elsewhere, and
18 that utilizes, automobiles, or other similar vehicles, in connection with such
19 business or delivery, and includes those persons, firms, or corporations not
20 having a fixed place of business within the City that delivers goods, wares, or
21 merchandise of any kind by vehicle, other than a certified highway carrier on a
22 regular route, or who is not otherwise licensed by the City.
- 23 H. "Warehouse" means and includes any enclosed place used strictly for the
24 storage of materials, supplies and similar items for any period of time, and
25 used in conjunction with a business whose principal business address is at a
26 different location within the City limits.
- 27
28

1 I. "Wholesaler" includes any person, firm, or corporation that conducts or
2 manages a business consisting mainly of selling goods, or merchandise at
3 wholesale prices, including the sales of automobiles or other vehicles.
4

5 **Section 5.14.020 License --- Required.**

6 For the purpose of generating more revenue for the City, every person, corporation or
7 association of persons engaged in the operation of a warehouse or distribution facility shall be
8 licensed and the requisite fee paid, whether formulated by the prior year's gross receipts, or
9 calculated using the square footage of the facility, as chosen by the applicant.
10

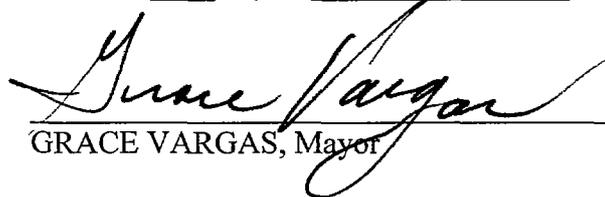
11 **Section 3.** The provisions of this ordinance are severable and the invalidity of any section,
12 paragraph, phrase, clause, or part of this ordinance shall not affect the validity or effectiveness of the
13 remainder of this ordinance.
14

15 **Section 4.** This ordinance shall be in full force and effect thirty (30) days after its passage,
16 and it is the intent of this council that the provisions of this ordinance be given retroactive application
17 with respect to any existing warehouse facilities upon the applicant's option.
18

19 **Section 5.** A summary of this ordinance shall be published in the manner required by law.
20

21 **Section 6.** The City Clerk shall certify to the adoption of this ordinance.
22

23 PASSED, APPROVED AND ADOPTED this 15th day of November, 2005.

24
25 
26 GRACE VARGAS, Mayor
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28

1 ATTEST:

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BARBARA MCGEE, City Clerk

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APPROVED AS TO FORM

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ROBERT A. OWEN, City Attorney

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1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO)ss
3 CITY OF RIALTO)

4
5 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
6 Ordinance No. 1378 was duly passed and adopted at a regular meeting of the City Council of the
7 City of Rialto held on the 15th day of November, 2005.

8 Upon motion of Councilmember Robertson, seconded by Councilmember
9 Hanson, the foregoing Ordinance No. 1378 was duly passed and adopted.

10
11 Vote on the Motion:

12 AYES: Mayor Pro Tem Sampson, Council Members: Robertson, Hanson & Scott

13 NOES: None

14 ABSENT: Mayor Vargas

15
16 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
17 Rialto, this 13th day of December, 2005.

18
19 
20 BARBARA McGEE, CITY CLERK

CITY OF RIALTO

AGENDA REPORT

For City Council Meeting of November 1, 2005

TO:	Honorable Mayor and Council Members
APPROVAL:	Henry T. Garcia, City Administrator
FROM:	Carol J. Fogleman, Deputy City Attorney
SUBJECT:	Amendment of Fee Schedule for Business Tax Licenses and Amendment to Title 5 of the Rialto Municipal Code to define the business license categories and to provide an alternative to the gross receipts calculation for distribution facilities
DATE:	October 24, 2005

BACKGROUND:

Finance is recommending an amendment to Title 5 of the Rialto Municipal Code to address three areas of concern. Currently, there are some business license categories that are not adequately defined in the municipal code. Secondly the municipal code is silent on the documentation required for verifying the business license tax information submitted. The final area of concern is regarding the recent influx of distribution centers to the City. The current business license rate structure presents a financial hardship to distribution centers that ship large volumes of high value inventory. The proposed amendment to Title 5 will address each of these areas.

Currently, Chapter 5.14 of the Rialto Municipal Code defines the business license category of "warehouses" and requires that such a warehouse facility be licensed upon the payment of the license fee as set from time to time by the City Council. Several other categories of businesses are defined throughout Title 5 and other categories are presently undefined. The first amendment to Title 5 includes a detailed description of all business categories that are utilized on the Business License Application, renewal forms, and the current council approved fee schedule. (See proposed ordinance attached.)

Title 5 also requires any applicant for a business license to sign a sworn statement indicating the gross receipts for the period during which the license applies. In the past, there has been no independent verification of these gross receipts and there have been instances in which the businesses have underestimated the amount of business license tax required to be paid to the City. While the City has the option to hire an independent auditor to determine whether or not the sworn statements adequately represent the amount of gross receipts to the business, there is currently a shortage of staff and a shortage of time to implement such an action. Accordingly, accounting staff has determined that a more efficient and reliable way of determining the appropriate tax, would be to require that all business license renewals present evidence of the gross

receipts for the prior tax period to use as a reliable basis for the future period covered by the business license renewal.

Finally, as more and more businesses are attempting to come to Rialto to set-up distribution facilities, it has become necessary to offer an additional calculation method for these businesses to determine the appropriate business license tax. Distribution centers typically do not track gross receipts. As an alternative, the current fee structure allows distribution centers to base their calculation on gross value of merchandise shipped from their location. Unfortunately, this method can create a financial hardship on distribution centers that ship a high volume of high priced merchandise.

ANALYSIS/DISCUSSION:

Therefore, staff is recommending an amendment be made to Chapter 5.14 of the Rialto Municipal Code and adoption of the attached resolution to address the three areas previously discussed.

1. To define all the business license categories:
 - **Distribution Facility** - means and includes any person, firm or corporation that conducts, manages, or carries on a business consisting principally of warehousing and/or distribution activities for any product or component, including but not limited to goods, wares, consumer products, materials or merchandise.
 - **Manufacturer** - includes any person, firm, or corporation that conducts, manages, or carries on a business consisting mainly of packing, carrying or selling at wholesale, making or processing any goods, wares, merchandise or produce.
 - **Professional Service** - includes any person, firm, or corporation that conducts, manages or carries on a profession or vocation that is licensed by the State of California including the activities related to the licensed profession, consulting, and/or activities that require a period of specialized training.
 - **Retail Merchant – Food** - includes any person, firm, or corporation that conducts, handles or carries on a business consisting mainly of the operation of a food establishment that prepares or serves or sells food of any type, including grocery stores and restaurants.
 - **Retail Merchant- Non-Food** - includes any person, firm, or corporation that conducts, manages or carries on a business consisting mainly of the selling of goods, wares, or other items of value at retail.
 - **Service Business** - includes any person, firm or corporation that provides services, performs physical labor or other skills for the benefit of others, and which does not provide any retail sales.
 - **Truck Deliveries** - includes any person, firm, or corporation that conducts and carries on any business in the City that entails making deliveries within the City in connection with any business that may be conducted elsewhere, and that utilizes, automobiles, or other similar vehicles, in connection with such business or delivery, and includes those persons, firms, or corporations not having a fixed place of business within the City

that delivers goods, wares, or merchandise of any kind by vehicle, other than a certified highway carrier on a regular route, or who is not otherwise licensed by the City.

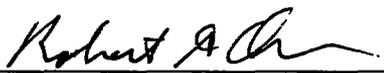
- **Warehouse** - means and includes any enclosed place used strictly for the storage of materials, supplies and similar items for any period of time, and used in conjunction with a business whose principal business address is at a different location within the City limits.
 - **Wholesaler** includes any person, firm, or corporation that conducts or manages a business consisting mainly of selling goods, or merchandise at wholesale prices, including the sales of automobiles or other vehicles.
2. To require substantial evidence of gross receipts with each business license renewal
3. To provide an alternative formula for calculating distribution facility business license fees.
- Finance is proposing that the alternative formula be computed at \$.05 per square footage.
 - With the assistance from RDA staff, Finance reviewed business license rates for distribution centers from other neighboring cities. The cities that used square footage as an option had rates ranging from \$.02 a square foot to \$.075 a square foot.
 - Finance also looked at cities whose rates are computed based on value of merchandise shipped, which is similar to Rialto. In each scenario, the proposed rate of \$.05 for Rialto was more conservative for large distribution centers that ship high value merchandise.
 - Moreover, because the other provisions within Title 5 are being amended to require more substantial evidence of the prior tax period's receipts to support the payment of any particular amount of business tax based on the gross receipts formula, a distribution facility will most likely benefit from choosing the new square footage formula as the basis for its license fee.

ENVIRONMENTAL IMPACT:

None

LEGAL REVIEW:

The staff report and Resolution have been reviewed and approved by the City Attorney.



City Attorney

FINANCIAL IMPACT:

It is unclear what financial impact these amendments will have on revenue generated within Rialto; however, the impact is not deemed to be material to the overall total of the business license tax revenue.


Chief Financial Officer

RECOMMENDATION:

Waive first reading and pass to second reading, an ordinance implementing the amendments to Title 5 of the Rialto Municipal Code defining various business license categories, establishing an alternative methodology for any business license tax to be paid by a distribution facility in the City, and requiring documentary evidence of gross receipts. Adopt Resolution amending related business license tax schedule, to be effective upon the effective date of such ordinance.

Attachments:

1. Ordinance
2. Resolution

Report prepared by Carol J. Fogleman, Deputy City Attorney

1 amounts shall be adjusted as reflected in the actual receipts on a quarterly basis, or by the
2 documentary evidence of the gross receipts presented in the next succeeding year.
3

4
5 **Section 5.04.035 Licenses ---- Gross receipts ---- Renewal.**

6 At the time of a license renewal, if the amount of the license tax to be paid by the
7 applicant is measured by gross receipts, such applicant shall submit documentary evidence of
8 gross receipts for the previous year, or previous license period if less than a year, to the
9 collector to ascertain the amount of license tax to be paid for the renewal period, along with a
10 sworn statement upon the City's business license form. The collector shall determine if the
11 documentary evidence submitted is sufficiently reliable to document the amount of license tax
12 required for renewal.
13

14 **Section 2.** Chapter 5.14 of the Rialto Municipal Code is hereby amended to amend
15 Section 5.14.010 and Section 5.14.020. These sections shall read in their entirety as follows:
16

17 **Section 5.14.01 Definitions.**

18 As used in this chapter, the business license categories not otherwise defined in this
19 chapter are as follows:

- 20 A. "Distribution Facility" means and includes any person, firm or corporation that
21 conducts, manages, or carries on a business consisting principally of
22 warehousing and/or distribution activities for any product or component,
23 including but not limited to goods, wares, consumer products, materials or
24 merchandise.
25 B. "Manufacturer," includes any person, firm, or corporation that conducts,
26 manages, or carries on a business consisting mainly of packing, carrying or
27 selling at wholesale, making or processing any goods, wares, merchandise or
28 produce.

- 1 C. "Professional Service" includes any person, firm, or corporation that conducts,
2 manages or carries on a profession or vocation that is licensed by the State of
3 California including the activities related to the licensed profession, consulting,
4 and/or activities that require a period of specialized training.
- 5 D. "Retail Merchant – Food" includes any person, firm, or corporation that
6 conducts, handles or carries on a business consisting mainly of the operation of
7 a food establishment that prepares or serves or sells food of any type, including
8 grocery stores and restaurants.
- 9 E. "Retail Merchant- Non-Food" includes any person, firm, or corporation that
10 conducts, manages or carries on a business consisting mainly of the selling of
11 goods, wares, or other items of value at retail.
- 12 F. "Service Business" includes any person, firm or corporation that provides
13 services, performs physical labor or other skills for the benefit of others, and
14 which does not provide any retail sales.
- 15 G. "Truck Deliveries" includes any person, firm, or corporation that conducts and
16 carries on any business in the City that entails making deliveries within the
17 City in connection with any business that may be conducted elsewhere, and
18 that utilizes, automobiles, or other similar vehicles, in connection with such
19 business or delivery, and includes those persons, firms, or corporations not
20 having a fixed place of business within the City that delivers goods, wares, or
21 merchandise of any kind by vehicle, other than a certified highway carrier on a
22 regular route, or who is not otherwise licensed by the City.
- 23 H. "Warehouse" means and includes any enclosed place used strictly for the
24 storage of materials, supplies and similar items for any period of time, and
25 used in conjunction with a business whose principal business address is at a
26 different location within the City limits.
- 27
28

1 I. "Wholesaler" includes any person, firm, or corporation that conducts or
2 manages a business consisting mainly of selling goods, or merchandise at
3 wholesale prices, including the sales of automobiles or other vehicles.
4

5 **Section 5.14.020 License ---- Required.**

6 For the purpose of generating more revenue for the City, every person, corporation or
7 association of persons engaged in the operation of a warehouse or distribution facility shall be
8 licensed and the requisite fee paid, whether formulated by the prior year's gross receipts, or
9 calculated using the square footage of the facility, as chosen by the applicant.
10

11 **Section 3.** The provisions of this ordinance are severable and the invalidity of any section,
12 paragraph, phrase, clause, or part of this ordinance shall not affect the validity or effectiveness of the
13 remainder of this ordinance.
14

15 **Section 4.** This ordinance shall be in full force and effect thirty (30) days after its passage,
16 and it is the intent of this council that the provisions of this ordinance be given retroactive application
17 with respect to any existing warehouse facilities upon the applicant's option.
18

19 **Section 5.** A summary of this ordinance shall be published in the manner required by law.
20

21 **Section 6.** The City Clerk shall certify to the adoption of this ordinance.
22

23 PASSED, APPROVED AND ADOPTED this ____ day of _____, 2005.
24

25 _____
26 GRACE VARGAS, Mayor
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ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM

ROBERT A. OWEN, City Attorney

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO)ss
3 CITY OF RIALTO)

4
5 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
6 Ordinance No. _____ was duly passed and adopted at a regular meeting of the City Council of the
7 City of Rialto held on the ____ day of _____, 2005.

8 Upon motion of Councilmember _____, seconded by Councilmember
9 _____, the foregoing Ordinance No. _____ was duly passed and adopted.

10
11 Vote on the Motion:

12 AYES:

13 NOES:

14 ABSENT:

15
16 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
17 Rialto, this ____ day of _____, 2005.

18
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20 BARBARA MCGEE, CITY CLERK

1 BARBARA McGEE, CITY CLERK

2 **APPROVED AS TO FORM:**

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CITY ATTORNEY

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1 STATE OF CALIFORNIA)
CITY OF RIALTO)ss
2 COUNTY OF SAN BERNARDINO)
3

4 I, BARBARA MCGEE, CITY CLERK FOR THE CITY OF RIALTO, DO HEREBY
5 CERTIFY THAT the foregoing _____ was duly passed, approved and adopted at a
6 meeting of the City Council of the City of Rialto held on the ____ day of _____, 2005.

7 Upon Motion from City Council Member _____, seconded by City Council Member,
8 the foregoing _____ was duly passed and adopted.
9

10 VOTE ON THE MOTION:

11 AYES:

12 NOES:

13 ABSENT:
14

15 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
16 Rialto this ____ day of _____, 2005.
17

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19 _____
20 BARBARA MCGEE, CITY CLERK
21 CITY OF RIALTO
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CITY OF RIALTO

BUSINESS LICENSE TAX SUMMARY

ATTACHMENT "A"

MULTI-UNIT RENTALS				RETAIL MERCHANT - FOOD			
<p>Multi-Unit Rentals includes every person conducting, managing or carrying on the business of operating an apartment house containing three or more residential units and/or a lessor of at least one commercial rental unit</p>				<p>Retail Food includes any person, firm, or corporation that conducts, handles, or carries on a business consisting mainly of the operation of a food establishment that prepares or serves or sells food of any type, including grocery stores and restaurants</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$30,000	\$79	Up to \$70,000	\$150	Up to \$25,000	\$79	Up to \$500,000	\$317
Up to \$35,000	\$80	Up to \$75,000	\$160	Up to \$50,000	\$92	Up to \$600,000	\$367
Up to \$40,000	\$90	Up to \$80,000	\$170	Up to \$75,000	\$104	Up to \$700,000	\$417
Up to \$45,000	\$100	Up to \$85,000	\$180	Up to \$100,000	\$117	Up to \$800,000	\$467
Up to \$50,000	\$110	Up to \$90,000	\$190	Up to \$200,000	\$167	Up to \$900,000	\$517
Up to \$55,000	\$130	Up to \$95,000	\$200	Up to \$300,000	\$217	Up to \$1,000,000	\$567
Up to \$60,000	\$140	Up to \$100,000	\$210	Up to \$400,000	\$267	Up to \$1,100,000	\$617
<p>If gross exceeds \$100,000 contact the Business License office for tax amount due.</p>				<p>\$50 for each additional \$100,000 in gross receipts (with proration)</p>			
Administration Fee \$35				Administration Fee \$35			
MANUFACTURERS				RETAIL MERCHANT - NON-FOOD			
<p>Manufacturers include any person, firm, or corporation that conducts, manages, or carries on a business consisting mainly of packing, carrying or selling at wholesale, making or processing any goods, wares, merchandise or produce.</p>				<p>Retail Non-Food includes any person, firm, or corporation that conducts, manages, or carries on a business consisting mainly of the selling of goods, wares, or other items of value at retail.</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$300,000	\$79	Up to \$2,500,000	\$625	Up to - \$15,000	\$79	Up to \$175,000	\$143
Up to \$400,000	\$100	Up to \$3,000,000	\$750	Up to \$25,000	\$83	Up to \$200,000	\$153
Up to \$500,000	\$125	Up to \$3,500,000	\$875	Up to \$50,000	\$93	Up to \$225,000	\$163
Up to \$750,000	\$188	Up to \$4,000,000	\$1,000	Up to \$75,000	\$103	Up to \$250,000	\$173
Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125	Up to \$100,000	\$113	Up to \$275,000	\$183
Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250	Up to \$125,000	\$123	Up to \$300,000	\$193
Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375	Up to \$150,000	\$133	Up to \$325,000	\$203
<p>\$125 for each additional \$500,000 in gross receipts</p>				<p>\$10 for each additional \$25,000 in gross receipts or portion thereof (without proration)</p>			
Administration Fee \$35				Administration Fee \$35			
DISTRIBUTION CENTERS				PROFESSIONAL SERVICE			
<p>Distribution Facility means and includes any person, firm or corporation that conducts, manages, or carries on a business consisting principally of warehousing and/or distribution activities for any product or component, including but not limited to goods, wares, consumer products, materials or merchandise.</p>				<p>Professional business includes any person, firm, or corporation that conducts, manages, or carries on a profession or vocation that is licensed by the State of California including the activities related to the license profession, consulting, and/or activities that require a period of specialized training</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$300,000	\$79	Up to \$2,500,000	\$625	Up to \$25,000	\$79	Up to \$200,000	\$254
Up to \$400,000	\$100	Up to \$3,000,000	\$750	Up to \$50,000	\$104	Up to \$225,000	\$279
Up to \$500,000	\$125	Up to \$3,500,000	\$875	Up to \$75,000	\$129	Up to \$250,000	\$304
Up to \$750,000	\$188	Up to \$4,000,000	\$1,000	Up to \$100,000	\$154	Up to \$275,000	\$329
Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125	Up to \$125,000	\$179	Up to \$300,000	\$354
Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250	Up to \$150,000	\$204	Up to \$325,000	\$379
Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375	Up to \$175,000	\$229	Up to \$350,000	\$404
<p>\$125 for each additional \$500,000 in gross receipts</p>				<p>\$25 for each additional \$25,000 in gross receipts or portion thereof (without proration)</p>			
Administration Fee \$35				Administration Fee \$35			
<p>Option 2 Gross value of merchandise shipped annually from location, for distribution centers.</p>				<p>Option 3 \$.05 per Square footage</p>			

CITY OF RIALTO

BUSINESS LICENSE TAX SUMMARY

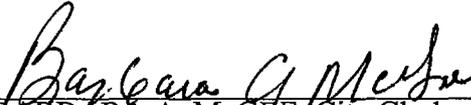
SERVICES				WHOLESALER			
<p>Service Business includes any person, firm or corporation that provides services, performs physical labor or other skills for the benefit of others, and which does not provide any retail sales</p>				<p>Wholesaler includes any person, firm, or corporation that conducts or manages a business consisting mainly of selling goods, or merchandise at wholesale prices, including the sales of automobiles or other vehicles</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$25,000	\$79	Up to \$200,000	\$210	Up to \$300,000	\$79	Up to \$2,500,000	\$625 00
Up to \$50,000	\$98	Up to \$225,000	\$229	Up to \$400,000	\$100	Up to \$3,000,000	\$750 00
Up to \$75,000	\$117	Up to \$250,000	\$248	Up to \$500,000	\$125	Up to \$3,500,000	\$875 00
Up to \$100,000	\$135	Up to \$275,000	\$267	Up to \$750,000	\$188	Up to \$4,000,000	\$1,000.00
Up to \$125,000	\$154	Up to \$300,000	\$285	Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125 00
Up to \$150,000	\$173	Up to \$325,000	\$304	Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250 00
Up to \$175,000	\$192	Up to \$350,000	\$323	Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375 00
<p>If gross receipts exceed \$350,001 for one year period, contact the Business License office for tax amount due.</p>				\$125 for each additional \$500,000 in gross receipts			
Administration Fee \$35				Administration Fee \$35			
CONTRACTORS				WAREHOUSE			
<p>Contractors include any person who is licensed through the State of California who submits a bid to or does any development or improvement in the City of Rialto. A license is required for subcontractors and specialty contractors.</p>				<p>Warehouse means and includes any enclosed place used strictly for the storage of materials, supplies and similar items for any period of time, and in conjunction with a business whose principle business address is at a different location within the City limits</p>			
FLAT RATE				FLAT RATE			
Class A, B, or Multiple C		\$100		\$50.00			
Class C		\$79					
Administration Fee \$35				Administration Fee \$35			
HOME OCCUPATION				TRUCK DELIVERIES			
<p>Home Occupation includes business conducted from a home in the City of Rialto must have BOTH a city business license and a home occupation permit. Home occupation permits are obtained from the Planning Division. It must be submitted with your business license application.</p>				<p>Truck Deliveries includes any person, firm, or corporation that conducts and carries on any business in the City that entails making deliveries within the City in connection with any business that may be conducted elsewhere, and that utilizes automobiles, or other similar vehicles, in connection with such business or delivery, and includes those persons, firms, or corporations not having a fixed place of business within the City that delivers goods, wares, or merchandise of any kind by vehicle, other than a certified highway carrier on a regular route, or who is not otherwise licensed by the City.</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$5,000	\$25			Up to \$300,000	\$79	Up to \$2,500,000	\$625 00
\$5,001 to \$10,000	\$50			Up to \$400,000	\$100	Up to \$3,000,000	\$750 00
\$10,000 +	\$79			Up to \$500,000	\$125	Up to \$3,500,000	\$875.00
				Up to \$750,000	\$188	Up to \$4,000,000	\$1,000 00
				Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125.00
				Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250 00
				Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375 00
				\$125 for each additional \$500,000 in gross receipts			
Administration Fee \$30				Administration Fee \$35			

1 **ATTEST:**

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BARBARA A. MCGEE, City Clerk

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7 **APPROVED AS TO FORM:**

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ROBERT A. OWEN, City Attorney

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1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF RIALTO)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Resolution No. 5280 was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the 1st day of November, 2005.

7 Upon motion of Council Member Sampson, seconded by Council Member Robertson, the
8 foregoing Resolution No. 5280 was duly passed and adopted.

9 Vote on the motion:

10 AYES: Mayor Vargas, Council Members Robertson, Hanson, Sampson & Scott

11 NOES: None

12 ABSENT: None

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this 23rd day of November, 2005.

16
17
18 
19 BARBARA A. MCGEE, CITY CLERK

CITY OF RIALTO

BUSINESS LICENSE TAX SUMMARY

ATTACHMENT "A"

MULTI-UNIT RENTALS				RETAIL MERCHANT - FOOD			
<p>Multi-Unit Rentals includes every person conducting, managing or carrying on the business of operating an apartment house containing three or more residential units and/or a lessor of at least one commercial rental unit</p>				<p>Retail Food includes any person, firm, or corporation that conducts, handles, or carries on a business consisting mainly of the operation of a food establishment that prepares or serves or sells food of any type, including grocery stores and restaurants</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$30,000	\$79	Up to \$70,000	\$150	Up to \$25,000	\$79	Up to \$500,000	\$317
Up to \$35,000	\$80	Up to \$75,000	\$160	Up to \$50,000	\$92	Up to \$600,000	\$367
Up to \$40,000	\$90	Up to \$80,000	\$170	Up to \$75,000	\$104	Up to \$700,000	\$417
Up to \$45,000	\$100	Up to \$85,000	\$180	Up to \$100,000	\$117	Up to \$800,000	\$467
Up to \$50,000	\$110	Up to \$90,000	\$190	Up to \$200,000	\$167	Up to \$900,000	\$517
Up to \$55,000	\$130	Up to \$95,000	\$200	Up to \$300,000	\$217	Up to \$1,000,000	\$567
Up to \$60,000	\$140	Up to \$100,000	\$210	Up to \$400,000	\$267	Up to \$1,100,000	\$617
<p>If gross exceeds \$100,000 contact the Business License office for tax amount due.</p>				<p>\$50 for each additional \$100,000 in gross receipts (with proration)</p>			
<p>Administration Fee \$35</p>				<p>Administration Fee \$35</p>			
MANUFACTURERS				RETAIL MERCHANT - NON-FOOD			
<p>Manufacturers include any person, firm, or corporation that conducts, manages, or carries on a business consisting mainly or packing, carrying or selling at wholesale, making or processing any goods, wares, merchandise or produce</p>				<p>Retail Non-Food includes any person, firm, or corporation that conducts, manages, or carries on a business consisting mainly of the selling of goods, wares, or other items of value at retail.</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$300,000	\$79	Up to \$2,500,000	\$625	Up to - \$15,000	\$79	Up to \$175,000	\$143
Up to \$400,000	\$100	Up to \$3,000,000	\$750	Up to \$25,000	\$83	Up to \$200,000	\$153
Up to \$500,000	\$125	Up to \$3,500,000	\$875	Up to \$50,000	\$93	Up to \$225,000	\$163
Up to \$750,000	\$188	Up to \$4,000,000	\$1,000	Up to \$75,000	\$103	Up to \$250,000	\$173
Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125	Up to \$100,000	\$113	Up to \$275,000	\$183
Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250	Up to \$125,000	\$123	Up to \$300,000	\$193
Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375	Up to \$150,000	\$133	Up to \$325,000	\$203
<p>\$125 for each additional \$500,000 in gross receipts</p>				<p>\$10 for each additional \$25,000 in gross receipts or portion thereof (without proration)</p>			
<p>Administration Fee \$35</p>				<p>Administration Fee \$35</p>			
DISTRIBUTION CENTERS				PROFESSIONAL SERVICE			
<p>Distribution Facility means and includes any person, firm or corporation that conducts, manages, or carries on a business consisting principally of warehousing and/or distribution activities for any product or component, including but not limited to goods, wares, consumer products, materials or merchandise.</p>				<p>Professional business includes any person, firm, or corporation that conducts, manages, or carries on a profession or vocation that is licensed by the State of California including the activities related to the license profession, consulting, and/or activities that require a period of specialized training.</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$300,000	\$79	Up to \$2,500,000	\$625	Up to \$25,000	\$79	Up to \$200,000	\$254
Up to \$400,000	\$100	Up to \$3,000,000	\$750	Up to \$50,000	\$104	Up to \$225,000	\$279
Up to \$500,000	\$125	Up to \$3,500,000	\$875	Up to \$75,000	\$129	Up to \$250,000	\$304
Up to \$750,000	\$188	Up to \$4,000,000	\$1,000	Up to \$100,000	\$154	Up to \$275,000	\$329
Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125	Up to \$125,000	\$179	Up to \$300,000	\$354
Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250	Up to \$150,000	\$204	Up to \$325,000	\$379
Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375	Up to \$175,000	\$229	Up to \$350,000	\$404
<p>\$125 for each additional \$500,000 in gross receipts</p>				<p>\$25 for each additional \$25,000 in gross receipts or portion thereof (without proration)</p>			
<p>Option 2 Gross value of merchandise shipped annually from location, for distribution centers</p>				<p>Administration Fee \$35</p>			
<p>Option 3 \$.05 per Square footage</p>				<p>Administration Fee \$35</p>			

(Original printed on acid-free paper)

CITY OF RIALTO

BUSINESS LICENSE TAX SUMMARY

SERVICES				WHOLESALER			
<p>Service Business includes any person, firm or corporation that provides services, performs physical labor or other skills for the benefit of others, and which does not provide any retail sales.</p>				<p>Wholesaler includes any person, firm, or corporation that conducts or manages a business consisting mainly of selling goods, or merchandise are wholesale prices, including the sales of automobiles or other vehicles.</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$25,000	\$79	Up to \$200,000	\$210	Up to \$300,000	\$79	Up to \$2,500,000	\$625 00
Up to \$50,000	\$98	Up to \$225,000	\$229	Up to \$400,000	\$100	Up to \$3,000,000	\$750 00
Up to \$75,000	\$117	Up to \$250,000	\$248	Up to \$500,000	\$125	Up to \$3,500,000	\$875.00
Up to \$100,000	\$135	Up to \$275,000	\$267	Up to \$750,000	\$188	Up to \$4,000,000	\$1,000.00
Up to \$125,000	\$154	Up to \$300,000	\$285	Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125.00
Up to \$150,000	\$173	Up to \$325,000	\$304	Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250.00
Up to \$175,000	\$192	Up to \$350,000	\$323	Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375.00
<p>If gross receipts exceed \$350,001 for one year period, contact the Business License office for tax amount due.</p>				\$125 for each additional \$500,000 in gross receipts			
Administration Fee \$35				Administration Fee \$35			
CONTRACTORS				WAREHOUSE			
<p>Contractors include any person who is licensed through the State of California who submits a bid to or does any development or improvement in the City of Rialto. A license is required for subcontractors and specialty contractors.</p>				<p>Warehouse means and includes any enclosed place used strictly for the storage of materials, supplies and similar items for any period of time, and in conjunction with a business whose principle business address is at a different location within the City limits.</p>			
FLAT RATE				FLAT RATE			
Class A, B, or Multiple C		\$100				\$50.00	
Class C		\$79					
Administration Fee \$35				Administration Fee \$35			
HOME OCCUPATION				TRUCK DELIVERIES			
<p>Home Occupation includes business conducted from a home in the City of Rialto must have BOTH a city business license and a home occupation permit. Home occupation permits are obtained from the Planning Division. It must be submitted with your business license application.</p>				<p>Truck Deliveries includes any person, firm, or corporation that conducts and carries on any business in the City that entails making deliveries within the City in connection with any business that may be conducted elsewhere, and that utilizes automobiles, or other similar vehicles, in connection with such business or delivery, and includes those persons, firms, or corporations not having a fixed place of business within the City that delivers goods, wares, or merchandise of any kind by vehicle, other than a certified highway carrier on a regular route, or who is not otherwise licensed by the City.</p>			
Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax	Gross Receipts	Tax
Up to \$5,000	\$25			Up to \$300,000	\$79	Up to \$2,500,000	\$625 00
\$5,001 to \$10,000	\$50			Up to \$400,000	\$100	Up to \$3,000,000	\$750 00
\$10,000 +	\$79			Up to \$500,000	\$125	Up to \$3,500,000	\$875.00
				Up to \$750,000	\$188	Up to \$4,000,000	\$1,000 00
				Up to \$1,000,000	\$250	Up to \$4,500,000	\$1,125.00
				Up to \$1,500,000	\$375	Up to \$5,000,000	\$1,250.00
				Up to \$2,000,000	\$500	Up to \$5,500,000	\$1,375.00
				\$125 for each additional \$500,000 in gross receipts			
Administration Fee \$30				Administration Fee \$35			

(Original printed on acid-free paper)

NOTICE OF PUBLIC HEARING

TO CONSIDER MODIFYING THE OPTIONAL SQUARE FOOTAGE METHOD FOR CALCULATING BUSINESS LICENSE TAXES ON DISTRIBUTION CENTERS.

NOTICE IS HEREBY GIVEN that the City Council of the City of Rialto will hold a public meeting on **Tuesday, December 13, 2016 at 6:00 PM** or as soon thereafter as can be heard, in the Council Chambers located at 150 S. Palm Avenue, Rialto, California.

The purpose of the public hearing is to consider adopting of a Resolution that would increase the optional square footage method for calculating business license taxes on distribution centers from \$0.050 per square foot to \$0.075 per square foot.

At the public hearing, the City Council will consider all evidence and testimony for and against increasing the optional square footage method of calculating the business license tax on distribution centers located in the City of Rialto from \$0.05 to \$0.075 per square foot. All persons having any objections to the proposed increase may appear before the City Council to show cause why the proposed increase should not be approved. At any time not later than the hour set for the hearing, any person(s) may file a written statement of their objections with the City Clerk of the City of Rialto, 290 West Rialto Avenue, Rialto, CA 92376. Public comment will end when the public hearing is closed. Should you wish to challenge any action taken by the City Council on the matter following the public hearing, you may be limited to raising in court only those issues you or someone else raised at the public hearing or in written objections submitted to the City Clerk at or prior to the public hearing.

Any questions regarding the proposed increase to the optional per square foot methodology of calculating business license taxes on distribution centers should be addressed to Greg Lantz, Economic Development Manager, City of Rialto, 150 S. Palm Avenue, Rialto, CA 92376, and (909) 820-8016 or glantz@rialto.ca.gov.

BARBARA A. MCGEE,
CITY CLERK

Publish Date:

On or before – December 2, 2016



Legislation Details (With Text)

File #: 16-792 Version: 1 Name: D.2
 Type: Agenda Item Status: Agenda Ready
 File created: 8/12/2015 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Set a Public Hearing for December 13, 2016, to Consider Adoption of an Ordinance to amend portions of Chapter 5 of the Rialto Municipal Code related to Business Licenses and Regulations.

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A - Ordinance 983](#)
[Exhibit B - Ord. 1009](#)
[Exhibit C - Ord. 1378](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb Steel, Assistant CA/Development Services Director

Request City Council to Set a Public Hearing for December 13, 2016, to Consider Adoption of an Ordinance to amend portions of Chapter 5 of the Rialto Municipal Code related to Business Licenses and Regulations.

BACKGROUND:

On November 3, 1986, the City adopted Ordinance No. 983 (Exhibit A), which deleted the preexisting Chapter 5 of the Rialto Municipal Code (RMC) related to *Business Licenses and Regulations* in its entirety and substituted a new Chapter 5 related to *Business Licenses and Regulations* in its place.

On October 20, 1987, the City Council adopted Ordinance 1009 (Exhibit B) amending Chapter 5 of the RMC to include a new Chapter 5.14, establishing a new business category and rate classification for Warehouses with a flat fee of \$50.00.

On November 1, 2005, the City Council adopted Ordinance No. 1378 (Exhibit C), which amongst other things created the following definitions to the Rialto Municipal Code (RMC) Section 15.04.010, related to Business Licenses:

Section 5.14.010 Definitions.

As used in this chapter, the business license categories not otherwise defined in this chapter are as follows:

- A. “*Distribution Facility*” means and includes any person, firm or corporation that conducts, manages, or carries on a business consisting principally of warehousing and/or distribution activities for any product or component, including but not limited to goods, wares, consumer products, materials or merchandise.
- B. “*Manufacturer*”, includes any person, firm, or corporation that conducts, manages, or carries on a business consisting mainly of packing, carrying or selling at wholesale, making or processing any goods, wares, merchandise, or produce.
- C. “*Professional Service*” includes any person, firm, or corporation that conducts, manages or carries on a profession or vocation that is licensed by the State of California including the activities related to the licensed profession, consulting, and/or activities that require a period of specialized training.
- D. “*Retail Merchant- Food*” includes any person, firm, or corporation that conducts, handles or carries on a business consisting mainly of the operation of a food establishment that prepares or serves or sells food of any type, including grocery stores and restaurants.
- E. “*Retail Merchant- Non-Food*” includes any person, firm, or corporation that conducts, manages or carries on a business consisting mainly of the selling of goods, wares, or other items of value at retail.
- F. “*Service Business*” includes any person, firm or corporation that provides services, performs physical labor or other skills for the benefit of others, and which does not provide any retail sales.
- G. “*Truck Deliveries*” includes any person, firm, or corporation that conducts and carries on any business in the City that entails making deliveries within the City in connection with any business that may be conducted elsewhere, and that utilizes, automobiles, or other similar vehicles, in connection with such business or delivery, and includes those persons, firms, or corporations not having a fixed place of business within the City that delivers goods, wares, or merchandise of any kind by vehicle, other than a certified highway carrier on a regular route, or who is not otherwise licensed by the City.
- H. “*Warehouse*” means and includes any enclosed place used strictly for the storage of materials, supplies and similar items for any period of time, and used in conjunction with a business whose principal business address is at a different location within the City limits.
- I. “*Wholesaler*” includes any person, firm, or corporation that conducts or manages a business consisting mainly of selling goods, or merchandise at wholesale prices, including the sales of automobiles or other vehicles.

Ordinance No. 1378 mistakenly added these definitions to Section 5.14 of the RMC, which relates specifically to Warehouses, instead of placement into Section 5.04.020 with the remainder of the basic definitions related to business licensing.

ANALYSIS/DISCUSSION:

The City Council should amend the RMC to remove these definitions from Section 5.14.010 and instead insert them in Section 5.04.020. Modifications to the Rialto Municipal Code require a Public Hearing and Adoption of an Ordinance. Staff recommends that the City Council schedule a Public Hearing on December 13, 2016, to consider Adoption of an Ordinance to Amend the RMC to make these necessary changes.

ENVIRONMENTAL IMPACT:

Pursuant to Section 15378 of California Environmental Quality Act (CEQA), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, such as: (1) Government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, or (2) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

The City of Rialto has identified several goals and objectives within the City's recently adopted General Plan through which the City looks to improve the community. The proposed action to acquire right-of-way is consistent with the following goals and objectives contained in the General Plan:

Goal 3-1: Strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

The proposed action to hold a Public Hearing and Adopt the Ordinance to amend the Rialto Municipal Code will not have any fiscal impact to the City.

RECOMMENDATION:

Staff recommends the City Council Set a Public Hearing for December 13, 2016 to Consider Adopting an Ordinance to Amend Certain Sections of Title 5 of the Rialto Municipal Code related to Business Licensing.



Legislation Details (With Text)

File #: 16-753 **Version:** 1 **Name:** D.3
Type: Resolution **Status:** Agenda Ready
File created: 10/31/2016 **In control:** City Council
On agenda: 11/22/2016 **Final action:**

Title: Request City Council to Adopt Resolution No. 7028 Initiating the Proceedings for the Annexation of Properties to the Rialto Landscaping and Lighting District No. 2 and to Levy and Authorize Collection of Assessments Commencing with Fiscal Year 2017/2018; to Adopt Resolution No. 7029 Declaring the Intention to Annex Properties to the Rialto Landscaping and Lighting District No. 2 and Conduct a Property Owner Protest Ballot Proceeding On The Matter of the New Assessments Related Thereto Commencing with Fiscal Year 2017/2018; and to Set a Public Hearing for January 10, 2017 to Conduct a Property Owner Protest Ballot Proceeding.

Sponsors:

Indexes:

Code sections:

Attachments: [Attachment 1 - Rialto LLD Annexation ER](#)
[Resolution 1](#)
[Resolution 2](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to Adopt **Resolution No. 7028** Initiating the Proceedings for the Annexation of Properties to the Rialto Landscaping and Lighting District No. 2 and to Levy and Authorize Collection of Assessments Commencing with Fiscal Year 2017/2018; to Adopt **Resolution No. 7029** Declaring the Intention to Annex Properties to the Rialto Landscaping and Lighting District No. 2 and Conduct a Property Owner Protest Ballot Proceeding On The Matter of the New Assessments Related Thereto Commencing with Fiscal Year 2017/2018; and to Set a Public Hearing for **January 10, 2017** to Conduct a Property Owner Protest Ballot Proceeding.

BACKGROUND:

The Landscaping and Lighting Act of 1972, (the "Act"), beginning with Section 22500 of the California Streets and Highways Code, authorizes the City Council to establish Special Districts to pay for the costs to operate and maintain public improvements that benefit private properties. In January 2005, the City Council established Rialto Landscaping and Lighting Maintenance District No. 2 (LLMD 2) to fund costs for the operation of new street lights added to the City's street light system, and to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development.

LLMD 2 intends to annex all new developments within the City, and was established with current costs in mind and the ability to adjust the special assessments annually by a cost inflator tied to the Consumer Price Index (CPI), to accommodate increasing annual operational costs. Annexation into LLMD 2 is a condition of approval for all new development projects required to provide exterior landscaped parkways or medians, or required to install new street lights. The special assessments to be levied in LLMD 2 are not limited to any historic maximum special assessment, and pursuant to Proposition 218, the maximum assessment may increase commensurate with the CPI.

ANALYSIS/DISCUSSION:

Over the years, land development projects are approved to construct with obligations to construct parkway and/or median landscaping, and to install City street lights. Annexation into LLMD 2 is a condition of the City's acceptance of any publicly maintained landscaping or street lighting.

Staff currently recommends development projects conditioned for annexation into LLMD 2. The annexation includes the projects identified below and in the Engineers Report included in **Attachment 1:**

Residential Annexations

PPD 2328 (Multi-Family Project): This development consists of a 115-unit apartment complex on a 4.78-acre parcel of land located on the west side of Riverside Avenue approximately 450 feet south of Bloomington Avenue. This development is being annexed to the District as part of Zone 5 for fiscal year 2017/18 to provide funding for street lighting, perimeter and median landscaping associated with the development.

PPD 2415 (Crestwood Communities): This development consists of 75 detached single-family residences on approximately 7.16 acres of land located on the east side of Cactus Avenue approximately 650 feet south of Merrill Avenue. This development is being annexed to the District as part of Zone 1 for fiscal year 2017/18 to provide funding for street lighting and landscaping associated with the development.

Non-Residential Annexations

PPD 2335 (2225 N. Alder Ave.): This development consists of a 630,200 square foot warehouse building on 32.44 acres of land located at 2225 N. Alder Ave. This development is being annexed to the District as part of Zone 2 for fiscal year 2017/18 to provide funding for street lighting and landscaping associated with the development.

The City proposes to annex these areas into LLMD 2 to fund, in whole or in part, the expenses required to service and maintain the improvements that provide special benefits to those parcels.

The City previously engaged Willdan Financial Services as the City's Assessment Engineer to prepare an Engineer's Report identifying the properties to be annexed into LLMD 2, and the special assessments to be levied against those properties beginning July 1, 2017. In order to establish an appropriate special benefit connection between the improvements, services provided and the benefits to specific properties, the City has established Zones of benefit within LLMD 2. Based on the various improvements, services and the type of property, each property has been assigned to a Zone. The net annual costs to provide services to each Zone within LLMD 2 are allocated among all

properties using a weighted method to ensure that each property is reasonably assessed for the special benefits it receives.

The process required by the California Constitution requires a protest ballot proceeding for the proposed levy of new assessments as described in the Engineer's Report, and a minimum 45-day notice of a public hearing prior to the City Council's consideration of the annexation. If initiation of the annexation process is approved by the City Council, Willdan Financial Services (on behalf of the City Clerk) will mail public notices and official ballots to the property owner of record for the property to be annexed into LLMD 2. A Public Hearing is scheduled for January 10, 2017, to consider public testimony on the new special assessments to be levied. Once the Public Hearing is closed during the January 10, 2017 City Council meeting, the City Clerk will open and tabulate the protest ballots received to determine whether a majority protest exists.

If a majority protest does not exist at the January 10, 2017 Public Hearing, the City Council may approve the Engineer's Report, approve the related assessment diagrams, order the annexation of the various properties, and confirm the assessments as described in the Engineer's Report. If approved by the City Council, the assessments will be made a part of the annual LLMD 2 Engineer's Report for fiscal year 2017/18, and submitted to the San Bernardino County Auditor/Controller for inclusion on the property tax rolls for each of the affected parcels.

ENVIRONMENTAL IMPACT:

The administrative process to annex properties into a Special District is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3 in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

This action is also consistent with the following goals and policies:

Goal 2-11: Design streetscapes in Rialto to support and enhance the City's image as a desirable place to live, work, shop, and dine.

Policy 2-11.1: Require the screening of commercial or industrial parking areas, storage yards, stockpiles, and other collections of equipment from the public right-of-way.

Policy 2-11.2: Provide and maintain street trees and parkway landscaping within the public right-of-way for developed properties within Rialto. Require private development to do the same as per City design regulations.

Policy 2-11.4: Incorporate street trees and other landscape treatments along corridors to provide sufficient shade canopy and promote pedestrian comfort.

Policy 2-11.5: Require that projects with perimeter walls (including gated residential communities) provide an interesting streetscape, with pedestrian access to major travel ways.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report, resolutions and Engineer's Report.

FINANCIAL IMPACT:

The initial Maximum Assessment Rate proposed for the proposed annexations will be as follows or less:

Proposed Property	Type of Development	Initial (FY 16/17) Maximum Assessment
PPD 2328 (Multi-Family Project)	Apartment Residential	\$3,108
PPD 2335 (2225 N. Alder Ave)	Non-Residential	\$15,211
PPD 2415 (Crestwood Communities)	SFR Residential	\$27,708

If these areas are annexed into LLMD 2, beginning July 1, 2017 the City will levy and collect increased special assessments as outlined in the table above for fiscal year 2017/2018. These revenues will be budgeted accordingly in fiscal year 2017/2018.

RECOMMENDATIONS:

Staff recommends that the City Council:

- Adopt Resolution No. ____ initiating the proceedings for the annexation of properties to the Rialto Landscaping and Lighting District No. 2, and to levy and authorize collection of assessments commencing with fiscal year 2017/18.
- Adopt Resolution No. ____ declaring the intention to annex properties to the Rialto Landscaping and Lighting District No. 2 and conduct a property owner protest ballot proceeding on the matter of the new assessments related thereto commencing with Fiscal Year 2017/18.
- Set a Public Hearing for January 10, 2017.
- Direct Willdan Financial Services, on behalf of the City Clerk, to mail a public notice and official ballot to all affected property owners, not less than 45 days before the date of the Public Hearing, in accordance with Section 4 of Article XIID of the California Constitution.



City of Rialto

Engineer's Annexation Report

Landscaping and Lighting District No. 2

Annexation of

PPD 2328 (Multi-Family Project)
PPD 2335 (2225 N. Alder Ave.)
PPD 2415 (Crestwood Communities)

FY 2017/2018

27368 Via Industria, Suite 200
Temecula, California 92590
T. 951.587.3500 800.755.6864
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www.willdan.com/financial



ENGINEER'S ANNEXATION REPORT AFFIDAVIT

Rialto Landscaping and Lighting District No. 2

Fiscal Year 2017/2018

PPD 2328 (Multi-Family Project)
PPD 2335 (2225 N. Alder Ave.)
PPD 2415 (Crestwood Communities)

City of Rialto,

County of San Bernardino, State of California

This Report and the enclosed budgets, diagrams and descriptions outline the annexation of territory to the Rialto Landscaping and Lighting District No. 2 for Fiscal Year 2017/2018 as the same existed at the time this Report was prepared and the establishment of annual assessments related thereto commencing in Fiscal Year 2017/2018. Said annexation includes all parcels of land within PPD 2328 (Multi-Family Project), PPD 2335 (2225 N. Alder Ave.), and PPD 2415 (Crestwood Communities)

Reference is hereby made to the San Bernardino County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each parcel within the annexation territories. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2016.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Rialto

By: _____

Susana Medina
Project Manager, District Administration Services

By: _____

Richard Kopecky
R.C.E. # 16742

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INTRODUCTION

In Fiscal Year 2004/2005, the City of Rialto, County of San Bernardino, State of California (hereafter referred to as "City"), under the provisions of the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* (hereafter referred to as the "1972 Act") and in compliance with the substantive and procedural requirements of the *California State Constitution, Articles XIID* (hereafter referred to as the "California Constitution") established the assessment district designated as the:

Rialto Landscaping and Lighting District No. 2

Pursuant to the provisions of the 1972 Act and in compliance with the substantive and procedural requirements of the California Constitution, the City has annually levied special benefit assessments within the Rialto Landscaping and Lighting District No. 2 (hereafter referred to as the "District"), has subsequently annexed new developments and territories to the District pursuant to Chapter 2, Article 2 of the 1972 Act, and for Fiscal Year 2017/2018 the City Council proposes to annex to the District certain territory within the City which includes the annexation area named below (the "Annexation Territory"):

- PPD 2328 (Multi-Family Project)
- PPD 2335 (2225 N. Alder Ave.)
- PPD 2415 (Crestwood Communities)

Pursuant to the provisions of Article XIID, Section 4 of the California Constitution the City will conduct a property owner protest ballot proceeding (referred to as "Ballot Proceeding") for the proposed levy of new assessments for these developments. In addition to this Ballot Proceeding, the City Council will conduct a public hearing on January 10, 2017 to consider public testimonies, comments and written protests regarding the annexations, and the levy of the new assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists:

"A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property."

In this annexation proceedings, because each of the three areas proposed to be annexed to this District have been conditioned as part of their development agreements to provide for a means to finance the ongoing maintenance of related public improvements either by annexation to this District or by other means, for purposes of determining majority protest the ballots for each development will be tabulated separately rather than collectively as a single annexation.

Based on the results of the ballot tabulations, the City Council may adopt and approve the Report as amended, order the annexation of the Annexation Territory, approve the related assessment diagrams, and confirm the assessments. Those assessments and annexations as approved shall be made part of, and incorporated as part of, the District's annual engineer's report for Fiscal Year 2017/2018 and together with the assessments for other properties within the District shall be finalized, approved and submitted to the San Bernardino County Auditor/Controller for inclusion on the property tax roll for each affected parcel as part of the annual approval process.

District Overview

The annual assessments to be levied on properties within the Annexation Territory and the District provide the source of funding for the continued operation and maintenance of local street lighting and/or landscaping improvements installed in connection with the development of those properties. The approved development plans and specifications for the Annexation Territory along with the existing developments within the District are on file in the office of the City Public Works Department and by reference these plans and specifications are made part of this Report. Each Fiscal Year, the City establishes the District's assessments based on the estimated costs associated with the regular annual maintenance, operation, and servicing of the improvements that provide special benefit to properties therein. The cost of the improvements determined to be of special benefit and assessed against properties within the District may include the estimated expenditures for regular annual maintenance and repairs, incidental expenditures related to the operation and administration of the District, deficits or surpluses from prior years, revenues from other sources, and the collection of adequate funds for operational reserves or periodic expenditures including installments collected for long-term improvement projects. Each parcel is assessed proportionately for only those improvements, services, and expenses for which the parcel will receive special benefits.

The District was originally formed in Fiscal Year 2004/2005 to provide for the ongoing maintenance and operation of the landscaping and street lighting installed in connection with and for the special benefits of properties within the residential subdivisions identified as:

- Tract 16308 (Blackmon Homes)
- Tract 16422 (Escrow Street, Inc.)
- Tract 16517 (Walton Development, Inc LLC)
- Tract 16625 (Pacific Grove Community).

For Fiscal Year 2006/2007, the City annexed additional properties to the District including three residential subdivisions identified as:

- Tract 17244 (Elm Park),
- Tract 16764 (Pacific Homes),
- Tract 16708 (Rialto Heights), as well as the
- three non-residential (commercial) developments known as the Opus Logistics Center, the Target Center, and Tract 16813 (Tudor Plaza).

For Fiscal Year 2009/2010, the City annexed the residential development identified as Tract 17219 (Crestwood Communities).

For Fiscal Year 2011/2012 the residential development identified as Tract 17220 (Walton – 26) was annexed into the District.

For Fiscal Year 2014/2015, the properties annexed to the District included all parcels of land within three single-family residential developments identified as:

- Tract 17511 (Frontier Enterprises),

- Tract 17957 (Blackmon Homes),
- Tract 18794 (Spruce Homes), as well as
- the residential condominium development identified as Tract 17921 (Bloomington Lane), and
- three non-residential developments identified as:
 - Tract 18916 (Panattoni)
 - Assessor Parcel Number book 0240, page 211, parcel 37 (Golden Bear/Target Development)
 - and Assessor Parcel Numbers book 0240, page 201, parcels 21, 22 and 23 (Fontana Water Company)

Additionally, for Fiscal Year 2014/15, the City annexed to the District Tract 17324, Assessors Parcels Numbers book 0131, page 142, parcel 01 through 17 (Frontier Communities) to the newly established Zone 06 of the District.

For Fiscal Year 2015/2016, the City annexed to the District:

- residential project PPD 2285 (SA Golden/R&U Builder)
- non-residential developments:
 - PPD 2204 (SGW Water Company)
 - PPD 2233R (Panattoni Development)
 - PPD 2235 (Scannell Properties)
 - PPD 2264 (DCT Industrial Operating LLC)
 - PPD 2267 (Prologis)
 - NEC Riverside Ave. & Easton St. Retail Center
 - PPD 2216 (Lilac Distribution Center)

Additionally, for Fiscal Year 2015/16, the City annexed to the District:

- Tract 17708 (Secured Income Group)
- PPD 2286 (Locust Ave. & Bohnert Ave. Warehouse)
- PPD 2295 (B&B Plastics)
- PPD 2290 (Casmalia St. & Linden Ave. Warehouse)

For Fiscal Year 2016/2017, the City annexed to the District:

- PPD 2228 (San Gabriel Valley Water)
- PPD 2283, PM 19463 (Panattoni Development Company)
- PPD 2345, PM 19537 (Linden Ave and Summit Ave)

Additionally, for Fiscal Year 2016/17, the City annexed to the District:

- PPD 2082 (Riverside Avenue and Jurupa Avenue)
- PPD 2102 (Wal-Mart Super Center)
- PPD 2271 (2321 S. Willow Avenue)
- PPD 2365 (Miro Way and Locust Avenue)

- PPD 2363 (1401 N. Alder Avenue)

The Annexation Territory addressed in this Report shall be levied annual assessments commencing in Fiscal Year 2017/2018 to fund in whole or in part the costs and expenses required to service and maintain the improvements that provide special benefits to those parcels including, but not limited to the improvements constructed and installed in connection with the development of those properties and/or existing improvements associated with and shared by other properties within the District. This Report generally describes the Annexation Territory, the improvements, and the assessments to be imposed upon such properties for the special benefits these properties will receive from the maintenance and servicing of the improvements.

In order to establish an appropriate special benefit nexus between the improvements and services provided and the benefits to specific properties, zones of benefit (hereafter referred to as "Zones") have been established within the District. Each of the developments and properties within the District (including the Annexation Territory) are grouped into a Zone based on the various types of improvements and services to be provided by the District and the type of property development associated with those specific improvements. The net annual cost to provide the improvements for each Zone, are allocated to all the benefiting properties within that Zone using a weighted method of apportionment that establishes a calculated proportional special benefit and assessment for each parcel as compared to other properties that benefit from the Zone improvements and services. This Zone structure and proportional allocation of improvement costs ensures that each property is reasonably and proportionately assessed for the special benefits each property receives from the improvements provided through the District.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the County Assessor's Office. The County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

This Report has been prepared in connection with the annexation of parcels within the Annexation Territory to the District for Fiscal Year 2017/2018, pursuant to a resolution of the City Council and consists of five (5) parts:

Part I

Plans and Specifications: Provides an overall description of the District, the Zones therein and the improvements to be provided including those improvements associated with the Annexation Territory being addressed by this Report. The Zones previously established for this District or established herein as part of this annexation proceedings are based on the type of improvements and services provide to properties within each development and the type of property development (residential versus non-residential).

Part II

Method of Apportionment: A discussion of benefits the improvements and services provide to properties within the District and the method of calculating each property's proportional special benefit and annual assessment. This section also identifies and outlines an Assessment Range Formula that provides for an annual adjustment to the maximum assessment rate initially established by this Report. This Assessment Range Formula limits increases on future assessments, but also provides for reasonable cost adjustments due to inflation without the added expense of additional property owner protest ballot proceedings.

Part III

Budget: An estimate of the annual expenditures and revenues budgeted for the maintenance and servicing of the landscaping and lighting improvements installed and constructed in connection with the development of properties within the Annexation Territory and/or shared with other properties in the District that benefit from similar improvements. The budget(s) include an estimate of anticipated direct maintenance costs and incidental expenses associated with the improvements, including but not limited to administration expenses and the collection of appropriate fund balances. The maximum assessment rates established for the Zones are based on similarities in property developments, improvements, services and expenses. The maximum allowable assessment rate (Rate per Benefit Unit) for each Zone of the District, as approved by a vote of the property owners in a protest ballot proceeding, includes an assessment range formula that provides for an annual Consumer Price Index adjust to the maximum rate.

Part IV

Diagram: This Report provides an Assessment Diagram of the Annexation Territory. Collectively, the map for the Annexation Territory along with the assessment roll contained herein, constitute the Assessment Diagram for the Annexation Territory. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the Annexation Territory are inclusive of all parcels as shown on the San Bernardino County Assessor's Parcel Map depicted by the diagram and referenced by the Assessment Roll of this Report, including all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the San Bernardino County Assessor's Parcel Map for a detailed description of the lines and dimensions of each parcel within the Annexation Territory.

Part V

Annexation Assessment Roll: A listing of the maximum assessment amount to be levied on each parcel being annexed to the District for Fiscal Year 2017/2018, based on the method of apportionment and budgets described herein. This amount represents each parcel's proportional assessment obligation and proportional weighted assessment amount being balloted for each parcel. The actual amount levied for Fiscal Year 2017/2018 may be less than this balloted amount (adjusted in accordance with the approved assessment range formula) and shall be approved and adopted along with all other assessments for the District.

PART I — PLANS AND SPECIFICATIONS

Zones of Benefit

For Fiscal Year 2017/2018, all parcels, lots, subdivisions and developments within the District (existing and annexed) shall be identified and grouped into one of six zones of benefit referred to as Zones. These Zones identify specific parcels and developments that receive special benefits from the maintenance, operation and servicing of various District improvements. Each Zone reflects the improvements (street lighting and/or landscaping) associated with the development of properties in that Zone in order to fairly and equitably apportion the net cost of providing those improvements to the properties that receive special benefits from the maintenance and operation of such improvements. By establishing and utilizing a Zone structure, similar properties with similar types of improvements will be assessed a proportional amount for the total annual expenses related to the maintenance, operation and servicing of the improvements provided by the District and for which the properties receive special benefits. The following is a brief description of the District Zones:

Zone 01: This Zone includes parcels within residential subdivisions that the District provides for the maintenance, operation and servicing of:

Local Street Lighting within, adjacent to and/or in close proximity to the residential subdivision;

Standard Residential Parkway landscaping located on the perimeter or entryway of a residential subdivision that was installed as part of developing the properties within that particular residential subdivision; and/or

Standard Residential Parkway landscaping installed as part of an existing (previous) established residential development that is directly associated with or adjacent to the residential subdivision included in this Zone, because the existing landscaping is located on a street or streets leading into the residential development.

Note: "Standard Residential Parkway" is considered landscaped areas (easement, right-of-way or public property) that are located on the perimeter or entryway to a residential development that has a property set-back (face of curb to property line) that is less than or equal to fifteen feet and may include areas of turf, ground cover, shrubs, trees, fencing, sidewalks, monument signs and various hardscape amenities that meet the City's landscape standards.

Zone 02: This Zone includes developments and parcels that are generally considered non-residential properties (commercial, industrial, institutional facilities, office buildings, etc.) that the District provides for the maintenance, operation and servicing of:

Local Street Lighting adjacent to and/or in close proximity to the development or property;

Parkway landscaping on the perimeter of the development within the public right-of-way or easement (face of curb to property line), that was installed as part of developing the associated properties or was previously installed, but necessary for the development of such property; and/or

Median-island landscaping near or adjacent to the development that was installed as part of developing the properties within that particular development or was previously installed, but necessary for the development of such property.

Note: Although Zone 02 improvements may include the maintenance and operation of only those landscaping and/or lighting improvements directly installed in connection with the development of the properties within those developments, the public improvements that provide special benefits to these properties and for which they may be assessed as part of this Zone, may also include existing landscaping and/or lighting improvements near or adjacent to the development that would otherwise have been necessary for the development of such properties or directly serve that property. These exiting improvements may in part be funded by other revenue sources including other assessments that are not part of this Zone's assessments.

Zone 03: This Zone currently includes only the parcels within the Rialto Heights residential subdivision (Tract 16708) and the District provides for the maintenance, operation and servicing of:

Local Street Lighting within and adjacent to the residential subdivision and

Non-Streetscape Slope landscaping located with the public right-of-way or easement on the perimeter of the subdivision (but not within a street right-of-way or easement) that was installed as part of developing the properties within the residential subdivision and will be maintained by the District.

Zone 04: This Zone includes developments and parcels that are generally considered non-residential properties (commercial, industrial, institutional facilities, office buildings, etc.) that the District provides for the maintenance, operation and servicing of only:

Local Street Lighting adjacent to and/or in close proximity to the development or property.

Note: Although Zone 04 improvements may include the maintenance and operation of local street lighting improvements directly installed in connection with the development of the properties within those developments, the improvements that provide special benefits to these properties and for which they may be assessed as part of this Zone may also include existing street lights near or adjacent to the development that would otherwise have been necessary for the development of such properties or directly serve that property. These exiting improvements may in part be funded by other revenue sources including other assessments that are not part of this Zone's assessments.

Zone 05: This Zone includes parcels within multi-family residential developments (where individual parcels have two or more residential units) and/or residential condominium/townhome subdivisions (where each residential unit is assigned its own Assessor's Parcel Number) for which the District provides for the maintenance, operation and servicing of:

Local Street Lighting adjacent to and/or in close proximity to the development or property, but not within the residential development;

Parkway landscaping on the perimeter of the development/subdivision within the public right-of-way or easement (face of curb to property line), that was installed as part of developing the

associated properties or was previously installed, but necessary for the development of such property; and/or

Median-island landscaping near or adjacent to the development that was installed as part of developing the properties within that particular development or was previously installed, but necessary for the development of such property.

Note: Although Zone 05 improvements may include the maintenance and operation of only those landscaping and/or lighting improvements directly installed in connection with the development of the properties within those developments, the public improvements that provide special benefits to these properties and for which they may be assessed as part of this Zone, may also include existing landscaping and/or lighting improvements near or adjacent to the development that would otherwise have been necessary for the development of such properties or directly serve that property. These exiting improvements may in part be funded by other revenue sources including other assessments that are not part of this District's assessments.

Zone 06: This Zone includes parcels within residential subdivisions that the District provides for the maintenance, operation and servicing of local Street Lighting adjacent to and/or in close proximity to the development or property, but not within the residential development.

Note: Zone 6 was created for residential parcels within the District that receive special benefit from and are being assessed for local street lighting only.

Properties within the District

Existing District Properties

Prior to these proceedings, the District consisted of all lots, parcels and subdivisions of land located in the following developments and generally described as:

Residential Developments

Tract 16308 (Blackmon Homes): This residential tract encompasses the area of land identified by the boundaries of Tract 16308 located at the northwest corner of Cedar Avenue and Wildflower Street consisting of 16 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 1133-321-26 through 1133-321-41.

Tract 16422 (Escrow Street, Inc.): This residential tract encompasses the area of land identified by the boundaries of Tract 16422 located north of Summit Street on the west side of Linden Avenue consisting of 9 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0239-341-23 through 0239-341-31.

Tract 16517 (Walton Development): This residential tract encompasses the area of land identified by the boundaries of Tract 16517 located south of Wabash Street, between Pepper Avenue and Meridian Avenue consisting of 33 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the

improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0133-243-01 through 0133-243-33.

Tract 16625 (Pacific Grove Community): This residential tract encompasses the area of land identified by the boundaries of Tract 16625 located south of Persimmon Street, between Locust Avenue and Maple Avenue consisting of 15 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 1133-111-03 through 1133-111-17.

Tract 17244 (Elm Park): This residential tract encompasses an area of land (approximately 18.0 acres) located south of Baseline Road between Cactus Avenue and Lilac Avenue and includes 132 single-family residential lots. This development was annexed to the District in Fiscal Year 2006/2007 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0127-293-001 through 0127-293-45, 0127-294-001 through 0127-294-72, and 0127-362-01 through 0217-362-24.

Tract 16764 (Pacific Homes): This residential tract encompasses an area of land (approximately 6.7 acres) located west of Linden Avenue (City Limits) at McWethy Avenue and includes 24 single-family residential lots. This development was annexed to the District in Fiscal Year 2006/2007 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0127-391-01 through 0127-391-24.

Tract 16708 (Rialto Heights): This residential tract encompasses an area of land (approximately 5.9 acres) located north of Walnut Avenue at the end of Primrose Avenue and Pampas Avenue, just west of Eucalyptus Avenue and includes 20 single-family residential lots. This development was annexed to the District in Fiscal Year 2006/2007 and based on the improvements and services provided (slope area landscaping at the north end of the tract), the properties in this development were established as a separate zone of benefit (Zone 03). The parcels within this development are identified by Assessor's Parcel Numbers 0133-361-40 through 0133-361-59.

Tract 17219 (Crestwood Communities): This residential tract encompasses an area of land (approximately 7.0 acres) located on the north side of Merrill Avenue, west of Linden Avenue and includes 24 single-family residential lots. This development was annexed to the District in Fiscal Year 2009/2010 and based on the improvements and services (perimeter parkway landscaping and street lighting), and these properties are included in Zone 01. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0246-321-01 through 0246-321-24.

Tract 17220 (Walton – 26): This residential tract encompasses an area of land (approximately 7.85 acres) located on the northwest corner of Pepper Avenue and Etiwanda Avenue, and includes 26 single-family residential lots. This development was annexed to the District in Fiscal Year 2011/2012 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0133-221-04 through 0133-221-29.

Tract 17511 (Frontier Enterprises): This residential tract encompasses an area of land (approximately 5.6 acres) located North of Summit Street and East of Maple Avenue, and includes 20 single-family residential lots and a detention basin parcel. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0239-341-32 through 0239-341-52. This development has been annexed to the District as part of Zone 01 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping including the development's detention basin area and street lighting associated with the development.

Tract 17957 (Blackmon Homes): This residential tract encompasses an area of land (approximately 4.0 acres) located on the west side of Cedar Avenue south of Persimmon Avenue and includes 15 planned single-family residential lots. The parcel(s) that currently comprise this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Number 1133-301-01. This development has been annexed to the District as part of Zone 01 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Tract 18794 (Spruce Homes): This residential tract encompasses an area of land (approximately 1.9 acres) located South of Merrill Avenue at Spruce Avenue, and includes 8 single-family residential lots. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0128-741-63 through 0128-741-70. This development has been annexed to the District as part of Zone 01 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Tract 17921 (Bloomington Lane): This residential condominium tract encompasses an area of land (approximately 6.8 acres) located South of Bloomington Avenue and West of Riverside Avenue, and includes 70 condominium parcels. This development has been annexed to the District as part of Zone 05 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

PPD 2285 (SA Golden/R&U Builder): This annexation consists of two parcels of land located at the southwest corner of Linden Avenue and Persimmon Street that will consist of two single family residential homes. The Development has been annexed to the District as part of Zone 06 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

Tract 17708 (Secured Income Group, 24 lot Residential Subdivision) This annexation consisted of one parcel of land divided into twenty-four (24) lot subdivisions located on west side of Acacia Avenue between James Street and Merrill Avenue in the Planned Residential Development (PRD-D) zone. It was annexed to the District as part of Zone 01 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2345, PM 19537 (Linden Ave and Summit Ave): This residential tract encompasses the area of land identified by the boundaries of Tract 19537 located at the Southeast corner of Linden Ave and Summit Ave, consisting of four (4) single-family residential units. This tract was annexed into Zone 6 for Fiscal Year 2016/17 to provide funding for street lighting associated with the development.

Non-Residential Developments

Target Center: This is a non-residential development that encompasses an area of land totaling approximately 239 acres located south of Casa Grande Drive, north of Summit Avenue, west of Alder Avenue and the Rialto City Limits and east of Mango Avenue (generally east of Sierra Avenue). This development was annexed to the District in Fiscal Year 2006/2007 and was incorporated into the District as part of Zone 02. The parcels within this development are identified by Assessor's Parcel Numbers 0239-161-01 through 0239-161-08, 0239-161-10, 0239-161-11, 0239-161-31, 0239-161-32, 0239-161-33, 0239-161-34, 0239-161-45 and 0239-161-46.

Opus Logistics Center: This is a non-residential development that encompasses an area of land totaling approximately 39 acres located on the west side of Riverside Avenue south of Resource Drive. This development was annexed to the District in Fiscal Year 2006/2007 and was incorporated into the District as part of Zone 02. The parcels within this development are identified by Assessor's Parcel Numbers 0260-021-51 through 0260-021-55.

Tract 16813 (Tudor Plaza): This is a non-residential development that encompasses an area of land totaling approximately 13 acres located on the north side of Foothill Boulevard between Cedar Avenue and Larch Avenue. This development was annexed to the District in Fiscal Year 2006/2007 and was incorporated into the District as part of Zone 02. The parcels within this development are identified by Assessor's Parcel Numbers 0128-571-16, 0128-571-19 and 0128-571-24.

Tract 18916 (Panattoni): This is a non-residential development that encompasses an area of land totaling approximately 18 acres located on the north side of Base Line Avenue west of Locust Avenue. The parcel within this development is identified by the San Bernardino County Assessor's Office as Assessor's Parcel Number 0240-241-60. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Golden Bear/Target: This is a non-residential development that encompasses an area of land totaling approximately 36 acres located on the east side of Alder Avenue and south of Easton Street. The parcel within this development is identified by the San Bernardino County Assessor's Office as Assessor's Parcel Number 0240-211-37. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Fontana Water Company: This is a non-residential development that encompasses an area of land totaling approximately 4 acres located on the east side of Tamarind Avenue and north of Base Line Road. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0240-201-21, 0240-201-22, and 0240-201-23. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2014/2015 to provide funding for street lighting associated with the development.

PPD 2204 (SGV Water Company): This development consists of one 1.0 million gallon aboveground water tank reservoir, one future 1.0 million gallon aboveground water take reservoir, and a booster station on a 1.57 acre parcel located on the west side of Linden Avenue approximately 750 feet south of Bohnert Avenue. This development has been annexed to the District as Part of Zone 04 for Fiscal Year 2015/16 to provide funding for street lighting associated with the development.

PPD 2233R (Panattoni Development): This development consists of a 718,000 square foot warehouse building to be located at the northeast corner of Baseline Road and Locust Avenue within the Renaissance Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2235 (Scannell Properties): This property consists of one 307,100 square foot logistics terminal building with 7,100 square feet of accessory buildings on 36 acres of vacant land located on the east side of Cactus Avenue approximately 1,650 feet south of Jurupa Avenue. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

PPD 2264 (DCT Industrial Operating LLC): This is a 927,575 square foot distribution warehouse on 40.80 acres of land located on the south side of Renaissance Parkway between Laurel Avenue and Locust Avenue within the Renaissance Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2267 (Prologis): This annexation consists of a 677,225 square foot distribution warehouse on 29.5 acres of land located between Palmetto Avenue and Tamarind Avenue approximately 600 feet north of Baseline Road and an off-site detention basin on 7.101 acres of land located on the east side of Tamarind Avenue approximately 600 feet north of Baseline Road within the Airport Specific Plan. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

NEC Riverside Ave. & Easton St. Retail Center: This development consists of a 3,750 square foot restaurant with a drive-thru located at the northeast corner of Riverside Avenue and Easton Street. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

PPD 2216 (Lilac Distribution Center): This development consists of the Lilac Distribution Center, located at the northwest corner of Merrill Avenue and Lilac Avenue. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

PPD 2286 (Locust Avenue & Bohnert Avenue, Distribution Warehouse): This Development consists of a 614,824 square foot distribution warehouse on 26.30 acres of land located at the northeast corner of Locust Avenue and Bohnert Avenue within the I-PID (Planned Industrial Development) zone of the Rialto Airport Specific Plan. It will be annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

PPD 2295 (B&B Plastics): This development consists of a 289,139 square feet of which 146,670 square feet is planned for Storage Facility and Corporate Offices. The building is located at the northeast corner of N. Locust Avenue and W. Casmalia Street within the Renaissance Specific Plan. It will be annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding perimeter landscaping and street lighting associated with the development.

PPD 2290 (Casmalia Street & Linden Avenue, Distribution Warehouse): This development consists of a 428,208 square feet of which 10,000 square feet is planned for office space and remaining 418,208 square feet is planned for high-cube warehouse. The building is located at the northwest corner of Linden Avenue and Casmalia Street. It was annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2228 (San Gabriel Valley Water): This development consists of one (1) 1.0 million gallon above-ground water tank reservoir, one future 1.0 million gallon aboveground water take reservoir, and a booster station on a portion of a 2.88 acre parcel located on the west side of Riverside Avenue approximately 650 south of Locust Avenue. This development has been annexed to the District as Part of Zone 04 for Fiscal Year 2016/17 to provide funding for street lighting associated with the development.

PPD 2283, PM 19463 (Panattoni Development Company): This development consists of a 757,503 square foot distribution warehouse on 35.2 acres of land located on the north side of Baseline Road between Maple Avenue and Linden Avenue. This development has been annexed to the District as Part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2082 (Riverside Avenue and Jurupa Avenue): This development consists of a 300,773 square foot distribution warehouse generally located at the southwest corner of Riverside Avenue and Jurupa Avenue in the Heavy Industrial Zone in the Agua Mansa Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2102 (Wal-Mart Super Center): This development consists of a Walmart Super Center (also known as Rialto Marketplace) located on 25.80 acres of land, south of W. San Bernardino Avenue, west of S. Riverside Avenue, and east of S. Willow Avenue. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2271 (2321 S. Willow Avenue): This development consists of a sorting facility for municipal construction of non-hazardous materials on a 3.5 acre site located at 2321 S. Willow Avenue in the Heavy Industrial Zone in the Agua Mansa Specific Plan. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2016/17 to provide funding for street lighting associated with the development.

PPD 2365 (Miro Way and Locust Avenue): This development consists of a 1,070,320 square foot warehouse building located at the northwest corner of Miro Way and Locust Avenue within the Business Center zone of the Renaissance Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2363 (1401 N Alder Ave): This development consists of a 596,749 square foot Niagara Water bottling facility located at 1401 N. Alder Avenue. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

Annexations for Fiscal Year 2017/2018

As directed by the City Council, this Report addresses the proposed annexation of additional territory to the District for Fiscal Year 2017/2018, consisting of the following development(s) including all the lots, parcels and subdivisions of land therein and generally described as:

Residential Annexations

PPD 2328 (Multi-Family Project): This development consists of a 115-unit apartment complex on a 4.78-acre parcel of land located on the west side of Riverside Avenue approximately 450 feet south of Bloomington Avenue. This development is being annexed to the District as part of Zone 5 for Fiscal Year 2017/18 to provide funding for street lighting, perimeter and median landscaping associated with the development.

PPD 2415 (Crestwood Communities): This development consists of 75 detached single-family residences on approximately 7.16 acres of land located on the east side of Cactus Avenue approximately 650 feet south of Merrill Avenue. This development is being annexed to the District as part of Zone 1 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

Non-Residential Annexations

PPD 2335 (2225 N. Alder Ave.): This development consists of a 630,200 square foot warehouse building on 32.44 acres of land located on the northeast corner of 2225 N. Alder Ave. This development is being annexed to the District as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

Improvements and Services

Landscape Improvements

The landscape improvements for the District may include, but are not limited to various streetscape landscaping including parkways and medians as well as public landscaped areas within or adjacent to the properties within a particular development such as landscaped slopes, irrigated and non-irrigated open space areas, landscaped detention or retention basins, and neighborhood greenbelts, trails or parks. These landscape improvements may include turf, ground cover, plants and shrubs, trees, irrigation and drainage systems, ornamental lighting structures, masonry walls or other fencing, entryway monuments, and associated appurtenant facilities located within the various dedicate easements, right-of-ways or public properties associated with the landscaped areas. The following outlines the location and extent of the landscape improvements associated with the properties and developments of the various Zones within the District. The detailed plans and specifications of the District Improvements are on file in the office of the City Public Works Department and by reference are made part of this Report.

Zone 01 Landscape Improvements

Tract 16308 – approximately 3,700 square feet of parkway landscaping located along the perimeter of the tract on the west side of Cedar Avenue, north of Wildflower Street, and on the north side of Wildflower Street, west of Cedar Avenue.

Tract 16422 – approximately 4,400 square feet of parkway landscaping located along the perimeter of the tract located north of Summit Street along the west side of Linden Avenue.

Tract 16517 – approximately 5,300 square feet of parkway landscaping located along the perimeter of the tract along Pepper Avenue and Meridian Avenue.

Tract 16625 – approximately 5,000 square feet of parkway landscaping located along the perimeter of the tract on the west side of Maple Avenue.

Tract 17244 – approximately 38,800 square feet of parkway landscaping located along the entire perimeter of the tract on the east side of Cactus Avenue and the south side of Baseline Avenue and along the perimeter of the tract on west side Lilac Avenue from Baseline Avenue to just south of Jackson Street.

Tract 16764 – approximately 3,800 square feet of parkway landscaping located along the perimeter of the tract on the west side of Linden Avenue.

Tract 17219 – approximately 4,200 square feet of landscaped parkway area located along the perimeter of the development on the north side of Merrill Avenue.

Tract 17220 – approximately 3,900 square feet of landscaped parkway area located along the perimeter of the development on the west side of Pepper Avenue.

Tract 17511 – approximately 11,600 square feet of landscaped parkway area located along the perimeter of the development on the east side of Maple Avenue and north side of Summit Avenue including the detention basin area along the perimeter of the development.

Tract 17957 – approximately 1,200 square feet of landscaped parkway area located along the perimeter of the development on the west side of Cedar Avenue.

Tract 18794 – approximately 2,400 square feet of landscaped parkway area located along the perimeter of the development on the south side of Merrill Avenue.

Tract 17708 – approximately 33,350 square feet of landscaped parkway area located along the perimeter of the sub-development on west side of Acacia Avenue and North side of James Avenue.

Zone 1 Landscaping Improvements - Annexation Territory:

PPD 2415 (Crestwood Communities) – approximately 3,500 square foot of perimeter landscaping.

Zone 02 Landscape Improvements:

Target Center – approximately 146,000 square feet of parkway landscaping located along the perimeter of the development on the south side of Casa Grande Drive, approximately 50,000 square feet of median-island landscaping on 1401 N Alder Avenue (Casa Grande Drive to Summit Avenue) and approximately 121,000 square feet of hardscape areas associated with the parkways and medians.

Opus Logistics Center – approximately 13,000 square feet of median-island landscaping on Riverside Avenue from Resource Drive south to the end of the project.

Tract 16813 (Tudor Plaza) – approximately 8,100 square feet of median-island landscaping on Foothill Boulevard between Cedar Avenue and Larch Avenue.

Tract 18916 (Panattoni): – approximately 7,500 square feet of parkway landscaping located along the perimeter of the development on the north side of Base Line Avenue, west side of Locust Avenue and south side of Miro Way and approximately 2,500 square feet of median-island landscaping on Base Line Avenue between Locust Avenue and Laurel Avenue.

Golden Bear/Target – approximately 25,000 square feet of parkway landscaping located along the perimeter of the development on the south side of Easton Street/Renaissance Parkway, on the west side of Laurel Avenue and on the east side of Alder Avenue and approximately 10,000 square feet of median-island landscaping on Easton Street/Renaissance Parkway between Laurel Avenue and Alder Avenue.

PPD 2233R (Panattoni Development) PM 19411 – approximately 31,853 square feet of parkway landscaping located along the perimeter of the development on the east side of Locust Avenue, the north side of Base Line Road, the west side of Maple Avenue, and a portion of the south side of Miro Way.

PPD 2264 (DCT Industrial Operating LLC – approximately 927,575 square foot distribution warehouse on 40.80 acres of land located on the south side of Renaissance Parkway between Laurel Avenue and Locust Avenue.

NEC Riverside Ave. & Easton St. Retail Center – approximately 10,224 square feet of landscaping surrounding the restaurant site on the west side of Riverside Avenue and the northeast side of Easton Street.

PPD 2295 (B&B Plastics) – approximately 35,726 square feet of landscaping located on the perimeter of the development on north side of W. Casmalia Street and east side of N. Locust Avenue.

PPD 2283, PM 19463 (Panattoni Development Company) – approximately 37,039 square feet of landscaping located on the perimeter of the development on the north side of Baseline Road, on the east side of Maple Avenue, on the west side of Linden Avenue and on the south side of Miro Way.

PPD 2082 (Riverside Avenue and Jurupa Avenue) – approximately 2,460 square feet of landscaping located on the perimeter of the development on the west side of Riverside Avenue and the south side of Jurupa Avenue and median landscaping on Riverside Avenue adjacent to the development.

PPD 2102 (Wal-Mart Super Center) – approximately 5,940 square feet of median landscaping on Riverside Avenue, adjacent to the development.

PPD 2365 (Miro Way and Locust Avenue) - approximately 1,490 square feet of landscaping located on the perimeter of the development on the west side of Locust Avenue, on the north side of Miro Way and on the east side of Laurel Avenue.

PPD 2290 (Casmalia St. & Linden Ave. Warehouse) –approximately 25,099 square feet of parkway landscaping located on the perimeter of the development on the north side of Casmalia Street and west side of Linden Avenue.

PPD 2363 (1401 N Alder Ave) – approximately 18,400 square feet of landscaping located on the perimeter of the development on the south side of Walnut Avenue, the east side of Alder Avenue, and the north side of Miro Way adjacent to the development.

Zone 2 Landscaping Improvements - Annexation Territory:

PPD 2335 (2225 N. Alder Ave.) – approximately 25,099 square feet of landscaping located on the perimeter of the development on the east side of Alder Avenue, on the north side of Casmalia Street and on the west side of Laurel Avenue, as well as median landscaping on Casmalia Street, adjacent to the development.

Zone 03 Landscape Improvements:

Tract 16708 – approximately 52,000 square feet of perimeter slope landscaping that was installed as part of developing the properties within the subdivision, located between the residential property lines and the future park-site parcel on the north end of the development, including a 9,700 square foot crib retaining wall.

Zone 04 No Landscaping Improvements:

None – This Zone is specifically for street light improvements associated with non-residential developments.

Zone 05 Landscape Improvements:

Tract 17921 – approximately 4,000 square feet of parkway landscaping located along the perimeter of the development on the southeast side of Bloomington Avenue and approximately 7,600 square feet of median-island landscaping on Bloomington Avenue along the frontage of the development.

Zone 5 Landscaping Improvements - Annexation Territory:

PPD 2328 (Multi-Family Project) – approximately 5,128 square feet of landscaping consisting of parkway perimeter landscaping located along on the west side of Riverside Avenue and median landscaping on Riverside Avenue adjacent to the development.

Zone 06 Landscape Improvements:

None – This Zone is specifically for street light improvements associated with residential developments.

Public Street Lighting Improvements

The street lighting improvements for the District may include, but are not limited to electrical energy and the maintenance, repair or replacement of the lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities associated with the public street

lighting within the residential subdivisions of Zones 01, 03 and 06, the non-residential developments of Zone 02 and 04 and the multi-family residential developments and/or residential condominium/townhome subdivisions of Zone 05.

The parcels and developments included in the District (Zones 01, 02, 03, 04, 05 and 06) were originally subject to the City's Street Light Maintenance District No. 1 assessments, but upon the successful inclusion (annexation) of these developments and properties to this District, the City shall concurrently detach these parcels from Street Light Maintenance District No. 1 for the upcoming fiscal year's assessments.

The detailed plans and specifications of the District Improvements are on file in the office of the City Public Works Department and by reference are made part of this Report.

PART II — METHOD OF APPORTIONMENT

Based on the provisions of the 1972 Act and the California Constitution, this section of the Report summarize an analysis of the benefits the improvements and services to be provided by the District (both general and special), the formulas used to calculate each parcel's proportional special benefit and assessment obligation based on the entirety of the cost to provide the improvements (method of assessment), and the establishment of an inflationary formula for such assessments to address anticipated cost increases due to inflation (assessment range formula).

Benefit Analysis

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include but are not limited to the construction, maintenance, operation, and servicing of street lighting and landscaping improvements and appurtenant facilities within public easements or right-of-ways.

The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";

Article XIID Section 2i defines Special Benefit as

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit"; and

Article XIID Section 4a defines proportional special benefit assessments as

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from local lighting and landscaping improvements and services that are funded by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that

receive special benefits as outlined in the preceding definitions established in the 1972 Act and the California Constitution.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the scope of the improvements and services provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally distributes the net cost of only those improvements determined to be of special benefit to properties within the District.

Special and General Benefits

In reviewing the improvements associated with the Annexation Territory as well as those improvements associated with the existing developments within the District, the proximity of those improvements to properties within each development as well as adjacent properties outside of the boundaries of the Annexation Territory and District, it is evident that these District improvements are localized improvements installed for and in connection with the collective development of the properties within the District. All of the District improvements (both landscaping and street lighting) were clearly designed and installed to serve as an extension and shared responsibility of the individual private properties, resulting from and/or required for the development of those properties. These improvements are a direct and collectively representation of those individual private properties, similar to any other privately funded and maintained common areas, private streets, or parking lots that are often times associated with many residential and non-residential developments. Like many other developments related improvements and infrastructure, the landscaping and lighting improvements to be maintained by the District and funded through special benefit assessments, collectively serve as a direct physical extension of the individual private properties and would otherwise not be necessary or provided by the City, if not for the development of those properties.

The fact that these improvements are located within public right-of-ways or easements and are maintained by the City through an assessment district rather than privately through a homeowner's or business association does not make these improvements less of a direct and special benefit to those properties nor does it suggest that because these improvements are considered "public improvements" such improvements must have a direct benefit to the City or to the public at large.

While these improvements may certainly be visible to the general public or other properties in the area, the fact that these improvements were only necessary for the development of the properties within the District and were neither required nor necessarily desired by any other properties or developments, the visibility such improvements may afford to other properties or to the public at large is incidental and certainly not quantifiable. Furthermore, similar improvements and services associated with other developments within the City of Rialto are provided and funded by similar assessment districts or are maintained privately by the individual property owners or associations. Therefore, it has been determined that because these localized improvements were facilitated by the development of only properties within the District, they provide no measurable or tangible benefits (general or special) to properties outside the District or to the public at large.

It is therefore apparent that the improvements and certainly the need to provide ongoing maintain these improvements are exclusively for the special benefit of properties in the District and the level of service associated with such improvements directly affects only the properties within those developments.

Assessment Methodology

The method of apportionment for this District and the Annexation Territory calculates the receipt of special benefit from the respective improvements based on the land use of the parcels. The special benefit received by each lot or parcel is equated to the overall land use of the parcels benefiting from the improvements provided based on each parcel's actual land use or proposed planned development as compared to other properties. This comparison is reliant upon the special benefit received from the specific type of improvements and services provided or planned within each respective Zone of the District.

The method of apportionment (method of assessment) developed for this District and the Annexation Territory is based on the premise that each of the property to be assessed receives a direct and special benefit from the improvements, services and facilities to be financed by the District assessments.

Equivalent Benefit Units

To proportionally and equitably assess the special benefits to each parcel, it is necessary to correlate each property's proportional benefit to other properties that benefit from the improvements and services being funded. The Equivalent Benefit Unit method of apportionment uses a basic unit (base value) of assessment that is common to all properties benefiting from the improvements and services provided and assigns a weighted value to each parcel based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to the base value.

For this District, Zones 01, 03, 05 and 06 are comprised entirely of residential developments and the single-family residential home site is used as the base value of benefit and assessment. Zone 02 and 04 however, are comprised entirely of properties that are non-residential developments or proposed non-residential developments and the base unit of comparison is a factor that is based on the total acreage of the development and the total square footage of the landscaped area associated with that development. The following provides a description of the various land use designations and apportionment associated with the improvements provided in the District's six Zones, including the Annexation Territory, which will be annexed into Zones 01, 02, and 05 as described above.

EBU Application for Properties in Zones 01, Zone 03 and Zone 06:

Single Family Residential – This land use is defined as a fully subdivided residential home site with or without a structure and the improvements and services associated with the parcel has been accepted or will be accepted by the City for maintenance in the Fiscal Year. This land use is assessed 1.0 EBU per lot or parcel.

Multi-Family Residential – This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property and the improvements and services associated with the parcel have been accepted or will be accepted by the City for maintenance in the Fiscal Year. This land use is assessed 0.75 EBU per unit.

Approved Residential Development – This land use is defined as any property that is not fully subdivided, but the specific number of single-family residential lots or multi-family residential units has been approved for development, and the improvements and services associated with the development and/or parcel have been accepted or will be accepted by the City for maintenance in the Fiscal Year. This land use type is assigned an EBU that reflects the total EBU's associated with

that parcel at build-out (1.0 EBU per single-family residential lot and 0.75 per multi-family residential unit).

Planned Residential Development – This land use is defined as any property that specific number of proposed single-family residential lots or multi-family residential units has been approved for development (fully subdivided or not), but the City does not anticipate acceptance of the improvements associated with the development and/or parcel in the upcoming Fiscal Year. This land use type shall be assigned 0.0 EBU for the upcoming Fiscal Year. However, for purposes of determining the property's maximum assessment and proportional special benefit for balloting purposes, the parcel shall be assigned an EBU that reflects the total EBU's associated with that parcel at build-out (1.0 EBU per single-family residential lot and 0.75 per multi-family residential unit).

Vacant Residential – This land use is defined as property currently zoned for residential development, but a tentative or final tract map has not been submitted and/or approved for the property; however, the improvements and services associated with the parcel have been accepted or will be accepted by the City for maintenance in the Fiscal Year. This land use is assessed at 1 EBU per acre. Parcels less than 1 acre are assigned a minimum of 1.0 EBU. Parcels over 50 acres are assigned a maximum of 50 EBU.

EBU Application for Properties in Zones 02 and Zone 04:

Approved Non-Residential Development – This land use is defined as any property or properties that have been developed or will be developed (vacant land) for non-residential use including but not limited to commercial properties, office buildings (public or private), industrial properties, churches or other non-profit organizations, and the improvements and services associated with the parcel have been accepted or will be accepted by the City for maintenance in the Fiscal Year. The EBU calculated for each parcel is based on the parcel's proportional benefit from the specific improvements identified herein and directly associated with the property as compared to other properties that benefit from the same improvements.

This land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights associated with that development by the total acreage of all properties within the development to establish a base value of benefit (landscape square footage per acre or proportional street lights per acre). The resulting base value of benefit is then multiplied by each parcel's specific acreage resulting in the parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per acre only and the lighting costs shall be proportionately allocated based on that EBU as well).

Planned Non-Residential Development – This land use is defined as any property or properties that have been partially developed or will be developed (vacant land) for non-residential use including but not limited to commercial properties, office buildings, industrial properties, churches or other non-profit organizations, but the City does not anticipate acceptance of the improvements associated with the development and/or parcel in the upcoming Fiscal Year.

This land use type shall be assigned 0.0 EBU for the upcoming Fiscal Year. However, for purposes of determining the property's maximum assessment and proportional special benefit for balloting purposes, this land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights associated with that development by the total acreage of all properties within the development to establish a base value of benefit (landscape square footage per acre or proportional street lights per acre). The resulting base value of benefit is

then multiplied by each parcel's specific acreage resulting in the parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per acre only and the lighting costs shall be proportionately allocated based on that EBU as well).

EBU Application for Properties in Zones 05:

Approved Residential Condominium Development— This land use is defined as any property or properties that have been developed or will be developed as a fully subdivided residential condominium or townhome subdivisions or other residential developments for which the County Assessor has established individual Assessor's Parcel Numbers for each residential unit and may include parcels for common area facilities or common area properties. In addition, the improvements and services associated with the development are all located on the perimeter of the development and have been accepted or will be accepted by the City for maintenance in the Fiscal Year. The EBU calculated for each parcel is based on the parcel's proportional benefit from the specific improvements identified herein and directly associated the property as compared to other properties that benefit from the same improvements.

This land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights associated with that development by the total number of benefiting residential units (generally each parcel has one unit) to establish a base value of benefit (landscape square footage per unit/parcel or proportional street lights per unit/parcel). In addition to the residential units, in some cases common area parcels that incorporate pools, community buildings or other recreational facilities may be included in the unit count as one unit per parcel, but this is typically not the case. The resulting base value of benefit is then multiplied by the each parcel's specific unit/parcel assignment to establish each parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per unit/parcel only and the lighting costs shall be proportionately allocated based on that EBU as well).

Approved Multi-Family Residential — This land use is defined as any property or properties that have been developed or will be developed as a fully subdivided residential parcels with more than one residential unit developed on the property (multiple residential units on one Assessor's Parcel Number) and the improvements and services associated with the parcel have been accepted or will be accepted by the City for maintenance in the Fiscal Year. The EBU calculated for each parcel is based on the parcel's proportional benefit from the specific improvements identified herein and directly associated the property as compared to other properties that benefit from the same improvements.

This land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights associated with that development; by the total acreage of all properties within the development to establish a base value of benefit (landscape square footage per acre or proportional street lights per acre). If the overall development includes parcels with no residential units such as parcels comprised entirely of parking facilities or landscaping, those parcels may be excluded from the acreage used to establish the base value of benefit. The resulting base value of benefit is then multiplied by each parcel's specific acreage resulting in the parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per acre only and the lighting costs shall be proportionately allocated based on that EBU as well).

Planned Multi-Family Residential — This land use is defined as any property or properties that have been partially developed or will be developed (vacant land) as either a Residential Condominium Development or Multi-Family Residential development as described above; but the City does not anticipate acceptance of the improvements associated with the development and/or parcels in the upcoming Fiscal Year.

This land use type shall be assigned 0.0 EBU for the upcoming Fiscal Year. However, for purposes of determining the property's maximum assessment and proportional special benefit for balloting purposes, this land use type is assigned an EBU calculation that reflects the type of property development planned for the property, either as a Residential Condominium Development or as a Multi-Family Residential development as described above.

Calculation of Assessments

The benefit formula applied to parcels within the District is based on the preceding Equivalent Benefit Unit (EBU) discussion. Each parcel's EBU correlates to the parcel's special benefit received as compared to all other parcels benefiting from the improvements. The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

Parcel Type EBU value is based on the assigned values outlined in the preceding "EBU Application for Properties".

For each Zone of the District, the total number of calculated Equivalent Benefit Units (EBU's) for the Fiscal Year equals the sum of all individual EBU's applied to parcels in that Zone. An assessment amount per EBU (Rate) for the improvements is established by taking the total cost of the improvements (amount budgeted) and dividing that amount by the total number of EBU's of all parcels to be assessed. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy (for the Zone)} / \text{Total EBU (to be assessed)} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

Exempt Properties:

Properties classified as Exempt Properties (exempt from assessment) may include but is not limited to lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, rights-of-way, public greenbelts and parkways; utility rights-of-ways; common areas, sliver parcels and bifurcated lots; or any other property the City has determined that the parcel cannot be developed or is a publicly owned property that is part of the District improvements or that has little or no improvement value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment and are assigned 0.00 EBU.

Special Cases:

As with any assessment district, there may be a specific property or properties that the typical land use classifications and method of apportionment does not completely reflect the proportional special benefits received as compared to other parcels. Usually, this type of issue arises from property specific development issues in which either the use of that property is significantly restricted or

limited compared to other properties, or the timing of the City accepting the specific improvements associated with that property as compared to other properties and developments. In these cases, the assessment engineer may determine that an appropriate calculation of proportional benefit would be better reflected by applying a reduced weighting factor that accounts for the property's reduced benefit. Because a district's method of apportionment ultimately establishes not only the assessment for each parcel, but the proportional benefit between parcels, identifying any parcel as a "Special Case" and deviating from the standard method of apportionment applied to other properties in the district ultimately effects the proportional assessment of those other properties.

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIIC and XIID), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (the Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, balloting of property owners is required pursuant to the Article XIID Section 4. The property owner ballots include an Assessment to be approved, as well as the approval of an assessment range formula.

For this District, the Maximum Assessment is equal to the initial Assessment Rate approved by property owners adjusted annually by the percentage increase of the Local Consumer Price Index ("CPI") for the Los Angeles-Riverside-Orange County Area for All Urban Consumers from January to January. Each Fiscal Year, the Maximum Assessment will be recalculated and a new Maximum Assessment established.

The Maximum Assessment is adjusted annually and is calculated independent of the annual budgets and proposed assessments established for each Zone of the District. Any proposed annual assessment (rate per EBU) less than or equal to this Maximum Assessment (for each Zone) is not considered an increased assessment, even if the proposed assessment is much greater than the assessment applied in the prior Fiscal Year.

PART III – ANNEXATION BUDGETS

Rialto Landscaping and Lighting District No. 2 Fiscal Year 2017/2018 Estimated Annexation Budget

BUDGET ITEM	PPD 2415	PPD 2335	PPD 2328
	(Crestwood Communities) Zone 1	(2225 N. Alder Ave.) Zone 2	(Multi-Family Project) Zone 5
ANNUAL MAINTENANCE (DIRECT COSTS)			
Landscape/Streetlight Maintenance and Energy	\$11,317	\$6,303	\$1,270
Other Services and Supply Expenses	776	422	87
Personnel Services	9,962	5,414	1,117
Total Landscaping and Lighting Maintenance	\$22,055	\$12,139	\$2,474
ADMINISTRATION			
District Administration	\$728	\$396	\$82
County Administration Fee	20	1	9
Miscellaneous Administration Expenses	4,124	2,242	463
Total Administration	\$4,872	\$2,638	\$553
TOTAL COSTS & EXPENSES	\$26,926	\$14,777	\$3,028
REPAIR/REHABILITATION PROGRAM	\$9,097	\$4,944	\$1,020
LEVY ADJUSTMENTS			
Reserve Fund Collection/(Contribution)	\$780	\$434	\$80
Landscape Replacement/Rehabilitation Collection/(Transfer)	(9,097)	(4,944)	(1,020)
Revenue from Other Sources (Contribution)	0	0	0
General Fund Collection/(Contribution)	0	0	0
Total Levy Adjustments	(\$8,317)	(\$4,510)	(\$940)
BALANCE TO LEVY	\$27,707	\$15,211	\$3,108
Total Parcels	2	1	1
Total EBUs Fiscal Year 2017/2018	75	25,099.00	5,128.00
Fiscal Year 2016/2017 Rate per EBU	\$369.42	\$0.61	\$0.61
Fiscal Year 2016/2017 Maximum Rate per EBU	\$369.42	\$0.61	\$0.61
Maximum Assessable Amount	\$27,706.67	\$15,211.29	\$3,108

Note: Budget and maximum amounts are based on Fiscal Year 2016/17 budgeted costs and are subject to increase for Fiscal Year 2017/18 in accordance with the Assessment Range Formula.

PART IV — DIAGRAM

The original District Diagram for the Rialto Landscaping and Lighting District No. 2 and each of the previous and subsequent annexations are on file in the office of the City Public Works Department and the City Clerk and by reference herein is made part of this Report. The following page shows a copy of the Assessment Diagram for the Annexation Territory. The parcels within the Annexation Territory for the Rialto Landscaping and Lighting District No. 2 addressed in this Report consist of all lots, parcels and subdivisions of land that comprise PPD 2328 (Multi-Family Project), PPD 2335 (2225 N. Alder Ave.), and PPD 2415 (Crestwood Communities) as described in the diagrams shown below and depicted on the San Bernardino County Assessor's parcel maps. All lots, parcels and subdivisions of land within the boundaries of the Annexation Territory as depicted by these diagrams shall consist and be dictated by the lines and dimensions as those lots, parcels and subdivisions of land are shown on the San Bernardino County Assessor's parcel maps for the current year and by reference the maps is incorporated herein and made part of this Report including all subsequent lot-line adjusts and/or parcel changes made thereto by the San Bernardino County Assessor.

Annexation Diagrams

RIALTO LANDSCAPING AND LIGHTING DISTRICT NO. 2
 ANNEXATION BOUNDARY MAP - PPD 2328
 (MULTI-FAMILY PROJECT)

SHEET 1 OF 1

CITY OF RIALTO
 COUNTY OF SAN BERNARDINO
 STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 201__
 I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF RIALTO
 LANDSCAPING AND LIGHTING DISTRICT NO. 2 ANNEXATION PPD 2328 (MULTI-FAMILY PROJECT)
 WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF RIALTO
 AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 201__
 BY ITS RESOLUTION NO. _____

CITY CLERK _____
 CITY OF RIALTO

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	0131-161-27

LEGEND

-  DISTRICT BOUNDARY
-  MAP REFERENCE NUMBER



RIALTO LANDSCAPING AND LIGHTING DISTRICT NO. 2
 ANNEXATION BOUNDARY MAP - PPD 2335
 (2225 N. ALDER AVE)

CITY OF RIALTO
 COUNTY OF SAN BERNARDINO
 STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 201__.
 I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF RIALTO
 LANDSCAPING AND LIGHTING DISTRICT NO. 2 ANNEXATION PPD 2335 (2225 N. ALDER AVE)
 WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF RIALTO
 AT A REGULAR MEETING THEREOF HELD ON THE _____ DAY OF _____, 201__
 BY ITS RESOLUTION NO. _____.

CITY CLERK
 CITY OF RIALTO

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	1133-181-21

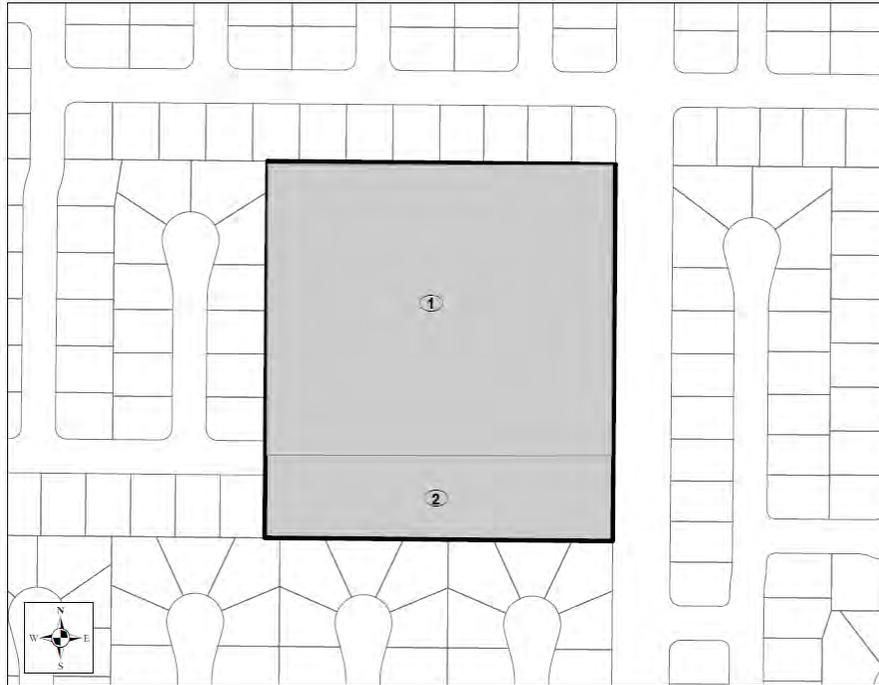
LEGEND

-  DISTRICT BOUNDARY
-  MAP REFERENCE NUMBER



RIALTO LANDSCAPING AND LIGHTING DISTRICT NO. 2
 ANNEXATION BOUNDARY MAP - PPD 2415
 (CRESTWOOD COMMUNITIES)

CITY OF RIALTO
 COUNTY OF SAN BERNARDINO
 STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 201__.
 I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF RIALTO
 LANDSCAPING AND LIGHTING DISTRICT NO. 2 ANNEXATION PPD 2415 (CRESTWOOD
 COMMUNITIES) WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF RIALTO
 AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 201__
 BY ITS RESOLUTION NO. _____.

CITY CLERK _____
 CITY OF RIALTO

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	0128-461-41
2	0128-461-42

LEGEND

-  DISTRICT BOUNDARY
-  MAP REFERENCE NUMBER



PART V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within the Annexation Territory shall be the parcels as shown on the San Bernardino County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. A listing of the lots and parcels to be assessed within this Annexation Territory along with the maximum assessment amount calculated for each parcel is provided below.

APN	Project ID	Landowner	Zone	Acres	EBU	Max Rate	Max Charge
0128-461-41	PPD 2415	Rialto 75, LLC	01	7.28	59.09	\$369.4223	\$21,829.50
0128-461-42	PPD 2415	Rialto 75, LLC	01	1.96	15.91	\$369.4223	\$5,877.17
Subtotal	PPD 2415	Rialto 75, LLC	01	9.24	75.00	\$369.4223	\$27,706.67
1133-181-21	PPD 2335	Thrifty Oil Company	02	32.44	25,099.00	\$0.6061	\$15,211.29
0131-161-27	PPD 2328	BM Investments, LLC	05	4.78	5,128.00	\$0.61	\$3,107.83

The Max Rate and Max Charge shown on based on Fiscal Year 2016/17 budgeted costs. These amounts may increase for Fiscal Year 2017/18 in accordance with the Assessment Range Formula.

1 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES**
2 **HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

3 **Section 1:** The territory of land to be annexed to the District incorporates all of the
4 lots and parcels of land within the Annexation Territory as described in the Assessment
5 Roll (**Exhibit A**).

6 **Section 2:** The proposed improvements and services to be provided and for which
7 properties shall be assessed, include but are not limited to, the regular maintenance,
8 operation and incidental expenses related to the local landscaping and/or street lighting
9 improvements within the public right-of-ways or easements associated with the
10 development of properties within the Annexation Territory which may include, but are not
11 limited to, landscaped parkways, medians, slopes, or other public areas, and/or street
12 lighting improvements which shall be maintained by the City for the special benefit of the
13 properties therein. The Engineer's Report to be prepared in connection with these
14 proceedings shall provide a more detailed description of the improvements and
15 associated costs.

16 **Section 3:** The City Council hereby determines that in order to provide an
17 appropriate level of maintenance and related services and activities for the improvements
18 within the Annexation Territory as generally described in Section 2 of this Resolution, it is
19 necessary to levy annual special benefit assessments on the lots and parcels within the
20 Annexation Territory identified in Section 1, commencing in fiscal year 2017/2018.

21 **Section 4:** The City Council hereby orders the Engineer of Record to prepare and
22 file with the City Clerk an Engineer's Report concerning the proposed annexation of the
23 Annexation Territory to the District, and the proposed levy of special benefit assessments
24 for properties beginning the fiscal year commencing July 1, 2017 and ending June 30,
25 2018, in accordance with Chapter 3 Section 22622 of the Act. Said Engineer's Report
26 shall establish the estimated budget of anticipated expenses and the resulting proposed
27 maximum assessments, including an annual inflationary adjustment, that will be
28 necessary to provide ongoing funding for the maintenance and servicing of the

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improvements being proposed; and the assessments so described may only be imposed pursuant to the provisions of the Act and the California Constitution.

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

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA A. McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, Esq., City Attorney

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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the 22nd day of November, 2016.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:
AYES:
NOES:
ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this _____ day of _____, 2016.

BARBARA A. McGEE, CITY CLERK

1 assessments commencing with fiscal year 2017/2018 (said fiscal year beginning July 1,
2 2017 and ending June 30, 2018), in accordance with the Act and the California
3 Constitution, and said Report has been presented to the City Council.

4 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES**
5 **HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

6 **Section 1:** The territory of land to be annexed to the District incorporates all of the
7 lots and parcels of land within the Annexation Territory as described in the Assessment Roll
8 **(Exhibit A).**

9 **Section 2:** The proposed improvements and services to be provided and for which
10 properties shall be assessed, include but are not limited to, the regular maintenance,
11 operation and incidental expenses related to the local landscaping and/or street lighting
12 improvements within the public right-of-ways or easements associated with the
13 development of properties within the Annexation Territory, which may include but are not
14 limited to, landscaped parkways, medians, slopes, or other public areas, and/or street
15 lighting improvements which shall be maintained by the City for the special benefit of the
16 properties therein. The Engineer's Report prepared in connection with these proceedings
17 provides a more detailed description of the improvements and associated costs.

18 **Section 3:** The Engineer's Report as presented consists of the following:

- 19 **a)** A Description of the Improvements (Plans and Specifications).
20 **b)** The Method of Apportionment that details the method of calculating the
21 proportional special benefits and the annual assessment obligation for each
22 affected parcel including a description of an "Assessment Range Formula" that
23 provides for an annual inflationary adjustment to the maximum assessment rate.
24 **c)** The estimated annual costs and expenses to provide the improvements (Budget)
25 that establishes the proposed initial "Maximum Assessment Rate".
26 **d)** An Assessment Diagram (Boundary Map).
27 **e)** An Assessment Roll containing the proposed assessment to be levied for each
28 Assessor Parcel Number within the Annexation Territory based on the maximum

1 assessment rate and method of apportionment described therein.

2 **Section 4:** The Engineer's Report presented is hereby approved on a preliminary
3 basis as submitted or amended by direction of this City Council, and is hereby ordered to
4 be filed in the Office of the City Clerk as a permanent record and remain open to public
5 inspection.

6 **Section 5:** The City Council hereby declares its intention to annex the territory of
7 land to the District designated as the Annexation Territory, and to levy and collect annual
8 assessments against parcels of land within said territory to fund the ongoing cost and
9 expenses of maintaining, operating and servicing the improvements determined to be of
10 special benefit to the parcels of land therein as outlined in the Report prepared in
11 connection therewith, commencing with fiscal year 2017/2018; and, the City Council
12 further declares its intention to conduct a public hearing regarding the annexation of the
13 Annexation Territory to the District, and the proposed levy of assessments connected
14 therewith; and calls for a property owner protest balloting proceeding in accordance with
15 the provisions of Article XIID of the California Constitution (Proposition 218). The City
16 Council finds that the public's best interest requires such action and levy of assessments.

17 **Section 6:** The City Council hereby declares its intention to conduct a public
18 hearing concerning the levy of assessments for the Annexation Territory in accordance
19 with Government Code, Section 54954.6 and Section 4(e) of Article XIID of the California
20 Constitution; and, notice is hereby given that a public hearing on these matters will be
21 held by the City Council on Tuesday, January 10, 2017 at 6:00 P.M., or as soon thereafter
22 as feasible, in the City Council Chambers located at 150 South Palm Avenue, Rialto,
23 California. At the Public Hearing, all interested persons shall be afforded the opportunity
24 to hear and be heard.

25 **Section 7:** Pursuant to Article XIID of the California Constitution, an assessment
26 ballot proceeding is hereby called on the matter of confirming the proposed assessments
27 for the Annexation Territory. The ballots and notices so authorized shall be distributed by
28 first class mail to the property owners of record as of the last County equalized tax roll,

1 and property owner or owners of each affected parcel may return the ballot by mail or in
2 person to the City Clerk not later than the conclusion of the public hearing for these
3 matters.

4 **Section 8:** The City Council hereby authorizes and directs the Engineer of
5 Record, on behalf of the City Clerk, to prepare and mail notice of the Public Hearing and
6 property owner protest ballots to the property owners of record regarding the proposed
7 assessments, including the assessment range formula as outlined in the Report, for
8 return receipt prior to the date and time of the public hearing set forth in this Resolution;
9 and, the notice of the hearing and ballot shall be distributed by first class mail to the
10 property owner(s) of record for each parcel within the Annexation Territory subject to an
11 assessment.

12 **Section 9:** The property owner protest ballot proceeding conducted for the
13 Annexation Territory shall constitute the property owners' approval or rejection of the
14 annual levy of assessments and assessment range formula described in the Report
15 presented and previously approved by the City Council. Each property owner may return
16 the ballot by mail or in person to the City Clerk no later than the conclusion of the public
17 hearing scheduled for Tuesday, January 10, 2017. After the close of the Public Hearing,
18 pursuant to Section 4 (e) of Article XIID of the California Constitution, the City Clerk shall
19 open and tabulate the ballots returned to determine if a majority protest exists. Only
20 those ballots issued by or on behalf of the City and signed by the property owner of
21 record or authorized representative, shall be considered as valid ballots and shall be
22 weighted according to the proportional financial obligation of each affected property. A
23 majority protest exists if, upon the conclusion of the hearing, valid ballots submitted in
24 opposition to the assessment exceed the ballots submitted in favor of the assessment;
25 and, in addition to the ballot proceedings, property owners may also file a separate written
26 protest with the City Clerk prior to the conclusion of the hearing, or having previously filed
27 such protest, may file a written withdrawal of that protest. A written protest shall state all
28 grounds of objection and shall contain a description sufficient to identify the property

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owned by such property owner. At the public hearing, all interested persons shall be afforded the opportunity to hear and be heard.

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

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA A. McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, Esq., City Attorney

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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the 22nd day of November, 2016.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:
AYES:
NOES:
ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this _____ day of _____, 2016.

BARBARA A. McGEE, CITY CLERK

Exhibit A

APN	Project ID	Landowner	ZONE
0128-461-41	PPD 2415	Rialto 75, LLC	01
0128-461-42	PPD 2415	Rialto 75, LLC	01
1133-181-21	PPD 2335	Thrifty Oil Company	02
0131-161-27	PPD 2328	BM Investments, LLC	05

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Legislation Details (With Text)

File #: 16-778 Version: 1 Name: D.4
 Type: Resolution Status: Agenda Ready
 File created: 11/6/2016 In control: City Council
 On agenda: 11/22/2016 Final action:

Title: Request City Council to Set the Public Hearing for December 13, 2016 to Consider Adoption of Resolution No. ___ to Approve Environmental Assessment Review No. 16-55, Resolution No. ___ to Approve Amendment No. 6 to the Airport Specific Plan, Resolution No. ___ to Approve Amendment No. 3 to the Renaissance Specific Plan, Resolution No. ___ to Approve Tentative Tract Map No. 19779, Resolution No. ___ to Approve Conditional Development Permit No. 823; Resolution No. ___ to Approve Conditional Development Permit No. 825 and Resolution No. ___ to Approve Development Agreement No. 16-04.

Sponsors:

Indexes:

Code sections:

Attachments: [LOCATION MAP](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb Steel, Asst. CA/Development Services Director

Request City Council to Set the Public Hearing for December 13, 2016 to Consider Adoption of Resolution No. ___ to Approve Environmental Assessment Review No. 16-55, Resolution No. ___ to Approve Amendment No. 6 to the Airport Specific Plan, Resolution No. ___ to Approve Amendment No. 3 to the Renaissance Specific Plan, Resolution No. ___ to Approve Tentative Tract Map No. 19779, Resolution No. ___ to Approve Conditional Development Permit No. 823; Resolution No. ___ to Approve Conditional Development Permit No. 825 and Resolution No. ___ to Approve Development Agreement No. 16-04.

BACKGROUND:

Applicant

The applicant is LHR Rialto, LLC, 1156 North Mountain Avenue, PO Box 670, Upland California 91785-0670.

Location

The proposed project is located within the previously approved RSP planning area, south of Interstate 210 (I-210), west of Ayala Drive, east of Alder Avenue, and north of Baseline Road. (Refer to Location Map).

Chronology

On March 15, 2005, the Redevelopment Agency approved four (4) contracts of sale related to the disposition and

development of the Rialto Municipal Airport and surrounding Agency owned properties. The Agreements require Lewis-Hillwood Rialto, LLC to prepare and submit a Conceptual Master Plan for the project site. The developer prepared a Specific Plan for a master planned community consisting of residential, commercial, and industrial land uses. On November 9, 2010, the City Council approved the Renaissance Specific Plan ("Approved RSP").

Because of changing land use economics, Lewis Hillwood Rialto ("LHR") submitted two alternative land use plans to the Development Services Department in November 2013. On April 29, 2014, the City Council held a workshop to discuss the various land use options.

On September 17, 2014, the EDC reviewed the revised proposal with the major development agreement goals and terms for development.

On September 23, 2014, the City Council adopted Resolution No. 6642 directing staff to review the proposed revisions to the Renaissance Specific Plan. The Resolution established various goals related to the Renaissance Specific Plan and Development Agreement including the Community Park, timing of the town center retail development, establishment of a job opportunity center and enhanced design guidelines.

On September 8, 2015 the Mayor appointed Mayor Pro-Tempore Baca, Jr. and Councilmember Scott to a newly created Ad-Hoc Committee for the purpose of negotiating changes in the Contracts of Sale for the Renaissance Rialto Project, to negotiate the terms of a Development Agreement, and advise regarding proposed changes to the Renaissance Specific Plan. All recommendations of the Ad-Hoc Committee are subject to consideration and approval by the full City Council.

The Ad-Hoc Committee met several times and provided guidance for the Revised Renaissance Specific Plan Amendment ("RSPA"), the Draft Subsequent Environmental Impact Report ("DSEIR"), the Retail Site Plan, and proposed terms of the Development Agreement.

ANALYSIS/DISCUSSION:

The proposed Project amends the Approved RSP. The Approved RSP is the master plan for an integrated community of varied housing types located near and linked to places of employment, retail outlets, services, and schools. The Approved RSP includes 16.2 million square feet of business and commercial uses (835,200 square feet of which were existing and would remain), 1,667 residential units, one school, a community park, and multiple neighborhood parks all located in proximity to one another and organized in a grid pattern.

The proposed RSP Amendment (Amendment No. 3 to the Renaissance Specific Plan) would allow for the modification of square footage and zoning within a portion of the Approved RSP area to include:

- Retention of the Town Center zoning designation and modification of the configuration and the square footage of the area as a result of the alignment of Renaissance Parkway. The RSP amendment also includes a project specific site plan for the Town Center area and brands the area as the "Renaissance Marketplace". Renaissance Marketplace consists of an approximately 505,500 square foot retail/entertainment/lifestyle uses.
- Relocation of business and industrial uses to the west of Linden Avenue and relocation of all residential land uses and the public park to the east side of Linden Avenue.
- Planning Area 108 industrial/warehouse development comprised of approximately 4 million square feet of industrial/warehouse uses.
- Re-naming Planning Area 60B (approved RSP) to Planning Area 108 in the proposed revision and retaining the industrial zoning of the area as previously approved. The RSP amendment also includes a project specific site

plan consisting of 4 million square feet of industrial uses.

Other entitlements include: Amendment No. 6 to the Airport Specific Plan, to exclude Jerry Eaves Park from the Airport Specific Plan and include it within the boundaries of the Renaissance Specific Plan; Tentative Map No. 19779 to subdivide two parcels and create 28 parcels; Conditional Development Permit No. 823 to construct a fourteen (14) screen auditorium /theatre with beer and wine sales; Conditional Development No. 825 to construct a gymnasium (health club); and Development Agreement No. 16-04 between the City of Rialto and Lewis-Hillwood Rialto Company, LLC, a Delaware limited liability company.

ENVIRONMENTAL IMPACT:

The Project is located within the 2010 Renaissance Specific Plan area, but the alignment of Renaissance Parkway will modify the approved land use plan and zoning designations for specific lots, which requires the preparation of additional environmental analysis to ensure that land use changes will not result in new or previously unidentified environmental impacts.

The City of Rialto Development Services Department prepared a Recirculated Draft Subsequent Environmental Impact Report (DSEIR) for the proposed Renaissance Specific Plan (RSP) Amendment (SCH # 2006071021). The City of Rialto is the local Lead Agency in compliance with the California Environmental Quality Act (CEQA) and pursuant to the State of California Public Resources Code and the "Guidelines for Implementation of CEQA", all as amended). The proposed project is located within the previously approved RSP planning area, south of Interstate 210 (I-210), west of Ayala Drive, east of Alder Avenue, and north of Baseline Road.

On July 5, 2016, the City of Rialto circulated the June 2016 DSEIR for the proposed Renaissance Specific Plan Amendment Project for public review and comment. The public review and comment period ended on August 19, 2016. Subsequent to the close of the public comment period both the City and Project Applicant completed additional technical analysis for the Project. In an effort to address potential impacts of the proposed Project and provide additional opportunity for public input, the City elected to recirculate the Draft SEIR in its entirety for an additional 45 days of public review and comment pursuant to Section 15088.5 of the State CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3) from September 26, 2016 to November 10, 2016.

The Recirculated DSEIR identifies significant effects associated with the proposed project that cannot be mitigated to levels that are less than significant in the following areas: Air Quality and Greenhouse Gas Emissions. The proposed project is not included on the list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.

As identified in Section 15088.5 (f) (1), "when an Environmental Impact Report (EIR) is substantially revised and the entire document is recirculated, the lead agency may require reviewers to submit new comments and, in such cases, need not respond to those comments received during the earlier circulation period. The lead agency shall advise reviewers, either in the text of the revised EIR or by an attachment to the revised EIR, that although part of the administrative record, the previous comments do not require a written response in the Final EIR, and that new comments must be submitted for the revised EIR. The lead agency need only respond to those comments submitted in response to the recirculated revised EIR." Accordingly, the City did not respond to comments submitted on the June 2016 Draft SEIR, but will respond to all comments submitted on this Recirculated Draft SEIR.

GENERAL PLAN CONSISTENCY:

The 2010 General Plan identifies the Renaissance Specific Plan as an infill opportunity site. Both the Recirculated SDEIR and the Specific Plan serve as the reference documents to guide development of the area and thereby implement this goal. The Recirculated SDEIR and the Specific Plan are consistent with the General Plan. A complete list of goals and policies embodied in the Recirculated SDEIR and the Specific Plan will be included in the November 22, 2016 report.

LEGAL REVIEW

The City Attorney reviewed and approved this report.

FINANCIAL IMPACT

The staff report for the public hearing will analyze the impacts to the City's capital and operating budgets.

RECOMMENDATION:

Staff recommends that the City Council Set the Public Hearing for December 13, 2016.

LOCATION MAP



Public Hearing Notice

The City of Rialto will consider the following entitlement requests for the Renaissance Specific Plan Amendment: Environmental Assessment Review No. 16-55 (State Clearinghouse No. 2006071021); Airport Specific Plan Amendment No. 6; Renaissance Specific Plan Amendment No. 3; Tentative Parcel Map No. 19779; Conditional Development Permit No. 823; Conditional Development Permit No. 825; Development Agreement No. 16-04 located south of I-210, west of Ayala Drive, East of Alder Avenue, and North of Baseline Road. The proposed RSP Amendment (Amendment No. 3 to the Renaissance Specific Plan) modifies a portion of the 2010 RSP area to include the relocation of business and industrial uses to the west of Linden Avenue, the relocation of all residential land uses and the public park to the east of the Linden Avenue, implementation of the Renaissance Marketplace a 505,000 square foot retail development, and Planning Area 108; a 4 million square foot industrial/warehouse development. Other entitlements include: Amendment No 6. To the Airport Specific Plan, to exclude Jerry Eaves Park from the Airport Specific Plan and include it within the boundaries of the Renaissance Specific Plan; Tentative Map No. 19779 to subdivide two parcels and create 28 parcels; Conditional Development Permit No. 823 to construct a fourteen (14) screen auditorium /theatre with beer and wine sales; Conditional Development No. 825 to construct a gymnasium (health club); and Development Agreement No. 16-04 between the City of Rialto and Lewis-Hillwood Rialto Company, LLC, a Delaware limited liability company.

A Recirculated Draft Subsequent Environmental Impact Report (E.A.R. 16-55)) was prepared for the proposed Renaissance Specific Plan (RSP) Amendment in accordance with the requirements of the California Environmental Quality Act (CEQA).



Legislation Details (With Text)

File #: 16-794 Version: 1 Name: D.5
 Type: Public Hearing Status: Agenda Ready
 File created: 11/14/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Set a Public Hearing for December 13, 2016 to consider the first reading of Ordinance No. -___ Approving Development Agreement No. 16-03 by and between the City of Rialto and Oakmont El Rivino, LLC, related to the development of two (2) warehouse distribution facilities containing up to 2,471,000 square feet on a 121.83 acre site located at the northwest corner of El Rivino Road and Cactus Avenue in the City of Rialto.

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A - Site and Site Plan](#)
[NOTICE OF PUBLIC HEARING - El Rivino DA](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb R. Steel, Assistant CA/Development Services Director

Request City Council to Set a Public Hearing for December 13, 2016 to consider the first reading of Ordinance No. -___ Approving Development Agreement No. 16-03 by and between the City of Rialto and Oakmont El Rivino, LLC, related to the development of two (2) warehouse distribution facilities containing up to 2,471,000 square feet on a 121.83 acre site located at the northwest corner of El Rivino Road and Cactus Avenue in the City of Rialto.

BACKGROUND:

The Applicant/Owner for Development Agreement No. 16-03 (the “Development Agreement”) is Oakmont El Rivino, LLC, a Delaware limited Liability Company. Panattoni Development Company, Inc. (the “Developer”) represents the Applicant/Owner for all land use entitlement applications. The Applicant/Owner and Developer shall be jointly referred to as Owner for the purposes of this report, unless otherwise specified.

Owner has received various entitlements to develop the Rialto Commerce Center with a total of 3,659,000 square feet of industrial and warehouse uses on approximately 160 acres of land located on Cactus Avenue, south of Jurupa Avenue and north of El Rivino Road (the “Master Development Project”). A portion of the Master Development Project was developed in 2013.

The Owner currently owns the remaining 121.83 acres of the Master Development, which is located on the northwest corner of El Rivino Road and Cactus Avenue (the "Site"). Owner wishes to develop the Site into two or more industrial warehouse/distribution buildings containing not more than 2,471,000 square feet of space (the "Project"). A Site Map and a Site Plan for the Project are attached hereto as Exhibit A.

The Owner submitted a formal application to negotiate a Development Agreement for the Project with the City. Development agreements are authorized under the California Government Code (Section 65864 et. seq.) and the City of Rialto Municipal Code (RMC Chapter 18.79).

ANALYSIS/DISCUSSION:

Development agreements are voluntary contracts between the municipality and an Owner, which should confer economic benefits to each party. The City mitigates development risk for the Owner in the form of land use entitlement protection, by limiting the applicability of subsequent rule changes and fee increases. For this, the City typically receives consideration in the form of development agreement fees, higher development impact fees, extraordinary public improvements or significant economic development rewards. In this case, the primary benefit is the alleviation of blighting conditions and the higher utilization of a site as a result of the assemblage actions of the Owner. The City will also receive newly constructed public improvements as consideration for the benefits conferred to the Owner. By mitigating risk and uncertainty, the City improves the likelihood of Project construction in uncertain economic times. Development agreements are authorized under the California Government Code (Section 65864 et. seq.) and the City of Rialto Municipal Code (RMC Chapter 18.79).

The City proposes to enter into the Development Agreement to encourage the Owner to develop the Project and construct needed public infrastructure. The Development Agreement shall vest certain entitlements to develop and operate the Project, and ensures that the Project will not be affected by future changes to the development standards applicable to the Site. Additionally, the Development Agreement locks in the development impact fees levied against the Project for a defined period, obligates the City to reimburse or credit the Owner for certain public improvements, and establishes the amount of fair share fees due.

The City Council shall hold a noticed Public Hearing prior to the consideration of a Development Agreement (RMC 18.79.040). Sections 65090-65092 of the Government Code require public noticing as follows:

- Notice will be published in a newspaper of general circulation at least 10 days prior to the Public Hearing;
- Notice will be mailed at least 10 days prior to the Public Hearing to all property owners within 300 feet of the Property;
- Notice will be mailed at least 10 days prior to the Public Hearing to the property owner; and
- Notice will be mailed at least 10 days prior to the Public Hearing to all service agencies expected to serve the Project.

A copy of the public hearing notice is attached hereto as Exhibit C.

ENVIRONMENTAL IMPACT:

On April 12, 2011, the City Council adopted Resolution No. 5965 thereby approving the Environmental Impact Report (EIR) for all entitlements associated with the Project. The EIR adequately described the Project and its potential impacts, as well as the impacts potentially resulting from the approval of the Development Agreement. The proposed approval of the Development Agreement is exempt from the requirements of California Environmental Quality Act (CEQA) because the action is a ministerial act. *Section 21080(b) (1)* of the Public Resource Code and *Section 15268* of the CEQA Guidelines exempt ministerial projects from CEQA review. No further environmental review is required pursuant to CEQA. Staff will prepare and file a Notice of Exemption with the Clerk of the Board of San Bernardino County.

GENERAL PLAN CONSISTENCY:

The Project is consistent with the following goals and policies contained in the City of Rialto 2010 General Plan:

Goal 3-1: Strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate.

Goal 3-3: Attract, expand, and retain commercial and industrial businesses to reduce blighted conditions and encourage job growth.

LEGAL REVIEW:

The City Attorney reviewed and approved the agenda report and public hearing notice.

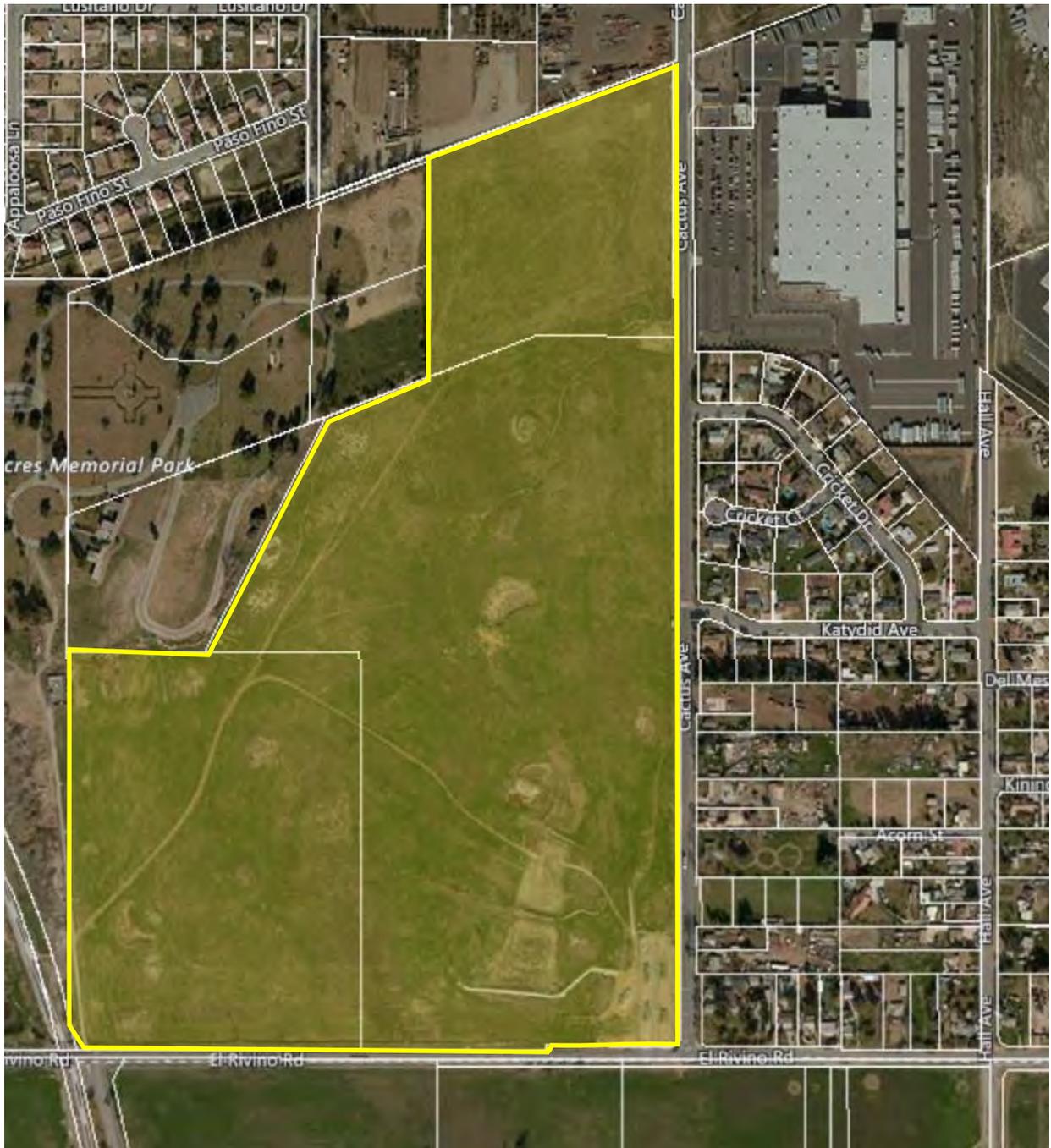
FINANCIAL IMPACT:

All processing and preparation costs related to the Development Agreement will be paid by the Owner. Specific fiscal impacts related to the Project will be provided in the City Council's staff report related to the approval of the Development Agreement.

RECOMMENDATION:

Staff recommends that the City Council set a Public Hearing for December 13, 2016 to consider the first reading of Ordinance No. ____ approving Development Agreement No. 16-03 by and between the City of Rialto and Oakmont El Rivino, LLC.

EXHIBIT A



NOTICE OF PUBLIC HEARING

PROPOSED ORDINANCE APPROVING DEVELOPMENT AGREEMENT (16-03) BY AND BETWEEN THE CITY OF RIALTO AND OAKMONT EL RIVINO, LLC PURSUANT TO GOVERNMENT CODE SECTION 65867.

Notice is hereby given that the City Council (“City Council”) of the City of Rialto (“City”) will hold a public hearing on December 13, 2016 at 6:00 pm in the City Council Chambers at Rialto City Hall (150 South Palm Avenue, Rialto, CA 92376) to consider the first reading of Ordinance No. ____ approving a Development Agreement (16-03) by and between the City of Rialto and Oakmont El Rivino, LLC, a Delaware limited liability company, (“Owner”).

On April 12, 2011, the City Council adopted Resolution 5965 making certain findings and approving an Environmental Impact Report (EIR) related to development of the Rialto Commerce Center, a development project consisting of 3,659,000 square feet of industrial and warehouse distribution buildings and associated improvements on a 160 +/- acre site generally located along Cactus Avenue north of El Rivino Road within the City of Rialto, (collectively, the “Master Development Project”). A portion of the Master Development Project was developed in 2013.

The Owner has proposed to develop 2,471,000 square feet of industrial warehouse buildings and associated improvements on a 121.83 acre site consisting of three parcels of land (APN#’s 0259-181-38, 39 and 40) and 73), which is generally located at the northwest corner of El Rivino Road and Cactus Avenue within the City of Rialto (the “Project”).

On November 30, 2016, the Planning Commission adopted a Resolution making certain findings and recommending that the City Council approve the proposed Development Agreement 16-03 related to the development of the Project. The proposed Development Agreement vests the land use entitlements for the Project, establishes the amount of the development impact fees payable by the Project, provides certain credits and/or reimbursements for public improvements constructed by Owner, and establishes the amount of fair share fees payable by the Project. A copy of the proposed Ordinance and Development Agreement is available for public review in the office of the City Clerk, 290 W. Rialto Avenue, Rialto, CA 92376.

At the public hearing, the City Council will consider all evidence and testimony for and against the proposed Ordinance and Development Agreement. All persons having any objections to the proposed Development Agreement may appear before the City Council to show cause why the proposed Development Agreement should not be approved. At any time not later than the hour set for the hearing, any person(s) may file a written statement of their objections with the City Clerk of the City of Rialto. Public comment will end when the public hearing is closed. Should you wish to challenge any action taken by the City Council on the matter following the public hearing, you may be limited to raising in court only those issues you or someone else raised at the public hearing or in written objections submitted to the City Clerk at or prior to the public hearing.

Any questions regarding the proposed Ordinance or Development Agreement should be addressed to Greg Lantz, Economic Development Manager, City of Rialto, 150 S. Palm Avenue, Rialto, CA 92376, and (909) 820-8016 or glantz@rialtoca.gov.

BARBARA A. MCGEE,

CITY CLERK

Publish Date:

On or before – **December 2, 2016**



Legislation Details (With Text)

File #: 16-793 Version: 1 Name: D.6
 Type: Ordinance Status: Agenda Ready
 File created: 11/14/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Conduct the First Reading of Ordinance No. 1579 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING CHAPTER 15.08 OF THE RIALTO MUNICIPAL CODE TO ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA BUILDING CODES OF THE CALIFORNIA CODE OF REGULATIONS AND OTHER RELATED CODES"; and set a final Public Hearing for December 13, 2016, for adoption of the ordinance.

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance Adopting Building Codes by reference](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb R. Steel, Assistant City Administrator/Director of Dev. Services

Request City Council to Conduct the First Reading of Ordinance No. 1579 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING CHAPTER 15.08 OF THE RIALTO MUNICIPAL CODE TO ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA BUILDING CODES OF THE CALIFORNIA CODE OF REGULATIONS AND OTHER RELATED CODES"; and set a final Public Hearing for December 13, 2016, for adoption of the ordinance.

BACKGROUND:

The State revises the California Building Codes every three years to implement the most recent technology and standards as it relates to building requirements for new and existing structures. These revisions also update the proper methods and procedures for best maintenance and repair practices for existing structures. The State requires that California cities adopt each revision of the California Building Codes every 3 years. In January 2014, the City adopted, with minor amendments, the 2013 Editions of the California Building, Residential, Plumbing, Mechanical, Electrical, Energy and Green Building Codes, as well as the 2012 International Property Maintenance Code.

The 2016 adoption includes revised publications of the California Building, Residential, Referenced Standards, Plumbing, Electrical, Energy and Green Building, Mechanical, Administrative and Fire Codes; along with the 2015 International Property Maintenance Code. The City will apply these code

revisions beginning January 1, 2017.

ANALYSIS/DISCUSSION:

The proposed Ordinance amends Chapter 15.08 (Administrative and General) of Title 15 (Buildings and Construction) of the RMC to allow adoption the 2016 California Building Codes and the 2015 International Property Maintenance Code. This adoption will comply with the state mandate.

Prints of the California Building, Residential, Referenced Standards, Plumbing, Mechanical, Electrical, Energy and Green Building, Administrative and Fire Codes, as well as the 2015 International Property Maintenance Code, will be made available to the public for review at the Development Services and City Clerk Departments.

Government Code sections §§50022.1-50022.10 provides that, when adopting codes by reference, the City must follow this procedure: (1) the title of the adopting Ordinance must include the title of the code to be incorporated at the time the City Council sets a public hearing; (2) notice of the hearing must be published per Government Code section 6066; and (3) After the hearing, the legislative body may amend, adopt, or reject the adopting ordinance, as it does with other ordinances. This action requests that the City Council to conduct the second reading of the proposed ordinance and set the public hearing for December 13, 2016 to consider adoption on third reading.

ENVIRONMENTAL IMPACT:

Pursuant to Section 15378 of California Environmental Quality Act (CEQA), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Approval of a Professional Service Agreement is an administrative function in accordance with the Rialto Municipal Code and is not a project as defined by CEQA.

GENERAL PLAN CONSISTENCY:

The City of Rialto General Plan establishes various guiding principles, goals, and objectives through which the City looks to improve the community and protect the quality of life for our residents.

Guiding Principle No. 1 states: Rialto is a family first community and essential services and amenities must meet the needs and desires of our families.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and proposed Ordinance.

FINANCIAL IMPACT:

Adoption of the 2016 California Building Code series and the 2015 International Property Maintenance Code will not impact the revenue from the issuance of building permits. The actual amount of revenue to the City will depend upon the level of building activity experienced by the City.

RECOMMENDATION:

Staff recommends that City Council Conduct the Second Reading of an Ordinance entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING CHAPTER 15.08 OF THE RIALTO MUNICIPAL CODE TO ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA BUILDING CODES OF THE CALIFORNIA CODE OF REGULATIONS AND OTHER RELATED CODES"; and set a Public Hearing for December 13, 2016

to conduct the third reading and adoption of the ordinance.

1 Building Code" as adopted by the California Building Standards Commission in California
2 Code of Regulations Title 24, Part 2, Volumes 1 and 2, and as amended and/or modified by the
3 provisions of this chapter including Appendix C (Agricultural Buildings), F (Rodent Proofing),
4 G (Flood Resistant Construction), H (Signs), I (Patio Covers) and J (Grading), (hereinafter the
5 "building code"), is adopted by reference; the "2016 California Electrical Code" as adopted by
6 the California Building Standards Commission in California Code of Regulations Title 24, Part
7 3 (hereinafter the "electrical code"); the "2016 California Mechanical Code" as adopted by the
8 California Building Standards Commission in California Code of Regulations Title 24, Part 4
9 (hereinafter the "mechanical code"); the "2016 California Plumbing Code" as adopted by the
10 California Building Standards Commission in California Code of Regulations Title 24, Part 5,
11 including Appendix Chapters A, B, C, D, E, F, G, I, K, and L as amended and/or modified by
12 the provisions of this chapter (hereinafter the "plumbing code"); the mandatory sections only of
13 the "2016 California Green Building Code" as adopted by the California Building Standards
14 Commission in California Code of Regulations Title 24, Part 4 (hereinafter the "Green Building
15 code"); the "2016 California Residential Code" as adopted by the California Building Standards
16 Commission in California Code of Regulations Title 24, Part 2.5 (hereinafter the "residential
17 code"); the "2015 International Property Maintenance Code" including the administration
18 chapter as published by the International Code Council as amended and/or modified by the
19 provisions of this chapter; the supplements to the California Building Codes, published by the
20 International Code Council; all of which are on file in the Building Division of the Department
21 of Development Services, are referred to, adopted by reference, and made a part hereof as if
22 fully set out in this title.

23 **Section 3. Severability and Validity.** If any section, subsection, paragraph or sentence of
24 this Ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid or beyond
25 the authority of the City of Rialto by a court of competent jurisdiction, such decision shall not affect
26 the validity or effectiveness of the remaining portions of this Ordinance.

27 ///

1 **CERTIFICATION**

2 The City Clerk shall certify to the adoption of this ordinance and cause the same to be
3 published once in the local paper and the same shall be in force and effect on and thirty (30) days after
4 its passage and adoption.

5
6 PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

7
8
9
10 _____
11 DEBORAH ROBERTSON, MAYOR
12 CITY OF RIALTO

13
14
15 ATTEST:

16
17 _____
18 Barbara A. McGee, CITY CLERK

19
20
21
22 APPROVED AS TO FORM:

23
24 _____
25 Fred Galante, CITY ATTORNEY



Legislation Details (With Text)

File #: 16-734 Version: 1 Name: D.7
 Type: Ordinance Status: Agenda Ready
 File created: 10/19/2016 In control: City Council
 On agenda: 11/22/2016 Final action:

Title: Request City Council to Conduct the First Reading of Ordinance No. 1580 entitled “ AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, DELETE IN ITS ENTIRETY TITLE 15, CHAPTER 15.28, OF THE RIALTO MUNICIPAL CODE TO ADOPT A NEW TITLE 15, CHAPTER 15.28 AND ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA FIRE CODE, FEES AND PENALTIES, THE CALIFORNIA CODE OF REGULATIONS, TITLE 19 AND 24, AND OTHER RELATED CODES” and set a Public Hearing for December 13, 2016, for adoption of the ordinance.

Sponsors:

Indexes:

Code sections:

Attachments: [2016 Ordinance w findings draft](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Mat Fratus, Fire Department

Request City Council to Conduct the First Reading of Ordinance No. 1580 entitled “ AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, DELETE IN ITS ENTIRETY TITLE 15, CHAPTER 15.28, OF THE RIALTO MUNICIPAL CODE TO ADOPT A NEW TITLE 15, CHAPTER 15.28 AND ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA FIRE CODE, FEES AND PENALTIES, THE CALIFORNIA CODE OF REGULATIONS, TITLE 19 AND 24, AND OTHER RELATED CODES” and set a Public Hearing for December 13, 2016, for adoption of the ordinance.

BACKGROUND:

The California Fire Code is revised every three years to incorporate the latest technology together with the most current building and fire prevention practices. The last change was made in 2014, when the City Council adopted the 2013 California Code series by reference and with minor amendments. The 2016 California Fire Code, has been adopted by the State of California and became state law effective January 1, 2017. Health and Safety Code Section 17958.5 provides for local amendment of these codes provided the local jurisdiction makes express findings pursuant to Health and Safety Code Section 17958.7(a) that such modifications and changes are necessary because of local climatic, geological or topographical conditions.

Rialto Fire Department has participated in a Fire Code Committee with surrounding jurisdictions in considering any local modifications. The attached amendments to the Fire Code represent the product of those meetings. The intent is to have a regional approach to the Fire Code adoption process and similar ordinances.

ANALYSIS/DISCUSSION:

The proposed Ordinance would update sections of Title 15.28 of the Rialto Municipal Code (RMC) that are directly affected by the adoption of the 2016 California Fire Code. The proposed Ordinance contains modifications and amendments to certain sections of the Fire Code recommended by staff to adapt the requirements to the local conditions in the City of Rialto.

The California Health and Safety Code empowers the City to adopt by reference the most current Fire related codes that have been approved, codified and published by the California Building Standards Commission. State law also authorizes the City to make modifications in the standard building and Fire Code requirements as necessary to be adapted for local climatic, geological or topographical conditions. The proposed Ordinance identifies the following local conditions that support the need for modifications in the uniform building and Fire Code standards:

1. The local area receives relatively small amounts of precipitation, and experiences very low humidity levels and extremely high temperatures. These conditions are conducive to the spread of fire.
2. The local area is subject to an extremely strong wind condition, which can exceed wind speeds of 90 miles per hour. Extensive damage often occurs during such winds including downed trees, power lines, utility poles and utility service lines.
3. The above-mentioned adverse conditions cause fires, impairment of emergency apparatus access, delays in emergency response times, and the depletion of apparatus readily available for fire suppression activities.
4. The local area is situated on alluvium sediments, which during seasons of heavy rains provide the potential for heavy flooding in the City.
5. There is one major earthquake fault within the City and four additional faults within the adjacent area. In the event of a severe earthquake, catastrophic damage could occur throughout the City, including extensive damage to buildings, fire, and major damage to the infrastructure that would impair the movement of emergency apparatus and personnel.
6. The local area has experienced growth and development, which has contributed to severe traffic congestion during peak traffic hours. The resulting congestion contributes to the probability of delays in responding emergency personnel and apparatus to fires and other life-threatening situations.

Based on the above referenced climatic, geological and topographical conditions, staff recommends that the City Council adopt the proposed Ordinance to find and determine that the amendments to the 2016 California Fire Code is necessary to protect life and property. Copies of the Fire Codes proposed for adoption are available for public review at the Fire Department Administration Headquarters.

As required for adoption of International Codes by reference, the Council is requested to conduct the First Reading of the proposed Ordinance and schedule for a Public Hearing for December 13, 2016, to adopt the Ordinance on second reading at such time.

ENVIRONMENTAL IMPACT:

The proposed Ordinance and ordinances are categorically exempt from the California Environmental Quality Act (CEQA) requirements as types of ministerial actions under the CEQA guidelines.

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. By definition, a Project does not include: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment according to Section 15378 (b)(4) of CEQA.

GENERAL PLAN CONSISTENCY:

Adopting Fire Code amendments is consistent with the Rialto General Plan. Chapter 5: Safety and Noise as noted in Sections 5-6. Also Section 5-3 states the Goal to: Increase the City's fire protection capabilities and implement fire prevention regulations and standards that minimize potential fire hazards and fire losses.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and Ordinance.

FINANCIAL IMPACT:

The application of the building evaluation data and building permit fee structure in the 2016 California Fire Code will not impact the revenue from the issuance of building permits. The actual amount of revenue to Development Services Fund will depend on the level of building activity experienced by the City.

RECOMMENDATION:

Staff recommends that the City Council conduct the First Reading of Ordinance No. 1580 Amending Chapter 15.28 of the Rialto Municipal Code (RMC) Adoption the 2016 Edition of the California Fire Code and Approving Findings of Local Necessity and set the Public Hearing for December 13, 2016 , to consider its adoption on second reading.

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, DELETE IN ITS ENTIRETY TITLE 15, CHAPTER 15.28, OF THE RIALTO MUNICIPAL CODE TO ADOPT A NEW TITLE 15, CHAPTER 15.28 AND ADOPT BY REFERENCE THE 2016 EDITION OF THE CALIFORNIA FIRE CODE, FEES AND PENALTIES, THE CALIFORNIA CODE OF REGULATIONS, TITLE 19 AND 24, AND OTHER RELATED CODES.

THE CITY COUNCIL OF THE CITY OF RIALTO DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 15.28 of Title 15 of the Rialto Municipal Code is hereby amended to read in its entirety as follows:

Chapter 15.28

FIRE CODE*

Sections:

- 15.28.020** **Definitions**
- 15.28.030** **Enforcement**
- 15.28.040** **Penalties**
- 15.28.050** **Fees**
- 15.28.060** **Validity**
- 15.28.070** **Administrative and General**

15.28.020 Definitions.

- A. Whenever the word “jurisdiction” is used in the California Fire Code, it shall be held to mean the city of Rialto.
- B. Wherever the term “corporation counsel” is used in the California Fire Code, it shall mean the city attorney of the city of Rialto.
- C. Whenever the word “chief” is used, it shall mean the fire chief of the city of Rialto.
- D. Fire Code Official shall mean fire chief, chief, or authorized representative.

15.28.030 Enforcement:

Fire Code Official, Building Official, Code Enforcement Official, City Attorney or authorized representative are authorized to enforce all provisions of this chapter and the referenced technical codes and bulletins. The Fire Code Official shall be the final authority regarding any enforcement action.

15.28.040 Penalty.

Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of a Misdemeanor, punishable by a fine of not more than \$1000.00 or by imprisonment not exceeding 180 days, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

15.28.050 Fees.

Fee schedules for any permits, licenses, inspections, plan check or other related work or services provided by the Fire Department in the application of this Title or Code adopted hereby shall be as established by resolution of the City Council as the same may be amended from time to time. Reasonable fees, not to exceed actual costs, may be collected by the Chief for fire protection planning and fire prevention services included in the Code and in this ordinance.

15.28.060 Validity clause.

If any section, subsection, sentence, clause or phrase of this chapter is, for any reason, held to be unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The City Council hereby declares that it would have adopted this chapter, and each Section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses or phrases be declared unconstitutional.

15.28.070 Administrative and general

1. Chapter 1, Section 103.4 is deleted in its entirety and a new Section 103.4 is hereby added to read as follows:

103.4 Liability. The Chief, board of appeals, and other individuals charged by the Chief with the control or extinguishment of any fire, the enforcement of this code or any other official duties, acting in good faith and without malice in the discharge of their duties, shall not be personally liable for any damage that may accrue to persons or property as a result of any act or omission in the discharge of their duties. Any suit brought against the Chief or such individual because of such act or omission in the discharge of their duties, or omission performed in the enforcement of any provision shall be defended by this jurisdiction until the conclusion of such proceedings, and any judgment resulting there from shall be assumed by this jurisdiction subject to the provisions of Government Code Section 225.

This code shall not be construed to relieve from or lessen the responsibility of any person owning, operating or controlling any building or structure for any damages to persons or property caused by defects, nor shall the code enforcement agency or its parent jurisdiction be held as assuming any such liability by reason of the inspections authorized by this code or any permits or certificates issued under this code.

2. Chapter 1, Section 104.10 is hereby deleted in its entirety and a new Section 104.10 is hereby added to read as follows:

104.10 Investigations. The Fire Code Official, or other responsible authority is authorized to investigate promptly the cause, origin and circumstances of each and every fire occurring in the jurisdiction involving loss of life or injury to person, or destruction, or damage to property, and if it appears to the Investigation Bureau that such fire is of suspicious origin, they are authorized to take immediate charge of all physical evidence relating to the cause of the fire and are authorized to pursue the investigation to its conclusion. Members of the Investigation Bureau shall have the powers of a police officer in performing their duties under this code. The Fire Chief is authorized to investigate the cause, origin and circumstances of unauthorized releases of hazardous materials. The Police Department is authorized to assist the fire department in its investigations when requested to do so. Information that could be related to trade secrets or process shall not be made part of the public record except as directed by a court of law.

3. Section 104.11 is hereby amended to read as follows:

104.11 Authority at fires and other emergencies. The fire chief or officer of the fire department in charge at the scene of a fire or other emergency involving the

protection of life or property or any other emergency involving the protection life or property or any part thereof, shall have the authority to direct such operations as necessary to extinguish or control any fire, perform any rescue operations, investigate the existence of suspected or reported fires, gas leaks, or other hazardous condition or situations, or take any other action necessary in the reasonable performance of duty. In the exercise of such power, the fire chief is authorized to prohibit any person, vehicle, vessel or thing from approaching the scene and is authorized to remove, or cause to be removed or kept away from the scene, any vehicle, vessel or thing which could impede or interfere with the operations of the fire department and, in the judgment of the fire chief , any person not actually and usefully employed in the extinguishing of such fire or in the preservation of property in the vicinity thereof.

Exceptions:

1. Residents and owners of private property within the hazardous fire area and their invitees and guests going to or being upon their lands.
2. Entry, in the course of duty, by peace or police officers, and other duty authorized public officers, members of a fire department and members of the United States Forest Service.

4. Chapter 1, Section 104.12.1 is hereby added to Section 104 and reads as follows:

104.12.1 Cost Recovery. Fire suppression, investigation and rescue or emergency medical cost are recoverable in accordance with Health and Safety Code Sections 13009 and 13009.1.

Any person who negligently or intentionally, or in violation of law, causes an emergency response, including but not limited to, a traffic accident or spill of toxic or flammable fluids or chemicals, is liable for the costs of securing such emergency, including those costs set out in Health and Safety Code Section 13009 et seq. and Government Code Section 53150 et seq. Any expense incurred by the fire department for securing such an emergency situation shall constitute a debt of such person and shall be collectible by the public agency in the same manner as in the case of an obligation under contract, expressed or implied.

5. Chapter 1, Section 105.1.1 is hereby amended to read as follows:

105.1.1 Permits required. Permits required by this code shall be obtained from the fire code official. Permit fees, if any, shall be paid prior to the issuance of the permit. Issued permits shall be kept on the premises designated therein at all times and shall be readily available for inspection by the fire code official. The fire code official is authorized to stipulate conditions for permits related to fire and life

safety. Permits shall not be issued when public safety would be at risk, as determined by the fire code official.

6. Section 105.6.50 is hereby added to Section 105.6 to read as follows:

105.6.50 Battery System. An operational permit is required for a stationary storage battery system as regulated by section 608 of the Fire Code.

7. Section 105.6.51 is hereby added to Section 105.6 to read as follows:

105.6.51 Pallet Yards. An operational permits required to store, manufacture, refurbish or otherwise handle more than 200 cubic ft of plastic or wood pallets on the exterior of any building site, not including modular storage containers.

8. Section 105.6.52 is hereby added to Section 105.6 to read as follows:

105.6.52 Fixed Kitchen Hood and Duct Extinguishing System. An operational permit is required to utilize commercial cooking appliances, as defined in Section 602, with a fixed hood and duct fire extinguishing system.

9. Section 105.6.53 is hereby added to Section 105.6 to read as follows:

105.6.53 Electric vehicle charging station: An operational permit is required for the charging station for electric carts or cars (see chapter 309)

10. Section 105.6.54 is hereby added to Section 105.6 to read as follows:

105.6.54 Bee keeping. Lighted and smoldering material shall not be used in connection with smoking bees in or upon hazardous fire areas except by permit from the Chief.

11. Chapter 1, Section 109.4 is hereby amended to read as follows:

109.4 Violation penalties. Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction document or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of a Misdemeanor Offense, punishable by a fine of not more than \$1000.00, or by imprisonment not exceeding 6 months, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

12. Chapter 1, Section 111.4 Failure to comply is hereby amended to read as follows:

111.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to an administrative citation of \$1000.00 dollars per day per violation. Payment is due 15 calendar days from the date of the citation. For each day beyond the 15 days, other legal actions will result for non compliance.

Title 15, Chapter 15.28, Section 070 Administrative and General is hereby amended to read as follows.

13. Section 202 is hereby amended by amending item 2 of the definition for High Rise Building to read as follows:

2. "High Rise structure" every building of any type of construction or occupancy having floors used for human occupancy located more than 55 feet above the lowest floor level having building access (see California Building Code, Section 403.1.2)

14. Section 304.1.1 is hereby amended to read as follows:

Section 304.1.1 Waste material. Accumulations of wastepaper, wood, hay, straw, weeds, litter or combustible or flammable waste or rubbish of any type shall not be permitted to remain on a roof or in any court, yard, vacant lot, alley, parking lot, open space, or beneath a grandstand, bleacher, pier wharf, manufactured home, recreational vehicle or other similar structure.

Exception: Approved public and private dumping areas.

15. Section 304.1.2 is hereby amended to read as follows:

304.1.2 Vegetation. Weeds, grass, vines or other growth that is capable of being ignited and endangering property, shall be cut down and removed by the owner or occupant of the premises. Vegetation clearance requirements in urban-wildland interface areas shall be in accordance with Chapter 49 of this code. The Chief may give notice to the owner of the property upon which such condition exists to correct such condition. The Chief may cause the same to be done and in accordance with public nuisance abatement procedures, and make the expense of such correction a lien upon the property upon which such condition exists.

16. Section 304.4 is hereby added to Section 304 to read as follows:

Section 304.4 Support Clearance. Persons owning, controlling, operating or maintaining electrical transmission or distribution lines in an hazardous fire areas shall have an approved program in place that identifies poles, or towers with equipment and hardware types that have a history of becoming an ignition source, and provides a combustible free space consisting of a clearing of not less than 10 feet (3048 mm) each direction from the outer circumference of such tower during such periods of time as designated by the Chief.

Exception: Lines used exclusively as telephone, telegraph, messenger call, alarm transmission or other lines classed as communication circuits by a public utility.

18. Section 304.4.1 is hereby added to Section 304 to read as follows:

Section 304.4.1. Trimming clearance. At the time of trimming, clearances not less than those established by Table A-II-A-2 should be provided. The radial clearances shown below are minimum clearances that should be established, at time of trimming, between the vegetation and the energized conductors and associated live parts.

Exception: The Chief is authorized to establish minimum clearances different than those specified in Table A-II-A-2 when evidence substantiating such other clearances is submitted to the Chief and approved.

Table A-II-A-2
Minimum Clearances Between Vegetation and
Electrical Lines at the Time of Trimming

Line Voltage	Minimum Radial Clearance from Conductor (feet) x 304.8 mm
2,400-72,000	4
72,001-110,000	6
110,001-300,000	10
300,001 or more	15

Table A-II-A-2
Minimum Clearances Between Vegetation and
Electrical Lines to be Maintained

Line Voltage	Minimum (inches) x 25.4 mm	Clearance
750-35,000	6	
35,001-60,000	12	
60,001-115,000	19	
115,001-230,000	30 ½	
230,001-500,000	115	

During emergencies, the utility company shall perform the required work to the extent necessary to clear the hazard. An emergency can include situations such as trees falling into power lines, or trees in violation of Table A-II-A-2.

The Chief is authorized to give notice to the owner of the property on which conditions regulated by This Section exist to correct conditions. If the owner fails to correct such conditions, the Chief is authorized to cause the same, and make the expense of such correction a lien on the property where such condition exists.
(climatic)

19. Section 304.5.1 is hereby added to Section 304 to read as follows:

Section 304.5.1 Clearance of brush or vegetative growth from structures. Persons owning, leasing, controlling, operating or maintaining buildings or structures in, upon or adjoining hazardous fire areas, and persons owning, leasing or controlling land adjacent to such buildings or structures, shall at all times maintain an effective firebreak fuel modification area by removing, clearing or modifying away combustible vegetation and other flammable materials from areas within 100 feet from such buildings or structures. (See exception 3 for fire-resistive construction and other features for approval and/or a reduction of the fuel modification area). The fuel modification area may be replanted with either approved irrigated, fire resistant planting material or approved non-irrigated, drought-tolerant, fire-resistant plant material. Replanting of the fuel modification area may be required for erosion control. Fuel modification may be reduced if alternate methods of construction are used and approved by the Chief. Distances specified may be increased by the Chief due to a site-specific analysis based on local conditions and the Fire Protection Plan.

Exceptions:

1. Single specimens of trees, ornamental shrubbery or similar plants used as ground covers, provided that they do not form a means of rapidly transmitting fire from the native growth to any structure.
2. Grass and other vegetation located more than 40 feet from buildings or structures and less than 18 inches (457 mm) in height above the ground

need not be removed where necessary to stabilize the soil and prevent erosion.

3. With the approval of the Chief, the width of the fuel modification area may be reduced where fire-resistive structures or other features are constructed. However, in no case shall the fuel modification area be reduced to less than 40 feet. This exception shall not be construed to allow the Chief to require fire-resistive construction on existing structures with a fuel modification area of less than 100 feet.
4. Remove portions of trees, which extend within 10 feet of the outlet of a chimney.
5. Maintain trees adjacent to, or overhanging a building free of deadwood.
6. Maintain the roof of a structure free of leaves, needles or other dead vegetative growth.
7. Any branch of a tree which extends to the ground shall be trimmed ten feet (10') above ground.

20. Section 304.5.2 is hereby added to Section 304 to read as follows:

304.5.2 Corrective Actions. The Chief is authorized to give notice to the owner of the property upon which conditions regulated by this Section exist to correct such conditions. If the owner fails to correct such conditions, the Chief is authorized to cause the same to be done and make the expense of such correction a lien upon the property where such condition exists.

21. Section 304.6.1 is hereby added to Section 304 to read as follows:

304.6.1 Clearance at Existing Roadways. The area within 10 feet of each side of the improved width of highways and private roads shall comply with the requirements of a fuel modification area. The Chief is authorized to enter upon private property to insure the fuel modification area requirements are met.

Exception: Single specimens of trees, ornamental shrubbery or Cultivated ground cover such as green grass, ivy, succulents or similar plants used as ground covers, provided that they do not form a means of readily transmitting fire.

22. Section 304.6.2 is hereby added to Section 304 to read as follows:

304.6.2 Clearance for New Roadways. The area on each side of the improved width of highways, private roads and driveways shall comply with the requirements of the fuel modification area. The minimum dimensions of the fuel modification area shall be as required by Table 304.6.

TABLE 304.6

Improvement Width Feet ¹	Fuel Modification Area Distance from Each Side of the Roadway ²
16 or less	20 feet
24	16 feet
28	12 feet
32	10 feet

Exceptions:

- 1: Upon approval by the Chief, the Roadway Fuel Modification areas may be reduced provided it does not impair access.
- 2: Single specimens of trees, ornamental shrubbery or cultivated around cover such as green grass, ivy succulents or similar plants used as ground covers, provided that they do not form a means of readily transmittance fire.

23. Section 304.6.3 is hereby added to Section 304 to read as follows:

304.6.3 Corrective Actions. The Chief is authorized to give notice to the owner of the property upon which conditions regulated by this code exist to correct such conditions. If the owner fails to correct such conditions, the Chief is authorized to cause the same to be done and make the expense of such correction a lien upon the property where such condition exists.

24. Section 304.7.1 is hereby added to Section 304 to read as follows:

304.7.1 Unusual Circumstances. If the Chief determines that difficult terrain, danger of erosion or other unusual circumstances make strict compliance with the clearance of vegetation provisions of Section 304 undesirable or impractical, enforcement thereof may be suspended and reasonable alternative measures shall be provided.

25. Section 307.2.1 is hereby amended to read as follows:

307.2.1 Authorization. Where required by state or local law or regulations, open burning shall only be permitted with prior approval from the state or local air and water quality management authority, provided that all conditions specified in the authorization are followed.

Exception: Outdoor fires within habited premises or designated campsites where such fires are built in a permanent barbecue, portable barbecue, outdoor fireplace, incinerator or grill and are a minimum of 30 feet (9144mm) from a grass, grain, brush, or forest-covered area. Permits shall incorporate such terms and conditions, which will reasonably safeguard public safety and property. Outdoor fires shall not be built, ignited or maintained in or upon hazardous fire areas under the following conditions:

1. When high winds are blowing or,
2. When a person age 18 or over is not present at all times to watch and tend such fire, or
3. When public announcement is made that open burning is prohibited. Permanent barbeques, portable barbecues, outdoor fireplaces or grills shall not be used for the disposal of rubbish, trash or combustible waste material.

28. Section 316.7 is hereby added to Section 316 to read as follows:

316.7 Blocked exterior doors. Any blocked exterior doors shall have signage stating the door is not accessible entry to firefighters. Lettering shall be in accordance with 505.1

26. Section 319 is hereby added to Chapter 3 to read as follows:

Section 319

FIRE HAZARDS AND DANGEROUS CONDITIONS

27. Section 319.1 is hereby added to Section 319 to read as follows:

319.1 Fire hazards and dangerous conditions, Those buildings which constitute a specific fire hazard, or where other dangerous conditions are present, such as the storage or use of flammables/combustibles, the Fire Chief can order this to be abated or remedied.

29. Section 503.2.1 is hereby amended to read as follows:

503.2.1 Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than 26 feet (7924 mm) and an unobstructed vertical clearance of not less then 14 feet, 6 inches (4115mm).

- 30. Section 503.2.3 is hereby deleted in its entirety and a new Section 503.2.3 is added to read as follows:**

503.2.3 Surface. An all-weather driving surface is an approved concrete or asphalt covering of sufficient thickness to support the imposed loads of a fire apparatus. Where road grades do not exceed 8%, the Chief may approve roads compacted of approved native materials or gravel when compacted to 85%. Fire apparatus access roads shall be designed and maintained to support the imposed loads of fire apparatus heaviest equipment and shall be provided with a surface so as to provide all weather driving capabilities. Turf Bloc, Ritter Rings, Turf Paver and other similar products shall not be used for fire department access surfacing.

- 31. Section 503.2.7 is hereby amended to read as follows:**

503.2.7 Grade. The grade of the fire apparatus access road shall be within the limits established by the fire code official based on the fire department's heaviest apparatus. Road grades shall not exceed 12% unless approved by the chief.

- 32. Section 503.4 is hereby amended to read as follows:**

503.4 Obstruction of fire access roads and fire breaks. Motorcycles, motor scooters and motor vehicles shall not be driven or parked upon, and trespassing is prohibited upon, fire roads or firebreaks beyond the point where travel is restricted by a cable, gate or sign, without the permission of the property owner. Vehicles shall not be parked in a manner, which obstructs the entrance to a fire road or firebreak. Radio and television aerials, guy wires thereto, and other obstructions shall not be installed or maintained on fire roads or firebreaks, unless located 16 feet (4877 mm) or more above such fire road or firebreak. Any obstruction or impediment to reasonable access may be removed by any public safety agency with the expense of such removal to be borne by the owner of the roadway, or in the case of an obstructing vehicle or object, by the owner of said vehicle or object.

Exception: Public officers acting within their scope of duty.

- 33. Section 503.7 is hereby added to section 503 to read as follows:**

503.7 Traffic calming devices. Traffic calming devices shall require fire department approval prior to installation.

34. Section 505.1 is hereby deleted in its entirety and a new Section 505.1 is added to read as follows:

505.1 Premises identification. Approved numbers or addresses shall be placed on all new and existing buildings, to include all, multiple unit residential, mobile home parks, and alley facing side of garages and carports in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background. New dwelling addresses shall be posted with a minimum of four (4)-inch numbers, visible from the street, and during the hours of darkness, the numbers shall be internally illuminated. Posted numbers shall contrast with their background and be legible from the street. Where building setbacks exceeding 100 feet from the roadway, additional contrasting four (4)-inch numbers, shall be displayed at the property entrance. Commercial and industrial developments of 50,000 sq. ft or less shall have the street address posted on the building with a minimum six (6) inch in height by three quarter (3/4) inch stroke numbers.

All new and existing multi-family complexes with two or more buildings, shall post each building with a minimum of eight inch (8") numbers with a minimum one-half inch (1/2") stroke visible from the public way and driveways within the complex. Posted numbers shall contrast with their backgrounds. Multi-family building with individual addresses for each unit shall post the lowest and highest address numbers separated by a dash. Individual units shall have the unit number or individual address posted on or immediately adjacent to the front door with a minimum four inch (4") number. Posted numbers shall contrast with their background and be readily visible from the walkway passing the unit.

Commercial and industrial developments in excess of 50,000 sq. ft. shall have the street address posted on the building with a minimum twelve (12) inches in height by one and one half (1 ½) inch stroke numbers and shall be visible from the street and in the hours of darkness shall be electrically illuminated. Where the building setback exceeds 200 feet from the roadway, additional non-illuminated contrasting six (6)-inch numbers shall be displayed at the property entrance. Commercial and industrial developments shall display the address/suite number or letter on their doors of each unit. Numbers or letters shall be a minimum of six (6) inches. Posted numbers shall contrast with their background.

35. Section 507.1 is hereby amended to read as follows:

507.1 Type of water supply. Water supply is allowed to consist of elevated reservoirs, pressure tanks, elevated tanks, water mains or other fixed systems capable of providing the required fire flow. In setting the requirements for fire flow, the Chief shall be guided by Appendix B . In areas without service water companies, National Fire Protection Association Pamphlet 1142 shall be used to

establish on-site storage capacities, with a minimum storage capacity of 5,000 gallons, or buildings in excess of 500 square feet may be provided with an approved NFPA 13, 13D or 13R sprinkler system. Site water storage for occupancies other than Group R Division 3 (single-family) may be reduced to an approved 30 minute sprinkler demand. For Group R, Division 3 occupancies the sprinkler demand may be reduced to a 10 minute demand. These flows and duration do not consider the needs required to provide domestic water. All sprinkler systems shall be suitably freeze-protected for climatic conditions.

36. Section 507.2.1 is hereby amended to read as follows:

507.2.1 Private fire service mains. Private fire service mains and appurtenances shall be installed in accordance with NFPA 24. A continuous, minimum 12 gage, non-insulated locator wire shall be taped to the top side of all underground fire system main service pipe.

37. Section 507.5.1 is hereby amended to read as follows:

507.5.1 Where required. Where a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 150 feet (46m) from a hydrant on a fire apparatus access road, as measured by an approved route around the exterior of the facility or building on-site fire hydrants and mains shall be provided where required by the fire code official.

Exceptions:

1. For Group R-3 and Group U occupancies, the distance requirements shall be 150 feet (46m).
2. For buildings equipped throughout with an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2, the distance requirements shall be 150 feet (46m).

49. Section 509.3 is hereby added to Section 509 to read as follows:

509.3 Main control rooms. When automatic fire sprinkler systems or fire alarm systems are installed in buildings constructed for multiple tenants and the systems protect multiple tenant spaces, the main controls and control appurtenances, such as risers, fire alarm control panels, and valves for such systems shall be located in

an attached or interior room, or an approved weather resistant enclosure with at least one exterior access door or not less than 3'-0" by 6'-8".

40. Section 606.10.1.2 is hereby amended to read as follows:

606.10.1.2 Manual operation. When required by the fire code official, automatic crossover valves shall be capable of manual operation. The manual operation device shall be installed in a secured metal box in an approved location outside the machinery room.

41. Section 903.1.2 is hereby added to Section 903 to read as follows:

903.1.2 Group R, Division 1 Additions, remodels, alterations or relocations. An automatic sprinkler system shall be installed in all Group R, Division 1 occupancies hereafter constructed, erected or moved onto a property, regardless of fire walls as outlined in Chapter 5 of the California Building Code, and in all Group R, Division 1 occupancies hereafter remodeled, rebuilt or renovated where such area increase exceeds fifty percent (50%) of the original square footage as determined by the San Bernardino County Tax Assessor. Automatic sprinkler system installations shall be in accordance with NFPA Standard No. 13. (Exception: Group R, Division 1 occupancies, less than three (3) stories may have such systems installed in accordance with NFPA Standard No. 13R.

42. Section 903.1.3 is hereby added to Section 903 to read as follows:

903.1.3 Unique circumstances. The Chief may require an approved automatic fire sprinkler system for dwellings due to insufficient driveway access, lack of fire hydrant access or inadequate fire flow.

43. Section 903.2 is hereby amended to read as follows:

903.2 Where required. Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in this section. Unless required to be provided with an automatic fire sprinkler system at less than 5,000 square feet by other sections of this code all new buildings with a total floor area of 5,000 square feet or greater shall be provide with an automatic fire sprinkler system. Fire walls or barriers shall not be used for the purpose of creating separate fire areas or separate buildings of less than 5,000 square feet.

Areas of existing structures in excess of 5,000, square feet, or any group R, which are hereafter remodeled, reconstructed, relocated or renovated, or where additions exceed fifty percent (50%) of the original square footage, or where the

additions plus the original building square footage exceeds 5,000 square feet shall have an approved automatic fire sprinkler system installed throughout the building. For purposes of determining compliance with this section all projects for which a construction permit is issued within 24 months of the issuance date of the first permit shall be considered one project and will require compliance with the automatic sprinkler system installation.

44. Section 903.2.1.1, item 1 is hereby amended to read as follows:

1. The fire area exceeds 5,000 square feet (465 m²).

45. Section 903.2.1.3, item 1 is hereby amended to read as follows:

1. The fire area exceeds 5,000 square feet 465 m²).

46. Section 903.2.1.4, item 1 is hereby amended to read as follows:

1. The fire area exceeds 5,000 square feet (465 m

47. Section 903.2.3, item 1 is hereby amended to read as follows:

1. Throughout all Group E areas greater than 5,000 square feet (465 m²) in area.

48. Section 903.2.4, items 1 and 3 are hereby amended to read as follows:

1. Where a Group F-1 fire area exceeds 5,000 square feet (465 m²).
3. Where the combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeds 5,000 square feet (465 m²).

49. Section 903.2.7, items 1 and 3 are hereby amended to read as follows:

1. Where a Group M fire area exceeds 5,000 square feet (465 m²).
2. Where the combined area of all Group M fire areas on all floors, including any mezzanines, exceeds 5,000 square feet (465 m²).

Exception: Upon approval of the Fire Chief, a group M occupancy classified as a motor fuel dispensing facility that is an independent, non-combustible structure and open on all four sides, will require sprinklers if the building square footage exceeds 12,000 square feet.

50. Section 903.2.8 is hereby amended to read as follows:

1. **903.2.8 Group R.** An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R-3 including attached garages.

51. Section 903.2.9, items 1 and 3 are hereby amended to read as follows:

1. Where a Group S-1 fire area exceeds 5,000 square feet (465 m²).
3. The combined area of all Group S-1 fire areas on all floors, including any mezzanines, 5,000 square feet (465m²).

52. Section 903.2.9.1, exceptions 1 and 2 are hereby amended to read as follows:

1. Buildings two or more stories in height, including basements, with a fire area containing a repair garage exceeding 5,000 square feet (465 m²).
2. One-story buildings with a fire area containing a repair garage exceeding 5,000 square feet (465 m²).

54. Section 903.3.7 is hereby amended to read as follows:

903.3.7 Fire department connection. The location of the fire department connections shall be approved by the fire code official. All fire department connections shall be of two and a half inches (2 ½") and connected to the underground supply and/ or sprinkler riser with a minimum pipe of four inches (4").

55. Section 903.4, exception 3 is hereby deleted in its entirety.

3. Automatic sprinkler systems installed in accordance with NFPA 13R where a common supply main is used to supply both domestic water and the automatic sprinkler system, and a separate shutoff valve for the automatic sprinkler system is not provided

56. Section 905.4, exception 7 is hereby added to read as follows:

905.4 Exception #7. When required by other provisions of this code, 2.5 inch valved hose connection, meeting the requirements of this section, shall be located at every other exterior fire department access door and arranged so that

every portion of the building and its contents can be reached with 150 feet of hose and stream. Doors must be accessible without the use of a ladder.

57. Section 907.4.1 exception 2 is hereby deleted in its entirety.

2. In occupancies not required to be equipped with a fire alarm system, actuation of a smoke detector shall activate a visual and an audible signal in an approved location. Smoke detector trouble conditions shall activate a visible or audible signal in an approved location and shall be identified as air duct detector trouble.

58. Section 907.9.6 is hereby added to Section 907 to read as follows:

907.9.6 Special Alarm requirement. A horn strobe unit complying with the requirements of Sections 907.10.2 and 907.10.2 shall be provided at every exterior personnel-door adjacent to a fire sprinkler riser.

60. Section 2810 is hereby added to Chapter 28 to read as follows:

2810.1 Pallet Yards. Pallet storage, handling, repair or manufacturing exceeding 100 units shall comply with the requirements of this article. Pallets must be stored in an orderly manner not to exceed 16 feet (5m) in height, 20 feet (6m) in width, and 70 (21m) feet in length. Pile separation shall be a minimum of 20 (6m) feet and no closer than 26 (8m) feet to property lines or exposures.

Fire department access roadways shall be no less than 26 feet (8m) in width with a vertical clearance of 14 feet 6 inches (5m). All fire department roadways shall be maintained within 150 feet (46m) of all pallet storage and structures. For permits, see Appendix Chapter 1, Section 105.6.46.

61. Section 2810.2.1 is hereby added to Section 2810.2 to read as follows:

2810.2.1 Outdoor storage. Outdoor storage. Idle pallets stored outside shall be stored in accordance with Tables 2810.2.1 and 2810.2.2 and Section 2810.2. Outdoor pile dimensions. Idle pallet stacks shall not exceed 16 (5m) feet in height nor shall cover an area greater than 500 square feet. Pallet stacks shall be arranged to form stable piles. Piles shall be separated by a minimum of 8 ft (m). Piles shall be a minimum of 10 feet (3m) from property lines.

Table 2810.2.1

Required Clearance Between Outside Idle Pallet Storage and Other Yard Storage	
Pile Size	Minimum Distance (ft)
Under 50 pallets	20
50-200 pallets	30
Over 200 pallets	50

Table 2810.2.2

Required Clearance Between Outside Idle Pallet Storage and Structures			
Wall Construction	Minimum Distance of Wall from Storage (ft)		
	Under 50 Pallets	50 to 200 Pallets	Over 200 Pallets
Masonry with no openings	0	0	15
Masonry with wired glass in openings, outside sprinklers, and 1-hour doors	0	10	20
Masonry with wired or plain glass, outside sprinklers, and ¾-hour doors	10	20	30
Wood or metal with outside sprinklers	10	20	30
Wood, metal, other	20	30	50

* Based on NFPA Standard 1 (climatic)

62. Section 2810.3 is hereby added to Section 2810 to read as follows:

2810.3 Indoor storage. Idle pallet storage in a building used for other storage or other purpose shall be in accordance with Chapter 32.

63. Section 3206.8.1 is hereby added to Section 3206.8 to read as follows:

3206.8.1 Hose valves. Provide 2-1/2" hose valves supplied from the adjacent sprinkler system at every other personnel door or every portion of the building that cannot be reached with 150 foot of hose.

69. Section 5001.3.3.1 is hereby amended to read as follows:

5001.3.3.1 Properties of hazardous materials. The physical and health-hazard properties of hazardous materials on site shall be known and shall be made readily available to employees, neighbors and the fire code official. When required by the Chief to determine compliance with Section 5001.2 a listing of the chemical name, common or trade name, hazard classifications and quantities of hazardous materials in use and storage shall be provided.

70. Section 5003.9.3 is hereby amended to read as follows:

5003.9.3 Protection from vehicles. Guard posts or other approved means shall be provided to protect storage tanks and connected piping, valves and fittings; dispensing areas; and use areas subject to vehicular damage in accordance with 312. When guard posts are installed, the posts shall be:

1. Constructed of steel not less than 6 inches in diameter and concrete filled.
2. Spaced not more than 4 feet between posts on center.
3. Set not less than 3 feet deep in a concrete footing of not less than a 15-inch diameter.
4. Set with the top of the posts not less than 3 feet above the ground; and
5. Located not less than 5 feet from the tank.

71. Section 5304.1.1 is hereby added to Section 5304.1 to read as follows:

5304.1.1 Storage limitations. The aggregate capacity of any one installation for the bulk storage of compressed natural gases is prohibited in heavily populated or congested commercial, residential areas and shall not exceed 183,000 cubic feet (one hundred eighty-three thousand cubic feet) when in the opinion of the chief, the location of bulk storage of compressed natural gases would create an unacceptable threat to the occupants and property owners.

87. Section 5608.1.2 is hereby added to Section 5608 to read as follows:

5608.1.2 Retail Fireworks. The storage, use, sale, possession, and handling of fireworks 1.4G (commonly referred to as Safe & Sane) and fireworks 1.3G is prohibited. Except for item covered by Section 5.20 of Rialto Municipal Code.

Exception: Fireworks 1.4G and fireworks 1.3G may be part of an electrically fired public display when permitted and conducted by a licensed pyrotechnic operator.

89. Section 5701.1 is hereby amended to read as follows:

5701.1 General. The storage of flammable and combustible liquids in containers and tanks shall be in accordance with this section and the applicable sections of Chapter 50 and this chapter. The storage of flammable and combustible liquids in outside aboveground unprotected tanks and below grade vaulted tanks are prohibited in all commercial occupancy areas, developed residential areas and other areas where the Fire Chief having jurisdiction determines that the installation of flammable and combustible aboveground storage tanks or below grade vaulted tanks will create a hazard to occupants and property owners in the area. Deviation from these requirements may be allowed only upon specific written findings by the chief that such deviation will not be potentially injurious to the public health, safety and welfare due to the mitigation measures incorporated with the approval.

92. Section 6104.3 is hereby amended to read as follows:

6104.3 Container Location. LP- gas containers shall be located with respect to buildings, public ways and lot lines of adjoining property, which can be built on, in accordance with Table 6104.3.

Exception: With the approval of the Chief, containers may be located a lesser distance to buildings having not less than one hour fire-resistive construction in accordance with the Building Code, provided the distances applied to openings in buildings are maintained and the relief valves will not discharge in the direction of a means of egress or against the building. Containers shall also be located with respect to special hazards such as above ground flammable or combustible liquid tanks, oxygen or gaseous hydrogen containers, flooding or electric power lines as specified Chapter 50.

93. Section 6104.4 is hereby amended to read as follows:

6104.4 Multiple LP- gas container installation. Multiple LP- gas container installations with a total water storage capacity of more than 180,000 gallons (681 300 L) [150,000-gallon (567 750 L) LP-gas capacity shall be subdivided into groups containing not more than 180,000 gallons (637,300 L) in each group. Such groups shall be separated by a distance of not less than 50 feet (15 240 mm), unless the containers are protected in accordance with one of the following:

1. Mounded in an approved manner.
2. Protected with approved insulation on areas that are subject to impingement of ignited gas from pipelines or other leakage.
3. Protected by 4 hour fire barrier of approved construction.
4. Protected by an approved system for application of water as specified in NFPA 58, Table 6.4.2.
5. Protected by other approved means.

Where one of these forms of protection is provided, the separation shall not be less than 25 feet (7620 mm) between container groups.

94. Appendix Chapter B, Section B105.2, Exception is hereby amended to read as follows:

Exception: A reduction in required fire flow of up to 50 percent, as approved by the Chief, is allowed when the building is provided with an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2. The resulting fire-flow shall not be less than 1500 gallons per minute (5678L/min.) for the prescribed duration as specified in Table B105.1.

95. Appendix, Chapter D, Section D102.1.1 is hereby added to Section D102.1 to read as follows:

D102.1.1 Roadways on projects with prior approvals. When fire apparatus access to a new discretionary project is over a roadway, which has previously been described in a subdivision map, parcel map, improvement plan or other similar document, the following minimum road widths shall apply:

1. If the roadway serves one or more single-family dwelling, the roadway shall be a minimum of 26 feet (8m) in width.
2. If the existing road easement is 20 feet (6m) or less in width the roadway easement width shall be increased to 26 feet (8m) minimum.

96. Appendix Chapter D, Figure D103.1 is hereby amended to read as follows:

Figure D103.1 120' HAMMERHEAD and 60° "Y". The dimension for each leg of the 120' HAMMERHEAD and 60° "Y" shall be 70'.

97. Appendix Chapter D, Section D103.2 is hereby amended to read as follows:

D103.2 Grade. Fire apparatus access roads shall not exceed 12 percent in grade.

98. Appendix Chapter D, Section 103.5 item 1 is hereby amended to read as follows:

1. The minimum gate width shall be 26 feet (7925mm.).

99. Appendix Chapter D, Section D105.4 is hereby added to Section D105 to read as follows:

D105.4 Obstructions. Trees, signs, poles and similar obstructions shall not be placed near buildings so as to interfere with the operation of an aerial device on an aerial fire apparatus.

100. Appendix Chapter D, Section D107.1 is hereby amended to read as follows:

D107.1 One- or two-family dwelling residential developments. Developments of one- or two-family dwellings where the number of dwelling units exceeds 25 shall be provided with separate and approved fire access roads and shall meet the requirements of section D104.3. When the number of units exceeds 25, access roads shall be provided as follows:

- 25 to 50 units - 2 access points
- 51 to 100 units - 3 access points
- 101 to 175 units - 4 access points
- 176 to 275 units - 5 access points
- 276 to 375 units - 6 access points

Exception: Where there are more than 25 dwelling units on a single public or private fire apparatus access road and all dwelling units are equipped

throughout with an approved automatic sprinkler system in accordance with Section 903.3.1.1, 903.3.1.2 or 903.3.1.3, access from two directions shall not be required.



Legislation Details (With Text)

File #: 16-773 Version: 1 Name: E.1
 Type: Resolution Status: Agenda Ready
 File created: 11/2/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Approve an Increase to Purchase Order 2016-1495 with E CAM SECURE by \$18,506 for total of \$48,624 for Security Camera Services at 1479 N. Linden Avenue.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb Steel, Assistant City Administrator/Development Services Director

Request City Council to Approve an Increase to Purchase Order 2016-1495 with E CAM SECURE by \$18,506 for total of \$48,624 for Security Camera Services at 1479 N. Linden Avenue.

BACKGROUND:

In 2014, the City closed the former Rialto Airport and commenced relocation of the existing tenants. J.D. Yancey Enterprises (“Tenant”) continues to lease 1479 N. Linden Avenue (“Premises”) at the Former Airport.

Staff and the Tenant are negotiating a settlement agreement to relocate the business to the Chino Airport. The relocation improves two replacement hangers at the Chino Airport and transports the Tenant’s equipment and supplies. The County of San Bernardino approved a lease agreement and construction plans, and the City of Chino is now reviewing the construction plans. Staff anticipates that the City and Tenant will execute a settlement agreement by early 2017 with relocation to the Chino Airport in mid-2017.

ANALYSIS/DISCUSSION:

In mid-2015, the Tenant complained about increased incidences of crime because of the closure of the Airport and relocation of the neighboring tenants. The Tenant requested additional security services. The City improved lighting and fencing and requested additional police patrols. The Tenant continued to complain and the City agreed to reduce Tenant’s rent so that the Tenant could arrange to secure the Premises pending relocation. This arrangement remained in effect until January 1, 2016, when Tenant notified City that it would not execute a release of liability that the City

required as a condition of the arrangement.

In February 2016, the City retained E CAM SECURE to provide video monitoring services in an effort to reduce the complaints related to poor security services. E CAM SECURE charged \$3,575.83 as an initial fee for installation and \$2,643.60 for each month thereafter.

The City initiated services under a Purchase Order not to exceed \$15,000. On June 28, 2016, the City Council approved increasing Purchase Order #2016-1495 with E CAM SECURE by \$15,120 for total of \$30,119.

The City Council authorized funding covers services through December 2016. If the parties approve a settlement agreement, security camera services are required thru July 31, 2017. The total ten-month cost is \$18,506 (at \$2,643.60 per month). The complaints regarding security have ceased since the City engaged E CAM Secure.

Due to security reasons to protect the tenant and to comply with relocation laws, the City retained E CAM Secure without the bidding threshold pursuant to Rialto Municipal Code Section 2.48.370 C.

ENVIRONMENTAL IMPACT:

Pursuant to Section 15378 of the California Environmental Quality Act, a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A Project does not include the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.

GENERAL PLAN CONSISTENCY:

The proposed action is consistent with the following Guiding Principle of the General Plan:

"Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business."

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

The City issued a Purchase Order #2016-1495 to E CAM SECURE for \$30,119. Expanding services thru July 31, 2017, requires increasing the Purchase Order by \$18,506 for a total of \$48,624. Sufficient funds to cover the \$18,506 exist in Capital Projects Fund Airport Escrow Program Account No. 300-500-4267-2011.

LICENSING

A Business License application and payment of a Business License tax at the Professional Service rate in the amount of \$79 will be paid by the vendor prior to execution of the Purchase Order Change.

RECOMMENDATION:

Staff recommends that the City Council approve the Increase to Purchase Order #2016-1495 with E CAM SECURE by \$18,506 for total of \$48,624 for security camera services.



Legislation Details (With Text)

File #: 16-776 Version: 1 Name: E.2
 Type: Resolution Status: Agenda Ready
 File created: 11/3/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council, Acting as the Rialto Successor Agency to Adopt Resolution No. SA8-16 Approving Amendment #2 to the Purchase and Sale Agreement by and between the Rialto Successor Agency and Fountainhead Shrugged LLC for (APN# 0127-041-45) to extend the Contingency Period.

Sponsors:

Indexes:

Code sections:

- Attachments: [Exhibit A - Site Maps](#)
[Exhibit B - Agreement](#)
[Exhibit C - PSA Amendment #1](#)
[Exhibit D - Resolution](#)
[Exhibit F - PSA Amendment #2](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting and the City of Rialto, Acting as the Successor to the Redevelopment Agency [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb Steel, Assistant CA/Development Services Director

Request City Council, Acting as the Rialto Successor Agency to Adopt Resolution No. SA8-16 Approving Amendment #2 to the Purchase and Sale Agreement by and between the Rialto Successor Agency and Fountainhead Shrugged LLC for (APN# 0127-041-45) to extend the Contingency Period.

BACKGROUND:

On November 10, 2015, the City Council, acting for the Successor Agency to the City of Rialto (“Successor Agency”) approved a Purchase and Sale Agreement and Joint Escrow Instructions (“Agreement”) between the Successor Agency and Fountainhead Shrugged, LLC (“Buyer”). The Agreement allows the Buyer to purchase a Successor Agency parcel (“Agency Parcel”) at the southeast corner of Easton Street and Riverside Avenue (APN# 0127-041-45) for \$480,000 to develop a Coffee Bean and Tea Leaf restaurant. The Oversight Board approved the Agreement and the California Department of Finance had no objections. The parcel map is attached as Exhibit A and the Agreement is attached as Exhibit B .

On July 12, 2016, the City Council approved Amendment #1 to the Agreement to extend the

Contingency Period to October 31, 2016 and establish a contingency up to \$25,000 to cover costs for completion of additional soil vapor testing and/or remediation of the contamination on the Agency parcel. The Oversight Board approved and the California Department of Finance (DOF) had no objections to the amendment, attached hereto as Exhibit C.

ANALYSIS/DISCUSSION:

The Buyer is diligently completing the entitlement process to obtain the required City permits. On August 31, 2016, the Planning Commission approved a Conditional Development Permit for the project.

The City required preparation of a traffic study because of deficient conditions at the Riverside/Easton intersection. The Buyer submitted a traffic study to the Public Works Department for staff review. On October 5, 2016, the Transportation Commission referred the traffic study back to staff for additional work. The Buyer is currently updating the traffic study for Transportation Commission consideration on December 7, 2016.

In order to complete the traffic study process, the Buyer requests an extension of the Contingency Period to February 28, 2017. The Agreement requires escrow to close 60 days after the Contingency Period ends - on April 28, 2017. Staff prepared Amendment #2 to the Agreement to extend the Contingency Period. The Resolution proposed with this action further authorizes the Mayor/Chair to extend the Contingency Period for an additional ninety (90) calendar days if staff recommends such extension.

ENVIRONMENTAL IMPACT:

The action to amend the Purchase and Sale Agreement is an administrative activity of the City Council and is not defined as a Project under the California Environmental Quality Act (CEQA) Pursuant to Section 15378 of CEQA. A 'Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. The City posted a Notice of Exemption from CEQA with the County Recorder.

GENERAL PLAN CONSISTENCY

The City of Rialto has identified several goals and objectives within the City's recently adopted General Plan through which the City looks to improve the community.

Goal 3-1: Strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate.

Goal 3-3: Attract, expand, and retain commercial and industrial businesses to reduce blighted conditions and encourage job growth.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report, and Amendment #2 to the Purchase and Sale Agreement, and the Resolution.

FINANCIAL IMPACT:

All taxing entities will share in the land sales proceeds based upon their respective share of the general levy property tax. The Successor Agency will transmit the net sale proceeds of \$450,000 to

the County Auditor/Controller's Office for disbursement to the various taxing agencies with the regular property tax payments.

RECOMMENDATION:

Staff recommends that the City Council Adopt a Resolution (Exhibit D) to Approve Amendment #2 (Exhibit E) to the Purchase and Sale Agreement and Joint Escrow Instructions by and between the Rialto Successor Agency and Fountainhead Shrugged, LLC to extend the Contingency Period to February 28, 2017 related to the sale of Successor Agency parcel (APN# 0127-041-45).

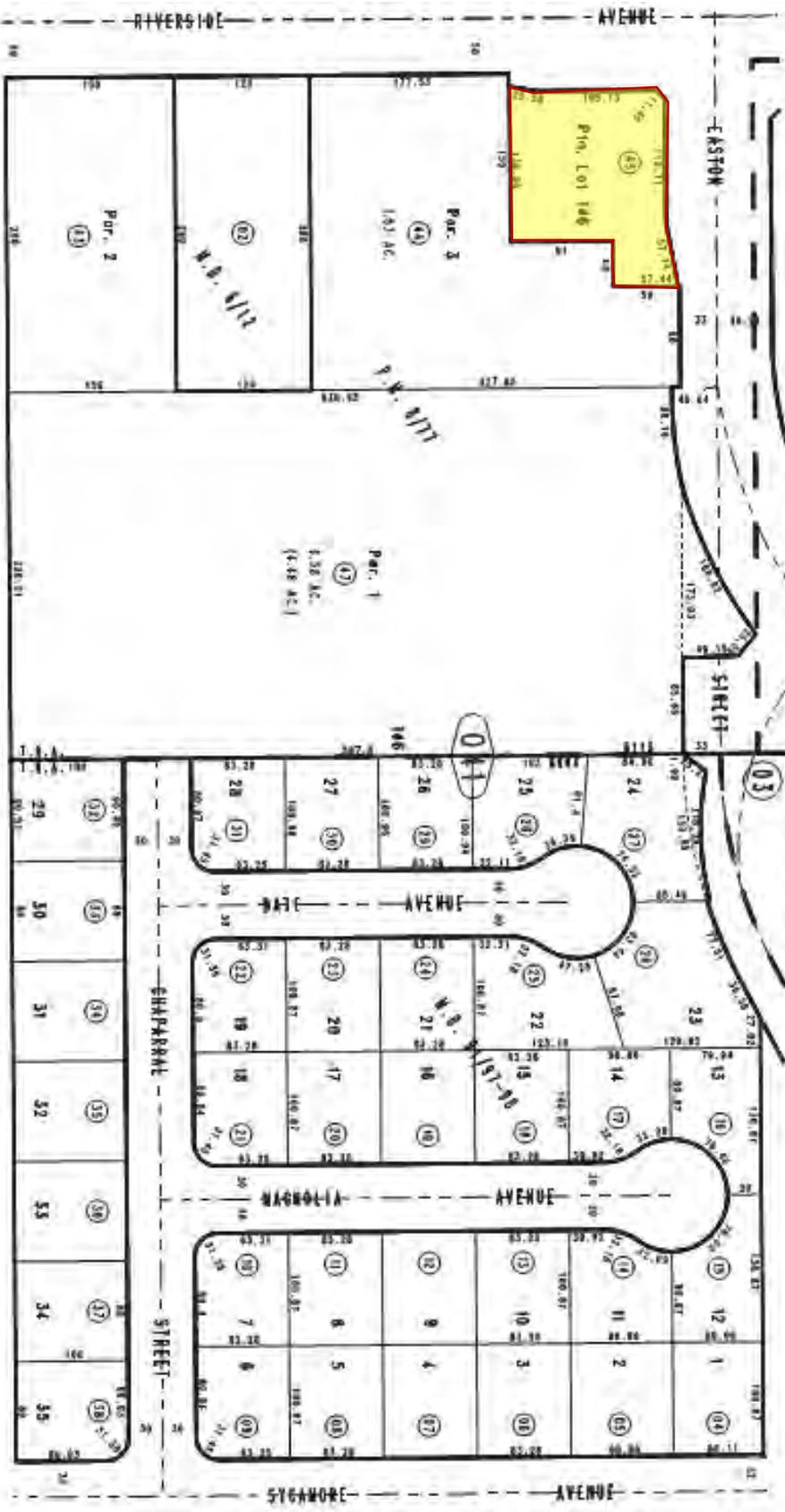
EXHIBIT A

SEE
PAGE 1

Ptn. Semi-Tropic Land & Water Co. Sub.
M.B. 6/12

City of Rio Hato
Tax Rate Area
6003.6113

0127 - 04



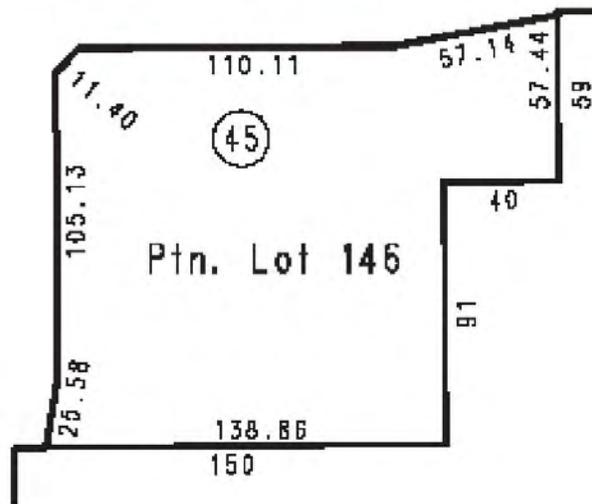
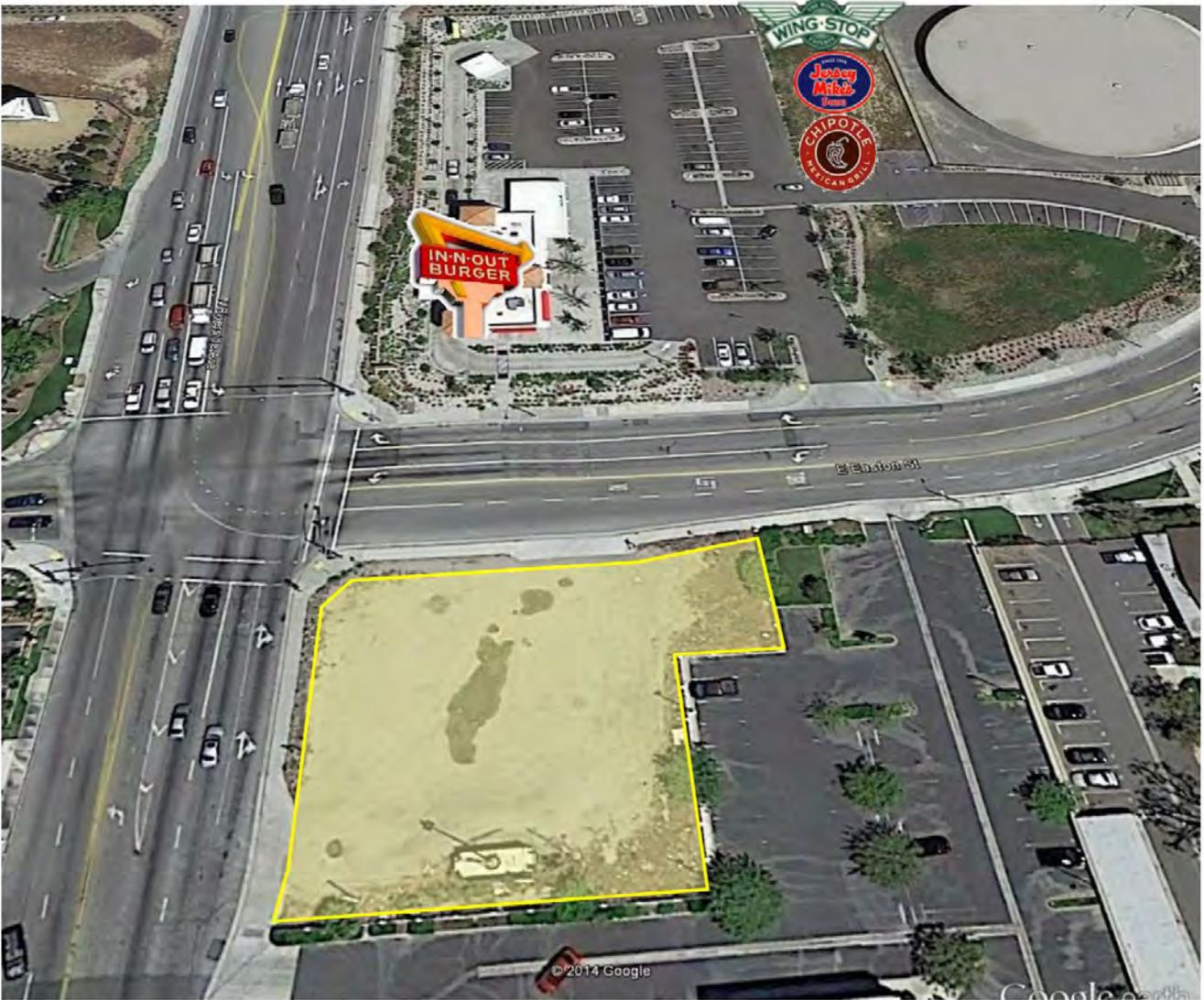
Parcel Map No. 616, P.M. 8/77
Tract No. 6357, M.B. 9/1/87-88

Ptn. N.E. 1/4, Sec. 35
T. 1N., R. 5W.

Assessor's Map
Book 0127 Page 04
San Bernardino County

REVISION
12/23/89 LH
02/07/91 EG
05/25/91 SM
06/02/93 CM
09/22/91 SM

EXHIBIT A



**PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
BY AND BETWEEN THE SUCCESSOR AGENCY TO THE
RIALTO REDEVELOPMENT AGENCY AND
FOUNTAINHEAD SHRUGGED, LLC**

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“**Agreement**”), dated for reference purposes only as of November 10, 2015, is by and between the **SUCCESSOR AGENCY TO THE RIALTO REDEVELOPMENT AGENCY**, a governmental entity (“**Seller**”), and **FOUNTAINHEAD SHRUGGED, LLC**, a California limited liability company (“**Purchaser**”).

RECITALS

A. Seller is the fee owner of approximately 20,909 square feet of real property (the “**Property**”) located at the SEC of Easton Avenue and Riverside Avenue in the City of Rialto, San Bernardino County, California, described as Assessor’s Parcel Number 0127-041-45 and more particularly described in Exhibit “A” attached hereto and incorporated herein.

B. Seller desires to sell, and Purchaser desires to purchase, the Property (as defined below), all in accordance with the terms set forth below.

TERMS & CONDITIONS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Purchaser agree as follows:

1. Sale. On the terms and subject to the conditions of this Agreement, Purchaser hereby agrees to purchase from Seller, and Seller agrees to sell to Purchaser the Property, on the Closing Date (defined in Section 12.2).

2. Opening of Escrow. Within three (3) business days of execution of this Agreement, subject to Purchaser’s receipt from Seller of a copy of this Agreement executed by Seller, Purchaser shall open an escrow with First American Title Insurance Company (the “**Escrow Holder**”), in care of Nathan Thompson, Escrow Officer, 18500 Von Karman Suite 600, Irvine, CA 92612, by causing a copy of the executed Agreement to be delivered to Escrow Holder. Upon receipt, Escrow Holder is hereby instructed to execute the escrow Acceptance & Agreement on the signature page hereof after inserting the date escrow is opened (“**Opening of Escrow**”) and the Escrow number, and thereafter return a copy of the fully executed and completed Agreement to Purchaser and Seller, respectively.

3. Purchase Price. The purchase price for the Property is Four-Hundred Eighty Thousand Dollars (\$480,000.00) (“**Purchase Price**”). The Purchase Price shall be paid as follows:

3.1 Deposit. Within five (5) business days from written notification by Seller of the approval of this Agreement by the State of California Department of Finance, Purchaser shall deposit the sum of Ten Thousand Dollars (\$10,000) (“**Deposit**”) with the Escrow Holder, to be held in escrow for the benefit of the parties and applied against the Purchase Price at Closing (defined in Section 11) or refunded or forfeited in accordance with the terms of this Agreement.

3.2 Additional Deposit. Any Additional Deposit delivered to Escrow Holder in accordance with Section 8.5 hereinbelow shall be held in escrow for the benefit of the parties and applied to the Purchase Price at the Closing, or refunded or forfeited in accordance with the terms of this Agreement. The Deposit and any Additional Deposit are sometimes collectively referred to herein as the "Deposits".

3.3 Cash at Closing. Upon the Escrow Holder's receipt of all Closing Items (defined in Section 4.3 below), Purchaser shall deposit with the Escrow Holder, in cash, by certified check or by wire transfer of immediately available funds (a) the balance of the Purchase Price, plus or minus closing pro-rations and adjustments; and (b) the Signage Fee (defined in Section 7.3). The Purchase Price, less any costs or pro-rations allocated to Seller in accordance herewith, and the Signage Fee shall be disbursed to Seller by the Escrow Holder at the Closing.

4. Closing Deliveries to Escrow Holder.

4.1 By Seller. Seller hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder within one (1) business day prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Purchaser.

a. Deed. A grant deed executed and acknowledged by Seller, conveying marketable title to the Property to Purchaser, subject only to the Permitted Exceptions, in substantially the form set forth as Exhibit "B", attached hereto and incorporated herein ("Deed"). "Permitted Exceptions" means those items disclosed by the Title Insurance Commitment that the Purchaser does not object to, or that Purchaser waives objection to, or agrees to take title subject to, or that Purchaser agrees to accept affirmative title insurance coverage over, and all zoning ordinances and regulations.

b. Freeway Sign Agreement. Two (2) counter-signed originals of the Freeway Sign Agreement (defined in Section 7.3), executed and acknowledged by Rialto (defined in Section 7.3).

c. Non-Foreign Certification. A Transferor's Certification of Non-Foreign Status ("FIRPTA Certificate"), duly executed by Seller under penalty of perjury upon the terms set forth therein, setting forth Seller's address and federal tax identification number and certifying that Seller is a "United States Person" and that Seller is not a "foreign person" in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445 (as may be amended) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

d. Closing Statement. An executed settlement statement reflecting the pro-rations and adjustments required under Section 10.

e. Closing Documents. Any additional tax forms, recordation forms, 1099s or other documents as may be reasonably required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this Agreement.

f. Cash Pro-rations. The amount, if any, required of Seller under Section 10.

4.2 By Purchaser. Purchaser hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder within one (1) business day prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Seller:

- a. Purchase Price. The balance of the Purchase Price in accordance with Section 3.
- b. Signage Fee. The Signage Fee (defined in Section 7.3).
- c. Freeway Sign Agreement. Two (2) counter-signed originals of the Freeway Sign Agreement (defined in Section 7.3), executed and acknowledged by Purchaser.
- d. Preliminary Change of Ownership Statement. A Preliminary Change of Ownership Statement completed in the manner required in San Bernardino County.

4.3 Additional Closing Items. Each party shall also execute and deliver to the Escrow Holder such documents, certificates and instruments as may customarily be required in transactions of this type. The items required to be submitted to the Escrow Holder pursuant to this Section and Sections 4.1 and 4.2 above are referred to herein collectively as the “Closing Items”.

5. Title. Within five (5) days of full execution of this Agreement the Seller shall deliver to the Purchaser an update to that certain title commitment for an owner’s policy of title insurance with standard exceptions (as updated, the “Title Insurance Commitment”), issued by First American Title Insurance Company (“Title Company”), in care of Greg Franke, Title Officer, 3281 E. Guasti Road, Suite 440, Ontario, CA 91761, Order No. NCS-744926-ONT, dated as of July 28, 2015, a copy of which is attached hereto as Exhibit “C”, including hyperlinks to or copies of all documents shown in the commitment as affecting title (“Title Documents”) and a scaled and dimensioned plot showing the location of any easements on the Property. At Closing, the Seller shall pay the premium for a CLTA standard coverage owner’s policy in the amount of the Purchase Price.

Purchaser may, at its own expense, obtain a UCC-1 report regarding title condition of any personal property located on the Property. Seller shall provide Purchaser with copies of any liens or encumbrances affecting such personal property that it is aware of within ten (10) days of execution of the Agreement.

The Purchaser shall have thirty-five (35) days from receipt of the Title Insurance Commitment and Title Documents to inspect the state of the title and matters affecting title, and to object to the matters shown thereby. Failure to object in writing within the above period shall constitute Purchaser’s objection to all exceptions to title shown on the Title Insurance Commitment. If the Purchaser objects to any matter disclosed by the Title Insurance Commitment or Title Documents, then the Seller shall have ten (10) business days from the date it is notified in writing of the particular defects claimed, to elect, in its reasonable discretion, either: (1) to remedy the title defect that is the subject of the Purchaser’s objection, or (2) not remedy the title defect that is the subject of the Purchaser’s objection, at Seller’s option; Seller’s election shall be communicated in writing to Purchaser. If Seller elects not to remedy such title defect (or fails to timely notify Purchaser of its election with regard to same), then Purchaser shall have two (2) business days following (i) receipt of Seller’s notification under the preceding sentence, or (ii) Seller’s failure to timely provide Purchaser with such written notification, to elect to either (x) waive its title objection

and accept title subject to the alleged title defect, or (y) terminate this Agreement and receive a refund of the Deposit and any Additional Deposit.

Seller may cure any title objection that may be cured by the payment of a sum certain (such as existing mortgages, land contracts and other liens) by paying or depositing that sum at Closing.

Notwithstanding the foregoing, Purchaser hereby objects to all liens evidencing monetary encumbrances (other than liens for non-delinquent general real property taxes to be paid by Purchaser under this Agreement) and Seller agrees to cause all such liens to be eliminated at Seller's sole cost (including all prepayment penalties and charges) prior to the Closing Date.

Notwithstanding anything to the contrary contained in this Agreement, if, at any time prior to the Closing, any updates to the Title Insurance Commitment are received by Purchaser, Purchaser shall have five (5) business days (regardless of the date) following Purchaser's receipt of such update and legible copies of all underlying documents referenced therein (that were not referenced in the Title Documents previously provided to Purchaser) to notify Seller of objections to items on any such updates ("Title Updates"), and in the event Seller does not agree to remedy such objections, Purchaser may terminate this Agreement or waive such objections and proceed to Closing.

6. Possession. The Seller shall deliver and the Purchaser shall accept possession of the Property on the Closing Date.

7. Conditions to Closing. Seller's obligation to sell and Purchaser's obligation to purchase the Property shall be subject to and expressly conditioned upon satisfaction (or waiver) of the following conditions precedent to the Closing, which shall be exclusively for the benefit of Seller and Purchaser:

7.1 Coffee Bean Contingencies. Purchaser shall have satisfied the Coffee Bean Contingencies (defined in Section 8.4).

7.2 Permits and Land Use Approvals. Prior to or concurrently with the Closing, Purchaser shall have received any and all grading and building permits required to be obtained by Purchaser prior to and as a condition precedent to the commencement of construction of any portion of the Project, as defined in Section 8.4 below, (or such permits shall be ready to issue upon Closing) based on grading, building, and other plans approved by the Seller. Purchaser shall also have obtained any and all land use and other entitlements required for the Project, including without limitation (but only as applicable), a precise plan of design, conditional development permit, environmental assessment, and mitigated negative declaration and associated mitigation measures for the Project, and such other land use entitlements and permits, including building and grading permits, as may be required for the construction, development, and operation of the Project by the Seller or any other governmental agency with regulatory authority over the Project.

7.3 Freeway Signage Agreement. As a condition precedent to the Closing, Seller shall cause the City of Rialto, a California municipal corporation, ("Rialto"), to enter into a license agreement (the "Freeway Signage Agreement") with Purchaser for the right to use an 8' high by 12'8" wide panel on the Freeway Sign, as defined in that certain document entitled Declaration of Covenants, Conditions, Restrictions and Grant of Easements (the "CCRs") recorded as Document #2013-0193411 on May 8, 2013, with the San Bernardino County Recorder, the terms of which Freeway Signage Agreement shall require Purchaser's payment of (i) a one-time fee of Forty-five

Thousand Dollars (\$45,000) ("Signage Fee"); and (ii) a prorata share of the costs of illuminating, operating, insuring, maintaining, repairing, and, as necessary, replacing the Freeway Sign, and the administrative costs of the Sign Operator (as defined in the CCRs), expressed as a fraction, the numerator of which fraction shall be the square footage of Purchaser's sign panel, i.e. 101.36 square feet, and the denominator of which shall be the aggregate square footage of all other sign panels located from time to time on the Freeway Sign, whether occupied or not. The Freeway Signage Agreement shall be in a form acceptable for recording by the San Bernardino County Recorder and recorded concurrently with the recordation of the Grant Deed. The Freeway Sign, and the sign panels thereon, are depicted for reference purposes in Exhibit "D" attached hereto and incorporated herein. The precise area, placement, maintenance and management of the Freeway Sign shall be in accordance with the terms of the Freeway Signage Agreement.

7.4 Department of Finance Approval. As a condition precedent to Closing, this Agreement shall be approved by the State of California Department of Finance.

8. Purchaser's Contingencies, Contingency Period, Survey and Development Approvals.

8.1 Contingency Period. Purchase shall have a period of one hundred twenty (120) days following the Effective Date ("Contingency Period") within which to approve, in Purchaser's sole and absolute discretion, the feasibility of the Property for Purchaser's intended purposes, and in the event of such approval, deliver written notice of approval (the "Property Approval Notice") to Seller, with a copy to Escrow Holder. Failure to timely deliver the Property Approval Notice prior to the expiration of the Contingency Period shall be deemed Purchaser's disapproval of the Property in which event this Agreement shall terminate upon written notice of either party. During the Contingency Period, Purchaser shall have the right to perform and to seek any and all necessary investigations, inspections and approvals necessary to develop and operate the Project at the Property, as described below.

8.2 Review of Documents and Materials. Within five (5) days of the Effective Date, Seller shall deliver to Purchaser any and all documents, reports, surveys, environmental assessments, engineering reports, building plans and blueprints for the Property and other materials in Seller's possession or under its control or that of its agents, respecting the Property, including any Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties, and any Natural Hazard Zone Disclosure Report (collectively, "Materials"). During the Contingency Period, Purchaser may review and evaluate the Materials to determine whether the Property is appropriate for Purchaser's proposed use, in its sole discretion.

8.3 Purchaser's Due Diligence & Survey. During the Contingency Period, the Purchaser and its agents may, at the Purchaser's sole expense, conduct tests and physical inspections of the Property, including building inspections and environmental site assessments desired by the Purchaser. Purchaser may also conduct such investigations with regard to zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Purchaser shall restore the Property to the condition that it was in prior to those tests and inspections and shall indemnify, defend and hold Seller harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Purchaser's activities, acts and omissions on the Property. Purchaser shall notify Seller in advance of its desire to conduct any inspections at the Property. During the Contingency Period the Purchaser shall have the right, but not the obligation, to cause a survey of the Property to

be prepared at its own expense. The survey report shall also: (1) be certified to the Purchaser and (2) be prepared and sealed by a registered California Land Surveyor. Copies of any reports and/or survey prepared pursuant to this Section shall be delivered to Seller.

8.4 Coffee Bean & Tea Leaf Contingencies. Purchaser and Seller acknowledge and agree that Seller is agreeing to sell the Property to Purchaser and Purchaser is agreeing to purchase the Property from Seller for the development and operation of a Coffee Bean & Tea Leaf retail establishment (“Coffee Bean & Tea Leaf”) of at least 1600 square feet (“Project”). To ensure this goal is achieved, the parties acknowledge and agree that, notwithstanding any other provision of this Agreement, Purchaser’s obligation to approve the Property and deliver the Property Approval Notice is strictly conditioned upon the contingencies set forth below (collectively, the “Coffee Bean Contingencies”):

a. Coffee Bean & Tea Leaf Approvals. Purchaser shall obtain all necessary governmental approvals for a Coffee Bean & Tea Leaf restaurant and obtain approval from authorized representatives of The Coffee Bean & Tea Leaf for a restaurant on the Property (“Coffee Bean & Tea Leaf Approvals”), all at Purchaser’s or Coffee Bean & Tea Leaf’s expense (as determined in accordance with the Coffee Bean & Tea Leaf Lease (defined below).

b. Execution of Coffee Bean & Tea Leaf Lease. Purchaser and Coffee Bean & Tea Leaf shall have entered into a lease agreement providing for Coffee Bean & Tea Leaf’s occupancy and operation of the Project at the Property having a term of not fewer than five (5) years, and otherwise in a form that is reasonably acceptable to Coffee Bean & Tea Leaf and Purchaser (“Coffee Bean & Tea Leaf Lease”).

8.5 Extended Contingency Period. In the event that, despite Purchaser’s commercially reasonable good faith efforts, the Coffee Bean & Tea Leaf Contingencies will not be satisfied prior to the expiration of the Contingency Period (or Extended Contingency Period, if applicable), Purchaser may elect to extend the Contingency Period (or Extended Contingency Period, if applicable) (“Extension Election”) for up to three (3) thirty- (30-) day periods (each or collectively, as required by context, “Extended Contingency Period(s)”) by (a) notifying the Seller of such Extension Election before the Contingency Period (or Extended Contingency Period, if applicable) has lapsed, and (b) depositing an additional deposit (each or collectively, as required by context, “Additional Deposit(s)”) of Five Thousand Dollars (\$5,000) with Escrow Holder within five (5) business days thereafter, such Additional Deposit to be held by Escrow Holder in accordance with Section 3.2 hereof. Notwithstanding the foregoing, (i) Purchaser shall not be obligated to make any Additional Deposit until this Agreement is approved by the State of California Department of Finance; and (ii) no Additional Deposit shall be required for any Extension Election necessitated solely as a result of delays caused by the City of Rialto.

8.6 Purchaser’s Termination Rights.

8.6.1 Termination During Contingency Period. Prior to the expiration of the Contingency Period, Purchaser shall have the right to terminate this Agreement if, during the course of Purchaser’s due diligence investigations of the Property and in connection with its negotiations of the Coffee Bean & Tea Leaf Lease, Purchaser determines in its sole and absolute discretion that the Property is not acceptable to Purchaser.

8.6.2 Termination During Extended Contingency Period. Prior to the expiration of any Extended Contingency Period, Purchaser shall have the right to terminate this Agreement solely for the failure to satisfy the Coffee Bean & Tea Leaf Contingencies despite Purchaser's commercially reasonable good faith efforts. Termination of this Agreement during any Extended Contingency Period for any reason other than the failure to satisfy the Coffee Bean & Tea Leaf Contingencies (except for Title Updates in accordance with Section 5 above) shall constitute a default by Purchaser, subject to the remedy set forth in Section 11.1.

8.6.3 Termination Notice. In the event Purchaser elects to terminate this Agreement prior to the expiration of the Contingency Period or any Extended Contingency Period in accordance with Section 8.5.1 or Section 8.5.2, respectively, Purchaser shall deliver written notice of such election to terminate to Seller and Escrow Holder (a "**Termination Notice**") on or before the expiration of the Contingency Period or Extended Contingency Period, as applicable. Upon the timely delivery of such Termination Notice, (i) Escrow Holder shall immediately return the Deposit and any Additional Deposit to Purchaser, and (ii) this Agreement shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder. If Purchaser has timely delivered to Escrow Holder a Termination Notice, no notice to Escrow Holder from Seller shall be required for the return of the Deposits to Purchaser.

9. Disclaimer of Warranties. Purchaser shall acquire the Property in its "AS IS" condition and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property. Except as expressly set forth in this Agreement, Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Purchaser acknowledges that, once Purchaser obtains title to the Property, any liability of the Seller for the environmental condition of the Property shall be extinguished, and that Seller shall have no liability for remediating any environmental condition of the Property. Purchaser shall indemnify Seller against any claim or liability relating to the environmental condition of the Property; provided, however, that Seller shall remain liable for any hazardous materials released into the Property while Seller owned the Property.

10. Prorated and Adjusted Items. The following items shall be prorated and/or adjusted as follows:

10.1 Taxes. Escrow Holder is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller is a public agency and therefore exempt from the payment of property taxes. Purchaser shall be responsible for all applicable prorated taxes once Purchaser obtains title to the Property.

10.2 Other Costs. Seller shall pay all water, sewer, telephone, and all other utility charges incurred on or before the Closing Date with respect to the Property. After the Closing, Purchaser shall pay all such charges. Seller shall pay the applicable transfer taxes, the cost of recording any curative instruments and the cost of a CLTA standard coverage owner's title policy. Purchaser shall pay the cost of recording the Deed conveying title to the Property, the costs associated with Purchaser's financing, the cost of any extended coverage or ALTA owner's title policy and the cost of any title endorsements. Escrow fees shall be shared equally by the parties. Each party shall pay its own legal fees.

11. Default.

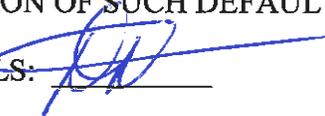
11.1 PURCHASER'S DEFAULT. IF PURCHASER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF PURCHASER, SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO PURCHASER. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY SELLER AS A RESULT OF SUCH DEFAULT BY PURCHASER, AND AGREE THAT THE DEPOSIT AND ANY ADDITIONAL DEPOSITS (INCLUDING ALL INTEREST) ARE A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT PURCHASER BREACHES THIS AGREEMENT BY DEFAULTING IN THE COMPLETION OF THE PURCHASE, THE DEPOSITS (INCLUDING ALL INTEREST) SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF SELLER, AND SHALL BE PAID BY PURCHASER TO SELLER AS SELLER'S SOLE AND EXCLUSIVE REMEDY. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 23 BELOW AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, SELLER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST PURCHASER WHICH SELLER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY PURCHASER. THE PAYMENT OF THE DEPOSITS (INCLUDING ALL INTEREST) AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

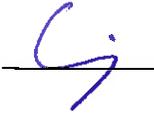
SELLER'S INITIALS: DP

PURCHASER'S INITIALS: S

11.2 SELLER'S DEFAULT. IF SELLER FAILS TO COMPLETE THE SALE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY MATERIAL DEFAULT OF SELLER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), PURCHASER MAY EITHER (I) PROCEED AGAINST SELLER BY BRINGING AN ACTION FOR SPECIFIC PERFORMANCE UNDER THIS AGREEMENT WITHOUT ANY RIGHT TO SEEK DAMAGES OF ANY KIND OR NATURE, OR (II) TERMINATE THIS AGREEMENT IN WHICH EVENT THE DEPOSIT AND ANY ADDITIONAL DEPOSITS SHALL BE RETURNED TO PURCHASER AND BUYER SHALL BE RESPONSIBLE FOR ALL ITS COSTS IN THE PREPARATION AND NEGOTIATION OF THIS AGREEMENT. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY PURCHASER AS A RESULT OF SUCH MATERIAL DEFAULT BY SELLER AND AGREE THAT THE REMEDY SET FORTH IN CLAUSE (II) ABOVE IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT SELLER BREACHES THIS AGREEMENT BY MATERIALLY DEFAULTING IN THE COMPLETION OF THE SALE, AND PURCHASER ELECTS NOT TO EXERCISE THE REMEDY SET FORTH IN CLAUSE (I) ABOVE BUT INSTEAD ELECTS THE REMEDY SET FORTH IN CLAUSE (II) ABOVE, SUCH SUMS SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF PURCHASER WHICH IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 23 BELOW AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, PURCHASER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY SELLER.

SELLER'S INITIALS: 

PURCHASER'S INITIALS: 

12. Closing.

12.1 Time and Place of Closing. Consummation of this sale and purchase ("**Closing**") shall take place within sixty (60) days of Purchaser's delivery of the Property Approval Notice unless this Agreement has been duly and timely terminated pursuant to the provisions of this Agreement. Closing shall take place at the offices of the Escrow Holder and coordinated through their affiliate offices. As used herein, "**Closing Date**" means the date and time on which the Deed is recorded in the Official Records of the County.

12.2 Closing Conditions for Purchaser's Benefit. In addition to the conditions precedent to Closing set forth in Section 7 hereinabove, the following shall constitute conditions to Closing for the benefit of Purchaser, which if not satisfied may only be waived in writing by Purchaser:

a. Title Policy. The Title Company shall issue or be committed to issue to Purchaser, at Seller's expense, a standard coverage CLTA owner's policy of title insurance ("**Title Policy**") in the total amount of the Purchase Price, dated as of Closing, insuring Purchaser as the fee owner of the Property, and showing title to the Property vested in Purchaser subject only to:

- (i) the printed exceptions and exclusions contained in the Title Policy;
- (ii) nondelinquent general and special real property taxes, bonds and assessments, which shall be prorated as Closing; and
- (iii) all exceptions shown on the Title Report, other than monetary encumbrances, as approved by Purchaser in accordance with Section 5 hereof.

If Purchaser requires any endorsements to the Title Policy, or if Purchaser requires an extended coverage ALTA owner's policy of title insurance ("**ALTA**") or a binder in lieu of a policy of title insurance, then Purchaser shall make such election in a timely manner so as to not interfere with or delay Closing and pay the additional cost of obtaining any endorsements or such ALTA policy or binder, including, without limitation, any survey cost. Seller shall execute and deliver to the Title Company an Owner's Affidavit and such other documentation as may be reasonably required by the Title Company to issue the Title Policy.

b. Approval of Property. Purchaser shall have delivered the Property Approval Notice (defined in Section 8.1) in accordance with Section 8 hereinabove.

c. Purchaser's Closing Notice. Purchaser shall provide a written notice to Seller ("**Purchaser's Closing Notice**") waiving all conditions to Purchaser's obligation to proceed to Closing.

d. Seller's Representations and Warranties. Seller's representations and warranties described in Section 15 below shall be true and correct as of the Closing Date.

e. Seller's Performance. Seller shall have performed all of its obligations hereunder.

13. Pre-Closing Covenants. Seller shall, between the date hereof and the Closing Date, unless otherwise consented to in writing by Purchaser:

a. Maintain the Property in compliance with all applicable laws and in its present condition, reasonable wear and use excepted.

b. Not suffer or permit any new easements, encumbrances, liens or security interests to attach to the Property, or transfer or convey any the Property or any portion or portions of the Property.

c. Not enter into or amend any contracts or agreements pertaining to the Property, which would survive the Closing and be binding upon Purchaser.

d. Maintain hazard and liability insurance or be self-insured with respect to the Property, in amounts determined to be appropriate by Seller, in Seller's reasonable discretion.

14. Risk of Loss.

14.1 Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain with respect to the Property or any portion of the Property, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding ("Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the buildable area at the Property, or reduce or eliminate access to the Property, then Purchaser may either (a) terminate this Agreement, or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Purchaser will be entitled to keep, all awards for the Condemnation that accrue to Seller; provided, however, if any award is rendered specifically to compensate Seller for Seller's lost goodwill, such an award shall belong to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Purchaser's written consent. Seller must notify Purchaser of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of such notice, and Purchaser must exercise its option(s) as provided in this Section 14.1 within ten (10) days after receipt of such notice. If necessary, the Closing Date will be extended to give Purchaser the full 10-day period to make such election. Notwithstanding the foregoing, if any condemnation action is commenced by Seller prior to the Closing Date, Purchaser shall have the right to terminate this Agreement and to receive the return of all Deposits, as well as a sum equal to Purchaser's out-of-pocket costs incurred in connection with this transaction.

14.2 Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, occurs, then within three (3) days after determination of the amount of the Insurance Proceeds (defined below) to be received with respect to such loss, Purchaser must elect, by written notice to Seller, either to: (a) terminate this Agreement (in which event the Deposit, and all accrued interest thereon, shall forthwith be returned to Purchaser and thereupon neither party shall have any further rights or obligations hereunder); or (b) receive an assignment of the Insurance Proceeds with respect to such loss and proceed to

Closing without any reduction in the Purchase Price (in which event the Closing shall occur within thirty (30) days after such election). If Purchaser shall fail to provide such written notice of election within 3 days after determination of the amount of the Insurance Proceeds to be received with respect to such loss, then Purchaser shall be deemed to have elected to terminate this Agreement. As used herein, "Insurance Proceeds" means the proceeds from any and all insurance maintained by Seller with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance.

15. Representations and Warranties of Seller. Seller represents and warrants to Purchaser that, except as set forth or otherwise disclosed in this Agreement, or in any exhibit to this Agreement, or in any schedule of exceptions attached to this Agreement:

a. Subject to the requirement to secure approval from the Department of Finance, this Agreement has been duly authorized and executed on behalf of Seller and constitutes a valid and binding agreement, enforceable in accordance with its terms. Seller has obtained, or will obtain prior to Closing, all consents, releases and permissions and has given, or will give prior to Closing, all required notifications related to the transaction herein contemplated and required under any covenant, agreement, encumbrance, law or regulation to which Seller is a party or by which Seller is bound.

b. Seller is the fee simple owner of the Property. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the Property.

c. Seller has not received notice of violation of any applicable law, ordinance, regulation, order or requirement relating to Seller's operation or use of the Property.

d. To Seller's actual knowledge: (i) neither the Property nor any part thereof is in breach of any environmental laws; (ii) no part of the Property has ever been used as a landfill, dump, toxic waste disposal site or storage area; (iii) there are no underground storage tanks at the Property, or, with respect to removed tanks, at the time of removal, any contaminated soil was removed; and (iv) the Property is free of any Hazardous Materials that would trigger response or remedial action under any environmental laws or any existing common law theory based on nuisance or strict liability. This warranty is limited to matters of which Seller has actual knowledge, and Purchaser acknowledges that Seller has not made any affirmative investigation as to environmental issues affecting the Property in connection with this Agreement. As used in this Agreement, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

e. There is no litigation pending or to the actual knowledge of Seller, threatened, against Seller or the Property which relates to, or if decided adversely, could have a material adverse effect upon, the Property (including condemnation or similar proceedings).

f. All representations and warranties contained in this Agreement shall be deemed remade as of the Closing Date. As used herein, "actual knowledge" of Seller refers to the actual knowledge of Seller's employees and agents directly involved in the negotiation and/or drafting of this Agreement and those responsible for the acquisition or maintenance of the Property.

16. Effective Date. The "Effective Date" of this Agreement is the date on which this Agreement is signed by both Purchaser and Seller, which shall be the date on which this Agreement, including all representations, warranties and covenants herein, becomes effective. Notwithstanding the above or any other provision herein to the contrary, in the event this Agreement is disapproved by either the Successor Agency to the Rialto Redevelopment Agency Oversight Board or the State of California Department of Finance, this Agreement shall terminate without further action by either party and neither party shall have any further rights or obligations hereunder.

17. Binding Effect. The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties. The Purchaser may not assign its rights under this Agreement to any person or entity without the prior written consent of Seller, which shall be provided or withheld in Seller's reasonable discretion. Notwithstanding the foregoing, Purchaser shall have the right to assign this Agreement without Seller's consent (but with notice to Seller) to any entity over which Purchaser owns a majority interest or control. In the event of an assignment of Purchaser's interests under this Agreement, the assignee shall agree to assume and be bound by the terms and provisions hereof.

18. Broker. At Closing, Seller agrees to pay a commission in the amount of five percent (5%) of the Purchase Price in Section 3, which shall be split equally between Jeff Reenders of Strategic Retail Advisors, located at 3990 Westerly Place, Suite 230, Newport Beach, California, representing the Purchaser, and Fred Encinas of NAI Capital, Inc., located at 800 N. Haven Avenue, Ontario, California, representing the Seller. Except as provided above, Seller and Purchaser acknowledge that no other broker or finder was involved in this transaction and each party agrees to indemnify and hold harmless the other party from and against any claim that a commission or fee is due to any other broker or finder who dealt with the party from whom indemnification is sought.

19. Integration; Merger; Amendment; Survival of Representations. Seller and Purchaser have not made any covenants, warranties or representations not set forth in this Agreement. This Agreement constitutes the entire Agreement between the parties. All representations, warranties and covenants set forth in this Agreement shall survive closing. This instrument shall, as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective instrument between them as to the provisions set forth in this Agreement. None of the terms and provisions hereof shall be altered or amended unless in writing and signed by the parties.

20. Execution in Counterparts and by Fax. This document may be validly executed and delivered by facsimile transfer and/or portable document format (collectively, "Electronic Copy"). Any signer who executes this document and transmits this document by Electronic Copy intends that the Electronic Copy of their signature is to be deemed an original signature for all purposes. Any such Electronic Copy printout and any complete photocopy of such Electronic Copy printout is hereby deemed to be an original counterpart of this document. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

21. Notices. All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission, electronic mail, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) business day after depositing with an overnight air courier, two (2) business days after depositing in the mail, or upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or electronic mail:

If to Seller: Successor Agency to the Rialto Redevelopment Agency
150 S. Palm Avenue
Rialto, CA 92376
Attn: _____
Email: _____
Fax: (909) 820-2527

with a copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Attn: Fred Galante
Email: fgalante@awattorneys.com
Fax: (949) 223-1170

If to Purchaser: Fountainhead Shrugged, LLC
1401 Quail Street, Suite 100
Newport Beach, CA 92660
Attn: Tina Prater
Fax: (949) 752-7442
Email: tprater@fountainheaddev.com

22. Governing Law. This Agreement shall be construed according to the laws of the State of California.

23. Attorney's Fees. In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

24. Expenses. Seller and Purchaser shall pay their respective expenses and costs in connection with the preparation of this Agreement and other agreements and documents related to this Agreement and the transactions contemplated herein

25. Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

26. Construction. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates

27. Qualification; Authority. Each individual executing this Agreement on behalf of a party which is an entity, represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this Agreement on behalf of such entity in accordance with authority granted under the organizational documents of such entity, and (b) such entity is bound under the terms of this Agreement.

28. No Waiver. The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

SELLER:

SUCCESSOR AGENCY TO THE RIALTO REDEVELOPMENT AGENCY,
a governmental entity

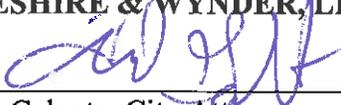
By: 
Its: MAYOR

Date: 11/18/15

ATTEST:


Barbara A. McGee, City Clerk

**APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP**


Fred Galante, City Attorney

PURCHASER:

FOUNTAINHEAD SHRUGGED, LLC,
a California limited liability company

By: 
Craig Smith, Managing Manager

Date: October 19, 2015

ESCROW ACCEPTANCE & AGREEMENT

First American Title Insurance Company, the Escrow Holder under this Agreement, hereby certifies that the Opening of Escrow pursuant to Section 2 of this Agreement is _____, 2015, and Escrow Holder agrees to be bound by the terms hereof. Escrow Holder has assigned Escrow No. _____ to the escrow.

ESCROW HOLDER:

First American Title Insurance Company

By: _____
Nathan Thompson, National Commercial Escrow Officer

ESCROW ACCEPTANCE & AGREEMENT

First American Title Insurance Company, the Escrow Holder under this Agreement, hereby certifies that the Opening of Escrow pursuant to Section 2 of this Agreement is _____, 2015, and Escrow Holder agrees to be bound by the terms hereof. Escrow Holder has assigned Escrow No. _____ to the escrow.

ESCROW HOLDER:

First American Title Insurance Company

By: _____
Nathan Thompson, National Commercial Escrow Officer

EXHIBIT "A"

PROPERTY DESCRIPTION

That certain real property located in the City of Rialto, County of San Bernardino, State of California, described as follows:

THAT PORTION OF THE WEST HALF OF LOT 146 OF THE SUBDIVISION OF LAND BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 6, PAGE 12 OF MAPS, OF THE LAND DESCRIBED IN DEED TO WATKINS ET AL RECORDED ON MARCH 2, 1984, AS INSTRUMENT NO. 84-048954 IN OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AS "NORTH 89°29'24" EAST, 160 FEET" AT PAGE 3, LINE 16 OF ORDER IN CONDEMNATION RECORDED MAY 26, 2004 AS CASE NUMBER SCVSS102012 OF THE SUPERIOR COURT OF SAID COUNTY AND STATE, ALSO BEING THE EASTERLY TERMINUS SHOWN AS "NORTH 89°29'48" EAST, 150.00 FEET AS COURSE FOR PARCEL NO. 3 OF PARCEL MAP NO. 846 FILED IN BOOK 8, PAGE 77 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, THENCE EASTERLY ALONG SAID COURSE SOUTH 89°29'24" WEST, 42.326 METERS (138.86 FEET) TO THE RIGHT OF WAY OF RIVERSIDE AVENUE; THENCE NORTH 09°30'18" EAST, 7.795 METERS (25.58 FEET) ALONG SAID RIGHT OF WAY; THENCE NORTH 00°29'36" WEST, 32.043 METERS (105.13 FEET); THENCE NORTH 44°29'48" EAST 3.474 METERS (11.40 FEET) TO THE SOUTHERLY RIGHT OF WAY OF HIGHLAND AVENUE; THENCE NORTH 89°29'07" EAST ALONG SAID RIGHT OF WAY, 33.563 METERS (110.11 FEET); THENCE NORTH 79°21'30" EAST, 17.417 METERS (57.14 FEET) TO THE NORTHEAST CORNER OF THE PROPERTY HEREIN DESCRIBED; THENCE SOUTH 00°29'35" EAST, 17.508 METERS (57.44 FEET); THENCE SOUTH 89°29'24" WEST, 12.191 METERS (40.00 FEET); THENCE SOUTH 00°29'35" EAST, 27.734 METERS (90.99 FEET) TO THE POINT OF BEGINNING.

COORDINATES AND BEARINGS ARE ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 5.

DISTANCES AND STATIONING ARE GRID DISTANCES. MULTIPLY DISTANCES BY 1.0000859970 TO OBTAIN DISTANCES.

APN: 0127-041-45-0000

Exhibit "A"
Purchase & Sale Agreement
Fountainhead Shrugged, LLC

EXHIBIT "B"

DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
City of Rialto
150 S. Palm Avenue
Rialto, California 92376

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, THE SUCCESSOR AGENCY TO THE RIALTO REDEVELOPMENT AGENCY, a governmental entity ("**Grantor**"), hereby grants to FOUNTAINHEAD SHRUGGED, LLC, a California limited liability company ("**Grantee**"), all of its respective rights, title, and interest in the real property hereinafter referred to as the "Property" in the City of Rialto, County of San Bernardino, State of California, as more particularly described in Schedule 1 attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

THE SUCCESSOR AGENCY TO THE RIALTO
REDEVELOPMENT AGENCY, a governmental
entity

Date: _____

By: _____
Its: _____

ATTEST:

Barbara McGee, City Clerk

APPROVED AS TO FORM:

Fred Galante, City Attorney

Exhibit "B"
Purchase & Sale Agreement
Fountainhead Shrugged, LLC

Schedule 1 to Grant Deed

Legal Description of the Land

That certain real property located in the City of Rialto, County of San Bernardino, State of California, described as follows:

THAT PORTION OF THE WEST HALF OF LOT 146 OF THE SUBDIVISION OF LAND BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 6, PAGE 12 OF MAPS, OF THE LAND DESCRIBED IN DEED TO WATKINS ET AL RECORDED ON MARCH 2, 1984, AS INSTRUMENT NO. 84-048954 IN OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AS "NORTH 89°29'24" EAST, 160 FEET" AT PAGE 3, LINE 16 OF ORDER IN CONDEMNATION RECORDED MAY 26, 2004 AS CASE NUMBER SCVSS102012 OF THE SUPERIOR COURT OF SAID COUNTY AND STATE, ALSO BEING THE EASTERLY TERMINUS SHOWN AS "NORTH 89°29'48" EAST, 150.00 FEET AS COURSE FOR PARCEL NO. 3 OF PARCEL MAP NO. 846 FILED IN BOOK 8, PAGE 77 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, THENCE EASTERLY ALONG SAID COURSE SOUTH 89°29'24" WEST, 42.326 METERS (138.86 FEET) TO THE RIGHT OF WAY OF RIVERSIDE AVENUE; THENCE NORTH 09°30'18" EAST, 7.795 METERS (25.58 FEET) ALONG SAID RIGHT OF WAY; THENCE NORTH 00°29'36" WEST, 32.043 METERS (105.13 FEET); THENCE NORTH 44°29'48" EAST 3.474 METERS (11.40 FEET) TO THE SOUTHERLY RIGHT OF WAY OF HIGHLAND AVENUE; THENCE NORTH 89°29'07" EAST ALONG SAID RIGHT OF WAY, 33.563 METERS (110.11 FEET); THENCE NORTH 79°21'30" EAST, 17.417 METERS (57.14 FEET) TO THE NORTHEAST CORNER OF THE PROPERTY HEREIN DESCRIBED; THENCE SOUTH 00°29'35" EAST, 17.508 METERS (57.44 FEET); THENCE SOUTH 89°29'24" WEST, 12.191 METERS (40.00 FEET); THENCE SOUTH 00°29'35" EAST, 27.734 METERS (90.99 FEET) TO THE POINT OF BEGINNING.

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APN: 0127-041-45-0000

Exhibit "B"
Purchase & Sale Agreement
Fountainhead Shrugged, LLC

EXHIBIT "C"

TITLE INSURANCE COMMITMENT

[SEE ATTACHED]



**First American Title Company
National Commercial Services**

**3281 E Guastl Road, Suite 440
Ontario, CA 91761**

August 03, 2015

Toni Clark
Fountainhead Development
1401 Quail Street , Suite 100
Newport Beach , CA 92660-2744
Phone: (949)752-2515x4
Fax: (949)752-7442

Customer Reference: 1877 North Riverside Drive

Title Officer:	Greg Franke	Title Assistant:	Erin West
Phone:	(909)510-6233	Phone:	(909)510-6200
Email:	gfranke@firstam.com	Email:	ewest@firstam.com

Order Number: NCS-744926-ONT1

Property: 1877 North Riverside Drive, Rialto, CA

Attached please find the following item(s):

Commitment

Thank You for your confidence and support. We at First American Title Insurance Company maintain the fundamental principle:

Customer First!

First American Title Insurance Company
INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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Schedule B-2 - Exceptions	
Conditions	

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.
If you have any questions about the Commitment,
please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

SCHEDULE A

1. Commitment Date: July 28, 2015 at 7:30 A.M.

2. Policy or Policies to be issued: Amount

(A) ALTA Owner's Policy \$To follow

Proposed Insured:

To follow

(B) ALTA Loan Policy \$To follow

Proposed Insured:

To follow

3. (A) The estate or interest in the land described in this Commitment is:

Fee Simple

(B) Title to said estate or interest at the date hereof is vested in:

The Redevelopment Agency of the City of Rialto, a public body, corporate and politic

4. The land referred to in this Commitment is situated in the City of Rialto, County of San Bernardino, State of California, and is described as follows:

THAT PORTION OF THE WEST HALF OF LOT 146 OF THE "SUBDIVISION OF LAND BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY," IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN [BOOK 6, PAGE 12](#) OF MAPS, OF THE LAND DESCRIBED IN DEED TO WATKINS ET AL RECORDED ON MARCH 2, 1984 AS INSTRUMENT NO. [84-048954](#) IN OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

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APN: 0127-041-45-0000

SCHEDULE B

SECTION ONE REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s): None
- (F) Other: Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABX1 26 by the State of California.
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other:

The following additional requirements, as indicated by "X", must be met:

- (H) Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.

The Company's Owner's Affidavit form (as provided by company) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.

- (I) An ALTA/ACSM survey of recent date, which complies with the current minimum standard detail requirements for ALTA/ACSM land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (J) The following LLC documentation is required:
 - (i) a copy of the Articles of Organization
 - (ii) a copy of the Operating Agreement, if applicable
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Company Consent to the current transaction

- (K) The following partnership documentation is required :
 - (i) a copy of the partnership agreement, including all applicable amendments thereto
 - (ii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iii) express Partnership Consent to the current transaction

- (L) The following corporation documentation is required:
 - (i) a copy of the Articles of Incorporation
 - (ii) a copy of the Bylaws, including all applicable Amendments thereto
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Corporate Resolution consenting to the current transaction

- (M) Based upon the Company's review of that certain partnership/operating agreement dated **Not disclosed** for the proposed insured herein, the following requirements must be met:

Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.

- (N) A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.

- (O) Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.

- (P) Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:

- (Q) The Company's "Indemnity Agreement I" must be executed by the appropriate parties.

- (R) Financial statements from the appropriate parties must be submitted to the Company for review.

- (S) A copy of the construction contract must be submitted to the Company for review.

- (T) An inspection of the land must be performed by the Company for verification of the phase of construction.

- (U) The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.

SCHEDULE B

SECTION TWO

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are set forth in Exhibit A attached. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

1. General and special taxes and assessments for the fiscal year 2015-2016, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2014-2015 are exempt. If the exempt status is terminated an additional tax may be levied. Account No. 0127-041-45-0000
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Water rights, claims or title to water, whether or not shown by the public records.
5. Rights of the public in and to that portion of the land lying within any road, street or highway.
6. An easement for unlocatable pipe lines and incidental purposes in the document recorded November 16, 1892 [book 167, page 116](#) of Deeds.
7. The effect of a map purporting to show the land and other property, filed February 8, 1966 in [book 24, page 98](#) of Record of Surveys.
8. An easement for ingress and egress and incidental purposes in the document recorded June 28, 1966 as [book 6578, page 577](#) of Official Records.
9. The effect of a map purporting to show the land and other property, filed October 23, 1967 in [book 26, page 29](#) of Record of Surveys.
10. The effect of a map purporting to show the land and other property, filed September 5, 1972 in [book 8, page 77](#) of Parcel Maps.
11. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey.
12. Rights of parties in possession.

INFORMATIONAL NOTES

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
3. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABX1 26 by the State of California.
4. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

********To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.********

CONDITIONS

1. DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument.

(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.



First American Title

Privacy Information We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the Insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the Insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the Insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured claimant had paid value for the Insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the Insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the Insured mortgage which at Date of Policy the Insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1.
 - (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 - (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the Insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or

- (e) resulting in loss or damage which would not have been sustained if the Insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
- (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998**

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the land
 - e. land division
 - f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

- (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
- or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
- (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
- (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

**14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

**16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**FIRST AMENDMENT TO
PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS**

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "**First Amendment**") effective as of the 12th day of July, 2016, (the "**Effective Date**"), is entered into by and between the **SUCCESSOR AGENCY TO THE RIALTO REDEVELOPMENT AGENCY**, a governmental entity ("**Seller**"), and **FOUNTAINHEAD SHRUGGED, LLC**, a California limited liability company ("**Purchaser**").

WHEREAS, Seller and Buyer are parties to that certain Purchase and Sale Agreement and Escrow Instructions dated for reference purposes as of November 10, 2015, (the "**Purchase Agreement**"); and

WHEREAS, Seller and Buyer desire to modify the Purchase Agreement as more particularly set forth below;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follow:

1. **Contingency Period.** Section 8.1 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

8.1 Contingency Period. Purchase shall have until October 31, 2016 (the "**Contingency Period**") to approve, in Purchaser's sole and absolute discretion, the feasibility of the Property for Purchaser's intended purposes, and in the event of such approval, deliver written notice of approval (the "**Property Approval Notice**") to Seller, with a copy to Escrow Holder. Failure to timely deliver the Property Approval Notice prior to the expiration of the Contingency Period shall be deemed Purchaser's disapproval of the Property in which event this Agreement shall terminate upon written notice of either party. During the Contingency Period, Purchaser shall have the right to perform and to seek any and all necessary investigations, inspections and approvals necessary to develop and operate the Project at the Property, as described below.

2. **Miscellaneous.**

a. Except as otherwise expressly modified herein, all rights, provisions and conditions of the Purchase Agreement shall remain unchanged, exercisable, and enforceable according to their terms.

b. This First Amendment may be executed in one or more counterparts, including the transmission of counterparts by facsimile or electronic mail, each of which will be considered an original but all of which, taken together, will constitute the same document.

c. In the event of a conflict between the terms of this First Amendment and the terms of the Purchase Agreement, the terms of this First Amendment shall control.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first written above.

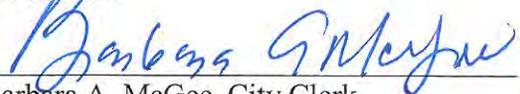
SELLER:

**SUCCESSOR AGENCY TO THE RIALTO
REDEVELOPMENT AGENCY,**
a governmental entity


By: Deborah Robertson
Its: Mayor/Chair

Date: July 28, 2016

ATTEST:

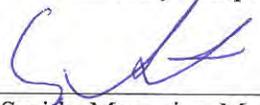

Barbara A. McGee, City Clerk

**APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP**


Fred Galante, City Attorney

PURCHASER:

FOUNTAINHEAD SHRUGGED, LLC,
a California limited liability company

By: 
Craig Smith, Managing Manager

Date: July 5, 2016

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RESOLUTION NO. SA _____

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF RIALTO
APPROVING AMENDMENT #1 TO THE PURCHASE AND
SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY
AND FOUNTAINHEAD SHRUGGED**

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Rialto (“Successor Agency”) is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor the former Redevelopment Agency of the City of Rialto (“former Agency”) that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* (“CRL”); and

WHEREAS, Assembly Bill x1 26 (“AB x1 26”) added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 (“Matosantos Decision”), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 (“AB 1484”) (together AB x1 26, the Matosantos Decision, and AB 1484 are referred to as the “Dissolution Laws”); and

WHEREAS, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Laws and as a separate public entity, corporate and politic the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a “long-range property management plan” (also referred to herein as the “LRPMP”) addressing the future disposition and use of all real property of the former Agency no later than six

1 months following the DOF’s issuance to the Successor Agency of a finding of completion pursuant
2 to Health and Safety Code Section 34179.7; and

3 **WHEREAS**, DOF issued a finding of completion to the Successor Agency on May 9, 2013;
4 and

5 **WHEREAS**, the Successor Agency prepared an LRPMP and the LRPMP prepared by the
6 Successor Agency was approved by the Oversight Board and the DOF; and

7 **WHEREAS**, the Successor Agency approved a Purchase and Sale Agreement and Joint
8 Escrow Instructions (“Agreement”) between the Successor Agency and Fountainhead Shrugged,
9 LLC (“Buyer”) to allow the Buyer to purchase a Successor Agency parcel (“Agency Parcel”) at the
10 southeast corner of Easton Street and Riverside Avenue (APN# 0127-041-45) for \$480,000; and

11 **WHEREAS**, on December 9, 2015, the Oversight Board approved the Agreement
12 (Resolution No. 15-15) and in December 2015, the California Department of Finance had no
13 objections; and

14 **WHEREAS**, the Agreement included a contingency period of 120 days from the Agreement
15 execution of December 9, 2015, and three (3) third day extensions at the Buyer’s discretion to close
16 escrow (“Contingency Period); and

17 **WHEREAS**, On July 12, 2016, the City Council, with approval of the Oversight Board,
18 approved Amendment #1 to the Agreement to extend the Contingency Period to October 31, 2016.

19 **NOW, THEREFORE, BE IT RESOLVED**, the Successor Agency to the Redevelopment
20 Agency of the City of Rialto hereby finds, determines, and resolves as follows:

21 **Section 1.** The foregoing recitals are incorporated into this resolution by this reference,
22 and constitute a material part hereof.

23 **Section 2.** The Successor Agency Board hereby approves the Amendment #2 to the
24 Agreement in substantially the form attached hereto as Attachment A, which
25 is incorporated herein.

26 **Section 3.** The Successor Agency Mayor/Chair and City Clerk/Secretary are authorized
27 to execute Amendment #2 to the Agreement and make minor revisions to the
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Amendment, as the Mayor/Chair and Successor Agency legal counsel deem appropriate or as requested by the California Department of Finance.

Section 4. The Mayor/Chair is authorized to extend the Contingency Period for an additional ninety (90) calendar days if staff recommends.

Section 5. The Chair of the Successor Agency Board shall sign the passage and adoption of this resolution and thereupon the same shall take effect and be in force.

PASSED APPROVED AND ADOPTED this ___th day of November, 2016.

Deborah Robertson, Mayor/Chair
Successor Agency to the Redevelopment Agency of the City of Rialto

ATTEST:

Barbara McGee, City Clerk/Secretary
Successor Agency to the Redevelopment Agency of the City of Rialto

APPROVED AS TO FORM:

FRED GALANT, ESQ., City Attorney

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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City Rialto, do hereby certify that the foregoing Resolution No. ____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the ____ day of _____, 2016.

Upon motion of Councilmember _____, seconded by Councilmember _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this ____ day of _____, 2016.

BARBARA MCGEE, City Clerk

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ATTACHMENT "A"
AMENDMENT #2 TO THE PURCHASE AND SALE AGREEMENT

[Attached on following pages.]

**SECOND AMENDMENT TO
PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS**

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "**Second Amendment**") effective as of the ____ day of _____, 2016, (the "**Effective Date**"), is entered into by and between the **SUCCESSOR AGENCY TO THE RIALTO REDEVELOPMENT AGENCY**, a governmental entity ("**Seller**"), and FOUNTAINHEAD SHRUGGED, LLC, a California limited liability company ("**Purchaser**").

WHEREAS, Seller and Buyer are parties to that certain Purchase and Sale Agreement and Escrow Instructions dated for reference purposes as of November 10, 2015, (the "**Purchase Agreement**") and Amendment No. 1 dated July 12, 2016 ("**First Amendment**"); and

WHEREAS, Seller and Buyer desire to modify the Purchase Agreement as more particularly set forth below;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follow:

1. **Contingency Period.** Section 8.1 of the First Amendment is hereby deleted in its entirety and replaced with the following:

8.1 Contingency Period. Purchase shall have until February 28, 2017, (the "**Contingency Period**") to approve, in Purchaser's sole and absolute discretion, the feasibility of the Property for Purchaser's intended purposes, and in the event of such approval, deliver written notice of approval (the "**Property Approval Notice**") to Seller, with a copy to Escrow Holder. Failure to timely deliver the Property Approval Notice prior to the expiration of the Contingency Period shall be deemed Purchaser's disapproval of the Property in which event this Agreement shall terminate upon written notice of either party. During the Contingency Period, Purchaser shall have the right to perform and to seek any and all necessary investigations, inspections and approvals necessary to develop and operate the Project at the Property, as described below.

2. **Miscellaneous.**

a. Except as otherwise expressly modified herein, all rights, provisions and conditions of the Purchase Agreement and First Amendment shall remain unchanged, exercisable, and enforceable according to their terms.

b. This Second Amendment may be executed in one or more counterparts, including the transmission of counterparts by facsimile or electronic mail, each of which will be considered an original but all of which, taken together, will constitute the same document.

In the event of a conflict between the terms of this Second Amendment and the terms of the Purchase Agreement and First Amendment, the terms of this Second Amendment shall control.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first written above.

SELLER:

SUCCESSOR AGENCY TO THE RIALTO REDEVELOPMENT AGENCY,
a governmental entity

By: _____
Its: _____

Date: _____

ATTEST:

Barbara A. McGee, City Clerk

**APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP**

Fred Galante, City Attorney

PURCHASER:

FOUNTAINHEAD SHRUGGED, LLC,
a California limited liability company

By: _____
Craig Smith, Managing Manager

Date: _____



Legislation Details (With Text)

File #: 16-783 Version: 1 Name: E.3
 Type: Resolution Status: Agenda Ready
 File created: 11/7/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Adopt Budget Resolution No. 7030, and Authorize the Release of Request for Bids No. 17-050 for the City Trench Repair Paving, City Project No. 170809.

Sponsors:

Indexes:

Code sections:

Attachments: [Attachment 1 Veolia Invoice Asphalt Repair](#)
[Attachment 2 Notice of Exemption \(Pavement trench cut\) 11-07-16](#)
[Budget Resolution 11-16-16](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to Adopt Budget Resolution No. 7030, and Authorize the Release of Request for Bids No. 17-050 for the City Trench Repair Paving, City Project No. 170809.

BACKGROUND:

On March 27, 2012, the City Council approved a Concession Agreement (CA) with Rialto Water Services (RWS) to operate and maintain the City's water and wastewater enterprise for a term of 30 years. The CA contemplated that RWS would backfill and compact any street cuts created during maintenance and operation of the utility systems with a temporary asphalt patch, and that the Public Works Department would follow with a more permanent re-paving using hot mix asphalt.

The CA requires the RWS operator (Veolia) to backfill, provide compaction testing, place base and temporary asphalt concrete in all water utility cuts related to water main leaks/repair, water service leaks/repair, and fire hydrant .

The City of Rialto Public Works Department provides final asphalt paving of these trench cuts. The work will be accomplished in a minimum of 1,000 square foot trench repair sections. The work includes removing temporary asphalt concrete, placing permanent asphalt concrete pavement, and a cold grind and overlay, where applicable, to fill the trench per City of Rialto Public Works Standard

SC-231.

ANALYSIS/DISCUSSION:

Staff received a list of water service trench repair work from Veolia. In anticipation of additional trench repair work over the next year, staff prepared a Request for Bids (RFB) for On-Call Water Service Trench pavement repair project. Once a contract is awarded by Council, staff will have a contractor complete the street repairs on an “on-call” basis.

City staff requests authorization to advertise for bidding. With the City Council’s approval, staff will advertise the project in the San Bernardino County Sun, post it on the City’s website, and submit it to various plan rooms.

The construction drawings and contract specifications for the project are identified as Request for Bids (RFB) No. 17-050. RFB No. 17-050 identifies the following tentative schedule for the bid process:

RFB 17-050 posted and issued	December 8, 2016
Deadline for receipt of bids:	3 PM, January 12, 2017
Contract awarded by City Council:	February 7, 2017

ENVIRONMENTAL IMPACT:

This project is a Class 1 exemption pursuant to CEQA Section 15301 Existing Facilities. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. The types of “existing facilities” itemized below are not intended to be all inclusive of the types of projects that might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use. Examples include but are not limited to: (d) Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety. Staff has filed a Notice of Exemption for the project pursuant to CEQA; a copy is included as Attachment 2 .

GENERAL PLAN CONSISTENCY:

Approval of this action complies with the City of Rialto General Plan Goal and Policies:

Goal 3-8: Promote affordable and quality water service capable of adequately meeting normal and emergency water demands to all areas in Rialto.

Policy 3-8.4: Advocate regular evaluation of the entire water supply and distribution system to ensure its continued adequacy, reliability, and safety.

Policy 3-8.5: Upgrade outdated and undersized water service facilities to prevent unnecessary system failures in the City’s water system.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

Veolia performed permanent pavement repairs from March 2016 to June 2016 for a total of

\$47,945.19, included as Attachment 1; Veolia seeks reimbursement from Rialto for these costs. The upcoming permanent pavement contract resulting from the request for bids will require budget appropriation when an award report comes forward for City Council approval. The final construction estimate, for the City Water Trench Repair Paving Project, is \$327,000 to \$378,000.

Staff recommends that City Council appropriate budget for \$430,000 in the Water Fund Account No. 670-500-7150-3001 for reimbursement to Veolia and the cost of the work included in the RFB.

RECOMMENDATION:

Staff recommends that the City Council:

- Adopt Budget Resolution No. 7030.
- Authorize the Release of Request for Bids No. 17-050 for the Pavement Permanent Utility Cuts, City Project No. 170809.



INVOICE

Invoice #: 00060743

1 of 1

Rialto Water Services

ATTN: Rolf Ohlemutz, RWS Program Manager
150 California Street
Suite #600-A
San Francisco CA 94111
United States

**Please Mail Remittance To:
Veolia Water North America**

c/o VVNA #23654
23654 Network Place
Chicago IL 60673
United States

Invoice #:	Invoice Date:	Payment Terms:	Project #:	Customer #:	Customer PO:
00060743	8/25/16	Net 30	000000001007702	0000001164	

Water R&R Asphalt Repair

Qty	UOM	Description	Unit Price	Total
1.0000	EA	Removal and Replace Asphalt	31,784.2200	31,784.22
1.0000	EA	Removal of Aprox 1132 SF	16,160.9700	16,160.97
Total Amount Due (USD):				47,945.19

EFT/ACH Instructions -

Bank Name: JP Morgan Chase
c/o: Veolia Water North America
Bank Address: 131 S. Dearborn - 6th Floor, Chicago, IL 60603
Account #: 727111544
ABA: 071000013
Swift Code: CHASUS33

Please make checks payable to Veolia Water North America and return this portion along with your remittance.

Rialto Water Services

ATTN: Rolf Ohlemutz, RWS Program
Manager
150 California Street
Suite #600-A
San Francisco CA 94111
United States

Invoice: 00060743
Invoice Date: 2016-08-25
Invoice Amount: 47,945.19

Veolia Water North America

c/o VVNA #23654
23654 Network Place
Chicago IL 60673
United States



ALL AMERICAN
— ASPHALT —

AN EQUAL OPPORTUNITY EMPLOYER

P.O. BOX 2229, CORONA, CA 92728-2229

T 951-736-7600 F 951-739-4671

CONTRACTORS LICENSE #267073 A.C.12 DIR #1000001051

RIALTO WATER SERVICES
125 SOUTH 94TH ST., #175
VEOLIA WATER NORTH AMERICA
MILWAUKEE, WI 53214

2988

INVOICE
170084

Page 1 of 1

FOR: CONTRACT

27682

JOB NO.

MARCH 31, 2016

DATE

ITEM	DESCRIPTION	QUANTITY OR %		AMOUNT TO DATE INCLUDING THIS BILLING	QUANTITY THIS BILLING	CONTRACT UNIT PRICE	AMOUNT THIS BILLING
		Per Contract	Pre-Reported				
	REMOVE COLD MIX AND REPLACE WITH ASPHALT HOT MIX PER SPEC FOR 10 LOCATIONS WORK PERFORMED ON 3/4/16				1,734	18.33 SF	31,784.22
							31,784.22
							LESS RETENTION ...
							AMOUNT DUE THIS BILLING
							31,784.22

billed

10 LOCATIONS
CITY OF RIALTO

GROSS BILLED TO DATE

LESS RETENTION TO DATE

NET BILLED TO DATE

INVOICE

01-31,784.22



ALL AMERICAN
ASPHALT

AN EQUAL OPPORTUNITY EMPLOYER

P.O. BOX 2229, CORONA, CA 92878-2229
T 951-736-7600 F 951-739-4671

CONTRACTORS LICENSE #267073 A C12 DIR #1000001051

RIALTO WATER SERVICES
125 SOUTH 84TH ST., #175
VEOLIA WATER NORTH AMERICA
MILWAUKEE, WI 53214

2988

INVOICE
170184

Page 1 of 1

APRIL 22, 2016
JOB NO. 27682
FOR: CONTRACT

ITEM	DESCRIPTION	QUANTITY OR %		AMOUNT TO DATE INCLUDING THIS BILLING	AMOUNT TO DATE INCLUDING THIS BILLING	CONTRACT UNIT PRICE	AMOUNT THIS BILLING
		Per Contract	Pre-Reported				
	REMOVE AND REPLACE 9 LOCATIONS 313 N. ORANGE 109 S. OLIVE 213 E. JACKSON 575 E. JACKSON 1274 N. OAKDALE 529 W. MESA 831 N. LINDEN HILLOM/MERRIL 877 E. JACKSON					18.77 SF	16,160.97
						THIS BILLING TOTAL	16,160.97
						LESS RETENTION00
						AMOUNT DUE THIS BILLING	16,160.97

12/19

VARIOUS LOCATIONS
CITY OF RIALTO

01-16,160.97

INVOICE

NOTICE OF EXEMPTION

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: City of Rialto
Public Works Department
335 W. Rialto Avenue
Rialto, CA 92376

Clerk of the Board
County of San Bernardino
385 North Arrowhead Avenue
San Bernardino, CA 92415

Project Title: City of Rialto Repainting of the Community Center Campus Buildings Project, City Project No. CB1501

Project Applicant: City of Rialto

Project Location (Specific): Various City Streets

Project Location (City): City of Rialto

Project Location (County): San Bernardino

Project Description: Permanent pavement trench resurfacing for water and wastewater work.

Name of Public Agency Approving Project: City of Rialto

Name of Person or Agency Carrying Out Project: City of Rialto, Public Works Department, 335 W Rialto Avenue, Rialto, CA (909) 421-7279

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
- Categorical Exemption. State type and section number: Section 15301 Class 1(b) – Existing Facilities
- Statutory Exemptions. State code number:

Reasons why project is exempt: Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alternation of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. The type of “existing facilities” to be considered exempt is determined by whether the project involves negligible or no expansion of an existing use, and includes (b) Existing facilities of both investor and publicly-owned utilities used to provide electric power, natural ga, seerage, or other public utility services. The City of Rialto Water and Wastewater Trench Repair Paving City Project No. RFB 17-050, is considered categorically exempt from CEQA.

Lead Agency Contact Person: Lonny L. Young, P.E.

Area Code/Telephone/Extension: (909) 820-2525 x 2441

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: November 9, 2016 Title: Project Manager

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code Date received for filing at OPR: _____
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING ITS 2016-2017 FISCAL BUDGET FOR THE PERMANENT PAVING OF UTILITY STREET CUTS.

WHEREAS, the budget for fiscal year 2016-2017 of the City of Rialto has been adopted by this Council in its original form, and said budget will need to be amended at times to fulfill the goals of the City; and

WHEREAS, the City departments may not exceed their appropriations by character of expense, with character of expense being defined as personnel services, services and supplies, capital outlay, debt service and transfers, without the consent of the City Administrator; and

WHEREAS, the City Administrator may transfer appropriations, between departments and within their respective funds, as long as those appropriations do not exceed their fund total unless approved by Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

Section 1: Authorize an appropriation in the Water Fund, Account No. 670-500-7150-3001- in the amount of \$430,000 for reimbursement of permanent pavement work performed by Veolia and work related to RFB 17-050 Pavement Permanent Utility Cuts, City Project No. 170809.

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PASSED APPROVED AND ADOPTED this ____ day of _____, 2016.

Deborah Robertson, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Resolution No. ____ was duly passed and adopted at a regular meeting of the City Council of the City of
6 Rialto held on the ____ day of _____, 2016.

7 Upon motion of Council Member _____, seconded by Council Member _____,
8 the foregoing Resolution No. ____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

16
17 _____
18 BARBARA McGEE, CITY CLERK
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Legislation Details (With Text)

File #: 16-784 Version: 1 Name: E.4
 Type: Agenda Item Status: Agenda Ready
 File created: 11/7/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Authorize the Release of Request for Proposals (RFP) for California Voting Rights Act Consultant Services to Evaluate Establishing a By-District System of Elections.

Sponsors:

Indexes:

Code sections:

Attachments: [RFP for CVRA Consultant Services](#)
[CVRA Consultant Listing](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Fred Galante, City Attorney

Request City Council to Authorize the Release of Request for Proposals (RFP) for California Voting Rights Act Consultant Services to Evaluate Establishing a By-District System of Elections.

BACKGROUND:

The City is interested in exploring its options for potentially moving to a by-district system of elections. It would be appropriate to retain the services of an appropriately experienced consultant to assist the City in addressing matters relating to the California Voting Rights Act (CVRA), including review of a possible change to by-district elections. The Consultant must be versed in the California Voters Right Act, the Federal Voting Rights Act, and the implications of these laws for California cities.

To this end, the City Attorney has worked with the City Clerk’s Office to develop the RFP provided with this report. The consultant sought must be qualified and experienced in California electoral redistricting.

ANALYSIS/DISCUSSION:

Staff recommends that the City formally solicit professional firms to undertake the following tasks in order to develop an analysis of the City’s compliance with the CVRA and present its analysis to the City Council:

- Assess the implications of the CVRA and the Federal Voting Rights Act for the City’s

electoral system

- Use demographic analysis and identify voting patterns of past elections of the City
- Develop a list of recommendations to the City Council with regard to the City's compliance with the CVRA
- Explore the potential by-district structure of the electorate, designating the most appropriate voting blocks for consideration
- Provide demographic analyses of the City electorate for informed discussions on alternatives for potential districting methodologies/scenarios
- Facilitate the identification of goals and priorities for the potential districting process
- Develop a proposed transition timeline for the City to convert its current electoral system to by-district voting
- Engage the community in the conversation
- Develop public participation tools and methodologies
- Present findings to the City Council, City staff and the public

The Consultant will then evaluate the demographics of the City based on data from the 2010 United States Census and the American Community Survey. The Consultant will gather and review the voting patterns of the City to analyze any historical polarized voting within the City and prepare a report that explains the methodology, data sources and results of the statistical analysis performed in terms of the impact of the CVRA on potential by-district elections in the City.

Based on these analyses, the Consultant will prepare a set of recommendations to the City for consideration. These recommendations, in addition to demographics, will take into consideration factors relating to legal precedent, alternative electoral methods, and pending legislative issues. The Consultant will further assist in the public input process, present conceptual redistricting scenarios to the public and solicit feedback from constituents on the proposed scenarios.

The Consultant will work closely with the City Clerk and the City Attorney's Office to draft proposals for consideration by the City Council, including possible district boundaries.

The RFP identifies the following tentative schedule for the selection process:

- Notice requesting Proposals posted and issued Monday, November 28, 2016
- Deadline for receipt of Questions Wednesday, December 14, 2016, 3:00 P.M.
- Deadline for receipt of Proposals Monday, January 9, 2016, 4:00 P.M.
- Noticing of firms short-listed for interviews (tentative) Monday, February 6, 2017
- Contract awarded by City Council (tentative) Tuesday, February 28, 2017

The City will advertise the RFP on its website, Planet Bids, as well as to the targeted list attached to this report of known providers of these services.

ENVIRONMENTAL IMPACT:

This request is not a "Project" as defined by the California Environmental Quality Act (CEQA).

Pursuant to Section 15378(a), a “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney prepared this staff report and RFP.

FINANCIAL IMPACT:

An appropriation will be made from Reserves when staff returns to Council to award the contract.

RECOMMENDATION:

Staff recommends that the City Council Authorize the release of Request for Proposals for California Voting Rights Act Consultant Services to Evaluate Establishing a By-District System of Elections.



City of Rialto
City Clerk's Office

City Clerk: Barbara A. McGee
Phone: (909) 820-2525 Fax: (909) 820-2527
Email: cityclerk@rialto.ca.gov

REQUEST FOR PROPOSALS # [REDACTED]
CVRA CONSULTANT SERVICES

Closing Date: December 22, 2016

RFP Number:	_____
Due Date:	December 22, 2016
Time:	4:00 P.M.
Project:	CVRA Consultant Services

The prospective consultant shall submit a fully executed sealed proposal, to be received no later than 4:00 P.M. on December 22, 2016. Sealed proposals shall be submitted to:

City of Rialto
City Clerk's Office
150 S. Palm Avenue
Rialto, CA 92376
Attn: Barbara A. McGee, City Clerk

NOTE: Proposers are required to submit one (1) original RFP signed in ink, one (1) hard copies of the RFP, and one (1) electronic media version (*CD or USB Flash Drive*) copy of the RFP. Original and copies should be identified as such. Failure to provide copies may result in disqualification.

CITY OF RIALTO
REQUEST FOR PROPOSAL #
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**CITY OF RIALTO
STATE OF CALIFORNIA
NOTICE INVITING SEALED PROPOSALS**

NOTICE IS HEREBY GIVEN by the City of Rialto City Clerk's Office, the City will be accepting sealed proposals for the following: CVRA Consultant Services.

Proposals must be received in the City Clerk's Office, 150 S. Palm Ave., Rialto, California 92376, no later than December 22, 2016 at 4:00 P.M.

No proposal shall be considered unless it is made on the proposal form furnished by the City of Rialto and is made in accordance with the provisions of the Request for Proposal. All proposals must be labeled RFP [REDACTED] CVRA Consultant Services and the proposal price must be firm for ninety (90) days from date of the proposal opening in order to permit staff evaluation and City Council award. The City of Rialto reserves the right to reject any or all proposals in whole or in part, and may waive any irregularities or informalities in any proposal to the extent permitted by law, and when the public interest will be served thereby.

No oral interpretations will be made to any bidder as the meaning of the contract documents. Requests for an interpretation shall be made in writing and delivered to the City at least 5 days before the time announced for opening the proposals. Interpretations will be in the form of an addendum to the contract documents and, when issued, will be sent as promptly as is practical to all parties to whom the contract documents have been issued. All addenda shall be included in the contract when submitting the bid proposal.

The City Offices are closed every Friday and the following Holidays: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Christmas Eve, and Christmas.

Bid packages are available online at www.rialtoca.gov. For additional information please direct questions to cityclerk@rialtoca.gov.

(s) Barbara A. McGee
City Clerk
City of Rialto

CITY OF RIALTO
REQUEST FOR PROPOSAL # [REDACTED]
OVERVIEW & BACKGROUND

The City of Rialto was founded in 1887 and incorporated in 1911. The City operates as a general law City with a City Council-City Administrator form of government. The City Council consists of the Mayor and four additional City Council members. The Mayor and City Council members are elected to staggered four years terms in November of even-numbered years. The Mayor and City Council members are currently elected at-large. The City Council meets on the second and fourth Tuesday of every month.

Rialto is an ethnically diverse and progressive community, which boasts several unique community assets including its own Police and Fire Departments, a City owned Racquet and Fitness Center, Performing Arts Theater, a Community Center and Senior Center. Rialto is conveniently located to various recreational pursuits from the mountains, beaches and desert. According to the 2010 Census data, the population of the City is 99,171, although more recent estimates put the population of the City over 100,000.

The City of Rialto lies in the west portion of the San Bernardino Valley, due west of the County Seat. Rialto is sixty miles east of Los Angeles and 103 miles north of San Diego. Rialto is proud to be a City of commercial, residential, educational, cultural and industrial growth.

CITY OF RIALTO
REQUEST FOR PROPOSAL # [REDACTED]
SCOPE OF WORK

The City is interested in exploring its options for potentially moving to a by-district system of elections. The purpose of this RFP is to retain the services of an appropriately experienced consultant to assist the City in addressing matters relating to the California Voting Rights Act, including review of a possible change to by-district elections. The Consultant must be versed in the California Voters Right Act, the Federal Voting Rights Act, and the implications of these laws for California cities. The Consultant must be qualified and experienced in California electoral redistricting.

In summary, the Consultant shall:

- Assess the implications of the California Voting Rights Act (“CVRA”) and the Federal Voting Rights Act for the City’s electoral system
 - Use demographic analysis and identify voting patterns of past elections of the City
- Develop a list of recommendations to the City Council with regard to the City’s compliance with the CVRA
- Explore the potential by-district structure of the electorate, designating the most appropriate voting blocks for consideration
 - Provide demographic analyses of the City electorate for informed discussions on alternatives for potential districting methodologies/scenarios
 - Facilitate the identification of goals and priorities for the potential districting process
 - Develop a proposed transition timeline for the City to convert its current electoral system to by-district voting
 - Engage the community in the conversation
 - Develop public participation tools and methodologies
- Present findings to the City Council, City staff and the public

At a minimum, the Consultant should be prepared to develop an analysis of the City’s compliance with the CVRA and present its analysis to representatives from the City. The Consultant shall gather 2010 United States Census Data and shapefiles to be used in Geographic Information Systems (“GIS”) software so that geospatial analyses can be conducted, including conceptual Voting Areas or Council Districts. The Consultant shall then evaluate the demographics of the City based on data from the 2010 United States Census and the American Community Survey. The Consultant shall gather and review the voting patterns of the Client to analyze any historical polarized voting within the City and prepare a report that explains the methodology, data sources and results of the statistical analysis performed in terms of the impact of the CVRA on potential by-district elections in the City.

Based on these analyses, the Consultant shall prepare a set of recommendations to the City for consideration. These recommendations should be all-inclusive in nature and, in addition to demographics, should take into consideration factors relating to legal precedent, alternative electoral methods, and pending legislative issues. Any recommendations for the creation of voting districts should first involve determination of the City's goals for the districting process (e.g., balanced population, civic boundaries, and/or community identity). The Consultant shall write a narrative describing the potential districting scenarios and shall prepare graphs, charts and illustrative materials that address each proposed alternative for districting. In each alternative, the Consultant must clearly convey the methodology applied in establishing district boundaries. The Consultant shall assist in the public input process, present conceptual redistricting scenarios to the public and solicit feedback from constituents on the proposed scenarios.

The Consultant shall also identify legal issues, compliance with state and federal regulations and shall discuss these requirements with the City's legal counsel. The selected Consultant will work closely with the City Clerk and the City Attorney's Office to draft proposals for consideration, including possible district boundaries. Therefore, the Consultant's expertise in all areas or access to experts in these areas is essential.

QUALIFICATIONS

The City seeks professionals with demonstrated expertise in performing the services described herein. The successful Consultant shall have proven experience in providing the subject professional services and shall, at minimum, have the following:

- (1) Have a minimum of three (3) similar projects within the last three (3) years providing the same or similar services requested in this RFP.
- (2) Have no outstanding or pending complaints as determined through the Better Business Bureau or State of California Department of Consumer Affairs.
- (3) Have the administrative and fiscal capability to provide and manage the proposed services.

SUBMISSION REQUIREMENTS

1. A resume or statement of qualifications.
2. Examples of work or ability to view an on-line portfolio.
3. Three to five professional references.
4. A fee schedule including hourly rates, miscellaneous fees and other anticipated expenses.
5. All forms in the RFP.

SELECTION CRITERIA

Proposals will be evaluated to determine the consultant or firm best suited to complete the project based on qualifications, experience and pricing including: Qualifications and experience as provided in a resume or statement of qualifications. Ability to effectively communicate and conduct presentations. Cost of annual contract. Reference checks.

Specifications:

CITY OF RIALTO
REQUEST FOR PROPOSAL #
DISCLOSURE OF PROPOSAL CONTENTS

The proposals may be kept confidential until a contract is awarded. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for the material that is proprietary or confidential. The City Clerk will not disclose or make public any pages of a proposal on which the offeror has stamped or imprinted “proprietary” or “confidential” subject to the following requirements.

Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. Confidential data is normally restricted to confidential financial information concerning the offeror’s organization and data that qualifies as a trade secret. The cost of services proposed shall not be designated as proprietary or confidential information.

If a request is received for disclosure of data for which an offeror has made a written request for confidentiality, the City Clerk shall examine the offeror’s request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the offeror takes legal action to prevent the disclosure, the proposal will be so disclosed. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

CITY OF RIALTO
REQUEST FOR PROPOSAL #
DIVERSITY BUSINESS STATEMENT

The City of Rialto encourages the maximum participation by small business, Veteran-Owned small business (VOSB), Service-Disabled Veteran owned small business (SDVOSBC), HUBZone small business, Small Disadvantaged business (SDB/DBE), and Women-Owned small businesses (WOSB).

It is the policy of City of Rialto, to conduct business with the above stated businesses whenever possible to the maximum extent that is feasible.

The City of Rialto shall, within the limits of state statutes and regulations, pursue the award of a fair share of all contracts with minority businesses and shall encourage and assist minority businesses in the methods of conducting business with the City of Rialto.

Small Business Concerns Information

The bidder shall furnish the following information. Additional sheets may be attached, if necessary.

- (1) Name: _____
- (2) Address: _____
- (3) Phone No.: _____ Fax No.: _____
- (4) E-Mail: _____

- (5) Type of Firm: (Check all that apply)
_____ Individual _____ Partnership _____ Corporation
_____ Minority Business Enterprise (MBE) _____ Women Business Enterprise (WBE)
_____ Small Disadvantaged Business _____ Veteran Owned Business
(SDB)
_____ Disabled Veteran Owned Business _____ Other

- (6) Business License: _____ Yes _____ No License Number: _____
- (7) Tax Identification Number: _____
- (8) Contractors License: _____ State: _____ License No.: _____
Classification(s) _____

- (9) Names and Titles of all members of the firm:

- (10) Number of years as a contractor in construction work of the type: _____
- (11) Three (3) projects of this type recently completed:
Type of project: _____
Contract Amount: _____ Date Completed: _____
Owner: _____ Phone: _____
Type of project: _____
Contract Amount: _____ Date Completed: _____
Owner: _____ Phone: _____
Type of project: _____
Contract Amount: _____ Date Completed: _____
Owner: _____ Phone: _____

- (12) Person who inspected the site of the proposed work for your firm:
Name: _____ Date of Inspection: _____

CITY OF RIALTO
REQUEST FOR PROPOSAL # [REDACTED]
GENERAL INFORMATION

The City of Rialto has outlined the requirements herein in as much detail as is currently known. Please provide any exceptions, additional information, or suggestions that will aid in the City's selection process (attachments are acceptable).

The City reserves the right to negotiate terms and specifications/scope of work with the highest ranked competitively priced and qualified proposal. If an agreement cannot be negotiated the City reserves the right to negotiate with any other finalist.

Any evidence of agreement or collusion among Proposers acting illegally to restrain freedom of competition by agreement to propose a fixed price, or otherwise, will render the proposal of such Proposers void.

Proposer shall identify those services that will be outsourced to a subconsultant or sub-proposer. The prime Proposer will be responsible for verifying the qualifications and validity of all licenses or permits for any outsourced work to subconsultants. The prime Consultant is also responsible for paying its employees and any subconsultants the prime Consultant hires.

This RFP does not obligate the City to accept or contract for any expressed or implied services.

The City reserves the right to request any Proposer submitting a proposal to clarify its proposal or to supply additional material deemed necessary to assist in the selection process.

All submitted proposals and information included therein or attached thereto shall become public record upon contract award.

The City reserves the right to cancel this solicitation at any time.

The City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City.

Questions and comments regarding this solicitation must be submitted in writing, either by mail, delivery, facsimile, or email address to:

Mail: City of Rialto
City Clerk's Office
150 S. Palm Avenue
Rialto, CA 92376

Delivery: City of Rialto
City Clerk's Office
150 S. Palm Avenue
Rialto, CA 92376

FAX: (909) 820-2527

EMAIL: cityclerk@rialto.ca.gov

Any questions relating to this Request for Proposal must be received at least 5 City business days prior to closing date, any questions received after this deadline will not be addressed.

The City Offices are closed every Friday and the following Holidays: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Christmas Eve, and Christmas.

The questioner's company name, address, phone and fax number, and contact person must be included with the questions or comments. All answers, if any, made by the City will be sent in writing to all known proposal holders and posted to the City's website.

Proposers, their representatives, agents or anyone else acting on their behalf are specifically directed NOT to contact any City employee, Commission member, Committee member, Council member, or any other agency employee or associate for any propose related to this entire RFP process other than as directed above. Contact with anyone other than as directed above may be cause for rejection of proposal.

CITY OF RIALTO
REQUEST FOR PROPOSAL #
GENERAL TERMS AND CONDITIONS

Definition of Terms

The following terms used in the RFP documents shall be construed as follows:

1. "City" shall mean the City of Rialto.
2. "Consultant/Proposer/Contractor" shall mean the individual, partnership, corporation or other entity to which this agreement is awarded.
3. "Supplier/Proposer/Consultant" shall be considered synonymous with term "proposer".
4. "Contract/agreement" shall be considered synonymous with term "contract".
5. "Evaluation Committee" is an independent committee established by the City to review, evaluate, and score the proposals, and to recommend award to the proposer that submitted the proposal determined by the committee to be in the best interest of the City.
6. "May" indicates something that is not mandatory, but permissible.
7. "Must/Shall" indicates a mandatory requirement. A proposal that fails to meet a mandatory requirement will be deemed non-responsive, and not be considered for award.
8. "Proposer" shall mean the person or firm making the offer.
9. "Proposal" shall be the offer presented by the proposer.
10. "RFP" shall be the acronym for Request for Proposals.
11. "Should" indicates something that is recommended, but not mandatory. Failure to do what "should" be done will not result in rejection of your proposal.
12. "Submittal Deadline" shall be the date and time on or before all proposals must be submitted.
13. "Successful Proposer" shall be the person, consultant, or firm to whom the award is made.

City Business License

Proposer shall secure, at the proposer's own cost, the appropriate business license from the City prior to beginning any work or delivering any equipment or material to be furnished under this specification and proposal. This must be initiated within six City working days after notification of award.

Consultant's Address and Legal Services

The address given in the proposal shall be considered the legal address of the Proposer and shall be changed only by written or electronic notice to the City. The Proposer shall supply an address to which certified mail can be delivered. The delivery of any communication to the Proposer personally, or to such address, or the depositing in the United States Mail, registered or certified with postage prepaid, addressed to the Proposer at such address, shall constitute a legal service thereof.

Cost of Preparing Proposals

Any and all costs incurred responding to this RFP, conducting demonstrations or any other related activities, shall be borne by the proposer and the City shall not be liable for any of these costs.

Informed Proposer

Proposers are expected to fully inform themselves as to the conditions, requirements, and specifications before submitting proposals. Failure to do so will be at proposer's own risk and they cannot secure relief on the plea of error.

Proposal Errors

Proposer is liable for all errors or omissions incurred by proposer in proposal. Proposer will not be allowed to alter proposal documents after the due date for proposal submission.

The City reserves the right to make corrections due to errors identified in proposal by the City or the proposer. This type of correction or amendment will only be allowed for errors as typing, transposition or any other obvious error. Any changes will be date and time stamped and attached to proposal. All changes must be coordinated in writing with, authorized by and made by the City Clerk.

Waiver of Minor Administrative Irregularities

The City reserves the right, at its sole discretion, to waive minor administrative irregularities contained in any proposal.

Rejection of Proposal

The City reserves the right, as the interest of the City, to reject any or all proposals, to waive any minor informality in proposals received, to reject any unapproved alternate proposal(s), and reserves the right to reject the proposal of any proposer who has previously failed to perform competently in any prior business relationship with the City.

The rejection of any or all proposals shall not render the City liable for costs or damages.

Proposal Format and Submittal

All proposals must be submitted in writing on the enclosed Request for Proposal documents. Proposals accepted by the City in writing constitute a legally binding contract offer. All materials submitted shall become a part of the proposal. Proposers are required to submit one (1) original RFP signed in ink, one (1) hard copies of the RFP, and one (1) electronic media version copy of the RFP. Original and copies should be identified as such. Written proposal must be presented in a sealed package. Proposer must enter the proposal number, title, and proposer's name on the outside of the package. Sealed proposals are to be delivered to the address listed in this RFP no later than the stated proposal opening date and time.

Proposers shall complete and return all applicable documents including forms, specifications, drawings, schematic diagrams, and any technical and/or illustrative literature. The City Clerk may deem a proposer non-responsive if the proposer fails to provide all required documentation and copies. Proposals must be signed by a duly authorized officer eligible to sign contract documents for the proposer. Consortiums, joint ventures, or teams submitting proposals will not be considered responsive unless it is established that all contractual responsibility rests solely with one proposer or one legal entity. The proposal must identify the responsible entity.

Proposals shall be based only on the material contained in the RFP, pre-proposal conference responses, amendments, addenda and other material published by the City relating to the RFP. The proposer shall disregard any previous draft material and oral representations which may have been obtained from the proposer.

Proposals that are unnecessarily elaborate beyond what is sufficient to present a complete and effective proposal are not desired.

The information requested and the manners of submission are essential to permit prompt evaluation of all proposals on a fair and uniform basis. Accordingly, the City reserves the right to declare as nonresponsive and reject any proposals in which information requested is not furnished or where direct or complete answers are not provided.

The proposer shall not change any wording in the RFP or associated documents. Any explanation or alternative offer shall be submitted in a letter attached to the front of the proposal documents. Alternatives that do not substantially meet the City's requirements cannot be considered. Proposals offered subject to conditions or limitations may be rejected as non-responsive.

Submitting Proposals

- a) **Submittal Deadline:** Proposals must arrive in the City Clerk's Office by the submittal deadline shown in these specifications or subsequent addenda. Proposals may be submitted by hand, by courier, or any other method specified herein.
- b) **Responsibility:** Proposers are solely responsible for ensuring that their proposals are received by the City in accordance with the solicitation requirements, before submittal deadline, and at the place specified. The City shall not be responsible for any delays in mail, or by common carriers, or by transmission errors, or delays, or mistaken delivery. Delivery of proposals shall be made at the office specified in the Request for Proposals. Deliveries made before the submittal deadline, but to the wrong City office will be considered non-responsive unless redelivery is made to the office specified before the submittal deadline.
- c) **Extension of Submittal Deadline:** The City reserves the right to extend the submittal deadline when it is in the best interest of the City.
- d) **Addendums:** All addendums will be posted in The City of Rialto website at www.rialto.ca.gov under Featured Resources Bid/Proposals. Consultants are encouraged to check the website periodically for updates.
- e) **Email/Facsimile Transmissions:** Proposals may NOT be submitted by email or facsimile, unless otherwise specified herein.
- f) **Forms:** To be considered for award, each proposal shall be made on forms furnished by the City.
- g) **Late Proposals:** The submittal deadline IS FIRM. Proposals will NOT be accepted after the submittal deadline and will be returned to the Proposer unopened.
- h) **Signature:** To be considered for award, each proposal shall be signed by an authorized representative of the Proposer.
- i) **Sealed Proposals:** Proposals MUST BE sealed upon submittal (e.g., envelope, package, box, etc.)

Proposals Property of City/Proprietary Proposal Material

All proposals submitted in response to this RFP shall become the property of the City of Rialto, and subject to the State of California Public Records Act. Proposers must identify all copyrighted material, trade secrets or other proprietary information that the proposer claims are exempt from the California Public Records Act (California Government Code Section 6350 et seq). Sections claimed to be exempt for public disclosure should be clearly identified as such.

In the event a proposer claims such an exemption, the proposer is required to state in the proposal the following: "The proposer will indemnify the City and its officers, employees and agents, and hold them harmless from any claim or liability and defend any action brought against them for their refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request thereof."

Failure to identify sections exempt from disclosure and to include such a statement shall constitute a waiver of a proposer's right to exemption from this disclosure.

Proposal Acceptance Period

Unless otherwise stated, proposals shall be irrevocable for a period of 90 days following the proposal opening date.

Multiple Proposals

Proposers interested in submitting more than one proposal may do so, providing each proposal stands alone and independently complies with the instructions, conditions, and specifications of the RFP.

California State Board of Equalization Permit

Proposer shall enter the company's State of California Board of Equalization permit number on the proposal form. If the company does not have this permit, the proposer shall sign the proposal form declaring that the company has no California sales tax permit.

Applicable Laws

Selected Proposer is required to comply with all existing State, Federal, and Local laws. If Proposer outsources any work or job to a sub-proposer, it will be the prime Proposer's responsibility to ensure that all sub-proposers meet the requirements as stated in this RFP.

Withdrawal of Proposal

Proposer may withdraw proposal in writing at any time prior to the specified proposal due date and time. Faxed withdrawals will be accepted. A written request signed by an authorized representative of the proposer must be submitted to the City Clerk or appropriate email sent to cityclerk@rialto.ca.gov. After withdrawing a previously submitted proposal, the proposer may submit another proposal at any time up to the proposal closing date and time.

Proposer agrees that failure on its part to list all cost components related to the service will not be accepted by the City as an acceptable justification to re-quote the proposal. Proposer acknowledges that the original proposal and costs provided stand. However, Proposer has the option of withdrawing a proposal at any time until closing date and time of RFP.

Lowest Ultimate Cost and Best Overall Value to the City of Rialto

A final contract will be awarded to the highest ranked competitively priced and qualified proposal. Although price is of prime consideration, it is not the sole determining factor. The City reserves the right to select the appropriate firm based on the most qualified proposal. The determination of the most qualified and most competitively priced proposal may involve all or some of the following factors: price, thoroughness of the proposal package, previous experience and performance; conformity to specifications; financial ability to fulfill the contract; ability to meet Specifications/Scope of Work; terms of payment; compatibility, as required; number of sub-proposers the main Proposer may need to employ for outsourced work; other costs; and other objective and accountable factors which are reasonable. The City reserves the right to select a Proposer to perform all of the work identified in the RFP, or only selected portions based on price and/or other factors.

Pre-Award Negotiations

Prior to award of contract the successful Proposer may be required to attend negotiation meetings which will be scheduled at a later date. The intent of these meetings will be to discuss and negotiate contract requirements, prices, service level agreements, specifications, ordering, invoicing, delivery, receiving and payment procedures, etc. in order to insure successful administration of the contract.

Award Selection Process

Selection of qualified Proposers will be based on the following: quality and completeness of submitted proposal; understanding of project objectives; project approach; experience and expertise with public agencies and similar types of efforts; and references. Additional questions may be asked of Proposers and interviews may be conducted. Proposers will be notified of any additional required information or interviews after the written proposals have been evaluated.

Interviews may be held with the most qualified respondent. The recommended proposals will be submitted to the awarding authority for contract approval. The Proposer selected will be offered a contract with the City.

Bid Protests

All protests concerning the award, evaluation, recommendation or other aspect of the selection/bidding process must be made in writing, signed by an individual authorized to bind the bidder contractually and financially, and contain a statement of the reason(s) for the protest; citing the law, rule, regulation or procedures on which the protest is based. The protester must provide facts and evidence to support the claim.

All protests must be mailed to:

City of Rialto
City Clerk's Office
150 S. Palm Avenue
Rialto, CA 92376
Attn: City Clerk

All protests must be received by the City Clerk as soon as possible and will be addressed in writing within 5 City business days.

Execution of Notice of Award

A response to this RFP is an offer to contract with the City based upon the terms, conditions, service level agreements, and specifications contained in the RFP.

A contract will be formed when the City Clerk awards the contract to the selected proposer(s).

Any contract made pursuant to this RFP, and any negotiated amendments to it must be accepted in writing by the proposer. If, for any reason proposer should fail to accept in writing, any conduct by proposer which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute acceptance by proposer of the contract and all of its terms and conditions. Any terms offered in proposer's acceptance of City's contract which add to, vary from or conflict with the terms herein are hereby objected to. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and may hereafter be modified only by written change order executed by the authorized representatives of both parties.

The foregoing should not be interpreted to prohibit either party from proposing additional contract terms and conditions during negotiations of the final contract.

If the contract negotiation period exceeds thirty (30) days or if the selected proposer fails to execute contract within five (5) business days of delivery of it, the City may elect to cancel the award and award the contract to the next highest ranked proposer.

Modifications/Change Orders/Amendments

Any adjustments, alterations, additions, deletions, or modifications in the terms and/or conditions of resultant agreement must be made by written change order approved by the City Clerk, and the Contractor.

The City shall neither pay for nor be obligated to accept any modifications performed by consultant without a written change order.

Contract Administrator and Duties

The Contract Administrator, or designee, will audit the billings, approve changes to the agreement and generally be responsible for overseeing the execution and ongoing administration of the agreement. In lieu of a Contract Administrator, the City Clerk will act as the Contract Administrator.

Prime Consultant

The proposer who becomes the Consultant upon award of the contract by the City Clerk must be the prime consultant performing the primary functions of the contract. If any portion of the contract is to be subcontracted, it must be clearly set forth in the proposal document as to what part(s) are to be subcontracted, the reasons for the subcontracting, and a listing of subconsultants. Acceptance or rejection of a proposer's request to use subconsultants is at the sole discretion of the City. The City reserves the right to reject any proposal to function as the prime consultant on the awarded contract. When approved, the subconsultant(s) shall agree to and be bound by all terms, conditions and specifications of the awarded contract and the proposer shall be responsible for proper performance of the contract by the subconsultant.

Subconsultant

With prior approval of the City, the consultant may enter into subcontracts and joint participation agreements with others for the performance of portions of resultant agreement. The consultant shall at all times be responsible for the acts and errors or omissions of its subconsultants or joint participants and persons directly or indirectly employed by them. Nothing in this contract shall constitute any contractual relationship between any others and the City or any obligation on the part of the City to pay, or to be responsible for the payment of any sums to the subconsultants.

The provisions of resultant agreement shall apply to all subconsultants in the same manner as to the consultant. In particular, the City will not pay, even indirectly, the fees and expenses of a subconsultant which do not conform to the limitations and documentation requirements of resultant agreement.

Copies of Subconsultant Agreements

Upon written request from the City, the Consultant shall supply the City with subconsultant agreements.

Record and Audit Rights

The consultant shall maintain records and books of account showing all costs and expenses incurred by the consultant for the contract. The City shall have the right, upon reasonable notice, to audit the books, records, documents, and other evidence and the accounting procedures and practices, where needed, to verify the costs and expenses claimed. The City retains this right for at least three years after final payment and until all disputes, appeals, litigation, or claims have been resolved. This right to audit shall also include inspection at reasonable times of the consultant's office or facilities which are engaged in the performance of the contract. In addition, the consultant shall, at no cost or expense to the City, furnish reasonable facilities and assistance for such an audit.

Upon request, consultant shall also provide copies of documents applicable to this contract.

The audit findings shall, to the extent allowed by law, be treated by the City as confidential.

Permits/License

It is the responsibility of the Proposer to provide any permits/licenses which may be required of Local, State, or Federal regulations at no cost to the City.

Most Favored Public Entity Pricing

The prices charged against resultant contract shall not exceed those charged any other government agency. A current price list must be available in the Proposer's local office at all times for audit by the City.

Price Changes

Prices quoted shall remain unchanged for the duration of the resultant agreement, unless agreed upon by both parties.

Cooperative Purchasing

The City desires that the prices, terms, and conditions contained in any agreement resulting from this RFP shall be offered to any other government agency. The proposer shall state in the proposal if willing to allow such cooperative purchasing. Any resulting cooperative purchasing shall be between the consultant and governmental agency desiring such cooperative purchasing, as long as specifications are similar and the agreements are reached within a year of original proposal.

Hold Harmless Clause

The Proposer shall, during the terms of the contract including any warranty period, indemnify, defend, and hold harmless the City, it's officials, employees, agents, and representatives thereof from all suits, actions, or claims of any kind, including attorney's fees, brought on account of any personal injuries, damages or violations of rights sustained by any person or property in consequence of any neglect in safeguarding contract work, or on account of any act or omission by the consultant or his employees, or from any claims or amounts arising from violation of any law, bylaw, ordinance, regulations or decree. The Proposer agrees that this clause shall include claims involving infringement of patent or copyright.

Safety

All Consultant and subconsultants performing services for the City are required and shall comply with all Occupational and Health Administration (OSHA), State and County Safety and Occupational Health Standards, and any other applicable rules and regulations. Also all Consultants and subconsultants shall be held responsible for the safety of their employees and any unsafe acts or conditions that may cause injury or damage to any persons or property within and around the work site area under this contract.

Severability

In the event that any provision shall be adjudged or decreed to be invalid, such ruling shall not invalidate the entire agreement but shall pertain only to the provision in question and the remaining provisions shall continue to be valid, binding, and in full force and effect.

Non-Collusion Affidavit

Proposer shall declare that the only persons or parties interested in the proposal as principals are those named therein; that no officer, agent, or employee of the City of Rialto is personally interested, directly or indirectly, in the proposal; that the proposal is made without connection to any other individual, firm, or corporation making a proposal for the same work; and that the proposal is in all respects fair and without collusion or fraud. The Non-Collusion Affidavit shall be executed and submitted with the proposal.

Workman's Compensation Certificate

Section 3700 of the State Labor Code requires that every employer shall secure the payment compensation by either being insured against liability to pay compensation with one or more insurers or by securing a certificate of consent to self-insure from the State Director of Industrial Relations.

In accordance with this section and with Section 1861 of the State Labor Code, the consultant shall sign a Compensation Insurance Certificate which is included with the Contract Agreement, and submit same to City of Rialto along with the other required contract documents, prior to performing any work. Reimbursement for this requirement shall be considered as included in the various items of work.

Insurance

Prior to the commencement of any services hereunder, Proposer shall provide to the City certificates of insurance with the City named as additional insured. Such policies shall be subject to approval by the City and shall require thirty days notice to the City before any cancellation. Failure to furnish such evidence, if required, may be considered a default of the contract.

- (1) Workers' compensation insurance covering all employees of the Consultant, in a minimum amount of \$1 million per accident, effective per the laws of the State of California;
- (2) Commercial general liability insurance covering third party liability risks, including without limitation contractual liability, in a minimum amount of \$1 million combined single limit per occurrence for bodily injury, personal injury, and property damage. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate shall apply separately to this project, or the general aggregate limit shall be twice the occurrence limit;
- (3) Commercial auto liability and property insurance covering any owned and rented vehicles of Consultant in a minimum amount of \$1 million combined single limit per accident for bodily injury and property damage;
- (4) Professional Liability in a minimum amount of \$1 million per incident.

Termination

Subject to the provisions below, the contract may be terminated by the City upon thirty (30) days advance written notice to the other party; but if any work or service thereunder is in progress, but not completed as of the date of termination, then this contract may be extended upon written approval of the City until said work or services are completed and accepted.

a. Termination for Convenience

In the event that this contract is terminated or cancelled upon request, and for the convenience of the City, without the required thirty (30) days advanced written notice, then the City shall negotiate reasonable termination costs, if applicable.

b. Termination for Cause

Termination by the City for cause, default or negligence on the part of the firm shall be excluded from the foregoing provision; termination costs, if any shall not apply. The thirty (30) days advance notice requirement is waived in the event of Termination for Cause.

c. Termination Due to Unavailability of Funds in Succeeding Fiscal Years

When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, the contract shall be cancelled and the consultant shall be reimbursed for the reasonable value of any non-recurring costs incurred, but not amortized in the price of the supplies or services delivered under the contract.

Contractual Disputes

The Consultant shall give written notice to the City Clerk of his intent to file a claim for money, or other relief at the time of the occurrence, or the beginning of the work upon which the claim is to be based.

The written claim shall be submitted to the City Clerk no later than sixty (60) days after final payment. If the claim is not disposed of by agreement, the City Clerk shall reduce his/her decision to writing and mail or otherwise forward a copy thereof to the Consultant within thirty (30) days of receipt of the claim.

The City Clerk's decision shall be final unless the Consultant appeals within thirty (30) days by submitting a written letter of appeal to the City Administrator, or designee. The City Administrator shall render a decision within sixty (60) days of receipt of the appeal.

CITY OF RIALTO
REQUEST FOR PROPOSAL #
PROPOSERS BACKGROUND INFORMATION

Proposers Information

Proposer's Contact Name: _____

Contact Title: _____

Mailing Address: _____

Location of Business
(if different from mailing address): _____

Telephone Number: _____

Pager Number: _____

24 Hour Tel. Number: _____

Fax Number: _____

E-Mail Address: _____

Remittance Address:
(if different from mailing address): _____

Number of Years in Business: _____

Applicable State of California License #(s): _____

Expiration Date(s): _____

Proposer's Dunn and Bradstreet
DUNNS: NUMBER: _____

Customer References

The proposer must submit a minimum of four (4) non-proposer owned customer references whose services have been provided for or used by the proposer within the last twenty-four (24) months. Services provided to these customers must be of comparable size and similar in scope to the City's requirements within this proposal.

Include the following for each reference:

- Company Name:
- Name of Contact:
- Title of Contact:
- Address:
- Telephone number of Contact:
- Dates and types of service(s) provided

The City may, at its option, contact other known proposer's customers for references.

Business Organization

Proposer shall provide an overview of the entity submitting this RFP including the following information:

- Brief history and description of entity;
- Date entity was established and location of entity when established;
- Location of headquarters;
- Total number of employees;
- Organization chart indicating the positions and names of the core management team which will undertake this project;
- Resumes for all core team members.

Proposed Subconsultant Information

If applicable to the proposal, the following information must be provided for each proposed subconsultant. Attach and submit this information with this proposal. If subconsultants will not be utilized, so indicate.

- Subconsultant's name, mailing address, phone number
- Subconsultant's contact name, title, phone number
- Subconsultant's status as a minority/woman owned business enterprise, if applicable
- Subconsultant's City of Rialto business License
- Description of work to be subcontracted
- Reason(s) for subcontracting
- Percentage of total contract to be subcontracted

CITY OF RIALTO
REQUEST FOR PROPOSAL #
PROPOSER'S DECLARATION

Proposal Date: _____, 2016

To the Honorable Mayor and City Council From:

Consultant

The undersigned, as Proposer, declares that he has carefully examined the proposed work described, examined the Agreement and read the Instructions to Proposers and is familiar with all proposal requirements, and hereby proposes and agrees, if the proposal is accepted, to complete the said services in accordance with the Agreement Documents, as defined in the General Provisions, in the time stated herein, for the prices set forth in the following schedule:

Said amount to include and cover all taxes, the furnishing of all materials, the performing of all the labor requisite and the providing of all necessary , tools, apparatus and other materials; also, the performance and completion of all the work in the manner set forth, described and shown in the Specifications or on the drawings for the work.

The Proposer to whom the contract (s) is awarded agrees to enter into an agreement with the City, and to commence work within fifteen (15) working days from the date of execution thereof, and to diligently prosecute the work to completion as set forth in the agreement after the execution of the agreement and the date of issuance of a Notice to Proceed.

The City Offices are closed every Friday and the following Holidays: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Christmas Eve, and Christmas.

All proposals are to be computed on the basis of the given Estimated Type of Work, as indicated in this proposal. In case of a discrepancy between words and figures, the words shall prevail. In case of a discrepancy between unit prices and the extension thereof, the unit price shall prevail and proposals will be computed as indicated above and compared on the basis of correct totals.

The estimated quantities of work indicated in this proposal are approximate only, being given solely as a basis for comparison of proposals. The City does not expressly nor by implication agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount of any item or portions of the works as may be deemed expedient by the Contract Administrator.

It is understood by the Proposer that the City of Rialto has the right to reject this proposal or to award an agreement to the undersigned at the prices stipulated. If the proposal is rejected, then the enclosed check or proposal bond shall be returned to the undersigned within thirty-days (30) days from the date thereof. If the proposal is accepted and the work is awarded and the terms supplied by the City Clerk within fifteen (15) days such further time as may be granted by the City Council, then said check shall be cashed or said bond declared forfeit and an amount equal to the difference between the lowest Proposer who will execute an agreement shall be paid into the treasury of the City of Rialto as liquidated damages for the failure of the undersigned to comply with the terms of this proposal.

Signature of Proposer

If an individual, so state. If a firm or co-partnership, state the firm name and give the names of all individual co-partners composing the firm, i.e., president, secretary, treasurer and manager, thereof.

Dated: _____, 2016

_____ Business Address

_____ Telephone Number

CITY OF RIALTO
REQUEST FOR PROPOSAL #
STATEMENT OF PROPOSER'S QUALIFICATIONS

STATE OF CALIFORNIA, COUNTY OF _____

I am the _____ of _____,
the Proposer herein. I have read the foregoing statement and know the contents thereof; and
I certify that the same is true of my own knowledge, except as to those matters which are
therein stated upon my information or belief, and as to those matters I believe it to be true.

Executed on _____ at _____, California
(date) (place)

I declare, under penalty of perjury, that the foregoing is true and correct.

Signature of Proposer

Title

Signature of Proposer

Title

CITY OF RIALTO
REQUEST FOR PROPOSAL # [REDACTED]
PERFORMANCE BOND CERTIFICATION

Offeror must provide written evidence from an authorized bonding company of their ability to provide an acceptable performance (surety) bond.

NOW, THEREFORE, if the aforesaid principal is awarded the contract, and, within the time and manner required under the specifications, after the prescribed forms are presented to him for signature, enters into a written contract, in the prescribed form, in accordance with the proposal, and files the bonds with the City of Rialto, one to guarantee faithful performance and the other to guarantee payment for labor and materials, as required by law, then this obligee and judgment is recovered, the surety shall pay all costs incurred by the obligee in such suit, including a reasonable attorney's fee to be fixed by the court.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this ____ day of ____
_____, 2016.

	(SEAL)
	(SEAL)
PRINCIPAL	(SEAL)
	(SEAL)
	(SEAL)
	(SEAL)
SURETY	(SEAL)
ADDRESS	(SEAL)

NOTE: Signatures of those executing for the surety must be properly acknowledged. Attach Power of Attorney.

CITY OF RIALTO
REQUEST FOR PROPOSAL #
STATEMENT OF REFERENCES

List and fully describe contracts performed by your firm which demonstrate your ability to complete the work included within the scope of the specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1

Customer

Name:

Contact Individual: _____ Phone
No: _____
Address: _____

Contract
Amount: _____ Year: _____

Description of work done:

Reference No. 2

Customer

Name:

Contact Individual: _____ Phone
No: _____
Address: _____

Contract
Amount: _____ Year: _____

Description of work done:

Reference No. 3

Customer

Name:

Contact Individual: _____ Phone
No: _____

Address:

Contract Amount: _____ Year: _____

Description of work done:

Reference No. 4

Customer

Name:

Contact Individual: _____ Phone No: _____
Address: _____

Contract Amount: _____ Year: _____

Description of work done:

Please list all City of Rialto projects completed with in the last five (5) years.

Project Name: _____
Contact Individual: _____ Phone No: _____
Project Location: _____
Contract Amount: _____ Year: _____
Description of work done: _____

CITY OF RIALTO
REQUEST FOR PROPOSAL #
CERTIFICATION OF NON-DISCRIMINATION BY CONSULTANTS

As suppliers of goods or services to the City of Rialto, the firm listed certified that it does not discriminate in its employment with regard age, handicap, race, color, religion, sex, or national origin; that it is in compliance with all federal, state, local directives, and executive orders regarding nondiscrimination in employment; and that it agrees to demonstrate positively and aggressively the principle of equal employment opportunity in employment. Every bidder in violation of this section is subject to all penalties imposed for violation of Chapter 1 of Part VII, Division 2 of the Labor Code, in accordance with the provisions of Section 1753 thereof.

We agree specifically:

1. To establish or observe employment policies which affirmatively promote opportunities for minority persons at all job levels.
2. To communicate this policy to all persons concerned, including all company employees, outside recruiting services, especially those serving minority communities, and to the minority communities at large.
3. To take affirmative steps to hire minority employees within the company.

Signature of Authorized Representative

Printed Name

Title

Company Name

Address

City, State, Zip Code

Date Signed

Please include any additional information available regarding equal opportunity employment programs now in effect within your company.

SAMPLE PROFESSIONAL SERVICES AGREEMENT

CITY OF RIALTO PROFESSIONAL SERVICES AGREEMENT FOR [NAME OF PROGRAM AND/OR SERVICES]

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into, to be effective this XXth day of MONTH, 2016, by and between the CITY OF RIALTO, a California municipal corporation, (hereinafter referred to as "City") and [COMPANY NAME], Inc., a [STATE] corporation, (hereinafter referred to as "Consultant"). City and Consultant 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 for a [SERVICE OR PROJECT], (hereinafter the "Project").
- B. Consultant has submitted to City a proposal to provide professional [SERVICE] services for the Project pursuant to the terms of this Agreement.
- C. Consultant is 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 Consultant to provide such professional 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:

1.0 SERVICES OF CONTRACTOR

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant agrees to perform the professional services set forth in the Scope of Services described in Exhibit "A," which is attached hereto and is incorporated herein by reference (hereinafter referred to as the "Scope of Services"). As a material inducement to the City entering into this Agreement, Consultant represents and warrants that Consultant is a provider of first class work and professional services and that Consultant is experienced in performing the Scope of Services contemplated herein and, in light of such status and experience, Consultant covenants that it shall follow the highest professional standards in performing the Scope of Services required hereunder. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized as high quality among well-qualified and experienced professionals performing similar work under similar circumstances.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; (2) the Scope of Services; (3) the City's Request for Proposals; and,

(4) the Consultant's signed, original proposal submitted to the City ("Consultant's Proposal"), (collectively referred to as the "Contract Documents"). The City's Request for Proposals and the Consultant's Proposal, which are both attached as Exhibits "B" and "C", respectively, are incorporated by reference and are made a part of this Agreement. The Scope of Services shall include the Consultant's Proposal. All provisions of the Scope of Services, the City's Request for Proposals and the Consultant's Proposal 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 provisions of the Scope of Services (Exhibit "A"); (2nd) the provisions of the City's Request for Proposal (Exhibit "B"); (3rd) the terms of this Agreement; and, (4th) the provisions of the Consultant's Proposal (Exhibit "C").

1.3 Compliance with Law. Consultant warrants that all Services rendered hereunder shall be performed in accordance with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder.

1.4 Licenses, Permits, Fees and Assessments. Consultant represents and warrants to City that it has obtained all licenses (including a City Business License), permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Scope of Services required by this Agreement. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, qualification, or approval that is legally required for Consultant to perform the Scope of Services under this Agreement. Consultant 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 Consultant's performance of the Scope of Services required by this Agreement, and shall indemnify, defend, and hold harmless City against any such fees, assessments, taxes penalties, or interest levied, assessed, or imposed against City hereunder.

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

1.6 Care of Work. Consultant shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to any site where the Scope of Services are performed 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 Scope of Services 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, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services 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 Consultant, 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 Consultant. Any increase in compensation of up to ten percent (10%) of the Maximum Contract Amount or \$XX,000, whichever is less, may be approved by the City Administrator, or his designee, as may be needed to perform any extra work. Any greater increases, occurring either separately or cumulatively, must be approved by the Rialto City Council. It is expressly understood by Consultant that the provisions of this section shall not apply to the services specifically set forth in the Scope of Services or reasonably contemplated therein, regardless of whether the time or materials required to complete any work or service identified in the Scope of Services exceeds any time or material amounts or estimates provided therein.

2.0 COMPENSATION

2.1 Maximum Contract Amount. For the Services rendered pursuant to this Agreement, Consultant shall be compensated by City in accordance with the Schedule of Compensation, which is attached hereto as Exhibit "D" and is incorporated herein by reference, but not exceeding the maximum contract amount of **[CONTRACT AMOUNT] Dollars, (\$XXX,XXX)** (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 set forth in Exhibit "D." 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 Schedule of Compensation. The Maximum Contract Amount shall include the attendance of Consultant at all Project meetings reasonably deemed necessary by the City. Consultant shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Consultant hereby acknowledges that it accepts the risk that the services identified in the Scope of Services may be more costly and/or time-consuming than Consultant anticipates, that Consultant shall not be entitled to additional compensation therefore, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Scope of Services. 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 Consultant's Services under this Agreement are completed, consultant 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. Unless some other method of payment is specified in the Schedule of Compensation (Exhibit "D"), in any month in which Consultant wishes to receive payment, no later than the tenth (10) working day of such month, Consultant shall submit to the City, in a form approved by the Contract Officer, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by Consultant

and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. City shall use reasonable efforts to make payments to Consultant within thirty (30) days after receipt of the invoice or a soon thereafter as is reasonably practical. There shall be a maximum of one payment per month.

2.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by the City or Consultant, 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 professional fees. An amendment shall be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Rialto 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 Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon Schedule of Performance (Exhibit "E").

3.2 Schedule of Performance. Consultant shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed given by the City, and shall perform all Services within the time period(s) established in the Schedule of Performance, which is attached hereto as Exhibit "E" and is incorporated herein by reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance 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 Schedule of Performance for performance of the Services 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 Consultant (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 Consultant, within ten (10) days of the commencement of such delay, notifies the City Administrator in writing of the causes of the delay. The City Administrator shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Administrator such delay is justified. The City Administrator's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the

performance of this Agreement, however caused, Consultant'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 continue in full force and effect until completion of the Services, as provided in the Schedule of Performance (Exhibit "E") and pursuant to Section 3.2 above, unless extended by mutual written agreement of the Parties.

3.5 Termination Prior to Expiration of Term. City may terminate this Agreement for its convenience at any time, without cause, in whole or in part, upon giving Consultant thirty (30) days written notice. Where termination is due to the fault of Consultant and constitutes an immediate danger to health, safety, and general welfare, the period of notice shall be such shorter time as may be determined by the City. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice, Consultant shall immediately cease all work under this Agreement, unless stated otherwise in the notice or by written authorization of the Contract Officer. After such notice, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement under this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. Consultant may terminate this Agreement, 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 Consultant may determine.

4. COORDINATION OF WORK

4.1 Representative of Consultant. The following representative of Consultant is hereby designated as being the main point of contact of Consultant authorized to act in its behalf with respect to the Services to be performed under this Agreement and make all decisions in connection therewith: **[CONTACT NAME]**. It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing representative is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing representative shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services performed hereunder. The foregoing representative may not be changed by Consultant 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 Administrator of City, and is subject to change by the City Administrator. It shall be the Consultant's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services, and the Consultant 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 Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant 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. Consultant shall not contract with any other entity to perform the Services required under this Agreement without the prior written consent of City. If Consultant is permitted to subcontract any part of this Agreement by City, Consultant 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 Scope of Services will be considered employees of Consultant. City will deal directly with and will make all payments to Consultant. 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 Consultant, 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 Consultant or any surety of Consultant 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 Consultant a City employee. During the performance of this Agreement, Consultant 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 Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of its officers, employees, or agents, except as set forth in this Agreement. Consultant, 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 Consultant's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service. Consultant 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 Consultant in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. Consultant 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 Consultant, its officers, employees, or agents in connection with any performance under this Agreement. Except for professional fees paid to Consultant as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for the performance of the Scope of Services under this Agreement. City shall not be liable for compensation or indemnification to Consultant, its officers, employees, or agents, for injury or sickness arising out of performing the Scope of Services hereunder.

5. INSURANCE

5.1 Types of Insurance. Consultant 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 Scope of Services hereunder by Consultant, its agents, representatives, or employees. In the event the City Administrator determines that the Scope of Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City Administrator or his designee. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein. Except as otherwise authorized below for professional liability (errors and omissions) insurance, 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. **Errors and Omissions Insurance.** Consultant shall obtain and maintain in full force and effect throughout the term of this Agreement, standard industry form professional liability (errors and omissions) insurance coverage in an amount of not less than one million dollars (\$1,000,000.00) per occurrence and two-million dollars (\$2,000,000.00) annual aggregate, in accordance with the provisions of this section.

(1) Consultant shall either: (a) certify in writing to the City that Consultant is unaware of any professional liability claims made against Consultant and is unaware of any facts which may lead to such a claim against Consultant; or (b) if Consultant does not provide the certification pursuant to (a), Consultant shall procure from the professional liability insurer an endorsement providing that the required limits of the policy shall apply separately to claims arising from errors and omissions in the rendition of services pursuant to this Agreement.

(2) If the policy of insurance is written on a “claims made” basis, the policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Services provided hereunder. In the event of termination of the policy during this period, Consultant shall obtain continuing insurance coverage for the prior acts or omissions of Consultant during the course of performing Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended “tail” coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the City Administrator.

(3) In the event the policy of insurance is written on an “occurrence” basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Services under the terms of this Agreement.

B. **Workers’ Compensation Insurance.** Consultant 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. Consultant 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. If Consultant has no employees, Consultant shall complete the City's Request for Waiver of Workers' Compensation Insurance Requirement form.

C. Commercial General Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000.00) general aggregate for bodily injury and property damage including coverages for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations.

D. Business Automobile Insurance. Consultant 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. Consultant 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) 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 Administrator prior to commencing any work or services under this Agreement. Consultant guarantees payment of all deductibles and self-insured retentions. City reserves the right to reject deductibles or self-insured retentions in excess of \$10,000, and the City Administrator may require evidence of pending claims and claims history as well as evidence of Consultant'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 Consultant pursuant to this Agreement:

- 5.3.1 For any claims related to this Agreement, Consultant'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 Consultant's insurance and shall not contribute with it.
- 5.3.2 Any failure 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.

- 5.3.3 All insurance coverage and limits provided by Consultant 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.
- 5.3.4 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 Administrator and approved in writing.
- 5.3.5 Consultant agrees to require its insurer to modify insurance endorsements to delete 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 Consultant's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.
- 5.3.6 Consultant agrees to ensure that subcontractors, and any other parties involved with the Project who are brought onto or involved in the Project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant 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. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.
- 5.3.7 Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant 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.
- 5.3.8 Consultant 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.
- 5.3.9 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.

5.3.10 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.

5.3.11 Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the Scope of Services 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. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City, or to reduce or dilute insurance available for payment of potential claims.

5.3.12 Consultant agrees that the provisions of this section shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages resulting from the Consultant's activities or the activities of any person or person for which the Consultant is otherwise responsible.

5.4 Sufficiency of Insurers. Insurance required herein shall be provided by authorized insurers in good standing with the State of California. Coverage shall be provided by insurers admitted in the State of California with an A.M. Best's Key Rating of B++, Class VII, or better, unless such requirements are waived in writing by the City Administrator or his designee due to unique circumstances.

5.5 Verification of Coverage. Consultant shall furnish City with both certificates of insurance and endorsements, including additional insured endorsements, affecting all of the coverages required by this Agreement. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is to be received and approved by the City before work commences. City reserves the right to require Consultant's insurers to provide complete, certified copies of all required insurance policies at any time. Additional insured endorsements are not required for Errors and Omissions and Workers' Compensation policies.

Verification of Insurance coverage may be provided by: (1) an approved General and/or Auto Liability Endorsement Form for the City of Rialto or (2) an acceptable Certificate of Liability Insurance Coverage with an approved Additional Insured Endorsement with the following endorsements stated on the certificate:

1. *"The City of Rialto, its officials, employees, and agents are named as an additional insured..." ("as respects City of Rialto Contract No.____" or "for any and all work performed with the City" may be included in this statement).*

2. *"This General Liability insurance is primary and non-contributory over any insurance or self-insurance the City may have..." ("as respects City of Rialto Contract No.____" or "for any and all work performed with the City" may be included in this statement).*

3. *"Should any of the above described policies be canceled before the expiration date thereof, the issuing company will mail 30 days written notice to the Certificate Holder named."* Language such as, "endeavor to" mail and "but failure to mail such notice shall impose no

obligation or liability of any kind upon the company, its agents or representative" is not acceptable and must be crossed out.

4. Both the Workers' Compensation and Employers' Liability policies shall contain the insurer's waiver of subrogation in favor of City, its elected officials, officers, employees, agents, and volunteers.

In addition to the endorsements listed above, the City of Rialto shall be named the certificate holder on the policies. All certificates of insurance and endorsements are to be received and approved by the City before work commences. All certificates of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Failure to obtain the required documents prior to the commencement of work shall not waive the Consultant's obligation to provide them.

6. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall indemnify, defend (at Consultant'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 (Consultant's employees included) and damage to property, which Claims arise out of, pertain to, or are related to the negligence, recklessness, or willful misconduct of Consultant, its agents, employees, or subcontractors, or arise from Consultant's negligent, reckless, or willful performance of or failure to perform any term, provision, covenant, or condition of this Agreement ("Indemnified Claims"), but Consultant's liability for Indemnified Claims shall be reduced to the extent such Claims arise from the sole negligence or willful misconduct of the City, its officers, council members, officials, employees, or agents.

Consultant 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, Consultant 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 Consultant 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. In the event a final judgment, arbitration award, order, settlement, or other final resolution expressly determines that Claims did not arise out of, pertain to, nor relate to the negligence, recklessness, or willful misconduct of Consultant to any extent, then City shall reimburse Consultant for the reasonable costs of defending the Indemnified Parties against such Claims, except City shall not reimburse Consultant for attorneys' fees, expert fees, litigation costs, and expenses that were incurred defending Consultant or any parties other than Indemnified Parties against such Claims.

Consultant'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. This provision is intended for the benefit of third party Indemnified Parties not otherwise a party to this Agreement.

7. REPORTS AND RECORDS

7.1 Accounting Records. Consultant shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Consultant shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of the Scope of Services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the Scope of Services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of such fact, circumstance, technique, or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subcontractors, and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and the City shall indemnify the Consultant for all damages resulting therefrom. Consultant may retain copies of such documents for its own use. Consultant shall have an unrestricted right to use the concepts embodied therein. Consultant shall ensure that all its subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

7.4 Release of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer. All information gained by Consultant in the performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization.

7.5 Audit and Inspection of Records. After receipt of reasonable notice and during the regular business hours of City, Consultant shall provide City, or other agents of City, such access to Consultant's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Consultant's performance under this Agreement. Consultant shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

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.

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 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.

8.4 Default of Consultant.

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

B. If the City Administrator, or his designee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall notify Consultant in writing of such default. Consultant shall have ten (10) days, or such longer period as City may designate, to cure the default by rendering satisfactory performance. In the event Consultant 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. Consultant 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 3.5.

C. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.4B, take over the Scope of Services and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the Scope of 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 Consultant 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 Consultant shall not limit Consultant'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 consultant 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 Consultant, 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 Consultant 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 financial interest or the financial interest of any corporation, partnership, or association in which he/she is, directly or indirectly, interested in violation of any state statute or regulation. Consultant 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, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, marital status, ancestry, or national origin. Consultant 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 Consultant against patent or copyright infringement, statutory or otherwise, it is agreed that Consultant 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 Consultant shall pay all costs and damages finally awarded in any such suit or claim, provided that Consultant is promptly notified in writing of the suit or claim and given authority, information and assistance at Consultant's expense for the defense of same. However, Consultant 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 Consultant when it is such use in combination which infringes upon an existing U.S. letters patent or copyright.

B. Consultant shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof, Consultant shall not be obligated to indemnify City under any settlement made without Consultant'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 Consultant's expense. If the use or sale of such item is enjoined as a result of the suit or claim, Consultant, 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 pre-paid First Class U.S. Mail,

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 Rialto
Attention: City Administrator
150 S. Palm Ave.
Rialto, California 92376
Telephone: (909) 820-2689
Facsimile: (909) 820-2527

To Consultant: [COMPANY NAME]
Attention: [CONTACT PERSON] ADDRESS
CITY, CA ZIP CODE
Telephone: (XXX) X17-041X
Facsimile: (XXX) X17-041X

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 or she is executing this Agreement is duly authorized and existing, (ii) he or she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he or she is signing, (iii) by so executing this Agreement, the Party for which he or she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he or she is signing is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the City and the Consultant have caused this Agreement to be executed the day and year first above written.

CITY OF RIALTO,

CALIFORNIA

Date _____
APPROVED BY THE CITY COUNCIL:

By _____
Deborah Robertson Mayor
Agreement No. _____

ATTEST:

By _____
Barbara McGee City Clerk

APPROVED AS TO FORM:

By _____
Fred Galante, Esq. City Attorney

RECOMMENDED:

By _____

CONSULTANT

By: _____ [COMPANY NAME], a [STATE] corporation
Firm/Company Name

By: _____
Signature (notarized)

By: _____
Signature (notarized)

Name: _____

Name: _____

Title: _____

Title: _____

(This Agreement must be signed in the above space by one of the following: Chairman of the Board, President or any Vice President)

This Agreement must be signed in the above space by one of the following: Secretary, Chief Financial Officer or any Assistant Treasurer)

State of _____)
County of _____)ss

State of _____)
County of _____)ss

On _____
before me, _____
personally appeared _____

On _____
before me, _____
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 signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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 signatures(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.

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.

WITNESS my hand and official seal.

Notary Signature:

Notary Signature:

Notary Seal:

Notary Seal:

**EXHIBIT “A”
SCOPE OF SERVICES**

General Scope of Services

[GENERAL DESCRIPTION OF SERVICES]

City Required Scope of Work

[CITY REQUIRED SCOPE OF WORK]

Consultant’s Technical Scope of Work

[CONSULTANT’S SCOPE OF WORK – LISTED BY SPECIFIC TASK]

END OF EXHIBIT “A”

EXHIBIT "B"
CITY'S REQUEST FOR PROPOSALS

REQUEST FOR PROPOSALS (RFP) XX-XXX
[TITLE OF RFP]
FOLLOWS THIS PAGE

EXHIBIT "C"
CONSULTANT'S PROPOSAL

CONSULTANT'S PROPOSAL FOLLOWS THIS PAGE

**EXHIBIT “D”
SCHEDULE OF COMPENSATION**

Tasks listed below are identical to tasks identified in Exhibit A of this Agreement. Payments to Consultant shall be made no more frequently than monthly, and shall be based on lump sum costs per task item of work as indicated herein. Lump sum payments shall be made to Consultant based upon completion of tasks, or pro-rata portions thereof noted below, to a maximum of 75% of the lump sum task item fee until completion of such task item as determined by the Contract Officer. Each request for payment shall contain Consultant’s statement of the work or tasks completed or portion performed, with supporting documentation. The determination of payment due shall be made based upon the reasonable judgment of the Contract Officer.

	<u>Task Total</u> <u>Lump Sum</u>
Task 1 –	\$ XX,XXX
Task 2 –	\$ XX,XXX
Task 3 –	\$ XX,XXX
Task 4 –	\$ XX,XXX
Task 5 –	\$ XX,XXX
Task 6 –	\$ XX,XXX
Task 7 –	\$ XX,XXX
Task 8 –	\$ XX,XXX
Task 9 –	\$ XX,XXX
Task 10 –	\$ XX,XXX
GRAND TOTAL OF CONTRACT	\$XXX,XXX

(Note, reimbursable expenses are inclusive of lump sum task fees).

END OF EXHIBIT “D”

**EXHIBIT “E”
SCHEDULE OF PERFORMANCE**

City and Consultant hereby mutually agree that the nature of the scope of services associated with this Contract, and the requirement to coordinate and obtain approvals by the various Committees, Commissions and City Council, may cause the term of this contract to exceed initial project schedule estimates. However, Consultant will endeavor to complete the scope of services within the time estimate of twelve (12) months originally identified in its Proposal.

END OF EXHIBIT “E”

CVRA Consultant Listing

1. Q2 Data & Research
1225 Peralta St
Oakland, Ca 94607
Karin Mac Donald
510-367-7527
karinmacdonald.q2@gmail.com
2. Dolinka Group, LLC
8955 Research Drive
Irvine, CA 92618
Jessi Vasile
949-250-8320
jvasile@dolinkagroup.com
3. National Demographics Corporation
PO Box 5271
Glendale, CA 91221
Douglas Johnson
310-200-2058
djohnson@NDCresearch.com
4. Compass Demographics
6575 N Vista St
San Gabriel, CA 91775
David Ely
(626) 285-3074
ely@compass-demographics.com
5. Kimberly Hall Barlow, Partner at Jones & Mayer: Handles CVRA litigation
3777 N. Harbor Boulevard
Fullerton, California 92835
714-446-1400 Telephone
714-446-1448 Facsimile
khb@jones-mayer.com



Legislation Details (With Text)

File #: 16-777 Version: 1 Name: E.5
 Type: Agenda Item Status: Agenda Ready
 File created: 11/3/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Approve an Increase of the Purchase Order with Fernando Vargas, Information Specialist, for Fiscal Year 2016/2017 for Information System Support through June 2017 for a Total Cost of \$35,000.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Randy De Anda, Chief of Police

Request City Council to Approve an Increase of the Purchase Order with Fernando Vargas, Information Specialist, for Fiscal Year 2016/2017 for Information System Support through June 2017 for a Total Cost of \$35,000.

BACKGROUND:

The Police Department currently uses Fernando Vargas an Information Technology (IT) professional to assist with the Police Department’s CAD/MOBILE/RMS upgrade. Fernando Vargas has been assisting the organization since January of 2016 after the loss of our Systems Analyst and has been an important part of bringing our organization’s IT systems up to Department of Justice (DOJ) requirements and standards.

ANALYSIS/DISCUSSION:

For fiscal year 2016/2017 the Rialto Police Department issued a Purchase Order (PO) in the amount of \$15,000 to Fernando Vargas, Information Specialist, after the retirement of the department’s full-time analyst. Fernando Vargas has been essential in assisting the department through our CAD/Mobile/RMS upgrade, developing and upgrading our department’s network system and security protocols and bringing our department to DOJ standards. Fernando has worked extensively with County Communications on our radio project, County on the Smart Justice Network and updating new security protocols found to be years out of date. Fernando Vargas’ services are imperative to the continued success of the upgrade of our IT systems due to conclude in the spring of 2017. Fernando Vargas’ Information Technology professional services qualifies under the bidding

exemption as stated in RMC section 2.48.410.

Staff is recommending that City Council approve an increase to PO 2017-0487 in an additional amount of \$20,000 to cover costs for FY16/17.

ENVIRONMENTAL IMPACT:

The proposed action does not meet the definition of a project as defined by Section 15378 California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and excludes the following:

- 1) Continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedure making
- 2) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

The City of Rialto has outlined key goals and objects relating to public safety. The increase of the Purchase Order for laboratory services is consistent with meeting these objectives.

Goal 5-8: Provide effective and comprehensive policing services that meet the safety needs of Rialto.

LEGAL REVIEW:

The City Attorney has reviewed and approved this staff report.

FINANCIAL IMPACT:

Funding in the amount of \$20,000 is available fiscal year 2016/2017 General Fund Account No. 010-500-6151-2011 for the needed increase of PO No. 2017-0487 with Fernando Vargas, for a total amount of \$35,000 for Information System Support Services.

LICENSING

Fernando Vargas will increase his City of Rialto Business License to cover the contract increase amount.

RECOMMENDATION:

Staff recommends that the City Council approve an increase to Purchase Order No. 2017-0487 from \$15,000 to \$35,000 with Fernando Vargas to cover Information System Support Services for the remainder of Fiscal Year 2016/2017.



Legislation Details (With Text)

File #: 16-709 Version: 1 Name: E.6
 Type: Agenda Item Status: Agenda Ready
 File created: 10/17/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Authorize Purchase of Camera Equipment for Rialto Network from B & H Photo in the total amount of \$41,008.06.

Sponsors:

Indexes:

Code sections:

Attachments: [RFB 17-033 Camera Equipment- ABSTRACT](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Barbara A. McGee, City Clerk, CMC

Request City Council to Authorize Purchase of Camera Equipment for Rialto Network from B & H Photo in the total amount of \$41,008.06.

BACKGROUND:

The City receives 1% Public, Educational and Government (PEG) Access Fees from both AT&T U-verse and Spectrum (previously Time Warner Cable) per State Franchise Assembly Bill 2987. These fees are restricted to support the facilities and upkeep of the PEG Channel.

Rialto Network programming is an integral component of the City's ongoing efforts to keep the community informed. In 2008, the station upgraded to Hi Definition (HD) video cameras, after nearly 8 years of continuous operation, the original equipment is no longer reliable, has limited functionality, is not compatible with current digital formats; and is therefore in need of replacement.

ANALYSIS/DISCUSSION:

Staff evaluated several HD 4K Cameras based on the quality of the cameras, the professional support services, and the functions and features of each cameras and accessories. After thorough review, staff determined that Panasonic AG-DVX200 4K camera package best meets the City's recording and broadcasting needs. The "5" camera packages include microphones, light kits, tripods and other accessories. Additionally, it allows Rialto Network "Certified Users" to be able to check out each camera package for local productions.

On May 16, 2016, the Cable Advisory Commission discussed and support the new Panasonic AG-

DVX200 4K camera package.

Request for bids was sent out in September 2016, to purchase five camera packages. Purchasing issued Request for Bid 17-033 and received seven responses as shown in the attached Abstract of Bids (Attachment 1). B & H Photo submitted the lowest total bid.

ENVIRONMENTAL IMPACT:

The proposed action does not meet the definition of a project as defined by Section 15378 California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and excludes the following:

- 1) Continuing administrative or maintenance activities, such as purchases for supplies, personnel - related actions, general policy and procedure making.
- 2) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan: Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

Funds are budgeted and available in the 2016/17 fiscal year budget in the PEG Fund Account No. 211-500-3160-3030.

LICENSING

A Business license application and payment of a Business License tax at the Professional Service rate in the amount of \$79 will be paid by the vendor prior to execution of the Purchase Order.

RECOMMENDATION:

Staff recommends that the City Council Authorize the purchase of camera equipment for Rialto Network from B & H Photo in the total amount of \$41,008.06.

CITY OF RIALTO

ABSTRACT OF BIDS

Bid Number:	17-033
Bid Due Date:	10/6/2016
Advertised:	9/18/2016
Vendors Solicited:	68

VENDOR			ADORAMA		AZTEK COMPUTERS		B & H		CALIFORNIA MEDIA SOL	
PHONE			(212) 741-0401		(469) 574-0240		(800) 947-8003		(707) 746-8273	
LOCATION			NEW YORK, NY		CARROLLTON, TX		NEW YORK, NY		BENICIA, CA	
CONTACT			albac@adorama.com		sanjay@aztekcomputers.com		govedbids@bhphotovideo.com		detroy@calmediasolutions.com	
ITEM	DESCRIPTION	QTY	UNIT	EXT	UNIT	EXT	UNIT	EXT	UNIT	EXT
001	MILLER DS-20 ALUMINUM TRIOD SYSTEM, #MIDS20EOGK	5	\$1,485.00	\$7,425.00	\$1,878.05	\$9,390.25	\$1,479.00	\$7,395.00	\$1,517.00	\$7,585.00
002	PORTA BRACE RS-DVX200 RAIN SLICKER FOR PANASONIC DVX200 CAMERA, #PORS DVX200	5	\$140.25	\$701.25	\$175.25	\$876.25	\$141.95	\$709.75	\$142.00	\$710.00
003	PORTA BRACE CUSTOM CARRYING CASE FOR PANASONIC AG-DVX200 CAMERA, #POCARDVX200	5	\$155.00	\$775.00	\$194.10	\$970.50	\$159.00	\$795.00	\$156.00	\$780.00
004	DOLGIN ENGINEERING TC200-I-TDM TWO POSITION SIMULTANEOUS BATTERY CHARGER FOR PANASONIC, #DOTC200PATDM	2	\$351.50	\$703.00	\$413.75	\$827.50	\$349.00	\$698.00	\$349.00	\$698.00
005	LIBEC REMOTE ZOOM AND FOCUS CONTROL FOR SELECT LANC & PANASONIC CAMERAS, #LIZFC5HD	5	\$151.50	\$757.50	\$169.95	\$849.75	\$128.00	\$640.00	\$141.00	\$705.00
006	LIBEC EXTENSION ZOOM CABLE FOR 2.5 MM LANC, #LIEX530DV	5	\$22.50	\$112.50	\$31.45	\$157.25	\$23.00	\$115.00	\$24.00	\$120.00
007	PANASONIC 7.28V 43WH BATTERY FOR DVX200 (5,900mAh), #PAAGVBR59P	10	\$163.75	\$1,637.50	\$208.70	\$2,087.00	\$165.90	\$1,659.00	\$153.00	\$1,530.00
008	SANDISK 128GB EXTREME PRO UHS-1 SDXC U3 MEMORY CARD (CLASS 10)	10	\$60.25	\$602.50	\$68.25	\$682.50	\$63.16	\$631.60	\$60.00	\$600.00
009	PANASONIC AG-DVX200 4K HANDHELD CAMCORDER WITH 4/3'S SENSOR, #PAAGDVX200	5	\$4,195.00	\$20,975.00	\$4,141.45	\$20,707.25	\$4,195.00	\$20,975.00	\$4,195.00	\$20,975.00
010	GENARAY LED-7100T 312 LED VARIABLE COLOR ONCAMERA LIGHT, #GELEDP312T	5	\$74.50	\$372.50	\$202.45	\$1,012.25	\$144.00	\$720.00	\$185.00	\$925.00
011	AIRBOX MACRO VELVET SOFTBOX (8X11X6), #AIMV	5	\$26.75	\$133.75	\$42.00	\$210.00	\$35.00	\$175.00	\$38.00	\$190.00

012	WATSON NP-F550 LITHIUM -ION BATTERY PACK #WANPF550	5	\$19.50	\$97.50	\$36.75	\$183.75	\$14.00	\$70.00	\$33.00	\$165.00
013	ZEISS LENS CLEANING KIT	5	\$15.75	\$78.75	\$29.94	\$149.70	\$26.90	\$134.50	\$28.00	\$140.00
014	HOYA 72MM DIGITAL FILTER KIT II, #HODFK272	2	\$40.75	\$81.50	\$73.50	\$147.00	\$47.50	\$95.00	\$68.00	\$136.00
015	HOYA 72MM ULTAVIOLET UV HAZE MULTICOATED FILTER, #HOUVMC72	3	\$12.00	\$36.00	\$18.85	\$56.55	\$15.00	\$45.00	\$13.00	\$39.00
016	MILLER 489 CAMERA MOUNTING PLATE WITH 1/4"-20 AND 3/8"-16 SCREWS FOR DS-20, #MI489	3	\$130.00	\$390.00	\$150.05	\$450.15	\$120.95	\$362.85	\$122.00	\$366.00
017	SENNHEISER EW 100 ENG G3 WIRELESS BASIC KIT, #SEEW100EBAK	2	\$569.41	\$1,138.82	\$970.00	\$1,940.00	\$699.99	\$1,399.98	\$846.00	\$1,692.00
018	IZOTOPE RX PLUG-IN PACK-AUDIO REPAIR PLUG-IN BUNDLE ACCESSORIES	5	\$133.00	\$665.00	\$55.38	\$276.90	FREE	FREE	\$125.00	\$625.00
019	AURAY DUSM-1 UNIVERSAL SHOCK MOUNT FOR CAMERA SHOES AND BOOMPOLES ACCSSORIES	5	\$35.95	\$179.75	\$42.00	\$210.00	FREE	FREE	\$35.00	\$175.00
020	SENNHEISER MKE 600 - SHOTGUM MICROPHONE #SEMKE600	5	\$230.00	\$1,150.00	\$352.50	\$1,762.50	\$269.95	\$1,349.75	\$274.00	\$1,370.00
SUBTOTAL				\$38,012.82		\$42,947.05		\$37,970.43		\$39,526.00
SALES TAX (8%)				\$3,041.03		\$3,435.76		\$3,037.63		\$3,162.08
FREIGHT				\$0.00		\$2,748.00		\$0.00		\$0.00
TOTAL				\$41,053.85		\$49,130.81		\$41,008.06		\$42,688.08

VENDOR			FUTURE COMPUTER SOL		SINA'S CUSTOM LAB		WOODGATE SALES	
PHONE			(714) 692-9120		(310) 308-2484		(732) 357-2439	
LOCATION			YORBA LINDA, CA		TARZANA, CA		LONG BRANCH, NJ	
CONTACT			spatel@fcsinc.com		sina@orientalphotousa.com		leonelh@woodgatesales.com	
ITEM	DESCRIPTION	QTY	UNIT	EXT	UNIT	EXT	UNIT	EXT
001	MILLER DS-20 ALUMINUM TRIOD SYSTEM, #MIDS20EOGK	5	\$1,610.00	\$8,050.00	\$1,640.00	\$8,200.00	\$1,629.00	\$8,145.00
002	PORTA BRACE RS-DVX200 RAIN SLICKER FOR PANASONIC DVX200 CAMERA, #PORS DVX200	5	\$169.00	\$845.00	\$159.00	\$795.00	\$159.00	\$795.00
003	PORTA BRACE CUSTOM CARRYING CASE FOR PANASONIC AG-DVX200 CAMERA, #POCARDVX200	5	\$170.00	\$850.00	\$171.00	\$855.00	\$175.00	\$875.00
004	DOLGIN ENGINEERING TC200-I-TDM TWO POSITION SIMULTANEOUS BATTERY CHARGER FOR PANASONIC, #DOTC200PATDM	2	\$375.00	\$750.00	\$285.00	\$570.00	\$369.00	\$738.00
005	LIBEC REMOTE ZOOM AND FOCUS CONTROL FOR SELECT LANC AND PANASONIC CAMERAS, #LIZFC5HD	5	\$140.00	\$700.00	\$145.00	\$725.00	\$155.00	\$775.00
006	LIBEC EXTENSION ZOOM CABLE FOR 2.5 MM LANC, #LIEX530DV	5	\$30.00	\$150.00	\$26.50	\$132.50	\$27.00	\$135.00
007	PANASONIC 7.28V 43WH BATTERY FOR DVX200 (5,900mAh), #PAAGVBR59P	10	\$180.00	\$1,800.00	\$179.00	\$1,790.00	\$185.00	\$1,850.00
008	SANDISK 128GB EXTREME PRO UHS-1 SDXC U3 MEMORY CARD (CLASS 10)	10	\$70.00	\$700.00	\$64.25	\$642.50	\$64.00	\$640.00
009	PANASONIC AG-DVX200 4K HANDHELD CAMCORDER WITH FOUR THIRDS SENSOR, #PAAGDVX200	5	\$4,210.00	\$21,050.00	\$4,205.00	\$21,025.00	\$3,599.00	\$17,995.00
010	GENARAY LED-7100T 312 LED VARIABLE COLOR ONCAMERA LIGHT, #GELEDP312T	5	\$150.00	\$750.00	\$164.00	\$820.00	\$188.00	\$940.00
011	AIRBOX MACRO VELVET SOFTBOX (8X11X6), #AIMV	5	\$40.00	\$200.00	\$37.50	\$187.50	\$39.00	\$195.00
012	WATSON NP-F550 LITHIUM -ION BATTERY PACK #WANPF550	5	\$32.00	\$160.00	\$32.90	\$164.50	\$34.00	\$170.00
013	ZEISS LENS CLEANING KIT	5	\$30.00	\$150.00	\$28.00	\$140.00	\$28.00	\$140.00

014	HOYA 72MM DIGITAL FILTER KIT II, #HODFK272	2	\$65.00	\$130.00	\$64.00	\$128.00	\$68.00	\$136.00
015	HOYA 72MM ULTRAVIOLET UV HAZE MULTICOATED FILTER, #HOUMC72	3	\$20.00	\$60.00	\$17.50	\$52.50	\$16.00	\$48.00
016	MILLER 489 CAMERA MOUNTING PLATE WITH 1/4"-20 AND 3/8"-16 SCREWS FOR DS-20, #MI489	3	\$140.00	\$420.00	\$140.00	\$420.00	\$135.00	\$405.00
017	SENNHEISER EW 100 ENG G3 WIRELESS BASIC KIT, #SEEW100EBAK	2	\$710.00	\$1,420.00	\$788.00	\$1,576.00	\$869.00	\$1,738.00
018	IZOTOPE RX PLUG-IN PACK-AUDIO REPAIR PLUG-IN BUNDLE ACCESSORIES	5	NO BID	NO BID	\$69.00	\$345.00	\$128.00	\$640.00
019	AURAY DUSM-1 UNIVERSAL SHOCK MOUNT FOR CAMERA SHOES AND BOOMPOLES ACCSSORIES	5	NO BID	NO BID	\$29.00	\$145.00	\$39.00	\$195.00
020	SENNHEISER MKE 600 - SHOTGUM MICROPHONE #SEMKE600	5	\$279.00	\$1,395.00	\$309.00	\$1,545.00	\$289.00	\$1,445.00
SUBTOTAL				\$39,580.00		\$40,258.50		\$38,000.00
SALES TAX (8%)				\$3,166.40		\$3,220.68		\$3,040.00
FREIGHT				\$100.00		\$0.00		\$0.00
TOTAL				\$42,846.40		\$43,479.18		\$41,040.00



Legislation Details (With Text)

File #: 16-733 Version: 1 Name: E.7
 Type: Agreement Status: Agenda Ready
 File created: 10/19/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Approve 1) an Encroachment and Maintenance Easement Agreement and 2) a Monument Relocation Agreement between the City of Rialto and Rialto Renaissance LLC related to the Monster Energy warehouse development located at the northeast corner of Locust Avenue and Miro Way.

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A - Encroachment and Maintenance Agreement 11-3-16](#)
[Exhibit B - Monument Relocation Agreement 001 \(002\)](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and Members of the City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robb Steel, Asst. CA/Development Services Director

Request City Council to Approve 1) an Encroachment and Maintenance Easement Agreement and 2) a Monument Relocation Agreement between the City of Rialto and Rialto Renaissance LLC related to the Monster Energy warehouse development located at the northeast corner of Locust Avenue and Miro Way.

BACKGROUND:

On July 26, 2016, the City Council conducted a public hearing and approved Conditional Development Permit No. 816 for a 1,094,900 Square Foot Distribution Center for Monster Energy within the Business Center (B-C) Zone of the Renaissance Specific Plan located at the Northeast Corner of Locust Avenue and Miro Way and approved Resolution No. 6985 approving Environmental Assessment Review No. 16-33 as an addendum to the previously certified Environmental Impact Report for the Renaissance Specific Plan ("Project"). Below is the site location:



Rialto Renaissance LLC/Monster Energy is the Project applicant (“Developer”). The Project is under construction.

ANALYSIS/DISCUSSION

The entitlement conditions require a screen wall on the Project’s north side. The screen wall encroaches onto the City’s parcel to the north. The Developer requests that the City approve an Encroachment and Maintenance Easement Agreement (Exhibit A) granting Developer an easement over a portion of the City’s parcel for the encroachment and maintenance of the screen wall and its footings. The required easement area is 5,368 square feet. The screen wall development will not significantly impair development of the northern property.

In addition, the entitlement conditions require the Developer to dedicate an eight (8) foot easement to the City of Rialto for street widening and landscaping purposes on Miro Avenue and Locust Avenue. Until the City requires the easement area for street widening, the Developer requests permission to construct and maintain a monument sign within the easement area. When the City widens the street, the Developer will relocate such sign to a location mutually agreeable to the parties. The attached Monument Relocation Agreement memorializes this obligation (Exhibit B).

The former Redevelopment Agency granted Lewis-Hillwood Rialto LLC (LHR) an option to purchase the subject City parcel by the Second Amended and Restated Contract of Sale dated September 25, 2012 as amended (Contract of Sale). The Agency covenanted in Section 14 of the Contract of Sale not to voluntarily encumber the property in any way without the prior written consent of LHR. LHR consented to the Encroachment and Maintenance Easement Agreement (see Exhibit C).

ENVIRONMENTAL IMPACT:

On July 26, 2016, the City Council, acting on behalf of the City as the Lead Agency as set forth in California Environmental Quality Act (CEQA) Section 21067, approved Environmental Assessment Review No. 16-33 as an addendum to the previously certified Environmental Impact Report for the Renaissance Specific Plan, and for which the following was included for the Project:

- Conditional Development Permit (CDP)

- Precise Plan of Design (PPD)

The PPD conditioned the Project to construct the screen wall and the monument.

GENERAL PLAN CONSISTENCY:

The goals within the land use element of general plan that directly relate to the Project are:

Goal 2-9: Protect residential, schools, parks, and other sensitive land uses from the impacts associated with industrial and trucking-related land uses, as well as commercial and retail areas.

Goal 2-12: Design new streets to be pedestrian friendly.

Goal 2-17: Provide high quality and environmentally sustainable landscaping.

Goal 2-21: Ensure high-quality planned developments in Rialto.

Goal 2-22: Promote commercial and/or industrial development that is well designed, people-oriented, environmentally sustainable, sensitive to the needs of the visitor or resident, and functionally efficient for its purpose.

LEGAL REVIEW:

The City Attorney has reviewed and approved this Staff Report and agreements.

FINANCIAL IMPACT:

The Developer is required to pay for the construction of the screen wall and the monument. The City will not receive compensation for the use of a portion of the City parcel for the screen wall encroachment.

The City is to benefit financially from the Project. The Developer will pay approximately \$5,500,000 for various development impact and fair share fees and the Project will generate approximately \$201,200 in direct annual recurring revenues to the City General Fund from increased property taxes, business license taxes, and utility taxes.

RECOMMENDATION:

Staff recommends that the City Council Approve 1) the Encroachment and Maintenance Easement Agreement and 2) the Monument Relocation Agreement between the City of Rialto and Rialto Renaissance LLC.

**RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APNs:

DOCUMENTARY TRANSFER TAX is \$0 pursuant to Section 11922 of the California Revenue and Taxation Code.

ENCROACHMENT AND MAINTENANCE EASEMENT

THIS ENCROACHMENT AND MAINTENANCE EASEMENT (“**Easement**”) is made and entered into this ___ day of _____, 2016, by and between the City of Rialto, a California municipal corporation (“**City**”), and Rialto Renaissance LLC, a California limited liability company (“**Renaissance**”). Hereinafter, City and Renaissance may be referred to individually as a “Party,” or jointly as the “Parties.”

RECITALS

WHEREAS, Renaissance is the owner of that certain real property located in the City of Rialto, County of San Bernardino, State of California, more particularly described in Exhibit “A”, attached hereto and incorporated herein by reference (“**Renaissance Property**”);

WHEREAS, City owns certain real property located in the City of Rialto, County of San Bernardino, and more particularly described in the legal description attached hereto as Exhibit “B,” and incorporated herein by reference (“**City Property**”), which shares a common boundary with the Renaissance Property;

WHEREAS, Renaissance is developing the Renaissance Property as a warehouse and distribution center (“**Project**”);

WHEREAS, in compliance with the conditions of approval for the Project, Renaissance has or will install a screen wall on the Renaissance Property (“**Screen Wall**”), which Screen Wall and/or its footings will encroach on the City Property;

WHEREAS, in connection with the Screen Wall, the City has agreed to grant an easement to Renaissance, over a portion of the City Property, for the encroachment and maintenance of the Screen Wall and its footings, in the area legally described on Exhibit “C”, attached hereto and incorporated by this reference, and depicted on Exhibit “D”, attached hereto and incorporated by this reference (collectively, the “**Easement Area**”);

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual covenants contained herein, the Parties agree as follows.

1. **Easement.** Subject to the terms set forth herein, the City does hereby grant to Renaissance a non-exclusive perpetual easement over, under, across, and upon the Easement Area for the encroachment and maintenance of the Screen Wall and/or its footings on the City Property, and for ingress and egress and access as necessary and convenient to maintain the Screen Wall and/or its footings. The easement shall run with the land (benefitting the Renaissance Property) and shall include the right to service, maintain, improve, replace, or relocate the Screen Wall and/or its footing within the Easement Area.

2. **Renaissance Responsible for Costs of Easement.** Renaissance shall be solely responsible for all costs related to the construction, repair and maintenance of the Screen Wall and footings, the preparation of all plans, specifications and surveys, if any, any other construction or professional fees associated with the work and all other obligations of Renaissance contemplated by this Easement.

3. **Indemnification by Renaissance.** Renaissance covenants and agrees that it shall indemnify, defend, protect and hold harmless the City, its officers, directors, members, agents and/or employees ("Indemnitees") from and against any and all liability, loss or damage to which Indemnitees may be subjected to as the result of the rights granted herein or the existence or presence of the structures and improvements covered and/or contemplated by this Easement or any act or omission by Renaissance, its officers, members, agents or employees arising out of the exercise by Renaissance, its officer, members, agents or employees of any of the rights granted to Renaissance by this Easement.

4. **Compliance with California Civil Code § 1468.** The easements and covenants set forth herein are intended to satisfy the provisions of § 1468 of the California Civil Code, and thereby establish easements and covenants running with the land, binding upon the Parties, successive owners of the Renaissance Property and the City Property, and their respective successors, assigns and transferees.

5. **Amendment.** This Easement may be amended or modified only by a written instrument duly executed and acknowledged by the Parties or their successors-in-interest and recorded in the Official Records of the County of San Bernardino.

6. **Captions.** The captions used in this Easement are for convenience only and therefore do not constitute a part of this Easement and do not amplify or limit the meaning of the provisions of this Easement.

7. **Integration.** This Easement sets forth the entire agreement of the Parties with respect to the subject matter addressed and all prior negotiations, representations, warranties and discussions are superseded by the provisions of this Easement.

8. **Number; Gender.** Unless the context requires a contrary construction, the singular will include the plural, and the masculine, feminine and neuter will all include the masculine, feminine and neuter.

9. **Applicable Law.** This Easement will be construed in accordance with the laws of the State of California, without giving effect to the principles of conflicts of laws.

10. **Notices.** All notices and other communications required or permitted under this Easement will be in writing and will be delivered by certified mail or overnight delivery, return receipt requested, to the following persons at the following addresses, and will be deemed delivered upon receipt or rejection:

If to Renaissance:

Rialto Renaissance LLC
1 Monster Way
Corona, CA 92879
Attn: Paul J. Dechary, Sr. VP

If to City:

City of Rialto
150 S. Palm Avenue
Rialto, CA 92376
Attn: City Manager

With a Copy to:

City of Rialto
150 S. Palm Avenue
Rialto, CA 92376
Attn: City Attorney

Notice of change of address will be given by written notice in the manner provided in this Section 8. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given will be deemed to constitute rejection of the notice or other communication sent.

11. **Negation of Partnership.** Nothing in this Easement will be construed to constitute a partnership or joint venture between Renaissance and City.

12. **Counterparts.** This Easement may be signed in multiple counterparts, each of which will be considered an original, but all of which, taken together, will constitute one in the same instrument.

13. **Successors and Assigns.** The terms and provisions of this Easement will be binding upon and will inure to the benefit of the successors, assigns and transferees of City and Renaissance.

14. **Further Acts.** The Parties hereto covenant and agree to take such further actions as may be necessary, from time to time, to carry out the intent of this Easement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have caused this Easement to be executed on the date set forth below.

“RENAISSANCE”

RIALTO RENAISSANCE LLC,
a California limited liability company

By: **MONSTER ENERGY COMPANY,**
a Delaware corporation
Its Manager

By: _____
Name: _____
Its: _____

Date: _____

“CITY”

CITY OF RIALTO, a California municipal
corporation

By: _____
Name: _____
Its: Mayor

Date: _____

ATTEST:

Barbara A. McGee, City Clerk

This Notary Acknowledgement is attached to a document entitled ***Encroachment and Maintenance Easement***

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)

COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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.

Signature _____ (Seal)

This Notary Acknowledgement is attached to a document entitled ***Encroachment and Maintenance Easement***

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)

COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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.

Signature _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF RENAISSANCE PROPERTY

PARCELA

THAT PORTION OF NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 33;
THENCE ALONG THE WESTERLY LINE OF SAID NORTH HALF NORTH 00°20'16" WEST 42.00 FEET TO THE NORTHERLY LINE OF DOCUMENT NO. 2014-0280325 RECORDED AUGUST 4, 2014 OF OFFICIAL RECORDS OF SAID COUNTY;
THENCE ALONG SAID NORTHERLY LINE, NORTH 89°38'27" EAST 82.02 FEET TO A POINT ON THE NORTH LINE OF MIRO WAY AS SHOWN ON SAID DOCUMENT NO. 2014-0280325 BEING ALSO THE **TRUE POINT OF BEGINNING**;
THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 89°38'27" EAST 1150.20 FEET TO A LINE PARALLEL WITH AND 63.32 FEET WESTERLY OF THE WESTERLY LINE OF PARCEL MAP NO. 427 FILED IN BOOK 4, PAGE 7 OF PARCEL MAPS, RECORDS OF SAID COUNTY;
THENCE ALONG SAID PARALLEL LINE, NORTH 0°17'42" WEST 31.20 FEET TO A LINE PARALLEL WITH AND 31.20 FEET NORTHERLY OF SAID NORTHERLY LINE;
THENCE ALONG SAID PARALLEL LINE, NORTH 89°38'27" EAST 63.32 FEET TO THE WESTERLY LINE OF SAID PARCEL MAP NO. 427;
THENCE ALONG SAID WESTERLY LINE, SOUTH 0°17'42" EAST 29.20 FEET TO THE NORTHERLY LINE OF MIRO WAY AS SHOWN ON SAID PARCEL MAP;
THENCE ALONG SAID NORTHERLY LINE, NORTH 89°38'27" EAST 585.00 FEET TO A LINE PARALLEL WITH AND 760.00 FEET WESTERLY OF THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION;
THENCE ALONG SAID PARALLEL LINE, NORTH 0°17'42" WEST 1156.33 FEET TO A LINE PARALLEL WITH AND 123.00 FEET SOUTHERLY OF THE NORTH LINE OF SAID NORTH HALF;
THENCE ALONG SAID PARALLEL LINE, SOUTH 89°39'40" WEST 1839.41 FEET TO THE EASTERLY LINE OF LOCUST AVENUE PER DOCUMENT NO. 2015-0050789 RECORDED FEBRUARY 9, 2015 OFFICIAL RECORDS OF SAID COUNTY.
THENCE ALONG SAID EASTERLY LINE, SOUTH 00°20'16" EAST 1118.96 FEET TO AN ANGLE POINT THEREIN;
THENCE CONTINUING ALONG SAID EASTERLY LINE, SOUTH 45°21'03" EAST 56.58 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 48.824 ACRES, MORE OR LESS.



MICHAEL JAMES KNAPTON
P.L.S. 8012
REV: 8/22/2016

9/08/2016
DATE



EXHIBIT "B"

LEGAL DESCRIPTION OF CITY PROPERTY

THAT PORTION OF NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 33;
THENCE ALONG THE SOUTHERLY LINE OF SAID NORTH HALF, NORTH 89°38'27" EAST 1295.51 FEET TO THE SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF PARCEL MAP NO. 427 FILED IN BOOK 4, PAGE 7 OF PARCEL MAPS, RECORDS OF SAID COUNTY;
THENCE ALONG SAID PROLONGATION, NORTH 0°17'42" WEST 42.00 FEET TO THE NORTHERLY LINE OF DOCUMENT NO. 2014-0280325 RECORDED AUGUST 4, 2014 OF OFFICIAL RECORDS OF SAID COUNTY;
THENCE ALONG SAID NORTHERLY LINE, SOUTH 89°38'27" WEST 63.32 FEET TO A LINE PARALLEL WITH AND 63.32 FEET WESTERLY OF SAID WESTERLY LINE;
THENCE ALONG SAID PARALLEL LINE, NORTH 0°17'42" WEST 31.20 FEET TO A LINE PARALLEL WITH AND 31.20 FEET NORTHERLY OF SAID NORTHERLY LINE;
THENCE ALONG SAID PARALLEL LINE NORTH 89°38'27" EAST 63.32 FEET TO WESTERLY LINE OF SAID PARCEL MAP NO, 427;
THENCE ALONG SAID WESTERLY LINE SOUTH 00°17'42" EAST 29.20 TO THE NORTHERLY LINE OF MIRO WAY AS SHOWN ON SAID PARCEL MAP;
THENCE ALONG SAID NORTHERLY LINE NORTH 89°38'27" EAST 585.00 FEET TO A LINE PARALLEL WITH AND 760.00 FEET WESTERLY OF THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION;
THENCE ALONG SAID PARALLEL LINE, NORTH 0°17'42" WEST 1156.33 FEET TO A LINE PARALLEL WITH AND 123.00 FEET SOUTHERLY OF THE NORTH LINE OF SAID NORTH HALF;
THENCE ALONG SAID PARALLEL LINE, SOUTH 89°39'40" WEST 1881.41 FEET TO THE WESTERLY LINE OF SAID NORTH HALF;
THENCE ALONG SAID WESTERLY LINE, SOUTH 00°20'16" EAST 1200.99 FEET **POINT OF BEGINNING.**

CONTAINING 51.209 ACRES, MORE OR LESS.



MICHAEL JAMES KNAPTON
P.L.S.8012
REV: 8/22/2016

8/22/2016
DATE



EXHIBIT "C"

LEGAL DESCRIPTION OF EASEMENT AREA

A 3.00 FOOT WIDE STRIP OF LAND WITHIN THAT PORTION OF NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT THEREOF, THE SOUTHERLY AND WESTERLY LINE OF SAID STRIP BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 33;
THENCE ALONG THE WESTERLY LINE OF SAID NORTH HALF, NORTH 00°20'16" WEST 42.00 FEET TO THE NORTHERLY LINE OF DOCUMENT NO. 2014-0280325 RECORDED AUGUST 4, 2014 OF OFFICIAL RECORDS OF SAID COUNTY;
THENCE ALONG SAID NORTHERLY LINE, NORTH 89°38'27" EAST 82.02 FEET TO A POINT ON THE EASTERLY LINE OF LOCUST AVENUE PER DOCUMENT NO. 2015-0050789 RECORDED FEBRUARY 9, 2015 OFFICIAL RECORDS OF SAID COUNTY;
THENCE ALONG SAID EASTERLY LINE, NORTH 45°21'03" WEST 56.58 FEET TO AN ANGLE POINT THEREIN;
THENCE CONTINUING ALONG SAID EASTERLY LINE, NORTH 00°20'16" WEST 1118.96 FEET TO A LINE PARALLEL WITH AND 123.00 FEET SOUTHERLY OF THE NORTH LINE OF SAID NORTH HALF;
THENCE ALONG SAID PARALLEL LINE, NORTH 89°39'40" EAST 316.41 FEET TO THE **TRUE POINT OF BEGINNING**;
THENCE CONTINUING ALONG SAID PARALLEL LINE, NORTH 89°39'40" EAST 1523.00 FEET TO A LINE PARALLEL WITH AND 760.00 FEET WESTERLY OF THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION;
THENCE ALONG SAID PARALLEL LINE, SOUTH 00°17'42" EAST 264.00 FEET TO POINT OF TERMINUS.

CONTAINING 5,368 SQUARE FEET, MORE OR LESS.



MICHAEL JAMES KNAPTON
P.L.S.8012
REV: 8/23/2016

8/23/2016
DATE



80
12

EXHIBIT "D"

DEPICTION OF EASEMENT AREA

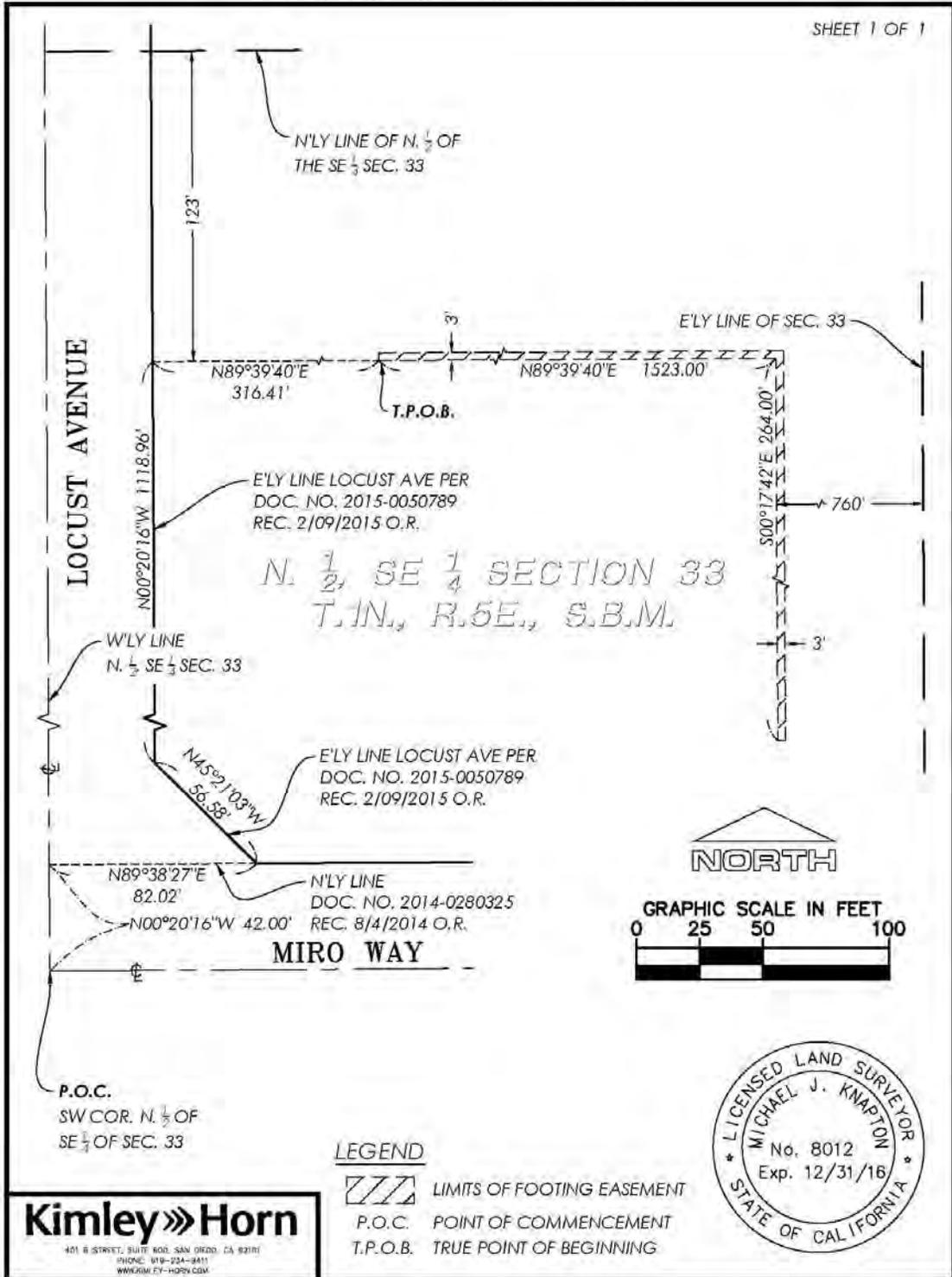


Exhibit "D"

WHEREAS, at such time as the City accepts the Easement Area for street widening purposes, Renaissance will relocate such Monument Sign to a location mutually agreeable to the parties.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by reference, and of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Monument Sign. The City hereby agrees that Renaissance shall have a right to install and maintain the Monument Sign on the Easement Area until such time as the City accepts the Easement Area for street widening purposes.

2. Relocation. Renaissance agrees to relocate the Monument Sign to a location mutually agreeable to the parties, within ninety (90) days of receipt of written notice from the City ("**Notice**") of City's intention to accept the Easement Area for street widening purposes. Such relocation shall be at the sole cost and expense of Renaissance.

3. Renaissance Responsible for Costs of Monument Sign. Renaissance shall be solely responsible for all costs related to the construction, repair and maintenance of the Monument Sign, the preparation of all plans, specifications and surveys, if any, any other professional, construction or other fees associated with the work and all other obligations of Renaissance contemplated by this Easement.

4. Indemnification by Renaissance. Renaissance covenants and agrees that it shall indemnify, defend, protect and hold harmless the City, its officers, directors, members, agents and/or employees ("Indemnitees") from and against any and all liability, loss or damage to which Indemnitees may be subjected to as the result of the rights granted herein or the existence or presence of the structures and improvements covered and/or contemplated by this Agreement or any act or omission by Renaissance, its officers, members, agents or employees arising out of the exercise by Renaissance, its officer, members, agents or employees of any of the rights granted to Renaissance by this Agreement.

5. Rights of Successors. Upon recordation of this Agreement, any conveyance, transfer, sale, hypothecation, assignment, lease or sublease made by parties shall be and hereby is deemed to incorporate by reference the provisions of this Agreement, as the same may from time to time be amended.

6. Amendment. This Agreement may be amended or modified only by a written instrument executed and acknowledged by the parties or their successors in interest and recorded in the Official Records of San Bernardino County, California.

7. **Applicable Law.** This Agreement shall be construed in accordance with the laws of the State of California.

8. **Notices.** All notices and other communications required or permitted to be given hereunder shall be in writing and shall be sent by: (i) certified or registered mail, postage prepaid, return receipt requested, (ii) personal delivery, or (iii) a recognized overnight carrier that provides proof of delivery, and shall be addressed as follows:

If to Renaissance:

Rialto Renaissance LLC
1 Monster Way
Corona, CA 92879
Attn: Paul J. Dechary, Sr. VP

If to City:

City of Rialto
150 S. Palm Avenue
Rialto, CA 92376
Attn: City Manager

With a Copy to:

City of Rialto
150 S. Palm Avenue
Rialto, CA 92376
Attn: City Attorney

Notices shall be deemed effective upon receipt or rejection only.

9. **Recordation.** This Agreement shall be recorded in the Official Records of the County of San Bernardino.

10. **Counterparts.** This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall be one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

“RENAISSANCE”

RIALTO RENAISSANCE LLC,
a California limited liability company

By: MONSTER ENERGY COMPANY,
a Delaware corporation
Its Manager

By: _____
Name: _____
Its: _____

Date: _____

“CITY”

CITY OF RIALTO, a California municipal
corporation

By: _____
Name: _____
Its: Mayor

Date: _____

ATTEST:

Barbara A. McGee, City Clerk

This Notary Acknowledgement is attached to a document entitled ***Monument Relocation Agreement***

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)

COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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.

Signature _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF RENAISSANCE PROPERTY

All that certain real property located in the City of Rialto, County of San Bernardino, State of California, as more particularly described as follows:

PARCELA

THAT PORTION OF NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 33;
THENCE ALONG THE WESTERLY LINE OF SAID NORTH HALF NORTH 00°20'16" WEST 42.00 FEET TO THE NORTHERLY LINE OF DOCUMENT NO. 2014-0280325 RECORDED AUGUST 4, 2014 OF OFFICIAL RECORDS OF SAID COUNTY;
THENCE ALONG SAID NORTHERLY LINE, NORTH 89°38'27" EAST 82.02 FEET TO A POINT ON THE NORTH LINE OF MIRO WAY AS SHOWN ON SAID DOCUMENT NO. 2014-0280325 BEING ALSO THE **TRUE POINT OF BEGINNING**;
THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 89°38'27" EAST 1150.20 FEET TO A LINE PARALLEL WITH AND 63.32 FEET WESTERLY OF THE WESTERLY LINE OF PARCEL MAP NO. 427 FILED IN BOOK 4, PAGE 7 OF PARCEL MAPS, RECORDS OF SAID COUNTY;
THENCE ALONG SAID PARALLEL LINE, NORTH 0°17'42" WEST 31.20 FEET TO A LINE PARALLEL WITH AND 31.20 FEET NORTHERLY OF SAID NORTHERLY LINE;
THENCE ALONG SAID PARALLEL LINE, NORTH 89°38'27" EAST 63.32 FEET TO THE WESTERLY LINE OF SAID PARCEL MAP NO. 427;
THENCE ALONG SAID WESTERLY LINE, SOUTH 0°17'42" EAST 29.20 FEET TO THE NORTHERLY LINE OF MIRO WAY AS SHOWN ON SAID PARCEL MAP;
THENCE ALONG SAID NORTHERLY LINE, NORTH 89°38'27" EAST 585.00 FEET TO A LINE PARALLEL WITH AND 760.00 FEET WESTERLY OF THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION;
THENCE ALONG SAID PARALLEL LINE, NORTH 0°17'42" WEST 1156.33 FEET TO A LINE PARALLEL WITH AND 123.00 FEET SOUTHERLY OF THE NORTH LINE OF SAID NORTH HALF;
THENCE ALONG SAID PARALLEL LINE, SOUTH 89°39'40" WEST 1839.41 FEET TO THE EASTERLY LINE OF LOCUST AVENUE PER DOCUMENT NO. 2015-0050789 RECORDED FEBRUARY 9, 2015 OFFICIAL RECORDS OF SAID COUNTY.
THENCE ALONG SAID EASTERLY LINE, SOUTH 00°20'16" EAST 1118.96 FEET TO AN ANGLE POINT THEREIN;
THENCE CONTINUING ALONG SAID EASTERLY LINE, SOUTH 45°21'03" EAST 56.58 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINING 48.824 ACRES, MORE OR LESS.



MICHAEL JAMES KNAPTON
P.L.S. 8012
REV: 8/22/2016

9/08/2016
DATE



EXHIBIT "B"

LEGAL DESCRIPTION OF EASEMENT AREA



Legislation Details (With Text)

File #: 16-747 Version: 1 Name: E.8
 Type: Agreement Status: Agenda Ready
 File created: 10/31/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request Rialto Housing Authority Board to Approve Subordination Agreement with Greystone Services Corporation and Renaissance Village Housing Partnership related to the Renaissance Village Located at 220 North Glenwood Avenue, Rialto, California.

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A - Staff Report](#)
[Exhibit B - Regulator Agreement](#)
[Exhibit C -Subordination Agreement](#)

Date	Ver.	Action By	Action	Result
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For Rialto Housing Authority Meeting [November 22, 2016]

TO: Honorable Chair and Authority Board

APPROVAL: Michael Story, Executive Director

FROM: Robb Steel, Assistant City Administrator/Development Services Director

Request Rialto Housing Authority Board to Approve Subordination Agreement with Greystone Services Corporation and Renaissance Village Housing Partnership related to the Renaissance Village Located at 220 North Glenwood Avenue, Rialto, California.

BACKGROUND:

In the mid-1990's, the former Redevelopment Agency (RDA) and NCR (formerly known as Southern California Housing Development Corporation) acquired and rehabilitated a distressed multi-family neighborhood situated in the 200 north block of Glenwood Avenue (currently known as "Renaissance Village" with a formal address of 220 N. Glenwood Avenue). NCR completed Renaissance Village, which renovated 144 units on 38 separate legal parcels, transforming the neighborhood into a gated apartment complex, professionally managed by NCR.

On July 8, 2014, the City Council/Rialto Housing Authority (RHA) approved a resolution terminating the original Regulatory Agreement and Operation and Maintenance Agreement and executing a new Regulatory Agreement ("New Regulatory Agreement") and Subordination Agreement with Renaissance Village Housing Partners, L.P. related to Renaissance Village (managed by National Community Renaissance - "NCR"). The staff report is as Exhibit A .

The City Council/RHA action related to NCR's proposed major rehabilitation project costing \$6.7

million (\$47,100 per unit) at Renaissance Village. NCR retained Chase Bank to provide 4% tax credit and construction funding, and Greystone provides permanent financing after construction.

The New Regulatory Agreement (Exhibit B) provided:

- Affordability covenant period of 55 years, ending in 2069.
- The recognition as a grant of the former RDA contribution of \$2.5 million of low/mod funds.
- RHA receives forty percent (40%) of residual receipts from net operating income.
- 143 affordable units, with a minimum of 10% of the units (15 units) restricted for households earning 50% or less of the area median income (“AMI”) and maximum of 90% of the units (128 units) restricted for households at a maximum of 80% of the AMI.
- NCR provides social services program for residents, manage and maintain the property per standards in the Agreement, and enforce the affordability requirements.

ANALYSIS/DISCUSSION:

In early 2016, NCR completed the Renaissance Village rehabilitation. By year-end, NCR must repay the construction loan to Chase Bank. Greystone will provide the permanent loan to repay the construction loan. Failure to repay the construction loan may cause Chase Bank to foreclose on the project and/or charge a higher interest rate. In addition, Greystone can impose a penalty per its agreement. Chase Bank will remain as the 4% tax credit lender.

The executed Subordination Agreement related to the construction loan and included Chase Bank but did not include Greystone. Greystone requests that the RHA execute a new Subordination Agreement (Exhibit C) to permit the permanent loan. The proposed Subordination Agreement eliminates the following provisions in the New Regulatory Agreement in the event of foreclosure:

- The RHA’s entitlement to receive forty percent (40%) of residual receipt from net operating income.
- The requirement to set-aside a capital reserve of \$250 per unit.
- The RHA’s approval prior to any social service or property management changes.

Greystone requests these modifications to create more flexibility in the unlikely event of foreclosure. The foreclosure risk of Renaissance Village is low since: 1) NCR is a financially stable entity that has no prior history of foreclosure or bankruptcy; and, 2) the recent rehabilitation completion and refinancing improves the Renaissance Village’s finances that reduces vacancy rates and improves cash flow.

ENVIRONMENTAL IMPACT:

The Subordination Agreement review is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15378(b) (5) of the CEQA Guidelines because the action is a governmental administrative activity that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

The Subordination Agreement is consistent with Goal 6-2 of the Housing Element of the Rialto General Plan:

6-2: Promote and encourage housing development that adequately meets the needs of all socioeconomic segments of the community and region. The activities of the Housing Authority implement the goals of the Housing Element of the General Plan by providing decent, safe and sanitary housing for all income segments of the community.

LEGAL REVIEW:

The RHA legal counsel reviewed and approved the staff report and agreement.

FINANCIAL IMPACT:

The RDA originally granted \$2.5 million to the project with no repayment obligation by NCR. However, the New Regulatory Agreement requires NCR to pay residual receipt revenue generated by the project to the RHA. In the event of a foreclosure, the RHA may lose residual receipt revenue.

RECOMMENDATION:

Staff recommends that the Rialto Housing Authority Board approve the Subordination Agreement with Greystone Services Corporation and Renaissance Village Housing Partners, L.P.



Legislation Details (With Text)

File #: 14-476 Version: 1 Name: TAB 3
 Type: Public Hearing Status: Agenda Ready
 File created: 6/23/2014 In control: City Council
 On agenda: 7/8/2014 Final action:
 Title: Request City Council to Conduct a TEFRA Public Hearing and Adopt Resolution No. 6595 Approving the Issuance of Tax-Exempt Bonds by the California Municipal Finance Authority and Request the Rialto Housing Board to Adopt Resolution No. 04-14 Approving the termination of Certain Existing Agreements and the Approval of Certain New Agreements for a Multi-family Rental Housing Project Known as Renaissance Village Located at 220 North Glenwood Avenue, Rialto, California. (ACTION)

Sponsors:

Indexes:

Code sections:

- Attachments: [Exhibit A - 1993 Rehabilitation Financing Agreement](#)
[Exhibit B Pledge Agreement](#)
[Exhibit C - First Amendment to Financing Agreement April 1997](#)
[Exhibit D - ARCS Multifamily Promissory Note](#)
[Exhibit E - 1995 Regulatory Agreement](#)
[Exhibit F - Operation and Maintenance Agreement1](#)
[Exhibit G - Common Ownership and Management Agreement](#)
[Exhibit H - Proposed Improvement Budget1](#)
[Exhibit I - FINAL Proforma 4% 062014](#)
[Exhibit J - Regulatory Agreement Termination](#)
[Exhibit K - Termination O & M Agreement \(rev 7 1 14\)](#)
[Exhibit L - Regulatory Agreement \(rev 7 1 14\)](#)
[Exhibit M - Subordiantion Agreement](#)
[Exhibit N - Legal Counsel Opinion on \\$2.5 Million](#)
[Exhibit O - Residual Payment History](#)
[Exhibit P - Demographics](#)
[Exhibit R - CTCAC tax exempt ltr-Renaissance Village](#)
[Exhibit S - Renaissance Village Social Service Plan](#)
[Exhibit T - TEFRA Resolution - Renaissance Village \(2\)](#)
[Exhibit U - RHA Resolution](#)

Date	Ver.	Action By	Action	Result
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For City Council and Rialto Housing Authority Meeting

TO: Honorable Mayor/Chair and City Council/Authority Board

APPROVAL: Michael Story, City Administrator/Executive Director

FROM: Robb Steel, Assistant to the CA/Development Services Director

Request City Council to Conduct a TEFRA Public Hearing and Adopt Resolution No. 6595 Approving the Issuance of Tax-Exempt Bonds by the California Municipal Finance Authority and Request the Rialto Housing Board to Adopt Resolution No. 04-14 Approving the termination of Certain Existing Agreements and the Approval of Certain New Agreements for a Multi-family Rental Housing Project Known as Renaissance Village Located at 220 North Glenwood Avenue, Rialto, California.

(ACTION)

BACKGROUND:

In the mid-1990's, the former Redevelopment Agency (RDA) and National Community Renaissance of California (formerly known as Southern California Housing Development Corporation; known today as "NCR") acquired and rehabilitated a distressed multi-family neighborhood situated in the 200 north block of Glenwood Avenue (currently known as "Renaissance Village" with a formal address of 220 N. Glenwood Avenue).

In 1996, NCR completed Renaissance Village, which included renovating 144 units on 38 separate legal parcels, transforming the neighborhood into a gated apartment complex, and professionally managing Renaissance Village. The complex consists of 1 four- bedroom unit (reserved for manager); 90 three-bedroom units; 34 two-bedroom units; and, 19 one-bedroom units. It includes an on-site management office and social service programs. A chronology of the project financing follows:

- On September 22, 1993, the RDA and NCR executed the Rehabilitation Financing Agreement (see Exhibit A) whereby the RDA provided financing of \$5,200,000 to the Project. In addition, the Agreement required the RDA to provide an annual pledge of \$200,000 from low-mod housing funds to cover bond debt service related to the \$5,200,000 of financing.
- On July 25, 1995, the RDA approved a Pledge Agreement (see Exhibit B) pledging \$200,000 per year from low/mod housing funds to secure \$4,925,000 of financing from the 1995 Multi-Family Housing Revenue Bond funds ("1995 Revenue Bond") for acquisition and rehabilitation costs.
- In August 1997, the RDA and NCR approved Amendment #1 (see Exhibit C) to the Rehabilitation Financing Agreement ("Amendment #1"). The amendment: (i) terminated the RDA's annual pledge of \$200,000; (ii) provided immediate funding from RDA's low-mod housing fund of \$2,500,000 to pay down the 1995 Revenue Bond principal to \$2,425,000; and, (iii) granted the RDA 50% of future net operating income from Renaissance Village. The 1995 Revenue Bond is due for full payment by October 1, 2026 (see Exhibit D).

On June 1, 1995, RDA and NCR executed the following three agreements governing the use of the project once rehabilitation was completed:

1. Regulatory Agreement. The Regulatory Agreement (see Exhibit E) establishes affordability requirements for 143 of the 144 units (one unit is reserved for the manager), limits the use of the property by covenant, and restricts the sale of the property. Currently, the Regulatory Agreement remains in effect until October 1, 2026 when the 1995 Revenue Bond matures, or earlier if the bond is fully repaid.

2. Operation and Maintenance (O & M) Agreement (with subsequent amendments number 1 and 2). The O & M Agreement (see Exhibit F) establishes the management and maintenance requirements. The Second Amendment to the O & M Agreement also required NCR to pay 50% of all net operating income from the project to the former RDA.
3. Declaration of Common Ownership and Management Agreement. This Agreement (see Exhibit G) requires that the 38 separate parcels be collectively owned and managed by one owner.

In 2012, the Successor Agency to the Redevelopment Agency of the City of Rialto, Oversight Board and the California Department of Finance (DOF) approved the Rialto Housing Authority (RHA) as the housing successor agency and approved the transfer of housing assets to RHA. On September 11, 2012, the DOF approved the Housing Asset Plan to transfer the housing assets of the former RDA to the RHA. The residual receipts entitlement for the Renaissance Village Project was one of the transferred assets in the Housing Asset Plan.

ANALYSIS/DISCUSSION:

Proposed Improvements/Sources and Uses of Funding

The apartment complex requires major exterior and interior rehabilitation of the buildings. About 20 units are uninhabitable due to mold. NCR proposes to refinance the property to repay the 1995 Revenue Bond (current balance is \$1,672,000), rehabilitate the property and restructure the ownership ("New Project"). In July 2013, NCR unsuccessfully applied for 9% tax credits to finance the improvements.

NCR has now obtained alternative financing to commence the project. The total direct construction cost is \$6,788,069 (\$47,100 per unit). The total cost of the New Project, including acquisition and improvements, is \$23,415,261 (\$162,600/unit). The new legal owner will be Renaissance Village Housing Partners, L.P., (described as "NCR" for this report) with NCR remaining as a managing partner.

NCR has submitted plans to the Planning Division and the Building Division. Construction will commence in July 2014 and be completed in late 2015. Exhibit H identifies the proposed improvements. The significant improvements include:

- Interior rehabilitation including complete bathroom and kitchen remodeling, drywall and window replacement, and plumbing and electrical repairs.
- Exterior building improvements including roof replacements, stucco repairs, exterior paint.
- Common area improvements including replacement of carports, new asphalt and slurry seal, new camera system, and re-landscaping that utilizes low water usage.

The sources and uses of permanent financing are summarized in the table below. The primary source of funding is an acquisition loan of \$9,198,872 secured by NCR. The 4% tax credits awarded by the California Tax Credit Allocation Committee are the second largest source of financing in the amount of \$7,680,541 with other permanent financing of \$4,453,000 and miscellaneous funding of \$1,992,848. The project Pro-forma is attached hereto as Exhibit I .

Sources and Uses of Permanent Financing

Renaissance Village Refinancing

Sources of Funding	Total	Per Unit
NCR Acquisition Loan	\$9,198,872	\$63,881
4% Tax Credit	\$7,680,541	\$53,337
Permanent Loan	\$4,543,000	\$31,549
NCR Developer Fee	\$1,233,895	\$8,569
NCR Loan	\$400,000	\$2,778
County HOME Assumption – No Cash	\$303,953	\$2,111
Refundable Bond Fees	<u>\$55,000</u>	<u>\$382</u>
Total Sources	\$23,415,261	\$162,606

Uses of Funding

Direct construction costs	\$6,788,069	\$47,139
Acquisition cost	\$11,800,000	\$81,944
Indirect construction/finance expense/other costs	<u>\$4,827,192</u>	<u>\$33,522</u>
Total Uses	\$23,415,261	\$162,606

The financial closing and construction must commence by July 16, 2014 or the project's financing is jeopardized. During construction, NCR will apply for a tax-exempt bond to cover the acquisition and construction cost, which is further described below under the TEFRA Hearing. NCR is not requesting RHA funds. NCR considers the RDA's \$2.5 million bond buy-down, as described in Amendment #1, as a grant to the New Project.

TEFRA Hearing

On July 7, 2013, the City Council conducted a Tax and Equity Fiscal Responsibility Act (TEFRA) public hearing and approved issuance of tax-exempt bonds to provide financing for the proposed improvement project at Renaissance Village. This action has expired and a new TEFRA hearing and approval is required.

NCR has applied for a maximum of \$16,000,000 of tax-exempt bonds (New Bond) to pay acquisition and construction costs during the rehabilitation phases of the New Project. Once rehabilitation is completed, the permanent sources listed above will repay the New Bond. The California Municipal Finance Authority is the intended bond issuer and administrator.

The TEFRA hearing provides members of the community an opportunity to comment on the use of tax-exempt bonds for the financing of the New Project. Prior to such TEFRA hearing, reasonable notice must be provided to the members of the community. The notice was published in the June 19,

2014, edition of the Rialto Record. Following the close of the TEFRA hearing, an “applicable elected representative” of the governmental unit hosting the project must approve the issuance of the bonds for the financing of the New Project.

Request to Terminate Existing Agreements and Approve New Agreement

The Regulatory Agreement is effective for the longer period of either: (i) a minimum of 15 years beginning on the agreement execution date or the date upon which 50% of the units are first occupied, or (ii) when the 1995 Revenue Bonds are repaid, which is October 1, 2026. Since the Regulatory Agreement was executed in 1995 and 50% of the units were first occupied in 1996, the 15-year period lapsed in 2011. The proposed repayment of the 1995 Revenue Bond will cause the Regulatory Agreement to terminate.

NCR requests the following to commence the New Project:

1. Terminate the Regulatory Agreement (see Exhibit J). The tax credit lender requested termination of the Regulatory Agreement to accommodate modifications needed to satisfy the affordability requirements under the new permanent financing as discussed below under Affordability Requirements and Housing Element.
2. Terminate the Operation and Maintenance Agreement (see Exhibit K). The tax credit lender requested the termination of the O & M Agreement due to several unacceptable provisions. This includes: (i) the RDA’s approval to select and replace the management agency; (ii) the RDA’s imposition of certain “house rules”; (iii) the RDA’s approval of the annual operating budget; (iv) the RDA’s requirement to establish reserves for capital replacement and operating debt service; (v) the RDA’s consent to withdraw capital reserves; and, (vi) the RDA’s requirement to create a reserve for extraordinary expenses.
3. Execute a new Regulatory Agreement (“New Regulatory Agreement”) (see Exhibit L). The New Regulatory Agreement establishes unit affordability, property maintenance and management standards, and restrictions on the sale of the property.
4. Execute Subordination Agreement (see Exhibit M). The Subordination Agreement subordinates the New Regulatory Agreement to the Tax Credit Regulatory Agreement, the New Bond’s deed of trust and regulatory agreement, and the County HOME deed of trust.
5. The Declaration of Common Ownership and Management Agreement will remain as is and will not be subordinated to the new financing.

NCR proposes several terms related to the termination of the existing Regulatory Agreement and the execution of the New Regulatory Agreement as follows:

- 55 Year Affordability. As noted above, the Regulatory Agreement expires on October 1, 2026, and the affordability controls also expire. The Tax Credits create a new 30 year affordability requirement, expiring in 2044. The New Regulatory Agreement extends the affordability covenant for 55 years, ending in 2069. Consequently, the affordability period extends by 43 years (from 2026 to 2069).
- \$2.5 million Buy-Down Amount is a Grant . As noted above, in 1997 the former RDA

provided \$2.5 million of low/mod funds to buy down the 2005 Revenue Bond pursuant to Amendment #1. Staff and NCR researched the record to determine whether the funds were intended to be provided as a grant or loan. In reviewing Amendment #1, the Regulatory Agreement and the O & M Agreement (and various amendments) the \$2,500,000 is never characterized as a loan. In addition, the former RDA and NCR never executed a promissory note or deed of trust to secure a loan. The City Attorney and Stradling Yocca, Carlson, Rauth, Successor Agency also reviewed the documents and determined that the \$2.5 million is a grant (see Exhibit N).

- 40% of Net Operating Income . Amendment #2 to the O & M Agreement and Amendment #1 to the Rehabilitation Financing Agreement currently require NCR to pay 50% of the net operating income to the former RDA. NCR requests that this be reduced to 40% of the NOI because the County requested 10% of net operating income in exchange for the extension of its HOME Program loan of \$303,953 as required by federal regulations. NCR also requested this reduction in order to recover NCR's past contributions to the Project, made to cover cash flow deficiencies, as described below. Based on the New Project Pro-forma, positive net operating income is not expected until year 16.
- Residual Payments. Amendment #1 requires NCR to provide 50% of net operating income to the former RDA. NCR reports an overall negative cashflow balance of \$650,000 since 1997 (see Exhibit O). In 1997/98 the net operating income was negative due to rehabilitation costs that were not funded from the 1997 Revenue Bond. From 2000 to 2007, the net operating income was positive helping to reduce the carryover operating deficit balances. From 2008 to 2013, the net operating again was negative due to required maintenance upgrades and rental losses due to uninhabitable units. Consequently, RHA has never received any residual payments.

Project Demographics and Resident Relocations

Currently, 68 of the 144 units at Renaissance Village are occupied. The remaining units are vacant due to uninhabitable conditions or preparation for improvements (56 units) or available for occupancy (20 units). NCR reports a population of 231 residents at Renaissance Village, which includes 112 children. Demographic information is attached hereto as Exhibit P and Police Calls for Service and Part 1 crime from 2011 to 2013 for Renaissance Village is attached hereto as Exhibit Q .

NCR proposes to conduct construction in three phases, with each phase lasting about 4.5 months. Residents will relocate to another unit during construction. NCR intends to minimize disruptions to residents by implementing the following:

- Residents will move at least once to a temporary unit. The temporary unit is to be in good working order and clean prior to occupancy.
- Residents will relocate to an existing unit at Renaissance Village. If the need arises to relocate a resident off-site, NCR will follow relocation law and pay for moving/storage costs as well as pay for a portion of the temporary accommodations, if needed. The priority off-site facility is either NCR's Citrus Grove or Crossings apartment complexes in Rialto or another apartment complex in Rialto, and if not available, an apartment complex in a surrounding city.

- Once a construction phase is complete, residents will move to a permanent unit. The permanent unit might consist either of the previously occupied or another unit with similar number of bedrooms.

NCR has identified five (5) households that have incomes in excess of the allowable limits to reside at Renaissance Village at post-rehabilitation. NCR is working to relocate these households, per California relocation laws. This includes providing up to 42 months of rental assistance and seeking suitable residential units either in Rialto or in other cities.

Affordability Requirements and Housing Element

Renaissance Village currently provides 143 units for households that meet income eligibility requirements (based proportionally for one-bedroom, two-bedrooms and three-bedroom units for each affordability income category), as follows:

- 20% of units (29 units) restricted to households at 50% or less of area median income (“AMI”).
- 80% of units (114 units) restricted to households at 60% or less of AMI.

Under the New Project, as indicated in the Pro-forma, the affordable restrictions will convert 14 units from a limit of 50% of AMI to 60% of AMI (the unit occupancy will continue to be based proportionally on the affordability category for one-bedroom, two-bedrooms and three-bedroom units), as follows:

- 10% of the units (15 units) will be restricted for households at 50% or less of the AMI (reduction from existing 20% of units restricted).
- 90% of the units (128 units) will be restricted for households at 60% or less of the AMI (increase from existing 80% of units restricted). The New Regulatory Agreement increases the income for these units for households at a maximum of 80% or less of the AMI. However, the Tax Credit’s regulatory agreement restricts the units at 60% AMI for 30 years (see Exhibit R). The 80% AMI is a fallback in the unlikely scenario that the Tax Credits terminate. California Law defines both the 60% AMI and the 80% AMI standards as “Low Income”.

California law requires every municipal jurisdiction to adopt a Housing Element that incorporates new housing needs for households for different income categories. Annually, each jurisdiction prepares a report depicting progress in accomplishing goals established in the Housing Element. The Housing Element classifies households with incomes at 50% AMI or less as “Very Low Income”; at 80% or less of AMI as “Low Income”; at 120% or less of AMI as “Moderate Income”; and above 120% of AMI as “Above Moderate”.

For the 1996 report, the City would have listed 29 units from Renaissance Village under the Very Low Income accomplishments and the remaining 114 units under Low Income accomplishments. The change reduces Very Low Income units and increases Low Income units. The Housing Element for 2014 will be modified to indicate that 14 units were removed from the Very Low Income category and 14 units will be added to the Low Income category.

Social Service Programs

NCR partners with Hope Through Housing (HTH) to provide social and recreational programs at many of its apartment complexes. At Renaissance Village, HTH offers the “After School and Beyond” (ASB) program, which occurs on Monday through Friday from 2:00 p.m. to 6:00 p.m. This year about 40 teens are enrolled. The program’s goal is to provide youth with support and guidance needed to succeed. The ASB program consists of four objectives: (1) promoting emotional and physical health; (2) improving academic self-efficacy; (3) increasing school engagement; and, (4) engaging families in the academic and social success of their children.

The ASB program includes monthly parent meetings for all members of the community to come and network with one another. Monthly topics have included financial literacy, nutrition, and early childhood development. See Exhibit S for additional information about the ASB program.

ENVIRONMENTAL IMPACT:

The public hearing for the New Bond is exempt from CEQA pursuant to Section 15378(b) (5) of the CEQA Guidelines because the action is a governmental administrative activity that will not result in direct or indirect physical changes in the environment. The New Project is a Class 1 Categorical Exemption in accordance with Section 15301 of the CEQA Guidelines, which allows replacement or reconstruction of existing structures provided that involve negligible expansion of use.

GENERAL PLAN CONSISTENCY:

The TEFRA Hearing in regards to the proposed project is consistent with Goal 6-2 of the Housing Element of the Rialto General Plan:

6-2: Promote and encourage housing development that adequately meets the needs of all socioeconomic segments of the community and region. The activities of the Housing Authority implement the goals of the Housing Element of the General Plan by providing decent, safe and sanitary housing for all income segments of the community.

LEGAL REVIEW:

Special Counsel, Stradling Yocca Carlson & Rauth, reviewed the agreements prepared. The City Attorney and Authority Counsel has reviewed and approved the staff report and resolution.

FINANCIAL IMPACT:

The City incurs no financial liability related to the New Bond issued by the California Municipal Finance Authority or responsibility for the New Project. Repayment of the New Bond for the Project will be the sole responsibility of the borrower. All bond documents will contain clear disclaimers that the New Bond is not an obligation of the City or the State of California.

NCR is not requesting any funds from RHA for the New Project. Proceeds to repay the 1995 Revenue Bond go directly to the bondholders, without any funds going to RHA.

RECOMMENDATION:

Staff recommends that the City Council approve the following:

- 1) Conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code

of 1986, as amended.

- 2) Adopt the resolution (Exhibit T) approving the issuance of the New Bond by California Municipal Finance Authority for the benefit of Renaissance Village Housing Partners, L.P. or by another limited partnership or limited liability company to be formed by National Community Renaissance of California or a related entity, to provide for the financing of the New Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (and following).

The Rialto Housing Authority Board approves the following:

- 1) Adopt the resolution (Exhibit U) to terminate the existing Regulatory Agreement and the Operation and Maintenance Agreement and execute a new Regulatory Agreement and Subordination Agreement with Renaissance Village Housing Partners, L.P. related to Renaissance Village.

RECORDING REQUESTED BY:
Fidelity National Title Company
23017691-P

AND WHEN RECORDED MAIL TO:

Rialto Housing Authority
131 South Riverside Avenue
Rialto, CA 92378
Attn: Development Services Director

Electronically Recorded in Official Records, County of San Bernardino

7/29/2014
03:38 PM
NC



DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK
688 Fidelity National Title MA

Doc #: **2014-0273426**

Titles: 2 Pages: 29



Fees	.00
Taxes	.00
Other	.00
PAID	.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

REGULATORY AGREEMENT
AND
DECLARATION OF RESTRICTIVE COVENANTS

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

NO FEE RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Rialto Housing Authority
131 South Riverside Avenue
Rialto, California 92378
Attn: Development Services Director

(Space above for Recorder's Use.)

**REGULATORY AGREEMENT
AND
DECLARATON OF RESTRICTIVE COVENANTS**

This Regulatory Agreement and Declaration Agreement of Restrictive Covenants ("**Regulatory Agreement**") is dated for reference purposes as of June 1, 2014, and is between the Rialto Housing Authority, a public body ("**Authority**") and Renaissance Village Housing Partners, L.P., a California limited partnership (the "**Owner**") (Authority and Owner shall be referred to herein individually as a "**Party**" and collectively as the "**Parties**").

RECITALS

WHEREAS, Owner has acquired or will acquire title to that multifamily affordable housing apartment community located within the City of Rialto ("**City**") commonly known as Renaissance Village Apartments, 220 North Glenwood Avenue, Rialto, California 92376, containing a total of 144 residential dwelling units and related amenities and improvements (the "**Project**"); and

WHEREAS, the Project is legally described in Exhibit "**A**", attached hereto and incorporated herein; and

WHEREAS, dwelling units in the Project have been and will continue to be made available for rental and occupancy to persons and families of low and moderate income at affordable housing costs; and

WHEREAS, pursuant to the provisions of Resolution No. 6075 adopted by the City on January 24, 2012, the Authority was designated to assume the housing assets and administer the functions previously performed by the Redevelopment Agency of the City of Rialto ("**Agency**"); and

WHEREAS, on or about June 1, 1995, Owner's predecessor in interest and Agency entered into that certain Operation and Maintenance Agreement for Renaissance Village Apartments which was recorded on July 25, 1995 as Document No. 19950255013, Official Records of San Bernardino County, California, as amended by that certain First Amendment to Operation and Maintenance Agreement for Renaissance Village Apartments recorded on June 27, 1996 as Document No. 19960227941, and by that certain Second Amendment to Operation and Maintenance Agreement for

Renaissance Village Apartments recorded on May 1, 1997 as Document No. 19970154700 (as amended, the "O&M Agreement"); and

WHEREAS, in connection with its restructuring of financing to enable its acquisition of title to the Project and as required by its tax credit investor, Owner requested that Authority, as the successor in interest to the Agency's rights under the O&M Agreement, terminate and reconvey the O&M Agreement; and

WHEREAS, Authority has agreed to cancel and terminate the O&M Agreement on the condition that Owner provide Authority with certain housing affordability covenants relating to occupancy and rental of the dwelling units in the Project and that the Authority would preserve as much as possible its right to receive "Agency Disposable Net Income," contained in Section 3.7 of the O&M Agreement, as that Section was revised by the provisions of that certain Second Amendment to Operation and Maintenance Agreement for Renaissance Village Apartments dated as of April 15, 1997, recorded on May 1, 1997 as Document No. 19970154700, Official Records of San Bernardino County, California; and

WHEREAS, this Regulatory Agreement has been executed by the Parties in satisfaction of the Authority's condition precedent, to establish a plan for the ongoing operation and maintenance of the Project in furtherance of the goals and objectives of the Authority as well as to preserve Authority's entitlement to a portion of the residual receipts/net operating income of the Project; and

WHEREAS, Authority and Owner wish to enter into this Regulatory Agreement to insure the occupancy by and rental of the dwelling units in the Project as affordable housing dwelling units to persons and families of qualifying income and the management and operation of the Project by Owner in accordance with the requirements set forth herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, each of the Authority and the Owner declare that the Project shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the provisions of this Regulatory Agreement, which are expressly and exclusively for the use and benefit of said Property and of the Authority. Each and all of the restrictions, limitations, conditions, covenants, liens, reservations and charges herein contained shall run with title to the Project, shall be recorded in the Official Records of San Bernardino County and shall be binding on Owner, its successors, partners, administrators and/or assigns, and all subsequent owners of all or any part of the Project. The Parties acknowledge that in consideration of the mutual covenants and undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and the Owner hereby agree as follows:

ARTICLE I **DEFINITIONS**

The definitions provided herein shall be applicable to this Regulatory Agreement and also to any amendment or supplemental Regulatory Agreement (unless the context implicitly or explicitly shall prohibit), recorded against the Project pursuant to the provisions of this Regulatory Agreement.

Section 1. “Affordable Housing Project” means the Project, operated as an affordable housing community in conformity with this Regulatory Agreement throughout the Required Covenant Period.

Section 2. “Affordable Rent” means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of a designated percentage of the Median Income for the Area for the qualifying household of a household size appropriate to that dwelling unit. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of the Median Income for the Area for a household size appropriate to the dwelling unit. For a Lower Income Household, Affordable Rent means a monthly rent which does not exceed one twelfth (1/12th) of thirty percent (30%) of eighty percent (80%) of the Median Income for the Area for a household size appropriate to the dwelling unit. “Household size appropriate to the unit,” as used herein, shall be determined in accordance with the provisions of federal law or regulation applicable to Low Income Housing Tax Credits during the thirty (30) year tax credit compliance period commencing in accordance with the provisions of federal law. Thereafter, “housing size appropriate to the unit” shall be determined in accordance with Section 50052.5 of the California Health & Safety Code (or successor statute). The maximum monthly rental amount for the dwelling units shall be adjusted annually (subject to HUD and/or Internal Revenue Service “hold harmless” rules that may apply when there is a decrease in the Median Income for the Area, if applicable in a given year) by the formula set forth above upon the promulgation of revised Riverside-San Bernardino Primary Metropolitan Statistical Area median income figures by regulation of the California Department of Housing and Community Development or, if applicable, by the United States Department of Housing and Urban Development (“HUD”). Actual rent charged may be less than such maximum rent.

Section 3. “Area” means the Riverside-San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 4. “Authority” means the Rialto Housing Authority.

Section 5. “Certificate” or “Certification” is defined in Article II, Section 3 hereof.

Section 6. “County” means and refers to the County of San Bernardino, a political subdivision of the State of California.

Section 7. “Gross Income” means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential dwelling unit) whether in cash or in kind as calculated pursuant to HUD Regulations (24 C.F.R. § 813) in effect as of the date of this Regulatory Agreement.

Section 8. “Low-Income Units” means a dwelling unit in the Project that is occupied by a Qualified Household (as defined herein) and is rented at an Affordable Rent.

Section 9. “Lower Income Households” means any person or family with an income level not exceeding eighty percent (80%) of Median Income for the Area.

Section 10. “Median Income for the Area” means the median income for the Area as most recently determined by the Secretary of HUD under Section 8 of the United States Housing Act of

1937, as amended, or, if programs under Section 8 are terminated, Median Income for the Area determined under the method used by the Secretary prior to such termination.

Section 11. “Prescribed Rent Levels” means rent that is Affordable Rent as follows: (a) for Very Low Income Households, ten percent (10%) of the dwelling units in the Project shall be restricted for occupancy by Very Low Income Households; and (b) for Lower Income Households, the balance of ninety (90%) of the dwelling units in the Project, not including unit(s) which may be required for occupancy by an on-site manager and for an on-site maintenance person, if any (not to exceed a total of two units), shall be restricted for occupancy by Lower Income Households.

Section 12. “Project” means the 144-unit multifamily apartment community described in the Recitals hereto.

Section 13. “Qualified Household” means a person or family qualifying as a Very Low Income Household or a Lower Income Household to occupy dwelling units in the Project at an Affordable Rent.

Section 14. “Regulatory Agreement” means this Regulatory Agreement and any amendments, modifications or supplements thereto.

Section 15. “Required Covenant Period” means a period of fifty-five (55) years commencing as of the date of recordation of this Regulatory Agreement.

Section 16. “Tax Credits” means Low Income Housing Tax Credits awarded to the Project by TCAC (either state or federal credits).

Section 17. “Tax Credit Regulatory Agreement” means the extended use/low income housing commitment recorded to satisfy a TCAC requirement in the event Tax Credits are made available for the Project, setting forth certain covenants as to the Project.

Section 18. “Very Low Income Household” means a person or family at an income level not exceeding fifty percent (50%) of Median Income for the Area.

Section 19. “Unit” means a dwelling unit in the Project.

ARTICLE II

LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. Owner covenants and agrees to devote, use, operate and maintain the Project in accordance with the provisions of this Regulatory Agreement. If during the term hereof operation of the Project is subject to affordability restrictions more restrictive than the provisions contained in this Regulatory Agreement, Owner’s compliance with such increased restrictive covenants shall be deemed Owner’s compliance with the provisions hereof. If regulatory agreements senior to this Regulatory Agreement do not extend affordability restrictions to all Low-Income Units, then the provisions hereof shall apply to supplement the restrictive covenants thereof. By way of illustration, if the Tax Credit Regulatory Agreement restricts forty percent (40%) of the Units to occupancy by persons and families at not more than sixty percent (60%) of Median Income for the Area, then the provisions hereof shall be satisfied if not more than ten percent (10%) of the dwelling units are occupied by Very Low Income Households, an additional thirty percent (30%) of the

dwelling units are occupied by persons or families at not more than sixty percent (60%) of Median Income for the Area (at an Affordable Rent), and the balance of the Low-Income Units are occupied by Lower Income Households. All uses conducted on the Project, including, without limitation, all activities undertaken by the Owner pursuant to this Regulatory Agreement, shall conform to all applicable provisions of the Rialto Municipal Code, any and all laws, rules and regulations applicable to the Project, and to the provisions of all recorded documents pertaining to and running with title to the Project. The Project shall be operated as an affordable housing project and devoted only to the uses specified in the Tax Credit Regulatory Agreement, during the time that the same is applicable, to any other recorded regulatory agreement, and to this Regulatory Agreement for the periods of time specified in each of such instruments.

Section 2. Affordable Housing.

Number of Units. Throughout the Required Covenant Period, not less than ten percent (10%) of the dwelling units in the Project (currently, fifteen (15) dwelling units) shall be rented to and occupied by Very Low Income Households. Such required Low-Income Units shall be continuously occupied by or held available for occupancy by Very Low Income Households at the applicable Affordable Rent. Throughout the Required Covenant Period, not less than ninety percent (90%) of the dwelling units in the Project (currently, one hundred twenty-nine (129) units, but not including any dwelling unit made available for occupancy by an on-site manager or managers or for occupancy by an on-site maintenance representative, up to two Units) shall be rented to and occupied by Lower Income Households. All such Low-Income Units shall be rented at an Affordable Rent. For purposes hereof, a person or family who initially qualifies as either a Very Low Income Household or Lower Income Household at the time he, she or they first occupies a Low-Income Unit shall be deemed to continue to be so qualified until such time as a recertification of such individual's or family's income in accordance with the provisions hereof demonstrates that such individual or family no longer qualifies as a Very Low Income Household or a Lower Income Household, respectively. Moreover, a dwelling unit previously occupied by a Very Low Income Household or a Lower Income Household, and then vacated, shall be considered occupied by such Qualified Household until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined. In no event shall such temporary period exceed thirty-one (31) days.

At such time as the occupants of a Low-Income Unit cease to qualify as a Qualified Household, the dwelling unit occupied by such tenant(s) shall cease to be a Low-Income Unit occupied by a Qualified Household. Owner shall replace each such required Low-Income Unit by designating the next available unit and any necessary units thereafter as a dwelling unit to be made available to a Very Low Income Household or a Lower Income Household, as the case may be. For purposes of this Regulatory Agreement, such designated unit will be considered a Low-Income Unit if it is held vacant and available for occupancy by a Qualified Household, and, upon occupancy, the income eligibility of the tenant thereof as a Qualified Household is verified and the unit is rented at an Affordable Rent.

In the event the household income of a Very Low Income Household initially complies with the corresponding income restriction but the income of such household increases, but not above the level of a Lower Income Household, such household shall be deemed a Lower Income Household. In the event that a Qualified Household's income initially complies with the corresponding income restriction but the income of such household increases above the income for a Lower Income Household, such increase shall not be deemed to result in a violation of the

restrictions of this Regulatory Agreement concerning limitations upon income of occupants, providing that the occupancy by such household is for a reasonable time thereafter which does not violate any applicable provisions of the federal Tax Credit law or regulations or, if beyond the compliance period therefore, if such occupancy is for a reasonable time not to exceed one year (measured from the time the income of the household ceases to qualify at the designated affordability level). Owner shall include in its rental agreements provisions which implement this requirement and limitation; Owner shall expressly inform prospective renters as to this limitation prior to the commencement of a tenancy. So long as the Project is subject to the Tax Credit Regulatory Agreement, the provisions thereof shall govern the disposition of such over-income household.

Duration of Affordability Requirements. The dwelling units in the Project shall be available to and occupied by Qualified Households at Affordable Rents throughout the Required Covenant Period.

Selection of Tenants. Owner shall be responsible for the selection of qualifying tenants for the dwelling units in compliance with lawful and reasonable criteria and, as set forth in the Management Plan. Upon the request of the Authority, Owner shall demonstrate to the Authority that the proposed tenants of Low-Income Units qualify as Qualified Households. Prior to the rental or lease of a Low-Income Unit to a Qualified Household, Owner shall require such prospective tenant to execute a written rental agreement or lease and to complete an income verification certifying that the individual or family income of the proposed tenant qualifies either as a Very Low Income Household or a Lower Income Household and otherwise meets the eligibility requirements established for rent of a Low-Income Unit. Owner shall verify the income of such tenants. Owner shall accept as tenants on the same basis as all other prospective tenants persons who are recipients of federal certificates for rent subsidies pursuant to the provisions of Section 8 of the United States Housing Act of 1937, or any successor statute. Owner shall not apply selection criteria to Section 8 certificate holders which are more burdensome than criteria applied to any other prospective tenants.

Determination of Affordable Rent for the Low-Income Units. The Low-Income Units shall be rented or leased at monthly rent calculated at the limitations for Affordable Rent. Affordable Rent is to be calculated in accordance with the provisions hereof. "Monthly Rent" means the total of monthly payments charged to and paid by tenants for (a) use and occupancy of each Low-Income Unit and facilities associated therewith, (b) any separately charged fees or service charges assessed by the Owner which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities as set periodically by the Authority (or if not set by the Authority, pursuant to provisions set for such purpose by the County) not included in (a) or (b) above, including, if applicable, garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone, television and/or internet service, and (d) taxes or other fees and charges assessed for the use of the land and facilities associated therewith by a public or private entity other than Owner. In the event that any utility charge is paid by the Owner rather than the tenant under any of the residential leases or rental agreements applicable to Low-Income Units in the Project, then the applicable utility allowance to be deducted from the rent shall be reduced accordingly. Rent paid by or credited to an on-site manager or maintenance representative shall not be reduced by any utility allowance and shall not be included within the definition of Gross Income. "Monthly Rent" does not include optional payments by tenants for optional services which might be provided by Owner or an affiliate of Owner at/in the Project (for example, preschool or after-school related services).

Section 3. Owner Verification and Program Compliance.

Income Verification and Certification. The Owner will obtain and maintain on file an income verification from each tenant, dated immediately prior to the initial occupancy of such tenant in the Project and should obtain a recertification of income on the anniversary date thereof for each year the tenant remains in occupancy of the Project.

On March 31st commencing the calendar year following the date of recordation hereof and annually thereafter each March 31st during the Required Covenant Period, the Owner shall file with the Authority or its designee a Certificate, containing all information required pursuant to Health and Safety Code Section 33418, in a form reasonably acceptable to Authority. Each Certificate shall cover the immediately preceding calendar year.

Reporting Amounts. In the event Owner fails to submit to the Authority or its designee the Certification as required by this Section 3, the Owner shall be in noncompliance with this Regulatory Agreement. In the event Owner remains in noncompliance for thirty (30) days following receipt of written notice from the Authority of such noncompliance under this Section, Owner shall, without further notice or opportunity to cure, pay the Authority Two Hundred Fifty Dollars (\$250.00) for each year Owner fails to submit a Certificate covering each and every Low-Income Unit in the Project.

Section 4. Nondiscrimination. The Owner shall refrain from restricting the rental, sale or lease of the Project, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her,

establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(3) In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this DDA, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Regulatory Agreement and the deeds of conveyance for the Project shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Authority, its successors and assigns, Owner and any successor in interest to the Project. The covenants against discrimination as set forth in this Section 4 of Article II shall remain in effect in perpetuity.

Section 5. Marketing Program. Each Low-Income Unit shall be leased to tenants selected by the Owner who meet all of the requirements provided herein. No later than sixty (60) days following the date of recordation hereof, Owner shall prepare and obtain Authority’s approval, which approval shall not be unreasonably withheld, of a marketing program for the leasing of the Low-Income Units at the Project (the “Marketing Program”). To the extent permitted by law, the Marketing Program shall require the Owner to give priority notice of the availability of Low-Income Units to Very Low Income Households and Lower Income Households displaced by activities of the Authority, as appropriate for the vacant Unit. The lease of the Low-Income Units shall thereafter be marketed in accordance with the Marketing Program as the same may be amended from time to time with Authority’s prior written approval, which approval shall not unreasonably be withheld. Owner shall provide Authority with periodic reports with respect to the leasing of the Low-Income Units. The Authority agrees to exercise reasonable efforts to assist Owner in connection with the implementation of the Marketing Program, provided, however, Authority shall not be under any obligations to incur any out-of-pocket expenses in connection therewith.

Section 6. Maintenance. The Owner shall maintain, or cause the Project to be maintained, in a decent, safe and sanitary manner, and in accordance with the standard of maintenance of first class apartment units of similar type and age within San Bernardino County, California. If at any time Owner fails to maintain the Project in accordance with this Regulatory Agreement and such condition is not corrected within five (5) days after written notice from the Authority with respect to graffiti, debris, and waste material, or thirty (30) days after written notice from the Authority with respect to general maintenance, landscaping and building improvements, then the Authority, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Project and perform all acts and work necessary to protect, maintain, and preserve the Project, and to attach a lien upon the Project, or to assess the Project, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Authority and/or costs of such cure, including a reasonable administrative charge, which amount shall be promptly paid by Owner to Authority upon demand.

Any such lien in favor of the Authority shall be junior to the liens in favor of any institutional lender or other governmental lender then encumbering the Project.

Section 7. Capital Reserve Requirements. Throughout the Required Covenant Period, Owner shall set aside an amount of Two Hundred Fifty Dollars (\$250) per Low-Income Unit per year from the Gross Rents received from the Project into a separate interest-bearing reserve account in the name of Owner (to be designated a "Capital Replacement Reserve"). Such amount shall be adjusted no less frequently than every three (3) years by the Consumer Price Index. Funds in the Capital Replacement Reserve shall be used for capital replacements to the Project - - that is, for fixtures and equipment which are normally capitalized under generally accepted accounting principles. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve the Owner of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Project in the manner prescribed herein. Not less than once a year, Owner, at its expense, shall submit to the Authority an accounting for the Capital Replacement Reserve. Capital repairs to and replacement of such items in the Project shall include only those items with a long useful life, including, without limitation, the following: carpet and drape replacement; appliance replacement; exterior painting; hot water heater replacement; appliance replacement, including tubs and showers, toilets, lavatories, sinks and faucets; air conditioning and heating replacement; asphalt repair, replacement, sealer coating and restriping; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; pool/spa maintenance and maintenance of pool/spa equipment; common area furniture replacement; common area repainting, and uninsured losses due to casualties such as earthquake. For so long as any institutional permanent lender on the Project, or any tax credit investor, requires the maintenance of reserves for capital replacement and/or repair, Owner's compliance with such requirements, notwithstanding that such requirements may be more restrictive or less restrictive than the provisions hereof, shall be deemed Owner's compliance with the provisions of this Section 7. At the request of Authority, Owner shall provide Authority with information concerning maintenance of such capital replacement reserve account and withdrawals therefrom. At such time as neither a permanent lender on the Project or a tax credit investor maintains requirements for a capital replacement reserve account, then Owner shall comply with the provisions of this Section 7.

Section 8. Social Services. At all times during the Required Covenant Period, Owner shall provide, or cause to be provided, activities and programs appropriate to the needs of the residents of the Project, with the selection of such activities and programs to be determined by Owner in collaboration with the residents of the Project. The specific types of social services to be provided shall satisfy requirements set forth by TCAC and the California Debt Limit Allocation Committee, if any, and may be revised with the prior approval of the Authority, which approval shall not be unreasonably withheld.

Section 9. Management Plan; Property Management. Not later than sixty (60) days following the date of recordation hereof, the Owner shall submit for the reasonable approval of the Authority a "Management Plan" which sets forth in detail the Owner's property management duties with respect to the Project, a tenant selection process with respect to the Project in accordance with Section 2 hereof, a security system and crime prevention program, the procedures for the collection of rent from tenants of the Project, the procedures for eviction of tenants of the Project, the rules and regulations of the Project and manner of enforcement, a standard lease form to be used with tenants of the Project, a projected operating budget for the Project, the identity of the manager of the Project

(the "Property Manager"), the social services program to be provided at the Project pursuant to Section 8 hereof, and other matters relevant to the management of the Project. The management of the Project shall be in compliance with the Management Plan which is approved by the Authority, such approval not to be unreasonably withheld or delayed.

If the Authority determines that the performance of the Property Manager is deficient based upon the standards set forth in the Management Plan and in this Regulatory Agreement, the Authority shall provide notice to the Owner of such deficiencies, and the Owner shall use its best efforts to correct such deficiencies. In the event that such deficiencies have not been cured within a thirty (30) day period following such notice, unless it is not reasonably possible to cure or remedy such deficiencies within thirty (30) days, in which case providing Owner has commenced the cure/remedy of such deficiencies within thirty (30) days and thereafter diligently pursues the same to completion, Owner shall not be in violation hereof, the Authority shall have the right to require the Owner to immediately remove and replace the Property Manager with another property manager or property management company which is reasonably acceptable to the Authority, which is not related to or affiliated with the Owner, and which has not less than five (5) years experience in property management, including significant experience managing housing facilities of the size, quality and scope of the Project.

Section 10. Monitoring and Recordkeeping. Throughout the Required Covenant Period, Owner shall annually complete and submit to Authority a report, prior to March 31 of each year, which includes the name, address, income and age of each occupant of a Unit, identifying the bedroom count and Monthly Rent for such dwelling unit. Authority agrees that the Owner may submit reporting forms prepared and submitted in connection with the Tax Credits, to the extent those forms contain the information required hereunder. Representatives of the Authority shall be entitled to enter the Project, upon at least seventy-two (72) hours prior written notice, to monitor compliance with this Regulatory Agreement, to inspect the records of the Project, and to conduct an independent audit or inspection of such records. The Owner agrees to cooperate with the Authority in making the Project available for such inspection or audit. Owner agrees to maintain records in a businesslike manner, and to maintain such records for the term of this Regulatory Agreement.

Section 11. Maximum Occupancies. No persons shall be permitted to occupy any unit within the Project in excess of applicable limits of maximum occupancy set by City ordinances and/or the laws of the State of California.

Section 12. Compliance with Laws. The Owner shall comply with all applicable laws in connection with the development and use of the Project, including without limitation the California Community Redevelopment Law (Health and Safety Code section 33000, *et seq.*) and Fair Housing Act (42 U.S.C. § 3601, *et seq.*, and 24 C.F.R. § 100.300, *et seq.*). The Owner is a sophisticated party, with substantial experience in the acquisition, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. The Owner is familiar with and has reviewed all laws and regulations pertaining to the acquisition, development and operation of the Project and has obtained advice from any advisers of its own choosing in connection with this Regulatory Agreement.

ARTICLE III
OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

Section 1. Maintenance by Owner. The Owner shall, at its sole cost and expense, maintain and repair the Project and the improvements thereon keeping the same in a decent, safe and sanitary manner, in accordance with Article II, Section 6 hereof, and in good condition and making all repairs as they may be required by this Regulatory Agreement and by all applicable City ordinances and Uniform Code provisions. The Owner shall also maintain the landscaping required to be planted in a healthy condition. If, at any time, Owner fails to maintain the Project or any portion thereof, and said condition is not corrected after the expiration of thirty (30) days from the date of written notice from the Authority, the Authority may perform the necessary maintenance and Owner shall pay such costs as are reasonably incurred for such maintenance. Payment shall be due within fifteen (15) days of receipt of an invoice from the Authority.

Section 2. Damage and Destruction Affecting Project – Owner’s Duty to Rebuild. If all or any portion of the Project and the improvements thereon is damaged or destroyed by fire or other casualty for which insurance proceeds are available to or for Owner as a result of such casualty, it shall be the duty of the Owner to rebuild, repair or reconstruct said portion of the Project and/or the improvements in a timely manner which will restore it to Code compliance condition.

In furtherance of the requirements of this Section 2, Owner shall keep the construction on the Project insured by carriers at all times satisfactory to institutional lenders holding deeds of trust encumbering the Project against loss by fire and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy, in an amount sufficient to avoid co-insurance on the Project. In the event of loss, Owner shall give prompt notice to the insurance carrier and to the Authority,

Section 3. Variance in Exterior Appearance and Design. In the event the Project sustains substantial physical damage due to a casualty event, the Owner may apply to the City for approval to reconstruct, rebuild or repair in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty.

Section 4. Time Limitation. Upon damage to the Project or other improvements which Owner is obligated to repair pursuant to Section 2 above, the Owner shall be obligated to proceed with all due diligence hereunder and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within twelve (12) months after damage occurs or demolish and vacate within two (2) months, unless prevented by causes beyond Owner’s reasonable control, in which event reconstruction shall be commenced at the earliest feasible time.

ARTICLE IV
ENFORCEMENT

Section 1. Remedies. Breach of the covenants contained in this Regulatory Agreement may be enjoined, abated or remedied by appropriate legal proceeding by the Authority. This Regulatory Agreement does not in any way infringe on the right or duties of the City to enforce any of the provisions of City ordinances including, but not limited to, the abatement of dangerous buildings.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Regulatory Agreement are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of the Authority's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, the City and/or Authority shall have the right through its agents and employees, to enter upon any part of the Project for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of the City and/or Authority and for maintenance and/or repair of any or all publicly owned utilities. In addition, the Authority has the right of entry onto the Project at reasonable hours and upon and after reasonable attempts to contact Owner, and to effect emergency repairs or maintenance which the Owner was obligated to but has failed to perform. Subsequent to thirty (30) days written notice to the Owner specifically outlining the Owner's noncompliance, the Authority shall have the right of entry on the Project at reasonable hours to enforce compliance with this Regulatory Agreement which the Owner has failed to perform.

Section 4. Costs of Repair. The costs borne by the Authority of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Owner shall be responsible.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Regulatory Agreement shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. Failure to Enforce. The failure to enforce any of the covenants contained in this Regulatory Agreement shall not constitute a waiver of the right to enforce the same thereafter.

Section 7. Enforcement and Nonliability. The Authority may from time to time make such efforts, if any, as it shall deem appropriate to enforce and/or assist in enforcing this Regulatory Agreement. However, the Authority will not be subject to any liability for failure to affirmatively enforce any provision of this Regulatory Agreement.

ARTICLE V

AUTHORITY'S SHARE OF RESIDUAL RECEIPTS

Section 1. Authority Disposable Net Income. Authority confirms that the provisions of Paragraph 3.7 of the O&M Agreement, as previously amended, are terminated and superseded by recordation of this Regulatory Agreement. However, in satisfaction of and as consideration for Authority's agreement to terminate the O&M Agreement, as amended, this Regulatory Agreement will confirm the ongoing obligation of the Owner to annually pay to Authority the Authority's Share of Residual Receipts in accordance with the provisions hereof.

Section 2. Authority's Share of Residual Receipts. Owner hereby agrees to pay to Authority forty percent (40%) ("**Authority's Share**") of the Residual Receipts from operation of the Project. The remaining balance of the Residual Receipts must be paid as follows: (i) ten percent (10%) to the County of San Bernardino in repayment of a County loan of HOME Investment Partnership funds, and (ii) the remaining one-half of Residual Receipts, which portion was referred to

as the "Owner Disposable Net Income" in the O&M Agreement, as amended, shall continue to be retained by Owner and its successors and assigns, subject to Owner's obligation to use funds provided by such portion of the Residual Receipts to pay other Project obligations which might be payable from net operating income/Residual Receipts and/or to satisfy obligations arising from or relating to the Amended and Restated Agreement of Limited Partnership (the instrument by which Owner has been organized).

Section 3. Residual Receipts. As used herein, "Residual Receipts" shall mean all Project Revenues minus Operating Expenses. In the event the foregoing calculation results in a negative number, the Residual Receipts shall be zero for that calendar year.

Section 4. "Operating Expenses" means the following expenses incurred in connection with the operation of the Project during a calendar year:

(i) the cost of utilities supplied to and used for the Project not paid by the tenants thereof, including trash removal, electricity, water, sewer and gas;

(ii) the cost of all insurance required for the Project to satisfy the requirements of any lender whose loan is secured by a deed of trust encumbering the Project or requirements imposed in any ancillary documents including, but not limited to, regulatory agreements and covenants, conditions and restrictions, concerning the operation of the Project and encumbering the interest of the owner of the Project therein;

(iii) ad valorem tax and assessment district payments and landscape lighting district payments, if and as required;

(iv) maintenance and repair expenses and services, including material and labor, including charges for public services such as sewer charges, license and permit fees, goods, commodities, materials and equipment, and including all contract repairs and services and maintenance and repair of all furniture, furnishings and fixtures (to the extent that such repairs and/or maintenance expenses are paid out of reserves maintained by any lender on the Project, such expenses shall not be deemed "Operating Expenses"); painting, cleaning; pest control; gardening; rubbish removal; graffiti removal; advertising, marketing and promotion; leasing commissions; accounting, audit and legal expense attributable to the Project; office expenses incurred in operation of the Project; the allocable share of expenses of the Project for maintenance of roads and use of shared facilities;

(v) salaries, wages, rent payment or allocation, and other compensation due and payable to the employees or agents of Owner or its successors and assigns employed on-site in connection with the maintenance, administration or operation of the Project, together with all withholding taxes, insurance premiums, social security payments and other payroll taxes or payments required in connection with such employees;

(vi) regularly scheduled non-contingent payments of interest, principal, impounds, fees and charges, if any, required on loans which are secured by liens on the Project;

(vii) management fees, expenses and costs for property management which shall total initially Fifty-Three Dollars (\$53) per unit per month (the "Management Fee"), increasing annually by a percentage equal to the annual increase in the area median income for San Bernardino County as published by HUD;

(viii) social services fees payable to Hope Through Housing Foundation or any other entity providing required social support services and programs offered to and made available to the tenants of the Project, initially totaling Twenty Dollars (\$20) per unit per month, which fee shall be adjusted annually by a percentage equal to the annual increase in area median income for San Bernardino County as published by HUD;

(ix) deposits and payments into accounts maintained for operating reserves and/or capital replacement reserves and/or other required reserve accounts, maintained in satisfaction of the requirements therefore imposed in connection with the issuance of Tax Credits for rehabilitation of the Project by the California Tax Credit Allocation Committee ("TCAC") or by any lender holding a senior loan on the Project or by the tax credit investor/partner of Owner;

(x) costs of security services supplied to the Project, if any;

(xi) partnership management fee/asset management fee totaling Ten Thousand Dollars (\$10,000) per year, paid to partners of Owner, increasing/adjusted annually by changes in the area median income for San Bernardino County published by HUD;

(xii) bond monitoring fees incurred as a part of the financing for rehabilitation of the Project by Owner in an amount not to exceed Four Thousand Dollars (\$4,000); and

(xiii) payment toward deferred developer fees and interest thereon paid to National Community Renaissance of California, as the "Developer" of the rehabilitation of the Project, until such deferred developer fees and interest have been paid in full. The interest rate will be set at the Applicable Federal Rate (AFR) at the time of closing which is currently 3.06% for the month of July 2014, and

(xiv) payments to the tax credit investor/partner of Owner as a result of any shortfalls or recapture of tax credits in accordance with terms of Owner's partnership agreement..

Operating Expenses shall not include (aa) repairs or replacements paid out of insurance proceeds received by the Owner, or (bb) depreciation of buildings or other similar non-cash items of expense. Operating Expenses shall be determined on a cash basis.

Section 5. "Project Revenues" means all gross income and all revenues of any kind from the Project in a calendar year, including, without limitation, rent, Section 8 housing assistance payments or other tenant-based or Project-based rental assistance payments, if any, late charges, vending machine income, and any other revenues of whatever kind or nature from the Project, except that interest on security deposits and required Project reserves, capital contributions, loan proceeds, payment of insurance proceeds relating to or arising from casualty damage or other insurance loss suffered by or on the Project, condemnation proceeds, and proceeds of sale or refinancing of the

Project or of an ownership interest in Owner (such as purchase or sale of the limited partnership interests in Owner) shall not be considered Project Revenue.

Section 6. Reporting Requirements. The Owner shall annually, on or before March 31 of each year, commencing in the year after the date of recordation of this Regulatory Agreement, submit to the Authority a report describing the Project Revenue and Operating Expenses for the Project and the resulting Residual Receipt calculation, in a form approved by the Authority, as well as documentation supporting the calculation of the Residual Receipt, including audited financing statements, if requested, of Owner which separately account for the Project.

Section 7. Payments to Authority. Owner shall pay Authority's Share of Residual Receipts to Authority on or before April 15th of each year commencing on April 15th of the first calendar year following the year in which the operation of the Project has generated Residual Receipts, which Owner anticipates will be April 15, 2017.

Section 8. Notwithstanding the foregoing, Article V of this Regulatory Agreement will automatically become null and void in the event that the Authority or an affiliate becomes a limited partner in the Owner and would thereby be entitled to 40% share of Residual Receipts; provided that the Authority is made a party to, or beneficiary of, an enforceable agreement documenting the Authority's entitlement to such share of Residual Receipts, which agreement shall be in form and content reasonably acceptable to the Authority's Executive Director and legal counsel.

ARTICLE VI GENERAL PROVISIONS

Section 1. Covenant Against Partition. By acceptance of its interest in the Project, the Owner shall be deemed to covenant for itself and for its heirs, representatives, successors and assigns, that it will not institute legal proceedings or otherwise seek to effect partition of its right and interest in the real property constituting the Project being conveyed to the Owner, or the burdens running with the land as a result of this Regulatory Agreement.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Term. This Regulatory Agreement shall run with and bind the interest of the Owner in the Project, and shall inure to the owner(s) of any portion of the Project subject to this Regulatory Agreement, his legal representatives, heirs, successors and assigns, and shall be enforceable by the Authority, for a term equal to the Required Covenant Period as defined in this Regulatory Agreement, provided; however, that the covenants regarding nondiscrimination set forth in this Regulatory Agreement shall remain in effect for perpetuity.

Section 4. Nonrecourse. Liabilities of the Owner to make any payments hereunder shall be nonrecourse.

Section 5. Construction. The provisions of this Regulatory Agreement shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of rental housing available at Affordable Rent for Lower and Very Low Income Households. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. The Owner shall be obligated by this Regulatory Agreement to comply with the provisions hereof and the Tax Credit Regulatory Agreement. In the event of conflict, the Owner shall comply with the most stringent requirements, in each case.

Section 6. Enforced Delay; Extension of Times of Performance. Performance hereunder shall not be deemed to be in default, and all performance and other dates specified in this Regulatory Agreement shall be extended, where delays or defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts or omissions of another party, or acts or failures to act of the Authority or any other public or governmental agency or entity. Notwithstanding anything to the contrary in this Regulatory Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause. Times of performance under this Regulatory Agreement may also be extended in writing by the mutual agreement of the Parties to be given or withheld at the sole discretion of each respective Party. Authority acknowledges that defaults hereunder may be cured or remedied by any limited partner of Owner and that Authority shall accept a cure or remedy made by any limited partner to have the same force and effect as if the cure or remedy had been made by Owner.

Section 7. Amendments. This Regulatory Agreement may be amended only by the written agreement of the Owner and the Authority.

Section 8. Encroachments. None of the rights and obligations of the Owner created herein shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of Owner if said encroachment occurs due to the willful conduct of said Owner.

Section 9. Notices. Any notice permitted or required to be delivered as provided herein to Owner shall be in writing and may be delivered either personally or by certified mail. Notice to the Authority shall be made by certified mail to the Development Services Director or his designee at 131 South Riverside Avenue, Rialto, California 92378, and shall be effective upon receipt. Notice to Owner shall be made by certified mail to Owner in care of National Community Renaissance of California, a California nonprofit public benefit corporation, 9421 Haven Avenue, Rancho Cucamonga, California 91730, Attention: Chief Financial Officer, and shall be effective upon receipt. A copy of all notices to Owner shall be concurrently sent to Hudson Renaissance Village LP, c/o Hudson Housing Capital LLC, 630 5th Avenue, 28th Floor, New York, New York 10111, Attn: Joseph A. Macari. Such address may be changed from time to time by notice in writing.

Section 10. Limited Recourse. The personal liability of the Owner or of any partner of the Owner to pay amounts to the Authority in satisfaction with applicable provisions of this Regulatory Agreement shall be limited to Owner's ownership interest in the Project and all other property or assets of the owner, if any. Except as set forth, the Authority agrees that it will not seek

(i) any judgment for deficiency against Owner or any partner of Owner or Owner's or any of Owner's partner's members, shareholders, managers, officers, directors, legal representatives, successors or assigns, in any action to enforce any right or remedy hereunder or (ii) any judgment enforcing any monetary obligation originally arising under the O&M Agreement, as amended, as confirmed in this Regulatory Agreement.

END OF AGREEMENT

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the Agency and the Owner have executed this Regulatory Agreement as of the date first above written.

AUTHORITY

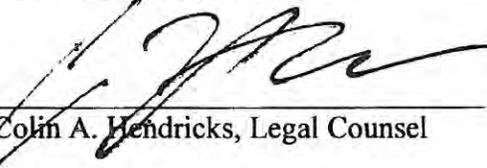
The Rialto Housing Authority,
a public body

By: 
Deborah Robertson, Chair

ATTEST:

By: 
Barbara McGee, Authority Secretary

APPROVED AS TO FORM:

By: 
Colin A. Hendricks, Legal Counsel

OWNER

Renaissance Village Housing Partners, L.P.,
a California limited partnership

By its General Partner
RV Housing Partners GP, LLC,
a California limited liability company

By its Manager
Southern California Housing
Development Corporation of the Inland
Empire, a California nonprofit public benefit
corporation

By: Signed in Counterpart
Name: _____
Title: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of San Bernardino }

On 7/10/14 before me, Christopher R. Ellis, Notary Public
 Date Here Insert Name and Title of the Officer

personally appeared Deborah Robertson
 Name(s) of Signer(s)



Place Notary Seal Above

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.

Signature: Christopher R. Ellis
 Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____

Signer Is Representing: _____

Signer Is Representing: _____

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary CHRISTOPHER D. ELLIS

Notary Identification Number 2040238

County Where Bond Is Filed SAN BERNARDINO

Date Commission Exp SEP 30, 2017

SPL, Inc. as agent

DATE: 7 / 29 / 2014



Signature

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Bernardino

On 07/02/14 before me, Gabriela M. Hoffman, Notary Public,
(Here insert name and title of the officer)

personally appeared Tracy Thomas,

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.

Gabriela M. Hoffman
 Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages Document Date

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, ~~is/are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

LOTS 1 THROUGH 39, INCLUSIVE OF TRACT NO. 4780, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM LOT 1, THAT PORTION CONVEYED TO THE CITY OF RIALTO FOR STREET AND HIGHWAY PURPOSES BY DEEDS RECORDED AUGUST 23, 1996 AS INSTRUMENT NO. 19960310747 AND RECORDED AUGUST 29, 1996 AS INSTRUMENT NO. 19960317050, BOTH OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM LOTS 16 THROUGH 34 INCLUSIVE, ALL OIL, GAS, PETROLEUM AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR RECOVERABLE FROM THE PROPERTY HEREBY CONVEYED, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID PROPERTY TO EXPLORE FOR, DEVELOP OR REMOVE SAID SUBSTANCES, BUT WITH FULL RIGHT OF INGRESS AND EGRESS AT ANY DEPTH OR DEPTHS BELOW 500 FEET FROM THE PRESENT NATURAL LEVEL OF SURFACE OF SAID PROPERTY TO EXPLORE FOR, DEVELOP AND REMOVE SAID SUBSTANCES BY MEANS OF WELLS AND EQUIPMENT HAVING SURFACE LOCATIONS OUTSIDE THE OUTER BOUNDARIES OF SAID PROPERTY AND ENTERING SAID PROPERTY BELOW 500 FEET FROM THE PRESENT NATURAL LEVEL OF SURFACE OF SAID PROPERTY, AS RESERVED BY VAN NUYS SAVINGS AND LOAN ASSOCIATION BY DEED RECORDED DECEMBER 30, 1971 AS INSTRUMENT NO. 284, BOOK 7825, PAGE 189 OF OFFICIAL RECORDS.

PARCEL B:

THAT PORTION OF LOTS 5 AND 6, TRACT NO. 2431, AS PER PLAT RECORDED IN BOOK 34, PAGE 70 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 42, AS SHOWN ON MAP OF TRACT NO. 4781, RECORDED IN BOOK 74, PAGE 67 OF MAPS, RECORDS OF SAID COUNTY; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 42, 110.43 FEET TO A POINT IN THE NORTH LINE OF LOT 41 OF SAID TRACT NO. 4781; THENCE EAST ALONG SAID NORTH LINE, 6.87 FEET TO THE NORTHEAST CORNER OF SAID LOT 41; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 41, 106.68 FEET TO THE SOUTHEAST CORNER OF SAID LOT 41, SAID SOUTHEAST CORNER ALSO BEING ON THE NORTH

LINE OF 3RD STREET, 50 FEET WIDE, AS SHOWN ON THE RECORDED PLAT OF TRACT NO. 4780, RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAID COUNTY; THENCE EASTERLY ALONG THE NORTH LINE OF 3RD STREET, A DISTANCE OF 29.23 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 20 FEET THROUGH A CENTRAL ANGLE OF 90° 08' 00"; THENCE ALONG SAID CURVE, AN ARC DISTANCE OF 31.46 FEET TO A POINT IN THE WEST LINE OF GLENWOOD AVENUE, 60 FEET WIDE, AS SHOWN ON THE RECORDED MAP OF TRACT NO. 4780; THENCE NORTH 00° 08' 00" WEST ALONG THE WEST LINE OF SAID GLENWOOD AVENUE, 177.11 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 20 FEET, THROUGH A CENTRAL ANGLE OF 89° 52' 00", AN ARC DISTANCE OF 31.37 FEET TO A POINT 36.19 FEET EAST OF THE POINT OF BEGINNING; THENCE WEST 36.19 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF RIALTO BY DEED RECORDED JUNE 27, 1996 AS INSTRUMENT NO. 19960227939 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEING A PORTION OF LOTS 5 AND 6, TRACT NO. 2431, AS RECORDED IN BOOK 34, PAGE 70 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE CENTERLINE INTERSECTION OF GLENWOOD AVENUE AND 3RD STREET AS SHOWN ON TRACT NO. 4780, RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY; THENCE WEST 79.28 FEET, ALONG THE CENTERLINE OF 3RD STREET, TO THE WESTERLY TRACT BOUNDARY OF TRACT 4780 HERETOFORE MENTIONED; THENCE NORTH 00° 08' 00" WEST, 25.00 FEET ALONG SAID WESTERLY LINE, TO THE NORTHERLY RIGHT-OF-WAY LINE OF 3RD STREET, AND TO POINT OF BEGINNING; THENCE NORTH 00° 08' 00" WEST, 106.68 FEET, ALONG SAID WESTERLY LINE; THENCE WEST 6.87 FEET; THENCE NORTH 00° 08' 00" WEST, 110.43 FEET ALONG SAID WESTERLY TRACT BOUNDARY, TO THE SOUTHERLY RIGHT-OF-WAY LINE OF LORRAINE PLACE; THENCE EAST 36.19 FEET ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE TO THE SOUTHWEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 52' 00" AND ARC DISTANCE OF 31.37 FEET, TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE SOUTH 00° 08' 00" EAST, 143.80 FEET ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE BEGINNING OF A 50.50 FOOT RADIUS NON-TANGENT CURVE, CONCAVE TO THE SOUTHEAST, A RADIAL BEARS SOUTH 08° 05' 33" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 82° 02' 27" AN ARC DISTANCE OF 72.31 FEET, TO A TANGENT LINE; THENCE SOUTH 00° 08' 00" EAST 3.24 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF 3RD STREET; THENCE WEST, 5.77 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING.

PARCEL C:

ALL THAT PORTION OF GLENWOOD AVENUE AND 3RD STREET VACATED BY

RESOLUTION NO. 4219 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED JUNE 27, 1996 AS DOCUMENT NO. 19960227943 OF OFFICIAL RECORDS, LYING WITHIN TRACT NO. 4780 AS SHOWN BY MAP RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH RIGHT-OF-WAY LINE OF 2ND STREET AND THE SOUTHEASTERLY CORNER OF LOT 15 OF TRACT 4780, SAID POINT BEING ALSO THE BEGINNING OF A 20.00' TANGENT RADIUS CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY, ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 03' 50" AN ARC, DISTANCE OF 31.44 FEET, TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE NORTH 00° 08' 00" WEST, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 888.61 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE SOUTHWEST; THENCE NORTHWESTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 52' 00" AN ARC DISTANCE OF 31.37 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF 3RD STREET, BEING ALSO ON THE NORTHERLY LINE OF LOT 1 OF SAID TRACT; THENCE WEST ALONG SAID NORTHERLY LINE A DISTANCE OF 23.55 FEET TO A LINE PARALLEL WITH AND 5.77 FEET EASTERLY OF THE WESTERLY TRACT BOUNDARY OF SAID TRACT 4780; THENCE NORTH 00° 08' 00" WEST ALONG SAID PARALLEL LINE A DISTANCE OF 50.00 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF THIRD STREET; THENCE EAST ALONG SAID NORTHERLY LINE OF 3RD STREET A DISTANCE OF 23.46 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 08' 00" AN ARC DISTANCE OF 31.46 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE NORTH 00° 08' 00" WEST ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 33.31 FEET TO THE BEGINNING OF A 50.50 FOOT RADIUS NON-TANGENT CURVE, CONCAVE TO THE SOUTH, A RADIAL TO SAID BEGINNING BEARS NORTH 08° 06' 04" WEST; THENCE EASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07° 58' 04" AN ARC DISTANCE OF 7.02 FEET, TO THE BEGINNING OF A 1.50 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE NORTHWEST, A RADIAL TO SAID BEGINNING BEARS SOUTH 00° 08' 00" EAST; THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 2.36 FEET TO A LINE PARALLEL WITH AND 19.00 FEET WESTERLY OF THE CENTERLINE OF GLENWOOD AVENUE; THENCE NORTH 00° 08' 00" WEST A DISTANCE OF 17.50 FEET ALONG SAID PARALLEL LINE; THENCE NORTH 89° 52' 00" EAST A DISTANCE OF 51.50 FEET TO THE EASTERLY RIGHT-OF-WAY OF GLENWOOD AVENUE; THENCE SOUTH 00° 08' 00" EAST ALONG SAID EASTERLY RIGHT-OF-WAY LINE, BEING ALSO THE WESTERLY LINE OF LOTS 38 THROUGH 21 INCLUSIVE, A DISTANCE OF 1031.52 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHEAST; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 56' 10" AN ARC DISTANCE OF 31.39 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF 2ND STREET; THENCE SOUTH 89° 55' 50" WEST A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

PARCEL D:

BEING A 20 FOOT WIDE ALLEY VACATED BY RESOLUTION NO. 4219 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED JUNE 27, 1996 AS DOCUMENT NO. 19960227943 OF OFFICIAL RECORDS, LYING WITHIN TRACT NO. 4780 AS SHOWN ON PLAT RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE MOST WESTERLY TRACT BOUNDARY OF SAID TRACT NO. 4780 WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF 3RD STREET; THENCE NORTH 90° 00' 00" EAST ALONG THE SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 20.00 FEET TO EASTERLY LINE OF A 20 FOOT ALLEY AS SHOWN ON SAID TRACT MAP, ALSO BEING ON THE WESTERLY LINE OF LOTS 1 THROUGH 15 INCLUSIVE; THENCE SOUTH 00° 08' 00" EAST, ALONG SAID LOT LINE A DISTANCE OF 932.74 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF 2ND STREET, BEING ALSO THE SOUTHWESTERLY CORNER OF SAID LOT 15; THENCE SOUTH 87° 52' 34" WEST, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 20.01 FEET SAID WESTERLY TRACT BOUNDARY; THENCE NORTH 00° 08' 00" WEST ALONG SAID TRACT BOUNDARY A DISTANCE OF 933.48 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF RIALTO FOR STREET AND HIGHWAY PURPOSES BY DEEDS RECORDED AUGUST 23, 1996 AS INSTRUMENT NO. 19960310747 AND RECORDED AUGUST 29, 1996 AS INSTRUMENT NO. 19960317050, BOTH OF OFFICIAL RECORDS.

PARCEL E:

BEING A 20 FOOT WIDE ALLEY VACATED BY RESOLUTION NO. 4219 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED JUNE 27, 1996 AS DOCUMENT NO. 19960227943 OF OFFICIAL RECORDS, LYING WITHIN TRACT NO. 4780 AS SHOWN BY PLAT RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 39 OF SAID TRACT 4780 BEING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF LORRAINE PLACE, ALSO BEING WITHIN A 432.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTH, A RADIAL TO SAID BEGINNING BEARS SOUTH 04° 05' 10" WEST; THENCE EASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 02° 39' 23" AN ARC DISTANCE OF 20.03 FEET TO AN EASTERLY BOUNDARY LINE OF SAID TRACT; THENCE SOUTH 00° 08' 00" EAST, COINCIDENT WITH SAID BOUNDARY LINE A DISTANCE OF 1159.09 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF 2ND STREET; THENCE SOUTH 89° 55' 50" WEST, ALONG THE NORTHERLY WITH SAID RIGHT-OF-WAY LINE OF 2ND STREET A

DISTANCE OF 20.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT 21 OF SAID TRACT; THENCE NORTH 00° 08' 00" WEST, ALONG THE EASTERLY LINE OF LOTS 21 THROUGH 39 INCLUSIVE, A DISTANCE OF 1160.07 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE EASTERLY ½ OF THAT CERTAIN ALLEY ABOVE DESCRIBED LYING NORTHERLY OF THE EASTERLY EXTENSION OF THE SOUTHERLY LINE OF SAID LOT 39.

PARCEL F:

THAT REAL PROPERTY LYING WITHIN TRACT NO. 4780 AS SHOWN BY PLAT RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AS VACATED BY RESOLUTION NO. 4307 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED MARCH 20, 1997 AS DOCUMENT NO. 19970095278 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH RIGHT-OF-WAY OF LORRAINE PLACE AND THE NORTHWESTERLY CORNER OF LOT 39 OF TRACT 4780, SAID POINT BEING ALSO THE BEGINNING OF A 20.00 FOOT TANGENT RADIUS CURVE, CONCAVE TO THE SOUTHEAST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 107° 26' 56" AN ARC DISTANCE OF 37.51 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE SOUTH 0° 08' 00" EAST, 108.06 FEET ALONG SAID EASTERLY RIGHT-OF-WAY, BEING ALSO THE WESTERLY LINE OF LOTS 38 AND 39; THENCE SOUTH 89° 52' 00" WEST, 51.50 FEET; THENCE SOUTH 00° 08' 00" EAST, 17.50 FEET PARALLEL TO THE CENTERLINE OF GLENWOOD AVENUE, TO THE BEGINNING OF A 1.50 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 2.36 FEET, TO THE BEGINNING OF A 50.50 FOOT RADIUS COMPOUND CURVE, CONCAVED TO THE SOUTH; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07° 57' 33" AN ARC DISTANCE 7.02 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE THENCE NORTH 00° 08' 00", 143.80 FEET ALONG SAID WESTERLY LINE TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE SOUTHWEST; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 52' 00" AN ARC DISTANCE OF 31.37 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF LORRAINE PLACE AND THE BEGINNING OF A 368.00 FEET RADIUS CURVE CONCAVED TO THE SOUTH; THENCE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 17° 22' 27" AN ARC DISTANCE OF 111.58 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN THE WEST 1/2 OF THE LAND DESCRIBED ABOVE, LYING ADJACENT TO THAT CERTAIN PARCEL AS CONVEYED TO THE CITY OF RIALTO BY DEED RECORDED JUNE 27, 1996 AS INSTRUMENT NO. 19960227939 OF OFFICIAL RECORDS.

APN: 0128-072-01, 0128-073-03, 0128-091-18 THROUGH 29, 0128-092-01 THROUGH 09, 0128-111-13 THROUGH 18, 0128-112-01 THROUGH 06 AND 0128-113-01 THROUGH 05.

----- [Space Above This Line For Recording Data] -----

RECORDING REQUESTED BY
Greystone Servicing Corporation, Inc.

AND WHEN RECORDED MAIL TO:
Andrew J. Rogers, Esq.
Krooth & Altman LLP
1850 M Street NW, Suite 400
Washington, DC 20036

**SUBORDINATION AGREEMENT
(Affordable)**

This SUBORDINATION AGREEMENT (this “**Agreement**”) dated as of November ____, 2016, is executed by and among (i) **GREYSTONE SERVICING CORPORATION, INC.**, a Georgia corporation (the “**Lender**”), (ii) **RIALTO HOUSING AUTHORITY**, a public body (the “**Authority**”), and (iii) **RENAISSANCE VILLAGE HOUSING PARTNERS, L.P.**, a California limited partnership (“**Borrower**”).

RECITALS:

A. Pursuant to that certain Multifamily Loan and Security Agreement dated as of the date hereof, executed by and between Borrower and Lender (the “**Loan Agreement**”), Lender has agreed to make a loan to Borrower in the original principal amount of Four Million Five Hundred Twenty-Four Thousand and 00/100 Dollars (\$4,524,000.00) (the “**Loan**”), as evidenced by that certain Multifamily Note dated as of the date hereof, executed by Borrower and made payable to the order of Lender in the amount of the Loan (the “**Note**”).

B. In addition to the Loan Agreement, the Loan and the Note are also secured by a certain Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of the date hereof (the “**Security Instrument**”), encumbering the property described in the Security Instrument as the “**Mortgaged Property**” which is more particularly described in the attached **Exhibit A**.

C. Borrower previously entered into that certain Regulatory Agreement and Declaration of Restrictive Covenants (the “**Regulatory Agreement**”) by and between Authority

and Borrower, dated as of June 1, 2014 and recorded in the land records of San Bernardino County as Document No. 2014-0273426.

D. Borrower has requested Lender to permit the Mortgaged Property to be encumbered by the Regulatory Agreement.

E. Lender has agreed to permit the Regulatory Agreement to encumber the Mortgaged Property subject to all of the conditions contained in this Agreement.

F. It is a condition precedent to the respective obligations of each party under this Agreement that the Regulatory Agreement be and remain at all times a subordinate encumbrance against the Mortgaged Property except for those provisions of the Regulatory Agreement that are specifically excluded from subordination by the terms of Section 3(a) of this Agreement.

AGREEMENTS:

NOW, THEREFORE, in order to induce Lender to allow the Regulatory Agreement to remain an encumbrance against the Mortgaged Property, and in consideration thereof, Lender, the Authority and Borrower agree as follows:

1. Recitals.

The recitals set forth above are incorporated herein by reference.

2. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

“**Borrower**” means the Person named as such in the first paragraph on page 1 of this Agreement, any successor or assign of Borrower, including without limitation, a receiver, trustee or debtor-in-possession and any other Person (other than Lender) who acquires title to the Mortgaged Property after the date of this Agreement.

“**Business Day**” means any day other than (a) a Friday, (b) Saturday, (c) a Sunday, (d) a day on which Lender is not open for business, or (e) a day on which the Federal Reserve Bank of New York is not open for business.

“**Default Notice**” means: (a) a copy of any written notice from Lender to Borrower and the Authority stating that a Loan Default has occurred under the Loan Documents; or (b) a copy of the written notice from the Authority to Borrower and Lender stating that a Default has occurred under the Regulatory Agreement. Each Default Notice shall specify the default upon which such Default Notice is based.

“**Person**” means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

“**Lender**” means the Person named as such in the first paragraph on Page 1 of this Agreement, its successors and assigns and any other Person who becomes the legal holder of the Loan after the date of this Agreement.

“**Loan Default**” means the occurrence of an “Event of Default” as that term is defined in the Loan Documents.

“**Loan Documents**” means the Security Instrument, the Note, the Loan Agreement, and all other “Loan Documents” as that term is defined in the Loan Agreement, copies of which have been provided to the Authority prior to the date of this Agreement.

“**Regulatory Agreement Default**” means a default by Borrower in performing or observing any of the terms, covenants or conditions in the Regulatory Agreement to be performed or observed by it, which continues beyond any applicable period provided in the Regulatory Agreement for curing the default.

3. Terms of Subordination.

(a) Agreement to Subordinate.

Lender and the Authority agree that the terms, covenants, conditions and liens of the Regulatory Agreement are shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Security Instrument and the other Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Security Instrument and the other Loan Documents (including but not limited to, all sums advanced for the purposes of (A) protecting or further securing the lien of the Security Instrument, curing defaults by Borrower under the Loan Documents or for any other purpose expressly permitted by the Loan Documents, or (B) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property).

Notwithstanding the foregoing, in the event Lender forecloses (or accepts a deed in lieu of foreclosure) pursuant to the terms and conditions of the Security Instrument, (A) the provisions of Article I, Article II - Sections 1, 2, 3, 4, 5, 6, 10, 11, 12, Article III, Article IV and Article VI of the Regulatory Agreement shall continue in effect after such foreclosure or Lender’s acceptance of a deed in lieu of foreclosure for the Required Covenant Period. Article II, Sections 7, 8 and 9 and Article V of the Regulatory Agreement are fully subordinate to the lien of the Security Instrument pursuant to the first paragraph of this Section 3(a) and those articles and sections shall terminate upon foreclosure or upon Lender’s acceptance of a deed in lieu of foreclosure.

(b) Subordination of Subrogation Rights.

The Authority agrees that if, by reason of its exercise of any right or remedy under the Regulatory Agreement, it acquires by right of subrogation or otherwise a lien on the Mortgaged Property which (but for this subsection) would be senior to the lien of the Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Security Instrument.

4. Notice of Loan Default and Cure Rights.

Lender shall deliver to the Authority a Default Notice within five (5) Business Days in each case where Lender has given a Default Notice to Borrower. Failure of Lender to send a Default Notice to the Authority shall not prevent the exercise of Lender's rights and remedies under the Loan Documents, subject to the provisions of this Section 4, nor shall such failure constitute a default by Lender under this Agreement. The Authority shall have the right, but not the obligation, to cure any Loan Default within sixty (60) days following the date such Default Notice is delivered to Authority; provided, however, that Lender shall be entitled during such sixty (60) day period to continue to pursue its remedies under the Loan Documents, excluding completion of a foreclosure, deed in lieu of foreclosure or exercise of a power of sale

5. Conflict.

Borrower, Lender and the Authority each agrees that, in the event of any conflict or inconsistency between the terms of the Loan Documents, the Regulatory Agreement and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of Lender and the Authority in the Mortgaged Property; (b) the timing of the exercise of remedies by Lender and the Authority under the Loan Documents and the Regulatory Agreement, respectively; and (c) solely as between Lender and the Authority, the notice requirements, cure rights, and the other rights and obligations which Lender and the Authority have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Loan Default or Regulatory Agreement Default, as the case may be; give Borrower the right to notice of any Loan Default or Regulatory Agreement Default, as the case may be other than that, if any, provided, respectively under the Loan Documents or the Regulatory Agreement; or create any other right or benefit for Borrower as against Lender or the Authority.

6. Reserved.

7. Notices.

(a) Process of Serving Notice.

All notices under this Agreement shall be:

- (1) in writing and shall be:
 - (A) delivered, in person;
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
 - (C) sent by overnight courier; or
 - (D) sent by electronic mail with originals to follow by overnight courier;

(2) addressed to the intended recipient at the address(es) below the signature block, as applicable; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or any express courier service.

(b) Receipt of Notices.

Lender, the Authority or Borrower shall not refuse or reject delivery of any notice given in accordance with this Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

8. General.

(a) Assignment/Successors.

This Agreement shall be binding upon Borrower, Lender and the Authority and shall inure to the benefit of the respective legal successors, transferees and assigns of Borrower, Lender and the Authority. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Lender.

(b) Further Assurances.

The Authority, Lender and Borrower each agrees, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Regulatory Agreement is subordinate to the lien, covenants and conditions of the Loan Documents, or to further evidence the intent of this Agreement.

(c) Amendment.

This Agreement shall not be amended except by written instrument signed by all parties hereto.

(d) Governing Law.

This Agreement shall be governed by the laws of the jurisdiction in which the Mortgaged Property is located without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Lender, the Authority and Borrower agree that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in the jurisdiction in which the Mortgaged Property is located (i.e. San Bernardino County, California or any applicable state or federal court related thereto). The state and federal courts and authorities with jurisdiction in such locale shall have exclusive jurisdiction over all

controversies that arise under or in relation to this Agreement. The parties hereto irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waive any other venue to which any might be entitled by virtue of domicile, habitual residence or otherwise.

(e) Severable Provisions.

If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(f) Term.

The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (1) the payment in full of the principal of, interest on and other amounts payable under the Loan Documents, or (2) the acquisition by Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Loan Documents.

(g) Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one (1) and the same instrument.

(h) Sale of Loan.

Nothing in this Agreement shall limit Lender's (including any assignee or transferee of Lender) right to sell or transfer the Loan, or any interest in the Loan. The Loan or a partial interest in the Loan (together with this Agreement and the other Loan Documents) may be sold one or more times without prior notice to Borrower.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower, Lender and the Authority have signed and delivered this Agreement under seal (where applicable) or have caused this Agreement to be signed and delivered under seal (where applicable) by a duly authorized representative. Where applicable law so provides, Borrower, Lender and the Authority intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

RENAISSANCE VILLAGE HOUSING PARTNERS, L.P., a California limited partnership

By: **RV HOUSING PARTNERS GP, LLC**,
a California limited liability company,
its managing general partner

By: **SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION OF THE INLAND EMPIRE**, a California nonprofit public benefit corporation, its manager

By: _____
Name:
Title:

Address: 9421 Haven Avenue
Rancho Cucamonga, California 91730

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

On _____, 2016 before me, _____ (here insert name and title of the officer), 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 forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

LENDER:

**GREYSTONE SERVICING CORPORATION,
INC., a Georgia corporation**

By: _____
Laura Kane
Managing Director, Closing

Address: 419 Belle Air Lane
Warrenton, Virginia 20186

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF MARYLAND

COUNTY OF MONTGOMERY

On _____, 2016 before me, _____ (here insert name and title of the officer), 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 forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

AUTHORITY:

RIALTO HOUSING AUTHORITY, a public
body

By: _____(SEAL)

Name: _____

Title: _____

Address: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____

COUNTY OF _____

On _____, 2016 before me, _____ (here insert name and title of the officer), 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 forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

LOTS 1 THROUGH 39, INCLUSIVE, OF TRACT NO. 4780, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN [BOOK 88, PAGE 9 OF MAPS](#), RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM LOT 1, THAT PORTION CONVEYED TO THE CITY OF RIALTO FOR STREET AND HIGHWAY PURPOSES BY DEEDS RECORDED [AUGUST 23, 1996 AS INSTRUMENT NO. 19960310747](#), AND RECORDED [AUGUST 29, 1996 AS INSTRUMENT NO. 19960317050](#), BOTH OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM LOTS 16 THROUGH 34 INCLUSIVE, ALL OIL, GAS, PETROLEUM AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR RECOVERABLE FROM THE PROPERTY HEREBY CONVEYED, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID PROPERTY TO EXPLORE FOR, DEVELOP OR REMOVE SAID SUBSTANCES, BUT WITH FULL RIGHT OF INGRESS AND EGRESS AT ANY DEPTH OR DEPTHS BELOW 500 FEET FROM THE PRESENT NATURAL LEVEL OF SURFACE OF SAID PROPERTY TO EXPLORE FOR, DEVELOP AND REMOVE SAID SUBSTANCES BY MEANS OF WELLS AND EQUIPMENT HAVING SURFACE LOCATIONS OUTSIDE THE OUTER BOUNDARIES OF SAID PROPERTY AND ENTERING SAID PROPERTY BELOW 500 FEET FROM THE PRESENT NATURAL LEVEL OF SURFACE OF SAID PROPERTY, AS RESERVED BY VAN NUYS SAVINGS AND LOAN ASSOCIATION BY DEED RECORDED [DECEMBER 30, 1971 AS INSTRUMENT NO. 284, BOOK 7825, PAGE 189 OF OFFICIAL RECORDS](#).

PARCEL B:

THAT PORTION OF LOTS 5 AND 6, TRACT NO. 2431, AS PER PLAT RECORDED IN [BOOK 34, PAGE 70 OF MAPS](#), RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 42, AS SHOWN ON MAP OF TRACT NO. 4781, RECORDED IN [BOOK 74, PAGE 67 OF MAPS](#), RECORDS OF SAID COUNTY; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 42, 110.43 FEET TO A POINT IN THE NORTH LINE OF LOT 41 OF SAID TRACT NO. 4781; THENCE EAST ALONG SAID NORTH LINE, 6.87 FEET TO THE NORTHEAST CORNER OF SAID LOT 41; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 41, 106.68 FEET TO THE SOUTHEAST CORNER OF SAID LOT 41, SAID SOUTHEAST CORNER ALSO BEING ON THE NORTH LINE OF 3RD STREET, 50 FEET WIDE, AS SHOWN ON THE RECORDED PLAT OF TRACT NO. 4780, RECORDED IN [BOOK 88, PAGE 9 OF MAPS](#), RECORDS OF SAID COUNTY; THENCE EASTERLY ALONG THE NORTH LINE OF 3RD STREET, A

DISTANCE OF 29.23 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 20 FEET THROUGH A CENTRAL ANGLE OF 90°08'00"; THENCE ALONG SAID CURVE, AN ARC DISTANCE OF 31.46 FEET TO A POINT IN THE WEST LINE OF GLENWOOD AVENUE, 60 FEET WIDE, AS SHOWN ON THE RECORDED MAP OF TRACT NO. 4780; THENCE NORTH 00°08'00" WEST ALONG THE WEST LINE OF SAID GLENWOOD AVENUE, 177.11 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 20 FEET, THROUGH A CENTRAL ANGLE OF 89°52'00", AN ARC DISTANCE OF 31.37 FEET TO A POINT 36.19 FEET EAST OF THE POINT OF BEGINNING; THENCE WEST 36.19 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF RIALTO BY DEED RECORDED [JUNE 27, 1996 AS INSTRUMENT NO. 19960227939 OF OFFICIAL RECORDS](#), DESCRIBED AS FOLLOWS:

BEING A PORTION OF LOTS 5 AND 6, TRACT NO. 2431, AS RECORDED IN [BOOK 34, PAGE 70 OF MAPS](#), RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE CENTERLINE INTERSECTION OF GLENWOOD AVENUE AND 3RD STREET AS SHOWN ON TRACT NO. 4780, RECORDED IN [BOOK 88, PAGE 9 OF MAPS](#), RECORDS OF SAN BERNARDINO COUNTY; THENCE WEST 79.28 FEET, ALONG THE CENTERLINE OF 3RD STREET, TO THE WESTERLY TRACT BOUNDARY OF TRACT NO. 4780 HERETOFORE MENTIONED; THENCE NORTH 00°08'00" WEST, 25.00 FEET ALONG SAID WESTERLY LINE, TO THE NORTHERLY RIGHT-OF-WAY LINE OF 3RD STREET, AND TO POINT OF BEGINNING; THENCE NORTH 00°08'00" WEST, 106.68 FEET, ALONG SAID WESTERLY LINE; THENCE WEST 6.87 FEET; THENCE NORTH 00°08'00" WEST, 110.43 FEET ALONG SAID WESTERLY TRACT BOUNDARY, TO THE SOUTHERLY RIGHT-OF-WAY LINE OF LORRAINE PLACE; THENCE EAST 36.19 FEET ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE TO THE SOUTHWEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89°52'00" AND ARC DISTANCE OF 31.37 FEET, TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE SOUTH 00°08'00" EAST, 143.80 FEET ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE BEGINNING OF A 50.50 FOOT RADIUS NON-TANGENT CURVE, CONCAVE TO THE SOUTHEAST, A RADIAL BEARS SOUTH 08°05'33" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 82°02'27" AN ARC DISTANCE OF 72.31 FEET, TO A TANGENT LINE; THENCE SOUTH 00°08'00" EAST 3.24 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF 3RD STREET; THENCE WEST, 5.77 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING.

PARCEL C:

ALL THAT PORTION OF GLENWOOD AVENUE AND 3RD STREET VACATED BY RESOLUTION NO. 4219 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED [JUNE 27, 1996 AS DOCUMENT NO. 19960227943 OF](#)

OFFICIAL RECORDS, LYING WITHIN TRACT NO. 4780 AS SHOWN BY MAP RECORDED IN BOOK 88, PAGE 9 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH RIGHT-OF-WAY LINE OF 2ND STREET AND THE SOUTHEASTERLY CORNER OF LOT 15 OF TRACT NO. 4780, SAID POINT BEING ALSO THE BEGINNING OF A 20.00' TANGENT RADIUS CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY, ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°03'50" AN ARC, DISTANCE OF 31.44 FEET, TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE NORTH 00°08'00" WEST, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 888.61 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE SOUTHWEST; THENCE NORTHWESTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89°52'00" AN ARC DISTANCE OF 31.37 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF 3RD STREET, BEING ALSO ON THE NORTHERLY LINE OF LOT 1 OF SAID TRACT; THENCE WEST ALONG SAID NORTHERLY LINE A DISTANCE OF 23.55 FEET TO A LINE PARALLEL WITH AND 5.77 FEET EASTERLY OF THE WESTERLY TRACT BOUNDARY OF SAID TRACT NO. 4780; THENCE NORTH 00°08'00" WEST ALONG SAID PARALLEL LINE A DISTANCE OF 50.00 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF 3RD STREET; THENCE EAST ALONG SAID NORTHERLY LINE OF 3RD STREET A DISTANCE OF 23.46 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°08'00" AN ARC DISTANCE OF 31.46 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE NORTH 00°08'00" WEST ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 33.31 FEET TO THE BEGINNING OF A 50.50 FOOT RADIUS NON-TANGENT CURVE, CONCAVE TO THE SOUTH, A RADIAL TO SAID BEGINNING BEARS NORTH 08°06'04" WEST; THENCE EASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07°58'04" AN ARC DISTANCE OF 7.02 FEET, TO THE BEGINNING OF A 1.50 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE NORTHWEST, A RADIAL TO SAID BEGINNING BEARS SOUTH 00°08'00" EAST; THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00" AN ARC DISTANCE OF 2.36 FEET TO A LINE PARALLEL WITH AND 19.00 FEET WESTERLY OF THE CENTERLINE OF GLENWOOD AVENUE; THENCE NORTH 00°08'00" WEST A DISTANCE OF 17.50 FEET ALONG SAID PARALLEL LINE; THENCE NORTH 89°52'00" EAST A DISTANCE OF 51.50 FEET TO THE EASTERLY RIGHT-OF-WAY OF GLENWOOD AVENUE; THENCE SOUTH 00°08'00" EAST ALONG SAID EASTERLY RIGHT-OF-WAY LINE, BEING ALSO THE WESTERLY LINE OF LOTS 38 THROUGH 21 INCLUSIVE, A DISTANCE OF 1031.52 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHEAST; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89°56'10" AN ARC DISTANCE OF 31.39 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF 2ND STREET; THENCE SOUTH 89°55'50" WEST A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

PARCEL D:

BEING A 20 FOOT WIDE ALLEY VACATED BY RESOLUTION NO. 4219 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED [JUNE 27, 1996 AS INSTRUMENT NO. 19960227943 OF OFFICIAL RECORDS](#), LYING WITHIN TRACT NO. 4780 AS SHOWN ON PLAT RECORDED IN [BOOK 88, PAGE 9 OF MAPS](#), RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE MOST WESTERLY TRACT BOUNDARY OF SAID TRACT NO. 4780 WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF 3RD STREET; THENCE NORTH 90°00'00" EAST ALONG THE SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 20.00 FEET TO EASTERLY LINE OF A 20.00 FOOT ALLEY AS SHOWN ON SAID TRACT MAP, ALSO BEING ON THE WESTERLY LINE OF LOTS 1 THROUGH 15 INCLUSIVE; THENCE SOUTH 00°08'00" EAST, ALONG SAID LOT LINE A DISTANCE OF 932.74 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF 2ND STREET, BEING ALSO THE SOUTHWESTERLY CORNER OF SAID LOT 15; THENCE SOUTH 87°52'34" WEST, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 20.01 FEET SAID WESTERLY TRACT BOUNDARY; THENCE NORTH 00°08'00" WEST ALONG SAID TRACT BOUNDARY A DISTANCE OF 933.48 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF RIALTO FOR STREET AND HIGHWAY PURPOSES BY DEEDS RECORDED [AUGUST 23, 1996 AS INSTRUMENT NO. 19960310747](#), AND RECORDED [AUGUST 29, 1996 AS INSTRUMENT NO. 19960317050](#), BOTH OF OFFICIAL RECORDS.

PARCEL E:

BEING A 20 FOOT WIDE ALLEY VACATED BY RESOLUTION NO. 4219 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED [JUNE 27, 1996 AS INSTRUMENT NO. 19960227943 OF OFFICIAL RECORDS](#), LYING WITHIN TRACT NO. 4780 AS SHOWN BY PLAT RECORDED IN [BOOK 88, PAGE 9 OF MAPS](#), RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 39 OF SAID TRACT NO. 4780 BEING ON THE SOUTHERLY RIGHT-OF-WAY LINE OF LORRAINE PLACE, ALSO BEING WITHIN A 432.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTH, A RADIAL TO SAID BEGINNING BEARS SOUTH 04°05'10" WEST; THENCE EASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 02°39'23" AN ARC DISTANCE OF 20.03 FEET TO AN EASTERLY BOUNDARY LINE OF SAID TRACT; THENCE SOUTH 00°08'00" EAST, COINCIDENT WITH SAID BOUNDARY LINE A DISTANCE OF 1159.09 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF 2ND STREET; THENCE SOUTH 89°55'50" WEST, ALONG THE NORTHERLY WITH SAID

RIGHT-OF-WAY LINE OF 2ND STREET A DISTANCE OF 20.00 FEET TO THE SOUTHEASTERLY CORNER OF LOT 21 OF SAID TRACT; THENCE NORTH 00°08'00" WEST, ALONG THE EASTERLY LINE OF LOTS 21 THROUGH 39 INCLUSIVE, A DISTANCE OF 1160.07 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE EASTERLY 1/2 OF THAT CERTAIN ALLEY ABOVE DESCRIBED LYING NORTHERLY OF THE EASTERLY EXTENSION OF THE SOUTHERLY LINE OF SAID LOT 39.

PARCEL F:

THAT REAL PROPERTY LYING WITHIN TRACT NO. 4780 AS SHOWN BY PLAT RECORDED IN [BOOK 88, PAGE 9 OF MAPS](#), RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AS VACATED BY RESOLUTION NO. 4307 OF THE CITY COUNCIL OF THE CITY OF RIALTO, A COPY OF WHICH WAS RECORDED [MARCH 20, 1997 AS INSTRUMENT NO. 19970095278 OF OFFICIAL RECORDS](#), MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH RIGHT-OF-WAY OF LORRAINE PLACE AND THE NORTHWESTERLY CORNER OF LOT 39 OF TRACT NO. 4780, SAID POINT BEING ALSO THE BEGINNING OF A 20.00 FEET TANGENT RADIUS CURVE, CONCAVE TO THE SOUTHEAST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 107°26'56" AN ARC DISTANCE OF 37.51 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE; THENCE SOUTH 0°08'00" EAST, 108.06 FEET ALONG SAID EASTERLY RIGHT-OF-WAY, BEING ALSO THE WESTERLY LINE OF LOTS 38 AND 39; THENCE SOUTH 89°52'00" WEST, 51.50 FEET; THENCE SOUTH 00°08'00" EAST, 17.50 FEET PARALLEL TO THE CENTERLINE OF GLENWOOD AVENUE, TO THE BEGINNING OF A 1.50 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE NORTHWEST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°00'00" AN ARC DISTANCE OF 2.36 FEET, TO THE BEGINNING OF A 50.50 FOOT RADIUS COMPOUND CURVE. CONCAVED TO THE SOUTH; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 07°57'33" AN ARC DISTANCE 7.02 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF GLENWOOD AVENUE THENCE NORTH 00°08'00", 143.80 FEET ALONG SAID WESTERLY LINE TO THE BEGINNING OF A 20.00 FOOT RADIUS TANGENT CURVE, CONCAVE TO THE SOUTHWEST; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89°52'00" AN ARC DISTANCE OF 31.37 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF LORRAINE PLACE AND THE BEGINNING OF A 368.00 FOOT RADIUS CURVE CONCAVED TO THE SOUTH; THENCE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 17°22'27" AN ARC DISTANCE OF 111.58 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN THE WEST 1/2 OF THE LAND DESCRIBED ABOVE, LYING ADJACENT TO THAT CERTAIN PARCEL AS CONVEYED TO THE CITY OF RIALTO BY DEED RECORDED [JUNE 27, 1996 AS INSTRUMENT NO. 19960227939 OF OFFICIAL RECORDS](#).

APN: 0128-072-01-0-000; 0128-073-03-0-000; 0128-091-18-0-000; 0128-091-19-0-000; 0128-091-20-0-000; 0128-091-21-0-000; 0128-091-22-0-000; 0128-091-23-0-000; 0128-091-24-0-000; 0128-091-25-0-000; 0128-091-26-0-000; 0128-091-27-0-000; 0128-091-28-0-000; 0128-091-29-0-000; 0128-092-01-0-000; 0128-092-02-0-000; 0128-092-03-0-000; 0128-092-04-0-000; 0128-092-05-0-000; 0128-092-06-0-000; 0128-092-07-0-000; 0128-092-08-0-000; 0128-092-09-0-000; 0128-111-13-0-000; 0128-111-14-0-000; 0128-111-15-0-000; 0128-111-16-0-000; 0128-111-17-0-000; 0128-111-18-0-000; 0128-112-01-0-000; 0128-112-02-0-000; 0128-112-03-0-000; 0128-112-04-0-000; 0128-112-05-0-000; 0128-112-06-0-000; 0128-113-01-0-000; 0128-113-02-0-000; 0128-113-03-0-000; 0128-113-04-0-000; 0128-113-05-0-000



Legislation Details (With Text)

File #: 16-745 Version: 1 Name: TAB 1
 Type: Public Hearing Status: Agenda Ready
 File created: 10/26/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Conduct a Public Hearing for Formation of Community Facilities District (CFD) 2016-1; Consider Adoption of the CFD Resolution No. 7031 of Formation; Resolution No. 7032 Calling for the CFD Special Election; Conduct the CFD Special Election; Adopt Resolution No. 7033 Declaring the Results of the Election and introduce for first reading Ordinance No. 1581 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (PUBLIC SERVICES) AUTHORIZING THE LEVY OF A SPECIAL TAX THEREIN" reading by title only and waiving further reading thereof (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: [Rialto CFD 2016-1 \(Public Services\) Resolution of Formation - City Form](#)
[City of Rialto CDF 2016-1 \(Public Services\) Resolution Calling Election - City Form](#)
[Rialto CFD 2016-1 \(Public Services\) Certificate of Election Official](#)
[Rialto CFD 2016-1 \(Public Services\) Resolution Declaring Results - City Form](#)
[City of Rialto CDF 2016-1 \(Public Services\) Ordinance - City Form](#)
[Exhibit A - Rialto CFD 2016-1 RMA - complete - 11.15.16](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: George N. Harris II, Asst. to CA/Director of Administrative Services

Request City Council to Conduct a Public Hearing for Formation of Community Facilities District (CFD) 2016-1; Consider Adoption of the CFD Resolution No. 7031 of Formation; Resolution No. 7032 Calling for the CFD Special Election; Conduct the CFD Special Election; Adopt Resolution No. 7033 Declaring the Results of the Election and introduce for first reading Ordinance No. 1581 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (PUBLIC SERVICES) AUTHORIZING THE LEVY OF A SPECIAL TAX THEREIN" reading by title only and waiving further reading thereof (ACTION)

BACKGROUND:

In 1982, the Mello-Roos Community Facilities Act of 1982 (Act) (Government Code §53311-53368.3) was created to provide an alternate method of financing needed improvements and services. The Act allows the City to establish a CFD which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

On April 20, 2016, the Economic Development Committee received a report from staff regarding establishment of a Community Facilities District to offset the costs of approving new residential developments in Rialto. Additionally, on May 18, 2016 the EDC considered a request for relief from a future CFD levy. The Economic Development Committee directed staff to proceed with development of the CFD concept, and reject waiver requests.

On August 17, 2016, the Economic Development Committee recommended the CFD levy be established for the new residential developments subject to the fee based upon the assumption of including the Utility User Tax in the fiscal impact report.

On September 27, 2016, the City Council approved Resolution No. 7003, a Resolution of Intention to Establish CFD 2016-1. The first Project Specific Fiscal Impact Report (Report) was prepared for the 33 unit Serrano Place project proposed by RC Hobbs for the southwest corner of Blooming Avenue and Willow Avenue. Per direction of the Economic Development Committee (EDC) the City will add the proposed CFD assessment (\$288) to the property tax rolls for payment by each new homeowner. The assessment would add approximately 0.125 to 0.250 to the property tax rate for this project based upon the \$360,000 assumed home price

ANALYSIS/DISCUSSION:

There are a variety of resolutions and agreements that must be considered at this time to move towards the completed formation of a CFD. The following is a list of actions that Council is being asked to complete in order to proceed with the formation and eventual Bond issuance:

- Conduct the Public Hearing for CFD Formation;
- Consider CFD Resolution of Formation;
- Call for CFD Special Election;
- Hold CFD Special Election;
- Have First Reading of Ordinance Levying the Special Tax.

Resolution of Formation

The Resolution of Formation outlines the various parameters by which the district is established, including the approval of the Rate and Method of Apportionment (RMA), and the requirement of the Special Election to be held immediately after the approval of the Resolution of Formation. This resolution is a supplement of the Resolution of Intention to Form a CFD approved at the September 27th Council Meeting.

Resolution Canvassing Results of the Election

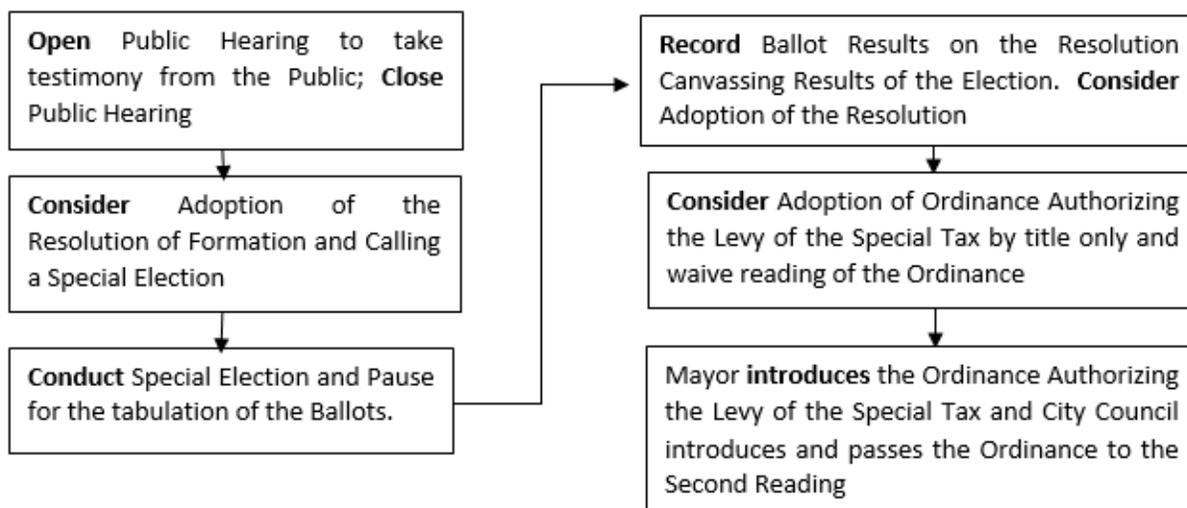
The Resolution canvassing results of the Election is the formal document that records the details and tabulated results of the election.

Ordinance Authorizing the Levy of the Special Tax

Per the Act, Council must adopt an Ordinance to authorize the levy of the annual Special Tax. The rates, to be approved per resolution annually after this fiscal year, are calculated by the Rate and Method of Apportionment (RMA) hereby attached as exhibit "A."

Summary of Process

After the Public Hearing is held, Council must consider approval of the Resolution of Formation and Call for Special Election. Then Council must hold the Special Election. The ballots will be tabulated and recorded on the Resolution Canvassing the Results of the Special Election. After adoption of the Resolution Canvassing the Results of the Special Election, Council will be asked to adopt the Ordinance Authorizing the Levy of the Special Tax by title only and waive the reading of the Ordinance. Please see the flow chart describing the process to be followed:



The Second and final reading is proposed to occur at the following Council Meeting on December 13th.

ENVIRONMENTAL IMPACT:

Not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive

manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and resolution.

FINANCIAL IMPACT:

The CFD assessment (\$288) will be added to the property tax rolls for payment by each new homeowner is proposed to offset the impact of the development on the General Fund.

RECOMMENDATION:

Staff recommends that Council:

- Conduct the Public Hearing for CFD Formation;
- Consider CFD Resolution of Formation;
- Call for CFD Special Election;
- Conduct CFD Special Election;
- Have First Reading of Ordinance Levying the Special Tax.

1 **WHEREAS**, at the hearing all interested persons desiring to be heard for or against the
2 establishment of the CFD, the extent of the CFD, the furnishing of the Services and the Rate and Method
3 were heard and a full and fair hearing was held;

4 **WHEREAS**, at the hearing evidence was presented to this Council on such matters before it,
5 including a special report (the “CFD Report”) as to the Services to be provided through the CFD and the
6 costs thereof, a copy of which is on file with the City Clerk, and this Council, at the conclusion of said
7 hearing, is fully advised in the premises;

8 **WHEREAS**, written protests with respect to the formation of the CFD, the furnishing of
9 specified types of services and the Rate and Method have not been filed with the City Clerk by fifty
10 percent (50%) or more of the registered voters residing within the territory of the CFD or property
11 owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the proposed
12 special taxes; and

13 **WHEREAS**, the Special Tax proposed to be levied in the CFD to pay for the proposed services
14 has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within
15 the territory of the CFD or the owners of one-half (1/2) or more of the area of land within the CFD and
16 not exempt from the special taxes.

17 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO HEREBY
18 RESOLVES AS FOLLOWS:

19 **Section 1:** Recitals Correct. The foregoing recitals are true and correct.

20 **Section 2:** Public Hearing. On this date, pursuant to notice thereof duly given as provided by
21 law, the City Council held a public hearing with respect to the establishment of the CFD and the annual
22 levying of the Special Tax within the CFD to pay for the Services.

23 **Section 3:** No Majority Protest. The proposed services, District and Special Tax to be levied
24 within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

1 **Section 4:** Prior Proceedings Valid. All prior proceedings taken by this City Council in
2 connection with the establishment of the CFD and the levy of the Special Tax have been duly considered
3 and are hereby found and determined to be valid and in conformity with the Act.

4 **Section 5:** Name of the District. The community facilities district designated “City of Rialto
5 Community Facilities District No. 2016-1 (Public Services)” is hereby established pursuant to the Act.
6

7 **Section 6:** Boundaries of the District. The Resolution of Intention provides the boundaries
8 of the territory proposed for inclusion in the CFD, as set forth in the map of the CFD heretofore recorded
9 in the San Bernardino County Recorder’s Office on October 6, 2016, in Book 87, at Page 29, as
10 Instrument No. 2016-0418016 of Maps of Assessment and Community Facilities Districts.
11

12 **Section 7:** Description of Services. The Services proposed to be financed by the CFD and
13 pursuant to the Act shall consist of those items shown in Exhibit “A” hereto and by this reference
14 incorporated herein.

15 **Section 8:** Special Tax.

16 a. Except to the extent that funds are otherwise available to the CFD to pay for the Services,
17 a Special Tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against
18 all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected
19 in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed
20 by this Council.
21

22 b. The proposed Rate and Method, in sufficient detail to allow each landowner within the
23 proposed CFD to estimate the maximum amount such owner will have to pay, is shown in Exhibit “B”
24 attached hereto and hereby incorporated herein.
25

26 **Section 9:** Report. The Report is hereby approved and is made a part of the record of the
27 public hearing regarding the formation of the CFD, and is ordered to be kept on file with the City Clerk
28 as part of the transcript of these proceedings.

1 **Section 10:** Increased Demands. It is hereby found and determined that the Services are
2 necessary to meet increased demands placed upon local agencies, including the City, as the result of
3 development occurring in the CFD.

4 **Section 11:** Responsible Official. The City Administrator of the City of Rialto, located at 150
5 S. Palm Ave., Rialto, CA 92376 or his/her designee, is the officer of the City who will be responsible for
6 preparing annually a current roll of the levy of the Special Tax obligations by assessor's parcel number
7 and who will be responsible for estimating future levies of the Special Tax.

8 **Section 12:** Tax Lien. Upon recordation of a notice of special tax lien pursuant to Section
9 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the Special
10 Tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect
11 until the lien is canceled in accordance with law or until collection of the Special Tax by the CFD
12 ceases.

13 **Section 13:** Description of Voting Procedures. The voting procedures to be followed in
14 conducting the special election (the "Special Election") on the proposition of the annual levy of the
15 Special Tax and on the proposition to establish an appropriations limit for the CFD, if the CFD is
16 established, shall be as follows:

17 a. If at least 12 persons have been registered to vote within the territory of the CFD for each
18 of the 90 days preceding the close of the public or protest hearing (the "protest hearing"), the vote in the
19 Special Election shall be by the registered voters of the CFD with each voter having one vote. In that
20 event, the Special Election shall be conducted by the City Clerk, and shall be held on a date selected by
21 the City Council in conformance with the provisions of Section 53326 of the Act and pursuant to the
22 provisions of the California Elections Code governing elections of cities, insofar as they may be
23 applicable, and pursuant to said Section 53326 the ballots for the Special Election shall be distributed to
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1 the qualified electors of the CFD by mail with return postage prepaid or by personal service, and the
2 Special Election shall be conducted as a mail ballot election.

3 b. If 12 persons have not been registered to vote within the territory of the CFD for each of
4 the 90 days preceding the close of the protest hearing, the vote in the Special Election is to be by the
5 landowners of the CFD, with each landowner of record at the close of the protest hearing having one
6 vote for each acre or portion of an acre of land that he or she owns within the CFD, the Special Election
7 shall be conducted by the City Clerk pursuant Section 53326 of the Act as follows:

8 (i) The Special Election shall be held on the earliest date, following the adoption by
9 the City Council of this Resolution and a resolution calling the Special Election, to submit to the
10 qualified electors of the CFD the propositions with respect to: (i) the levy of Special Tax to finance the
11 Services and (ii) the establishment of an appropriations limit for the CFD.

12 (ii) Pursuant to said Section 53326, the Special Election may be held earlier than 90
13 days following the close of the protest hearing if the qualified electors of the CFD waive the time limits
14 for conducting the elections set forth in said Section 53326 by unanimous written consent and the Clerk
15 concurs in such earlier election date as shall be consented to by the qualified electors.

16 (iii) Pursuant to said Section 53326, ballots for the Special Election shall be
17 distributed to the qualified electors by the Clerk by mail with return postage prepaid, or by personal
18 service.

19 (iv) Pursuant to applicable sections of the California Elections Code governing the
20 conduct of mail ballot elections of cities, the City Clerk shall mail (or deliver) to each qualified elector
21 an official ballot and shall also mail to all such qualified electors a ballot pamphlet and instructions to
22 voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a
23 return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of
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1 voted official ballots, and a copy of this Resolution and the exhibits hereto; provided, however, that
2 analysis, arguments and notice regarding the ballot measure may be waived with the unanimous consent
3 of all the landowners, and in such event a finding regarding such waivers shall be made in the resolution
4 adopted by the City Council calling the Special Election.
5

6 (v) The official ballot to be mailed (or delivered) by the Clerk to each landowner
7 shall have printed or typed thereon the name of the landowner and the number of votes to be voted by
8 the landowner and shall have appended to it a certification to be signed by the person voting the official
9 ballot which shall certify that the person signing the certification is the person who voted the official
10 ballot, and if the landowner is other than a natural person, that he or she is an officer of or other person
11 affiliated with the landowner entitled to vote such official ballot, that he or she has been authorized to
12 vote such official ballot on behalf of the landowner, that in voting such official ballot it was his or her
13 intent, as well as the intent of the landowner, to vote all votes to which the landowner is entitled based
14 on its land ownership on the propositions set forth in the official ballot as marked thereon in the voting
15 square opposite each such proposition, and further certifying as to the acreage of the landowner's land
16 ownership within the CFD.
17

18 (vi) The return identification envelope delivered by the Clerk to each landowner shall
19 have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the
20 landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the
21 authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose
22 name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the
23 address of the voter, (vi) the date of signing and place of execution of said declaration, and (vii) a notice
24 that the envelope contains an official ballot and is to be opened only by the Clerk.
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1 (vii) The instruction to voter form to be mailed by the Clerk to the landowners shall
2 inform them that the official ballots shall be returned to the Clerk properly voted as provided thereon
3 and with the certification appended thereto properly completed and signed in the sealed return
4 identification envelope with the certification thereon completed and signed and all other information to
5 be inserted thereon properly inserted no later than 6:00 p.m. on the date of the Special Election, or
6 immediately after the Resolution Calling the Special Election is adopted.
7

8 (viii) Upon receipt of the return identification envelopes, which are returned prior to the
9 voting deadline on the date of the Special Election, the Clerk shall canvass the votes cast in the Special
10 Election, and shall file a statement with the City Council as to the results of such canvass and the
11 election on each proposition set forth in the official ballot.
12

13 (vii) Certain notices and procedures above may be waived pursuant to the provisions of
14 the Act.

15 **Section 14:** Annexation Territory. Other property within the boundaries of the City may be
16 annexed into the CFD pursuant to Article 3.5 of the Act and the Resolution of Intention.
17

18 **Section 15:** Exempt Property. Except as provided in Section 53340.1 of the Act and except
19 for properties that a local agency is a landowner of within the meaning of subdivision (f) of Section
20 53317 of the Act, pursuant to Section 53340 of the Act, properties of entities of the state, federal and
21 local governments shall be exempt from the levy of the Special Tax. Reference is hereby made to the
22 Rate and Method for a description of other properties or entities that are expressly exempted from the
23 levy of the Special Tax.
24

25 **Section 16:** Appropriations Limit. An appropriations limit for the CFD is hereby established
26 at \$1,000,000, subject to voter approval, as an amount equal to all the proceeds of the Special Tax
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1 collected annually within such CFD and as defined by Article XIII B of the California Constitution, as
2 adjusted for changes in the cost of living and changes in population.

3 **Section 17:** Special Tax Accountability Measures. Pursuant to and in compliance with the
4 provisions of Government Code Section 50075.1, the City Council hereby establishes the following
5 accountability measures pertaining to the levy by the CFD of the Special Tax described in Section 8
6 above:
7

8 a. The Special Tax shall be levied for the specific purposes set forth in Section 7 hereof.

9 b. The proceeds of the levy of the Special Tax shall be applied only to the specific purposes
10 set forth in Section 7 hereof.

11 c. The CFD shall establish an account or accounts into which the proceeds of such Special
12 Tax shall be deposited.

13 d. The City Administrator, or his or her designee, acting for and on behalf of the CFD, shall
14 annually file a report with the City Council as required pursuant to Government Code Section 50075.3.
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16 **Section 18:** Effective Date. This resolution shall take effect upon its adoption.
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PASSED APPROVED AND ADOPTED this 22nd day of November, 2016.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing City
5 Resolution No.____ was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the ____ day of _____, 2016.

7 Upon motion of City Council Member _____, seconded by City Council Member
8 _____, the foregoing City Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

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18 **BARBARA MCGEE, CITY CLERK**

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Exhibit A
Services

The Services to be funded by the CFD include the following services and all incidental expenses related to such services, all of which are authorized by the Act:

Police protection services, fire protection and suppression services, ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads and open space; and flood and storm protection services, including maintenance of storm drains, maintenance and operation of any real property or other tangible property with an estimated useful life of five years or more that is owned by the City.

The services include operational and maintenance costs associated with providing such services.

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Exhibit B

Rate and Method of Apportionment

Rate and Method of Apportionment of Special Tax

CITY OF RIALTO, CA COMMUNITY FACILITIES DISTRICT 2016-1 (PUBLIC SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Rialto Community Facilities District 2016-1 (Public Services), ("CFD 2016-1"), other than Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal Year 2017-2018, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD 2016-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel, expressed in acres, as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated expenses related to the administration of CFD 2016-1: the costs of determining the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures or tax sale collection, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD 2016-1, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD 2016-1, and any and all other costs incurred in connection with the administration of CFD 2016-1.

"Annual Escalation Factor" means the lesser of three percent (3%) or the annual percentage increase, if any, of the U.S. Bureau of Labor Statistics – Compensation: Employment Cost Index for total compensation, for State and Local Government Workers, as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

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

“Base Year” means Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

“Boundary Map” means the map of the boundaries of CFD 2016-1 recorded on October 6, 2016 in the San Bernardino County Recorder's Office in Book 87, Pages 29, of Maps of Assessments and Community Facilities Districts (instrument number 2016-0418016).

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

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Services and providing for the levy and collection of the Special Taxes for CFD 2016-1.

“CFD 2016-1” means City of Rialto Community Facilities District 2016-1 (Public Services) established by the City Council under the Act.

“City” means the City of Rialto.

“City Council” means the Council of the city of Rialto, acting as the legislative body of CFD 2016-1.

“County” means the County of San Bernardino.

“Developed Property” means an Assessor's Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

“Exempt Property” means all Assessor's Parcels within CFD 2016-1 that are exempt from the Special Taxes pursuant to the Act or Section F herein.

“Final Map” means an Assessor's Parcel Map, a Final Subdivision Map, condominium plan, lot line adjustment, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

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

“Land Use Type” means any of the land use types listed in Table 1 below.

“Lot” means property within a Final Map identified by a lot number for which a Building Permit has been issued or may be issued.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied in any Fiscal Year on an Assessor's Parcel of Taxable Property.

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

“Property Owner Association Property” means for each Fiscal Year any property within the boundaries of CFD 2016-1 that was owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to a property owner association, including any master or sub-association, as of **June 1**.

“Proportionately” means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Class.

“Public Property” means any property that is owned by, dedicated or irrevocably dedicated to a city, the federal government, the State of California, the County, or any other public agency (each, a “Public Entity”); provided, however, that any such property is leased by such a Public Entity to a private entity and is thereby subject to taxation pursuant to Section 53340.1 of the Act, such leasehold estate shall be classified and taxed according to the use thereof.

“Residential Property” means all Assessor’s Parcels of Developed Property within CFD 2016-1 for which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

“Residential Unit” means any residence in which a person or persons may live, which is not considered to be used for non-residential purposes.

“Services” means those authorized services that may be funded by CFD 2016-1 pursuant to the Act, as amended including but not limited to: police protection services; fire protection and suppression services, and ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads, and open space; and flood and storm protection services.

“Single-Family Detached Residential Unit” or “SFR Property” means all Assessor’s Parcels of Residential Property consisting of a single Dwelling Unit.

“Special Tax” means the special tax authorized to be levied within CFD 2016-1 pursuant to the Act, to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the CFD Administrator, for any Fiscal Year to: (i) pay the costs of providing the Services during such Fiscal Year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational reserve fund established for Services, (iv) pay incidental expenses related to the Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax Requirement for Services for such Fiscal Year where such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for Services for such Fiscal Year.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to the Act or Section H.

“Undeveloped Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit has not been issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2017-2018, using the definitions above, each Assessor’s Parcel within the CFD 2016-1 shall be classified by the CFD Administrator as Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property or Undeveloped Property. Developed Property shall be further classified as Single-Family Residential Property or Multi-Family Residential Property. Commencing with Fiscal Year 2017-2018 and for each subsequent Fiscal Year, all Taxable Property shall be subject to the levy of Special Taxes pursuant to Section C below.

C. MAXIMUM ANNUAL SPECIAL TAXES

1. Developed Property

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor’s Parcel of Developed Property shall be subject to the Special Tax. The Maximum Special Tax for Developed Property for Fiscal Year 2017-2018 is shown below in Table 1.

**Table 1
Developed Property
Maximum Special Tax Rates**

Land Use Type	Maximum Special Tax Base Year (2017/18)
Residential	
SFR Property	\$288 per Residential Unit
MFR Property	\$216 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

2. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor’s Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax.

3. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor’s Parcel or Exempt Property changes so that such Assessor’s Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor’s Parcel no longer eligible to be classified as Exempt Property, such Assessor’s Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2017-2018 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD 2016-1 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied proportionately on each Assessor's Parcel of Developed Property within CFD 2016-1 up to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of Special Taxes by the owner of any other Assessor's Parcel.

E. PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

F. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, (iv) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

G. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax A that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

H. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Taxes may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD 2016-1.

1 **WHEREAS**, the City Clerk has advised the City Council that she has received a statement from
2 the Registrar of Voters of the County of San Bernardino that less than 12 persons are registered to vote
3 in the territory of the District; and

4 **WHEREAS**, the City Clerk has advised the City Council that she has received Consent and
5 Waiver from the landowners within the District, pursuant to which the each landowner has expressly
6 waived certain requirements related to the conduct of the election;
7

8 **NOW, THEREFORE**, THE CITY COUNCIL OF THE CITY OF RIALTO HEREBY
9 RESOLVES AS FOLLOWS:

10 **Section 1:** Recitals. The above recitals are all true and correct.

11 **Section 2:** Call of Election. The City Council hereby calls and schedules a special election
12 for November 22, 2016, with results to be tabulated at 6 p.m., to consider the proposition described in
13 Section 3 below.
14

15 **Section 3:** Propositions. The propositions to be submitted to the qualified voters of the
16 District at such special election shall be as follows:
17

18 a. Proposition A: “Shall special taxes be levied annually on taxable property within City of Rialto
19 Community Facilities District No. 2016-1 (Public Services), County of San Bernardino, State of
20 California, so long as the special taxes are needed to pay for maintenance and operational costs for
21 police protection services, fire protection and suppression services, ambulance and paramedic services;
22 maintenance and lighting of parks, parkways, streets, roads and open space; flood and storm protection
23 services, including maintenance of storm drains, maintenance and operation of any real property or other
24 tangible property with an estimated useful life of five years or more that is owned by the City, and to
25 pay expenses incidental thereto and related to the levy and collection of the special taxes at the special
26 tax rates and pursuant to the method of apportioning the special taxes set forth in Exhibit B to the
27 Resolution of Intention adopted by the City Council of the City of Rialto on September 27, 2016?”
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2 b. Proposition B: “Shall an appropriations limit, as defined by subdivision (h) of Section 8
3 of Article XIII B of the California Constitution, be established for City of Rialto Community Facilities
4 District No. 2016-1 (Public Services), County of San Bernardino, State of California, in the amount of
5 \$1,000,000?”
6

7 **Section 4:** Electors Determined. The City Council finds that 12 persons have not been
8 registered to vote within the territory of the District for each of the 90 days preceding the close of the
9 Public Hearing and that pursuant to Section 53326 of the Act, the vote in the special election called by
10 this Resolution shall be by the landowners of the District whose property would be subject to the special
11 taxes if they were levied at the time of the election, and each landowner shall have one vote for each
12 acre, or portion thereof, which he or she owns within the District which would be subject to the
13 proposed special taxes if they were levied at the time of the election.
14

15 **Section 5:** Conduct of Election. Except as otherwise provided in Section 6 hereof, the
16 special election shall be conducted by the City Clerk in accordance with the provisions of the California
17 Elections Code governing mail ballot elections of cities, and in particular the provisions of Division 4
18 (commencing with Section 4000), of that Code, insofar as they may be applicable.
19

20 **Section 6:** Election Procedures. The procedures to be followed in conducting the special
21 election on the proposition described in Section 3 shall be as provided in the Resolution of Formation. It
22 is hereby acknowledged that the City Clerk has on file a copy of the Resolution of Formation.
23

24 The City Council hereby finds that the qualified electors of the CFD have waived the time limits
25 for conducting the special election and certain other requirements by pursuant to waivers received from
26 the landowners.
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Section 7: Concurrence of City Clerk. The City Council hereby finds and determines that the City Clerk has concurred in the shortened time for the election, pursuant to Section 53326 of the Act.

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

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing City
5 Resolution No.____ was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the ____ day of _____, 2016.

7 Upon motion of City Council Member _____, seconded by City Council Member
8 _____, the foregoing City Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

16
17
18 **BARBARA MCGEE, CITY CLERK**

CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(PUBLIC SERVICES)

CERTIFICATE OF THE CITY CLERK AS TO THE
RESULTS OF THE CANVASS OF THE ELECTION RETURNS

I, Barbara A. McGee, City Clerk of the City of Rialto, hereby certify that I canvassed the returns of the Special Election in the City of Rialto Community Facilities District No. 2016-1 (Public Services) **(the "District")**, that the election was held in the Chambers of the City Council at 150 South Palm Avenue, Rialto, CA 92376 at 6:00 p.m. on November 22, 2016.

I further certify that the total number of ballots cast in said election and the total number of votes cast for and against the measure are full, true and correct:

Community Facilities District no. 2016-1 (Public Services) Special Tax Election, August 6, 2014	Qualified Eligible Votes	Votes Cast	Yes	No
PROPOSITION A: Shall special taxes be levied annually on taxable property within City of Rialto Community Facilities District No. 2016-1 (Public Services), County of San Bernardino, State of California, so long as the special taxes are needed to pay for maintenance and operational costs for police protection services, fire protection and suppression services, ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads and open space; flood and storm protection services, including maintenance of storm drains, maintenance and operation of any real property or other tangible property with an estimated useful life of five years or more that is owned by the City, and to pay expenses incidental thereto and related to the levy and collection of the special taxes at the special tax rates and pursuant to the method of apportioning the special taxes set forth in Exhibit B to the Resolution of Intention adopted by the City Council of the City of Rialto on September 27, 2016?				
PROPOSITION B: Shall an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, be established for City of Rialto Community Facilities District No. 2016-1 (Public Services), County of San Bernardino, State of California, in the amount of \$____?				

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 22nd day of November 22, 2016.

By: _____
City Clerk

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Section 1: Recitals. The above recitals are all true and correct.

Section 2: Ballot Measure. The ballot measure (the “Ballot Measure”) presented to the qualified electors is set forth in Exhibit B attached hereto and by this reference incorporated herein.

Section 3: Election Results. The results of the Special Election are as set forth in the Certificate on file with the City Clerk and attached hereto as Exhibit A. Pursuant to the Certificate, the Ballot Measure presented at the Special Election was approved by the qualified electors of the District.

Section 4: Ballot Measure Authorized. This City Council, acting in its capacity as legislative body of the District, is hereby authorized to levy on the land within the District the special tax described in the Ballot Measure for the purposes described therein and to take the necessary steps to levy the special tax authorized by the Ballot Measure. The appropriations limit as specified in the Ballot Measure is hereby established.

Section 5: Finding of Validity. It is hereby found that all prior proceedings and actions taken by this City Council with respect to the District were valid and in conformity with the Act.

Section 6: Notice of Special Tax Lien. The City Clerk is hereby directed to record in the office of the County Recorder of the County of San Bernardino within fifteen days of the date hereof a notice of special tax lien with respect to the District in substantially the form required by California Streets and Highways Code Section 3114.5.

Section 7: Effect. This Resolution shall take effect immediately upon its adoption.

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

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing City
5 Resolution No.____ was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the ____ day of _____, 2016.

7 Upon motion of City Council Member _____, seconded by City Council Member
8 _____, the foregoing City Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

16
17
18 **BARBARA MCGEE, CITY CLERK**

1 **CITY OF RIALTO**

2 **ORDINANCE NO. _____**

3
4 **ORDINANCE OF THE CITY COUNCIL OF THE CITY OF**
5 **RIALTO ACTING IN ITS CAPACITY AS THE LEGISLATIVE**
6 **BODY OF CITY OF RIALTO COMMUNITY FACILITIES**
7 **DISTRICT NO. 2016-1 (PUBLIC SERVICES) AUTHORIZING THE**
8 **LEVY OF A SPECIAL TAX THEREIN**

9 The City Council of the City of Rialto does ordain as follows:

10 **WHEREAS**, the City Council of the City of Rialto (the “City Council”), on September 27, 2016,
11 has previously adopted Resolution No. _____ entitled “Resolution of Intention of the City of
12 Rialto Declaring its Intention to Establish Community Facilities District No. 2016-1 (Public Services) of
13 the City of Rialto and to Authorize the levy of a Special Tax to Finance Certain Services” (the
14 “Resolution of Intention”), stating its intention to conduct proceedings to form City of Rialto
15 Community Facilities District No. 2016-1 (Public Services) (the “CFD”) pursuant to the Mello-Roos
16 Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California
17 Government Code (the “Act”) to finance certain services (the “Services”) including incidental expenses,
18 to serve the CFD; and

19 **WHEREAS**, the Resolution of Intention set November 22, 2016, or as soon thereafter as
20 practical, as the date of a public hearing on all matters pertaining to the formation of the CFD, the extent
21 of the CFD, the furnishing of Services to serve the CFD, and the proposed rate and method of
22 apportionment of the special tax within the CFD (the “Rate and Method”); and

23 **WHEREAS**, a notice of public hearing was published and mailed to all landowners proposed to
24 be included in the CFD in accordance with the Act; and

25 **WHEREAS**, at the public hearing, evidence was presented to the City Council on such matter
26 before it, including a special report (the “Report”) describing the services necessary to adequately meet
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1 the needs of the CFD and the estimated costs of financing such Services as required by Section 53321.5
2 of the Act; and

3 **WHEREAS**, at the public hearing, all persons desiring to be heard on all matters pertaining to
4 the formation of the CFD, the extent of the CFD, the furnishing of Services to serve the CFD, and the
5 Rate and Method were heard and a full and fair hearing was held; and
6

7 **WHEREAS**, subsequent to the public hearing, the City Council, on November 22, 2016,
8 adopted a resolution entitled “Resolution of Formation of the City Council of the City of Rialto to
9 Establish City of Rialto Community Facilities District No. 2016-1 (Public Services) and to Authorize the
10 Levy of a Special Tax Therein to Finance Certain Services” (the “Resolution of Formation”) which
11 established the CFD and authorized the levy of a special tax within the CFD; and
12

13 **WHEREAS**, subsequent to the public hearing and the Resolution of Formation, the City Council
14 also adopted a resolution entitled “Resolution of the City Council of the City of Rialto Calling a Special
15 Election and Submitting to the Qualified Electors of City of Rialto Community Facilities District No.
16 2016-1 (Public Services) Propositions Regarding the Establishment of an Appropriations Limit and the
17 Annual Levy of a Special Tax Within the Community Facilities District” (the “Resolution Calling
18 Election”) which called a special election of the qualified electors within the CFD; and
19

20 **WHEREAS**, pursuant to the terms of the Resolution Calling Election, an election was held in
21 which qualified electors of the CFD approved the establishment of an appropriations limit for the CFD
22 and the levy of a special tax (the “Special Tax”) within the CFD; and
23

24 **WHEREAS**, on November 22, 2016, the City Council adopted a resolution entitled “Resolution
25 of the City Council of the City of Rialto Declaring the Results of a Special Election in the City of Rialto
26 Community Facilities District No. 2016-1 (Public Services) and Directing the Recording of a Notice of
27 Special Tax Lien” (the “Resolution Declaring Results of Election”) which certified the results of the
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1 election conducted by the City Clerk, which results showed that more than two-thirds of the votes cast in
2 the CFD were in favor of the proposition to levy the Special Tax and the proposition to establish an
3 appropriations limit for the CFD; and
4

5 **NOW, THEREFORE,** THE CITY COUNCIL of the City of Rialto does hereby ordain as
6 follows:

7 **Section 1: Recitals.** The above recitals are all true and correct.

8 **Section 2: Authorization of the Levy of a Special Tax.** By the passage of this Ordinance,
9 the City Council authorizes the levy of the Special Tax in the CFD in accordance with the Rate and
10 Method set forth in the Exhibit “B” to the Resolution of Formation, which is on file in the office of the
11 City Clerk and incorporated by reference herein.
12

13 **Section 3: Annual Rate Determination.** The CFD Administrator is hereby further
14 authorized to determine on or before August 10 each year, or such other date as is established by law or
15 by the County Auditor-Controller of the County of San Bernardino, the specific Special Tax to be levied
16 on each parcel of land in the CFD, except that special taxes to be levied shall not exceed the maximum
17 rates set forth in the Rate and Method, but the special tax may be levied at a lower rate.
18

19 **Section 4: Exempt Property.** Except as provided in Section 53340.1 of the Act and except
20 for properties that a local agency is a landowner of within the meaning of subdivision (f) of Section
21 53317 of the Act, pursuant to Section 53340 of the Act, properties of entities of the state, federal and
22 local governments shall be exempt from the levy of the Special Tax. Reference is hereby made to the
23 Rate and Method for a description of other properties or entities that are expressly exempted from the
24 levy of the Special Tax.
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1 **Section 5: Use of Collections.** All of the collections of the Special Tax shall be used only as
2 provided by the Act and in the Resolution of Formation. The Special Tax shall be levied only so long as
3 needed for the purposes as described in the Resolution of Formation.

4 **Section 6: Collection.** The Special tax shall be collected in the same manner as ordinary ad
5 valorem taxes and shall be subject to the same penalties and the same procedure, sale and lien in any
6 case of delinquency as applicable for ad valorem property taxes; provided, however, that the Special Tax
7 may be collected by direct billing by the City of the property owners in the CFD or in such other manner
8 as may be provided by the City Council. In addition, the provisions of Section 53356.1 of the Act shall
9 apply to any delinquent Special Tax payments.
10

11 **Section 7: Authorization.** The specific authorization for adoption of the Ordinance is
12 Section 53340 of the Act.
13

14 **Section 8: Severability.** If for any reason any portion of the Ordinance is found to be
15 invalid, or if the Special Tax is found inapplicable for any particular parcel within the CFD, by a court
16 of competent jurisdiction, the balance of this Ordinance, and the application of the Special Tax to the
17 remaining parcels within the CFD shall not be affected.
18

19 **Section 9: Certification.** The City Clerk shall certify the passage of this Ordinance and
20 cause it to be published or posted in accordance with law.
21

22 Introduced at a regular meeting of the City Council of the City of Rialto on the 22nd day of
23 November, 2016, and
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PASSED APPROVED AND ADOPTED this 22nd day of November, 2016.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing City
5 Resolution No.____ was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the ____ day of _____, 2016.

7 Upon motion of City Council Member _____, seconded by City Council Member
8 _____, the foregoing City Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

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18 **BARBARA MCGEE, CITY CLERK**

Rate and Method of Apportionment of Special Tax

CITY OF RIALTO, CA COMMUNITY FACILITIES DISTRICT 2016-1 (PUBLIC SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Rialto Community Facilities District 2016-1 (Public Services), ("CFD 2016-1"), other than Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal Year 2017-2018, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD 2016-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel, expressed in acres, as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated expenses related to the administration of CFD 2016-1: the costs of determining the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures or tax sale collection, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD 2016-1, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD 2016-1, and any and all other costs incurred in connection with the administration of CFD 2016-1.

"Annual Escalation Factor" means the lesser of three percent (3%) or the annual percentage increase, if any, of the U.S. Bureau of Labor Statistics – Compensation: Employment Cost Index for total compensation, for State and Local Government Workers, as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

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

“Base Year” means Fiscal Year beginning July 1, 2017 and ending June 30, 2018.

“Boundary Map” means the map of the boundaries of CFD 2016-1 recorded on October 6, 2016 in the San Bernardino County Recorder's Office in Book 87, Pages 29, of Maps of Assessments and Community Facilities Districts (instrument number 2016-0418016).

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

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Services and providing for the levy and collection of the Special Taxes for CFD 2016-1.

“CFD 2016-1” means City of Rialto Community Facilities District 2016-1 (Public Services) established by the City Council under the Act.

“City” means the City of Rialto.

“City Council” means the Council of the city of Rialto, acting as the legislative body of CFD 2016-1.

“County” means the County of San Bernardino.

“Developed Property” means an Assessor's Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

“Exempt Property” means all Assessor's Parcels within CFD 2016-1 that are exempt from the Special Taxes pursuant to the Act or Section F herein.

“Final Map” means an Assessor's Parcel Map, a Final Subdivision Map, condominium plan, lot line adjustment, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

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

“Land Use Type” means any of the land use types listed in Table 1 below.

“Lot” means property within a Final Map identified by a lot number for which a Building Permit has been issued or may be issued.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied in any Fiscal Year on an Assessor's Parcel of Taxable Property.

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

“Property Owner Association Property” means for each Fiscal Year any property within the boundaries of CFD 2016-1 that was owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to a property owner association, including any master or sub-association, as of **June 1**.

“Proportionately” means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Class.

“Public Property” means any property that is owned by, dedicated or irrevocably dedicated to a city, the federal government, the State of California, the County, or any other public agency (each, a “Public Entity”); provided, however, that any such property is leased by such a Public Entity to a private entity and is thereby subject to taxation pursuant to Section 53340.1 of the Act, such leasehold estate shall be classified and taxed according to the use thereof.

“Residential Property” means all Assessor’s Parcels of Developed Property within CFD 2016-1 for which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

“Residential Unit” means any residence in which a person or persons may live, which is not considered to be used for non-residential purposes.

“Services” means those authorized services that may be funded by CFD 2016-1 pursuant to the Act, as amended including but not limited to: police protection services; fire protection and suppression services, and ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads, and open space; and flood and storm protection services.

“Single-Family Detached Residential Unit” or “SFR Property” means all Assessor’s Parcels of Residential Property consisting of a single Dwelling Unit.

“Special Tax” means the special tax authorized to be levied within CFD 2016-1 pursuant to the Act, to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the CFD Administrator, for any Fiscal Year to: (i) pay the costs of providing the Services during such Fiscal Year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational reserve fund established for Services, (iv) pay incidental expenses related to the Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax Requirement for Services for such Fiscal Year where such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for Services for such Fiscal Year.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to the Act or Section H.

“Undeveloped Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit has not been issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2017-2018, using the definitions above, each Assessor’s Parcel within the CFD 2016-1 shall be classified by the CFD Administrator as Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property or Undeveloped Property. Developed Property shall be further classified as Single-Family Residential Property or Multi-Family Residential Property. Commencing with Fiscal Year 2017-2018 and for each subsequent Fiscal Year, all Taxable Property shall be subject to the levy of Special Taxes pursuant to Section C below.

C. MAXIMUM ANNUAL SPECIAL TAXES

1. Developed Property

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor’s Parcel of Developed Property shall be subject to the Special Tax. The Maximum Special Tax for Developed Property for Fiscal Year 2017-2018 is shown below in Table 1.

**Table 1
Developed Property
Maximum Special Tax Rates**

Land Use Type	Maximum Special Tax Base Year (2017/18)
Residential	
SFR Property	\$288 per Residential Unit
MFR Property	\$216 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

2. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2017-2018, each Assessor’s Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax.

3. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor’s Parcel or Exempt Property changes so that such Assessor’s Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor’s Parcel no longer eligible to be classified as Exempt Property, such Assessor’s Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2017-2018 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD 2016-1 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied proportionately on each Assessor's Parcel of Developed Property within CFD 2016-1 up to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of Special Taxes by the owner of any other Assessor's Parcel.

E. PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

F. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, (iv) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

G. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax A that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

H. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Taxes may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD 2016-1.



Legislation Details (With Text)

File #: 16-782 Version: 1 Name: TAB 2
 Type: Resolution Status: Agenda Ready
 File created: 11/7/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council and Rialto Public Financing Authority Board to Conduct a Joint Public Hearing to Approve the Section 108 Loan Guarantee Financing for Improvements to Bud Bender Park and Approve Resolution No. 7034 of the City Authorizing the Public Financing Authority as its Designated Public Agency Borrower to Issue Notes of \$2,000,000 Aggregate Original Principal Amount Section 108 Government Guaranteed Certificates and Resolution No. 01-16 of the Rialto Public Financing Authority, Authorizing the Issuance Of \$2,000,000.00 Aggregate Original Principal Amount Section 108 Government Guaranteed Certificates.
 (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: [\(SECTION 108 LOAN\) DPA Resolution - City Form](#)
[\(SECTION 108 LOAN\) DPA Resolution - PFA Form](#)
[Rialto Section 108 Loan Contract for Loan Guarantee Assistance](#)
[Rialto Subrecipient Agreement 108 Loan Final Versions](#)

Date	Ver.	Action By	Action	Result
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For City Council & Public Financing Authority Board Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: George N. Harris II, Asst. to the CA/Director of Administrative Services

Request City Council and Rialto Public Financing Authority Board to Conduct a Joint Public Hearing to Approve the Section 108 Loan Guarantee Financing for Improvements to Bud Bender Park and Approve Resolution No. 7034 of the City Authorizing the Public Financing Authority as its Designated Public Agency Borrower to Issue Notes of \$2,000,000 Aggregate Original Principal Amount Section 108 Government Guaranteed Certificates and Resolution No. 01-16 of the Rialto Public Financing Authority, Authorizing the Issuance Of \$2,000,000.00 Aggregate Original Principal Amount Section 108 Government Guaranteed Certificates.
 (ACTION)

BACKGROUND:

On November 26, 2013, City Council authorized the submittal of an application for a Section 108 Loan of \$2,000,000 to make needed improvements to Bud Bender Park. The City conducted a number of public meetings and Community Workshops to obtain input from local area residents and establish the needs of the community. During the public meetings and workshops, the residents

identified the following amenities as priorities, which have been substantially completed as part of the renovation:

- Baseball field with sports lighting
- Concession and restroom facilities
- Child and tot play areas
- Parking lot
- Walking trail around park with security lighting and exercise stations
- Community garden
- Open play area for soccer and volleyball.
- Relocation of group picnic shelter

The City may apply to the U.S. Department of Housing and Urban Development (HUD) for a Section 108 Loan Guarantee request for a maximum of five times the City's Community Development Block Grant (CDBG) entitlement, minus any outstanding Section 108 Guarantee Loan balance. Section 108 is the loan guarantee provision of the CDBG program. Section 108 provides cities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally-guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Cities borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

ANALYSIS/DISCUSSION:

The Rialto Public Financing Authority ("Authority") will be recorded as the debtor on the loan because of limitations in state law on the City undertaking the loan. The proposed note of the Authority for \$2,000,000, with HUD to finance improvements (or reimburse for improvements) to Bud Bender Park located at 235 North Lilac Avenue Rialto, California 92376. The loan and note will be secured by CDBG Funds, which the City receives annually and by a mortgage on the park property. The City and the Authority will enter into a sub-recipient agreement with respect to the CDBG Funds and payment of the Note and a Contract for Loan Guarantee Assistance with HUD. To secure the Note, the City will transfer the property to the Authority and the Authority will mortgage the property.

Security: The principal security for the loan guarantee is a pledge by the City of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

Repayment: The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower.

Financing Source: Section 108 obligations are financed through public offerings underwritten by HUD. Financing between public offerings is provided through an interim lending facility established by HUD.

Interest Rates: Interest rates on interim borrowing are priced at the three-month London Interbank Offered (LIBO) rate plus twenty basis points (0.20%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. Depending on maturity, HUD

will add a small additional basis point spread to the Treasury yield to determine the actual rate.

ENVIRONMENTAL IMPACT:

A financing is not a project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is any of the following: 1) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and 2) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

Goal 2-27 of the Rialto General Plan: Provide a variety of park facilities that meet the diverse needs and interest of the community.

Policy 2-27.1: Establish a Master Plan for Parks and Recreation that achieves a park ratio of 3.0 acres per 1,000 residents, evenly distributes park facilities throughout the community, and contains strategies for funding facilities and maintenance.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and the documents to be executed by the City.

FINANCIAL IMPACT:

The Section 108 Loan will be repaid from the City's annual allocation of CDBG funds. If Congress should terminate the CDBG program, the Authority would be responsible for the repayment of the Section 108 Loan. Approximately \$155,000 will be set aside each year to pay for the 108 Loan, which would be paid off in 2033. The property would be security and the city could provide money to the Authority to pay the loan. Funds for the loan payments are budgeted and available in CDBG Fund Account No. 234-500-1853-4001 (Principal) and 234-500-1853-4010 (Interest).

In addition, a revised appraisal for Bud Bender Park was required as it will be used as collateral/security for the loan. This may be paid from the administrative budget of CDBG. Funds are budgeted and available in the CDBG Fund Account No. 234-500-1850-2011-cb1000-00 for the revised appraisal.

The Resolution approves various documents to be executed by the City and/or Authority, including the Deed (by the City), the Contract for Loan Guarantee Assistance (City and Authority), the Note (Authority), the Deed of Trust (by the Authority), the Subrecipient Agreement (City and Authority)

RECOMMENDATION:

Staff recommends the City Council and The Public Financing Authority Board Conduct a Joint Public Hearing to Approve the Section 108 Loan Guarantee financing for improvements to Bud Bender Park, approve Resolutions and document related thereto.

1 BE IT FURTHER RESOLVED that the Authorized Officers are hereby authorized to execute all
2 documents and do all things necessary to accomplish the transaction herein and to make such changes and
3 enter into such documentation as necessary to effectuate the purposes hereof, the Authorized Officer's
4 execution thereof to be deemed said officers agreement to all changes and agreements. All actions
5 heretofore taken by said officers are hereby ratified.
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PASSED APPROVED AND ADOPTED this 22nd day of November, 2016.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing City
5 Resolution No.____ was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the ____ day of _____, 2016.

7 Upon motion of City Council Member _____, seconded by City Council Member
8 _____, the foregoing City Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

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14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

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18 **BARBARA MCGEE, CITY CLERK**

1 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
2 RIALTO PUBLIC FINANCING AUTHORITY, THE RIALTO PUBLIC FINANCING AUTHORITY
3 COMMITS TO ACT AS THE SECTION 108 BORROWER AS THE DESIGNATED PUBLIC
4 AGENCY AND SUBRECIPIENT OF THE CITY OF RIALTO; AND

5 **BE IT FURTHER RESOLVED** that Deborah Robertson in her capacity as Chairperson and/or
6 Mike Story, as Executive Director, is authorized to execute and deliver such documentation necessary or
7 desirable in connection with the Section 108 Guaranteed Loan for the Bud Bender Park Renovation
8 Project, including but not limited to the execution and delivery of a Variable/Fixed Rate Note or Notes
9 up to the maximum amount of HUD's commitment of Two Million Dollars, Contract for Loan
10 Guarantee Assistance, Subrecipient Agreement, and any and all other documents necessary or
11 appropriate to carry out this Resolution.
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14 **BE IT FURTHER RESOLVED**, that the Secretary, the Chair or the Executive Director or
15 Secretary is authorized to accept the Deed of the park property as additional security for the Note.

16 **BE IT FURTHER RESOLVED** that the Authorized Officers are hereby authorized to execute
17 all documents and do all things necessary to accomplish the transaction herein and to make such changes
18 and enter into such documentation as necessary to effectuate the purposes hereof, the Authorized
19 Officer's execution thereof to be deemed said officers agreement to all changes and agreements. All
20 actions heretofore taken by said officers are hereby ratified.
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PASSED APPROVED AND ADOPTED this 22nd day of November, 2016.

DEBORAH ROBERTSON, Chairperson

ATTEST:

BARBARA McGEE, Secretary of the Rialto Public Financing Authority

APPROVED AS TO FORM:

FRED GALANTE, Rialto Public Financing Authority Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **RIALTO PUBLIC FINANCING AUTHORITY**)

4 I, Barbara McGee, Secretary of the Rialto Public Financing Authority, do hereby certify that
5 the foregoing Public Financing Authority Resolution No.____ was duly passed and adopted at a
6 regular meeting of the Rialto Public Financing Authority held on the ____ day of _____, 2016.

7 Upon motion of Chairperson _____, seconded by Chairperson _____, the
8 foregoing Public Financing Authority Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

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14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the Rialto
15 Public Financing Authority this ____ day of _____, 2016.

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18 **BARBARA MCGEE, SECRETARY OF THE**
19 **RIALTO PUBLIC FINANCING AUTHORITY**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**CONTRACT FOR LOAN GUARANTEE ASSISTANCE UNDER
SECTION 108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT
OF 1974, AS AMENDED, 42 U.S.C. §5308**

(DESIGNATED PUBLIC AGENCY AS BORROWER)

Date of Contract _____

This Contract for Loan Guarantee Assistance ("Contract") is entered into by the City of Rialto, California (the "Unit of General Local Government"), the Rialto Public Financing Authority, as the designated public agency Borrower (the "Borrower"), and the Secretary of Housing and Urban Development ("Secretary"), as guarantor for the Guarantee made pursuant to section 108 ("Section 108") of title I of the Housing and Community Development Act of 1974, as amended (the "Act"), and 24 CFR Part 570, Subpart M, of the promissory note executed contemporaneously herewith and numbered B-13-MC-06-0571 [Bud Bender Park Renovation], in the Maximum Commitment Amount of \$2,000,000, and any amended note or note issued in substitution for such note and having the same note number (the "Note"). This is the first Contract under the Funding Approval ("Commitment") of the same number, which was approved by the Secretary on May 30, 2014. The funds paid or credited to the account of the Borrower pursuant to the Note are referred to herein as the "Guaranteed Loan Funds." The Note (including the Fiscal Agency Agreement and the Trust Agreement as defined in Section I.A. of the Note and incorporated therein) is hereby incorporated into the Contract. Terms used in the Contract with initial capital letters and not otherwise defined in the text hereof shall have the respective meanings given thereto in the Note. The Fiscal Agency Agreement and the Trust Agreement are sometimes collectively referred to herein as the "Fiscal Agency/Trust Agreements," and the Fiscal Agent and the Trustee respectively are sometimes collectively referred to as the "Fiscal Agent/Trustee."

The Borrower has been designated by the Unit of General Local Government to act as its designated public agency for purposes of issuance of the Note and the initial receipt, deposit and withdrawal of the Guaranteed Loan Funds in accordance with Part II of this Contract. Any agreement or obligation of the Borrower under this Contract shall also be deemed a joint and several agreement or obligation of the Unit of General Local Government for purposes of this Contract, 24 CFR Part 570, Subpart M, and the Act.

PART I

- A. **The Note: Advances and Records.** The Note provides that Advances and Conversion Date Advances shall be made

thereunder upon the written request of the Borrower and the approval of the Secretary, pursuant to this Contract and the Fiscal Agency Agreement. The Commitment Schedule attached to the Note represents the principal repayment schedule for the Maximum Commitment Amount of the Note. At all times, the total amount of all Advances and Conversion Date Advances under the Note for all Principal Due Dates shall not exceed the Maximum Commitment Amount of the Note. Prior to the Conversion Date (as defined in the Note, Section I.A.), the total amount of Advances made by the Holder for each Principal Due Date under the Note shall not exceed the applicable Commitment Amount for such Principal Due Date set forth in the Commitment Schedule of the Note. Prior to the Conversion Date, the Borrower agrees that the Fiscal Agent pursuant to the Fiscal Agency Agreement shall record the date and amount of each payment and Advance under the Note and shall maintain the books and records of all Advances and Conversion Date Advances for each Principal Due Date, interest rates on Advances, payments, and Principal Amounts outstanding for each Principal Due Date. On and after the Conversion Date, the Borrower agrees that the Trustee pursuant to the Trust Agreement will maintain the books and records of all payments on the Note and all Principal Amounts and interest rates on such Principal Amounts (each as to be set forth on Schedule P&I to the Note). No advances of any kind may be made on the Note after its Conversion Date. All actions to be taken by Borrower hereunder may be taken by the Unit of General Government for Borrower.

- B. **Borrower's Requests for Advances.** All requests for Advances or Conversion Date Advances by the Borrower under the Note shall: be in writing, specify the amount of the Advance requested; identify the Note by Borrower, number and Maximum Commitment Amount; be addressed to the Secretary at the address for notices specified in paragraph 12(f) of this Contract; be signed by an authorized official of the Borrower; and otherwise be in the form prescribed by HUD. Advances and Conversion Date Advances shall be requested and will only be approved and made in increments of not less than \$1,000 for any Principal Due Date. A request for an initial Advance under a Note, or a request for a Conversion Date Advance, shall be received by the Secretary at least ten Business Days prior to the Borrower's proposed Funding Date or Conversion Date, as applicable. All other requests for Advances shall be received by the Secretary not less than five Business Days prior to the proposed Funding Date. The Borrower may not deliver a Note or a request for an Advance or Conversion Date Advance to the Secretary more than two calendar months prior to the Borrower's proposed Funding Date. At least two Business Days prior to the proposed Funding Date or Conversion Date if the Borrower's request was timely received, or the next available Funding Date for which the request was timely received, the Secretary shall, except

as otherwise provided in paragraph 11(c) or 12 hereof, deliver a corresponding Authorization Order or Advance Order (as applicable) to the Fiscal Agent in accordance with Section 2.03 or 2.04 of the Fiscal Agency Agreement for the applicable Funding Date or Conversion Date. If the Borrower requests an Advance or Conversion Date Advance of less than the outstanding Maximum Commitment Amount under the Note, the Borrower may also specify in its written request the amount of the Advance or Conversion Date Advance to be allocated to each Commitment Amount or Principal Amount per Principal Due Date under the Note. If the Borrower does not specify how the Advance or Conversion Date Advance should be allocated among Commitment Amounts/Principal Due Dates, the Borrower hereby authorizes the Secretary to direct the Fiscal Agent to allocate the Advance to the respective Commitment Amounts or Principal Amounts in order of the earliest Principal Due Date(s).

- C. **Conversion; Public Offering.** On the Conversion Date (if any), trust certificates backed by the Note (and similar notes issued by other Section 108 borrowers) will be purchased for a purchase price of the full principal amount thereof by underwriters selected by the Secretary (the "Underwriters") pursuant to an Underwriting Agreement between the Underwriters and the Secretary, at a closing on such Conversion Date as determined by the Secretary and the Underwriters. The Borrower agrees that the interest rate at which the trust certificate of a specified maturity is sold to the Underwriters shall govern the interest rate inserted on the Conversion Date in Schedule P&I of the Note for the Principal Amount of corresponding maturity.
- D. **Consents.** By execution of this Contract, the Borrower ratifies and consents to the Secretary's selection of the Underwriters and authorizes the Secretary to negotiate with the Underwriters the terms of the Underwriting Agreement and of the public offering of interests in the trust certificates to investors (including the applicable interest rates). In addition, by execution hereof the Borrower ratifies and consents to the Secretary's selection of the Fiscal Agent/Trustee and agrees to the respective terms of the Fiscal Agency/Trust Agreements. If Advances have been made in the Maximum Commitment Amount of the Note not less than ten Business Days prior to the proposed Conversion Date, or if the Borrower requests a Conversion Date Advance, the Borrower authorizes the Secretary to deliver Schedule P&I to the Note completed in accordance herewith to the Fiscal Agent/Trustee on the Conversion Date in accordance with the Fiscal Agency/Trust Agreements, concurrent with delivery of the Secretary's Guarantee of the trust certificates at the closing on the Conversion Date, and thereafter the Note shall be enforceable in accordance with its terms including Schedule P&I. In addition, the Secretary reserves the right

to notify the Borrower not less than one calendar month in advance of a specified Conversion Date that the Note will be sold to the Underwriters on such date, if the Secretary in his sole discretion determines that market conditions or program needs require the participation in the proposed public offering of all or substantially all Borrowers with outstanding Advances.

PART II

1. Receipt, Deposit and Use of Guaranteed Loan Funds.

(a) Except for funds deducted on the Conversion Date pursuant to paragraph 4(b) and fees and charges deducted by the Fiscal Agent/Trustee pursuant to paragraph 4(a), the Guaranteed Loan Funds shall be electronically transferred in accordance with the Borrower's instructions for deposit in a separate, identifiable account (the "Guaranteed Loan Funds Account") with a financial institution whose deposits or accounts are Federally insured. The Guaranteed Loan Funds Account shall be established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Deposit Account" (**Attachment 1**) and shall be continuously maintained for the Guaranteed Loan Funds. Such Letter Agreement must be executed when the Guaranteed Loan Funds Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.)

The Borrower shall make withdrawals from said account only for payment of the costs of approved Section 108 activities, for transfer to the Loan Repayment Account or for the temporary investment of funds pursuant to this paragraph 1(a). Such temporary investment of funds into the Guaranteed Loan Funds Investment Account shall be required within three Business Days after the balance of deposited funds exceeds the amount of the Federal deposit insurance on the Guaranteed Loan Funds Account. At that time, any balance of funds in the Guaranteed Loan Funds Account exceeding such insurance coverage shall be fully (100%) and continuously invested in Government Obligations, as defined in paragraph 10 hereof, held in the Guaranteed Loan Funds Investment Account.

All temporary investments, whether or not required as above, shall be limited to Government Obligations having maturities that are consistent with the cash requirements of the approved activities. In no event shall the investments mature on or after September 30, 2016, or have maturities which exceed one year. All such investments shall be held in trust for the benefit of the Secretary by the above financial

institution in an account (the "Guaranteed Loan Funds Investment Account") established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Investment Account" **(Attachment 2)**, which account shall be maintained for all Government Obligations purchased with funds from the Guaranteed Loan Funds Account. The Guaranteed Loan Funds Investment Account need only be established if and when the Borrower is required to invest, or otherwise invests, the Guaranteed Loan Funds in Government Obligations. Such Letter Agreement must be executed when the Guaranteed Loan Funds Investment Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.) All proceeds and income derived from such investments shall be returned to the Guaranteed Loan Funds Account.

All funds in the Guaranteed Loan Funds Account or the Guaranteed Loan Funds Investment Account must be withdrawn and disbursed by the Borrower for approved activities by September 30, 2016. Any funds remaining in either Account after this date shall be immediately transferred to the Loan Repayment Account established pursuant to paragraph 6 of this Contract.

(b) The Borrower shall by the fifteenth day of each month provide the Secretary with a written statement showing the balance of funds in the Guaranteed Loan Funds Account and the withdrawals from such account during the preceding calendar month, and a statement identifying the obligations and their assignments in the Guaranteed Loan Funds Investment Account.

(c) Upon the Secretary giving notice that the Borrower or the Unit of General Local Government is in Default under this Contract or the Note, all right, title, and interest of the Borrower and the Unit of General Local Government in and to the Guaranteed Loan Funds and Guaranteed Loan Funds Investment Accounts shall immediately vest in the Secretary for use in making payment on the Note, purchase of Government Obligations in accordance with paragraph 10, or payment of any other obligations of the Borrower or the Unit of General Local Government under this Contract or the Fiscal Agency/Trust Agreements.

2. **Payments Due on Note; Final Payment and Discharge.** The Borrower shall pay to the Fiscal Agent/Trustee, as collection agent for the Note, all amounts due pursuant to the terms of the Note. In accordance with the Note and the Fiscal Agency/Trust Agreements, payment shall be made by 3:00 P.M. (New York City time) on the seventh Business Day (the "Note Payment Date") preceding the relevant Interest Due Date or Principal Due Date (each as defined in the Note). If any Note Payment Date falls on a day that is not a Business Day,

then the required payment shall be made on the next Business Day. Payment may be made by check or wire transfer.

Upon final payment of all amounts due to Holders under the Note, including any payment made by the Secretary pursuant to the Guarantee, the Fiscal Agent/Trustee is required by the Fiscal Agency/Trust Agreements to return the Note to the Secretary. Upon final payment to the Secretary of any amounts due as a result of Guarantee Payments or otherwise due under this Contract, the Secretary will cancel and return the Note to the Borrower in discharge of the Borrower's obligations under the Note.

3. **Selection of New Fiscal Agent or Trustee.** The Secretary shall select a new Fiscal Agent or Trustee if the Fiscal Agent or Trustee resigns or is removed by the Secretary. The Borrower hereby consents in advance to any such selection and to any changes in the Fiscal Agency/Trust Agreements agreed to by any Fiscal Agent or Trustee and the Secretary, subject to paragraph 4(e) of this Contract.
4. **Payments Due Fiscal Agent or Trustee; Documents to the Secretary.**

(a) The Borrower agrees to pay the fees of the Fiscal Agent as required by Exhibit G to the Fiscal Agency Agreement, and any additional amounts that may be due pursuant to Section 6.01 of the Fiscal Agency Agreement. If not paid by the Borrower by any other means prior thereto, the Borrower agrees that any such fees or additional amounts that have been incurred prior to an Advance or a Conversion Date Advance may be deducted by the Fiscal Agent/Trustee from the proceeds of the Advance or Conversion Date Advance, as applicable.

(b) The Borrower agrees to pay the Borrower's share, as determined by the Secretary, of the customary and usual issuance, underwriting, and other costs related to the public offering and future administration of the Note and the trust certificates, as approved by the Secretary, including the cost of reimbursement and/or compensation of the Trustee pursuant to the Trust Agreement, including Sections 3.11 and 7.01 thereof. In connection with the public offering on the Conversion Date, such payment shall either be made by wire transfer to the Trustee on the day prior to the Conversion Date or shall be deducted from the Guaranteed Loan Funds on the Conversion Date.

(c) The Borrower shall submit to the Secretary not later than ten Business Days prior to the Funding Date for the initial Advance hereunder, or if not submitted earlier, prior to any Conversion Date or Public Offering Date applicable to the Note, this executed Contract, the executed Note, a request

for an Advance or a Conversion Date Advance (as applicable) in proper form, and an opinion acceptable to the Secretary from the Borrower's counsel to the effect that: (i) the governing body of the Borrower has authorized by resolution or ordinance, in accordance with applicable State and local law, the issuance of the Note and the execution of this Contract; (ii) the Note and this Contract are valid, binding, and enforceable obligations of the Borrower; (iii) the pledge of funds pursuant to 24 CFR 570.705(b)(2) and paragraph 5(a) of this Contract is valid and binding; and (iv) there is no outstanding litigation that will affect the validity of the Note or this Contract. At the same time, the Borrower shall submit an opinion acceptable to the Secretary from the Unit of General Local Government's counsel (which may be combined with the preceding opinion, if issued by the same counsel) to the effect that: (i) the governing body of the Unit of General Local Government has authorized this transaction by resolution or ordinance, in accordance with applicable State and local law, and has designated the Borrower to issue the Note and receive and administer the proceeds thereof; (ii) the pledge of funds pursuant to 24 CFR 570.705(b)(2) and paragraph 5(a) of this Contract is valid and binding; and (iii) there is no outstanding litigation that will affect the validity of this Contract. In addition, the Borrower shall submit any other additional documents or opinions specifically required by this Contract (e.g., paragraph 5(c), or paragraph 15, *et seq.*), at the time required thereby.

(d) The Borrower and the Unit of General Local Government agree to reimburse the Underwriters upon demand by the Secretary for the Borrower's share, as determined by the Secretary, of all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) incurred in connection with a proposed public offering, if the Underwriters incur such additional costs for the public offering because of any refusal, inability, or failure on the part of the Borrower or the Unit of General Local Government timely to submit in acceptable form any document required by this Contract (including paragraph 4(c)), or because of any withdrawal by the Borrower or the Unit of General Local Government from the public offering, after the Borrower has submitted a request for a Conversion Date Advance hereunder. By execution and delivery of this Contract to the Secretary, the Borrower and the Unit of General Local Government hereby expressly authorize the Secretary to pay amounts due under this paragraph from funds pledged under paragraph 5(a) of this Contract.

(e) The undertakings in paragraphs 3 and 4 of this Contract are expressly subject to the requirement that the Fiscal Agency/Trust Agreements shall in no event require payment of fees or charges, reimbursement of expenses, or any indemnification by the Borrower or the Unit of General Local Government from any source other than funds pledged pursuant

to paragraphs 5 or 15 *et seq.* of this Contract.

5. **Security.** The Unit of General Local Government and the Borrower hereby pledge as security for repayment of the Note, and such other charges as may be authorized in this Contract, the following:

(a) All allocations or grants which have been made or for which the Unit of General Local Government or the Borrower may become eligible under Section 106 of the Act, as well as any grants which are or may become available to the Unit of General Local Government or the Borrower pursuant to Section 108(q).

(b) Program income, as defined at 24 CFR 570.500(a)(or any successor regulation), directly generated from the use of the Guaranteed Loan Funds.

(c) Other security as described in paragraph 15, *et seq.*

(d) All proceeds (including insurance and condemnation proceeds) from any of the foregoing.

(e) All funds or investments in the accounts established pursuant to paragraphs 1 and 6 of this Contract.

6. **Loan Repayment Account.**

(a) All amounts pledged pursuant to paragraphs 5(b), 5(c), and 5(d) of this Contract shall be deposited immediately on receipt in a separate identifiable account (the "Loan Repayment Account") with a financial institution whose deposits or accounts are Federally insured. The Loan Repayment Account shall be established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Deposit Account" (**Attachment 1**) and shall be maintained for such pledged funds. The Loan Repayment Account need only be established if and when the Borrower receives amounts pledged pursuant to paragraph 5(b), 5(c) or 5(d). Such Letter Agreement must be executed when the Loan Repayment Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.) Borrower shall make withdrawals from said account only for the purpose of paying interest and principal due on the Note (including the purchase of Government Obligations in accordance with paragraph 10 hereof), for payment of any other obligation of the Borrower under this Contract or the Fiscal Agency/Trust Agreements, or for the temporary investment of funds pursuant to this paragraph, until final payment and discharge of the indebtedness evidenced by the Note, unless otherwise expressly authorized by the Secretary in writing. Such temporary investment of

funds shall be required within three Business Days after the balance of deposited funds exceeds the amount of the Federal deposit insurance on the Loan Repayment Account. At that time, the balance of funds in the Loan Repayment Account exceeding such insurance coverage shall be fully (100%) and continuously invested in Government Obligations, as defined in paragraph 10 hereof.

All temporary investments, whether or not required as above, shall be limited to Government Obligations having maturities that are consistent with cash requirements for payment of principal and interest as required under the Note. In no event shall the maturities of such investments exceed one year. All such investments shall be held in trust for the benefit of the Secretary by the above financial institution in an account (the "Loan Repayment Investment Account") established and designated as prescribed in the attached form document entitled "Letter Agreement for Section 108 Loan Guarantee Program Investment Account" (**Attachment 2**), which account shall be maintained for all Government Obligations purchased with funds from the Loan Repayment Account. Such Letter Agreement must be executed when the Loan Repayment Investment Account is established. (A fully executed copy of such Letter Agreement shall be submitted to the Secretary within thirty days of its execution.) All proceeds and income derived from such investments shall be returned to the Loan Repayment Account.

(b) Borrower shall by the fifteenth day of each month, provide the Secretary with a written statement showing the balance of funds in the Loan Repayment Account and the deposits and withdrawals of all funds in such account during the preceding calendar month and a statement identifying the obligations and their assignments in the Loan Repayment Investment Account.

(c) Upon the Secretary giving notice that the Borrower or the Unit of General Local Government is in Default under this Contract or the Note, all right, title, and interest of the Borrower and the Unit of General Local Government in and to the Loan Repayment and Loan Repayment Investment Accounts shall immediately vest in the Secretary for use in making payment on the Note, purchase of Government Obligations in accordance with paragraph 10, or payment of any other obligation of the Borrower or the Unit of General Local Government under this Contract or the Fiscal Agency/Trust Agreements.

7. **Use of CDBG, EDI or BEDI Funds for Repayment.** Any funds available to the Unit of General Local Government or the Borrower under Section 106 of the Act (including program income derived therefrom) are authorized to be used by the Borrower for payments due on the Note, Optional Redemption (as defined in the

Note), payment of any other obligation of the Borrower or the Unit of General Local Government under this Contract or the Fiscal Agency/Trust Agreements, or the purchase of Government Obligations in accordance with paragraph 10. Any funds specifically available to the Borrower or the Unit of General Local Government for such payments or as a debt service reserve under an EDI or BEDI Grant Agreement pursuant to Section 108(q) of the Act which supports the eligible project(s) and activities financed by the Note may also be used therefor; any other use of Section 108(q) funds for such purposes shall require the prior written approval of the Secretary. Unless otherwise specifically provided herein or unless otherwise expressly authorized by the Secretary in writing, the Borrower shall substantially disburse funds available in the Loan Repayment or the Loan Repayment Investment Accounts before funds from grants under Section 106 of the Act are withdrawn from the U.S. Treasury for such purposes.

8. **Secretary's Right to Restrict Use of CDBG Funds to Repayment.** Upon a determination by the Secretary that payments required by paragraph 2 and/or paragraph 4 of this Contract are unlikely to be made as specified, the Secretary may give the Unit of General Local Government and/or the Borrower notice that the availability to the Unit of General Local Government or the Borrower of funds pledged under paragraph 5(a) of this Contract for purposes other than satisfaction of the pledge is being restricted. This restriction shall be in an amount estimated by the Secretary to be sufficient to ensure that the payments referred to in paragraph 2 and/or paragraph 4 hereof are made when due. This restriction may be given effect by conditioning the restricted amounts to prohibit disbursement for purposes other than satisfaction of the pledge at the time such restricted funds are approved as grants, by limiting the Unit of General Local Government's and the Borrower's ability to draw down or expend the restricted funds for other purposes, and by disapproving payment requests submitted with respect to such grants for purposes other than satisfaction of the pledge.
9. **Secretary's Right to Use Pledged Funds for Repayment.** The Secretary may use funds pledged under paragraph 5(a) of this Contract or funds restricted under grants pursuant to paragraph 8 of this Contract to make any payment required of the Borrower under paragraph 2 and/or paragraph 4, if such payment has not been timely made by the Borrower.
10. **Defeasance.** For purposes of this Contract, after the Conversion Date the Note shall be deemed to have been paid (defeased) if there shall have been deposited with the Trustee either moneys or Government Obligations (as defined below), which in the sole determination of the Secretary, mature and bear interest at times and in amounts sufficient, together with any other moneys on deposit with the Trustee for such purpose, to pay when due the principal and interest to become due on the Note. The

Aggregate Principal Amount of the Note or any unpaid Principal Amount may be so defeased, in whole or in part, as of any Interest Due Date, or any other Business Day acceptable to both HUD and the Borrower. In accordance with the Note and the Trust Agreement, the Borrower shall give timely notice and written instructions to the Secretary and the Trustee concerning any principal amounts proposed to be defeased, including any Optional Redemptions proposed, which instructions shall be approved by the Secretary. If the unpaid Aggregate Principal Amount of the Note guaranteed pursuant to this Contract shall be defeased and deemed to have been paid in full, then the Borrower shall be released from all agreements, covenants, and further obligations under the Note.

"Government Obligation" means a direct obligation of, or any obligation for which the full and timely payment of principal and interest is guaranteed by, the United States of America, including but not limited to, United States Treasury Certificates of Indebtedness, Notes and Bonds - State and Local Government Series or certificates of ownership of the principal of or interest on direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System and has capital and surplus (exclusive of undivided profits) in excess of \$100,000,000.

11. **Default.** (a) A Default under the Note and this Contract shall occur upon failure by the Borrower or the Unit of General Local Government to:

(i) pay when due an installment of principal or interest on the Note; or (ii) punctually and properly perform, observe, and comply with any covenant, agreement, or condition contained in: (A) this Contract, (B) any security agreement, deed of trust, mortgage, assignment, Guarantee, or other contract securing payment of indebtedness evidenced by the Note, or (C) any future amendments, modifications, restatements, renewals, or extensions of any such documents.

(b) The Borrower and the Unit of General Local Government waive notice of Default and opportunity for hearing with respect to a Default under paragraph 11(a).

(c) In addition to Defaults under paragraph 11(a), the Secretary may declare the Note in Default if the Secretary makes a final decision in accordance with the provisions of section 111 of the Act and 24 CFR 570.913 (or any successor provisions), including requirements for reasonable notice and opportunity for hearing, that the Borrower or the Unit of General Local Government has failed to comply substantially with title I of the Act. Notwithstanding any other

provision, following the giving of such reasonable notice, the Secretary may, in the Secretary's sole discretion pending the Secretary's final decision, withhold the guarantee of any or all obligations not yet guaranteed on behalf of the Borrower or the Unit of General Local Government under outstanding commitments, suspend approval of any further Advances or Conversion Date Advances under the Note, and/or direct the Borrower's financial institution to: refuse to honor any instruments drawn upon, or withdrawals from, the Guaranteed Loan Funds Account or the Loan Repayment Account initiated by the Borrower, and/or refuse to release obligations and assignments by the Borrower from the Guaranteed Loan Funds Investment Account or the Loan Repayment Investment Account.

12. **Remedial Actions.** Upon a Default or declaration of Default under this Contract, the Secretary may, in the Secretary's sole discretion, take any or all of the following remedial actions:

(a) With any funds or security pledged under this Contract, the Secretary may: (i) continue to make payments due on the Note, (ii) make a prepayment under Section I.D. of the Note or make an acceleration payment with respect to the principal amount of the Note subject to Optional Redemption as provided in Section III of the Note, (iii) purchase Government Obligations in accordance with paragraph 10 of this Contract, (iv) pay any interest due for late payment as provided in the Note, this Contract, or the Fiscal Agency/Trust Agreements, (v) pay any other obligation of the Borrower under this Contract or the Fiscal Agency/Trust Agreements, and/or (vi) pay any reasonable expenses incurred by the Secretary or the Fiscal Agent/Trustee as result of the Borrower's Default.

(b) The Secretary may withhold the guarantee of any or all obligations not yet guaranteed or the disbursement of any or all grants not yet disbursed in full under outstanding guarantee commitments or grant approvals for the Borrower or the Unit of General Local Government under Sections 108 and/or 106 of the Act.

(c) The Secretary may withhold approval of any or all further Advances or Conversion Date Advances under the Note (if applicable); direct the Borrower's financial institution to refuse to: honor any instruments drawn upon, or withdrawals from, the Guaranteed Loan Funds Account or the Loan Repayment Account by the Borrower, and/or to release obligations and assignments by the Borrower from the Guaranteed Loan Funds Investment Account or the Loan Repayment Investment Account; and/or direct the Borrower and/or the Borrower's financial institution to transfer remaining balances from the Guaranteed Loan Funds Account to the Loan Repayment Account.

(d) Until the Conversion Date, or with respect to amounts

subject to Optional Redemption, the Secretary may accelerate the Note.

(e) The Secretary may exercise any other appropriate remedies or sanctions available by law or regulation applicable to the assistance provided under this Contract, or may institute any other action available under law to recover Guaranteed Loan Funds or to reimburse the Secretary for any payment under the Secretary's Guarantee or any reasonable expenses incurred by the Secretary as a result of the Default.

(f) All notices and submissions provided for hereunder shall be in writing (including by telex, telecopier or any other form of facsimile communication) and mailed or sent or delivered, as to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other party hereto. All such notices and other communications shall be effective when received as follows: (i) if sent by hand delivery, upon delivery; (ii) if sent by mail, upon the earlier of the date of receipt or five Business Days after deposit in the mail, postage prepaid; (iii) if sent by telex, upon receipt by the sender of an answer back; and (iv) if sent by telecopier, upon receipt.

The Secretary:

U.S. Dept. of Housing and Urban Development
Attention: Paul Webster, Director
Financial Management Division
451 7th Street SW, Room 7180
Washington, DC 20410

Borrower:

Rialto Public Financing Authority
Attn: George Harris, Treasurer
150 South Palm Avenue
Rialto, CA 92376

Unit of General Local Government:

City of Rialto, CA
Attn: George Harris, Director
Administrative and Community Services
150 South Palm Avenue
Rialto, CA 92376

13. **Limited Liability.** Notwithstanding any other provision of this Contract, the Fiscal Agency/Trust Agreements or the Note, any recovery against the Borrower and/or the Unit of General Local Government for any liability for amounts due pursuant to the Note, the Fiscal Agency/Trust Agreements or this Contract shall be limited to the sources of security pledged in paragraph 5 or any Special Conditions in paragraph 15 of this Contract. Neither the general credit nor the taxing power of the Borrower, the Unit of General Local Government or of the State in which the Borrower is located, is pledged for any payment due under the Note, the Contract, or the Fiscal Agency/Trust Agreements.
14. **Incorporated Grant Agreement.** The Contract and the Note are hereby incorporated in and made a part of the Grant Agreement authorized by the Secretary on August 13, 2013, under the Funding Approval for grant number B-13-MC-06-0571 to the Unit of General Local Government. In carrying out activities with the Guaranteed Loan Funds hereunder, the Borrower and the Unit of General Local Government agree to comply with the Act and 24 CFR Part 570, as provided in Subpart M thereof.
15. **Special Conditions and Modifications:**
- (a) The Borrower pledges as security for repayment of the Note, and such other charges as may be authorized in this Contract, the following:
 - "(c) A sole first priority lien in the name of the Secretary on the real property described in **Attachment 3** hereof (the 'Property'), established through an appropriate and properly recorded mortgage (the 'Mortgage'). The Mortgage shall contain such provisions as the Secretary deems necessary."
 - (b) Guaranteed Loan Funds shall be used by the Borrower for the following activities in connection with the Bud Bender Park Renovation (the "Project"), as described in the Unit of General Local Government's HUD-approved application for loan guarantee assistance:
 - (i) Construction, reconstruction, rehabilitation or installation of public facilities, under 24 CFR 570.703(l), to the extent eligible under 24 CFR 570.201(c).
 - (c) Unless otherwise agreed to by the Secretary in writing, the Borrower shall select a financial institution acceptable to the Secretary (the "Custodian") to act as custodian for the documents specified in (d) below (hereinafter referred to as the "Security Documents"). The Borrower and the Custodian shall enter into a written agreement containing such provisions as the

Secretary deems necessary. The Borrower shall transmit the following to the Secretary contemporaneously with delivery of the documents pursuant to (d) below: (i) a fully executed original of the agreement with the Custodian, with original signatures; and (ii) electronic copies of all documents delivered to the Custodian.

- (d) Not later than five business days after receipt by the Borrower of the Guaranteed Loan Funds, the Borrower shall deliver to the Custodian, or as otherwise agreed to by the Secretary, the following:
- (i) The original recorded Mortgage signed by the mortgagor securing repayment of the indebtedness evidenced by the Note.
 - (ii) A mortgagee title policy, issued by a company and in a form acceptable to the Secretary, naming the Secretary as the insured party.
 - (iii) A certified survey with a legal description conforming to the title policy and the Mortgage.
 - (iv) An appraisal of the fee simple ownership interest in the Property specifying an estimate of fair market value of not less than 125 percent (125%) of the principal balance of the Note plus any outstanding balance on other indebtedness secured by a mortgage lien of lower priority on the Real Property. The appraisal shall be completed by an appraiser who is certified by the state and has a professional designation (such as "SRA" or "MAI"), and shall conform to the standards of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA").
 - (v) An opinion of Borrower's counsel on its letterhead, addressed and satisfactory to the Secretary, that the Mortgage is a valid and legally binding obligation, recorded in the land records and enforceable in accordance with its terms.
- (e) Paragraph 12 is amended by adding at the end thereof the following language:
- "(g) The Secretary may exercise any appropriate remedies to enforce the lien on the Property referred to in paragraph 15(a), amending paragraph 5(c)."
- (f) If any one or more of the covenants, agreements, provisions, or terms of this Contract shall be for any

reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Contract and shall in no way affect the validity or enforceability of the other provisions of this Contract or of the Note or the rights of the Holder thereof.

(g) Additional Grounds for Default. Notice of Default. Restriction of Pledged Grants. Availability of Other Remedial Actions.

- (i) The Borrower and the Unit of General Local Government acknowledge and agree that the Secretary's guarantee of the Note is made in reliance upon the availability of grants pledged pursuant to paragraph 5(a) (individually, a "Pledged Grant" and, collectively, the "Pledged Grants") in any Federal fiscal year subsequent to the Federal fiscal year ending September 30, 2014 to: (A) pay when due the payments to become due on the Note, or (B) defease (or, if permitted, prepay) the full amount outstanding on the Note. The Borrower and the Unit of General Local Government further acknowledge and agree that if the Secretary (in the Secretary's sole discretion) determines that Pledged Grants are unlikely to be available for either of such purposes, such determination shall be a permissible basis for any of the actions specified in paragraphs (ii) and (iii) below (without notice or hearing, which the Borrower and the Unit of General Local Government expressly waive).
- (ii) Upon written notice from the Secretary to the Borrower and the Unit of General Local Government at the address specified in paragraph 12(f) above that the Secretary (in the Secretary's sole discretion) has determined that Pledged Grants are unlikely to be available for either of the purposes specified in (A) and (B) of paragraph (i) above (such notice being hereinafter referred to as the "Notice of Impaired Security"), the Secretary may limit the availability of Pledged Grants by withholding amounts at the time a Pledged Grant is approved or by disapproving payment requests (drawdowns) submitted with respect to Pledged Grants.
- (iii) If after 60 days from the Notice of Impaired Security the Secretary (in the Secretary's sole discretion) determines that Pledged Grants are still unlikely to be available for either of the purposes specified in (A) and (B) of paragraph (i)

above, the Secretary may declare the Note in Default and exercise any and all remedies available under paragraph 12. This paragraph (iii) shall not affect the right of the Secretary to declare the Note and/or this Contract in Default pursuant to paragraph 11 and to exercise in connection therewith any and all remedies available under paragraph 12.

- (iv) All notices and submissions provided for hereunder shall be submitted as directed in paragraph 12(f) above.

[Rest of Page Intentionally Left Blank]

THE UNDERSIGNED, as authorized officials on behalf of the Borrower, the Unit of General Local Government and the Secretary, have executed this Contract for Loan Guarantee Assistance, which shall be effective as of the date of execution hereof on behalf of the Secretary.

Rialto Public Financing Authority
BORROWER

BY: _____
(Signature)

(Name)

(Title)

Date: _____

UNIT OF GENERAL LOCAL GOVERNMENT

BY: _____
(Signature)

(Name)

(Title)

Date: _____

**SECRETARY OF HOUSING AND URBAN
DEVELOPMENT**

BY: _____
(Signature)

(Name)

(Title)

Date: _____

**SUBRECIPIENT AGREEMENT
(Designated Public Agency as Borrower)**

Date: _____

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is entered into by and between the City of Rialto (“City”), a municipal corporation that is a Community Development Block Grant (CDBG) Entitlement Program grantee and recipient of a Section 108 Guaranteed Loan Program commitment, and the Rialto Public Financing Authority (“DPA”), is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California. City and DPA are collectively referred to herein as the “Parties.”

WHEREAS, the Parties, and the U.S. Department of Housing and Urban Development (“HUD”) will enter into a CONTRACT FOR LOAN GUARANTEE ASSISTANCE UNDER SECTION 108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED, 42 U.S.C. SECTION 5308 in accordance with HUD’s commitment dated May 30, 2014, (“HUD Contract”), to provide loan guarantee assistance in the maximum commitment amount of \$2,000,000.00 to finance certain activities in connection with the renovation of Bud Bender Park (the “Project”); and

WHEREAS, the HUD Contract includes provisions for financing activities related to the Project. This activity is eligible under *24 CFR 570.703(l)*; and

WHEREAS, the City is a public entity that, pursuant to 42 U.S.C. 5308(a), may designate a public agency to issue debt obligations as a borrower under the Section 108 Loan Guarantee program; and

WHEREAS, the City desires that the DPA receive the Guaranteed Loan Funds (as defined in the HUD Contract) for activities to further the Project for City, and has designated the DPA to issue one or more debt obligations (“Note” or “Notes”) as a borrower under the Section 108 Loan Guarantee program in furtherance of the Project; and

WHEREAS, the DPA desires to issue the Note or Notes to be Guaranteed by HUD pursuant to the HUD Contract, and to take any steps necessary to receive the Guaranteed Loan Funds and to carry out the Project by providing the proceeds of the Note to City to undertake the Project, and the DPA is authorized to take these actions; and

WHEREAS, pursuant to 24 CFR 570.503, City and DPA must execute a written agreement containing specific provisions prior to the distribution of any Guaranteed Loan Funds:

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreement set forth herein, the Parties do hereby agree as follows:

SECTION 1. TERM

This Agreement and its terms and conditions contained herein shall continue throughout the loan repayment period of the Note or Notes issued by the DPA, during any period in which the DPA will undertake work as described in Section 2 below, and during any period in which the DPA has control over Guaranteed Loan Funds or other CDBG program assets, including Program Income (as defined by 24 CFR 570.500).

The DPA's obligation to the City shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, Program Income balances, and accounts receivable to the City), and determining the custodianship of records.

SECTION 2. STATEMENT OF WORK

A. Description of Work to be Performed

DPA shall provide the Guaranteed Loan Funds to City, and City shall use said funds as provided hereunder for DPAs use.

DPA shall use the Guaranteed Loan Funds for the activities eligible under HUD's Section 108 Loan Guarantee program, as described below. The activities shall be completed in a manner satisfactory to the City and consistent with all conditions and terms of the HUD Contract, this agreement, and applicable Federal statutes and regulations. DPA hereby designates City as its agent to perform the work required hereunder.

The DPA shall not assign or transfer any interest or duty in this Agreement without the prior written consent of the City. The DPA shall not subcontract to complete the activities in this scope of work without prior approval from the City.

The DPA shall ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements described in this Agreement. Executed copies of all subcontracts shall be forwarded to the City, along with documentation concerning the selection process. The DPA shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement. DPA must monitor

all subcontractors to ensure compliance with the requirements of this agreement and the HUD Contract.

The DPA shall monitor the park improvements to ensure the loan funds are used for the Project. The proposed park improvements include, but are not limited to, the regrading of the field areas, reconstruction of restroom facilities to meet ADA requirements, reconstruction of the parking areas to include ADA compliance and the improvements to other elements of the park as needed.

The Project calls for the redesign of the existing sports field areas reducing the number of baseball fields from three (3) to two (2). The improvements includes re-grading the existing fields, installing new backstops and related amenities, fencing, trees, water efficient irrigation system, bleachers, dugout, and lighting. The redesigned baseball fields will result in two fields meeting the regulation size required versus having none being regulation size. In addition the reconfiguration provides an area for local resident to partake in other activities such as soccer, football, etc. which is currently limited due to having three (3) fields.

The Project also calls for the renovation of the passive recreation and play areas; playground equipment; construction of new ADA compliant restrooms; installation of new park and ball field lighting; installation of a community garden; security fencing; installation of new landscaping to include new trees and water efficient irrigation system; benches; park signage; and permanent trash receptacles. The Project also calls for new walking paths throughout the parks.

Finally, the Project calls for the renovation (and expansion) of two existing parking lots. The main parking lot located at the southwest corner of the park will contain 99 parking stalls plus four (4) additional handicapped accessible parking stalls. A second parking lot located on the northwest corner of the park will include an additional 15 parking stalls with one (1) of the stalls being a handicapped accessible parking stall. In total, 114 parking stalls plus five (5) handicapped accessible parking stalls are approved.

All of the proposed facilities will be developed in accordance with current building codes to include the Americans with Disability Act (ADA) requirements. The DPA shall ensure that the Section 108 funds will be used to complete the construction of the aforementioned Project as well as to pay for the construction management activities and project management services.

B. Schedule for Completing Work

DPA shall perform and complete the activities described in Section 2.A. in conformance with the following schedule:

<i>Bud Bender Park Renovation</i>	
Project Implementation Schedule	
<i>Milestone</i>	<i>Target Date</i>
Phase 1: Preparation of Bid Document	2/1/2015
Phase 2: Pre-Bid	4/16/2015
Phase 3: Bid Opening	6/4/2015
Phase 4: Contract Award	7/14/2015
Phase 5: Pre-Construction / Notice to Proceed	8/15/2015
Phase 6: Mid-Construction	1/30/2015
Phase 7: Construction Completed	5/1/2016
Phase 8: Post Construction/Labor Clearance	6/30/2016

C. Line Item Budget

DPA shall perform the work described in Section 2.A., in accordance with the schedule described in Section 2.B., through the expenditure of Guaranteed Loan Funds in accordance with the budget that is attached hereto as **Exhibit “A.”**

SECTION 3. RECORDS

For at least four (4) years after the expiration of this agreement and after the Note or Notes are fully satisfied, DPA shall establish and maintain sufficient records and other documentation to enable the Secretary to determine whether the DPA has met the requirements of the HUD Contract and the regulations at 24 CFR part 570. Notwithstanding the four (4) year record retention requirement, if litigation, claims, audits, negotiations or other actions that involve any of the records cited and begin before the expiration of the four-year period, then the records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

At a minimum, the DPA must maintain records required by 24 CFR 570.506 related to the activities carried out by DPA through the use of Guaranteed Loan Funds under this Agreement. Records related to the Project, the HUD Contract, or the Note or Notes may be reviewed by the City or by HUD at any time upon request.

Records to be maintained by DPA shall include, but are not limited to:

- A. Records providing a full description of each activity assisted with Guaranteed Loan Funds (including its location, the amount of Guaranteed Loan Funds budgeted, obligated, and expended, and the provision in 24 CFR part 570 subpart M under which the activity is eligible);
- B. Records demonstrating that each activity undertaken meets one of the national objective criteria set forth at 24 CFR 570.208 for the national objective as outline at: 24 CFR 570.208(a)(1)- Activities benefiting low- and moderate-income persons- Area benefit activities. The Project involves a local park serving an area of approximately 1.5 square miles. The Project will serve an area that is predominately a low-and-moderate income area. In accordance with the currently HUD adopted Census Data, a total of 57.89% of the residents of the area are considered to be low-and-moderate-income.
 - a. Where information on income by family size is required, the recipient may substitute evidence establishing that the person assisted qualifies under another program having income qualification criteria at least as restrictive as that used in the definitions of “low and moderate income person” and “low and moderate income household” (as applicable) at §570.3, such as Job Training Partnership Act (JTPA) and welfare programs; or the recipient may substitute evidence that the assisted person is homeless; or the recipient may substitute a copy of a verifiable certification from the assisted person that his or her family income does not exceed the applicable income limit established in accordance with §570.3; or the recipient may substitute a notice that the assisted person is a referral from a state, county or local employment agency or other entity that agrees to refer individuals it determines to be low and moderate income persons based on HUD's criteria and agrees to maintain documentation supporting these determinations.
 - b. For each activity determined to benefit low and moderate-income persons, the income limits applied and the point in time when the benefit was determined.
- C. Records demonstrating determination of eligibility of activities in accordance with applicable regulations in 24 CFR part 570, if required by 24 CFR 570.506(c);
- D. Records which demonstrate compliance with 24 CFR 570.505 regarding any change of use of real property acquired or improved with Guaranteed Loan Funds;
- E. Records identified in 24 CFR 570.506(g), demonstrating compliance with fair housing and equal opportunity laws;

- F. Financial records in accordance with applicable requirements of 24 CFR 570.502, as amended to conform to applicable requirements of 2 CFR part 200, including records necessary to demonstrate compliance with all procurement requirements of 24 CFR part 570; and
- G. Records necessary to document compliance with other laws and regulations set forth in 24 CFR part 570 subpart K.

SECTION 4. PROGRAM INCOME

DPA shall abide by any and all applicable CDBG Program Income requirements, as modified by paragraph 5(b) of the HUD Contract. The City and the DPA pledge any Program Income as security for repayment of the Note as defined in the HUD Contract. Unless the HUD Note or Notes are fully satisfied, DPA shall abide by paragraph 6 of the HUD Contract by depositing all Program Income derived from the use of Guaranteed Loan Funds in the Loan Repayment Account identified in the HUD Contract.

After the HUD Note or Notes are fully satisfied, at the end of the program year, the DPA shall remit any Program Income balances (including investments thereof) held by the DPA to the City.

DPA shall pay to City, in accordance with 24 CFR 570.503(b)(7), any Program Income on hand when this Agreement expires.

SECTION 5. UNIFORM ADMINISTRATIVE REQUIREMENTS

- A. **General.** DPA shall comply with any and all applicable uniform administrative requirements, as may be amended.
- B. **Procurement.** The DPA shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with Guaranteed Loan Funds. All program assets (unexpended Program Income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

The DPA shall procure all materials, property, or services in accordance with the uniform procurement requirements applicable to Federal awards.

SECTION 6. COMPLIANCE WITH FEDERAL REGULATIONS

DPA shall use the Guaranteed Loan Funds in compliance with all applicable Federal laws and regulations described in subparts A, C, J, K, M, and O of part 570, title 24 of the Code of Federal Regulations, as modified by the HUD Contract, except that:

- A. DPA does not assume the City's environmental responsibilities set forth in Section 570.604.
- B. DPA does not assume the City's responsibility for initiating the review process pursuant to 24 CFR part 52.

SECTION 7. SUSPENSION AND TERMINATION, NONCOMPLIANCE

Termination or suspension of HUD's loan guarantee commitment may occur if DPA materially fails to comply with any Federal statutes, regulations, or terms and conditions of the Federal award, any terms of the HUD Contract or this Agreement, or any of the conditions set forth herein governing the use of the Guaranteed Loan Funds. Termination or suspension of any portion of HUD's commitment shall not excuse or release DPA from payment obligations under any Note or Notes issued by the DPA in accordance with the HUD Contract, and may not excuse or release DPA from performance of its obligations under this Agreement, the HUD Contract, or other agreement related to the Project.

If the DPA fails to comply with any conditions of this Agreement, the HUD Contract, or any agreement related to the Project, the City may exercise any remedies available under 2 CFR part 200, including 2 CFR §§ 200.338, 200.339, or Federal or State law.

SECTION 8. REVERSION OF ASSETS

Upon expiration of this Agreement, DPA shall transfer to City any Guaranteed Loan Funds on hand at the time of expiration, any assets acquired with Guaranteed Loan Funds or Program Income, and any accounts receivable attributable to the use of such funds.

SECTION 9. REAL PROPERTY REMAINING

DPA shall ensure that any real property under the DPA's control that was acquired or improved in whole or in part with Guaranteed Loan Funds in excess of \$25,000 must comply with the regulation at 24 CFR 570.505, as may be amended. Generally, property acquired with Guaranteed Loan Funds must be:

- A. Used to meet one of the national objectives set forth in 24 CFR 570.208 for at least five (5) years after expiration of this Agreement; or

- B. If any such real property is not used in accordance with Subsection A. above, DPA shall pay City an amount equal to the current market value of the property, less any portion of the value attributable to the expenditures of non-Guaranteed Loan Funds for the acquisition of, or improvement to, the property. No payment to City is required after the period of time described in Subsection A. above.

SECTION 10. REPORTS AND AUDITS

Every six (6) months, DPA shall submit a report to the City detailing the progress towards completion of the Project and compliance with the scope of work, schedules and budget described in this agreement, expenditures of Guaranteed Loan Funds, an account of all Program Income generated with the use of the Guaranteed Loan Funds, property acquisitions made with Guaranteed Loan Funds or Program Income, and any remaining balances of the Guaranteed Loan Funds.

As required by the HUD Contract, DPA shall by the fifteenth day of each month provide HUD with a written statement showing the balance of funds in the Guaranteed Loan Funds Account (as defined in the HUD Contract) and the withdrawals from the Guaranteed Loan Funds Account during the preceding calendar month, and a statement identifying the obligations and their assignments in the Guaranteed Loan Funds Investment Account. DPA shall provide City with a copy of this statement.

As required by the HUD Contract, DPA shall by the fifteenth day of each month, provide HUD with a written statement showing the balance of funds in the Loan Repayment Account (as defined in the HUD Contract) and the deposits and withdrawals of all funds in the Loan Repayment Account during the preceding calendar month and a statement identifying the obligations and their assignments in the Loan Repayment Investment Account. DPA shall provide City with a copy of this statement.

All DPA records with respect to any matters covered by this Agreement shall be made available to the City, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the DPA within 30 days after receipt by the DPA. Failure of the DPA to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The DPA hereby agrees to have an annual agency audit conducted in accordance with current City policy concerning DPA audits and 2 CFR part 200 (formerly OMB Circular A-133).

SECTION 10. TRANSFER OF PROPERTY. As consideration for the DPA undertaking the loan transaction described in the Agreement and accompanying documents, the City shall transfer to DPA the property which constitutes the Project and which is described on the deed transferring the property to DPA attached as Exhibit A hereto. Pursuant to the Note and Contract for Loan Assistance, the DPA will execute a deed of trust in favor of HUD, which deed of trust is attached hereto as Exhibit B.

In connection with the transfer City shall provide to DPA a ATLA title policy insuring DPA's interest in the land and any other title requirements listed in the Contract for Loan Guarantee Assistance under Section 108 08 of the Housing and Community Development Act of 1974, as amended,42 U.S.C. Section 5308. Following repayment of the Note, DPA shall transer the property back to the City.

SECTION 11. GENERAL

- A. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.
- B. The City's failure to act with respect to a breach by the DPA does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.
- C. This agreement, together with other documents and agreements referenced herein, constitutes the entire agreement between the City and the DPA for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the City and the DPA with respect to this Agreement.
- D. Any amendments to this agreement must be in writing and signed by the Parties.

THE UNDERSIGNED, as authorized representatives on behalf of the City or the DPA, have executed this Agreement, which shall be effective as of the date first written above.

[name of DPA]

[signature]

[title]

[date]

[name of City]

[signature]

[title]

[date]



Legislation Details (With Text)

File #: 16-788 Version: 1 Name: TAB 3
 Type: Public Hearing Status: Agenda Ready
 File created: 11/9/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Conduct a Public Hearing to introduce for first reading Ordinance No. 1582 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTIONS 1.10.020, 1.10.30, 1.10.040, 1.10.050, 1.10.060, 1.10.070, 1.10.080, AND 1.10.090 OF THE RIALTO MUNICIPAL CODE, TO PROVIDE FOR PROCEDURES TO ADMINISTER ADMINISTRATIVE FINES WITH SHORTENED TIME FOR IMPOSING FINES"; reading by title only and waiving further reading thereof. (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance -final](#)
[Ordinance - redlined](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Mat Fratus, Fire Chief

Request City Council to Conduct a Public Hearing to introduce for first reading Ordinance No. 1582 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTIONS 1.10.020, 1.10.30, 1.10.040, 1.10.050, 1.10.060, 1.10.070, 1.10.080, AND 1.10.090 OF THE RIALTO MUNICIPAL CODE, TO PROVIDE FOR PROCEDURES TO ADMINISTER ADMINISTRATIVE FINES WITH SHORTENED TIME FOR IMPOSING FINES"; reading by title only and waiving further reading thereof. (ACTION)

BACKGROUND:

Chapter 1.10 of the Rialto Municipal Code (RMC) defines the process by which administrative citations can be issued and subsequent fines levied by the City. The current language narrowly defines who can issue these citations, and defines an administrative process that is cumbersome for both the City and the citee. Furthermore, the current code language calls for a mandatory 15 day period to expire after a citation is issued before a fine can be levied. While this provision works satisfactorily in most cases, it is ineffective when applied to significant violations that create an immediate danger to life and health.

To correct these items and streamline the processes associated with issuance and appeals of administrative citations, staff is recommending that Council adopt revisions to Section 1.10 of the RMC as shown in Attachment 1.

ANALYSIS/DISCUSSION:

The RMC serves as a collection point for various City ordinances including those that pertain to land use, building construction and maintenance, and fire/life-safety codes. The RMC is a public document that can be referenced by community members for clarification on such codes. The City takes steps to ensure compliance with these codes through public education, a regular inspection process, and effective communication with community members when potential infractions are found. Community members generally comply willingly with the City's codes and ordinances. However, there are occasions where the City must take steps to mandate compliance if a property owner refuses to comply within a reasonable time frame.

One of the tools used to encourage compliance in these cases is the issuing of administrative citations and imposing related fines and as defined in Chapter 1.10 of the RMC. These citations can carry a fine of not less than \$100 and up to \$1,000 per day that the violation exists. Section 1.10.040 (C) of the RMC states that these fines shall not become effective for 15 days following the date of issue. If the violation is corrected within the 15 days, no fines may be imposed.

While the 15 day period is reasonable for the majority of infractions, there are cases where the nature of the infraction constitutes a significant threat to health and safety. In these cases, the enforcing agency must take steps to mitigate the hazardous condition, typically within 72 hours or less. If the property owner does not comply with required mitigation steps within this prescribed timeframe, the City will have to take immediate steps to mitigate the hazard using City resources. These steps can include restricting access to the hazardous building/area, ceasing all operations until the hazard is corrected, and/or physically mitigating the hazard using City staff or contracted services.

While situations of this magnitude are rare, they represent a significant drain on City resources and place the public at risk. Because the City will ensure that the infraction is mitigated long before the 15 day compliance period expires, the responsible property owner is effectively insulated from any fines associated with their failure to comply under the current code. This minimizes the motivation for compliance that the fines were designed to create not only for current infractions, but for preventing future infractions as well.

The proposed amendments to the RMC would retain the 15 day compliance period for the majority of infractions. Only in cases where the Fire Chief or the Building and Code Enforcement Manager determine that an infraction constitutes a significant threat to life and health will a timeframe of less than 15 days be established for the purpose of imposing a fine. The specific timeframe will be determined by the Fire Chief or Building and Code Enforcement Manager and will be based on the nature of the infraction and the level of threat that it may pose to life and/or property. In all cases, the City's representatives will work with the property owner to develop an effective and reasonable plan for compliance. A reduction of the compliance period does not affect the citee's right to request an administrative hearing.

Staff also recommends changes in this code section that deals with the issuance and appeal process of such citations and fines. The current language restricts issuance of a citation to Code Enforcement Officers. Staff recommends that this language be broadened and use the definition of "Authorized Enforcement Officer", which is an employee of the City appointed by the City Administrator to obtain

compliance with City codes. This could include Code Officers, Fire Inspectors, and Building Inspectors. While an Authorized Enforcement Officer may issue citations, only the Fire Chief and Building and Code Enforcement Manager may reduce the 15 day compliance period for fines.

Staff also finds that the current appeal process is inefficient in that it requires the Director of Development Services to coordinate the administrative hearing process for all citations, even those that were not generated by his/her division. The proposed changes in this code section place these responsibilities on the department head of the division that generated the citation.

ENVIRONMENTAL IMPACT:

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. By definition, a Project does not include: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment according to Section 15378 (b)(4) of CEQA.

GENERAL PLAN CONSISTENCY:

Our City government will lead by example, and will operate in an open, transparent and responsive manner that meets the needs of the citizens and is a good place to do business. This action is also consistent with the following policy:

Policy 5-3:1 Provide for fire personnel, equipment, and fire stations to have adequate and appropriate resources to meet the needs and serve all areas of rialto.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and proposed ordinance

FINANCIAL IMPACT:

No additional revenues or expenditures will be incurred as a result of this action, however, it may create efficiencies improving collections.

RECOMMENDATION:

Staff recommends that the City Council to Conduct a Public Hearing for the First Reading of Ordinance No. ____ entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTIONS 1.10.020, 1.10.30, 1.10.040, 1.10.050, 1.10.060, 1.10.070, 1.10.080, AND 1.10.090 OF THE RIALTO MUNICIPAL CODE, TO PROVIDE FOR PROCEDURES TO ADMINISTER ADMINISTRATIVE FINES WITH SHORTENED TIME FOR IMPOSING FINES"; reading by title only and waiving further reading thereof

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTIONS 1.10.020, 1.10.30, 1.10.040, 1.10.050, 1.10.060, 1.10.070, 1.10.080, AND 1.10.090 OF THE RIALTO MUNICIPAL CODE, TO PROVIDE FOR PROCEDURES TO ADMINISTER ADMINISTRATIVE FINES WITH SHORTENED TIME FOR IMPOSING FINES.

WHEREAS, Government Code section 53069.4 authorizes local agencies to adopt ordinances to create administrative procedures to govern the imposition, enforcement, collection, and administrative review by the local agency of those administrative fines or penalties;

WHEREAS, the purpose of Government Code section 53069.4 is to allow for a more efficient enforcement of the local agencies' code without resorting to criminal or civil court;

WHEREAS, Government Code section 53069.4(2) requires "a reasonable time, as specified in the ordinance, for person responsible for a continuing violation to correct or otherwise remedy the violation prior to the imposition of administrative fines or penalties, when the violation pertains to building, plumbing, electrical, or other similar structural or zoning issues, that do not create an immediate danger to health or safety."

WHEREAS, in 2008 the City added Chapter 1.10- Administrative Fines as authorized by Government Code section 53069.4.

WHEREAS, Chapter 1.10 currently gives recipients of administrative citations 15 days to correct the violation or violations;

WHEREAS, City Council recognize not all violations of the municipal code require 15 days to correct the violation, as not all violations are continuing and/or the violation poses an immediate danger to health and safety;

WHEREAS, to provide for situations where the violation of the code is not a continuing violation or the violation is an immediate danger to health and safety, City Council desires to amend sections of Chapter 1.10 to allow for more flexibility in determining reasonable time to correct violations or give no time to correct violations because there is nothing to correct;

WHEREAS, the purpose of this chapter is to protect the public health, safety and welfare, in an efficient manner by providing an administrative fine process to enforce the Rialto Municipal Code.

1 It is within the city’s authority under its police power to implement and enforce the provisions of this
2 chapter.

3 NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO FINDS AND
4 ORDAINS AS FOLLOWS:

5 **Section 1.** The above recitals are all true and correct and are hereby adopted as findings.

6 **Section 2.** The Rialto Municipal Code, at Section 1.10.020, entitled “Definitions,” shall be
7 amended to read as follows, with the revised language displayed in redline format (additions
8 underlined and deletions stricken out) and all other provisions of Section 1.10.020 remaining
9 unmodified and in full force and effect:

10 “1.10.020 - Definitions.

11

12
13 "Authorized enforcement officer" means an employee of the city
14 appointed by the city administrator to obtain compliance with the code and
15 to issue citations if necessary to gain compliance.

16
17 "Department" means a specific division of the City’s administrative
18 structure.

19 "Department Director" means the person appointed to have primary
20 oversight of the City department that issues a citation and/or fine.

21
22 “Fire Chief” means the Fire Chief of the City of Rialto as established in
23 sec. 2.34.030 of this code.

24 "Payment order" means the proceedings under this chapter commencing
25 with the issuance of a citation to a citee that culminates in establishing the
26 amount of a fine or fines owed to the city by a citee pursuant to
27 Subsections 1.10.050(E), 1.10.050(F), 1.10.060(G), 1.10.060(H),
28 1.10.070(D) or 1.10.070(E). Said payment order also shall constitute a
money judgment in favor of the city against the citee, which the city may
file with the Superior Court and entitle the city to all judicial remedies for
collection.”

1 **Section 3.** The Rialto Municipal Code, at Section 1.10.030 (B)(C)(D)(E), entitled
2 “Administrative citations,” shall be amended to read as follows, with the revised language displayed
3 in redline format (additions underlined and deletions stricken out) and all other provisions of Section
4 1.10.030 remaining unmodified and in full force and effect:

5 “1.10.030 - Administrative citations.

6
7

8 B. An authorized enforcement officer may issue an administrative
9 citation to a person to remedy any violation.

10 C. A person to whom an administrative citation has been issued shall
11 be liable for and shall pay to the city the fine or fines described in the
12 citation, unless such person challenges the imposition of such fines and is
relieved of such fine or fines pursuant to subsection D below.

13 D. For any violation of the City’s adopted code that does not create or
14 result in an immediate danger to health or safety, the person to whom an
15 administrative citation has been issued shall be liable for and shall pay to
16 the city the fine unless (i) such person corrects the violation or violations
17 described in the citation within the period specified in the citation or (ii)
18 such person challenges the imposition of such fine or fines as provided in
19 Sections 1.10.050-1.10.080 and is relieved of the obligation to pay any
20 such fine or fines. However, the payment of such a fine or fines shall not
relieve any person from any violation for which such fine or fines have
been imposed and paid. Any such person shall continue to be responsible
for complying with the provisions of this code and correcting any and all
violations.

21 E. Each administrative citation shall contain the following
22 information:

23

24 6. The date(s) when the fine or fines will be imposed unless the
25 violation or violations are corrected prior to the date(s) specified in the
26 citation pursuant to Subsection 1.10.030(D).

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28

1 10. The signature of the authorized enforcement officer who issued the
2 citation.

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4 12. Any other information deemed necessary by the Department
5 Director for enforcement or collection purposes.”

6 **Section 4.** The Rialto Municipal Code, at Section 1.10.040 (C), entitled “Administrative
7 fines,” shall be amended to read as follows, with the revised language displayed in redline format
8 (additions underlined and deletions stricken out) and all other provisions of Section 1.10.040
9 remaining unmodified and in full force and effect:

10 “1.10.040 - Administrative fines.

11

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13 C. The fine or fines imposed by the citation shall not become
14 effective for fifteen (15) days following the date on which the citation is
15 issued for the purpose of allowing the person or persons to whom the
16 citation is issued to correct the violation or violations without incurring
17 any liability to the city for the payment of such fine or fines. However, the
18 Department Director may, in his or her sole discretion, extend said period
19 for up to thirty (30) additional days provided that the person to whom a
20 citation has been issued demonstrates that he or she has made substantial
21 progress to correct the violation or violations, that he or she has been
22 diligent in correcting said violation or violations and that he or she was
23 unable to correct said violation or violations within the initial fifteen (15)
24 day period from the issuance of the citation. The person to whom a
25 citation has been issued must submit a written request, within five
26 business days of the issuance of the citation, to the Department Director
27 seeking an extension. The request shall contain a description of the
28 corrections made, the corrections remaining to be made, the date when the
violation or all of them shall be corrected, and the facts showing that
correcting the violation or violations is not possible or practicable within
said initial fifteen (15) day period. The Department Director shall respond
in writing within five (5) business days of receipt of the request; and the
decision of the Department Director shall be final. Unless the person to
whom the citation is issued corrects all of the violations described in the
citation within the fifteen (15) day period from the issuance of the citation
or such other extended period as may have been granted, the fine or fines
imposed by the citation shall become effective on the sixteenth (16th) day

1 following the issuance of the citation and said fine or fines shall continue
2 to accrue on a daily basis from the date of the issuance of the citation until
3 any said violation or failure to comply have been corrected to the
4 satisfaction of the authorized enforcement officer.

5 1. The enforcement agency may specify a timeframe for imposing
6 fines effective in less than 15 days under the following circumstances:

7 a. When it is determined by the Fire Chief or his/her designee, or the
8 Building and Code Enforcement Manager that allowing the full 15 days to
9 correct the violation poses a significant threat to the health and safety of
10 the neighboring community, public, or occupants of a structure.

11 b. When the violation is not a continuing violation, and nothing
12 remains to be corrected.

13 2. The fine or fines imposed pursuant to 1.10.040 (C)(1) shall be
14 effective after the shortened time for correction provided under Subsection
15 1.10.040, (C)(1)(a) above or immediately if imposed under Subsection
16 1.10.040, (C)(1)(b) above.”

17 **Section 5.** The Rialto Municipal Code, at Section 1.10.050 (A)(D)(E)(F), entitled
18 “Administrative hearing requests,” shall be amended to read as follows, with the revised language
19 displayed in redline format (additions underlined and deletions stricken out) and all other provisions
20 of Section 1.10.050 remaining unmodified and in full force and effect:

21 “1.10.050 - Administrative hearing requests.

22 A. Any person to whom a citation has been issued may contest the
23 citation and the proposed fine or fines by filing a written request for an
24 administrative hearing. To request a hearing, the citee shall sign and file
25 the request form attached to the citation. The request form shall state the
26 grounds for contesting the citation and/or the proposed fine or fines. A
27 citee may contest the citation and the proposed fine or fines by denying
28 that the citee owns, possesses, or controls the property where the violation
exists, denying that the citee is responsible for the violation described in
the citation, denying that a violation exists or existed, or proving that the
violation was corrected within the period described in the citation or such
further period granted by the Department Director. A citee may not raise
any issue or defense at the hearing that was not included on the request
form.

1

2 D. In the event that the citee files a timely request for a hearing, the
3 Department Director shall issue a notice of hearing to the citee, no later
4 than five days after receiving the citee's request for a hearing, of the date,
5 time, and place set for the hearing. The hearing shall be set on a date that
6 is no less than ten (10) days and no more than twenty-one (21) days after
7 the date of the notice. The notice of hearing also shall advise the citee that
8 the citee may review those writings in the city's files pertaining to the
9 basis for which the citation was issued and those that the Department
10 Director intends to introduce at the administrative hearing. Upon payment
11 of the city's actual reproduction costs, the citee may have copies thereof.

12 E. The failure of a citee to request an administrative hearing shall
13 cause the amount of the fine or fines imposed by the citation to become
14 due and payable on the sixteenth (16th) day following the date on which
15 the citation was issued unless the citee remedies the violations or non-
16 compliance listed on the citation within the time permitted under Section
17 1.10.040(C) hereof. Such an obligation by a citee to the city shall
18 constitute a payment order.

19 F. In the event the citee is given less than 15 days to correct a
20 violation pursuant to Subsection 1.10.040 (C)(1), the citee may still
21 request an administrative hearing. Should citee fail to request an
22 administrative hearing, the citation shall be due and payable upon the end
23 of the shortened time for compliance. For example, where the citee is
24 given 5 days to correct a violation, the citation becomes payable and due
25 on the sixth (6th) day. Where the violation cannot be corrected as in the
26 circumstance outlined in Section 1.10.040 (C)(1)(b), the fine shall be due
27 and payable immediately after the issuance of the citation. Such an
28 obligation by a citee to the city shall constitute a payment order.”

21 **Section 6.** The Rialto Municipal Code, at Section 1.10.060 (D)(H), entitled “Conduct of
22 administrative hearings,” shall be amended to read as follows, with the revised language displayed in
23 redline format (additions underlined and deletions stricken out) and all other provisions of Section
24 1.10.060 remaining unmodified and in full force and effect:

25 “1.10.060 - Conduct of administrative hearings.

26

1 D. The citation, and other reports prepared by authorized enforcement
2 officer(s), or at their request, concerning the violation or violations and
3 any attempted correction shall be accepted by the hearing officer as prima
4 facie evidence of the violation or violations.

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6 H. Where the citee is given less than 15 days to comply as permitted
7 under Subsection 1.10.040(C)(1)(a) or the citation is due immediately as
8 provided under Subsection 1.10.040(C)(1)(b), failure of the citee to appear
9 at the hearing shall cause the amount of the fine or fines imposed by the
10 citation to become due and payable immediately unless the hearing officer
11 finds the citee who was issued a citation under Subsection 1.10.040
12 (C)(1)(a) remedied the violations listed on the citation within the
13 shortened time permitted under Subsection 1.10.040(C)(1)(a). Such an
14 obligation by a citee to the city shall constitute a payment order.”

15 **Section 7.** The Rialto Municipal Code, at Section 1.10.070 (E)(F), entitled
16 “Administrative hearing officer and decisions,” shall be amended to read as follows, with the revised
17 language displayed in redline format (additions underlined and deletions stricken out) and all other
18 provisions of Section 1.10.070 remaining unmodified and in full force and effect:

19 “1.10.070 - Administrative hearing officer and decisions.

20

21 E. In the event any violation exists on the date of the administrative
22 hearing, the hearing officer shall retain jurisdiction to determine the date
23 when any violation is corrected and to establish the amount of the fine or
24 fines payable by the citee to the city from the date of the hearing to the
25 date when any violation is corrected. Thereafter, the citee may submit a
26 declaration, under penalty of perjury, stating that a violation that the citee
27 was ordered to correct has been corrected and the date on which the
28 violation was corrected to the hearing officer with a copy to the
Department Director. The Department Director also may submit a
declaration, under penalty of perjury, to the hearing officer with a copy to
the citee stating that a violation for which a fine was imposed has or has
not been corrected and requesting the total amount of a fine for the
violation. Both the citee and the Department Director or his/her designee
shall appear at the hearing. At the hearing, the hearing officer shall
determine whether and when the violation was corrected and fix the
amount of any additional fine or fines payable by the citee to the city. The

1 hearing officer shall render a decision on such declarations no later than
2 five days following the hearing. An order imposing any additional fine
also shall constitute a payment order.

3 F. All decisions and orders of a hearing officer shall become final
4 unless judicial review is sought by the citee or the city as provided in
5 Section 1.10.080.”

6 **Section 8.** The Rialto Municipal Code, at Section 1.10.080 (A), entitled “Judicial
7 review,” shall be amended to read as follows, with the revised language displayed in redline format
8 (additions underlined and deletions stricken out) and all other provisions of Section 1.10.080
9 remaining unmodified and in full force and effect:

10 “1.10.080 - Judicial review.

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12 A. The citee or the city may seek judicial review of the decision of the
13 hearing officer by filing an appeal with the Superior Court within twenty
14 (20) calendar days after the citee or the city receives a copy of the decision
15 in accordance with the provisions of California Government Code Section
16 53069.4. No appeal shall be permitted from a decision based upon the
17 failure of the citee or the city to appear at the administrative hearing or
upon any other waiver of the administrative hearing by the citee or the
city.”

18 **Section 9.** The Rialto Municipal Code, at Section 1.10.090 (C), entitled “Collection of
19 fines,” shall be amended to read as follows, with the revised language displayed in redline format
20 (additions underlined and deletions stricken out) and all other provisions of Section 1.10.090
21 remaining unmodified and in full force and effect:

22 “1.10.090 - Collection of fines.

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25 C. In addition to any other remedy available to the city, the
26 Department Director may cause the fine or fines imposed by a payment
27 order to be collected as an assessment lien on the property on which any
28 violation or non-compliance occurred by requesting the city council to
adopt an appropriate resolution to place the amount of said fine or fines on
the San Bernardino County tax rolls for collection. The resolution of the
city council shall conform to the county of San Bernardino

1 auditor/controller-recorder's policies and procedures for applying special
2 assessments to the tax rolls. The following procedures shall be utilized to
3 impose assessment liens:

4 2. Within ten (10) days from the date of service or mailing of said
5 notice, the property owner may file a written appeal to the proposed
6 assessment lien and pay any required fee to the code enforcement division
7 head or waive the right to such an appeal. Whenever a property owner
8 fails to file a timely appeal to a proposed assessment lien, the Department
9 Director shall prepare a resolution that imposes an assessment lien on the
10 owner's property and the city council shall adopt said resolution unless it
11 determines that imposing an assessment lien on the property would be
12 inappropriate.

13 3. The city administrator shall hear each appeal within fourteen (14)
14 calendar days after the date on which the appeal was filed. Written notice
15 of the hearing date shall be served on the owner, at least, seven days prior
16 to the hearing on the appeal. At the hearing on the appeal, the city
17 administrator shall consider the order of the hearing officer imposing the
18 fine or fines on the citee, the computation of the amount of the proposed
19 assessment lien, the evidence that the owner owns the property on which
20 the assessment lien is sought to be imposed and the evidence that the
21 violation or non-compliance supporting the order of the hearing officer
22 occurred at or was related to the property on which the assessment lien is
23 sought to be imposed. At the conclusion of the hearing, the city
24 administrator shall determine whether or not to impose an assessment lien
25 on the property of the owner in such amount that he or she deems to be
26 fair and reasonable. The decision of the city administrator shall be final
27 and not subject to judicial review unless the citee filed a timely appeal
28 under Section 1.20.080. Upon the determination of the city administrator
to impose an assessment lien and the amount thereof, the Department
Director shall prepare a resolution that imposes an assessment lien on the
owner's property in said amount and the city council shall adopt said
resolution unless it determines that imposing an assessment lien on the
property would be inappropriate.”

24 **Section 10.** The City Clerk shall certify to the adoption of this Ordinance, and cause the
25 same to be published in the local newspaper, and the same shall take effect thirty (30) days after its
26 date of adoption:

27 PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

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DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM

FRED GALANTE, City Attorney

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF RIALTO)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Ordinance No. _____ was duly passed and adopted at a regular meeting of the City Council of
6 the City of Rialto held on the _____ day of _____, 2016.

7 Upon motion of Councilmember _____, seconded by Councilmember
8 _____, the foregoing Ordinance No. _____ was duly passed and adopted.

9 Vote on the Motion:

10 AYES:

11 NOES:

12 ABSENT:

13 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
14 Rialto, this _____ day of _____, 2016.

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16 _____
17 Barbara A. McGee, City Clerk
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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTIONS 1.10.020, 1.10.30, 1.10.040, 1.10.050, 1.10.060, 1.10.070, 1.10.080, AND 1.10.090 OF THE RIALTO MUNICIPAL CODE, TO PROVIDE FOR PROCEDURES TO ADMINISTER ADMINISTRATIVE FINES WITH SHORTENED TIME FOR IMPOSING FINES.

WHEREAS, Government Code section 53069.4 authorizes local agencies to adopt ordinances to create administrative procedures to govern the imposition, enforcement, collection, and administrative review by the local agency of those administrative fines or penalties;

WHEREAS, the purpose of Government Code section 53069.4 is to allow for a more efficient enforcement of the local agencies' code without resorting to criminal or civil court;

WHEREAS, Government Code section 53069.4(2) requires "a reasonable time, as specified in the ordinance, for person responsible for a continuing violation to correct or otherwise remedy the violation prior to the imposition of administrative fines or penalties, when the violation pertains to building, plumbing, electrical, or other similar structural or zoning issues, that do not create an immediate danger to health or safety."

WHEREAS, in 2008 the City added Chapter 1.10- Administrative Fines as authorized by Government Code section 53069.4.

WHEREAS, Chapter 1.10 currently gives recipients of administrative citations 15 days to correct the violation or violations;

WHEREAS, City Council recognize not all violations of the municipal code require 15 days to correct the violation, as not all violations are continuing and/or the violation poses an immediate danger to health and safety;

WHEREAS, to provide for situations where the violation of the code is not a continuing violation or the violation is an immediate danger to health and safety, City Council desires to amend sections of Chapter 1.10 to allow for more flexibility in determining reasonable time to correct violations or give no time to correct violations because there is nothing to correct;

WHEREAS, the purpose of this chapter is to protect the public health, safety and welfare, in an efficient manner by providing an administrative fine process to enforce the Rialto Municipal Code.

1 It is within the city’s authority under its police power to implement and enforce the provisions of this
2 chapter.

3 NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO FINDS AND
4 ORDAINS AS FOLLOWS:

5 **Section 1.** The above recitals are all true and correct and are hereby adopted as findings.

6 **Section 2.** The Rialto Municipal Code, at Section 1.10.020, entitled “Definitions,” shall be
7 amended to read as follows, with the revised language displayed in redline format (additions
8 underlined and deletions stricken out) and all other provisions of Section 1.10.020 remaining
9 unmodified and in full force and effect:

10 “1.10.020 - Definitions.

11

12
13 "Authorized enforcement officer" means an employee of the city
14 appointed by the city administrator to obtain compliance with the code and
15 to issue citations if necessary to gain compliance.

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17 "Department" means a specific division of the City’s administrative
18 structure.

19 "Department Director" means the person appointed to have primary
20 oversight of the City department that issues a citation and/or fine.

21
22 “Fire Chief” means the Fire Chief of the City of Rialto as established in
23 sec. 2.34.030 of this code.

24 "Payment order" means the proceedings under this chapter commencing
25 with the issuance of a citation to a citee that culminates in establishing the
26 amount of a fine or fines owed to the city by a citee pursuant to
27 Subsections 1.10.050(E), 1.10.050(F), 1.10.060(G), 1.10.060(H),
28 1.10.070(D) or 1.10.070(E). Said payment order also shall constitute a
money judgment in favor of the city against the citee, which the city may
file with the Superior Court and entitle the city to all judicial remedies for
collection.”

1 **Section 3.** The Rialto Municipal Code, at Section 1.10.030 (B)(C)(D)(E), entitled
2 “Administrative citations,” shall be amended to read as follows, with the revised language displayed
3 in redline format (additions underlined and deletions stricken out) and all other provisions of Section
4 1.10.030 remaining unmodified and in full force and effect:

5 “1.10.030 - Administrative citations.

6

7
8 B. An authorized enforcement officer may issue an administrative
9 citation to a person to remedy any violation.

10 C. A person to whom an administrative citation has been issued shall
11 be liable for and shall pay to the city the fine or fines described in the
12 citation, unless such person challenges the imposition of such fines and is
relieved of such fine or fines pursuant to subsection D below.

13 D. For any violation of the City’s adopted code that does not create or
14 result in an immediate danger to health or safety, the person to whom an
15 administrative citation has been issued shall be liable for and shall pay to
16 the city the fine unless (i) such person corrects the violation or violations
17 described in the citation within the period specified in the citation or (ii)
18 such person challenges the imposition of such fine or fines as provided in
19 Sections 1.10.050-1.10.080 and is relieved of the obligation to pay any
20 such fine or fines. However, the payment of such a fine or fines shall not
relieve any person from any violation for which such fine or fines have
been imposed and paid. Any such person shall continue to be responsible
for complying with the provisions of this code and correcting any and all
violations.

21 E. Each administrative citation shall contain the following
22 information:

23

24 6. The date(s) when the fine or fines will be imposed unless the
25 violation or violations are corrected prior to the date(s) specified in the
26 citation pursuant to Subsection 1.10.030(D).

27

1 10. The signature of the authorized enforcement officer who issued the
2 citation.

3

4 12. Any other information deemed necessary by the Department
5 Director for enforcement or collection purposes.”

6 **Section 4.** The Rialto Municipal Code, at Section 1.10.040 (C), entitled “Administrative
7 fines,” shall be amended to read as follows, with the revised language displayed in redline format
8 (additions underlined and deletions stricken out) and all other provisions of Section 1.10.040
9 remaining unmodified and in full force and effect:

10 “1.10.040 - Administrative fines.

11

12
13 C. The fine or fines imposed by the citation shall not become
14 effective for fifteen (15) days following the date on which the citation is
15 issued for the purpose of allowing the person or persons to whom the
16 citation is issued to correct the violation or violations without incurring
17 any liability to the city for the payment of such fine or fines. However, the
18 Department Director may, in his or her sole discretion, extend said period
19 for up to thirty (30) additional days provided that the person to whom a
20 citation has been issued demonstrates that he or she has made substantial
21 progress to correct the violation or violations, that he or she has been
22 diligent in correcting said violation or violations and that he or she was
23 unable to correct said violation or violations within the initial fifteen (15)
24 day period from the issuance of the citation. The person to whom a
25 citation has been issued must submit a written request, within five
26 business days of the issuance of the citation, to the Department Director
27 seeking an extension. The request shall contain a description of the
28 corrections made, the corrections remaining to be made, the date when the
violation or all of them shall be corrected, and the facts showing that
correcting the violation or violations is not possible or practicable within
said initial fifteen (15) day period. The Department Director shall respond
in writing within five (5) business days of receipt of the request; and the
decision of the Department Director shall be final. Unless the person to
whom the citation is issued corrects all of the violations described in the
citation within the fifteen (15) day period from the issuance of the citation
or such other extended period as may have been granted, the fine or fines
imposed by the citation shall become effective on the sixteenth (16th) day

1 following the issuance of the citation and said fine or fines shall continue
2 to accrue on a daily basis from the date of the issuance of the citation until
3 any said violation or failure to comply have been corrected to the
4 satisfaction of the authorized enforcement officer.

5 1. The enforcement agency may specify a timeframe for imposing
6 fines effective in less than 15 days under the following circumstances:

7 a. When it is determined by the Fire Chief or his/her designee, or the
8 Building and Code Enforcement Manager that allowing the full 15 days to
9 correct the violation poses a significant threat to the health and safety of
10 the neighboring community, public, or occupants of a structure.

11 b. When the violation is not a continuing violation, and nothing
12 remains to be corrected.

13 2. The fine or fines imposed pursuant to 1.10.040 (C)(1) shall be
14 effective after the shortened time for correction provided under Subsection
15 1.10.040, (C)(1)(a) above or immediately if imposed under Subsection
16 1.10.040, (C)(1)(b) above.”

17 **Section 5.** The Rialto Municipal Code, at Section 1.10.050 (A)(D)(E)(F), entitled
18 “Administrative hearing requests,” shall be amended to read as follows, with the revised language
19 displayed in redline format (additions underlined and deletions stricken out) and all other provisions
20 of Section 1.10.050 remaining unmodified and in full force and effect:

21 “1.10.050 - Administrative hearing requests.

22 A. Any person to whom a citation has been issued may contest the
23 citation and the proposed fine or fines by filing a written request for an
24 administrative hearing. To request a hearing, the citee shall sign and file
25 the request form attached to the citation. The request form shall state the
26 grounds for contesting the citation and/or the proposed fine or fines. A
27 citee may contest the citation and the proposed fine or fines by denying
28 that the citee owns, possesses, or controls the property where the violation
exists, denying that the citee is responsible for the violation described in
the citation, denying that a violation exists or existed, or proving that the
violation was corrected within the period described in the citation or such
further period granted by the Department Director. A citee may not raise
any issue or defense at the hearing that was not included on the request
form.

1
2 D. In the event that the citee files a timely request for a hearing, the
3 Department Director shall issue a notice of hearing to the citee, no later
4 than five days after receiving the citee's request for a hearing, of the date,
5 time, and place set for the hearing. The hearing shall be set on a date that
6 is no less than ten (10) days and no more than twenty-one (21) days after
7 the date of the notice. The notice of hearing also shall advise the citee that
8 the citee may review those writings in the city's files pertaining to the
9 basis for which the citation was issued and those that the Department
10 Director intends to introduce at the administrative hearing. Upon payment
11 of the city's actual reproduction costs, the citee may have copies thereof.

12 E. The failure of a citee to request an administrative hearing shall
13 cause the amount of the fine or fines imposed by the citation to become
14 due and payable on the sixteenth (16th) day following the date on which
15 the citation was issued unless the citee remedies the violations or non-
16 compliance listed on the citation within the time permitted under Section
17 1.10.040(C) hereof. Such an obligation by a citee to the city shall
18 constitute a payment order.

19 F. In the event the citee is given less than 15 days to correct a
20 violation pursuant to Subsection 1.10.040 (C)(1), the citee may still
21 request an administrative hearing. Should citee fail to request an
22 administrative hearing, the citation shall be due and payable upon the end
23 of the shortened time for compliance. For example, where the citee is
24 given 5 days to correct a violation, the citation becomes payable and due
25 on the sixth (6th) day. Where the violation cannot be corrected as in the
26 circumstance outlined in Section 1.10.040 (C)(1)(b), the fine shall be due
27 and payable immediately after the issuance of the citation. Such an
28 obligation by a citee to the city shall constitute a payment order.”

21 **Section 6.** The Rialto Municipal Code, at Section 1.10.060 (D)(H), entitled “Conduct of
22 administrative hearings,” shall be amended to read as follows, with the revised language displayed in
23 redline format (additions underlined and deletions stricken out) and all other provisions of Section
24 1.10.060 remaining unmodified and in full force and effect:

25
26 “1.10.060 - Conduct of administrative hearings.
27
28

1 D. The citation, and other reports prepared by authorized enforcement
2 officer(s), or at their request, concerning the violation or violations and
3 any attempted correction shall be accepted by the hearing officer as prima
4 facie evidence of the violation or violations.

5 H. Where the citee is given less than 15 days to comply as permitted
6 under Subsection 1.10.040(C)(1)(a) or the citation is due immediately as
7 provided under Subsection 1.10.040(C)(1)(b), failure of the citee to appear
8 at the hearing shall cause the amount of the fine or fines imposed by the
9 citation to become due and payable immediately unless the hearing officer
10 finds the citee who was issued a citation under Subsection 1.10.040
11 (C)(1)(a) remedied the violations listed on the citation within the
12 shortened time permitted under Subsection 1.10.040(C)(1)(a). Such an
13 obligation by a citee to the city shall constitute a payment order.”

12 **Section 7.** The Rialto Municipal Code, at Section 1.10.070 (E)(F), entitled
13 “Administrative hearing officer and decisions,” shall be amended to read as follows, with the revised
14 language displayed in redline format (additions underlined and deletions stricken out) and all other
15 provisions of Section 1.10.070 remaining unmodified and in full force and effect:

16 “1.10.070 - Administrative hearing officer and decisions.

17
18
19 E. In the event any violation exists on the date of the administrative
20 hearing, the hearing officer shall retain jurisdiction to determine the date
21 when any violation is corrected and to establish the amount of the fine or
22 fines payable by the citee to the city from the date of the hearing to the
23 date when any violation is corrected. Thereafter, the citee may submit a
24 declaration, under penalty of perjury, stating that a violation that the citee
25 was ordered to correct has been corrected and the date on which the
26 violation was corrected to the hearing officer with a copy to the
27 Department Director. The Department Director also may submit a
28 declaration, under penalty of perjury, to the hearing officer with a copy to
the citee stating that a violation for which a fine was imposed has or has
not been corrected and requesting the total amount of a fine for the
violation. Both the citee and the Department Director or his/her designee
shall appear at the hearing. At the hearing, the hearing officer shall
determine whether and when the violation was corrected and fix the
amount of any additional fine or fines payable by the citee to the city. The

1 hearing officer shall render a decision on such declarations no later than
2 five days following the hearing. An order imposing any additional fine
also shall constitute a payment order.

3 F. All decisions and orders of a hearing officer shall become final
4 unless judicial review is sought by the citee or the city as provided in
5 Section 1.10.080.”

6 **Section 8.** The Rialto Municipal Code, at Section 1.10.080 (A), entitled “Judicial
7 review,” shall be amended to read as follows, with the revised language displayed in redline format
8 (additions underlined and deletions stricken out) and all other provisions of Section 1.10.080
9 remaining unmodified and in full force and effect:

10 “1.10.080 - Judicial review.

11
12 A. The citee or the city may seek judicial review of the decision of the
13 hearing officer by filing an appeal with the Superior Court within twenty
14 (20) calendar days after the citee or the city receives a copy of the decision
15 in accordance with the provisions of California Government Code Section
16 53069.4. No appeal shall be permitted from a decision based upon the
17 failure of the citee or the city to appear at the administrative hearing or
upon any other waiver of the administrative hearing by the citee or the
city.”

18 **Section 9.** The Rialto Municipal Code, at Section 1.10.090 (C), entitled “Collection of
19 fines,” shall be amended to read as follows, with the revised language displayed in redline format
20 (additions underlined and deletions stricken out) and all other provisions of Section 1.10.090
21 remaining unmodified and in full force and effect:

22 “1.10.090 - Collection of fines.

23

24
25 C. In addition to any other remedy available to the city, the
26 Department Director may cause the fine or fines imposed by a payment
27 order to be collected as an assessment lien on the property on which any
28 violation or non-compliance occurred by requesting the city council to
adopt an appropriate resolution to place the amount of said fine or fines on
the San Bernardino County tax rolls for collection. The resolution of the
city council shall conform to the county of San Bernardino

1 auditor/controller-recorder's policies and procedures for applying special
2 assessments to the tax rolls. The following procedures shall be utilized to
3 impose assessment liens:

4 2. Within ten (10) days from the date of service or mailing of said
5 notice, the property owner may file a written appeal to the proposed
6 assessment lien and pay any required fee to the code enforcement division
7 head or waive the right to such an appeal. Whenever a property owner
8 fails to file a timely appeal to a proposed assessment lien, the Department
9 Director shall prepare a resolution that imposes an assessment lien on the
10 owner's property and the city council shall adopt said resolution unless it
11 determines that imposing an assessment lien on the property would be
12 inappropriate.

13 3. The city administrator shall hear each appeal within fourteen (14)
14 calendar days after the date on which the appeal was filed. Written notice
15 of the hearing date shall be served on the owner, at least, seven days prior
16 to the hearing on the appeal. At the hearing on the appeal, the city
17 administrator shall consider the order of the hearing officer imposing the
18 fine or fines on the citee, the computation of the amount of the proposed
19 assessment lien, the evidence that the owner owns the property on which
20 the assessment lien is sought to be imposed and the evidence that the
21 violation or non-compliance supporting the order of the hearing officer
22 occurred at or was related to the property on which the assessment lien is
23 sought to be imposed. At the conclusion of the hearing, the city
24 administrator shall determine whether or not to impose an assessment lien
25 on the property of the owner in such amount that he or she deems to be
26 fair and reasonable. The decision of the city administrator shall be final
27 and not subject to judicial review unless the citee filed a timely appeal
28 under Section 1.20.080. Upon the determination of the city administrator
to impose an assessment lien and the amount thereof, the Department
Director shall prepare a resolution that imposes an assessment lien on the
owner's property in said amount and the city council shall adopt said
resolution unless it determines that imposing an assessment lien on the
property would be inappropriate.”

24 **Section 10.** The City Clerk shall certify to the adoption of this Ordinance, and cause the
25 same to be published in the local newspaper, and the same shall take effect thirty (30) days after its
26 date of adoption:

27 PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

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DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM

FRED GALANTE, City Attorney

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF RIALTO)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Ordinance No. _____ was duly passed and adopted at a regular meeting of the City Council of
6 the City of Rialto held on the _____ day of _____, 2016.

7 Upon motion of Councilmember _____, seconded by Councilmember
8 _____, the foregoing Ordinance No. _____ was duly passed and adopted.

9 Vote on the Motion:

10 AYES:

11 NOES:

12 ABSENT:

13 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
14 Rialto, this _____ day of _____, 2016.

15
16 _____
17 Barbara A. McGee, City Clerk
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Legislation Details (With Text)

File #: 16-779 Version: 1 Name: TAB 4
 Type: Agenda Item Status: Agenda Ready
 File created: 11/7/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Conduct a Public Hearing to Approve Resolution No. 7035 to initiate the filing process with the San Bernardino County Local Agency Formation Commission (LAFCO) to Annex five County Islands from the Rialto sphere of influence in Unincorporated San Bernardino County to the City of Rialto (Annexation No. 171).
 (ACTION)
 Sponsors: Development Services Department, Gina Gibson
 Indexes:
 Code sections:
 Attachments: [Five North Rialto Islands](#)
[4-11-2016 DRAFT Rialto Islands Plan for Service and Fiscal Analysis \(2\)](#)
[Island Annexation Intiation Filing- FINAL CC Resolution indemnification](#)
[Reso 3222](#)
[Area No. 1 Location Map](#)
[Area No. 2 Location Map](#)
[Area No. 3 Location Map](#)
[Area No. 4 Location Map](#)
[Area No. 5 Location Map](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robb R. Steel, Assistant CA/Development Services Director

Request City Council to Conduct a Public Hearing to Approve Resolution No. 7035 to initiate the filing process with the San Bernardino County Local Agency Formation Commission (LAFCO) to Annex five County Islands from the Rialto sphere of influence in Unincorporated San Bernardino County to the City of Rialto (Annexation No. 171).
(ACTION)

BACKGROUND:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs annexations of unincorporated areas (Section 56000 et seq. of the Government Code) to a City. There are nine (9) county islands located in the boundary of the City of Rialto, but governed and serviced by the County of San Bernardino.

Area	No. of Parcels
1	120
2	94
3	271
4	129
5	2
6	36
7	4
8	1
9	30
Total:	687

When the LAFCO Commission approved the Lytle Creek Annexation (Annexation No. 170/LAFCO 3201) it conditioned the City to annex five (Exhibit 'A') of the nine unincorporated county islands on or before May 18, 2017 (LAFCO Resolution No. 3229).

ANALYSIS:

Resolution to Initiate LAFCO application

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, codified as Government Code Section 56654, requires the City Council to adopt a Resolution to initiate the application process for the Annexation Area. The City must then submit a Resolution of application to the San Bernardino Local Agency Formation Commission (LAFCO) along with a plan for services.

Pre-Zoning

LAFCO requires the City to pre-zone the proposed annexation area prior to filing. Section 18.02.080 of the Rialto Municipal Code states that newly annexed areas are automatically placed in the "R-1 A" single-family zone, and shall remain in that zone until the land use zoning map for the area is adopted by the Planning Commission and City Council. The Planning Division will prepare a zone change application to pre-zone the island areas as Single Family Residential R-1A in accordance with the Code. The zoning designation will become effective upon filing of the Certificate of Completion by LAFCO.

Plan for Services

When a local agency initiates an annexation, it must submit a plan for providing services. At a minimum, the plan must address the type, level, range, timing, and financing of services to be extended, including requirements for infrastructure or other public facilities. A draft Plan for Services was prepared in conjunction with the Lytle Creek Annexation process. To annex the islands, an update to the plan for services may be necessary. Staff will bring a Budget Resolution to the City Council to authorize funds to update the Plan for Services, if necessary.

Legal Description and Map Standards

Map and legal description standards are set forth by LAFCO which include the basic standards by the State Board of Equalization (SBE) for filing of legal descriptions and maps as well as those additional items required by LAFCO. Existing LAFCO policy requires that all proposal boundaries that use a street or a road as a boundary shall establish that boundary along the centerline of the street/road. The maps and legal descriptions must be prepared by a registered Civil Engineer. The Planning Division will prepare a Budget Resolution to allocate funds to pay for these services.

Action Plan

The Planning Division developed a 10-point action plan to facilitate the annexation process:

	Task	Responsibility	Tentative Timeframe
1	Land Survey to identify parcels and property owners with photographs	Planning Division	November – December 2016
2	Update the Infrastructure Needs Assessment, Fiscal Impact Analysis and Plan for Services document–Stan Hoffman and Associates	Consultant	January 2017
3	Present Survey, Infrastructure and Plan for Services to EDC and City Council	Planning Division	
4	Prepare media brochure for distribution and web access including an “Annexation Myths” fact sheet	Economic Development Committee/Planning Division	February 2017
5	Prepare LAFCO annexation application and CEQA document	Planning Division	
6	Community meeting and property owner notification	Planning Division/Task Force	March 2017
7	Host a series of public information meetings throughout the community	Planning Division	March 2017
8	Schedule Pre-Annexation application for review by the EDC and Planning Commission	Planning Division	March 2017
9	Schedule Pre-Annexation application for review by the City Council	Planning Division	April 2017
10	File annexation application with LAFCO	Planning Division	May 2017

The target date for submission of the application to LAFCO is May of 2017.

Community Services

Item number 6 of the action plan tasks the City with a series of community meetings to inform stakeholders about the annexation process, introduce the annexation task force and answer any questions from stakeholders and the general public.

Task Force

A task force consisting of one team member from the following Divisions and Departments is needed to facilitate the annexation process:

- Rialto Police Department
- Rialto Fire Department
- Development Services - Planning
- Development Services - Building
- Development Services - Code Enforcement
- Administrative and Community Services - Finance
- Administrative and Community Services - IT

- Public Works

Task force team members will be responsible for responding to inquires during the annexation process and implementation for the respective fields of expertise when the boundaries are modified.

ENVIRONMENTAL IMPACT:

Filing an annexation application is not a "Project" as defined by the California Environmental Quality Act (CEQA) and is therefore not subject to further environmental review. Pursuant to Section 15378 of the CEQA Guidelines, a "project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include administrative activities of governments that will not result in direct or indirect physical changes in the environment. The Planning Division will prepare an environmental assessment for the Zone Change and General Plan Amendment entitlement applications that must be approved and adopted by the City prior to filing the request.

GENERAL PLAN CONSISTENCY:

The General Plan covers the entire City of Rialto and its sphere of influence.

The sphere of influence is an unincorporated area within the jurisdiction of the County of San Bernardino that may have a bearing on planning activities in Rialto. The islands are located in the sphere of influence areas. A General Plan Amendment will be required to pre-designate the land use designation for the islands as Residential 2. The General Plan Land Use Designation will become effective upon completion of the annexation process.

This request is consistent with the following goals and polices of the Rialto General Plan:

- Goal 2-6: Encourage the annexation of San Bernardino County unincorporated areas into Rialto.
 - Policy 2-6.1: Work with the County of San Bernardino to require that the City of Rialto's building and zoning regulations be applied to new development within unincorporated County islands and other areas within Rialto's Sphere of Influence.
- Goal 2-7: Encourage all annexations that will provide a positive benefit to the City.
 - Policy 2-7.1: Require an approved specific plan for all new large unincorporated areas of vacant land prior to annexation into Rialto.
 - Policy 2-7.2: Require a fiscal impact statement for any new large planned development to ensure that Rialto receives financial benefit from annexation.
 - Policy 2-7.3: Require sufficient impact fees on new planned development to assure timely construction of public facilities and provision of expanded City services.
 - Policy 2-7.4: Require that land be set aside for community parks and other public facilities as appropriate for any large planned development.

LEGAL REVIEW:

The City Attorney has reviewed approved the agenda report.

FINANCIAL IMPACT:

Annexation of Sphere of Influence Areas into Rialto poses the following financial issues:

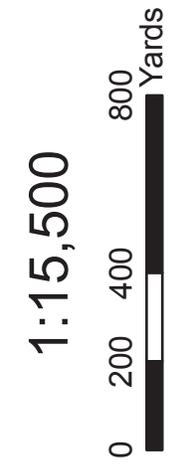
1. Public Services/Operating Budget Impacts. The islands produce an annual operating deficit to the City of Rialto of \$518,000 to \$792,000, depending upon the status of the Utility Tax.
2. Neighborhood Infrastructure Deficiencies. The Public Works Department estimated the cost of upgrading localized infrastructure to current Rialto standards at \$8.1 million (current \$). The City's Development Agreement with Lytle Creek contributes \$630/unit toward these deficiencies for a total contribution of \$3,943,800 (non-discounted) at project build out. There remains a significant gap between needed infrastructure and available funding.
3. Community Services. Annexation creates an immediate decrease in service levels threatening the public convenience, health and general welfare of Rialto citizens. The need for capital facilities is based upon a per capita standard. Adding the population from the islands will not only increase the scale of required facilities, it will create an immediate and irreparable deficiency for the following capital facilities including but not limited to: fire, police, and parks. Off-site requirements total \$11.2 million based on our current development impact fees and the existing unit count within the island areas.

The City's annexation request may also include the CEMEX cement property, which may have a positive contribution toward the annexation burdens. Staff will reach out to CEMEX to gauge its annexation interest.

RECOMMENDATION:

Staff recommends that the City Council:

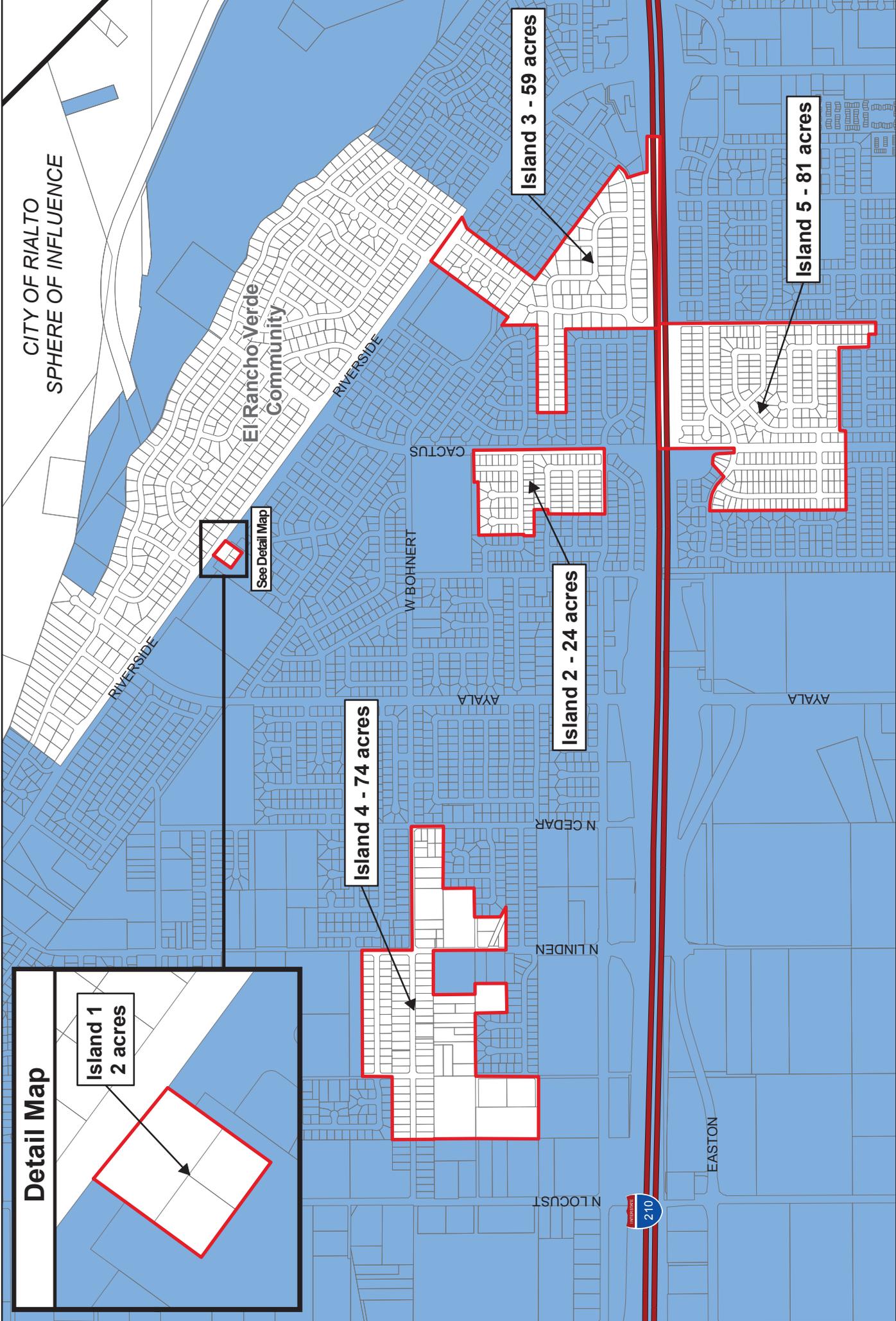
1. Adopt a Resolution to file the application to annex the five (5) North Rialto Islands with LAFCO; and
2. Authorize staff to form a customer service task force to respond to annexation inquiries.



Legend

- City of Rialto
- Island Areas

Five North Rialto Islands



Detail Map

DRAFT

North Rialto Islands Annexation Plan for Service and Fiscal Impact Analysis City of Rialto

Prepared for:

City of Rialto
150 South Palm Avenue
Rialto, CA 92376
Attn: Robb Steel, Assistant City Administrator/Development Services Director
909.820.8008

April 11, 2016

SRHA Job #1305

CERTIFICATION

The City of Rialto hereby certifies that this document presents the data and information required for the Plan for Service and Fiscal Impact Analysis for the *North Rialto Islands Annexation* to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE _____

SIGNATURE OF APPLICANT

Mike Story, City Administrator
City of Rialto, California

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EXECUTIVE SUMMARY

This report provides an assessment by Stanley R. Hoffman Associates (SRHA) of public service delivery capabilities of the City of Rialto and other agencies or special districts affected by annexation of five North Rialto Islands into the City of Rialto. The North Rialto Islands are located within the City's sphere of influence in unincorporated San Bernardino County, as shown in Figure 1. Appendix A includes detailed maps of each Island area.

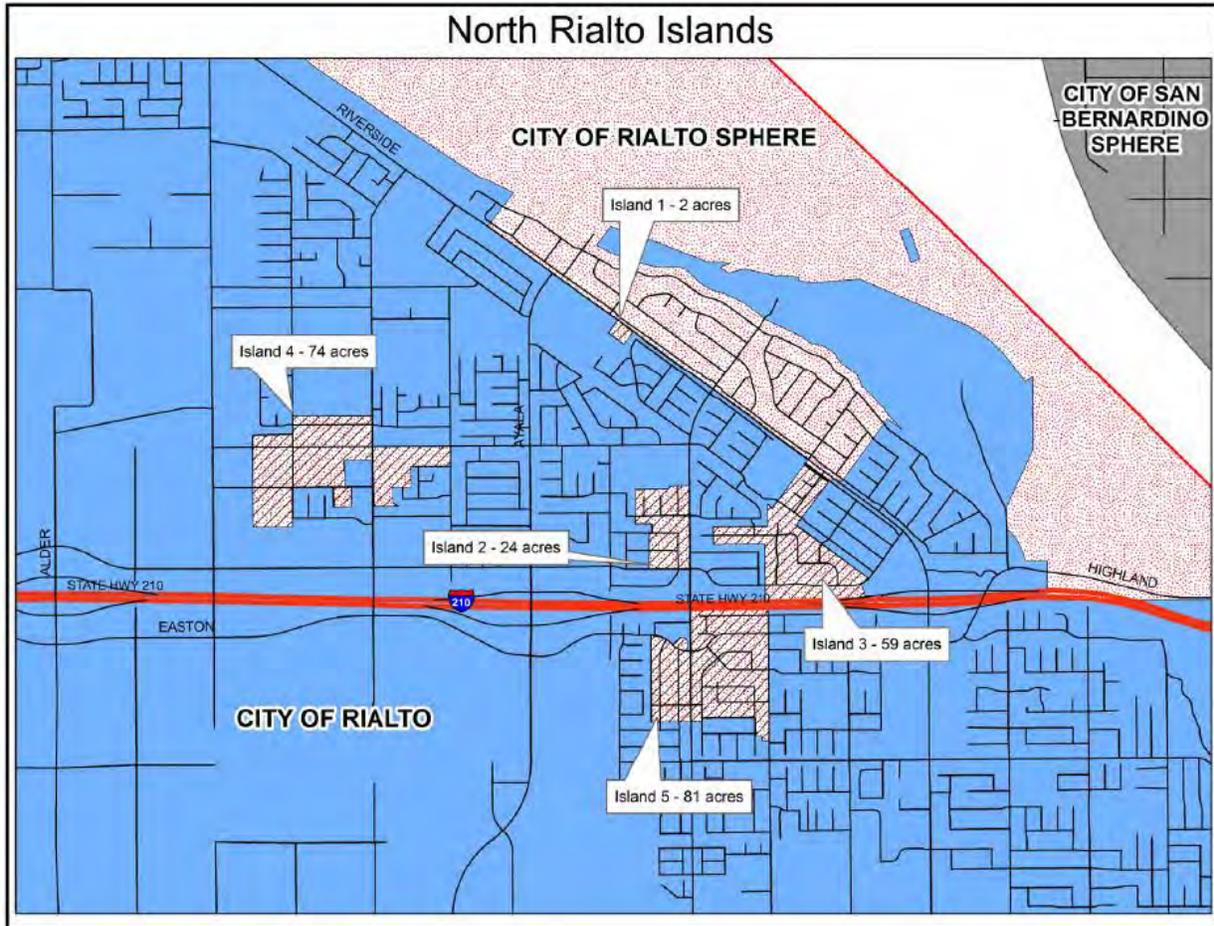
This report is being submitted to the County of San Bernardino Local Agency Formation Commission (LAFCO) as a "Plan for Service" required by California Government Code Section 56653. Currently, the City of Rialto provides fire protection services to the island annexation areas through a mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas. Upon annexation of the island areas, the City will provide fire protection to the annexation islands and the mutual aid agreement for fire protection with the County will no longer be applicable, and the City may incur additional costs for reimbursement of County fire protection services in the southern part of Rialto. The County of San Bernardino provides many other services to the unincorporated areas, including general government, development services, sheriff patrol, public library, regional parks and recreation, street lighting, transportation, flood control and drainage, and countywide services, such as law and justice, and health and welfare.

After annexation, the City of Rialto would provide many of these services including general government, community development, fire and paramedic services, police protection, local parks and recreation, community services and public works services to the annexed area. The County of San Bernardino will continue to provide Countywide services such as regional parks and recreation, regional flood control and drainage, law and justice, and health and welfare.

Background

County of San Bernardino Local Agency Formation Commission (LAFCO) prepared a fiscal analysis of existing development in the North Rialto Islands Annexation. The LAFCO document is entitled *Agenda Item #7 – Presentation Required Pursuant to Section IV – Application Processing, Policy 11 – Island Annexation Pursuant to Government Code Section 56375.3 – Proposed Annexation to the City of Rialto and West Valley Water District of the Lytle Creek Ranch Specific Plan Anticipating the Development of more than 500 Units, December 8, 2015.*

Figure 1
Location of Annexation Islands
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto



Sources: Stanley R. Hoffman Associates, Inc.
 Local Agency Formation Commission for San Bernardino County, *Agenda Item #7--
 Presentation Required Pursuant to Section IV - Application Processing, Policy 11 –
 Island Annexation Pursuant to Government Code Section 56375.3*, December 8, 2015

The LAFCO fiscal analysis for the North Rialto Islands Annexation provides the estimated existing households, population and assessed value for each Island area. LAFCO’s fiscal impacts are projected based on the development assumptions presented in their fiscal report and the fiscal assumptions used in the October 9, 2014 Lytle Creek fiscal analysis prepared by Stanley R. Hoffman Associates (SRHA).

Development Summary

Total households are estimated at 553 and existing population is estimated at 2,250 for the five North Rialto Islands, based on information provided by LAFCO and summarized in Table 1. The LAFCO fiscal analysis does not include estimated future growth for the island areas. Based on review of the County parcel file, the City designated density for the island areas and the average vacancy rate for the surrounding areas, future residential development is estimated at 97 households, resulting in estimated households of 650 after buildout of the five island areas. Based on the current average persons per household for the total island areas of 4.07 from the LAFCO analysis, population for the estimated incremental units is estimated at 395, resulting in an estimated buildout population of 2,645 for the total five North Rialto Islands.

Table 1
Development Description
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant Dollars)

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
Estimated Units	595	104	699
Estimated Households (at 7% Vacancy Rate)	553	97	650
Estimated Population	2,250	395	2,645
<i>Average Persons per Household</i>	<i>4.07</i>	<i>4.07</i>	<i>4.07</i>
Estimated Retail/Commercial Site Total Square Feet	37,350	0	37,350
Estimated Building Square Feet (at .20 FAR)	7,470	0	7,470
Estimated Employment	10	0	10
Estimated Assessed Valuation ¹	\$93,374,249	\$37,024,000	\$130,398,249
<i>Average Value per Unit</i>	<i>\$156,932</i>	<i>\$356,000</i>	<i>\$186,550</i>

Note: 1. Estimated assessed valuation for existing development excludes exemptions as listed on the County APN file. The average value per unit for future development is estimated based on the average value per unit for the proposed units in the Lytle Creek annexation area.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

A review of the County parcel file shows an estimated 37,350 square feet of retail/commercial uses. Assuming a floor area ratio of 0.20, building space is estimated at 7,470 square feet and 10 jobs are estimated in the North Rialto Islands Annexation.

Estimated assessed valuation for the existing development is about \$93.4 million, excluding homeowner and other exemptions. Based on the average value per unit of \$356,000 used for the Lytle Creek annexation fiscal analysis, valuation for the estimated new 104 housing units is estimated at about \$37.0 million. When combined with existing valuation, valuation at buildout of the five annexation islands is estimated at about \$130.4 million.

Projected Fiscal Impacts of North Rialto Islands Annexation

SRHA projects fiscal impacts to the City for the existing development in the five North Rialto Island areas upon annexation; as well as the projected fiscal impacts for the estimated future development in the island areas. In addition to projecting the fiscal impacts to the City for the existing and future development in the five North Rialto Island areas, the recurring fiscal impacts to the City include projected impacts with and without the current City utility users tax (UUT). Rialto voters approved a five year extension of the UUT on March 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before buildout of the North Rialto Islands occurs, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT.

Based on an analysis of current service delivery capabilities to the five North Rialto Islands annexation areas, the projected revenues to the City from these areas are not sufficient to meet additional service demands from the annexation areas. The projected fiscal impacts are summarized in Table 2, and the detailed fiscal analysis of the existing development and future growth is included in Chapter 5.

With Utility Users Tax. As shown in Panel A of Table 2, a recurring annual deficit \$519,092 is projected for the existing development with the utility users tax (UUT). After buildout of the estimated future development, a recurring deficit of \$513,374 is projected.

No Utility Users Tax. As shown in Panel B of Table 2, after buildout without the UUT, an annual recurring deficit of \$792,826 is projected based on a projected deficit of \$756,920 for existing development and a projected deficit of \$35,906 for future growth in the island areas.

Table 2
Summary of Projected Fiscal Impacts
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant Dollars)

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
A. With Utility Users Tax			
Annual Recurring Revenues	\$727,136	\$223,831	\$950,967
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$519,092)	\$5,718	(\$513,374)
Revenue/Cost Ratio	0.58	1.03	0.65
B. No Utility Users Tax			
Annual Recurring Revenues	\$489,308	\$182,207	\$671,515
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$756,920)	(\$35,906)	(\$792,826)
Revenue/Cost Ratio	0.39	0.84	0.46

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

Comparison of Projected Fiscal Impacts Upon Annexation: SRHA and LAFCO

Table 3 presents a comparison of the SRHA projected fiscal impacts and the LAFCO fiscal analysis of the North Rialto Islands Annexation in December 2015. The SRHA fiscal analysis is based on the existing residential assumptions and fiscal assumptions used in the LAFCO analysis. The SRHA total assessed valuation assumptions are from the LAFCO fiscal analysis minus homeowner and other exemptions as contained in the County parcel file. The LAFCO fiscal analysis assumes a utility users tax (UUT) and does not project impacts without UUT.

As shown in Table 3, for existing development upon annexation with UUT, SRHA projects a deficit of \$519,092 and LAFCO projects a recurring surplus of \$139,263. The differences in projected revenues and costs are summarized in Table 3. Chapter 5 presents the detailed differences in projected amounts of revenues and costs.

Table 3
Summary of Projected Fiscal Impacts Upon Annexation: SRHA and LAFCO
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant Dollars)

Category	Existing Development Upon Annexation		
	With Utility Users Tax		
	SRHA	LAFCO ¹	SRHA minus LAFCO
Annual Recurring Revenues	\$727,136	\$911,375	(\$184,239)
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$772,112</u>	<u>\$474,116</u>
Annual Recurring (Deficit) or Surplus	(\$519,092)	\$139,263	(\$658,355)
Revenue/Cost Ratio	0.58	1.18	(0.39)

Note: 1. The projected impacts for the LAFCO analysis are from the LAFCO report cited below. The LAFCO analysis does not include impacts without utility users tax (UUT).

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 --
Presentation Required Pursuant to Section IV - Application Processing, Policy 11 -
Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015

Projected Revenues. SRHA projects \$184,239 fewer revenues than the LAFCO analysis. The most significant differences in projected revenues include:

- Property Tax. SRHA projects less property tax than LAFCO because homeowner and other exemptions are not included in the SRHA estimated assessed valuation.
- On-Site Sales and Use Tax. SRHA estimates sales and use tax for the existing retail uses in the annexation area. The LAFCO analysis does not include this revenue.
- In Lieu Property Tax (Sales and Use Tax). SRHA does not project this revenue because the State will discontinue this shift from sales and use tax to property tax in 2016. LAFCO projects this revenue.
- In Lieu Property Tax (Vehicle License Fee). While the LAFCO analysis includes this revenue, SRHA does not project this revenue pursuant to current legislation that states that upon annexation, the current valuation of the annexing area is not considered for calculating property tax in lieu of VLF to the City. Only increases in gross assessed valuation after annexation generate property tax in lieu of VLF to the City.

Projected Costs. SRHA projects \$474,116 more costs than the LAFCO analysis. The most significant differences in projected costs include:

- Fire Protection. The LAFCO fiscal analysis excludes fire protection costs because the City of Rialto provides fire protection services to the island annexation areas through a

- mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas. Based on discussion with City staff, upon annexation of the island areas, the City will continue to provide fire protection to the annexation islands and the mutual aid agreement for fire protection with the County will no longer be applicable and the City may incur additional costs for reimbursement of County fire protection services in the southern part of Rialto.
- General Government. SRHA projects general government overhead costs. However, these costs are not projected in the LAFCO analysis.
- 5% Contingency/Reserves. Because SRHA projects higher costs than the LAFCO analysis, the SRHA 5 percent estimated contingency costs are higher.

North Rialto Islands Plus Lytle Creek Specific Plan

Annexation Areas - Existing Development. As shown in Table 4, a recurring deficit of \$519,092 is projected upon annexation of the five North Rialto Islands with utility users tax (UUT). When combined with the projected surplus of \$20,929 for the annexation area in the Lytle Creek project – prior to any development, a recurring deficit of \$498,163 is projected upon annexation with UUT. Without UUT, a recurring deficit of about \$751,846 is projected for existing development within the islands annexation area combined with the Lytle Creek annexation area prior to development.

Annexation Areas - Buildout. As also shown in Table 4, a recurring deficit of \$513,374 is projected after buildout of the five island annexations with UUT. When combined with the projected surplus of \$514,521 for the annexation area of the Lytle Creek project with UUT, the projected surplus after buildout of the combined annexations areas with UUT is roughly breakeven at \$1,147. A recurring deficit of about \$1.3 million is projected after buildout of both annexation areas without UUT.

Total Buildout. As shown in Table 5, when the projected recurring deficit of \$513,714 for the five island annexations is combined with the projected recurring surplus of about \$2.4 million for the total Lytle Creek project after buildout, a recurring surplus of about \$1.9 million is projected with UUT. Without the UUT, a recurring deficit of \$423,092 is projected when the projected deficit of \$792,826 for the five island annexation areas are combined with the total Lytle Creek project surplus of \$369,734 after buildout without UUT.

It should be noted that the two scenarios where the combined fiscal impacts of the island annexation areas and the Lytle Creek area is either breakeven or positive, include the assumption of the existing utility users tax (UUT) being in place. Also, it will take a number of years of development within Lytle Creek – particularly the commercial development – for these positive fiscal conditions to be realized. In the meantime, the City will be experiencing a sizable negative fiscal impact from the island annexation areas from existing development under any of the scenarios, with or without the UUT.

Table 4
North Rialto Islands Annexation and Lytle Creek Annexation Area,
Summary of Projected Recurring Fiscal Impacts: Annexation Areas Only
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Areas Only					
	Existing Development			Buildout of Areas		
	Five Islands Annexation Areas	Lytle Creek Annexation Area Only	Total Annexation Areas	Five Islands Annexation Areas	Lytle Creek Annexation Area Only	Total Annexation Areas
A. With Utility User Tax						
Annual Recurring Revenues	\$727,136	\$20,929	\$748,065	\$950,967	\$6,689,174	\$7,640,141
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$0</u>	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,653</u>	<u>\$7,638,994</u>
Annual Recurring (Deficit) or Surplus	(\$519,092)	\$20,929	(\$498,163)	(\$513,374)	\$514,521	\$1,147
Revenue/Cost Ratio	0.58	n/a	0.48	0.65	1.08	1.00
B. No Utility User Tax						
Annual Recurring Revenues	\$489,308	\$5,074	\$494,382	\$671,515	\$5,683,405	\$6,354,920
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$0</u>	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,655</u>	<u>\$7,638,996</u>
Annual Recurring (Deficit) or Surplus	(\$756,920)	\$5,074	(\$751,846)	(\$792,826)	(\$491,250)	(\$1,284,076)
Revenue/Cost Ratio	0.39	n/a	0.40	0.46	0.92	0.83

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

Table 5
North Rialto Islands and Total Lytle Creek Project
Summary of Projected Recurring Fiscal Impacts: Total Buildout
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Buildout of Five Islands and Total Lytle Creek Project		
	Five Islands Annexation Areas	Lytle Creek Total Project	Total Annexation Areas
A. With Utility User Tax			
Annual Recurring Revenues	\$950,967	\$13,735,912	\$14,686,879
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,214</u>	<u>\$12,832,555</u>
Annual Recurring (Deficit) or Surplus	(\$513,374)	\$2,367,698	\$1,854,324
Revenue/Cost Ratio	0.54	1.21	1.12
B. No Utility User Tax			
Annual Recurring Revenues	\$671,515	\$11,737,949	\$12,409,464
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,215</u>	<u>\$12,832,556</u>
Annual Recurring (Deficit) or Surplus	(\$792,826)	\$369,734	(\$423,092)
Revenue/Cost Ratio	0.38	1.03	0.95

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

CHAPTER 1 INTRODUCTION

This report provides an assessment by Stanley R. Hoffman Associates (SRHA) of public service delivery capabilities of the City of Rialto and other agencies or special districts affected by the annexation of five North Rialto Islands into the City of Rialto. The North Rialto Islands are located within the City's sphere of influence in unincorporated San Bernardino County. Appendix A includes detailed maps of each Island area.

1.1 Background

Regionally, the City of Rialto is located approximately 60 miles east of downtown Los Angeles and 103 miles north of San Diego, in the western portion of the San Bernardino Valley. The primary regional transportation linkages include the Foothill Freeway (State Route 210), which traverses through the central portion of the City in an east-west direction, and the Ontario Freeway (Interstate 15), which borders the City to the north, providing regional access to the project area. Secondary regional transportation access is provided by the Interstate 215 Freeway to the northeast. From the I-15, direct access to the project site is provided by Sierra and Riverside Avenues. Riverside Avenue runs along the southwestern boundary of the site. Access to the site from State Route 210 is available via an interchange at Riverside Avenue.

1.2 Purpose of the Study

The County of San Bernardino Local Agency Formation Commission (LAFCO) prepared a fiscal analysis of the existing development in the North Rialto Islands Annexation in December 2015. The LAFCO document is entitled *Agenda Item #7 – Presentation Required Pursuant to Section IV – Application Processing, Policy 11 – Island Annexation Pursuant to Government Code Section 56375.3 – Proposed Annexation to the City of Rialto and West Valley Water District of the Lytle Creek Ranch Specific Plan Anticipating the Development of more than 500 Units, December 8, 2015.*

The projected fiscal impacts in the LAFCO analysis are compared with the projected impacts in this analysis. The major differences in projected revenues and costs are discussed.

1.3 Organization of the Report

Chapter 2 contains the description of the North Rialto Islands Annexation areas. The analysis of existing public service delivery in the Annexation area and upon annexation into the City is presented in Chapter 3. Chapter 4 discusses the development impact fees and charges for

infrastructure associated with the proposed project, as well as the estimated cost for road infrastructure improvements. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Annexation area is provided in Chapter 5, and compared with the LAFCO fiscal analysis. Chapter 6 covers the revenue and cost assumptions used for the fiscal analysis.

Appendix A includes the North Rialto Island maps and the existing development descriptions for each of the islands. Appendix B includes the fiscal impact analysis for the existing development in each of the islands. Supporting tables for the fiscal assumptions appear in Appendix C, and Appendix D lists the project contacts and references used in the preparation of this study.

CHAPTER 2 PROJECT DESCRIPTION

This chapter presents the development description for the North Rialto Islands Annexation fiscal analysis.

2.1 Development Description

A summary of the existing development and estimated future growth is presented in Table 2-1 and Table 2-2 includes a detailed description of the North Rialto Island Annexation.

Existing Development

A total of 595 residential units area estimated based on the current County parcel file for the five islands. Total households are estimated at 553 and total existing population is estimated at 2,250 for the five North Rialto Islands, based on information provided by LAFCO.

A review of the County parcel file shows an estimated 37,350 square feet of retail/commercial uses. Assuming a floor area ratio of 0.20, building space is estimated at 7,470 square feet and 10 jobs are estimated in the North Rialto Islands Annexation.

Existing development for each of the five annexation islands is included in Appendix Table A-1.

Future Growth

The LAFCO fiscal analysis does not include estimated future growth for the island areas. Future residential units are estimated at 104 units based on review of the vacant parcels in the County parcel file and the City designated zoning and density for the island areas, as shown in Appendix Table A-2. When the average vacancy rate of 7 percent is applied, 97 future households are estimated. Based on the current average persons per household for the total island areas of 4.07 from the LAFCO analysis, population for the estimated future units is estimated at 395.

Buildout

A total of 699 housing units are estimated for the five islands at buildout. Assuming the 7 percent vacancy rate, the number of households is estimated at 650 after buildout. A buildout population of 2,645 is estimated for the total five North Rialto Islands based on 4.07 persons per household.

Estimated retail/commercial building space of 7,470 square feet and 10 jobs is not estimated to increase at this time.

Table 2-1
Development Summary
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
Estimated Units	595	104	699
Estimated Households (at 7% Vacancy Rate)	553	97	650
Estimated Population	2,250	395	2,645
<i>Average Persons per Household</i>	<i>4.07</i>	<i>4.07</i>	<i>4.07</i>
Estimated Retail/Commercial Site Total Square Feet	37,350	0	37,350
Estimated Building Square Feet (at .20 FAR)	7,470	0	7,470
Estimated Employment	10	0	10
Estimated Assessed Valuation ¹	\$93,374,249	\$37,024,000	\$130,398,249
<i>Average Value per Unit</i>	<i>\$156,932</i>	<i>\$356,000</i>	<i>\$186,550</i>

Note: 1. Estimated assessed valuation for existing development excludes exemptions as listed on the County APN file. The average value per unit for future development is estimated based on the average value per unit for the proposed units in the Lytle Creek annexation area.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

2.2 Assessed Valuation, Property Tax and Sales Tax

Assessed Valuation

Estimated assessed valuation for the existing development is about \$93.4 million, excluding homeowner and other exemptions. Based on the average value per unit of \$356,000 used for the Lytle Creek annexation fiscal analysis, valuation for the estimated new 104 housing units is estimated at about \$37.0 million. When combined with existing valuation, valuation at buildout of the five annexation islands is estimated at about \$130.4 million.

**Table 2-2
Detailed Development Description
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto**

Category	Existing Development	Future Development ²	Total Buildout
A. ACRES	240	0	240
B. PARCEL SQUARE FEET BY LAND USE			
Single Family	6,738,716	0	6,738,716
Multi-Family	22,374	0	22,374
Retail Commercial	17,998	0	17,998
Service Commercial	19,352	0	19,352
Vacant	<u>1,034,918</u>	<u>0</u>	<u>1,034,918</u>
Total Square Feet	7,833,358	0	7,833,358
C. RESIDENTIAL DEVELOPMENT			
Units	595	104	699
Households (Occupied Units @ 7% Vacancy)	553	97	650
Estimated Population	2,250	395	2,645
<i>Estimated LAFCO PPH</i>	4.07	4.07	4.07
D. NON-RESIDENTIAL DEVELOPMENT			
<u>Building Square Feet (@ 0.20 FAR)</u>			
Retail Commercial	3,600	0	3,600
Service Commercial	<u>3,870</u>	<u>0</u>	<u>3,870</u>
Total Building Square Feet	7,470	0	7,470
<u>Estimated Employment</u>			
Retail Commercial @ 500 sq. ft. per employee	7	0	7
Service Commercial @ 1,200 sq. ft. per employee	<u>3</u>	<u>0</u>	<u>3</u>
Estimated Employment	10	0	10
E. ESTIMATED SERVICE POPULATION ³			
Population	2,250	395	2,645
Employment at 50%	<u>5</u>	<u>0</u>	<u>5</u>
Total Service Population	2,255	395	2,650

- Note: 1. Existing acres, households and population by Island areas are provided by LAFCO as presented in the report cited below, and presented in Appendix Table A-1. Retail/commercial square feet is from the County assessor parcel number (APN) file. Employment is estimated by the fiscal consultant.
2. Future residential units of 104 are estimated by the fiscal consultant by on vacant parcels and development density information from City staff, as shown in Appendix Table A-2. Based on the current citywide vacancy rate of 7 percent, households are estimated at 97. Population for these households is estimated at 395 based on the persons per household factor of 4.07 from the LAFCO report cited below.
3. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.
 Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
 City of Rialto, Assistant City Administrator/Development Services Director

Property Tax

As shown in Panel A of Table 2-3, estimated assessed valuation for the existing development is about \$93.4 million when homeowner and other exemptions of about \$2.2 million are excluded for total assessed valuation of about \$95.6 million. The one percent property tax levy on the net assessed valuation of \$93.4 million is \$933,742. Based on the property tax allocation to the City of Rialto of 21.04 percent, property tax to the City for existing development is estimated at \$196,492.

Based on the estimated assessed valuation of \$37.0 million for future growth, the one percent property tax levy is estimated at \$370,240, and property tax to the City is estimated at \$77,911 for future growth. Based on this estimated \$77,911 of property tax for future growth and the estimated \$196,492 of property tax for existing development, property tax for buildout of the five island areas is estimated at \$274,403, in constant 2016 dollars.

Sales and Use Tax

While the specific size and current sales tax generated by an existing retail market/deli is not available. For purposes of the fiscal analysis, the size of the retail establishment is estimated at 3,600 square feet, as shown in Panel B of Table 2-3. Retail taxable sales are projected at \$791,912 based on an assumption of \$200 per square foot of taxable sales. Sales tax is estimated at \$7,919 and use tax at the rate of 11.5 percent of sales tax results in total estimated sales and use tax of \$8,830. No retail uses are assumed for future growth.

Table 2-3
Estimated Assessed Valuation and Property Tax
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development	Future Growth	Total Buildout
A. ESTIMATED ASSESSED VALUATION AND PROPERTY TAX			
Total Estimated Assessed Valuation	\$95,614,212	\$37,024,000	\$132,638,212
Exemptions (homeowner and other)	\$2,239,963	\$0	\$2,239,963
Net Estimated Assessed Valuation	\$93,374,249	\$37,024,000	\$130,398,249
1% Property Tax Levy	\$933,742	\$370,240	\$1,303,982
City General Fund Share of 1% Levy	21.04%	21.04%	21.04%
Projected City General Fund Property Tax (@ 21.04 of 1% levy)	\$196,492	\$77,911	\$274,403
B. ESTIMATED ON-SITE SALES AND USE TAX			
Retail (Corner Market/Deli) Square Feet	3,600	0	3,600
Retail Taxable Sales (@ \$200 per square foot taxable sales)	\$791,912	\$0	\$791,912
Retail Sales Tax (@ 1% of taxable sales)	\$7,919	\$0	\$7,919
Use Tax (@ 11.5% of sales tax)	<u>\$911</u>	<u>\$0</u>	<u>\$911</u>
Total On-Site Sales and Use Tax	<u>\$8,830</u>	<u>\$0</u>	<u>\$8,830</u>

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

CHAPTER 3 PUBLIC FACILITIES BEFORE AND AFTER ANNEXATION

This chapter describes the existing and anticipated future service providers for the proposed North Rialto Islands Annexation project area. The level and range of the services for the annexation area are described, if they are known. The following services are detailed in this chapter:

- General Government
- Development Services
- Fire Prevention and Protection
- Emergency Medical Services
- County Sheriff/Police Services
- Library
- Parks and Recreation
- Animal Control
- Street Lighting
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management

Table 3-1 presents current and anticipated service providers in the North Rialto Islands annexation area. In many cases, such as general government, community development, economic development, fire and paramedic, and sheriff/police, among others, responsibilities shift from the County of San Bernardino to the City of Rialto. Other services, like water and utilities, remain unchanged before and after annexation. These changes are detailed in subsequent sections of this chapter.

3.1 General Government

Before Annexation

The County of San Bernardino provides general government services, including: all Administrative services, Community Development services, and Economic Development services to the annexation area. In addition, the County provides countywide services, such as law and justice, and health and welfare services that are provided to all residents whether they reside in the unincorporated area or a City.

Table 3-1
Current and Anticipated Service Providers in the North Rialto Islands Annexation Areas
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Service Type	Current Service Provider	Anticipated Service Provider
General Government:		
Administrative Services	County of San Bernardino	City of Rialto
Development Services		
Planning	County of San Bernardino	City of Rialto
Building Services	County of San Bernardino	City of Rialto
Development Review	County of San Bernardino	City of Rialto
Code Compliance	County of San Bernardino	City of Rialto
Business Licensing	County of San Bernardino	City of Rialto
Countywide Services	County of San Bernardino	County of San Bernardino
Fire Prevention and Protection	San Bernardino County Fire Protection District - Valley Service Zone	City of Rialto Fire Department
Emergency Medical	American Medical Response, SBCFPD	City of Rialto Fire Department
Sheriff/Police	County of San Bernardino Sheriff's Department	City of Rialto Police Department
Library	County of San Bernardino Library District	County of San Bernardino Library District
Parks and Recreation:		
Local Facilities	none	City of Rialto
Regional Facilities	County of San Bernardino	County of San Bernardino
Animal Control	San Bernardino County Animal Care and Control	City of Rialto Police Department
Street Lighting	CSA (SL-1) provides street lighting installation and maintenance for a small portion of the project. Lighting powered by Southern California Edison.	Lighting and Landscape Maintenance District
Landscape Maintenance	Private	Lighting and Landscape Maintenance District
Water	San Bernardino Valley Municipal Water District West Valley Water District (WVWD) for a portion of the project.	San Bernardino Valley Municipal Water District Entire project must annex to the West Valley Water District (WVWD)
Sewer	Private Septic Service	City of Rialto Sewer System
Transportation:		
Freeways and Interchanges	Cal Trans	Cal Trans
Arterials and Collectors	San Bernardino County - Public Works	City of Rialto Public Works Department
Local Roads	San Bernardino County - Public Works	City of Rialto Public Works Department
Transit	Omnitrans	Omnitrans
Flood Control and Drainage:		
Local Facilities	San Bernardino County Flood Control District	City of Rialto Public Works Department
Regional Facilities	San Bernardino County Flood Control District, U.S. Army Corp of Engineers	San Bernardino County Flood Control District, U.S. Army Corp of Engineers
Utilities:		
Cable/Internet Provider/Phone	Time Warner, AT&T Uverse	Time Warner, AT&T U-verse
Telephone	AT&T	AT&T
Power	Southern California Edison	Southern California Edison
Natural Gas	Southern California Gas Company	Southern California Gas Company
Schools	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District
Solid Waste Management	Burrtec Waste Industries	Burrtec Waste Industries has exclusive franchise with City of Rialto

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Website
San Bernardino County Local Agency Formation Commission

After Annexation

After the annexation, the City of Rialto will provide the general government services which include administrative services as well as General Governance, Community Development and Economic Development. The County of San Bernardino will continue to provide Countywide services such as law and justice, and health and welfare services that are provided to all residents of the County whether they reside in a City or the unincorporated area.

3.2 Fire and Paramedic

Before Annexation

San Bernardino County Fire Protection District is responsible fire protection to the North Rialto Island Annexation area. Currently, the City of Rialto provides fire protection services to the island annexation areas through a mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas.

After Annexation

Upon annexation of the island areas, the City will continue to provide fire protection and the mutual aid agreement for fire protection with the County will no longer be applicable. Upon annexation, the project area will be detached from the San Bernardino Fire Protection District. The Rialto City Fire Department will be the service provider for fire prevention, protection and EMS, i.e. paramedic services after the annexation. City fire codes and fire abatement requirements will be addressed during the entitlement and permitting process. The City may incur additional costs for reimbursement of County services in the southern part of Rialto.

There are four fire stations in Rialto; Station 202, located at 1925 N. Riverside Avenue, is the closest station to the North Rialto Islands project site. Station 202 has one fire engine and two paramedic ambulances (one in reserve). The fire station will provide wildland and structural fire protection, and response to 911 medical aid call, traffic accidents and hazardous materials.

Additional support may be provided by Fire Station 204, located at N. Alder in Rialto. Fire Station 204 has two fire engines (one in reserve), one water tender, and two specialized units.

3.3 Sheriff/Police

Before Annexation

The San Bernardino County Sheriff-Coroner's Department provides public safety services to the

unincorporated areas. The Sheriff's Department and the City Police Department provide mutual backup services upon request within both the City and unincorporated areas. The California Highway Patrol provides traffic patrol on State Highways within the unincorporated areas of the County. The Highway Patrol can also provide emergency response backup to the City Police and the County Sheriff upon request.

After Annexation

After the annexation, the City of Rialto Police Department will be providing the public safety services for the North Rialto Islands Annexation. The Department currently employs 140.5 total employees, with 101 sworn and 39.5 non-sworn personnel. In addition to patrol services, the Police Department offers K-9, School Resource Officer (SRO), Street Crime Attach Team (SCAT), investigations, traffic enforcement, narcotics enforcement, training and background checks, community services, animal control services and re-entry support services. The Rialto Police Department is also part of the Four-City Regional SWAT Team (IVS) and Air-Support Unit.

3.4 Library

Before Annexation

Currently, the annexation area is served by the San Bernardino County Library system. The nearest County library is the Carter Branch Library located at 2630 North Linden Drive in Rialto.

After Annexation

The annexation area would continue to receive library services from the San Bernardino County Library system library upon annexation. In addition to the Carter Branch Library, the Rialto Branch Library is located at 251 West 1st Street in Rialto.

3.5 Parks and Recreation

Before Annexation

The County Regional Parks Department provides regional park services to all residents within the County, including unincorporated areas. The County Regional Parks system includes the following parks: Glen Helen, Yucaipa, Lake Gregory, Cucamonga, Guasti, and Prado. The closest regional park is Glen Helen Regional Park which has various recreation areas with amenities for fishing, boating, and picnicking. However, the County does not provide local park services, and, currently, there are no local parks within the annexation area

It likely that the current residents of the island annexation areas are using the park and recreation facilities in the City of Rialto.

After Annexation

Rialto has a variety of parks and recreation facilities for public use. Park facilities include picnic areas, ball fields, basketball courts, walking tracks and shelters. The Rialto Community Center and Rialto Senior Center have rooms available to rent for meetings, seminars and private parties.

3.6 Animal Control

Before Annexation

The San Bernardino County Animal Care and Control Program currently offers field services, animal licensing and education for dog owners in the unincorporated areas of the County. The Program operates two animal shelters: 1) Big Bear Animal Shelter is located at Northshore Road, Big Bear City; and 2) Devore Animal Shelter is located at 19777 Shelter Way, Devore.

After Annexation

The Humane Services section of the Rialto Police Department is responsible for handling animal control related services for the City. These services include picking up strays, response to complaints or attacks, licensing and ordinance enforcement. The City contracts with the County for animal shelter services only. The annexation area will receive services from the City, which will be financed by the General Fund and various user fees.

3.7 Street Lighting

Before Annexation

Street lighting services in a small portion of the annexation area are funded through property tax revenues accruing to the CSA SL-1 Valley Area. Current street lighting improvements are powered by Southern California Edison.

After Annexation

Upon annexation, the City of Rialto will provide installation, maintenance and street lighting improvements. Based on information provided by LAFCO staff, the portion of the project within the CSA SL-1 will be detached from CSA SL-1 upon annexation to the City. The property tax revenues that would accrue to the County for CSA SL-1 will then be allocated between the County General Fund and the City of Rialto per the estimated property tax allocation rates shown in Appendix Table C-3.

3.8 Landscape Maintenance

Before Annexation

Currently, the County of San Bernardino is responsible for any road pavement and minimal landscaping maintenance in the annexation area.

After Annexation

Upon annexation, a Lighting and Landscaping District will be responsible for installation and maintenance of all common landscape areas, hardscape areas, and irrigation systems in the North Rialto Islands Annexation.

3.9 Water

Before Annexation

Currently, San Bernardino Valley Municipal Water District is the wholesale water service provider and State water contractor for the project area. The West Valley Water District provides domestic and recycled water, and maintains water quality for the annexation area.

After Annexation

Upon annexation, the entire project must annex into the West Valley Water District (WVWD). The backbone water facilities and infrastructure will be owned, operated and serviced by the WVWD. All new waterlines and water facilities will be designed and installed in accordance with the WVWD requirements and specifications. The fair share cost of designing and constructing the water system will be financed by the project master developer, project area builders, and/or other financing mechanisms acceptable to the WVWD.

3.10 Sewer

Before Annexation

The island annexation areas currently use private septic service and public sewer service is not currently provided in the North Rialto Islands Annexation area.

After Annexation

Upon annexation to the City, some of the existing development could connect to the City's sewer system. The City's sewer collection system runs under the streets on the perimeter of the island areas and, in some cases, passes through the island areas. City policy requires properties to connect to the sewer system within three years of the system becoming available within 200 feet of their property.

3.11 Transportation

Before Annexation

Current transportation services for the City of Rialto include freeways and interchanges serviced by Cal Trans; arterials and collectors serviced by the Public Works Department of San Bernardino County; local roads also serviced by the Public Works Department of San Bernardino County; and public transit serviced by Omnitrans.

After Annexation

Cal Trans will continue to provide their services post annexation for freeways and interchanges, and Omnitrans for public transit. All arterials and collectors and on-site street local roads will be maintained by the City public works department. The City estimates infrastructure improvements at about \$8.1 million due to deferred street maintenance and lack of sidewalk improvements for existing development in the island areas. Currently, this is an unfunded infrastructure liability. For new development, the developer, in cooperation with the City of Rialto, will be responsible for improvements of all necessary public streets, both on- and off-site.

3.12 Flood Control and Drainage

Before Annexation

On a regional level, the San Bernardino County Flood Control District intercepts and manages flood flows through and away from developed areas throughout the County. The Flood Control District is also responsible for water conservation and storm drain construction.

After Annexation

Local stormwater services would transfer to the City upon annexation and regional flood control services would remain with the County. The City has a system of north-south running drains feeding interceptor lines draining either to the Rialto Channel, which parallels Cactus Avenue, or to the Lytle Creek Wash area.

3.13 Utilities

Before and After Annexation

Utilities include cable television, internet, telephone, electric power, and natural gas. Currently, Time Warner and AT&T Uverse are the cable television and internet service providers. AT&T maintains telephone service to the annexation area. Electricity is provided by Southern California Edison, while natural gas is supplied by the Southern California Gas Company. These service providers are not anticipated to change upon annexation.

3.15 Solid Waste Management

Before Annexation

The San Bernardino County Solid Waste Management Division, under the Department of Public Works, oversees the operation and management of the County's solid waste disposal system, which includes five regional landfills and nine transfer stations. The waste hauler for the project area is Burrtec Industries.

After Annexation

Solid waste collection in the City of Rialto is mandatory and Burrtec Industries has an exclusive franchise agreement with the City. Burrtec Industries offers integrated waste removal and recycling programs to residential and commercial customers. Per the franchise agreement with the City, Burrtec Industries utilizes the County owned landfill located in the City of Rialto for the disposal of solid waste collected in the City. All collection services are supported on a user fee basis.

CHAPTER 4 FINANCING PUBLIC FACILITIES AND INFRASTRUCTURE

Table 4-1 also identifies the jurisdiction, special district or private association responsible for maintenance of each facility and the ownership of each facility. The projected annual fiscal impacts to the City for provision of services to the North Rialto Islands Annexation are presented in Chapter 5.

4.1 Development Impact Fees

For purposes of estimating the development impact fees in this report, fee amounts are based on the fees that will become effective July 1, 2015 as included in City's *Development Fee Schedule, February 10, 2014*. As shown in Table 4-2 estimated one-time development impact fees that would be collected for new development in the North Rialto Islands Annexation are estimated at about \$2.0 million.

4.2 Schools

School Impact Fees are charged for both residential and commercial development. These fees will be based on the unit size and the amount of commercial square feet. These fees are not estimated in this report.

4.3 Utilities

Cable television, internet, power, and gas utilities are enterprise services, where fees and charges are determined by each company's rate structure.

4.4 Estimated Capital Improvements for Roads

As discussed earlier, the City estimates infrastructure improvements to the roads in the North Rialto Islands Annexation at about \$8.1 million due to deferred street maintenance and lack of sidewalk improvements for existing development in the island areas. Table 4-3 presents the City's detailed estimate of these infrastructure costs by type of improvement and the location of the improvement.

**Table 4-1
North Rialto Islands Facilities and Infrastructure
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto**

Type	Developed By	Maintained By ¹	Owned By ¹
<u>Streetscape</u>			
Primary and Secondary Entry Roads	Master Developer/City	City	City
Primary and Secondary Local Roads and Cul-de-sacs	Master Developer/City	City/HOA	City/HOA
Landscaping	HOA/LLMD	HOA /LLMD	HOA/LLMD
Street Lighting	Master Developer	SCE/LLMD	LLMD/HOA
Community Walls and Fences	Master Developer	HOA	HOA
Interior Neighborhood Walls and Fence	Guest Builder	Homeowner	Homeowner
<u>Parks and Open Space</u>			
Private Parks	Master Developer	HOA/LLMD	HOA/LLMD
Public Parks	Master Developer	HOA/LLMD	City
<u>Infrastructure</u>			
Local Storm Drain System	Master Developer	City	City
Regional Storm Drain and Flood Control	CFD/Similar Mechanism	SBCFCD	SBCFCD
Sewer Systems (on-site and off-site)	Master Developer	City	City
Water Systems (on-site and off-site)	Master Developer/WVWD	WVWD	WVWD
Utilities	Utility Companies	Utility Companies	Utility Companies

Note: 1. LLMD = Landscape and Lighting District or special maintenance district
HOA = Homeowners' Association (Master or Neighborhood)
SCE = Southern California Edison
CFD = Community Facilities District
SBCFCD = San Bernardino Flood Control District
WVWD = West Valley Water District
Certain facilities and improvements may be subject to reimbursement agreements.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, *Lytle Creek Ranch Specific Plan*, March 2010

Table 4-2
Estimated One-Time Development Impact Fees
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

A. Future Development Description		
Development Category		North Rialto Islands Future Development
<u>Single Family Residential Units</u>		104
B. Estimated Fees ¹		
Fee Category	Fee Per Single Family Unit	North Rialto Islands Future Development
<u>General Facilities</u>	\$1,760.01	\$183,041
<u>Police Facilities</u>	\$1,249.47	\$129,945
<u>Fire Facilities</u>	\$919.59	\$95,637
<u>Park Facilities</u>	\$3,037.90	\$315,942
<u>Open Space</u>	\$606.82	\$63,109
<u>Library Facilities</u>	\$314.65	\$32,724
<u>Regional Traffic Fees</u>	\$2,858.44	\$297,278
<u>Street Medians</u>	\$53.46	\$5,560
<u>Storm Drain Facilities</u>	\$3,435.78	\$357,321
<u>Wastewater Collection</u>	\$1,725.50	\$179,452
<u>Wastewater Treatment</u>	\$3,126.20	\$325,125
TOTAL DEVELOPMENT IMPACT FEES		\$1,985,133

Note: 1. Applicable City fees in this table represent the current City fee schedule amounts effective 7/1/2015, based on the City's fee schedule cited below.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Development Fee Schedule*, Effective February 10, 2014

Table 4-3
Estimated Capital Improvement Costs for Roads
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

ITEM	DESCRIPTION	COST	AREA 2		AREA 3		AREA 4		AREA 5		TOTAL
			UNITS	TOTAL	UNITS	TOTAL	UNITS	TOTAL	UNITS	TOTAL	
1	Curb & Gutter			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
2	Curb, Gutter Removal & Replac	\$23.50	200	\$4,700.00		\$0.00		\$0.00	500	\$11,750.00	\$16,450.00
3	Sidewalk	\$5.95	33,200	\$197,540.00	42,815	\$254,749.25		\$0.00	90,000	\$535,500.00	\$987,789.25
4	Driveway Approach Concrete	\$8.35	600	\$5,010.00	800	\$6,680.00	20,800	\$173,680.00		\$0.00	\$185,370.00
5	Tree Removal	\$1,000.00	27	\$27,000.00	18	\$18,000.00	5	\$5,000.00	45	\$45,000.00	\$95,000.00
6	Utility Pole Relocation	\$300.00	9	\$2,700.00	12	\$3,600.00	50	\$15,000.00	35	\$10,500.00	\$31,800.00
7	Mail Box Reset	\$75.00		\$0.00		\$0.00	200	\$15,000.00		\$0.00	\$15,000.00
8	Driveway Repair	\$8.35		\$0.00		\$0.00		\$0.00	10,000	\$83,500.00	\$83,500.00
9	House Walk	\$5.95		\$0.00	480	\$2,856.00		\$0.00	300	\$1,785.00	\$4,641.00
10	Returning Curb	\$15.00		\$0.00		\$0.00		\$0.00	100	\$1,500.00	\$1,500.00
11	Handicapped Ramp	\$2,390.00	8	\$19,120.00	21	\$50,190.00	16	\$38,240.00	53	\$126,670.00	\$234,220.00
12	Pavement Slurry	\$0.30	135,000	\$40,500.00	151,696	\$45,508.80	118,400	\$35,520.00	78,472	\$23,541.60	\$145,070.40
13	Pavement Overlay	\$0.90		\$0.00	112,064	\$100,857.60		\$0.00	358,514	\$322,662.60	\$423,520.20
14	Sewer	\$95.42	3,225	\$307,729.50	5,391	\$514,409.22	6,855	\$654,104.10	10,350	\$987,597.00	\$2,463,839.82
15	Street Signs	\$250.00	7	\$1,750.00	11	\$2,750.00	7	\$1,750.00	23	\$5,750.00	\$12,000.00
16	Pavement Markings	\$0.48		\$0.00	3,000	\$1,440.00	16,667	\$8,000.00	25,000	\$12,000.00	\$21,440.00
17	Block Wall/Fence	\$60.00	450	\$27,000.00	100	\$6,000.00		\$0.00	100	\$6,000.00	\$39,000.00
18	Wood Fence/Iron Fence	\$28.60	250	\$7,150.00	100	\$2,860.00		\$0.00	100	\$2,860.00	\$12,870.00
19	Landscape	\$12,000.00		\$0.00		\$0.00		\$0.00	1	\$12,000.00	\$12,000.00
20	Cul-de-sac end of Fillmore	\$50,000.00	1	\$50,000.00						\$0.00	\$50,000.00
21	Cul-de-sac Lurlane westerly including ROW	\$20,000.00							1	\$20,000.00	\$20,000.00
22	Linden from Bohnert to north of Norwood Curb, Gutter + Lane + Walk	\$246.00		\$0.00		\$0.00	925	\$227,550.00		\$0.00	\$227,550.00
23	Cedar from Bohnert south to west side Curb, Gutter + Lane + Walk	\$123.00		\$0.00		\$0.00	275	\$33,825.00		\$0.00	\$33,825.00
24	Bohnert from Linden to County Line Curb, Gutter + Lane + Walk	\$246.00		\$0.00		\$0.00	1,941	\$477,486.00		\$0.00	\$477,486.00
25	Banyon from Linden to Maple Curb, Gutter Both sides + 1 Lane Curb, Gutter & Sidewalk Only	\$123.00 \$48.75		\$0.00 \$0.00		\$0.00 \$0.00	1,231 1,231	\$151,413.00 \$60,011.25		\$0.00 \$0.00	\$151,413.00 \$60,011.25
26	Maple from Vineyard to South Curb, Gutter & Sidewalk Cul-de-sac including ROW	\$48.75 \$35,000.00		\$0.00 \$0.00		\$0.00 \$0.00	700 1	\$34,125.00 \$35,000.00		\$0.00 \$0.00	\$34,125.00 \$35,000.00
27	Maple from Bohnert to north of Banyon Curb, Gutter & Sidewalk Only Additional Pavement Additional Pavement	\$97.50 \$5.27 \$5.27		\$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00	509 1,527 2,000	\$49,627.50 \$8,047.29 \$10,540.00		\$0.00 \$0.00 \$0.00	\$49,627.50 \$8,047.29 \$10,540.00
28	Vineyard from Linden to westerly join Curb, Gutter & Sidewalk + 1 Lane Additional Pavement	\$246.00 \$5.27		\$0.00 \$0.00		\$0.00 \$0.00	1,970 19,700	\$484,620.00 \$103,819.00		\$0.00 \$0.00	\$484,620.00 \$103,819.00
29	Maple from Vineyard to Bohnert Curb, Gutter & Sidewalk + 1 Lane Additional Pavement	\$246.00 \$5.27		\$0.00 \$0.00		\$0.00 \$0.00	615 6,150	\$151,290.00 \$32,410.50		\$0.00 \$0.00	\$151,290.00 \$32,410.50
Subtotal				\$690,199.50		\$1,009,900.87		\$2,806,058.64		\$2,208,616.20	\$6,714,775.21
10% Administrative Cost				\$69,019.95		\$100,990.09		\$280,605.86		\$220,861.62	\$671,477.52
10% Contingency Cost				\$69,019.95		\$100,990.09		\$280,605.86		\$220,861.62	\$671,477.52
TOTAL				\$828,239.40		\$1,211,881.04		\$3,367,270.37		\$2,650,339.44	\$8,057,730.25

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director, February 2016

CHAPTER 5 FISCAL IMPACTS OF ANNEXATION AREA

This chapter presents the fiscal analysis of the North Rialto Islands Annexation. The focus of this analysis is on the impacts for the North Rialto Islands Annexation. However, because the San Bernardino County LAFCO is considering the North Rialto Islands Annexation along with the annexation of two portions of the Lytle Creek Specific Plan, fiscal impacts are also presented for the North Rialto Islands Annexation along with the Lytle Creek annexation.

As discussed earlier, Rialto voters approved a five year extension of the utility users tax (UUT) on March 5, 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before projected buildout of the North Rialto Islands Annexation in 2026, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT.

5.1 North Rialto Islands Annexation

Table 5-1 summarizes the projected fiscal impacts for the North Rialto Annexation with and without the UUT after buildout. Detailed fiscal projections are in Table 5-2 and 5-3.

**Table 5-1
Summary of Projected Fiscal Impacts
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)**

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
A. With Utility Users Tax			
Annual Recurring Revenues	\$727,136	\$223,831	\$950,967
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$519,092)	\$5,718	(\$513,374)
Revenue/Cost Ratio	0.58	1.03	0.65
B. No Utility Users Tax			
Annual Recurring Revenues	\$489,308	\$182,207	\$671,515
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$756,920)	(\$35,906)	(\$792,826)
Revenue/Cost Ratio	0.39	0.84	0.46

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

With Utility Users Tax

As shown in Panel A of Table 5-1, a recurring annual deficit \$519,092 is projected for the existing development with the utility users tax (UUT). After buildout of the estimated future development with a projected surplus of \$5,718, a recurring deficit of \$513,374 is projected.

Projected Recurring Revenues With Utility Users Tax. As shown in Table 5-2, about 68 percent of the total projected revenues after buildout of the North Rialto Annexation with the UUT are comprised of UUT, property tax and other transfers from other funds to the General Fund.

Projected Recurring Costs With Utility Users Tax. As also shown in Table 5-2, police protection, fire protection and general government are the largest projected recurring costs and account for about 81 percent of total projected recurring costs for the North Rialto Islands Annexation after buildout.

No Utility Users Tax

As shown in Panel B of Table 5-1, after buildout without the UUT, an annual recurring deficit of \$792,826 is projected based on a projected deficit of \$756,920 for existing development and a projected deficit of \$35,906 for future growth in the island areas.

Projected Recurring Revenues Without Utility Users Tax. As shown in Table 5-3, about 66 percent of the total project revenues after buildout of the annexation without the UUT is comprised of property tax, transfer from other funds to the General Fund and franchise fees.

Projected Recurring Costs Without Utility Users Tax. As with the scenario with UUT, police protection, fire protection and general government are the largest projected recurring costs and account for about 81 percent of total projected recurring costs for the North Rialto Islands Annexation after buildout without the UUT.

5.2 Comparison of SRHA and LAFCO Projected Impacts for North Rialto Islands

The SRHA projected fiscal impacts are compared with the December 2015 LAFCO fiscal analysis of the North Rialto Islands Annexation in Table 5-4. The SRHA fiscal analysis is based on the existing residential assumptions and fiscal assumptions used in the LAFCO analysis. The SRHA total assessed valuation assumptions are from the LAFCO fiscal analysis minus homeowner and other exemptions as contained in the County parcel file. The LAFCO fiscal analysis assumes a utility users tax (UUT) and does not project impacts without UUT.

Table 5-2
Detailed Projected Recurring Fiscal Impacts: With Utility Users Tax
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	With Utility Users Tax			
	Total Existing	Future Development	Total Buildout	
			Amount	Percent of Total
<u>Recurring Revenues</u>				
Property tax	\$196,492	\$77,911	\$274,403	28.9%
On-site retail sales and use tax	8,830	0	8,830	0.9%
Property transfer tax-turnover	2,568	1,018	3,586	0.4%
In lieu property tax (VLF)	0	53,426	53,426	5.6%
Franchise fees	62,643	10,964	73,607	7.7%
Proposition 172 Sales Tax-Public Safety	10,754	1,887	12,641	1.3%
Utility users tax	236,189	41,337	277,526	29.2%
Business licenses	723	0	723	0.1%
Animal licenses and fees	3,735	655	4,390	0.5%
Fines, forfeits and penalties	9,696	1,697	11,393	1.2%
County LF excavation charges	4,804	841	5,645	0.6%
Current services	51,896	9,085	60,981	6.4%
Rents and concessions	4,421	774	5,195	0.5%
Administrative/passport/misc. fees	13,432	2,356	15,788	1.7%
Transfer from Gas Tax Fund	33,189	5,821	39,010	4.1%
Other transfers	82,754	14,516	97,270	10.2%
Interest on invested revenues	5,011	1,543	6,554	0.7%
Total Projected Revenues	\$727,136	\$223,831	\$950,967	100.0%
<u>Recurring Costs</u>				
Fire protection	\$338,047	\$59,164	\$397,211	27.1%
Police protection	548,483	95,994	644,477	44.0%
Development services-engineering	8,907	1,559	10,466	0.7%
Development services-business licensing	55	0	55	0.0%
Development services-code enforcement	15,514	2,715	18,230	1.2%
Public works-administration	9,787	1,713	11,500	0.8%
Public works-engineering services & projects	6,765	1,184	7,949	0.5%
Public works-park maintenance	0	0	0	0.0%
Public works-street maintenance/traffic signals	54,052	9,460	63,512	4.3%
Public works-graffiti removal	2,571	450	3,021	0.2%
Public works-traffic safety	17,679	3,094	20,773	1.4%
Public works-storm drain program	8,231	1,441	9,672	0.7%
Public works-community building maintenance	24,535	4,294	28,829	2.0%
Recreation	27,923	4,898	32,821	2.2%
General government	124,335	21,761	146,096	10.0%
Subtotal Recurring Costs	\$1,186,885	\$207,727	\$1,394,612	95.2%
5% contingency/reserves	59,343	10,386	69,729	4.8%
Total Recurring Costs	\$1,246,228	\$218,113	\$1,464,341	100.0%
<u>Annual Net Recurring Surplus or (Deficit)</u>	(\$519,092)	\$5,718	(\$513,374)	
<u>Revenue/Cost Ratio</u>	0.58	1.03	0.65	
<u>ANNUAL SURPLUS OR (DEFICIT) PER UNIT</u>				
Number of Units	595	104	699	
<u>Annual Surplus or (Deficit) per Unit</u>	(\$872)	\$55	(\$734)	

Source: Stanley R. Hoffman Associates, Inc.

Table 5-3
Detailed Projected Recurring Fiscal Impacts: No Utility Users Tax
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	No Utility Users Tax			
	Total Existing	Future Development	Total Buildout	
			Amount	Percent of Total
<u>Recurring Revenues</u>				
Property tax	\$196,492	\$77,911	\$274,403	40.9%
On-site retail sales and use tax	8,830	0	8,830	1.3%
Property transfer tax-turnover	2,568	1,018	3,586	0.5%
In lieu property tax (VLF)	0	53,426	53,426	8.0%
Franchise fees	62,643	10,964	73,607	11.0%
Proposition 172 Sales Tax-Public Safety	10,754	1,887	12,641	1.9%
Utility users tax	0	0	0	0.0%
Business licenses	723	0	723	0.1%
Animal licenses and fees	3,735	655	4,390	0.7%
Fines, forfeits and penalties	9,696	1,697	11,393	1.7%
County LF excavation charges	4,804	841	5,645	0.8%
Current services	51,896	9,085	60,981	9.1%
Rents and concessions	4,421	774	5,195	0.8%
Administrative/passport/misc. fees	13,432	2,356	15,788	2.4%
Transfer from Gas Tax Fund	33,189	5,821	39,010	5.8%
Other transfers	82,754	14,516	97,270	14.5%
Interest on invested revenues	<u>3,372</u>	<u>1,256</u>	<u>4,628</u>	<u>0.7%</u>
Total Projected Revenues	\$489,308	\$182,207	\$671,515	100.0%
<u>Recurring Costs</u>				
Fire protection	\$338,047	\$59,164	\$397,211	27.1%
Police protection	548,483	95,994	644,477	44.0%
Development services-engineering	8,907	1,559	10,466	0.7%
Development services-business licensing	55	0	55	0.0%
Development services-code enforcement	15,514	2,715	18,230	1.2%
Public works-administration	9,787	1,713	11,500	0.8%
Public works-engineering services & projects	6,765	1,184	7,949	0.5%
Public works-park maintenance	0	0	0	0.0%
Public works-street maintenance/traffic signals	54,052	9,460	63,512	4.3%
Public works-graffiti removal	2,571	450	3,021	0.2%
Public works-traffic safety	17,679	3,094	20,773	1.4%
Public works-storm drain program	8,231	1,441	9,672	0.7%
Public works-community building maintenance	24,535	4,294	28,829	2.0%
Recreation	27,923	4,898	32,821	2.2%
General government	<u>124,335</u>	<u>21,761</u>	<u>146,096</u>	<u>10.0%</u>
Subtotal Recurring Costs	\$1,186,885	\$207,727	\$1,394,612	95.2%
5% contingency/reserves	<u>\$59,343</u>	<u>\$10,386</u>	<u>\$69,729</u>	<u>4.8%</u>
Total Recurring Costs	\$1,246,228	\$218,113	\$1,464,341	100.0%
<u>Annual Net Recurring Surplus or (Deficit)</u>	(\$756,920)	(\$35,906)	(\$792,826)	
<u>Revenue/Cost Ratio</u>	0.39	0.84	0.46	
<u>ANNUAL SURPLUS OR (DEFICIT) PER UNIT</u>				
Number of Units	595	104	699	
<u>Annual Surplus or (Deficit) per Unit</u>	(\$1,272)	(\$345)	(\$1,134)	

Source: Stanley R. Hoffman Associates, Inc.

Table 5-4
Summary of Projected Fiscal Impacts Upon Annexation: SRHA and LAFCO
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Existing Development Upon Annexation		
	With Utility Users Tax		
	SRHA	LAFCO ¹	SRHA minus LAFCO
Annual Recurring Revenues	\$727,136	\$911,375	(\$184,239)
Annual Recurring Costs	\$1,246,228	\$772,112	\$474,116
Annual Recurring (Deficit) or Surplus	(\$519,092)	\$139,263	(\$658,355)
Revenue/Cost Ratio	0.58	1.18	(0.39)

Note: 1. The projected impacts for the LAFCO analysis are from the LAFCO report cited below. The LAFCO analysis does not include impacts without utility users tax (UUT).

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015

As shown in Panel A of Table 5-4, for existing development upon annexation with UUT, SRHA projects a deficit of \$519,092 and LAFCO projects a recurring surplus of \$139,263. The major differences in projected revenues and costs between the SRHA analysis and the LAFCO analysis are highlighted in yellow in Table 5-5.

Projected Revenues. SRHA projects \$184,239 fewer revenues than the LAFCO analysis. The most significant differences in projected revenues include:

Property Tax. SRHA projects \$4,715 less property tax than LAFCO because homeowner and other exemptions are not included in the SRHA estimated assessed valuation.

On-Site Sales and Use Tax. SRHA projects sales and use tax for the existing retail uses in the annexation area of \$8,830. The LAFCO analysis does not include this revenue.

In Lieu Property Tax (Sales and Use Tax). SRHA does not project this revenue because the State will discontinue this shift from sales and use tax to property tax in 2016. LAFCO projects this revenue at \$51,685.

Table 5-5
Detailed Projected Fiscal Impacts of Existing Development: SRHA and LAFCO
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Existing Development Upon Annexation		
	With Utility Users Tax		
	SRHA	LAFCO	SRHA minus LAFCO
Recurring Revenues			
Property tax	\$196,492	\$201,207	(\$4,715)
On-site retail sales and use tax	8,830	0	8,830
In lieu property tax (sales and use tax)	0	51,685	(51,685)
Property transfer tax-turnover	2,568	2,629	(61)
In lieu property tax (VLF)	0	137,971	(137,971)
Franchise fees	62,643	62,605	38
SB509 sales tax - safety	10,754	10,755	(1)
Utility users tax	236,189	235,665	524
Business licenses	723	0	723
Animal licenses and fees	3,735	3,443	292
Fines, forfeits and penalties	9,696	9,675	21
County LF excavation charges	4,804	4,793	11
Current services	51,896	51,986	(90)
Rents and concessions	4,421	4,410	11
Administrative/passport/misc. fees	13,432	13,433	(1)
Transfer from Gas Tax Fund	33,189	33,188	1
Other transfers	82,754	82,755	(1)
Interest on invested revenues	5,011	5,175	(164)
Total Projected Revenues	\$727,136	\$911,375	(\$184,239)
Recurring Costs			
Fire protection	\$338,047	\$0	\$338,047
Police protection	548,483	547,268	1,216
Development services-engineering	8,907	8,888	20
Development services-business licensing	55	12,443	(12,388)
Development services-code enforcement	15,514	15,480	35
Public works-administration	9,787	9,765	22
Public works-engineering services & projects	6,765	6,750	15
Public works-park maintenance	0	0	0
Public works-street maintenance/traffic signals	54,052	53,933	119
Public works-graffiti removal	2,571	2,565	6
Public works-traffic safety	17,679	17,640	40
Public works-storm drain program	8,231	8,213	18
Public works-community building maintenance	24,535	24,480	55
Recreation	27,923	27,923	0
General government	124,335	0	124,335
Subtotal Recurring Costs	\$1,186,885	\$735,345	\$451,540
5% contingency/reserves	\$59,343	\$36,767	\$22,576
Total Recurring Costs	\$1,246,228	\$772,112	\$474,116
Annual Net Recurring Surplus or (Deficit)	(\$519,092)	\$139,263	(\$658,355)
Revenue/Cost Ratio	0.58	1.18	(0.60)
ANNUAL SURPLUS OR (DEFICIT) PER UNIT			
Number of Units	595	595	0
Annual Surplus or (Deficit) per Unit	(\$872)	\$234	(\$1,106)

Source: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, Agenda Item #7 --
Presentation Required Pursuant to Section IV - Application Processing, Policy 11 -
Island Annexation Pursuant to Government Code Section 56375.3..., December 8, 2015

In Lieu Property Tax (Vehicle License Fee). While the LAFCO analysis estimates this revenue at \$137,971, SRHA does not estimate this revenue pursuant to current legislation that states that upon annexation, the current valuation of the annexing area is not considered for calculating property tax in lieu of VLF to the annexing City. Only increases in assessed valuation after annexation generate property tax in lieu of VLF to the City.

Projected Costs. SRHA projects \$474,116 more costs than the LAFCO analysis. The most significant differences in projected costs include:

Fire Protection. The LAFCO fiscal analysis excludes fire protection costs because the City of Rialto provides fire protection services to the island annexation areas through a mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas. Based on discussion with City staff, upon annexation of the island areas, the City will continue to provide fire protection at an estimated cost of \$338,047, and the mutual aid agreement for fire protection with the County will no longer be applicable. The City may incur additional costs for reimbursement of County services in southern part of Rialto.

General Government. SRHA projects general government overhead costs at \$124,335. However, these costs are not projected in the LAFCO analysis.

5% Contingency/Reserves. Because SRHA projects higher costs than the LAFCO analysis, the SRHA 5 percent estimated contingency costs are \$22,576 higher.

5.3 North Rialto Islands Annexation Plus Lytle Creek Specific Plan

Annexation Areas: Existing Development. As shown in Table 5-6, a recurring deficit of \$519,092 is projected upon annexation of the five North Rialto Islands with utility users tax (UUT). When combined with the projected surplus of \$20,929 for the annexation area in the Lytle Creek project before any development occurs, a recurring deficit of \$498,163 is projected upon annexation with UUT. Without UUT, a recurring deficit of about \$751,846 is projected for existing development upon annexation.

Table 5-6
North Rialto Islands Annexation and Lytle Creek Annexation Area,
Summary of Projected Recurring Fiscal Impacts: Annexation Areas Only
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Areas Only					
	Existing Development			Buildout of Areas		
	Five Islands Annexation Areas	Lytle Creek Annexation Area Only	Total Annexation Areas	Five Islands Annexation Areas	Lytle Creek Annexation Area Only	Total Annexation Areas
A. With Utility User Tax						
Annual Recurring Revenues	\$727,136	\$20,929	\$748,065	\$950,967	\$6,689,174	\$7,640,141
Annual Recurring Costs	<u>\$1,246,228</u>	\$0	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,653</u>	<u>\$7,638,994</u>
Annual Recurring (Deficit) or Surplus	(\$519,092)	\$20,929	(\$498,163)	(\$513,374)	\$514,521	\$1,147
Revenue/Cost Ratio	0.58	n/a	0.48	0.65	1.08	1.00
B. No Utility User Tax						
Annual Recurring Revenues	\$489,308	\$5,074	\$494,382	\$671,515	\$5,683,405	\$6,354,920
Annual Recurring Costs	<u>\$1,246,228</u>	\$0	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,655</u>	<u>\$7,638,996</u>
Annual Recurring (Deficit) or Surplus	(\$756,920)	\$5,074	(\$751,846)	(\$792,826)	(\$491,250)	(\$1,284,076)
Revenue/Cost Ratio	0.39	n/a	0.40	0.46	0.92	0.83

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

Annexation Areas: Buildout. As also shown in Table 5-6, a recurring deficit of \$513,374 is projected after buildout of the five island annexations with UUT. When combined with the projected surplus of \$514,521 for the annexation area of the Lytle Creek project with UUT, the projected surplus after buildout of the annexations areas with UUT is essentially breakeven at \$1,147. A recurring deficit of about \$1.3 million is projected after buildout of all annexation areas without UUT.

Total Buildout. As shown in Table 5-7, when the projected recurring deficit of \$513,714 for the five island annexations is combined with the projected recurring surplus of about \$2.4 million for the total Lytle Creek project after buildout, a recurring surplus of about \$1.9 million is projected with UUT. Without the UUT, a recurring deficit of \$423,092 is projected when the projected deficit of \$792,826 for the five island annexation areas are combined with the total Lytle Creek project surplus of \$369,734 after buildout without UUT.

Table 5-7
North Rialto Islands Annexation and Total Lytle Creek Project
Summary of Projected Recurring Fiscal Impacts: Total Buildout
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Buildout of Five Islands and Total Lytle Creek Project		
	Five Islands Annexation Areas	Lytle Creek Total Project	Total Annexation Areas
A. With Utility User Tax			
Annual Recurring Revenues	\$950,967	\$13,735,912	\$14,686,879
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,214</u>	<u>\$12,832,555</u>
Annual Recurring (Deficit) or Surplus	(\$513,374)	\$2,367,698	\$1,854,324
Revenue/Cost Ratio	0.54	1.21	1.12
B. No Utility User Tax			
Annual Recurring Revenues	\$671,515	\$11,737,949	\$12,409,464
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,215</u>	<u>\$12,832,556</u>
Annual Recurring (Deficit) or Surplus	(\$792,826)	\$369,734	(\$423,092)
Revenue/Cost Ratio	0.38	1.03	0.95

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

CHAPTER 6 CITY OF RIALTO FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the North Rialto Islands Annexation fiscal analysis. Revenue and cost assumptions are based on the *City of Rialto, Fiscal Year 2013/2014 Budget*, with adjustments based on the City's *Mid-Year Presentation FY 13-14, City Council Approved Adjustments, 2/25/2014*, discussions with City finance staff, and the general assumptions presented in this chapter. These fiscal assumptions were used for the October 9, 2014 fiscal impact analysis of the Lytle Creek Project prepared by Stanley R. Hoffman Associates and the December 8, 2015 fiscal analysis of the North Rialto Islands Annexation prepared by the Local Agency Formation Commission (LAFCO) of San Bernardino County.

The general City demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs

6.1 City General Assumptions

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Some fiscal impacts are projected based on other factors, such as per unit or per acre, based on the available data. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2013/2014 adjusted budget categories by the City's resident population, employment, total service population, or acres where appropriate. Table 6-1 provides the City's general assumptions for this fiscal analysis.

Population

Rialto's total population of 101,429 is based on the State Department of Finance (DOF) estimate as of January 1, 2014. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvented gas taxes.

Employment

For fiscal factors that are impacted by only employment, such as business license taxes, the City's total employment is used as the basis for calculating the factor. Total employment for the City is estimated at 24,590. Payroll jobs for 2011 are estimated at 22,468 based on the

Table 6-1
City Population, Housing and Employment Assumptions
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Assumption	Description
	<u>Population and Housing</u> ¹
100,982	Household Population
447	<u>Group Quarters Population</u>
101,429	Total Population
	<u>Employment</u> ²
22,468	Estimated Payroll Jobs
2,121	<u>Additional Estimated Self-Employed</u>
24,590	Total Estimated City Employment
11,234	Employment Weighted at 50% (excludes self-employed) ³
	<u>Population and Employment</u>
112,663	Service Population (Population + Weighted Employment)

- Note: 1. Population and housing estimates are from the California Department of Finance (DOF) for January 1, 2014
2. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between 2008 LEHD primary jobs and 2008 EDD total payroll jobs. Estimated rates of self-employed by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-2011 Public Use Microdata Sample, (PUMS), as shown in Appendix Table B-1.
3. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population. The self-employed are not included because these jobs are assumed to be represented in the population estimate.

Sources: Stanley R. Hoffman Associates, Inc.

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011-2014*, Sacramento, May 2014

City of Rialto, Economic Development Department

California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*

Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011

Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

relationship between the 2008 Census Longitudinal Employer-Household Dynamic (LEHD) and 2008 jobs provided by the City from the California Employment Development Department (EDD). Based on the Census 2009-2011 American Community Survey (ACS) Public Use Microdata Sample (PUMS), the self-employed by industry category for San Bernardino County is applied to each EDD industry category. As shown in Appendix Table C-1, the self-employed for Rialto are estimated at 2,121. With the estimated self-employed included, total employment is estimated at 24,590 for the City.

Service Population

Fiscal factors that are impacted by both population and employment growth are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the total estimated City employment. Employment is weighted at 50 percent to account for the estimated less frequent use of City services by employment versus population.

As shown in Table 6-1, the service population for the City is estimated at 112,663. The service population estimate includes the resident population of 101,429 and the weighted employment of 11,234 (50 percent of 22,468). The self-employed are not included in the weighted employment estimate because they are assumed to be represented in the household population estimate.

6.2 City Revenue Assumptions

The General Fund Fiscal Year (FY) 2013/2014 adjusted revenues are presented in Appendix Table C-2. Since the adoption of the FY 2013/2014 Budget, City Council approved revenue amendments of \$3,097,443 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager, these revenue amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of \$1,783,079 were made to the City Budget, and these revenue adjustments are included in the appropriate revenue category, as shown in Appendix Table C-2.

Projected recurring revenues to the City General Fund include property tax; in lieu property tax (VLF); sales and use tax; in lieu property tax (sales and use tax); property transfer tax; franchise fees; SB509 sales tax-safety; utility users tax; business licenses and permits; animal licenses and permits; fines, forfeits and penalties; County Landfill excavation charges; charges for current services; interest on investments; rents and concessions; administrative fees; transfer from Gas Tax Fund; and other transfers to the General Fund.

The revenue factors for the recurring revenues projected in the fiscal analysis are summarized in Table 6-2 and described in the remainder of this section. These factors are based on the City's Fiscal Year (FY) 2013/2014 adjusted revenues shown in Appendix Table C-2 and the City's population and service population estimates that are presented in Table 6-1.

Property Tax

General Fund property tax is projected based on assessed valuation times the allocation of the

Table 6-2
General Fund Recurring Revenue Factors
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Revenue Source	FY 2013-2014 Adjusted Budget	Projection Basis ¹	Projection Factor ¹
Tax Revenue			
Property Taxes ²	\$5,765,000	Assessed Valuation	1% Basic Tax Levy
In Lieu Property Tax (VLF)	\$8,561,000	Case Study	21.04% General Fund share of 1% levy \$1,443 per \$1,000,000 assessed valuation
Sales and Use Tax	\$7,849,000	Taxable Sales	75% of 1% of projected sales and use tax
In Lieu Property Tax (Sales Tax)	\$2,588,000	Taxable Sales	25% of 1% of projected sales and use tax
Use Tax Factor		Use Tax as Percent of Sales Tax	11.2% of sales tax
Property Transfer Tax	\$250,000	Property turnover and valuation assumptions	5.0% Residential turnover rate 5.0% Non-residential turnover rate \$0.55 per \$1,000 assessed valuation
Franchise Fees	\$3,130,000	Service Population = 112,663	\$27.78 per service population
SB509 Sales Tax-Safety	\$485,000	Population = 101,429	\$4.78 per capita
Utility User Tax	\$11,800,000	Service Population = 112,663	\$104.74 per service population
Licenses and Permits			
Business/Contractors/Truckers Licenses	\$1,777,000	Employment = 24,590	\$72.27 per employee
Dog Licenses	\$155,000	Population = 101,429	\$1.53 per capita
Fines, Forfeits & Penalties	\$484,000	Service Population = 112,663	\$4.30 per service population
Revenue From Other Agencies			
Motor Vehicle in Lieu Tax	\$0	Population = 101,429	\$0.00 per capita
County LF Excavation Charges ³	\$240,000	Service Population = 112,663	\$2.13 per service population
Charges for Current Services			
Animal Control Fees	\$13,000	Population = 101,429	\$0.13 per capita
Other Police Related Fees ⁴	\$297,433	Service Population = 112,663	\$2.64 per service population
Fire Related Inspections ⁵	\$300,000	Population = 101,429	\$2.96 per capita
Ambulance Service Fees/Subscriptions	\$1,860,000	Service Population = 112,663	\$16.51 per service population
Weed & Lot Cleaning	\$98,000	Service Population = 112,663	\$0.87 per service population
Other Current Services	\$4,100	Service Population = 112,663	\$0.04 per service population
Interest on Investments	\$358,850	Percent of Recurring Revenues	0.69% of projected recurring revenues
Rents & Concessions	\$221,000	Service Population = 112,663	\$1.96 per service population
Administrative/Passport/Misc. Fees	\$605,150	Population = 101,429	\$5.97 per capita
Transfers In			
Gas Tax Fund Transfer	\$1,496,080	Population = 101,429	\$14.75 per capita
Other Transfers ⁶	\$3,730,114	Population = 101,429	\$36.78 per capita

- Note: 1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied, which represents the total population plus 50 percent of the total employment estimate.
2. The fiscal analysis projects property tax to the General Fund at the Citywide average of 21.04% percent of the basic 1% levy for assessed value, based on the LAFCO analysis cited below.
3. This revenue is provided by City administrative staff, and represents the estimated share of total County Landfill revenues that are contributed from disposal by City residents.
4. The other police related fees category includes crime report copying, fingerprinting, reproduction charges, police false alarm responses, accident reports, general services, impound fees and crime analysis charges.
5. Fire related inspections include inspections for multi-family rentals.
6. The other transfers in category includes transfers to the General Fund from other funds, such as engineering, CFDs, CDBG and water.

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, *Budget Fiscal Year 2013/2014*

City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*

City of Rialto, Administrative, Finance, Economic Development and Public Works Departments

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014

California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*

Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011

Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

City's basic one percent property tax levy for the tax rate area (TRA) in which a property is located. All five North Rialto Island areas are within TRA 106039, and Appendix Table C-3 presents the allocations to agencies and districts. Based on the LAFCO fiscal analysis, upon annexation of the islands, the City of Rialto will receive the current allocations for the detaching fire district and CSA SL-1, or 21.04 percent of the basic one percent property tax levy.

In Lieu Property Tax (VLF)

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This property tax in lieu of VLF is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. Property tax in lieu of VLF revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table C-4, the property tax in lieu of VLF in the City is projected to increase at \$1,443 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in property tax in lieu of VLF in the City over the period from fiscal year 2004-2005 to fiscal year 2013-2014. The change over the period from fiscal year 2004-2005 to fiscal year 2013-2014 is used to represent an average of the economic upturns and downturns.

For areas annexing into the City, the existing assessed valuation is not considered part of the increase in assessed valuation. After annexation, only valuation for new development within the annexed areas is considered part of the increase in assessed valuation.

Sales and Use Tax

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table C-5 presents the City sales and use tax for calendar year 2013 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$1,070,015 of total sales and

use tax was made from levies designated as use tax and the remaining \$9,519,326 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City of Rialto are estimated at an additional 11.2 percent of point-of-sale, sales tax.

Prior to 2016, sales and use tax was projected at 75.0 percent of the total sales and use tax generated because the State had reduced the local sales tax allocation (1.0 percent) by 25.0 percent and replaced this with a dollar-for-dollar allocation of local property tax from County's ERAF funds. In 2016, the allocation from County ERAF funds will end and the City will receive its entire 1.0 percent share of generated taxable sales.

Real Property Transfer Tax

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on the U.S. Census Bureau, 2008-2012 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 5.0 percent per year (Appendix Table C-6). While change of ownership data is not available for businesses, they are also assumed to change ownership at an average rate of 5.0 percent per year.

Franchise Fees

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, cable/satellite and wastewater businesses within Rialto for use of public rights-of-way. Based on the City Fiscal Year (FY) 2013-2014 adjusted franchise revenues of \$3,130,000, franchise taxes are projected at \$27.78 per service population (112,663), as shown in Table 6-2.

SB509 Sales Tax – Safety

These revenues are projected at \$4.78 per capita based on the City FY 2013/2014 adjusted revenue amount of \$485,000 and the population estimate of 101,429.

Utility Users Tax

Rialto levies a utility users tax on the sale of electricity, natural gas, telephone/mobile, water, wastewater and cable/satellite services within the City. As shown in Table 6-2, based on the City FY 2013/2014 adjusted revenue amount of \$11,800,000 and the City's estimated service population of 112,663, utility users taxes are projected at \$104.74 per service population. This tax will sunset in 2018 unless it is renewed by a majority vote of the residents of Rialto.

Licenses and Permits

Business/contractors/truckers licenses and dog licenses are included in this category.

Business Licenses. Business/contractors/truckers licenses are projected at \$72.27 per employee based on FY 2013/2014 adjusted business license revenues of \$1,777,000 and the City employment estimate of 24,590.

Dog Licenses. Dog licenses are projected at \$1.53 per capita based on the FY 2013/2014 adjusted revenue amount of \$155,000 and the existing City population estimate of 101,429. These projected revenues are combined with projected animal control fees in the projected fiscal impacts for the annexation.

Fines, Forfeits and Penalties

As shown in Table 6-2, these revenues are projected at \$4.30 per service population based on FY 2013/2014 adjusted revenues of \$484,000 thousand and the service population estimate of 112,663. Revenues in this category include parking fines, court fines, and other fines/forfeits/penalties.

County Landfill Charges

City Finance Department staff estimates that about 10 percent of the FY 2013/2014 adjusted County landfill revenues of \$2,400,000, or \$240,000, are from disposal fees from City residents. Based on this estimate of \$240,000 of revenues and the City's estimated service population of 112,663, these revenues are projected at \$2.13 per service population, as shown in Table 6-2.

Based on discussion with the City Finance Manager, these revenues are the City's portion of tonnage fees collected at the County-owned landfill located in the City. The City's waste hauler, Burrtec Industries, has an exclusive franchise with the City and part of the franchise agreement is that Burrtec Industries will dispose of the waste collected from City residents at the County-owned landfill located in the City. Therefore, these revenues are assumed to increase with the growth planned for the North Rialto Islands Annexation Area.

Charges for Current Services

Current service charges include animal control, other police department fees, ambulance service fees/subscriptions, weed and lot cleaning and other current services. Based on the City adjusted revenue amounts these revenues for current services are projected as follows.

Animal Control Fees. These fees are projected at \$0.13 per capita based on revenues of \$13,000 and the current city population estimate of 101,429. Projected animal control fees are combined with future dog licenses in the projected fiscal impacts for the annexation.

Other Police Related Fees. These revenues are projected at \$2.64 per service population based on FY 2013/2014 adjusted revenues of \$297,433 and the estimated current City service population of 112,663.

Ambulance Service Fees/Subscriptions. These revenues are projected at \$16.51 per service population based on FY 2013/2014 adjusted revenues of \$1,860,000 and the estimated current City service population, as shown in Table 6-2.

Weed and Lot Cleaning Fees. These revenues are projected at \$0.87 per service population based on FY 2013/2014 revenues of \$98,000 and the estimated current City service population.

Other Current Services. These revenues are not projected because of the small amount of \$500 in the FY 2013/2014 adjusted revenues.

Interest on Investments

These revenues are projected at 0.69 percent of the projected recurring General Fund revenues in the fiscal analysis based on FY 2013/2014 adjusted estimated interest earnings of \$358,850 and non-interest General Fund projected recurring revenues of \$52,715,300.

Rents and Concessions

As shown in Table 6-2, these revenues are projected at \$1.96 per service population based on FY 2013/2014 adjusted revenues of \$221,000 and the City service population estimate of 112,663.

Administrative, Passport and Miscellaneous Fees

These revenues are projected at \$5.97 per capita based on FY 2013/2014 adjusted revenues of \$605,150 and the City population estimate of 101,429.

Transfers In

These revenues include transfers to the City General Fund from the Gas Tax Fund and other appropriate City funds.

Gas Tax Fund Transfer. Gas tax revenues are earmarked for road related costs, including capital and maintenance functions. State gasoline taxes transferred to the General Fund are projected at \$14.75 per capita based on the FY 2013/2014 adjusted revenue amount of \$1,496,080 and the City population estimate of 101,429.

Other Transfers. These revenues include transfers to the General Fund from other funds, such as engineering, community facility districts (CFDs), Community Development Block Grant (CDBG), landscaping maintenance and water. As shown in Table 6-2, other transfers to the General Fund are projected at \$36.78 per capita based on the FY 2013/2014 adjusted revenue amount of \$3,730,114 and the City's estimated population.

6.3 City Cost Assumptions

The General Fund cost factors that are used in preparing the fiscal analysis for the North Rialto Islands Annexation are presented in Table 6-3. These factors are based on the adjustments to the City's Fiscal Year (FY) 2013/2014 Budget shown in Table 6-4 and the City's population and service population estimates that are presented in Table 6-1.

Since the adoption of the FY 2013/2014 Budget, City Council approved expense amendments of \$4,624,853 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager these amendments are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. The mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs. In addition, City administrative staff made increases to fire, police and public works costs in order to reflect a budget with normalized staffing and service levels.

Projected General Fund expenditures include general government, or overhead functions, and the following non-general government services of fire, police, recreation, development services, and public works. The fiscal analysis also projects contingency costs at 5 percent of recurring costs and includes the projected street maintenance cost funded through the City Gas Tax Fund.

General Government

General government costs such as City Administrator, City Council, City Clerk, City Treasurer, Human Resources, Finance, the City Cemetery and Non-Departmental expenditures, provide overhead services that cannot be directly linked to a specific department. General government costs include administration and support of departmental line costs such as police, fire and public works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs.

As shown in Panel B of Table 6-4, FY 2013/2014 revised general government costs of \$9,151,138 represent about 15.6 percent of revised direct line costs of \$58,652,910. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff, general government costs are projected at a marginal rate of 75 percent, or at 11.7 percent of direct costs.

Table 6-3
General Fund Recurring Cost Factors
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Cost Category	FY 2013-2014 Budget		Projection Basis ¹	Cost Factor ¹
	Total	Adjusted		
GENERAL FUND				
General Government	\$9,151,138	\$6,863,354	Percent of General Fund Costs	11.7% of direct department costs, at a 75% marginal rate
Fire	\$15,488,832	\$16,888,832	Service Population = 112,663	\$149.91 per service population
Police	\$25,002,777	\$27,402,777	Service Population = 112,663	\$243.23 per service population
Recreation	\$1,258,356	\$1,258,356	Population = 101,429	\$12.41 per capita
Development Services:				
Engineering ²	\$1,973,988	\$444,942	Service Population = 112,663	\$3.95 per service population
Business Licensing	\$136,026	\$136,026	Employment = 24,590	\$5.53 per employee
Code Enforcement ³	\$826,337	\$775,337	Service Population = 112,663	\$6.88 per service population
Public Works:				
Public Works Administration	\$392,720	\$488,897	Service Population = 112,663	\$4.34 per service population
Community Building Maintenance	\$984,338	\$1,225,403	Service Population = 112,663	\$10.88 per service population
Park Maintenance ⁴	\$2,319,939	\$2,888,092	City Park Acres = 134	\$21,600 per acre
Graffiti Removal	\$102,880	\$128,075	Service Population = 112,663	\$1.14 per service population
Engineering Services and Projects ⁵	\$1,440,648	\$337,848	Service Population = 112,663	\$3.00 per service population
Street Maintenance - MOE	\$2,168,835	\$2,699,983	Service Population = 112,663	\$23.97 per service population
Traffic Safety	\$709,954	\$883,822	Service Population = 112,663	\$7.84 per service population
Storm Drain Program	\$330,688	\$411,674	Service Population = 112,663	\$3.65 per service population
Contingency	n/a	n/a	Case Study	5.0% of total recurring costs
GAS TAX FUND				
Street Maintenance ⁶	\$1,496,080	\$1,496,080	Service Population = 112,663	\$13.28 per service population

- Note: 1. For cost factors that are based on population and employment, the estimated Rialto service population is used to calculate the cost factor. The service population factor is applied to the estimated North Rialto Islands service population.
2. Net development services - engineering costs of \$444,942 are the budgeted costs of \$1,973,988 minus projected one-time fees, permits, and charges for services revenues of \$1,529,046, as shown in Panel A of Table C-7.
3. Net code enforcement costs of \$775,337 are the budgeted costs of \$826,337 minus projected one-time charges for services of \$51,000, as shown in Panel B of Table C-7.
4. Based on the park maintenance cost in the City budget and the 134 City park acres, park costs are projected at \$21,600 per acre.
5. Net public works engineering services and projects costs of \$337,848 are the service level adjusted budget costs of \$1,440,648 minus projected one-time fees for services revenues of \$1,102,800, as shown in Table C-8.
6. Traffic/street sweeping/street maintenance funding is provided through the Gas Tax Fund. According to the City's Fiscal Policy for New Development and Annexations, the City requires that new development annex into Landscaping and Lighting Maintenance District No. 2, or other appropriate financing district, for landscape maintenance of arterials and street lighting.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, Rialto*
Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table 6-4
Calculation of City General Government Overhead Rate
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

A. CURRENT GENERAL FUND EXPENDITURES AND OVERHEAD RATE

General Fund Expenditures	Fiscal Year 2013/2014				Revised Expenditure Amount		
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Service Level Budget Adjustments ²	Total Revised Budget	Not Projected in Fiscal Analysis ¹	General Government	Non-General Government
General Government							
City Administrator	\$560,592	\$0	\$0	\$560,592		\$560,592	
City Council	313,525	0	0	313,525		313,525	
City Clerk	1,017,145	0	0	1,017,145		1,017,145	
City Treasurer	323,057	0	0	323,057		323,057	
Human Resources	526,119	0	0	526,119		526,119	
Finance	1,536,026	0	0	1,536,026		1,536,026	
Cemetery	12,400	0	0	12,400		12,400	
Non-Department Expenditures	4,316,675	0	0	4,316,675		4,316,675	
Budget Amendments: Grants and Carry-Forwards ³	0	4,624,853	0	4,624,853	\$4,624,853		
Mid-Year Budget Adjustment	0	545,599	0	545,599		545,599	
Non-General Government							
Engineering and Development Services	\$1,973,988	\$0	\$0	\$1,973,988			\$1,973,988
Development Services - Business Licensing	136,026	0	0	136,026			136,026
Development Services - Code Enforcement	826,337	0	0	826,337			826,337
Fire	15,488,832	0	1,400,000	16,888,832			16,888,832
Police	25,002,777	0	2,400,000	27,402,777			27,402,777
Public Works:							
Administration	392,720	0	96,177	488,897			488,897
Building Maintenance	733,188	0	179,558	912,746			912,746
Park Maintenance	2,319,939	0	568,153	2,888,092			2,888,092
Graffiti	102,880	0	25,195	128,075			128,075
Community Buildings	251,150	0	61,507	312,657			312,657
Engineering Services	737,854	0	180,701	918,555			918,555
Engineering - Projects	419,386	0	102,708	522,094			522,094
Street Maintenance/Street Sweeping/Traffic Signals	2,168,835	0	531,148	2,699,983			2,699,983
Traffic Safety	709,954	0	173,868	883,822			883,822
Storm Drain Program	330,688	0	80,986	411,674			411,674
Public Works Total	8,166,594	0	2,000,000	10,166,594			10,166,594
Recreation	1,258,356	0	0	1,258,356			1,258,356
Landscape maintenance	0	0	0	0			0
GRAND TOTAL GENERAL FUND	\$61,458,449	\$5,170,452	\$5,800,000	\$72,428,901	\$4,624,853	\$9,151,138	\$58,652,910

B. GENERAL FUND OVERHEAD RATE

Current General Government Overhead Rate

General Government Expenditures		\$9,151,138
Direct General Fund Expenditures		\$58,652,910
Current General Government Overhead Rate	<i>divided by</i> <i>equals</i>	15.6%
Overhead Rate At 75% Marginal Increase		11.7%

Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved expense amendments of about \$4.6 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these expense amendments of \$4.6 million are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. These mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs.

2. The City administrative staff have provided cost estimates that would restore staff levels in police, fire and public works departments to 2010 service levels.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, City Administrator and Development Services Department

Fire

As shown previously in Table 6-3, fire protection costs are projected at \$149.91 per service population based on FY 2013/2014 revised expenditures of \$16,888,832 and the City's estimated 112,663 service population.

Police

Police costs are projected at \$243.23 per service population, as shown in Table 6-3, based on FY 2013/2014 revised expenditures of \$27,402,777 and the City's service population estimate of 112,663.

Recreation

As shown in Table 6-3, recreation costs are projected at \$12.41 per capita based on FY 2013/2014 expenditures of \$1,258,356 and the City's population estimate of 101,429.

Development Services

Development services include engineering, business licensing and code enforcement. Based on the City FY 2013/2014 amounts these revenues for development services are projected as follows.

Engineering. Based on FY 2013/2014 net engineering costs of \$444,942 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.95 per service population. As shown in Table 6-3, the total General Fund engineering costs of \$1,973,988 are offset by one-time development related permit and fee revenues of \$1,529,046. Panel A of Appendix Table C-7 presents the calculation of the net engineering cost factor.

Business Licensing. Non-fee supported business licensing costs are estimated at \$5.53 per employee based on FY 2013/2014 business licensing costs of \$136,026 and the City employment estimate of 24,590.

Code Enforcement. Code enforcement costs are projected at \$6.88 per service population based on FY 2013/2014 net code enforcement costs of \$775,337 and the City's service population estimate of 112,663. As shown in Table 6-3, budgeted code enforcement costs of \$826,337 are offset by one-time development related permit and fee revenues of \$51,000. Panel B of Appendix Table C-7 presents the calculation of the net code enforcement cost factor.

Public Works

Public works costs include department administration, community building maintenance, park maintenance, graffiti removal, engineering services and projects, street maintenance/street sweeping/traffic signals, traffic safety and storm drain program costs.

Administration. As shown previously in Table 6-3, public works administration costs are projected at \$4.34 per service population based on FY 2013/2014 revised costs of \$488,897 and the City service population estimate of 112,663.

Community Building Maintenance. Public works community building maintenance and operations costs are projected at \$10.88 per service population. These costs are based on FY 2013/2014 adjusted budget costs of \$1,225,403 and the current City service population.

Park Maintenance. Citywide public works park maintenance costs are projected at \$21,600 per acre. This cost factor is based on FY 2013/2014 adjusted budget costs of \$2,888,092 for park maintenance for the existing 134 City park acres.

Graffiti Removal. Public works costs for graffiti removal are projected at \$1.14 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$128,075 and the City service population estimate of 112,663, as shown in Table 6-3.

Engineering Services and Projects. Based on adjusted FY 2013/2014 public works net engineering costs of \$337,848 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.00 per service population. Total General Fund public works engineering costs of \$1,440,648 are offset by one-time development related permit and fee revenues of \$1,102,800, as shown in Appendix Table C-8.

Street Maintenance/Street Sweeping/Traffic Signals. Based on FY 2013/2014 adjusted costs of \$2,699,983 and the City service population estimate of 112,663, General Fund street maintenance/street sweeping/traffic signal costs are estimated at \$23.97 per service population, as shown in Table 6-3.

Traffic Safety. Public works costs for traffic safety are projected at \$7.84 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$883,822 and the City service population estimate of 112,663.

Storm Drain Program. Costs for the public works storm drain program are projected at \$3.65 per service population based on FY 2013/2014 adjusted costs of \$411,674 and the current City service population estimate of 112,663.

Contingency

The fiscal analysis assumes a 5 percent contingency cost factor, based on discussion with city finance staff, to account for unanticipated costs that may be incurred due to economic and State Budget uncertainties. The 5 percent contingency factor is applied to the projected total costs, including general government.

Gas Tax Fund

As shown previously in Table 6-3, part of the funding for Citywide traffic safety operations, street maintenance, street sweeping and traffic signals costs are provided through the Gas Tax Fund. The costs funded through the Gas Tax Fund are projected at \$13.28 per service population based on FY 2013/2014 budget costs of \$1,496,080 and the City service population estimate of 112,663.

**Figure A-2
Island 2 Map
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto**



Table A-1
Existing Development Description by Island Area
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Category	Existing Development ¹					Total
	Island 1	Island 2	Island 3	Island 4	Island 5	
A. ACRES	2	24	59	74	81	240
B. PARCEL SQUARE FEET BY LAND USE						
Single Family	20,018	735,684	1,744,525	1,974,124	2,264,365	6,738,716
Multi-Family	0	0	0	22,374	0	22,374
Retail Commercial	0	0	0	17,998	0	17,998
Service Commercial				19,352	0	19,352
Vacant	0	0	13,462	1,021,456	0	1,034,918
Total Square Feet	20,018	735,684	1,757,987	3,055,304	2,264,365	7,833,358
C. RESIDENTIAL DEVELOPMENT						
<u>Units</u>	2	94	127	101	271	595
<u>Households (Occupied Units @ 7% Vacancy)</u>	1	76	125	110	241	553
Estimated Population	4	276	458	526	986	2,250
<i>Estimated LAFCO PPH</i>	4.00	3.63	3.66	4.78	4.09	4.07
D. NON-RESIDENTIAL DEVELOPMENT						
<u>Building Square Feet (@ 0.20 FAR)</u>						
Retail Commercial	0	0	0	3,600	0	3,600
Service Commercial	0	0	0	3,870	0	3,870
Total Building Square Feet	0	0	0	7,470	0	7,470
<u>Estimated Employment</u>						
Retail Commercial @ 500 sq. ft. per employee	0	0	0	7	0	7
Service Commercial @ 1,200 sq. ft. per employee	0	0	0	3	0	3
Estimated Employment	0	0	0	10	0	10
E. ESTIMATED SERVICE POPULATION ³						
Population	4	276	458	526	986	2,250
Employment at 50%	0	0	0	5	0	5
Total Service Population	4	276	458	531	986	2,255

Note: 1. Existing acres, households and population by Island areas are provided by LAFCO as presented in the report cited below. Non-residential square feet is from the County assessor parcel number (APN) file. Employment is estimated by the fiscal consultant.

2. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015

City of Rialto, Assistant City Administrator/Development Services Director

Table A-2
Estimated Future Units
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

LAFCO Island Number	COUNTY PARCEL FILE				SRHA ESTIMATE	
	APN	Land Use Code	Parcel Size (square feet)	Buildable Square Feet (@ 90% of total)	Estimated Units (@ average of 7,700 square feet per lot) ¹	Comment
3	026414128	Vacant	5,130	4,617	1	while less than 7,700 sq. ft., a unit would fit this parcel
3	026438307	Vacant	311	280	0	
3	026438308	Vacant	311	280	0	
3	026438309	Vacant	340	306	0	
3	026438310	Vacant	314	283	0	
3	026458111	Vacant	7,056	6,350	0	this lot is part of residence at 2040 N. Apple Ave.
Subtotal					1	
4	113317105	Vacant	1,899	1,709	0	
4	113317147	Vacant	8,045	7,241	1	while less than 7,700 sq. ft., a unit would fit this parcel
4	113320104	Vacant	290,341	261,307	33	
4	113321102	Vacant	61,970	55,773	7	
4	113321107	Vacant	16,488	14,839	2	
4	113321108	Vacant	21,977	19,779	2	
4	113321111	Vacant	22,966	20,670	2	
4	113321119	Vacant	3,797	3,417	0	
4	113321121	Vacant	1,899	1,709	0	
4	113321131	Vacant	49,434	44,490	5	
4	113322102	Vacant	218,315	196,483	25	
4	113322107	Vacant	179,751	161,776	21	
4	113323103	Vacant	102,732	92,459	0	public parcel - no units
4	113345116	Vacant	1,429	1,286	0	
4	113345119	Vacant	7,497	6,747	1	
4	113347125	Vacant	32,918	29,626	4	
Subtotal					103	
TOTAL					104	

Note: 1. Units are estimated based on a density of about 7,700 square feet per lot, as provided by City staff. When the calculation results in a fraction, the result is rounded down to the whole number.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County
City of Rialto, Assistant City Administrator/Development Services Director

Table A-3
Existing Assessed Valuation, Property Tax and Sales Tax by Island Area
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development					Total
	Island 1	Island 2	Island 3	Island 4	Island 5	
A. ESTIMATED ASSESSED VALUATION AND PROPERTY TAX						
Total Estimated Assessed Valuation	\$151,337	\$15,929,418	\$23,696,269	\$16,154,640	\$39,682,548	\$95,614,212
<i>minus</i> Exemptions (homeowner and other)	\$14,000	\$435,961	\$560,380	\$238,678	\$990,944	\$2,239,963
<i>equals</i> Net Estimated Assessed Valuation	\$137,337	\$15,493,457	\$23,135,889	\$15,915,962	\$38,691,604	\$93,374,249
<i>times</i> 1% Property Tax Levy	\$1,373	\$154,935	\$231,359	\$159,160	\$386,916	\$933,742
<i>times</i> City General Fund Share of 1% Levy	21.04%	21.04%	21.04%	21.04%	21.04%	21.04%
<i>equals</i> Projected City General Fund Property Tax (@ 21.04 of 1% levy)	\$289	\$32,604	\$48,686	\$33,493	\$81,420	\$196,492
B. ESTIMATED ON-SITE SALES AND USE TAX						
Retail (Corner Market/Deli) Square Feet	0	0	0	3,600	0	3,600
Retail Taxable Sales (@ \$200 per square foot taxable sales)	\$0	\$0	\$0	\$791,912	\$0	\$791,912
Retail Sales Tax (@ 1% of taxable sales)	\$0	\$0	\$0	\$7,919	\$0	\$7,919
<i>plus</i> Use Tax (@ 11.5% of sales tax)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$911</u>	<u>\$0</u>	<u>\$911</u>
Total On-Site Sales and Use Tax	\$0	\$0	\$0	\$8,830	\$0	\$8,830

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3..., December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

APPENDIX B DETAILED FISCAL IMPACTS OF ISLANDS, EXISTING DEVELOPMENT

Table B-1
Detailed Projected Recurring Fiscal Impacts: With Utility Users Tax, Existing Development
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	With Utility User Tax					Total Existing
	Existing Development					
	Island 1	Island 2	Island 3	Island 4	Island 5	
Recurring Revenues						
Property tax	\$289	\$32,604	\$48,686	\$33,493	\$81,420	\$196,492
On-site retail sales and use tax	0	0	0	8,830	0	8,830
Property transfer tax-turnover	4	426	636	438	1,064	2,568
In lieu property tax (VLF)	0	0	0	0	0	0
Franchise fees	111	7,667	12,723	14,751	27,391	62,643
Proposition 172 Sales Tax-Public Safety	19	1,319	2,189	2,514	4,713	10,754
Utility users tax	419	28,908	47,971	55,617	103,274	236,189
Business licenses	0	0	0	723	0	723
Animal licenses and fees	7	458	760	873	1,637	3,735
Fines, forfeits and penalties	17	1,187	1,969	2,283	4,240	9,696
County LF excavation charges	9	588	976	1,131	2,100	4,804
Current services	92	6,354	10,543	12,209	22,698	51,896
Rents and concessions	8	541	898	1,041	1,933	4,421
Administrative/passport/misc. fees	24	1,648	2,734	3,140	5,886	13,432
Transfer from Gas Tax Fund	59	4,071	6,756	7,759	14,544	33,189
Other transfers	147	10,151	16,845	19,346	36,265	82,754
Interest on invested revenues	8	666	1,066	1,139	2,132	5,011
Total Projected Revenues	\$1,213	\$96,588	\$154,752	\$165,286	\$309,297	\$727,136
Recurring Costs						
Fire protection	\$600	\$41,375	\$68,659	\$79,602	\$147,811	\$338,047
Police protection	973	67,131	111,399	129,155	239,825	548,483
Development services-engineering	16	1,090	1,809	2,097	3,895	8,907
Development services-business licensing	0	0	0	55	0	55
Development services-code enforcement	28	1,899	3,151	3,653	6,784	15,514
Public works-administration	17	1,198	1,988	2,305	4,279	9,787
Public works-engineering services & projects	12	828	1,374	1,593	2,958	6,765
Public works-park maintenance	0	0	0	0	0	0
Public works-street maintenance/traffic signals	96	6,616	10,978	12,728	23,634	54,052
Public works-graffiti removal	5	315	522	605	1,124	2,571
Public works-traffic safety	31	2,164	3,591	4,163	7,730	17,679
Public works-storm drain program	15	1,007	1,672	1,938	3,599	8,231
Public works-community building maintenance	44	3,003	4,983	5,777	10,728	24,535
Recreation	50	3,425	5,684	6,528	12,236	27,923
General government	221	15,218	25,253	29,277	54,366	124,335
Subtotal Recurring Costs	\$2,108	\$145,269	\$241,063	\$279,476	\$518,969	\$1,186,885
5% contingency/reserves	<u>\$105</u>	<u>\$7,263</u>	<u>\$12,053</u>	<u>\$13,974</u>	<u>\$25,948</u>	<u>\$59,343</u>
Total Recurring Costs	\$2,213	\$152,532	\$253,116	\$293,450	\$544,917	\$1,246,228
Annual Net Recurring Surplus or (Deficit)	(\$1,000)	(\$55,944)	(\$98,364)	(\$128,164)	(\$235,620)	(\$519,092)
Revenue/Cost Ratio	0.55	0.63	0.61	0.56	0.57	0.58
ANNUAL SURPLUS OR (DEFICIT) PER UNIT						
<i>Number of Units</i>	2	94	127	101	271	595
Annual Surplus or (Deficit) per Unit	(\$500)	(\$595)	(\$775)	(\$1,269)	(\$869)	(\$872)

Source: Stanley R. Hoffman Associates, Inc.

Table B-2
Detailed Projected Recurring Fiscal Impacts: No Utility Users Tax, Existing Development
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	No Utility Users Tax					
	Existing Development					Total Existing
	Island 1	Island 2	Island 3	Island 4	Island 5	
Recurring Revenues						
Property tax	\$289	\$32,604	\$48,686	\$33,493	\$81,420	\$196,492
On-site retail sales and use tax	0	0	0	8,830	0	8,830
Property transfer tax-turnover	4	426	636	438	1,064	2,568
In lieu property tax (VLF)	0	0	0	0	0	0
Franchise fees	111	7,667	12,723	14,751	27,391	62,643
Proposition 172 Sales Tax-Public Safety	19	1,319	2,189	2,514	4,713	10,754
Utility users tax	0	0	0	0	0	0
Business licenses	0	0	0	723	0	723
Animal licenses and fees	7	458	760	873	1,637	3,735
Fines, forfeits and penalties	17	1,187	1,969	2,283	4,240	9,696
County LF excavation charges	9	588	976	1,131	2,100	4,804
Current services	92	6,354	10,543	12,209	22,698	51,896
Rents and concessions	8	541	898	1,041	1,933	4,421
Administrative/passport/misc. fees	24	1,648	2,734	3,140	5,886	13,432
Transfer from Gas Tax Fund	59	4,071	6,756	7,759	14,544	33,189
Other transfers	147	10,151	16,845	19,346	36,265	82,754
Interest on invested revenues	<u>684</u>	<u>58,302</u>	<u>91,972</u>	<u>94,422</u>	<u>177,386</u>	<u>3,372</u>
Total Projected Revenues	\$1,470	\$125,315	\$197,687	\$202,952	\$381,277	\$489,308
Recurring Costs						
Fire protection	\$600	\$41,375	\$68,659	\$79,602	\$147,811	\$338,047
Police protection	973	67,131	111,399	129,155	239,825	548,483
Development services-engineering	16	1,090	1,809	2,097	3,895	8,907
Development services-business licensing	0	0	0	55	0	55
Development services-code enforcement	28	1,899	3,151	3,653	6,784	15,514
Public works-administration	17	1,198	1,988	2,305	4,279	9,787
Public works-engineering services & projects	12	828	1,374	1,593	2,958	6,765
Public works-park maintenance	0	0	0	0	0	0
Public works-street maintenance/traffic signals	96	6,616	10,978	12,728	23,634	54,052
Public works-graffiti removal	5	315	522	605	1,124	2,571
Public works-traffic safety	31	2,164	3,591	4,163	7,730	17,679
Public works-storm drain program	15	1,007	1,672	1,938	3,599	8,231
Public works-community building maintenance	44	3,003	4,983	5,777	10,728	24,535
Recreation	50	3,425	5,684	6,528	12,236	27,923
General government	<u>221</u>	<u>15,218</u>	<u>25,253</u>	<u>29,277</u>	<u>54,366</u>	<u>124,335</u>
Subtotal Recurring Costs	\$2,108	\$145,269	\$241,063	\$279,476	\$518,969	\$1,186,885
5% contingency/reserves	<u>\$105</u>	<u>\$7,263</u>	<u>\$12,053</u>	<u>\$13,974</u>	<u>\$25,948</u>	<u>\$59,343</u>
Total Recurring Costs	\$2,213	\$152,532	\$253,116	\$293,450	\$544,917	\$1,246,228
Annual Net Recurring Surplus or (Deficit)	(\$743)	(\$27,217)	(\$55,429)	(\$90,498)	(\$163,640)	(\$756,920)
Revenue/Cost Ratio	0.66	0.82	0.78	0.69	0.70	0.39
ANNUAL SURPLUS OR (DEFICIT) PER UNIT						
Number of Units	2	94	127	101	271	595
Annual Surplus or (Deficit) per Unit	(\$372)	(\$290)	(\$436)	(\$896)	(\$604)	(\$1,272)

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX C SUPPORTING FISCAL TABLES

**Table C-1
City Employment Estimate
North Rialto Islands Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto**

A. ESTIMATED CITY EMPLOYMENT IN 2011

Category	Estimated Payroll Jobs ¹	Estimated Self-Employed ²	Total Employment	Self-Employed Rate ³
Construction	994	249	1,243	20.0%
Manufacturing	2,052	76	2,128	3.6%
Wholesale Trade	1,162	63	1,225	5.2%
Retail Trade	2,740	176	2,916	6.0%
Transportation & Warehousing	5,412	240	5,651	4.2%
Information	80	9	89	10.2%
Finance & Insurance	272	52	324	16.1%
Real Estate & Rental & Leasing	127	37	164	22.5%
Professional, Scientific, & Technical Services	274	43	317	13.5%
Admin. & Support & Waste Mgmt. & Remediation	660	194	854	22.7%
Health Care & Social Assistance	1,118	70	1,189	5.9%
Arts, Entertainment, & Recreation	160	33	194	17.3%
Accommodation & Food Services	1,451	49	1,499	3.2%
Other Services	1,196	484	1,681	28.8%
Public Admin and Education	4,385	0	4,385	0.0%
Balance Employment ⁴	<u>386</u>	<u>345</u>	<u>732</u>	47.2%
Total	22,468	2,121	24,590	8.6%
B. SUMMARY DISTRIBUTION OF TOTAL EMPLOYMENT				
Retail/Service	5,547	742	6,289	11.8%
Office/Corporate Center	673	132	805	16.4%
Business Park/Light Industrial	7,138	840	7,977	10.5%
General Industrial/Employment	4,725	407	5,132	7.9%
Public Admin and Education	<u>4,385</u>	<u>0</u>	<u>4,385</u>	0.0%
Total	22,468	2,121	24,590	8.6%

- Note: 1. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between LEHD primary jobs and EDD total payroll jobs.
 2. Self-employment is estimated by applying self-employment rates by industry.
 3. Estimated rates of self-employment by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-11 Public Use Microdata Sample (PUMS).
 4. The balance of employment includes non-classified jobs and suppressed data on agriculture, mining, utilities and management of companies.

Sources: Stanley R. Hoffman Associates, Inc.
 City of Rialto, Economic Development Department
 California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*
 Census Longitudinal Employer-Household Dynamic (LEHD) program.
 Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table C-2 (page 1 of 3)
General Fund Revenues, Fiscal Year 2013-2014
North Rialto Islands Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
<u>Tax Revenue</u>					
Property Taxes	\$4,891,000	\$548,000	\$5,439,000	\$0	\$5,439,000
In Lieu Property Tax (VLF)	8,400,000	161,000	8,561,000	0	8,561,000
Sales Tax	7,218,000	631,000	7,849,000	0	7,849,000
In Lieu Property Tax (Sales Tax)	2,396,000	192,000	2,588,000	0	2,588,000
Transient Lodging Tax	120,000	0	120,000	120,000	0
Unitary Property Tax	326,000	0	326,000	0	326,000
Franchise Fees	2,980,000	10,000	2,990,000	0	2,990,000
Franchise Fees-PD	150,000	(10,000)	140,000	0	140,000
SB509 Sales Tax-Safety	435,000	50,000	485,000	0	485,000
Property Transfer Tax	211,000	39,000	250,000	0	250,000
UUT-Telephone/Mobile	3,598,000	(48,000)	3,550,000	0	3,550,000
UUT-Gas/Electric	5,530,000	120,000	5,650,000	0	5,650,000
UUT-Water	1,200,000	50,000	1,250,000	0	1,250,000
UUT-Cable/Satellite	473,000	(13,000)	460,000	0	460,000
UUT-Wastewater	<u>941,000</u>	<u>(51,000)</u>	<u>890,000</u>	<u>0</u>	<u>890,000</u>
Subtotal Tax Revenue	\$38,869,000	\$1,679,000	\$40,548,000	\$120,000	\$40,428,000
<u>Licenses and Permits</u>					
Business Licenses	\$1,600,000	\$100,000	\$1,700,000	\$0	\$1,700,000
Contractors Licenses	60,000	0	60,000	0	60,000
Truck Delivery Licenses	17,000	0	17,000	0	17,000
Dog Licenses	155,000	0	155,000	0	155,000
Earthquake Fee	13,000	(11,000)	2,000	2,000	0
Building Permits	509,000	0	509,000	509,000	0
Plumbing Permits	28,000	22,000	50,000	50,000	0
Electrical Permits	30,000	30,000	60,000	60,000	0
Mechanical Permits	18,000	42,000	60,000	60,000	0
Overload Permits	20,000	0	20,000	20,000	0
State Business License Fee	3,000	0	3,000	3,000	0
Energy No-Fee Permits	5,000	0	5,000	5,000	0
SB 1473 State Revolving Fund Fee	5,000	(3,000)	2,000	2,000	0
Alarm Installation Permits	48,000	3,000	51,000	51,000	0
Fire Permits	110,000	0	110,000	110,000	0
Certificates of Occupancy	12,000	(3,000)	9,000	9,000	0
Mobile Home Park State OPS Permit	25,000	0	25,000	25,000	0
Temporary Sign Permits	2,000	0	2,000	2,000	0
Fire Sprinkler Permits	8,000	0	8,000	8,000	0
Other Licenses and Permits	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Licenses & Permits	\$2,678,000	\$180,000	\$2,858,000	\$926,000	\$1,932,000
<u>Fines, Forfeits & Penalties</u>					
Parking Fines (City)	\$220,000	\$15,000	\$235,000	\$0	\$235,000
Court Fines (County)	141,000	22,000	163,000	0	163,000
Other Fines/Forfeits/Penalties	<u>40,000</u>	<u>46,000</u>	<u>86,000</u>	<u>0</u>	<u>86,000</u>
Total Fines, Forfeits & Penalties	\$401,000	\$83,000	\$484,000	\$0	\$484,000
<u>Use of Money & Property</u>					
Interest Income From Other Sources	\$58,850	\$0	\$58,850	\$0	\$58,850
Rents & Concessions	250,000	(29,000)	221,000	0	221,000
Investment Income	<u>225,300</u>	<u>74,700</u>	<u>300,000</u>	<u>0</u>	<u>300,000</u>
Total Use of Money & Property	\$534,150	\$45,700	\$579,850	\$0	\$579,850
<u>Revenue From Other Agencies</u>					
Motor Vehicle In Lieu Tax	\$0	\$0	\$0	\$0	\$0
Disaster Assistance	10,000	0	10,000	10,000	0
State Mandated Reimbursements	20,000	28,600	48,600	48,600	0
POST	50,000	(35,000)	15,000	15,000	0
RUSD-Fiscal Affairs/DARE	40,000	(40,000)	0	0	0
State Assistance/CalPers Medicare Part D Subsidy	0	28,340	28,340	28,340	0
DUI Emergency Response	8,500	0	8,500	8,500	0
County Reimbursement	8,840	0	8,840	8,840	0
County Waste Rebate	56,000	(38,360)	17,640	17,640	0
County LF Excavation Charges ³	<u>3,490,000</u>	<u>(1,090,000)</u>	<u>2,400,000</u>	<u>2,160,000</u>	<u>240,000</u>
Total Revenue From Outside Agencies	\$3,683,340	(\$1,146,420)	\$2,536,920	\$2,296,920	\$240,000

Table C-2 (page 2 of 3)
General Fund Revenues, Fiscal Year 2013-2014
North Rialto Islands Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
Charges For Current Services					
Planning Variance Reviews	\$1,100	\$1,141	\$2,241	\$2,241	\$0
Lot Lines and Lot Splits	2,000	0	2,000	2,000	0
Development Agreements	4,000	0	4,000	4,000	0
Specific Plan Reviews/Changes	2,000	0	2,000	2,000	0
Annexation Reviews	0	9,127	9,127	9,127	0
Issuance Fees	40,000	0	40,000	40,000	0
Tentative Map Reviews	5,000	3,678	8,678	8,678	0
Sale of Maps/Publications	3,000	0	3,000	0	3,000
Conditional Development Reviews	23,000	21,000	44,000	44,000	0
Environmental Reviews	16,000	4,000	20,000	20,000	0
Animal Control Fees	10,000	3,000	13,000	0	13,000
Building Plan Check	500,000	100,000	600,000	600,000	0
Energy Plan Check	3,000	5,000	8,000	8,000	0
Public Improvement Inspection	250,000	75,000	325,000	325,000	0
Grading Inspection	15,000	0	15,000	15,000	0
Fingerprinting	1,000	0	1,000	0	1,000
Reproduction Charges	5,400	68,000	73,400	0	73,400
Precise Plan Review	74,000	(14,000)	60,000	60,000	0
Fire False Alarm Response	500	0	500	0	500
Police False Alarm Response	85,000	6,000	91,000	0	91,000
Police Accident Reports	48,000	0	48,000	0	48,000
Engineering General Services	50,000	20,000	70,000	70,000	0
Police General Services	5,000	20,533	25,533	0	25,533
Engineering Improvement Plan Check	250,000	0	250,000	250,000	0
Special Investigation Fee	10,000	0	10,000	10,000	0
Ambulance Service Fees	1,800,000	0	1,800,000	0	1,800,000
Ambulance Subscriptions	60,000	0	60,000	0	60,000
Weed & Lot Cleaning	98,000	0	98,000	0	98,000
Grading Plan Check Fee	10,000	0	10,000	10,000	0
Fire Plan Check Fee	80,000	(10,000)	70,000	70,000	0
Traffic Study Fee	4,000	0	4,000	4,000	0
Nuisance Review	51,000	0	51,000	51,000	0
On Site Improvement Inspection	0	200,000	200,000	200,000	0
Environmental Inspection Fee	0	40,000	40,000	40,000	0
Planning General Services	5,000	2,000	7,000	7,000	0
Inspections for Multi-Family Rentals	300,000	0	300,000	300,000	0
Police Impound Fees	58,000	0	58,000	0	58,000
Other Charges for Current Services	3,600	0	3,600	0	3,600
Department-Premium Engineering	172,800	0	172,800	172,800	0
<i>Total Charges for Current Services</i>	<i>\$4,045,400</i>	<i>\$554,479</i>	<i>\$4,599,879</i>	<i>\$2,324,846</i>	<i>\$2,275,033</i>
Other Revenue					
Gain on Disposition	\$0	\$8,310	\$8,310	\$8,310	\$0
Damage/Recovery Restitution	\$37,000	38,630	75,630	75,630	0
RUA Lease Payments	2,000,000	0	2,000,000	2,000,000	0
RUA Contract Payments	824,040	0	824,040	824,040	0
Administrative Fee	275,000	200,000	475,000	0	475,000
Passport Service Fee	50,000	0	50,000	0	50,000
PEG Access Funding	102,300	0	102,300	102,300	0
Miscellaneous Revenue	60,150	20,000	80,150	0	80,150
<i>Total Other Revenue</i>	<i>\$3,348,490</i>	<i>\$266,940</i>	<i>\$3,615,430</i>	<i>\$3,010,280</i>	<i>\$605,150</i>

Table C-2 (page 3 of 3)
General Fund Revenues, Fiscal Year 2013-2014
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
Transfers In					
Transfers-Gas Tax	\$1,496,080	\$0	\$1,496,080	\$0	\$1,496,080
Transfers-Waste Management	38,490	0	38,490	0	38,490
Transfers-Fire Development	1,260	0	1,260	0	1,260
Transfers-Landscaping & Lighting District No. 2	34,005	0	34,005	0	34,005
Transfers-AQMD 2766	5,220	0	5,220	0	5,220
Transfers-Local Drainage	10	0	10	0	10
Transfers-CDBG	91,402	20,380	111,782	0	111,782
Transfers-PERS Property Tax	200	0	200	200	0
Transfers-Traffic Development	51,300	0	51,300	0	51,300
Transfers-Successor Agency	219,990	0	219,990	0	219,990
Transfers-Casa Grande Debt Service	12,610	0	12,610	0	12,610
Transfers-Water Administration/Utility	0	100,000	100,000	0	100,000
Transfers-Airport	51,440	0	51,440	0	51,440
Transfers-Utility Billing	62,720	0	62,720	0	62,720
Transfers-Engineering	2,889,007	0	2,889,007	0	2,889,007
Transfers-CFD 87-1	36,940	0	36,940	0	36,940
Transfers-CFD 2006-1	115,340	0	115,340	0	115,340
<i>Total Transfers In</i>	\$5,106,014	\$120,380	\$5,226,394	\$200	\$5,226,194
<i>Total Mid-Year Adjustments</i>		\$1,783,079			
Budget Amendments: Grants and Carry-Forwards ³	\$0	\$3,097,443	\$3,097,443	\$3,097,443	\$0
General Fund Total	\$58,665,394	\$4,880,522	\$63,545,916	\$11,475,689	\$52,070,227

- Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved revenue amendments of about \$3.1 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these revenue amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of about \$1.8 million were made to the City budget. These mid-year revenue adjustments are included in the fiscal analysis.
2. Certain revenues are not projected in the fiscal analysis. These include the estimated \$3.1 million revenue amendment (for grants and carry-forwards), revenues that are fixed payments and grants. Development-related one-time fee revenues are deducted from projected departmental costs for development services and engineering.
3. City administrative staff estimates that about 10 percent, or \$240,000, of the total County Landfill revenues that are contributed from disposal by City residents.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*

Table C-3
Current Tax Rate Area (TRA) Allocations: TRA 106039
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Agency Code	Agency	TRA 106039
<u>A. Current Allocations</u>		
AB01 GA01	San Bernardino County General Fund	0.13606702
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.20604917
BF02 GA01	Flood Control Zone 2	0.02415610
BF07 GA01	Flood Control District, Administration, 1 & 2	0.00169860
BL01 GA01	San Bernardino County Free Library	0.01317650
BS01 GA01	County Superintendent of Schools, Countywide	0.00466915
BS01 GA02	County Superintendent of Schools, Regional Occupational Program	0.00080051
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.00183662
BS01 GA04	County Superintendent of Schools, Mentally Retarded	0.00147470
BS01 GA05	County Superintendent of Schools, Development Center	0.00048143
SC54 GA01	San Bernardino Community College	0.04782331
SU50 GA01	Rialto Unified	0.29950283
UD98 GA01	CSA SL-1	0.01415458
UF01 GA01	San Bernardino County Fire Protection District, Valley Service Area	0.17184959
UF01 GA05	San Bernardino County Fire Protection District, Administration	0.02443024
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00047331
WU23 GA01	San Bernardino Valley Municipal Water	0.02460988
WW28 GA01	West San Bernardino County Water District	<u>0.02674646</u>
	Total	1.00000000
<u>B. Detaching Districts Upon Annexation (Allocation Shifts to City of Rialto)</u>		
	CSA SL-1	0.01415458
	San Bernardino County Fire Protection District, Valley Service Area	0.17184959
	San Bernardino County Fire Protection District, Administration	<u>0.02443024</u>
	Total Detaching Districts	0.21043441
Sources: Stanley R. Hoffman Associates, Inc. San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations		

Table C-4
Estimated In Lieu Property Tax of Vehicle License Fees (VLF) Factor
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Category	FY 2004-2005	FY 2013-2014	Change
A. Nominal Dollars			
In Lieu Property Tax - VLF	\$5,562,151	\$8,561,000	\$2,998,849
Assessed Valuation	\$3,842,110,300	\$5,917,583,374	\$2,075,473,074
VLF Increase divided by Assessed Valuation (AV)			0.001445
VLF Increase per \$1,000,000 increase in AV			\$1,445
B. Consumer Price Index (Annual 2004 and 2013)			
	193.20	239.21	1.24
C. Constant Dollars			
In Lieu Property Tax - VLF	\$6,886,674	\$8,561,000	\$1,674,326
Assessed Valuation	\$4,757,037,674	\$5,917,583,374	\$1,160,545,700
VLF Increase divided by Assessed Valuation (AV)			0.001443
VLF Increase per \$1,000,000 increase in AV			\$1,443

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Accounting and Reporting, *Revenue and Taxation Code Section 97.70©1(B)(i) Vehicle License Fee Adjustment Amounts, 2004/2005*
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
San Bernardino County Assessor, *2013 Annual Report, 2013 Property Assessment Roll*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, January CPI, April 2014*

Table C-5
Calculation of Use Tax Factor
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Rialto	Amount
<u>Use Tax</u>	
County Pool	\$1,064,180
State Pool	<u>5,835</u>
Total Use Tax	\$1,070,015
	<i>divided by</i>
<u>Point-of-Sale Sales Tax</u>	\$9,519,326
	<i>equals</i>
Use Tax Rate¹	11.2%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Source: The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2013*

Table C-6
Estimated Annual Residential Turnover
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

City of Rialto	Occupied Housing Units	Percent Turnover
Total Owner Occupied Units	15,169	
Moved in 2010 or later	900	
Moved in 2000 to 2009	<u>6,406</u>	
Total Moved 2000 to 2010	7,306	
Annual Turnover Rate: 2000 to 2010 ¹	731	5%

Note: 1. The annual turnover rate is based on the assumption of ten years for the 2000 to 2010 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, *2008-2012 American Community Survey Tenure by Year Householder Moved Into Unit*

Table C-7
General Fund Net Development Cost Factors
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Amount
A. General Fund Development Services Engineering Costs	
<u>Development Services & Engineering Costs (includes Building and Planning Divisions)</u>	\$1,973,988
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Earthquake Fee	\$2,000
Building Permits	509,000
Plumbing Permits	50,000
Electrical Permits	60,000
Mechanical Permits	60,000
Energy No-Fee Permits	5,000
Certificates of Occupancy	9,000
Mobile Home Park State OPS Permit	25,000
Temporary Sign Permits	<u>2,000</u>
Total One-Time Licenses and Permits	\$722,000
	<i>minus</i>
<u>One-Time Charges for Current Services</u>	
Planning Variance Reviews	\$2,241
Lot Lines and Lot Splits	2,000
Development Agreements	4,000
Specific Plan Reviews/Changes	2,000
Annexation Reviews	9,127
Issuance Fees	40,000
Tentative Map Reviews	8,678
Conditional Development Reviews	44,000
Environmental Reviews	20,000
Building Plan Check	600,000
Energy Plan Check	8,000
Precise Plan Review	60,000
Planning General Services	<u>7,000</u>
Total One-Time Charges for Services	\$807,046
	<i>equals</i>
Recurring Net Development Services & Engineering Costs	\$444,942
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services & Engineering Costs per Service Population	\$3.95
B. General Fund Development Services - Code Enforcement Costs	
<u>Development Services - Code Enforcement</u>	\$826,337
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Nuisance Review	\$51,000
	<i>equals</i>
Recurring Net Development Services-Code Enforcement Costs	\$775,337
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services Costs per Service Population	\$6.88

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Budget Fiscal Year 2013/2014
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, City Administrator and Development Services Department

Table C-8
General Fund Net Public Works Engineering Costs
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Amount
<u>Total General Fund Public Works Engineering Services and Projects</u>	
Engineering Services	\$918,555
Engineering - Projects	<u>522,094</u>
Total Public Works Engineering Services and Projects Costs	\$1,440,648
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Overload Permits	\$20,000
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Public Improvement Inspection	\$325,000
Grading Inspection	15,000
Engineering General Services	70,000
Engineering Improvement Plan Check	250,000
Grading Plan Check Fee	10,000
On Site Improvement Inspection	200,000
Environmental Inspection Fee	40,000
Department-Premium Engineering	<u>172,800</u>
Total One-Time Charges for Service	\$1,082,800
	<i>equals</i>
Recurring Net Development Services Costs	\$337,848
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Public Works Engineering Costs per Service Population	\$3.00

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Budget Fiscal Year 2013/2014
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, City Administrator and Development Services Department

APPENDIX D PROJECT REFERENCES

City of Rialto

Anita Agramonte, Finance Manager
909.421.4963

Gina Gibson, Planning Manager, Planning Department
909.820.2535

George Harris, Director of Administrative and Community Services
909.421.7219

Robb Steel, Assistant City Administrator/Development Services Director
909.820.8008

www.ci.rialto.ca.us

San Bernardino County Local Agency Formation Commission (LAFCO)

Kathleen Rollings-McDonald, Executive Officer
Samuel Martinez, Assistant Executive Officer
909.388.0480

County of San Bernardino

www.sbcounty.gov/

Hinderliter de Llamas and Associates

www.hdlcompanies.com

1 resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect
2 physical change in the environment. A project does not include administrative activities of governments
3 that will not result in direct or indirect physical changes in the environment.

4 **SECTION 3.** The proposed reorganization will be subject to all standard terms and conditions
5 required by the Local Agency Formation Commission.

6 **SECTION 4.** The City of Rialto acknowledges and agrees to the San Bernardino County Local
7 Agency Formation Commission's requirement for imposing legal indemnification as outlined in Policies
8 10 and 11 of its Accounting and Financial Division of its Policy and Procedure Manual adopted June 2012.

9 **SECTION 5.** The Mayor shall sign the passage and adoption of this resolution and thereupon the
10 same shall take effect and be in force.

11 **PASSED, APPROVED AND ADOPTED** this 22rd day of November, 2016.

12
13
14 _____
15 DEBORAH ROBERTSON, MAYOR

16 **ATTEST:**

17
18
19 _____
20 BARBARA MCGEE, CITY CLERK

21
22 **APPROVED AS TO FORM:**

23
24 _____
25 FRED GALANTE, CITY ATTORNEY

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF RIALTO)
4

5 I, BARBARA MCGEE, City Clerk of the City of Rialto, do hereby certify that the foregoing
6 Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the
7 City of Rialto held on the _____ day of _____, 2016.

8 Upon motion of Councilmember _____, seconded by Councilmember
9 _____, the foregoing Resolution No. _____ was duly passed and adopted.

10 Vote on the motion:
11 AYES:
12 NOES:
13 ABSENT:
14

15 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto
16 this _____ day of _____, 2016.

20 _____
21 BARBARA MCGEE, CITY CLERK
22
23
24
25
26
27
28

Exhibit 'A'

EXHIBIT 'A'

**LOCAL AGENCY FORMATION COMMISSION
FORSAN BERNARDINO COUNTY**

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490

(909) 388-0480 • Fax (909) 885-8170

E-mail: lafco@lafco.sbcounty.gov

www.sbclafco.org

PROPOSAL NO.: LAFCO 3201

HEARING DATE: MAY 18, 2016

RESOLUTION NO. 3222

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3201 AND APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND THE WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, THE FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA SL-1 AND COUNTY SERVICE AREA 70 (LYTLE CREEK RANCH), AS MODIFIED. (The reorganization area includes seven separate areas generally located along the Lytle Creek Wash area, northerly of the 210 Freeway, easterly of Riverside Avenue, and southerly of the 1-15 Freeway, within the City of Rialto's northern sphere of influence.)

On motion of Commissioner Ramos, duly seconded by Commissioner Williams, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, the public hearing by this Commission was called for May 18, 2016 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written

RESOLUTION NO. 3222

support and/or opposition; the Commission considered all plans and proposed changes of organization and all evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing;

WHEREAS, the Commission determines to modify this proposal to include the detachment from Fontana Fire Protection District as a function of the reorganization;

NOW, THEREFORE, BE IT RESOLVED, by the Local Agency Formation Commission for San Bernardino County, State of California, that the Commission does hereby determine, find, resolve, and order, as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries are approved as set forth in Exhibits "A", "A-1", "B", "B-1", "C", "C-1", "D", "D-1", "E", "E-1", "F", and "F-1" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3201.

Condition No. 3. All previously authorized charges, fees and/or assessments currently in effect by the City of Rialto and the West Valley Water District (annexing agencies) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. The City of Rialto shall be required to initiate the five North Rialto Islands identified on the map included as Exhibit "G" within one year of the Commission's approval of LAFCO 3201. A resolution by the City Council of the City of Rialto shall be submitted to the Executive Officer of LAFCO outlining the City's commitment to fulfilling this requirement prior to the issuance of the Certificate of Completion for LAFCO 3201. A status report shall be provided to the Commission at the six month date outlining the progress of the City of Rialto in fulfilling its obligation. Failure on the part of the City of Rialto to fulfill its commitment for annexation of the five North Rialto Islands shall require that the next annexation proposed to the City of Rialto, either by the City through resolution or by property owner/registered voter petition, shall include a condition requiring the initiation of the North Rialto Islands. Said condition of approval shall be deemed complete upon the City's filing of an application(s) to annex the five North Rialto Islands and the Executive Officer's issuance of a Certificate(s) of Filing for said application(s).

Condition No. 5. The City of Rialto shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 6. Pursuant to Government Code Section 56886.1, public utilities, as

RESOLUTION NO. 3222

defined in Section 216 of the Public Utilities Code, have ninety (90) days following the recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

Condition No. 7. The date of issuance of the Certificate of Completion shall be the effective date of this reorganization.

SECTION 3. The Commission determines that approval of LAFCO 3201 will make the existing unincorporated "El Rancho Verde" community completely surrounded by the City of Rialto. Since the entire reorganization area of LAFCO 3201 is a master planned community that cannot be developed unless the area is annexed, the Commission determines, pursuant to the provision of Government Code Section 56375(m), to waive the restrictions on the creation of a totally surrounded island contained within Government Code Section 56744 because it would be detrimental to the orderly development of the community and it further determines that the area to be surrounded cannot reasonably be annexed to another city or incorporated as a new city.

SECTION 4. DETERMINATIONS. The following determinations are required to be provided by Commission policy and Government Code Section 56668:

1. The reorganization area is legally uninhabited, containing zero (0) registered voter as of October 14, 2015, as certified by the County Registrar of Voters Office.
2. The County Assessor's Office has determined that the total assessed value of land and improvements within the reorganization area is \$10,294,424 (land-\$9,187,660; improvements-\$1,106,764) as of November 5, 2015.
3. The reorganization area is within the spheres of influence assigned the City of Rialto and the West Valley Water District.
4. Notice of this hearing has been advertised as required by Law through publication in *The Sun*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. Comments from any affected local agency have been received by the Commission.
5. In compliance with the requirements of Government Code Section 56157 and Commission policy, individual notice was mailed to landowners (totaling 6 notices) within the reorganization area. Individual notice was also mailed to surrounding landowners and registered voters (3,144) within approximately 1,350 feet of the exterior boundaries of the reorganization area. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.
6. The City of Rialto pre-zoned the reorganization area through its approval process as the "Lytle Creek Ranch Specific Plan" with the following underlying specific plan zone designations: Single-Family Residential One (SFR-1), Single-Family Residential Two (SFR-2), Single-Family Residential Three (SFR-3), Multi-Family Residential (MFR), High Density Residential (HDR), Elementary/Middle School (ES/MS), Open Space/Recreation, and Open Space (undisturbed). These pre-zone/specific plan zone designations are consistent with the City's General Plan and surrounding land uses within the City and in the

RESOLUTION NO. 3222

County. Pursuant to the provisions of Government Code Section 56375(e), these pre-zone designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.

7. A Complete Final Environmental Impact Report (EIR) was prepared and certified as adequate by the City of Rialto for its approval of Annexation No. 170, General Plan Amendment No. 29, Specific Plan No. 12, and the Pre-Annexation and Development Agreement for the Lytle Creek Ranch Specific Plan (SCH No. 2009061113). Copies of the applicable environmental review documents were previously provided to the Commission. The Commission, its staff, and its Environmental Consultant have independently reviewed the City's Complete Final EIR and found it to be adequate for the reorganization decision.

The Commission certifies that it has reviewed and considered the City's Complete Final EIR and the effects outlined therein, and as referenced in the Facts, Findings and Statement of Overriding Considerations, prior to reaching a decision on the project and finds the information substantiating the Complete Final EIR adequate for its use in making a decision as a CEQA responsible agency. The Commission hereby acknowledges the mitigation measures and mitigation monitoring and reporting program contained in the City's Complete Final EIR and finds that no additional feasible alternatives or mitigation measures will be adopted by the Commission. The Commission finds that all changes, alterations, and mitigation measures are within the responsibility and jurisdiction of the City and other agencies, and not the Commission. The Commission finds that it is the responsibility of the City to oversee and implement these measures and the mitigation monitoring and reporting program.

The Commission hereby adopts the Facts, Findings and Statement of Overriding Considerations regarding the environmental effects of the reorganization (a copy of which is attached as Exhibit H). The Commission finds that all feasible changes or alterations have been incorporated into the project; that these changes are the responsibility of the City and other agencies identified in the Facts, Findings and Statement of Overriding Considerations and the Complete Final EIR; and that specific economic, social or other considerations make infeasible adoption of the alternatives identified in the Complete Final EIR.

The Commission directs its Executive Officer to file a Notice of Determination within five (5) days within the San Bernardino County Clerk of the Board of Supervisors. The Commission, as a responsible agency, also notes that this proposal is exempt from the California Department of Fish and Wildlife fees because the fees were the responsibility of the City of Rialto as the CEQA lead agency.

8. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS) pursuant to Government Code Section 65080. LAFCO 3201 includes the southern portion of the 1-15 Freeway, which is part of the RTP-SCS's State highway improvement (expansion/rehabilitation) program adding two express lanes in each direction for completion by 2030 and adding high-occupancy vehicle (HOV) lane in each direction for completion by 2039. The Sustainable Communities Strategy also include, among others, determinations related to the need for residential densities and housing for all segments of the population, which approval of LAFCO 3201 will support.

RESOLUTION NO. 3222

9. The local agencies currently serving the area are: County of San Bernardino, Inland Empire Resource Conservation District, San Bernardino Valley Municipal Water District, San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District (portion), West Valley Water District (portion), County Service Area SL-1 (streetlights)(portion), and County Service Area 70 (multi-function unincorporated area Countywide).

The proposal area will be detached from the San Bernardino County Fire Protection District, its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70 as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

10. The City of Rialto and the West Valley Water District have submitted plans for the provision of services as required by Government Code Section 56653, which indicate that the City of Rialto and the West Valley Water District can improve the level and range of services currently available in the area. The financial information presented within the City's Plan for Service indicates that the extension of services can be maintained and operated within the existing revenue resources available through the transfer of property tax revenues and existing fees for service. These Plans for Service have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission determines that these plans conform to those adopted standards and requirements.
11. The reorganization area will benefit from the availability of services from the City of Rialto and the West Valley Water District and has benefited from the delivery of fire protection and emergency medical response services from the City (through its contract with the San Bernardino County Fire Protection District to provide the service) as evidenced by the Plans for Service.
12. This proposal complies with State directives and Commission policies that indicate the preference for areas proposed for future development at an urban-level land use to be included within a City so that the full range of municipals services can be planned, funded, extended and maintained.
13. This proposal will assist in the City's ability to achieve its fair share of the regional housing needs as it proposes the addition of 619 single-family units, 563 multi-family units, and 2,005 senior single-family units, for a total of 3,187 residential units.
14. With respect to environmental justice, the following profile was generated using ESRI's Community Analyst with regard to race and income within the City of Rialto and within areas adjacent to the reorganization area (2015 population data):
The City of Rialto has a citywide population of 70.7 percent that is of Hispanic origin. Based on information taken from the adjacent unincorporated El Rancho Verde and Rosena Ranch communities, said areas have an Hispanic origin population of 50.1 percent and 48 percent, respectively, which are lower than the City's overall data.
With regard to income, the City of Rialto has a citywide median household income of \$49,205. Again, based on information taken from the two adjacent unincorporated communities, said areas reflects a higher median household income of \$75,499 and \$76,024, respectively.

RESOLUTION NO. 3222

Therefore, LAFCO staff believes that the reorganization area would benefit from the extension of services and facilities from the City of Rialto and the West Valley Water District and, at the same time, would not result in unfair treatment of any person based on race, culture or income.

15. The County of San Bernardino and the City of Rialto have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this reorganization. This negotiated agreement fulfills the requirements of Section 99 of the Revenue and Taxation Code. Renegotiation of the property tax transfer may be requested due to the Commission's modification to include the detachment from the Fontana Fire Protection District, which receives a share of the ad valorem tax. This process is outlined in Revenue and Taxation Code Section 99(b)(7).
16. The maps and legal descriptions, as revised, are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

SECTION 5. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 6. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 7. The Commission hereby directs that, following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000) and set the matter for consideration of the protest proceedings, providing notice of hearing pursuant to Government Code Sections 57025 and 57026.

SECTION 8. Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

SECTION 9. Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

RESOLUTION NO. 3222

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, Lovingood, McCallon
Ramos Williams

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: None

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of May 18, 2016.

DATED: May 19, 2016



KATHLEEN ROLLINGS-McDONALD
Executive Officer



LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Area A - Annexation to the City of Rialto and West Valley Water District and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70

That portion of the un-surveyed portion of the Semi Tropic Land and Water Company Subdivision per map recorded in Book 6 page 12 of Maps and Parcel 1 of Parcel Map 14797 per Map recorded in Book 184 pages 25 through 27, inclusive of Parcel Maps, Records of the County of San Bernardino, State of California described as:

BEGINNING at the intersection of the northerly line of the existing City Limits of The City of Rialto Annexation 134 (LAFCO 2169) and the centerline of improvements of State Hwy 15, also being a point on a curve, concave to the southeast, having a radius of 20002.23 feet, to which a radial line bears North $45^{\circ}43'06''$ West;

Course 1. Thence along said curve to the right through a central angle of $4^{\circ}19'19''$, an arc distance of 1508.84 feet to a point of cusp on a curve, concave to the northeast, having a radius of 1750.00 feet, the end of which the radial line bears South $41^{\circ}23'47''$ West also being the prolongation of the southwesterly line of Tract 15900, per map recorded in Book 308, pages 60 through 81 inclusive, Records of said County, the radial line bears South $47^{\circ}55'45''$ West;

Course 2. Thence along said curve to the left, through a central angle of $16^{\circ}57'23''$, an arc distance of 517.99 feet;

Course 3. Thence continuing along said line South $59^{\circ}01'48''$ East, tangent to said curve, 1906.97 feet to the beginning of a tangent curve, concave to the northeast and having a radius of 5600.00 feet;

Course 4. Thence continuing along said line, also along said curve, to the left, through a central angle of $14^{\circ}46'41''$ an arc distance of 1444.38 feet to the beginning of a reverse curve, concave to the southwest and having a

radius of 3000.00 feet, to a radial line bears North 16°11'31" East;

EXHIBITA

Course 5. Thence continuing along said line, also along said curve, to the right, through a central angle of $15^{\circ}13'49''$, an arc distance of 797.46 feet;

Course 6. Thence continuing along said line, South $58^{\circ}34'40''$ East, tangent to said curve, 900.00 feet;

Course 7. Thence continuing along said line South $58^{\circ}51'52''$ East, 866.25 feet to the most southerly comer of said Tract 15900, also being on the easterly line Parcel 1 of Parcel Map 14797, per map recorded in Book 184, Pages 25 through 27, inclusive, Records of said County;

Course 8. Thence along said easterly line, South $38^{\circ}16'30''$ West, 186.21 feet to an angle point in said easterly line;

Course 9. Thence continuing along said easterly line South $58^{\circ}13'27''$ East, 2270.15 feet to an angle point in said easterly line;

Course 10. Thence continuing along said easterly line, South $38^{\circ}23'35''$ West, 1954.90 feet to a point of cusp on a curve, concave to the north and having a radius of 2100.00 feet to which a radial line bears South $00^{\circ}23'43''$ West, said point being on the easterly line of Parcel A per Certificate of Compliance WVL 190-10, recorded August 26, 2010 as DOC#: 2010-0348713;

Course 11. Thence along said easterly line and said curve, to the left, through a central angle of $9^{\circ}33'15''$, an arc distance of 350.18 feet, to which a radial line bears South $9^{\circ}09'32''$ East;

Course 12. Thence continuing along said easterly line South $09^{\circ}09'32''$ East radial to said curve, 1045.05 feet to the said easterly line of said Parcel 1;

Course 13. Thence along said easterly line South $57^{\circ}36'51''$ East, 1200.69 feet to an angle point in said easterly line;

Course 14. Thence continuing along said easterly line South $05^{\circ}34'34''$ West, 1250.61 feet to point in the southerly line of Parcel 2 of said Parcel Map 14797;

Course 15. Thence along said southerly line South $84^{\circ}25'07''$ East, 1458.31 feet to an angle point in said line;

Course 16. Thence continuing along said southerly line South $05^{\circ}35'30''$

EXHIBITA

West, 200.00 feet to an angle point in said line;

EXHIBITA

Course 17 Thence continuing along said southerly line North 84°22'55" West, 140.39 feet to a point of intersection with the southeasterly boundary line of the City of Rialto as established by LAFCO 3191;

Course 18. Thence along said existing boundary of the City of Rialto through its various courses in a generally Westerly, Northwesterly and Southwesterly direction to a point of intersection with the existing boundary of the City of Rialto as established by Annexation 134 (LAFCO 2169) ;

Course 19. Thence along said existing boundary of the City of Rialto as established by Annexation 134 (LAFCO 2169) through its various courses in a generally Northerly direction to the POINT OF BEGINNING.

Containing 567.75 acres, more or less.

Prepared by me or under my direct supervision.



3-30-14

Robert John Dawson P.L.S.

Date



LAFCO 3201

EXHIBIT "B"

COURSE	LINE	ARC/L	DEG/TA	BEARING	LENGTH
1	L7	2000.00	0	S 70° 15' 00" W	2000.00
2	L8	1750.00	0	S 85° 30' 00" W	1750.00
3	L1	3000.00	0	S 00° 00' 00" W	3000.00
4	C3	3500.00	0	S 15° 45' 00" W	3500.00
5	L4	3000.00	0	S 75° 45' 00" W	3000.00
6	L2	2000.00	0	S 70° 15' 00" W	2000.00
7	L3	1750.00	0	S 85° 30' 00" W	1750.00
8	L5	3000.00	0	S 00° 00' 00" W	3000.00
9	L6	3500.00	0	S 15° 45' 00" W	3500.00
10	L9	3000.00	0	S 75° 45' 00" W	3000.00
11	L10	2000.00	0	S 70° 15' 00" W	2000.00
12	L11	1750.00	0	S 85° 30' 00" W	1750.00
13	L12	3000.00	0	S 00° 00' 00" W	3000.00
14	L13	3500.00	0	S 15° 45' 00" W	3500.00
15	L14	3000.00	0	S 75° 45' 00" W	3000.00
16	L15	2000.00	0	S 70° 15' 00" W	2000.00
17	L16	1750.00	0	S 85° 30' 00" W	1750.00



REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA 5L-1

AREA A - ANNEXATION TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LITTLE CREEK ROAD, SOUTH OF INTERSTATE 15 WEST OF INTERSTATE 215, NORTH OF STATE ROUTE 210

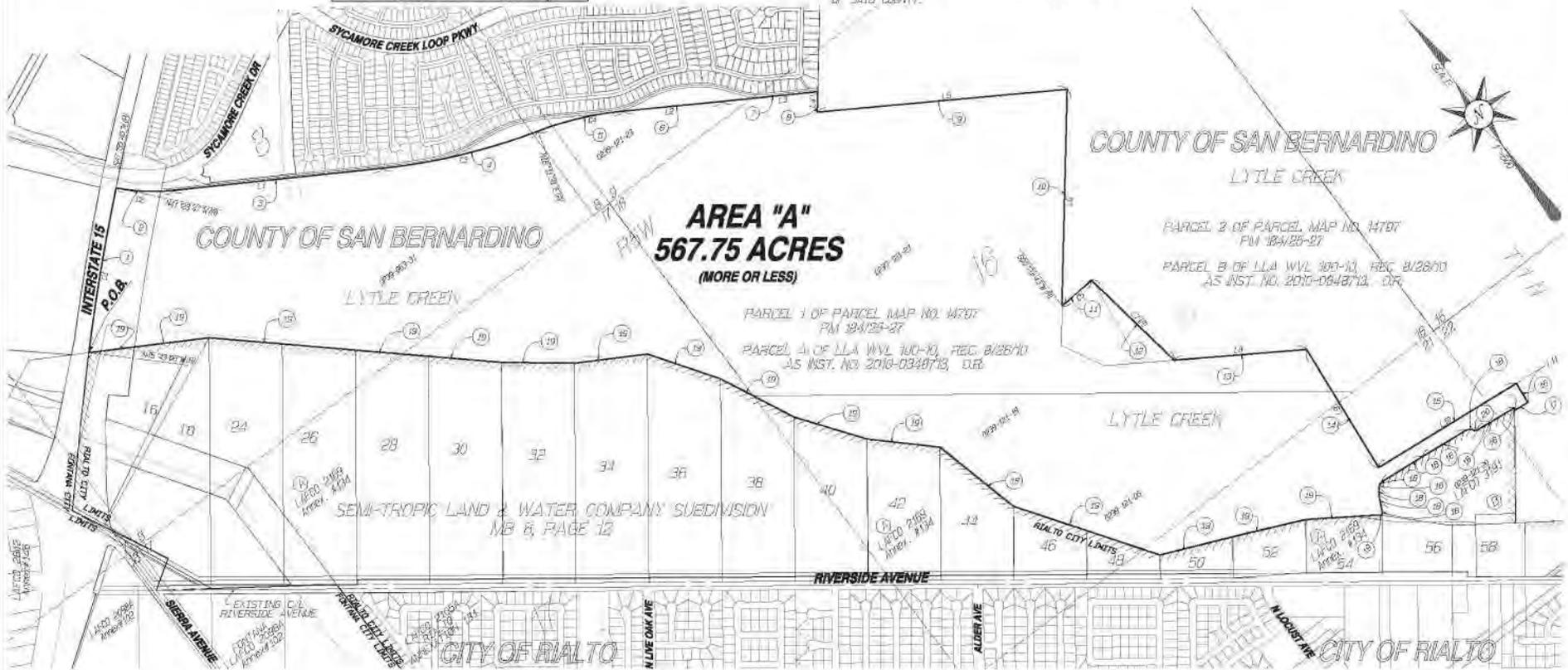
PORTION OF RANCHO MUSCUPARE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, AND THAT PORTION OF THE UNSURVEYED PORTION OF THE SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION MAP AS RECORDED IN BOOK 6 OF MAPS AT PAGE 12, RECORDS OF SAIG COUNTY.

AFFECTED AGENCIES

CITY OF RIALTO
 SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
 SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT VALLEY SERVICE ZONE
 CSA 70
 WEST VALLEY WATER DISTRICT

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
134	2169	RES 2511	CITY OF RIALTO	APRIL 14, 1983
134	3191		CITY OF RIALTO	



LEGEND

	PROPOSED ANNEXATION BOUNDARY
	EXISTING CITY OF RIALTO CORPORATE BOUNDARY
	DEPTIC'S SECTION LINE
	POINT OF BEGINNING
	COURSE NUMBER PER LEGAL DESCRIPTION
	PRIOR ANNEXATIONS

FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THE MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO



PLAN PREPARED BY
DAWSON SURVEYING, INC.
 LAND SURVEYORS
 200 S. GARDEN ST. STE. 100, SUITE 100
 P.O. BOX 220, SUITE 100, P.O. BOX 220, SUITE 100
 PAGE 1 OF 2

A.N.	DRS-37
DR.	JPG
DATE	02/01/2015
SCALE	1" = 500'

EXHIBIT A-1

EXHIBIT A-1

LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Area B - Annexation to the City of Rialto and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70

That portion of the un-surveyed portion of the Semi Tropic Land and Water Company per Map recorded in Book 6 page 12 of Maps, Records of the County of San Bernardino, State of California described as:

BEGINNING at the most northerly corner of Lot 68 of the Semi Tropic Land and Water Company Subdivision per map recorded in Map Book 6, page 12, Official Records of the County of San Bernardino, State of California, also being the southeast corner of Annexation No. 134, (LAFCO 2169) in the existing City Limits of Rialto;

Course 1. Thence along the existing northerly boundary line of the City of Rialto as established by Annexation No. 134 (LAFCO 2169) through its various courses in a generally northwesterly direction, also being the northerly lines of Lots 66, 64 and 62 of said Semi Tropic Land and Water Company Subdivision, to the intersection with the southerly Right of Way line of the deed to The Metropolitan Water District of Southern California in Book 7612, Page 481, Official Records of said County;

Course 2. Thence North $85^{\circ}01'36''$ East along said line, 1427.75 feet to the beginning of a tangent curve, concave to the northwest and having a radius of 700.00 feet;

Course 3. Thence along said curve, to the left, through a central angle of $58^{\circ}40'13''$ an arc distance of 716.79 feet;

Course 4. Thence continuing along said line, North $26^{\circ}21'24''$ East, tangent to said curve, 497.34 feet to the intersection with southerly Right of Way line per deed to San Gabriel Valley Municipal Water District, recorded March 19, 1975 in Book 8638 Page 796 of Official Records of said County,-

Course 5. Thence continuing along said line North $56^{\circ}19'13''$ East, 130.02

feet;

EXHIBIT B

Course 6. Thence continuing along said line, North $26^{\circ}21'15''$ East, 3394.86 feet to the intersection with east line of the Semi Tropic Land and Water Company Subdivision between comers III and IV;

Course 7. Thence along said line South $30^{\circ}48'57''$ East, 1762,69 feet to Comer III;

Course 8. Thence continuing along said easterly line South $45^{\circ}00'13''$ East, 5819.94 feet to the intersection with the northerly boundary of deed recorded November 30, 1908, in book 429, page 103 Official Records of said County;

Course 9. Thence along said Boundary South $72^{\circ}02'30''$ West, 2024.15 feet to a point of cusp on a curve, concave to the south, having a radius of 2080.00 feet to which a radial line bears North $14^{\circ}36'57''$ East, also being on the northerly line of deed to the San Bernardino County Flood Control District per deed recorded in Book 5367. Page 563, Official Records of said County;

Course 10. Thence along said curve, to the right, through an angle of $9^{\circ}04'01''$, an arc distance of 32 9.16 feet;

Course 11. Thence South $66^{\circ}18'43''$ East, tangent to said curve, 2264.38 feet to the beginning of a tangent curve, concave to the southwest, having a radius of 2080.00 feet;

Course 12. Thence along said curve, to the right, through an angle of $30^{\circ}23'55''$, an arc distance of 1103.56 feet;

Course 13. Thence South $35^{\circ}54'48''$ East, 447.13 feet to the most easterly comer of said deed also being the most northeasterly comer of Annexation No. 125 (LAFCO 2027);

Course 14. Thence along the existing boundary of the City of Rialto as established by Annexation No. 125 through its various courses in a generally southwesterly and northwesterly direction to the easterly boundary of Annexation No. 162 (LAFCO 2820).

Course 15. Thence along the existing boundary of the City of Rialto as established by Annexation No. 162 through its various courses in a generally northerly, northwesterly, westerly direction to the northeasterly comer of the existing boundary of the City of Rialto established by Annexation No. 164 (LAFCO 2824) .

EXHIBIT B

EXHIBIT B

Area C - Annexation to the City of Rialto and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70

That portion of Lot 1 of Tract 5638 per Map recorded in Book 75 of Maps at page 38, Official Records of the County of San Bernardino, State of California more particularly described as follows:

BEGINNING at the most northerly corner of said Lot 1, also being on the northerly boundary line of Annexation No. 162 (LAFCO 2820) in the existing City Limits of Rialto;

Course 31. Thence South $64^{\circ}58'14''$ East along the northerly line of said Lot 1 and along the northerly line of said Annexation 162 (LAFCO 2820), 105.42 feet to the northeasterly comer of said Lot 1;

Course 32. Thence South $29^{\circ}55'48''$ West along the southeasterly line of said Lot 1, 185.52 feet to the southeasterly comer of said Lot 1, said comer also being on a non-tangent curve, concave to the northeast, having a radius of 385.0 feet, said point also being on the northerly right-of-way line of Sycamore Avenue, the radial line at said comer bears North $29^{\circ}55'48''$ East;

Course 33. Thence along said right-of-way line and along said curve, to the right, and through a central angle of $6^{\circ}41'58''$, an arc distance of 45.02 feet;

Course 34. Thence North $53^{\circ}22'23''$ West along the southwesterly line of said Lot 1 and said right-of-way line, 79.99 feet to the southwesterly corner of said Lot 1, said corner also being on the northwesterly boundary of said Map;

Course 35. Thence North $36^{\circ}37'37''$ East along said southwesterly line and along the boundary of said Map 165.69 feet to the POINT OF BEGINNING.

Containing 0.46 acres, more or less.

LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Prepared by me or under my direct supervision.



3-30-16

Robert John Dawson P.L.S. Date



EXHIBIT B

Course 16. Thence along the existing boundary of the City of Rialto as established by Annexation No. 164 (LAFCO 2824) through its various courses in a generally northwesterly direction, to the northwesterly comer of said Annexation No. 164 also being the northerly line of Lot 74 of said Semi Tropic Land and Water Company Subdivision;

Course 17. Thence along the northerly line of Lot 74 North 68°44'18" West, 328.32 feet to the northerly comer of Lot 74 and Lot 72 of said Subdivision;

Course 18. Thence along the northerly line Lot 72 North 71°11'41" West, 697.1 feet to the northerly comer of Lot 72 and Lot 70 of said Subdivision;

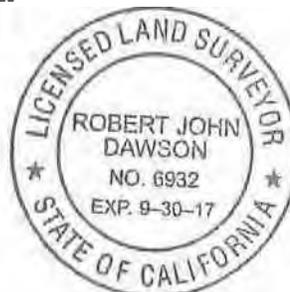
Course 19. Thence North 71°07'07" West, 693.77 feet along the northerly line of Lot 70 to the northerly corner of Lot 70 and Lot 68 also being in the existing City Limits of the City of Rialto, Annexation No. 166 (LAFCO 2870);

Course 20. Thence along the existing boundary of the City of Rialto as established by Annexation No. 166 (LAFCO 2870) through its various courses in a generally northwesterly direction, and along the northerly line of Lot 68 of said Semi Tropic Land and Water Company Subdivision, to the northerly comer of said Lot 68 of said Subdivision to the POINT OF BEGINNING.

Containing 572.53 acres, more or less

Prepared by me or under my direct supervision

Robert John Dawson 3-30-16
Robert John Dawson P.L.S. Date



LAFCO 3201

EXHIBIT "B"

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA 5L-J

AREAS B & C - ANNEXATION TO THE CITY OF RIALTO AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70

LOCATED EAST OF RIVERSIDE AVENUE, SIEMPA AVENUE AND LYTLE CREEK ROAD, SOUTH OF INTERSTATE 15, WEST OF INTERSTATE 215, NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPHABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS AT PAGE 23, AND LOT 1 OF TRACT 5636 AS PER MAP RECORDED IN BOOK 75 OF MAPS AT PAGE 138, BOTH RECORDS OF SAID COUNTY.

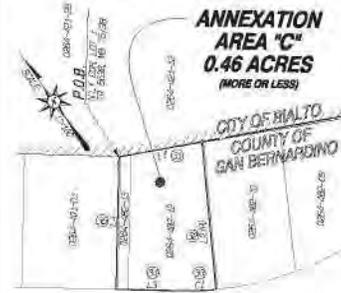
AFFECTED AGENCIES

CITY OF RIALTO
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT VALLEY SERVICE ZONE
CSA 70

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
125	2027	RES. 2262	CITY OF RIALTO	DECEMBER 15, 1980
134	2159	RES. 2511	CITY OF RIALTO	APRIL 14, 1983
162	2820	RES. 2666	LAFCO	MARCH 21, 1997
164	2824	RES. 2662	LAFCO	JUNE 24, 1997
166	2870	RES. 2711	LAFCO	FEBRUARY 28, 2001

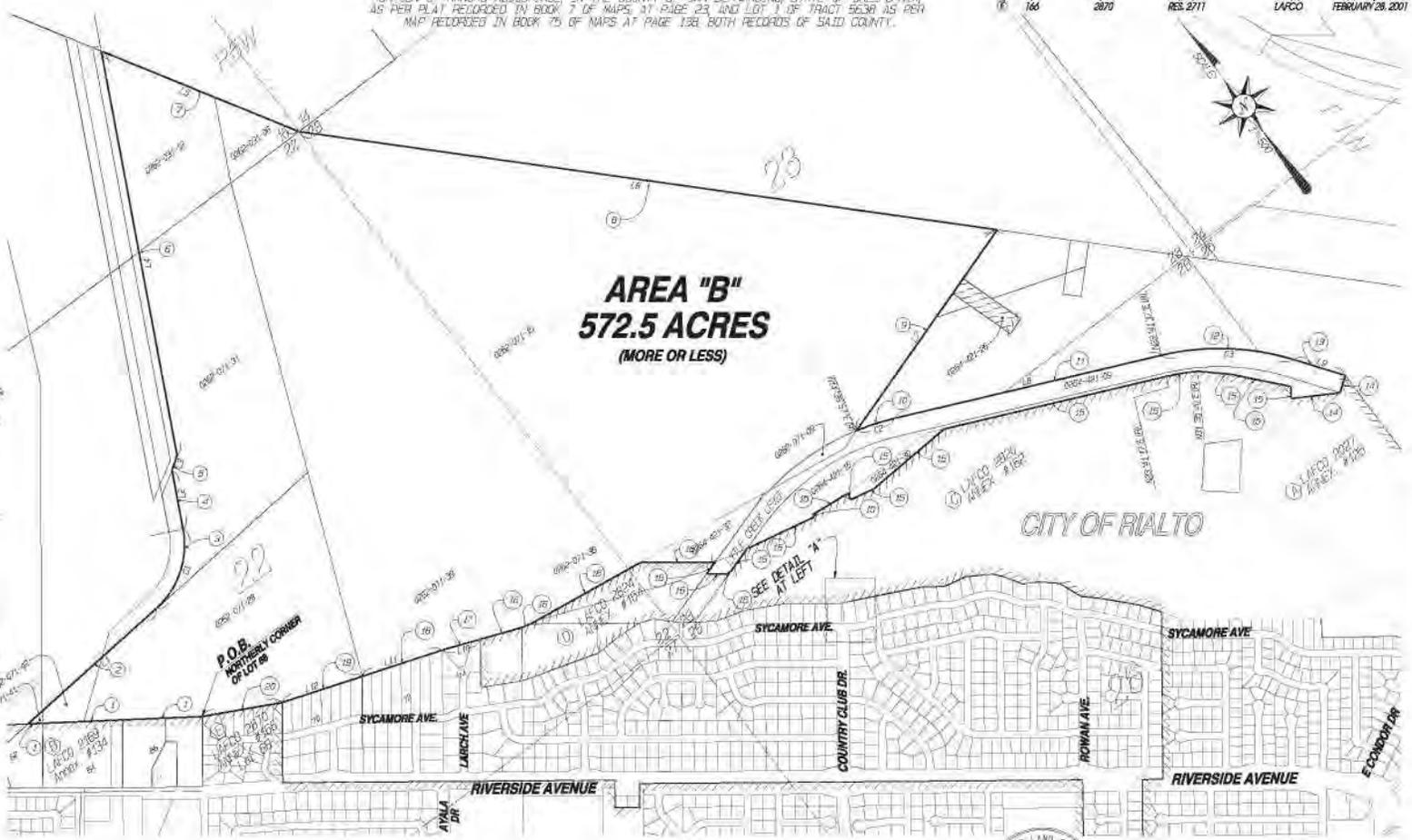
COURSE	LINE	RADIUS	DELTA	BEARING	LENGTH
1	L-1			S89°20'36"E	5427.25
2	L-1	7000.00	58°10'13"		7767.79
3	L-1			S33°15'24"E	397.34
4	L-1			S86°17'13"E	539.07
5	L-1			S69°21'15"E	3393.90
6	L-1			S38°10'57"E	3782.89
7	L-1			S45°10'17"E	5849.84
8	L-1			S72°10'30"W	2894.15
9	L-1	2000.00	9°19'01"		354.35
10	L-1			S82°10'43"E	3294.38
11	L-1	2000.00	39°23'55"		1702.58
12	L-1			S35°57'30"E	4471.17
13	L-1			S69°21'00"W	289.52
14	L-1			S71°14'14"W	189.07
15	L-1			N71°40'18"W	2888.77



LEGEND

LINE	RADIUS	DELTA	BEARING	LENGTH
1	L-1		S61°38'34"E	105.42
2	L-1		S87°52'40"W	166.32
3	L-1	380.00	6°14'58"	45.02
4	L-1		S57°22'23"W	70.89
5	L-1		N38°17'17"E	165.69

PROPOSED ANNEXATION BOUNDARY
EXISTING CITY OF RIALTO CORPORATE BOUNDARY
DEFECTS SECTION LINE
POINT OF BEGINNING
COURSE NUMBER PER LEGAL DESCRIPTION
PRIOR ANNEXATIONS



FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THE MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO

LAND SURVEYOR
ROBERT JOHN DANSON
No. 0284
Exp. 08-31-17

DAWSON SURVEYING, INC.
LAND SURVEYORS
870 S. GARDEN ST., SUITE 104, SUITE 104
PHOENIX, AZ 85024
PHONE: 602-430-0416 FAX: 602-430-0446

SCALE: 1" = 630'

DATE: 12/29/2015

BY: JPC

NO. 0284

SCALE: 1" = 630'

DATE: 12/29/2015

BY: JPC

LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Area D - Annexation to the West Valley Water District

That portion of the un-surveyed portion of the Semi Tropic Land and Water Company per Map recorded in Book 6 page 12 of Maps, Records of the County of San Bernardino, State of California described as:

BEGINNING at the most northerly corner of Lot 68 of the Semi Tropic Land and Water Company Subdivision per map recorded in Map Book 6, page 12, Official Records of the County of San Bernardino, State of California, also being the southeast corner of Annexation No. 134, (LAFCO 2169) in the existing City Limits of Rialto;

Course 1. Thence along the existing northerly boundary line of the City of Rialto as established by Annexation No. 134 (LAFCO 2169) through its various courses in a generally northwesterly direction, also being the northerly lines of Lots 66, 64 and 62 of said Semi Tropic Land and Water Company Subdivision, to the intersection with the southerly Right of Way line of the deed to The Metropolitan Water District of Southern California in Book 7612, Page 481, Official Records of said County;

Course 2. Thence North $85^{\circ}01'36''$ East along said line, 1427.75 feet to the beginning of a tangent curve, concave to the northwest and having a radius of 700.00 feet;

Course 3. Thence along said curve, to the left, through a central angle of $58^{\circ}40'13''$ an arc distance of 716.79 feet;

Course 4. Thence continuing along said line, North $26^{\circ}21'24''$ East, tangent to said curve, 497.34 feet to the intersection with southerly Right of Way line per deed to San Gabriel Valley Municipal Water District, recorded March 19, 1975 in Book 8638 Page 796 of Official Records of said County;

Course 5. Thence continuing along said line North $56^{\circ}19'13''$ East, 130.02 feet ;

Course 6. Thence continuing along said line, North $26^{\circ}21'15''$ East, 3394.86 feet to the intersection with east line of the Semi Tropic Land and Water Company Subdivision between corners III and IV;

Course 7, Thence along said line South $30^{\circ}48'57''$ East, 1762.69 feet to Comer III;

Course 8. Thence continuing along said easterly line South $45^{\circ}00'13''$ East, 5819.94 feet to the intersection with the northerly boundary of deed recorded November 30, 1908, in book 429, page 103 Official Records of said County;

Course 9. Thence along said Boundary South $72^{\circ}02'30''$ West, 490.45 feet to an angle point in said Boundary;

Course 10. Thence South $17^{\circ}57'30''$ East 581.58 feet to an angle point therein;

Course 11. Thence South $72^{\circ}02'30''$ West, 149.99 feet to an angle point therein;

Course 12. Thence North $17^{\circ}57'30''$ West, 581.58 feet to the northerly boundary of said deed recorded November 30, 1908, in book 429, page 103 Official Records of said County;

Course 13. Thence along said Boundary South $72^{\circ}02'30''$ West, 1563.60 feet to an angle point therein;

Course 14. Thence North $82^{\circ}09'53''$ West, 698.06 feet to an angle point therein;

Course 15. Thence North $82^{\circ}16'04''$ West, 1229.10 feet to the northeasterly comer in the existing City of Rialto boundary per Annexation No. 164, (LAFCO 2824);

Course 16. Thence along the existing boundary of the City of Rialto as established by Annexation No. 164 (LAFCO 2824) through its various courses in a generally northwesterly direction, to the northwesterly comer of said Annexation No. 164 also being the northerly line of Lot 74 of said Semi Tropic Land and Water Company Subdivision;

Course 17. Thence along the northerly line of Lot 74 North $68^{\circ}44'18''$ West, 328.32 feet to the northerly comer of Lot 74, also being the easterly comer of Lot 72 of said Subdivision;

Course 18. Thence along the northerly line Lot 72 North $71^{\circ}11'41''$ West, 697.1 feet to the northerly comer of Lot 72, also being the easterly comer of Lot 70 of said Subdivision;

Course 19. Thence North $71^{\circ}07'07''$ West, 693.77 feet along the northerly line of Lot 70 to the northerly corner of Lot 70, also being the easterly comer of Lot 68 of said Subdivision and being in the existing City Limits of the City of Rialto, Annexation No. 166 (LAFCO 2870);

Course 20. Thence along the existing boundary of the City of Rialto as established by Annexation No. 166 (LAFCO 2870) through its various courses in a generally northwesterly direction, and along the northerly line of Lot 68 of said Semi Tropic Land and Water Company Subdivision, to the northerly comer of said Lot 68 of said Subdivision to the POINT OF BEGINNING.

Containing 539.13 acres, more or less.
Prepared by me or under my direct supervision.



3-30-16

Robert John Dawson P.L.S. Date



LAFCO 3201

EXHIBIT "B"

LINE NO.	LINE BEG. POINTS	LINE END POINTS	BEARING	LENGTH
1	1.00	1.00	N69°21'36"E	1427.79
2	1.00	2.00	S89°40'13"E	745.70
3	2.00	3.00	N25°21'30"W	457.34
4	3.00	4.00	S70°12'17"E	330.12
5	4.00	5.00	N25°21'30"W	375.63
6	5.00	6.00	S70°12'17"E	375.63
7	6.00	7.00	N25°21'30"W	457.34
8	7.00	8.00	S89°40'13"E	3615.54
9	8.00	9.00	S72°00'30"W	456.45
10	9.00	10.00	S71°57'30"W	361.59
11	10.00	11.00	S72°00'30"W	456.59
12	11.00	12.00	N71°57'30"W	361.59
13	12.00	13.00	S72°00'30"W	456.59
14	13.00	14.00	N62°03'53"W	366.01
15	14.00	15.00	N62°03'53"W	366.01
16	15.00	16.00	N62°04'18"W	366.31
17	16.00	17.00	N71°57'41"W	367.01
18	17.00	18.00	N71°57'41"W	367.01
19	18.00	19.00	N71°57'41"W	367.01

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA 5L-1

AREA D - ANNEXATION TO THE WEST VALLEY WATER DISTRICT

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD, SOUTH OF INTERSTATE 15, WEST OF INTERSTATE 215, NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCULPIAGE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, RECORDS OF SAID COUNTY.

AFFECTED AGENCIES

WEST VALLEY WATER DISTRICT

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
154	2169	RES. 2511	CITY OF RIALTO	APRIL 14, 1983
154	2824	RES. 2602	LAFCO	JUNE 24, 1997
166	2870	RES. 2711	LAFCO	FEBRUARY 28, 2001



AREA "D"
539.1 ACRES
(MORE OR LESS)

WVWD SERVICE AREA

WVWD SERVICE AREA

LEGEND

	PROPOSED ANNEXATION BOUNDARY
	EXISTING WEST VALLEY WATER DISTRICT
	DEPRECIS SECTION LINE
	POINT OF BEGINNING
	COURSE NUMBER PER LEGAL DESCRIPTION
	PRIOR ANNEXATIONS

FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THE MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO



PREPARED BY:
DAWSON SURVEYING, INC.
LAND SURVEYORS
1700 S. CHURCH ST. SUITE 100, RIALTO, CA 92404
PHONE: 951-343-6338 FAX: 951-343-6346

A.N.	DRG. 317
RE.	JPG
DATE:	12/25/2015
SCALE:	1" = 500'
PAGE:	1 OF 1

EXHIBIT C-1

EXHIBIT C-1

Exhibit 'B'

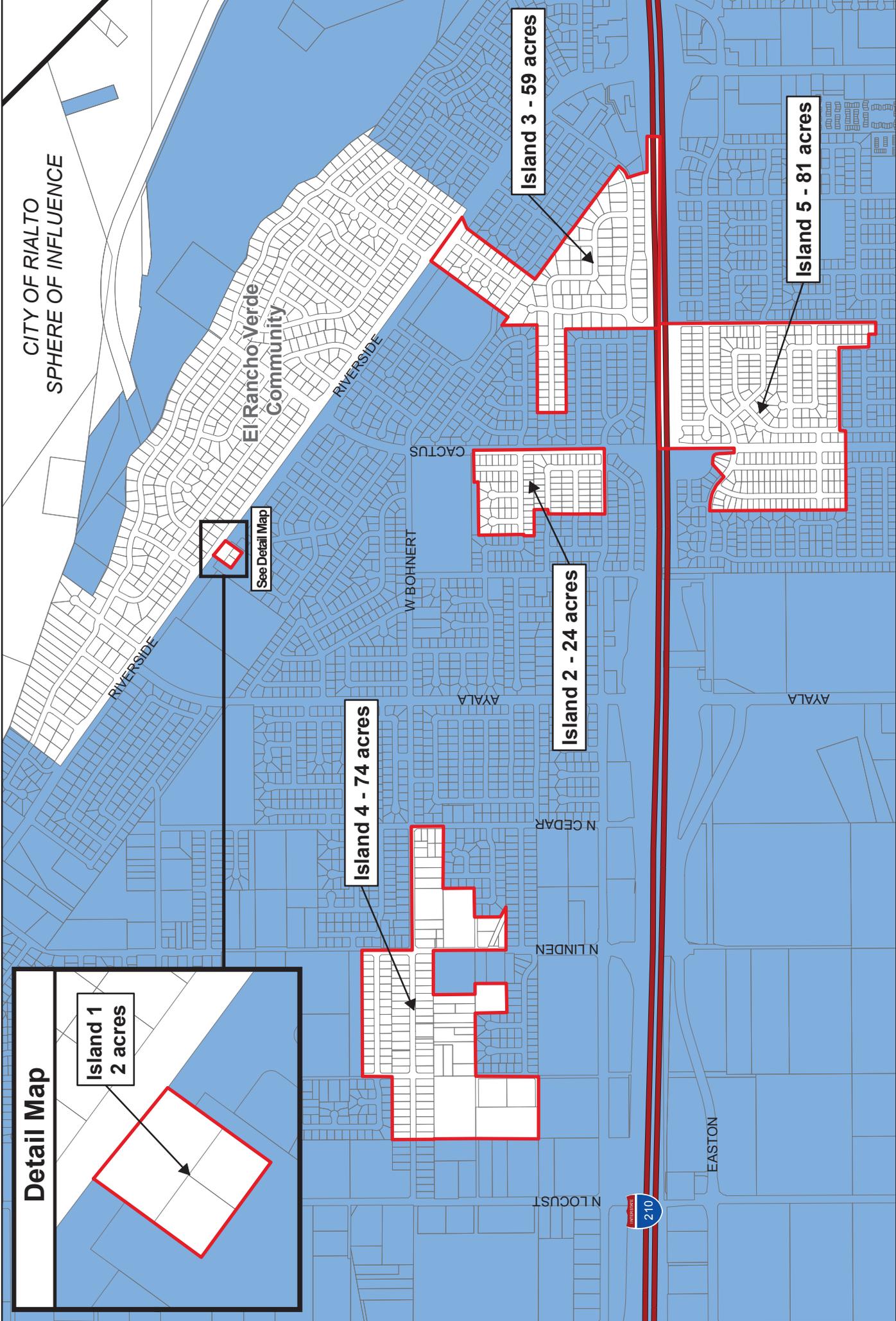


1:15,500

Legend

- City of Rialto
- Island Areas

Five North Rialto Islands



CITY OF RIALTO
SPHERE OF INFLUENCE

El Rancho Verde
Community

See Detail Map

Detail Map

Island 1
2 acres

Island 4 - 74 acres

Island 2 - 24 acres

Island 3 - 59 acres

Island 5 - 81 acres

EASTON

N LOCUST

N LINDEN

N CEDAR

AYALA

W BOHNERT

CACTUS

RIVERSIDE

RIVERSIDE



**LOCAL AGENCY FORMATION COMMISSION
FORSAN BERNARDINO COUNTY**

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490

(909) 388-0480 • Fax (909) 885-8170

E-mail: lafco@lafco.sbcounty.gov

www.sbclafco.org

PROPOSAL NO.: LAFCO 3201

HEARING DATE: MAY 18, 2016

RESOLUTION NO. 3222

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3201 AND APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND THE WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, THE FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA SL-1 AND COUNTY SERVICE AREA 70 (LYTLE CREEK RANCH), AS MODIFIED. (The reorganization area includes seven separate areas generally located along the Lytle Creek Wash area, northerly of the 210 Freeway, easterly of Riverside Avenue, and southerly of the 1-15 Freeway, within the City of Rialto's northern sphere of influence.)

On motion of Commissioner Ramos, duly seconded by Commissioner Williams, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, the public hearing by this Commission was called for May 18, 2016 at the time and place specified in the notice of public hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written

RESOLUTION NO. 3222

support and/or opposition; the Commission considered all plans and proposed changes of organization and all evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing;

WHEREAS, the Commission determines to modify this proposal to include the detachment from Fontana Fire Protection District as a function of the reorganization;

NOW, THEREFORE, BE IT RESOLVED, by the Local Agency Formation Commission for San Bernardino County, State of California, that the Commission does hereby determine, find, resolve, and order, as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries are approved as set forth in Exhibits "A", "A-1", "B", "B-1", "C", "C-1", "D", "D-1", "E", "E-1", "F", and "F-1" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3201.

Condition No. 3. All previously authorized charges, fees and/or assessments currently in effect by the City of Rialto and the West Valley Water District (annexing agencies) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. The City of Rialto shall be required to initiate the five North Rialto Islands identified on the map included as Exhibit "G" within one year of the Commission's approval of LAFCO 3201. A resolution by the City Council of the City of Rialto shall be submitted to the Executive Officer of LAFCO outlining the City's commitment to fulfilling this requirement prior to the issuance of the Certificate of Completion for LAFCO 3201. A status report shall be provided to the Commission at the six month date outlining the progress of the City of Rialto in fulfilling its obligation. Failure on the part of the City of Rialto to fulfill its commitment for annexation of the five North Rialto Islands shall require that the next annexation proposed to the City of Rialto, either by the City through resolution or by property owner/registered voter petition, shall include a condition requiring the initiation of the North Rialto Islands. Said condition of approval shall be deemed complete upon the City's filing of an application(s) to annex the five North Rialto Islands and the Executive Officer's issuance of a Certificate(s) of Filing for said application(s).

Condition No. 5. The City of Rialto shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 6. Pursuant to Government Code Section 56886.1, public utilities, as

RESOLUTION NO. 3222

defined in Section 216 of the Public Utilities Code, have ninety (90) days following the recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

Condition No. 7. The date of issuance of the Certificate of Completion shall be the effective date of this reorganization.

SECTION 3. The Commission determines that approval of LAFCO 3201 will make the existing unincorporated "El Rancho Verde" community completely surrounded by the City of Rialto. Since the entire reorganization area of LAFCO 3201 is a master planned community that cannot be developed unless the area is annexed, the Commission determines, pursuant to the provision of Government Code Section 56375(m), to waive the restrictions on the creation of a totally surrounded island contained within Government Code Section 56744 because it would be detrimental to the orderly development of the community and it further determines that the area to be surrounded cannot reasonably be annexed to another city or incorporated as a new city.

SECTION 4. DETERMINATIONS. The following determinations are required to be provided by Commission policy and Government Code Section 56668:

1. The reorganization area is legally uninhabited, containing zero (0) registered voter as of October 14, 2015, as certified by the County Registrar of Voters Office.
2. The County Assessor's Office has determined that the total assessed value of land and improvements within the reorganization area is \$10,294,424 (land-\$9,187,660; improvements-\$1,106,764) as of November 5, 2015.
3. The reorganization area is within the spheres of influence assigned the City of Rialto and the West Valley Water District.
4. Notice of this hearing has been advertised as required by Law through publication in *The Sun*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. Comments from any affected local agency have been received by the Commission.
5. In compliance with the requirements of Government Code Section 56157 and Commission policy, individual notice was mailed to landowners (totaling 6 notices) within the reorganization area. Individual notice was also mailed to surrounding landowners and registered voters (3,144) within approximately 1,350 feet of the exterior boundaries of the reorganization area. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.
6. The City of Rialto pre-zoned the reorganization area through its approval process as the "Lytle Creek Ranch Specific Plan" with the following underlying specific plan zone designations: Single-Family Residential One (SFR-1), Single-Family Residential Two (SFR-2), Single-Family Residential Three (SFR-3), Multi-Family Residential (MFR), High Density Residential (HDR), Elementary/Middle School (ES/MS), Open Space/Recreation, and Open Space (undisturbed). These pre-zone/specific plan zone designations are consistent with the City's General Plan and surrounding land uses within the City and in the

RESOLUTION NO. 3222

County. Pursuant to the provisions of Government Code Section 56375(e), these pre-zone designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.

7. A Complete Final Environmental Impact Report (EIR) was prepared and certified as adequate by the City of Rialto for its approval of Annexation No. 170, General Plan Amendment No. 29, Specific Plan No. 12, and the Pre-Annexation and Development Agreement for the Lytle Creek Ranch Specific Plan (SCH No. 2009061113). Copies of the applicable environmental review documents were previously provided to the Commission. The Commission, its staff, and its Environmental Consultant have independently reviewed the City's Complete Final EIR and found it to be adequate for the reorganization decision.

The Commission certifies that it has reviewed and considered the City's Complete Final EIR and the effects outlined therein, and as referenced in the Facts, Findings and Statement of Overriding Considerations, prior to reaching a decision on the project and finds the information substantiating the Complete Final EIR adequate for its use in making a decision as a CEQA responsible agency. The Commission hereby acknowledges the mitigation measures and mitigation monitoring and reporting program contained in the City's Complete Final EIR and finds that no additional feasible alternatives or mitigation measures will be adopted by the Commission. The Commission finds that all changes, alterations, and mitigation measures are within the responsibility and jurisdiction of the City and other agencies, and not the Commission. The Commission finds that it is the responsibility of the City to oversee and implement these measures and the mitigation monitoring and reporting program.

The Commission hereby adopts the Facts, Findings and Statement of Overriding Considerations regarding the environmental effects of the reorganization (a copy of which is attached as Exhibit H). The Commission finds that all feasible changes or alterations have been incorporated into the project; that these changes are the responsibility of the City and other agencies identified in the Facts, Findings and Statement of Overriding Considerations and the Complete Final EIR; and that specific economic, social or other considerations make infeasible adoption of the alternatives identified in the Complete Final EIR.

The Commission directs its Executive Officer to file a Notice of Determination within five (5) days within the San Bernardino County Clerk of the Board of Supervisors. The Commission, as a responsible agency, also notes that this proposal is exempt from the California Department of Fish and Wildlife fees because the fees were the responsibility of the City of Rialto as the CEQA lead agency.

8. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS) pursuant to Government Code Section 65080. LAFCO 3201 includes the southern portion of the 1-15 Freeway, which is part of the RTP-SCS's State highway improvement (expansion/rehabilitation) program adding two express lanes in each direction for completion by 2030 and adding high-occupancy vehicle (HOV) lane in each direction for completion by 2039. The Sustainable Communities Strategy also include, among others, determinations related to the need for residential densities and housing for all segments of the population, which approval of LAFCO 3201 will support.

RESOLUTION NO. 3222

9. The local agencies currently serving the area are: County of San Bernardino, Inland Empire Resource Conservation District, San Bernardino Valley Municipal Water District, San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District (portion), West Valley Water District (portion), County Service Area SL-1 (streetlights)(portion), and County Service Area 70 (multi-function unincorporated area Countywide).

The proposal area will be detached from the San Bernardino County Fire Protection District, its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70 as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

10. The City of Rialto and the West Valley Water District have submitted plans for the provision of services as required by Government Code Section 56653, which indicate that the City of Rialto and the West Valley Water District can improve the level and range of services currently available in the area. The financial information presented within the City's Plan for Service indicates that the extension of services can be maintained and operated within the existing revenue resources available through the transfer of property tax revenues and existing fees for service. These Plans for Service have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission determines that these plans conform to those adopted standards and requirements.
11. The reorganization area will benefit from the availability of services from the City of Rialto and the West Valley Water District and has benefited from the delivery of fire protection and emergency medical response services from the City (through its contract with the San Bernardino County Fire Protection District to provide the service) as evidenced by the Plans for Service.
12. This proposal complies with State directives and Commission policies that indicate the preference for areas proposed for future development at an urban-level land use to be included within a City so that the full range of municipals services can be planned, funded, extended and maintained.
13. This proposal will assist in the City's ability to achieve its fair share of the regional housing needs as it proposes the addition of 619 single-family units, 563 multi-family units, and 2,005 senior single-family units, for a total of 3,187 residential units.
14. With respect to environmental justice, the following profile was generated using ESRI's Community Analyst with regard to race and income within the City of Rialto and within areas adjacent to the reorganization area (2015 population data):
The City of Rialto has a citywide population of 70.7 percent that is of Hispanic origin. Based on information taken from the adjacent unincorporated El Rancho Verde and Rosena Ranch communities, said areas have an Hispanic origin population of 50.1 percent and 48 percent, respectively, which are lower than the City's overall data.
With regard to income, the City of Rialto has a citywide median household income of \$49,205. Again, based on information taken from the two adjacent unincorporated communities, said areas reflects a higher median household income of \$75,499 and \$76,024, respectively.

RESOLUTION NO. 3222

Therefore, LAFCO staff believes that the reorganization area would benefit from the extension of services and facilities from the City of Rialto and the West Valley Water District and, at the same time, would not result in unfair treatment of any person based on race, culture or income.

15. The County of San Bernardino and the City of Rialto have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this reorganization. This negotiated agreement fulfills the requirements of Section 99 of the Revenue and Taxation Code. Renegotiation of the property tax transfer may be requested due to the Commission's modification to include the detachment from the Fontana Fire Protection District, which receives a share of the ad valorem tax. This process is outlined in Revenue and Taxation Code Section 99(b)(7).
16. The maps and legal descriptions, as revised, are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

SECTION 5. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 6. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 7. The Commission hereby directs that, following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000) and set the matter for consideration of the protest proceedings, providing notice of hearing pursuant to Government Code Sections 57025 and 57026.

SECTION 8. Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

SECTION 9. Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

RESOLUTION NO. 3222

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, Lovingood, McCallon
Ramos Williams

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: None

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of May 18, 2016.

DATED: May 19, 2016



KATHLEEN ROLLINGS-McDONALD
Executive Officer



LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Area A - Annexation to the City of Rialto and West Valley Water District and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70

That portion of the un-surveyed portion of the Semi Tropic Land and Water Company Subdivision per map recorded in Book 6 page 12 of Maps and Parcel 1 of Parcel Map 14797 per Map recorded in Book 184 pages 25 through 27, inclusive of Parcel Maps, Records of the County of San Bernardino, State of California described as:

BEGINNING at the intersection of the northerly line of the existing City Limits of The City of Rialto Annexation 134 (LAFCO 2169) and the centerline of improvements of State Hwy 15, also being a point on a curve, concave to the southeast, having a radius of 20002.23 feet, to which a radial line bears North $45^{\circ}43'06''$ West;

Course 1. Thence along said curve to the right through a central angle of $4^{\circ}19'19''$, an arc distance of 1508.84 feet to a point of cusp on a curve, concave to the northeast, having a radius of 1750.00 feet, the end of which the radial line bears South $41^{\circ}23'47''$ West also being the prolongation of the southwesterly line of Tract 15900, per map recorded in Book 308, pages 60 through 81 inclusive, Records of said County, the radial line bears South $47^{\circ}55'45''$ West;

Course 2. Thence along said curve to the left, through a central angle of $16^{\circ}57'23''$, an arc distance of 517.99 feet;

Course 3. Thence continuing along said line South $59^{\circ}01'48''$ East, tangent to said curve, 1906.97 feet to the beginning of a tangent curve, concave to the northeast and having a radius of 5600.00 feet;

Course 4. Thence continuing along said line, also along said curve, to the left, through a central angle of $14^{\circ}46'41''$ an arc distance of 1444.38 feet to the beginning of a reverse curve, concave to the southwest and having a

radius of 3000.00 feet, to a radial line bears North 16°11'31" East;

EXHIBITA

Course 5. Thence continuing along said line, also along said curve, to the right, through a central angle of $15^{\circ}13'49''$, an arc distance of 797.46 feet;

Course 6. Thence continuing along said line, South $58^{\circ}34'40''$ East, tangent to said curve, 900.00 feet;

Course 7. Thence continuing along said line South $58^{\circ}51'52''$ East, 866.25 feet to the most southerly corner of said Tract 15900, also being on the easterly line Parcel 1 of Parcel Map 14797, per map recorded in Book 184, Pages 25 through 27, inclusive, Records of said County;

Course 8. Thence along said easterly line, South $38^{\circ}16'30''$ West, 186.21 feet to an angle point in said easterly line;

Course 9. Thence continuing along said easterly line South $58^{\circ}13'27''$ East, 2270.15 feet to an angle point in said easterly line;

Course 10. Thence continuing along said easterly line, South $38^{\circ}23'35''$ West, 1954.90 feet to a point of cusp on a curve, concave to the north and having a radius of 2100.00 feet to which a radial line bears South $00^{\circ}23'43''$ West, said point being on the easterly line of Parcel A per Certificate of Compliance WVL 190-10, recorded August 26, 2010 as DOC#: 2010-0348713;

Course 11. Thence along said easterly line and said curve, to the left, through a central angle of $9^{\circ}33'15''$, an arc distance of 350.18 feet, to which a radial line bears South $9^{\circ}09'32''$ East;

Course 12. Thence continuing along said easterly line South $09^{\circ}09'32''$ East radial to said curve, 1045.05 feet to the said easterly line of said Parcel 1;

Course 13. Thence along said easterly line South $57^{\circ}36'51''$ East, 1200.69 feet to an angle point in said easterly line;

Course 14. Thence continuing along said easterly line South $05^{\circ}34'34''$ West, 1250.61 feet to point in the southerly line of Parcel 2 of said Parcel Map 14797;

Course 15. Thence along said southerly line South $84^{\circ}25'07''$ East, 1458.31 feet to an angle point in said line;

Course 16. Thence continuing along said southerly line South $05^{\circ}35'30''$

EXHIBITA

West, 200.00 feet to an angle point in said line;

EXHIBITA

Course 17 Thence continuing along said southerly line North 84°22'55" West, 140.39 feet to a point of intersection with the southeasterly boundary line of the City of Rialto as established by LAFCO 3191;

Course 18. Thence along said existing boundary of the City of Rialto through its various courses in a generally Westerly, Northwesterly and Southwesterly direction to a point of intersection with the existing boundary of the City of Rialto as established by Annexation 134 (LAFCO 2169) ;

Course 19. Thence along said existing boundary of the City of Rialto as established by Annexation 134 (LAFCO 2169) through its various courses in a generally Northerly direction to the POINT OF BEGINNING.

Containing 567.75 acres, more or less.

Prepared by me or under my direct supervision.



3-30-14

Robert John Dawson P.L.S.

Date



LAFCO 3201

EXHIBIT "B"

COURSE	LINE	ARC/L	DEG/TA	BEARING	LENGTH
1	L7	2000.00	0	S 70° 15' 00" W	2000.00
2	L8	1750.00	0	S 85° 30' 00" W	1750.00
3	L1	3000.00	0	S 00° 00' 00" W	3000.00
4	C3	3500.00	0	S 15° 45' 00" W	3500.00
5	L4	3000.00	0	S 75° 45' 00" W	3000.00
6	L2	2000.00	0	S 70° 15' 00" W	2000.00
7	L3	1750.00	0	S 85° 30' 00" W	1750.00
8	L5	3000.00	0	S 00° 00' 00" W	3000.00
9	L6	3500.00	0	S 15° 45' 00" W	3500.00
10	L9	3000.00	0	S 75° 45' 00" W	3000.00
11	L10	2000.00	0	S 70° 15' 00" W	2000.00
12	L11	1750.00	0	S 85° 30' 00" W	1750.00
13	L12	3000.00	0	S 00° 00' 00" W	3000.00
14	L13	3500.00	0	S 15° 45' 00" W	3500.00
15	L14	3000.00	0	S 75° 45' 00" W	3000.00
16	L15	2000.00	0	S 70° 15' 00" W	2000.00
17	L16	1750.00	0	S 85° 30' 00" W	1750.00



REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA 5L-1

AREA A - ANNEXATION TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LITTLE CREEK ROAD, SOUTH OF INTERSTATE 15 WEST OF INTERSTATE 215, NORTH OF STATE ROUTE 210

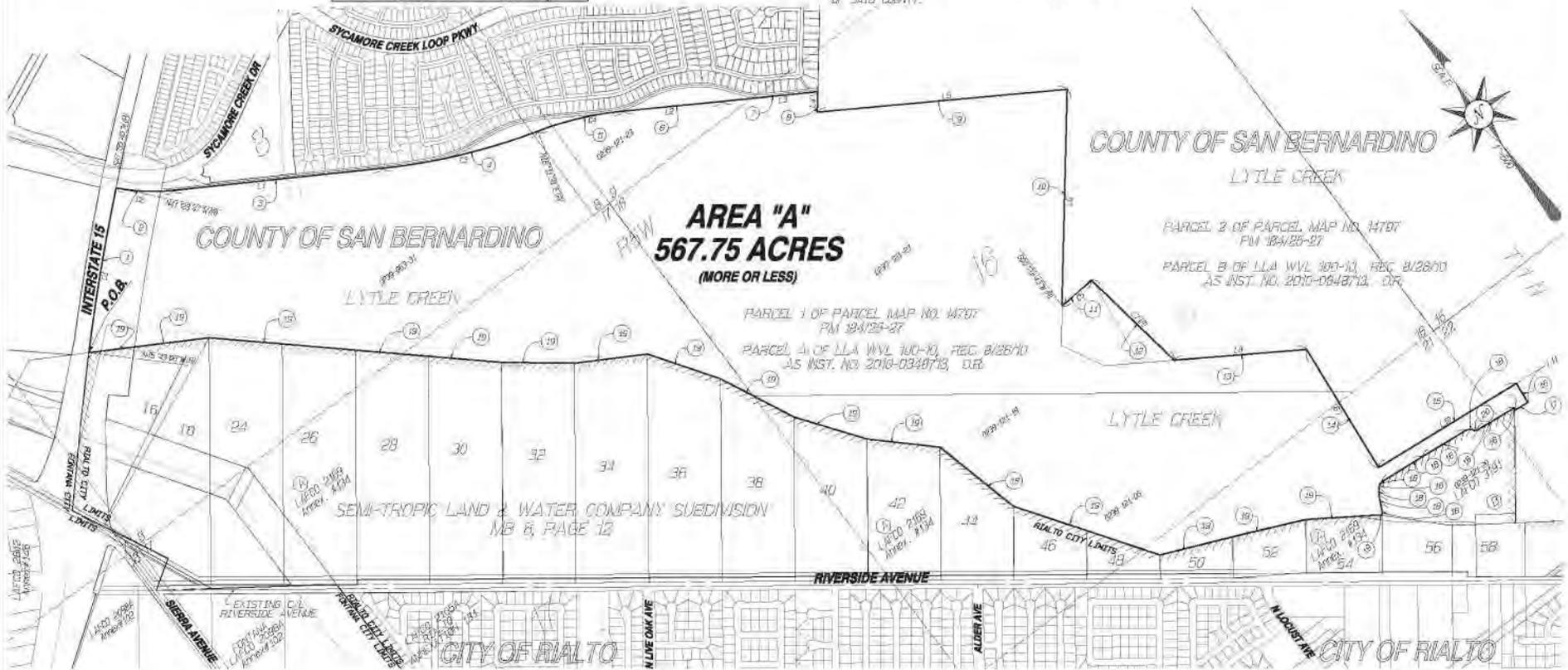
PORTION OF RANCHO MUSCUPARE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, AND THAT PORTION OF THE UNSURVEYED PORTION OF THE SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION MAP AS RECORDED IN BOOK 6 OF MAPS AT PAGE 12, RECORDS OF SAIG COUNTY.

AFFECTED AGENCIES

CITY OF RIALTO
 SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
 SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT VALLEY SERVICE ZONE
 CSA 70
 WEST VALLEY WATER DISTRICT

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
134	2169	RES 2511	CITY OF RIALTO	APRIL 14, 1983
134	3191		CITY OF RIALTO	



LEGEND

	PROPOSED ANNEXATION BOUNDARY
	EXISTING CITY OF RIALTO CORPORATE BOUNDARY
	DEPTIC'S SECTION LINE
	POINT OF BEGINNING
	COURSE NUMBER PER LEGAL DESCRIPTION
	PRIOR ANNEXATIONS

FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THE MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO



PLANNED BY: **DAWSON SURVEYING, INC.**
 LAND SURVEYORS
 200 S. GARDEN ST. STE. 100, SUITE 100
 P.O. BOX 220, SUITE 100, P.O. BOX 220, SUITE 100
 PAGE: 1 OF 2

A.N.	DRS-37
DR.	JPG
DATE:	02/01/2015
SCALE:	1" = 500'

EXHIBIT A-1

EXHIBIT A-1

LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Area B - Annexation to the City of Rialto and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70

That portion of the un-surveyed portion of the Semi Tropic Land and Water Company per Map recorded in Book 6 page 12 of Maps, Records of the County of San Bernardino, State of California described as:

BEGINNING at the most northerly corner of Lot 68 of the Semi Tropic Land and Water Company Subdivision per map recorded in Map Book 6, page 12, Official Records of the County of San Bernardino, State of California, also being the southeast corner of Annexation No. 134, (LAFCO 2169) in the existing City Limits of Rialto;

Course 1. Thence along the existing northerly boundary line of the City of Rialto as established by Annexation No. 134 (LAFCO 2169) through its various courses in a generally northwesterly direction, also being the northerly lines of Lots 66, 64 and 62 of said Semi Tropic Land and Water Company Subdivision, to the intersection with the southerly Right of Way line of the deed to The Metropolitan Water District of Southern California in Book 7612, Page 481, Official Records of said County;

Course 2. Thence North $85^{\circ}01'36''$ East along said line, 1427.75 feet to the beginning of a tangent curve, concave to the northwest and having a radius of 700.00 feet;

Course 3. Thence along said curve, to the left, through a central angle of $58^{\circ}40'13''$ an arc distance of 716.79 feet;

Course 4. Thence continuing along said line, North $26^{\circ}21'24''$ East, tangent to said curve, 497.34 feet to the intersection with southerly Right of Way line per deed to San Gabriel Valley Municipal Water District, recorded March 19, 1975 in Book 8638 Page 796 of Official Records of said County,-

Course 5. Thence continuing along said line North $56^{\circ}19'13''$ East, 130.02

feet;

EXHIBIT B

Course 6. Thence continuing along said line, North $26^{\circ}21'15''$ East, 3394.86 feet to the intersection with east line of the Semi Tropic Land and Water Company Subdivision between comers III and IV;

Course 7. Thence along said line South $30^{\circ}48'57''$ East, 1762,69 feet to Comer III;

Course 8. Thence continuing along said easterly line South $45^{\circ}00'13''$ East, 5819.94 feet to the intersection with the northerly boundary of deed recorded November 30, 1908, in book 429, page 103 Official Records of said County;

Course 9. Thence along said Boundary South $72^{\circ}02'30''$ West, 2024.15 feet to a point of cusp on a curve, concave to the south, having a radius of 2080.00 feet to which a radial line bears North $14^{\circ}36'57''$ East, also being on the northerly line of deed to the San Bernardino County Flood Control District per deed recorded in Book 5367. Page 563, Official Records of said County;

Course 10. Thence along said curve, to the right, through an angle of $9^{\circ}04'01''$, an arc distance of 32 9.16 feet;

Course 11. Thence South $66^{\circ}18'43''$ East, tangent to said curve, 2264.38 feet to the beginning of a tangent curve, concave to the southwest, having a radius of 2080.00 feet;

Course 12. Thence along said curve, to the right, through an angle of $30^{\circ}23'55''$, an arc distance of 1103.56 feet;

Course 13. Thence South $35^{\circ}54'48''$ East, 447.13 feet to the most easterly comer of said deed also being the most northeasterly comer of Annexation No. 125 (LAFCO 2027);

Course 14. Thence along the existing boundary of the City of Rialto as established by Annexation No. 125 through its various courses in a generally southwesterly and northwesterly direction to the easterly boundary of Annexation No. 162 (LAFCO 2820).

Course 15. Thence along the existing boundary of the City of Rialto as established by Annexation No. 162 through its various courses in a generally northerly, northwesterly, westerly direction to the northeasterly comer of the existing boundary of the City of Rialto established by Annexation No. 164 (LAFCO 2824) .

EXHIBIT B

EXHIBIT B

Area C - Annexation to the City of Rialto and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area 70

That portion of Lot 1 of Tract 5638 per Map recorded in Book 75 of Maps at page 38, Official Records of the County of San Bernardino, State of California more particularly described as follows:

BEGINNING at the most northerly corner of said Lot 1, also being on the northerly boundary line of Annexation No. 162 (LAFCO 2820) in the existing City Limits of Rialto;

Course 31. Thence South $64^{\circ}58'14''$ East along the northerly line of said Lot 1 and along the northerly line of said Annexation 162 (LAFCO 2820), 105.42 feet to the northeasterly comer of said Lot 1;

Course 32. Thence South $29^{\circ}55'48''$ West along the southeasterly line of said Lot 1, 185.52 feet to the southeasterly comer of said Lot 1, said comer also being on a non-tangent curve, concave to the northeast, having a radius of 385.0 feet, said point also being on the northerly right-of-way line of Sycamore Avenue, the radial line at said comer bears North $29^{\circ}55'48''$ East;

Course 33. Thence along said right-of-way line and along said curve, to the right, and through a central angle of $6^{\circ}41'58''$, an arc distance of 45.02 feet;

Course 34. Thence North $53^{\circ}22'23''$ West along the southwesterly line of said Lot 1 and said right-of-way line, 79.99 feet to the southwesterly corner of said Lot 1, said corner also being on the northwesterly boundary of said Map;

Course 35. Thence North $36^{\circ}37'37''$ East along said southwesterly line and along the boundary of said Map 165.69 feet to the POINT OF BEGINNING.

Containing 0.46 acres, more or less.

LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Prepared by me or under my direct supervision.



3-30-16

Robert John Dawson P.L.S. Date



EXHIBIT B

Course 16. Thence along the existing boundary of the City of Rialto as established by Annexation No. 164 (LAFCO 2824) through its various courses in a generally northwesterly direction, to the northwesterly comer of said Annexation No. 164 also being the northerly line of Lot 74 of said Semi Tropic Land and Water Company Subdivision;

Course 17. Thence along the northerly line of Lot 74 North 68°44'18" West, 328.32 feet to the northerly comer of Lot 74 and Lot 72 of said Subdivision;

Course 18. Thence along the northerly line Lot 72 North 71°11'41" West, 697.1 feet to the northerly comer of Lot 72 and Lot 70 of said Subdivision;

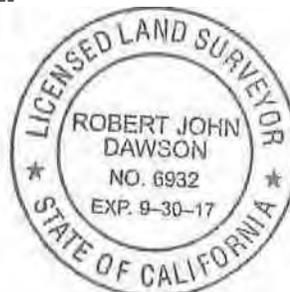
Course 19. Thence North 71°07'07" West, 693.77 feet along the northerly line of Lot 70 to the northerly corner of Lot 70 and Lot 68 also being in the existing City Limits of the City of Rialto, Annexation No. 166 (LAFCO 2870);

Course 20. Thence along the existing boundary of the City of Rialto as established by Annexation No. 166 (LAFCO 2870) through its various courses in a generally northwesterly direction, and along the northerly line of Lot 68 of said Semi Tropic Land and Water Company Subdivision, to the northerly comer of said Lot 68 of said Subdivision to the POINT OF BEGINNING.

Containing 572.53 acres, more or less

Prepared by me or under my direct supervision

Robert John Dawson 3-30-16
Robert John Dawson P.L.S. Date



LAFCO 3201

EXHIBIT "B"

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA 5L-J

AREAS B & C - ANNEXATION TO THE CITY OF RIALTO AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70

LOCATED EAST OF RIVERSIDE AVENUE, SIEMPA AVENUE AND LYTLE CREEK ROAD, SOUTH OF INTERSTATE 15, WEST OF INTERSTATE 215, NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPHABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS AT PAGE 23, AND LOT 1 OF TRACT 5636 AS PER MAP RECORDED IN BOOK 75 OF MAPS AT PAGE 138, BOTH RECORDS OF SAID COUNTY.

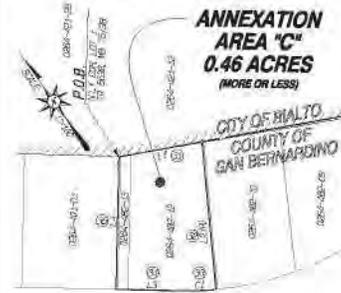
AFFECTED AGENCIES

CITY OF RIALTO
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT VALLEY SERVICE ZONE
CSA 70

CONTIGUOUS PRIOR ANNEXATIONS

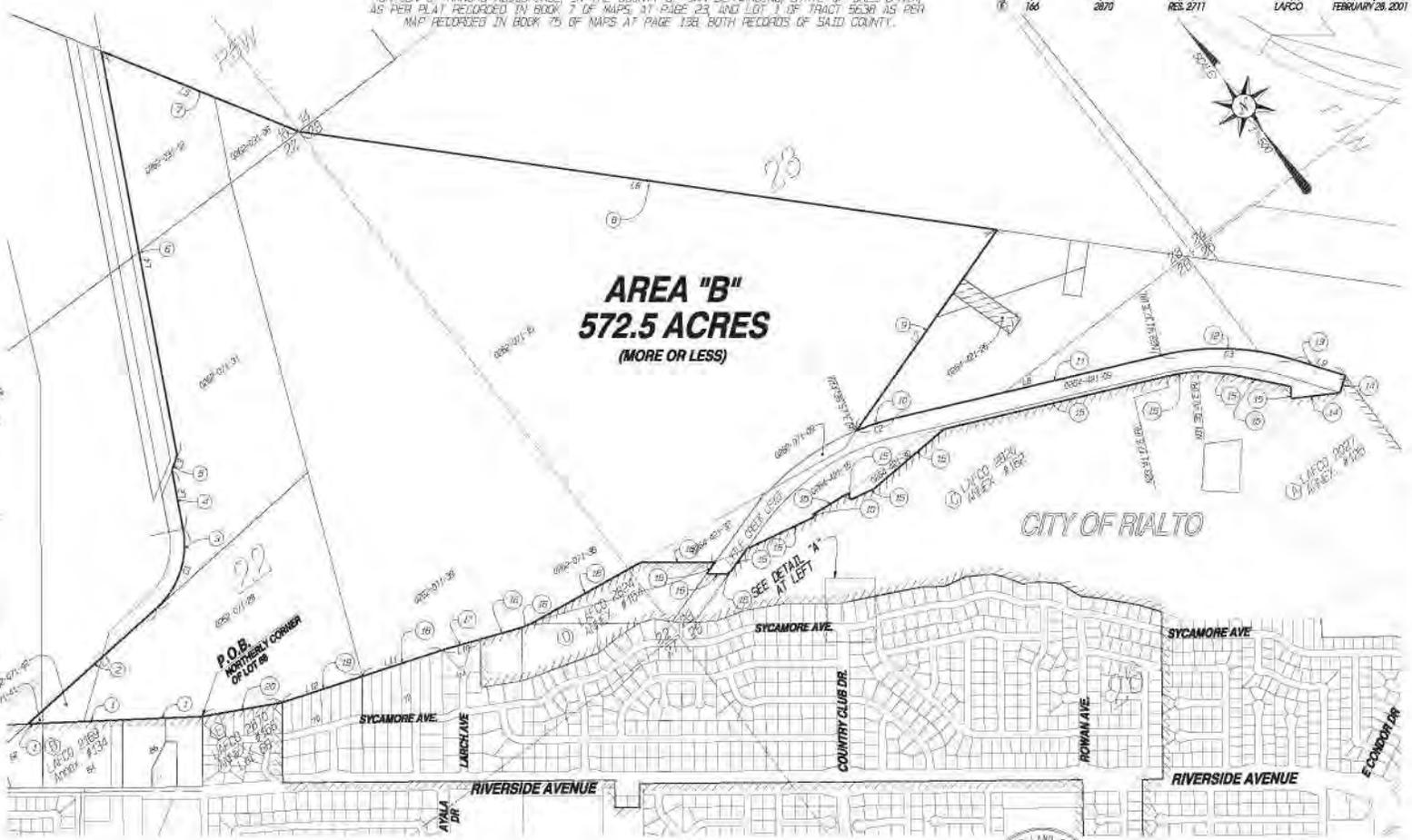
ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
125	2027	RES. 2262	CITY OF RIALTO	DECEMBER 15, 1980
134	2159	RES. 2511	CITY OF RIALTO	APRIL 14, 1983
162	2820	RES. 2666	LAFCO	MARCH 21, 1997
164	2824	RES. 2662	LAFCO	JUNE 24, 1997
166	2870	RES. 2711	LAFCO	FEBRUARY 28, 2001

COURSE	LINE	RADIUS	DELTA	BEARING	LENGTH
1	L-1			S89°20'36"E	5427.25
2	L-1	7000.00	58°10'13"		7767.79
3	L-1			S33°01'24"E	497.34
4	L-1			S86°19'13"E	539.07
5	L-1			S69°51'16"E	3393.90
6	L-1			S38°10'57"E	3782.89
7	L-1			S45°10'13"E	5849.84
8	L-1			S72°00'30"W	2894.15
9	L-1	2000.00	9°19'01"		354.35
10	L-1			S88°10'43"E	3294.38
11	L-1	2800.00	39°23'55"		3702.58
12	L-1			S35°51'30"E	4471.17
13	L-1			S68°21'00"W	288.52
14	L-1			S71°51'40"W	691.07
15	L-1			N74°07'01"W	2888.77



LEGEND

SYMBOL	DESCRIPTION
—	PROPOSED ANNEXATION BOUNDARY
- - -	EXISTING CITY OF RIALTO CORPORATE BOUNDARY
---	DEFECTS SECTION LINE
•	POINT OF BEGINNING
○	COURSE NUMBER PER LEGAL DESCRIPTION
○	PRIOR ANNEXATIONS



FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THE MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO

LAND SURVEYOR
ROBERT JOHN DANSON
No. 0284
Exp. 08-31-17

DAWSON SURVEYING, INC.
LAND SURVEYORS
870 S. GARDEN ST., SUITE 104, BERRINGHAM, UT 84302
PHONE: 801-433-0486 FAX: 801-433-0488

SCALE: 1" = 630'

DATE: 12/29/2015

PAGE: 2 OF 2

LAFCO 3201

Reorganization to include annexations to the City of Rialto and West Valley Water District and detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area 70 and County Service Area SL-1

Area D - Annexation to the West Valley Water District

That portion of the un-surveyed portion of the Semi Tropic Land and Water Company per Map recorded in Book 6 page 12 of Maps, Records of the County of San Bernardino, State of California described as:

BEGINNING at the most northerly corner of Lot 68 of the Semi Tropic Land and Water Company Subdivision per map recorded in Map Book 6, page 12, Official Records of the County of San Bernardino, State of California, also being the southeast comer of Annexation No. 134, (LAFCO 2169) in the existing City Limits of Rialto;

Course 1. Thence along the existing northerly boundary line of the City of Rialto as established by Annexation No. 134 (LAFCO 2169) through its various courses in a generally northwesterly direction, also being the northerly lines of Lots 66, 64 and 62 of said Semi Tropic Land and Water Company Subdivision, to the intersection with the southerly Right of Way line of the deed to The Metropolitan Water District of Southern California in Book 7612, Page 481, Official Records of said County;

Course 2. Thence North $85^{\circ}01'36''$ East along said line, 1427.75 feet to the beginning of a tangent curve, concave to the northwest and having a radius of 700.00 feet;

Course 3. Thence along said curve, to the left, through a central angle of $58^{\circ}40'13''$ an arc distance of 716.79 feet;

Course 4. Thence continuing along said line, North $26^{\circ}21'24''$ East, tangent to said curve, 497.34 feet to the intersection with southerly Right of Way line per deed to San Gabriel Valley Municipal Water District, recorded March 19, 1975 in Book 8638 Page 796 of Official Records of said County;

Course 5. Thence continuing along said line North $56^{\circ}19'13''$ East, 130.02 feet ;

Course 6. Thence continuing along said line, North $26^{\circ}21'15''$ East, 3394.86 feet to the intersection with east line of the Semi Tropic Land and Water Company Subdivision between corners III and IV;

Course 7, Thence along said line South $30^{\circ}48'57''$ East, 1762.69 feet to Comer III;

Course 8. Thence continuing along said easterly line South $45^{\circ}00'13''$ East, 5819.94 feet to the intersection with the northerly boundary of deed recorded November 30, 1908, in book 429, page 103 Official Records of said County;

Course 9. Thence along said Boundary South $72^{\circ}02'30''$ West, 490.45 feet to an angle point in said Boundary;

Course 10. Thence South $17^{\circ}57'30''$ East 581.58 feet to an angle point therein;

Course 11. Thence South $72^{\circ}02'30''$ West, 149.99 feet to an angle point therein;

Course 12. Thence North $17^{\circ}57'30''$ West, 581.58 feet to the northerly boundary of said deed recorded November 30, 1908, in book 429, page 103 Official Records of said County;

Course 13. Thence along said Boundary South $72^{\circ}02'30''$ West, 1563.60 feet to an angle point therein;

Course 14. Thence North $82^{\circ}09'53''$ West, 698.06 feet to an angle point therein;

Course 15. Thence North $82^{\circ}16'04''$ West, 1229.10 feet to the northeasterly comer in the existing City of Rialto boundary per Annexation No. 164, (LAFCO 2824);

Course 16. Thence along the existing boundary of the City of Rialto as established by Annexation No. 164 (LAFCO 2824) through its various courses in a generally northwesterly direction, to the northwesterly comer of said Annexation No. 164 also being the northerly line of Lot 74 of said Semi Tropic Land and Water Company Subdivision;

Course 17. Thence along the northerly line of Lot 74 North $68^{\circ}44'18''$ West, 328.32 feet to the northerly comer of Lot 74, also being the easterly comer of Lot 72 of said Subdivision;

Course 18. Thence along the northerly line Lot 72 North $71^{\circ}11'41''$ West, 697.1 feet to the northerly comer of Lot 72, also being the easterly comer of Lot 70 of said Subdivision;

Course 19. Thence North $71^{\circ}07'07''$ West, 693.77 feet along the northerly line of Lot 70 to the northerly corner of Lot 70, also being the easterly comer of Lot 68 of said Subdivision and being in the existing City Limits of the City of Rialto, Annexation No. 166 (LAFCO 2870);

Course 20. Thence along the existing boundary of the City of Rialto as established by Annexation No. 166 (LAFCO 2870) through its various courses in a generally northwesterly direction, and along the northerly line of Lot 68 of said Semi Tropic Land and Water Company Subdivision, to the northerly comer of said Lot 68 of said Subdivision to the POINT OF BEGINNING.

Containing 539.13 acres, more or less.
Prepared by me or under my direct supervision.



3-30-16

Robert John Dawson P.L.S. Date



LAFCO 3201

EXHIBIT "B"

LINE NO.	LINE POINTS	BEARING	LENGTH
1	1.1	N69°21'36"E	1427.79
2	1.1		745.70
3	1.1		457.34
4	1.1		330.12
5	1.1		3194.50
6	1.1		1792.57
7	1.1		2619.54
8	1.1		436.45
9	1.1		361.59
10	1.1		445.59
11	1.1		381.59
12	1.1		526.60
13	1.1		569.01
14	1.1		1059.10
15	1.1		359.31
16	1.1		627.01
17	1.1		662.77

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA 5L-1

AREA D - ANNEXATION TO THE WEST VALLEY WATER DISTRICT

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD, SOUTH OF INTERSTATE 15, WEST OF INTERSTATE 215, NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCULPIAGE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, RECORDS OF SAID COUNTY.

AFFECTED AGENCIES

WEST VALLEY WATER DISTRICT

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
154	2169	RES. 2511	CITY OF RIALTO	APRIL 14, 1983
154	2824	RES. 2602	LAFCO	JUNE 24, 1997
166	2870	RES. 2711	LAFCO	FEBRUARY 28, 2001



AREA "D"
539.1 ACRES
(MORE OR LESS)

WVWD SERVICE AREA

WVWD SERVICE AREA

LEGEND

	PROPOSED ANNEXATION BOUNDARY
	EXISTING WEST VALLEY WATER DISTRICT
	DEPRECIS SECTION LINE
	POINT OF BEGINNING
	COURSE NUMBER PER LEGAL DESCRIPTION
	PRIOR ANNEXATIONS

FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THE MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO



PREPARED BY:
DAWSON SURVEYING, INC.
LAND SURVEYORS
1700 S. CHURCH ST. SUITE 100, RIALTO, CA 92404
PHONE: 951-340-6200 FAX: 951-340-6204

A.N.	DRG. 317
RE.	JPG
DATE:	12/25/2015
SCALE:	1" = 500'
PAGE:	1 OF 1

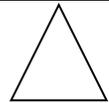
EXHIBIT C-1

EXHIBIT C-1

Island Annexation



Area No. 1

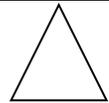


North
2011

Island Annexation

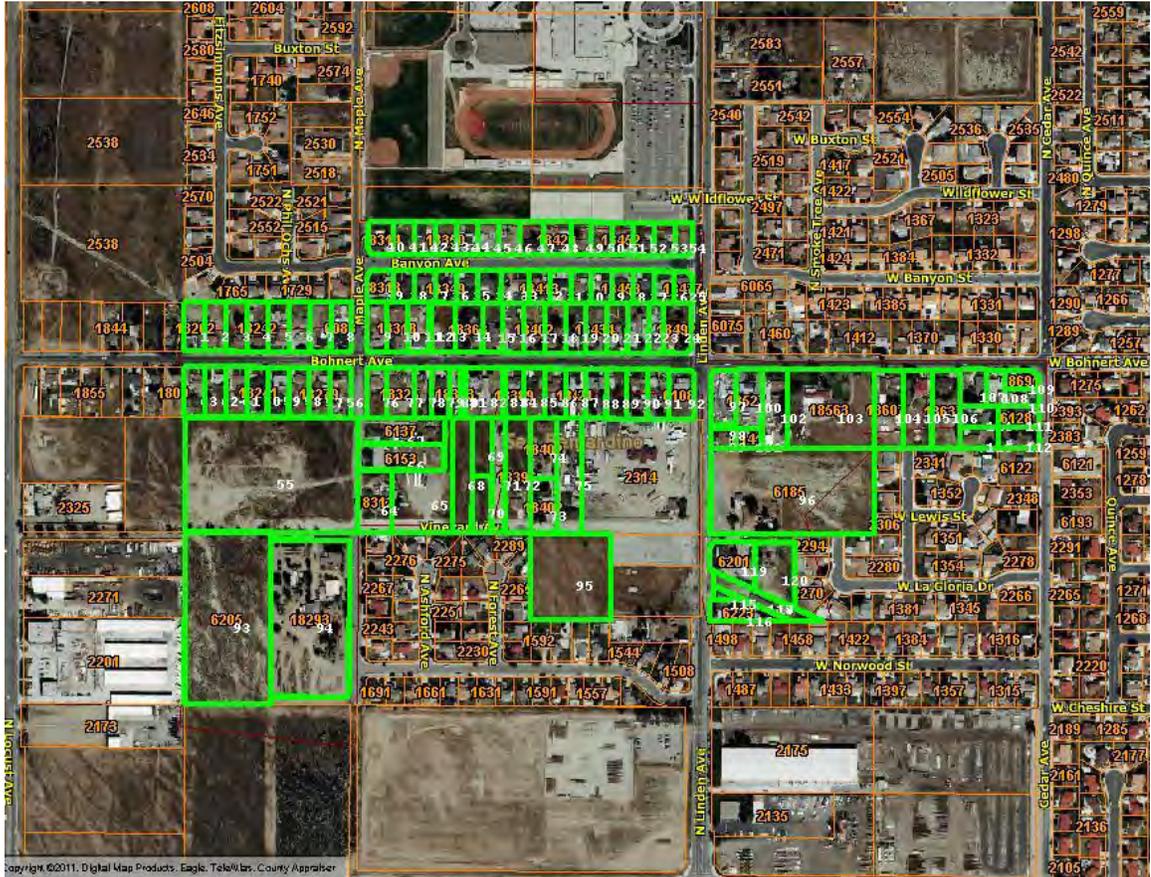


Area No. 2
Failed Annexation No. 120
Pre-zoned to R-1B/R-1A
Ord. No. 776

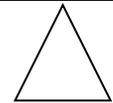


North
2011

Island Annexation



Area No. 4



North
2011



Legislation Details (With Text)

File #: 16-805 Version: 1 Name: TAB 5
 Type: Ordinance Status: Agenda Ready
 File created: 11/16/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to introduce for first reading Ordinance No. 1583, entitled “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTION 2.12.040 OF THE RIALTO MUNICIPAL CODE RELATING TO THE COMPENSATION FOR COUNCILMEMBERS OF THE CITY OF RIALTO IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE,” reading by title only and waiving further reading thereof.
 (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance Amending Council Compensation](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

FROM: Michael Story, City Administrator

Request City Council to introduce for first reading Ordinance No. 1583, entitled “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTION 2.12.040 OF THE RIALTO MUNICIPAL CODE RELATING TO THE COMPENSATION FOR COUNCILMEMBERS OF THE CITY OF RIALTO IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE,” reading by title only and waiving further reading thereof.
 (ACTION)

BACKGROUND:

California Government Code section 36516 provides for the compensation of members of a city council based upon the population of the city in question. Section 36516.1 further provides for additional compensation for an elected mayor, as provided by city ordinance. The last increase to City Council compensation in Rialto was in January 2009.

ANALYSIS/DISCUSSION:

Government Code section 36516 authorizes the base salary of city councilmembers to be increased by ordinance, “but the amount of the increase shall not exceed an amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.” Section 36516 further provides that “No ordinance shall be enacted or amended to provide automatic future increases in salary.”

Since the salary was increased to \$1,104 in 2009 by Ordinance No. 1437 the salary may be increased to \$1,631.11. Pursuant to Rialto Municipal Code, the Mayor would receive compensation based on 150% of the compensation paid to the councilmembers. Additionally, the compensation of the City Clerk and Treasurer is set at 75% of the compensation paid to the councilmembers.

January 2009 - July 2010 the City Council provided a 10% salary reduction in light of the down turn in the economy and concessions provided by the employee bargaining units. Additionally, from August 2010 - August 2011 a 5% reduction was provided.

The salary increase requires an ordinance, which means that it will take effect 30 days after its adoption.

ENVIRONMENTAL IMPACT:

The requested City Council action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has approved the staff report and Ordinance.

FINANCIAL IMPACT:

The action will result in an increase in annual expenditure appropriations in the General Fund in the amount of \$70,000.

RECOMMENDATION:

Staff request that the City Council introduce for first reading Ordinance No. 1583 entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTION 2.12.040 OF THE RIALTO MUNICIPAL CODE RELATING TO THE COMPENSATION FOR COUNCILMEMBERS OF THE CITY OF RIALTO IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE," reading by title only and waiving further reading thereof.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, AMENDING SECTION 2.12.040 OF THE RIALTO MUNICIPAL CODE RELATING TO THE COMPENSATION FOR COUNCILMEMBERS OF THE CITY OF RIALTO IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE

WHEREAS, California Government Code section 36516 provides for the compensation of members of a city council based upon the population of the city in question;

WHEREAS, California Government Code Section 36516.1 further provides for additional compensation for an elected mayor, as provided by city ordinance;

WHEREAS, the Rialto Municipal Code at Sections 2.12.030 provides that the Mayor receives compensation based on one-hundred fifty percent of the compensation paid to the councilmembers;

WHEREAS, the Rialto Municipal Code at Section 2.12.050 and 2.12.060 further provide that the City Clerk and Treasurer, respectively, receive compensation based on seventy-five percent of the compensation paid to the councilmembers.

WHEREAS, the last increase to City Council compensation in Rialto was in January 2009 by Ordinance No. _____; and

WHEREAS, the City Council now wishes to adopt this Ordinance, amending Section 2.12.040 of the Rialto Municipal Code to update the compensation to the City Council.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO FINDS AND ORDAINS AS FOLLOWS:

Section 1. The above recitals are all true and correct and are hereby adopted as findings.

Section 2. The Rialto Municipal Code, at Section 2.12.040, entitled "Councilmembers," shall be amended in its entirety to read as follows, with the revised language displayed in redline format:

"Under the California Government Code Section 36516(c), each member of the city council (including the Mayor) shall receive compensation in the amount of one thousand six hundred thirty-one dollars and eleven cents (\$1,631.11) per month."

1 **Section 4.** The City Clerk shall certify to the adoption of this Ordinance, and cause the
2 same to be published in the local newspaper, and the same shall take effect thirty (30) days after its
3 date of adoption:

4 PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

6
7 _____
8 DEBORAH ROBERTSON, Mayor

9 ATTEST:

10 _____
11 BARBARA McGEE, City Clerk

12 APPROVED AS TO FORM

13 _____
14 FRED GALANTE, City Attorney

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF RIALTO)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Ordinance No. _____ was duly passed and adopted at a regular meeting of the City Council of
6 the City of Rialto held on the _____ day of _____, 2016.

7 Upon motion of Councilmember _____, seconded by Councilmember
8 _____, the foregoing Ordinance No. _____ was duly passed and adopted.

9 Vote on the Motion:

10 AYES:

11 NOES:

12 ABSENT:

13 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
14 Rialto, this _____ day of _____, 2016.

15
16 _____
17 Barbara A. McGee, City Clerk
18
19
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28



Legislation Details (With Text)

File #: 16-741 Version: 1 Name: TAB 6
 Type: Resolution Status: Agenda Ready
 File created: 10/24/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Adopt Resolution No. 7036 Authorizing the Issuance of Special Tax Refunding Bonds, Series 2016 for Community District No. 2006-1 (Elm Park), Approving certain documents and taking certain actions in connection thereto. (ACTION)

Sponsors:

Indexes:

Code sections:

- Attachments: [Exhibit A - Rialto Contract 00146484 - Fieldman Rolapp](#)
[Exhibit B - Letter to George Harris](#)
[Exhibit C - Services Agreement - NRF](#)
[Exhibit D - Rialto CFD Refunding Ltr Prop Oct 2016 13423-Willdan](#)
[Exhibit E - Not to exceed Proposal Letter BMcB - Backstrom 10-24-16](#)
[Disclosure Letter-Backstrom Rialto](#)
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[Exhibit I Rialto CFD 2006-1 2016 \(Elm Park\) Bonds - CONTINUING DISCLOSURE AGREEMEN... 11-](#)
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[Exhibit K RIALTO CFD 2006-1 \(ELM PARK\) 2016 Bonds - OFFICIAL STATEMENT 11-8-16](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: George N. Harris, Asst. to CA/Director of Administrative Services

Request City Council to Adopt Resolution No. 7036 Authorizing the Issuance of Special Tax Refunding Bonds, Series 2016 for Community District No. 2006-1 (Elm Park), Approving certain documents and taking certain actions in connection thereto. (ACTION)

BACKGROUND:

On August 8, 2006, the City of Rialto (City) issued Community Facilities District 2006-1 (Elm Park) (the "District") \$5,035,000 Special Tax Bonds, 2006 Series (the "Prior Bonds") pursuant to the Mello-

Roos Community Facilities Act of 1982. The Bonds were issued to finance the acquisition and construction of public infrastructure facilities including street improvements, landscaping, water, sewer and storm drain improvements, City development impact fees, and related costs which are necessary to meet increased demands placed upon the City as a result of development or rehabilitation occurring within the District. The Prior Bonds are currently outstanding in the par amount of \$4,625,000 and are callable on any interest payment date at par, or 100%.

Staff has determined, in consultation with financial advisor, Fieldman, Rolapp & Associates that current bond market conditions allow for the issuance of refunding bonds to refinance the outstanding Bonds. The refinancing of the Bonds is anticipated to generate net present value savings of approximately \$500,000 to \$700,000 over the remaining life of the indebtedness. The estimated average annual debt service savings are anticipated to be approximately \$25,000 to \$50,000 per year. These savings will result in a reduction to the impacted citizen's property tax bills of approximately \$120 to 475 annually.

ANALYSIS/DISCUSSION:

The Special Tax Refunding Bonds, Series 2016 (the "2016 Bonds") are proposed to be issued pursuant to a Fiscal Agent Agreement setting forth the various terms and provisions for the 2016 Bonds. The proceeds of the 2016 Bonds are expected to be applied to the redemption of the Prior Bonds pursuant to an Escrow Agreement (the "Escrow Agreement"). The 2016 Bonds are expected to be offered to investors for sale pursuant to the Preliminary Official Statement (the "POS") prepared by the City's Disclosure Counsel (Norton Rose Fulbright). The POS contains specific information about CFD No. 2006-1 to enable investors to make an informed decision about purchasing the Bonds.

The 2016 Bonds are expected to be sold to Backstrom, McCarley, Berry & Co. LLC, the underwriter for the 2016 Bonds, subject to parameters set forth in the respective resolution for the Bonds the title of which is set forth above and Bond Purchase Agreement (the "BPA"). Those parameters specify that the total interest cost to maturity on the 2016 Bonds plus the principal amount of the 2016 Bonds cannot exceed the total interest cost to maturity on the Prior Bonds plus the principal amount of the Prior Bonds under Section 53362.5. Also, the aggregate principal amount of the 2016 Bonds shall not exceed \$5.35 million, the net present value savings from the issuance of the 2016 Bonds shall be at least 5.00%, and the underwriter's discount (without regard to any original issue discount) is not in excess of 1.25% of the principal amount of the 2016 Bonds. The City will enter into a Continuing Disclosure Agreement for the 2016 Bonds, which will require that the City provide certain ongoing information for the District on an annual basis until the 2016 Bonds have been paid in full. City Staff and consultants have reviewed the documents described above and they are now in form ready for approval by the City Council so that the sale and issuance of the 2016 Bonds can occur.

Financing Team Selection

Financial Advisor . Fieldman, Rolapp and Associates ("FRA") has served as the City's financial advisor since 2003. FRA was also the financial advisor on the Prior Bonds when they were issued in 2006. FRA served as the former Redevelopment Agency's financial advisor as well on bonds issued in 2003, 2005, and 2008 and the current Successor Agency refunding tax allocation bonds that were issued in the past two years. Because of its familiarity with the District and the Prior Bonds, FRA has

been monitoring market conditions to determine whether a refunding of the Prior Bonds made financial sense. Staff recommends engagement of FRA for the proposed refunding. FRA's proposed fee is \$34,500, payable only upon financial closing. FRA's engagement proposal is attached hereto as Exhibit A .

Bond Counsel . Aleshire and Wynder, LLP currently serves as City Attorney for the City and is being recommended to serve as Bond Counsel for this transaction. Bond Counsel provides the legal opinion that the bonds are a legal, binding and valid obligation of the City and that the interest is exempt from federal and state income taxes. Bond counsel is paid from the proceeds of the bond issue based upon the size of the debt issuance. Aleshire and Wynder, LLP has quoted a fee of \$45,000 for their services, which will include any review and approval by the City Attorney, Fred Galante. Aleshire and Wynder, LLP's proposal is attached as Exhibit B .

Disclosure Counsel . Norton Rose Fulbright ("NRF") has served as bond and disclosure counsel on the 2003 Tax Allocation Bond Issue and the refundings of the 2003 and 2005 bond issues. For this transaction NRF will serve as disclosure counsel for the City, making sure that all disclosure documents accurately portray the character of the debt issuance. Disclosure counsel is paid from the proceeds of the bond issue based upon the size of the debt issuance. Based upon a refunding par amount of about \$4.7 million, the fee would be \$30,000 for disclosure counsel services. NRF's proposal is attached as Exhibit C .

Special Tax Consultant . Willdan Financial Services is under current contract with the City for the preparation of various property tax reports related to CFD 2006-1. They have extensive experience in the preparation of special tax consultant reports. Their proposal for providing the necessary special tax consultant report for the proposed refunding is attached hereto as Exhibit D. Willdan Financial Services is compensated at financial closing from bond funds at a fixed fee of \$7,000 assuming the refunding will be finalized by Willdan.

Underwriter . Backstrom, McCarley, Berry & Co. LLC. ("Backstrom") has proposed to serve as underwriter on the refunding. Backstrom qualifies as a Minority-owned Business Enterprise (MBE). Their proposal for providing the necessary underwriting services for the proposed refunding is attached hereto as Exhibit E. Based upon a refunding par amount of about \$4.7 million, Backstrom would receive approximately \$65,250 in underwriting fees and expense reimbursement.

Approval of the attached resolution (Exhibit F) will direct the City to pursue a refunding of CFD 2006-1.

Fiscal Agent Agreement - The Fiscal Agent Agreement is between the City of Rialto Community Facilities District No. 2006-1 (Elm Park) and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") governs the terms of the City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Refunding Bonds, Series 2016. The Fiscal Agent Agreement is attached as Exhibit G.

Bond Purchase Contract - The Purchase Contract authorizes the City of Rialto Community Facilities District No. 2006-1 (Elm Park) to sell the Bonds to the Underwriter (Backstrom McCarley Berry & Co., LLC.). The Bond Purchase Contract is attached as Exhibit H .

Continuing Disclosure Agreement - The Resolution also authorizes the approval of a Continuing Disclosure Agreement between the City of Rialto Community Facilities District No. 2006-1 (Elm Park) and Willdan Financial Services as dissemination agent (the "Dissemination Agent"). The Continuing

Disclosure Agreement Contract is attached as Exhibit I .

Escrow Deposit and Trust Agreement - The Escrow Deposit Agreements are by and between the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (The "District"), And U.S. Bank National Association acting as escrow agent specifying the terms of the Escrow Fund established to defease the outstanding Prior Bonds. The Escrow Deposit and Trust Agreement is attached as Exhibit J .

Preliminary Official Statement - The Preliminary Official Statement describes the proposed refunding bonds and discloses material information related to the bonds including the purpose of the issue, the repayment source and other pertinent information that investors will look at to evaluate the credit quality of the bonds. The Preliminary Official Statement is attached as Exhibit K .

NEXT STEPS:

Following tonight's action, the proposed schedule to complete the refunding is as follows:

- ~ December 6, 2016: Bond Sale date
- December 20, 2016: Bond Closing date

ENVIRONMENTAL IMPACT:

The action is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15378(b) (5) of the CEQA Guidelines because the refunding of outstanding debt is a governmental administrative activity that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approves the attached Resolution and report.

FINANCIAL IMPACT:

The refinancing of the Bonds will generate net present value savings of approximately \$700,000 over the remaining life of the indebtedness. The average annual savings will be approximately \$50,000 per year with the debt retired in fiscal year 2036-2037. These savings will result in a reduction to the impacted citizen's property tax bills of approximately \$120 to 475 annually. The term of the refunding bonds is the same as the original term of the currently outstanding indebtedness and will not be extended. These savings are net of the costs of issuance and underwriter's discount. The cost of issuance covers the fees of the financial advisor, bond/disclosure counsel, special tax consultant, rating agency, escrow agent, trustee, and other miscellaneous costs. All costs of issuance are incurred only if the refinancing closes, except for the costs of the fiscal consultant and rating agencies.

RECOMMENDATION:

Staff recommends that the City Council Approve the Resolution authorizing the issuance of Special Tax Refunding Bonds, approving certain documents and taking certain other actions in connection thereto.

**PROFESSIONAL SERVICES AGREEMENT
FOR FINANCIAL ADVISOR**

This agreement has been entered into this _____ day of October, 2016 by and between the City of Rialto (the "City") and Fieldman, Rolapp & Associates, Inc. (herein, the "Consultant").

WHEREAS, the City desires independent financial advisory services to be performed in connection with refunding of CFD No. 2006-1 (Elm Park) (herein, the "Project"); and

WHEREAS, the City desires to retain the professional and technical services of the Consultant for the purpose of debt issuance in connection with refunding of CFD No. 2006-1 (Elm Park), (herein, the "Services");

WHEREAS, the Consultant is well qualified to provide professional financial advice to entities such as the City;

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and conditions hereinafter set forth, it is agreed as follows:

Section 1 Financial Advisory Services.

As directed by the City, Consultant will provide services in connection with the Project as such Services are fully described in Exhibit A attached to this Agreement. Consultant is engaged in an expert financial advisory capacity to the City only. It is expressly understood that the Services rendered hereunder are rendered solely to the City of Rialto. Consultant does not undertake any responsibility to review disclosure documents on behalf of owners or beneficial owners of bonds or debt which may arise from the Consultant's work hereunder.

Section 2 Additional Requested Services.

The City may request that Consultant provide additional services beyond the scope of those referenced in Section 1 above and specifically listed in Exhibit A to this Agreement. Services performed for the City by Consultant that are not otherwise specifically identified in Exhibit A to this Agreement shall be Additional Services. Additional Services include, but are not limited to, the following:

- 2.01 Assisting the City in obtaining enabling legislation or conducting referendum elections.
- 2.02 Extraordinary services and extensive computer analysis in the structuring or planning of any debt issue or financing program.
- 2.03 The repeat of any element of a service described in Exhibit A to this Agreement which is made necessary through no fault of Consultant.
- 2.04 Financial management services, including development of financial policies, capital improvement plans, economic development planning, credit analysis or

review and such other services that are not ordinarily considered within the scope of services described in Exhibit A to this Agreement.

- 2.05 Services rendered in connection with any undertaking of the City relating to a continuing disclosure agreement entered into in order to comply with Securities and Exchange Commission Rule 15c2-12 or other similar rules.
- 2.06 Services rendered to the City in connection with calculations or determination of any arbitrage rebate liability to the United States of America arising from investment activities associated with debt issued to fund the Project.

Section 3 Compensation

- 3.01 For Consultant's performance of Services as described in this Agreement, including Additional Services requested by the City, the Consultant's compensation will be as provided in of Exhibit B attached to this Agreement,
- 3.02 Payment of Consultant's expenses shall be made at the time and in the form as provided for in Exhibit B to this Agreement.
- 3.03 Unless otherwise specified, payment of Consultant's compensation and expenses is due thirty (30) days after submission of Consultant's invoice for services.
- 3.04 In the event the Services of the Consultant are abandoned prior to completion of Consultant's work, Consultant shall be compensated for Services performed to the point of abandonment as if such Services were an additional service pursuant to Section 2 of this Agreement, subject to a maximum fee of \$0. An act of abandonment shall be deemed to have occurred when no action has been taken by the City relative to the services of the Consultant for a period of three (3) months from the date of the initial performance of a service, and there has been a written notification to the Consultant of an abandonment of the Project by the City.
- 3.05 The schedule of Consultant fees set forth in this Agreement and Exhibits is guaranteed by Consultant for a period of twelve (12) months from the date of this Agreement.

Section 4 Personnel.

Consultant has, or will secure, all personnel required to perform the services under this Agreement. Consultant shall make available other qualified personnel of the firm as may be required to complete Consultant's services. The City has the right to approve or disapprove any proposed changes in Consultant's staff providing service to the City. The City and Consultant agree that such personnel are employees only of Consultant and shall not be considered to be employees of the City in any way whatsoever.

Section 5 Term of Agreement.

This Agreement shall continue in full force and effect for a period of thirty-six (36) months from the date hereof unless terminated by either party by not less than thirty (30) days written notice to the other party except that the Agreement shall continue in full force and effect until completion of Consultant's services or until an abandonment shall have occurred as described in Section 3.04 hereof. This Agreement may be extended from time to time as agreed by the City and the Consultant.

Section 6 Modification.

This Agreement contains the entire agreement of the parties. It may be amended in whole or in part from time to time by mutual consent of the parties. This shall not prohibit the City and Consultant from entering into separate agreements for other services.

Section 7 Work Products.

All work products or any form of property developed by the Consultant in providing the Services shall be provided to the City on request. Work products developed by the Consultant shall be the property of the City, provided that Consultant may use such work products developed for the City and may employ those work products to develop refinements or additional work products in the course of its business.

Section 8 Assignment.

The rights and obligations of the City under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the City. This agreement may not be assigned by the Consultant without the consent of the City except for compensation due Consultant.

Section 9 Disclosure.

Consultant does not assume the responsibilities of the City, nor the responsibilities of the other professionals and vendors representing the City, in the provision of services and the preparation of the financing documents, including initial and secondary market disclosure, for financings undertaken by the City. Information obtained by Consultant and included in any disclosure documents is, by reason of experience, believed to be accurate; however, such information is not guaranteed by Consultant.

Section 10 Confidentiality.

The Consultant agrees that all financial, statistical, personal, technical and other data and information designated by the City as confidential shall be protected by the Consultant from unauthorized use or disclosure. The City acknowledges that the Consultant is required to comply with applicable laws governing disclosure of public information.

Section 11 Indemnification.

The City and Consultant shall each indemnify and hold harmless the other from and against any and all losses, claims, damages, expenses, including legal fees for defense, or liabilities, collectively, damages, to which either may be subjected by reason of the other's acts, errors or omissions, except however, neither will indemnify the other from or against damages by reason of changed events and conditions beyond the control of either or errors of judgment reasonably made.

Section 12 Insurance.

- 12.01 Consultant shall maintain workers' compensation and employer's liability insurance during the term of this Agreement.
- 12.02 Consultant, at its own expense, shall obtain and maintain insurance at all times during the prosecution of this contract. Such insurance must be written with a Best Guide "A"-rated or higher insurance carrier admitted to write insurance in the state where the work is located.
- 12.03 Insurance coverages shall not be less than the following:
 - A. Workers' Compensation
 - 1. State worker's compensation statutory benefits
 - 2. Employer's Liability - policy limits of not less than \$1,000,000.
 - B. Comprehensive General Liability coverage with policy limits of not less than \$1,000,000 combined single limit for bodily injury and property damage and including coverage for the following:
 - 1. Premises operations
 - 2. Contractual liability
 - 3. Products
 - 4. Completed operation
 - C. Errors and omissions with policy limits of \$2,000,000.
- 12.04 If requested, certificates of insurance naming the City as an additional insured shall be submitted to the City evidencing the required coverages, limits and locations of operations to which the insurance applies, and the policies of insurance shall contain a 30 day notice of cancellation or non-renewal.

Section 13 Permits/Licenses.

The Consultant shall obtain any permits or licenses, as may be required for it to complete the services required under this Agreement.

Section 14 Binding Effect.

- 14.01 A waiver or indulgence by the City of a breach of any provision of this Agreement by the Consultant shall not operate or be construed as a waiver of any subsequent breach by the Consultant.
- 14.02 All agreements contained herein are severable and in the event any of them shall be held to be invalid by any competent court, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein, and the remaining provisions of this Agreement shall not be affected by such determination and shall remain in full force and effect. This Agreement shall not fail because any part or any clause hereof shall be held indefinite or invalid.
- 14.03 Each party hereto represents and warrants that this Agreement has been duly authorized and executed by it and constitutes its valid and binding agreement, and that any governmental approvals necessary for the performance of this Agreement have been obtained.

Section 15 Arbitration Requirement.

- 15.01 Any controversy, claim or dispute arising out of or relating to this Agreement shall be settled solely and exclusively by binding arbitration in Irvine, California.
- 15.02 Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute (“JAMS”), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS rules and regulations) of the proceedings has been given to such party.
- 15.03 Each party shall bear its own attorneys fees and expenses.
- 15.04 The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive.
- 15.05 All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided, however, that nothing in this Section shall be construed as precluding the bringing of an action for injunctive or other equitable relief.
- 15.06 The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law.
- 15.07 IF FOR ANY REASON THIS ARBITRATION CLAUSE BECOMES INAPPLICABLE OR INVALID, THEN EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING

HERETO IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER MATTER INVOLVING THE PARTIES HERETO.

Section 16 Conflict of Interest.

16.01 Representations and Warranties:

- A. Other than the compensation described in this Agreement, Consultant has no other interest, direct or indirect, that would interfere with or impair in any matter or degree the performance of Consultant's obligations under this Agreement. During the term of this Agreement, Consultant will not acquire or obtain any such interest, direct or indirect. If any such interest is acquired or obtained, Consultant will immediately advise the City.
- B. Consultant has not provided any gift or consideration to any officer, employee or agent of the City to obtain approval of the City to this Agreement. Neither Consultant, nor its officers or employees will provide any such gift or consideration to any officer, employee or agent of the City to influence decisions with regard the Project or Consultant's obligations under this Agreement.

16.02 Compensation contingent on the completion of a financing or project is customary for municipal financial advisors. To the extent that compensation to the Consultant under this Agreement, specified in Exhibit B, is contingent on the issuance of debt or completion of a financing or project, a potential conflict of interest exists as Consultant would have an incentive to recommend to the City the completion of a transaction or project that might be unnecessary.

IN WITNESS Whereof, the parties have duly executed this Agreement as of the day and year first above set forth.

CITY OF RIALTO

By: _____ Title: _____

Date: _____

FIELDMAN, ROLAPP & ASSOCIATES, INC.

19900 MacArthur Boulevard, Suite 1100
Irvine, CA 92612

By:  _____ Title: Principal

Date: October 24, 2016

**EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL ADVISOR
BY AND BETWEEN
THE CITY OF RIALTO
AND
FIELDMAN, ROLAPP & ASSOCIATES**

Scope of Services

A. General Services.

The Consultant shall perform all the duties and services described in Section 1 of this Agreement and shall provide such other services as it deems necessary or advisable to accomplish the Project, consistent with the standards and practice of professional financial advisors prevailing at the time such services are rendered to the City.

The City may, with the concurrence of Consultant, expand this Agreement to include Additional Services not specifically identified within the terms of this Agreement. Any Additional Services may be described in an addendum to this Exhibit A and are subject to compensation described in Exhibit B to this Agreement.

B. Transaction Services.

The Consultant shall assume primary responsibility for assisting the City in coordinating the planning and execution of each debt issue relating to the Project. Insofar as the Consultant is providing Services which are rendered only to the City, the overall coordination of the financing shall be such as to minimize the costs of the transaction coincident with maximizing the City's financing flexibility and capital market access. The Consultant's proposed debt issuance Services may include, but shall not be limited to, the following:

- Establish the Financing Objectives
- Develop the Financing Schedule
- Monitor the Transaction Process
- Review the Official Statement, both preliminary and final
- Procure and Coordinate Additional Service Providers
- Provide Financial Advice to the City Related to Financing Documents
- Compute Sizing and Design Structure of the Debt Issue
- Plan and Schedule Rating Agency Presentation and Investor Briefings
- Conduct Credit Enhancement Procurement and Evaluation
- Conduct Market Analysis and Evaluate Timing of Market Entry
- Recommend Award of Debt Issuance
- Provide Pre-Closing and Closing Assistance

Specifically, Consultant will:

1. Establish the Financing Objectives.

At the onset of the financing transaction process for the Project, the Consultant shall review the City's financing needs and in conjunction with the City's management, outline the objectives of the financing transaction to be undertaken and its proposed form.

Unless previously determined, Consultant shall recommend the method of sale of debt and outline the steps required to achieve efficient market access.

2. Develop the Financing Timetable.

The Consultant shall take the lead role in preparing a schedule and detailed description of the interconnected responsibilities of each team member and update this schedule, with refinements, as necessary, as the work progresses.

3. Monitor the Transaction Process.

The Consultant shall have primary responsibility for the successful implementation of the financing strategy and timetable that is adopted for each debt issue relating to the Project. The Consultant shall coordinate (and assist, where appropriate) in the preparation of the legal and disclosure documents and shall monitor the progress of all activities leading to the sale of debt. The Consultant shall prepare the timetables and work schedules necessary to achieve this end in a timely, efficient and cost-effective manner and will coordinate and monitor the activities of all parties engaged in the financing transaction.

4. Review the Official Statement.

Upon direction of the City, the Consultant shall review the official statement for each debt issue relating to the Project to insure that the City's official statement is compiled in a manner consistent with industry standards.

5. Procure and Coordinate Additional Service Providers.

Should the City desire, the Consultant may act as City's representative in procuring the services of financial printers for the official statement and related documents, and for the printing of any securities. In addition, the Consultant may act as the City's representative in procuring the services of trustees, paying agents, fiscal agents, feasibility consultants, redevelopment consultants, or escrow verification agents or other professionals, if the City directs.

6. Provide Financial Advice to the City Relating to Financing Documents.

Simultaneous with the review of official statements for each debt issue relating to the Project, the Consultant shall assist the managing underwriters, bond counsel and/or other legal advisors in the drafting of the respective financing resolutions, notices and other legal documents. In this regard, the Consultant shall monitor document preparation for a consistent and accurate presentation of the recommended business terms and financing structure of each debt issue relating to the Project, it being specifically understood

however that the Consultant's services shall in no manner be construed as the Consultant engaging in the practice of law.

7. Compute Sizing and Design Structure of Debt Issue.

The Consultant shall work with the City's staff to design a financing structure for each debt issue relating to the Project that is consistent with the City's objectives, that coordinates each transaction with outstanding issues and that reflects current conditions in the capital markets.

8. Plan and Schedule Rating Agency Presentation and Investor Briefings.

The Consultant shall develop a plan for presenting the financing program to the rating agencies and the investor community. The Consultant shall schedule rating agency visits, if appropriate, to assure the appropriate and most knowledgeable rating agency personnel are available for the presentation and will develop presentation materials and assist the City officials in preparing for the presentations.

9. Conduct Credit Enhancement Evaluation and Procurement.

Upon the City's direction, the Consultant will initiate discussions with bond insurers, letter of credit providers and vendors of other forms of credit enhancements to determine the availability of and cost benefit of securing financing credit support.

10. Conduct Market Analysis and Evaluate Timing of Market Entry.

The Consultant shall provide regular summaries of current municipal market conditions, trends in the market and how these may favorably or unfavorably affect the City's proposed financing.

a. Competitive Sales.

For all types of competitive sale of debt, the Consultant shall undertake such activities as are generally required for sale of securities by competitive bid including, but not limited to the following:

- Review and comment on terms of Notice of Sale Inviting Bids
- Provide advice on debt sale scheduling
- Provide advice on the use of electronic bidding systems
- Coordinate bid opening with the City officials
- Verify bids received and make recommendations for acceptance
- Provide confirmation of issue sizing, based upon actual bids received, where appropriate
- Coordinate closing arrangements with the successful bidder(s)

b. Negotiated Sales.

In the case of a negotiated sale of debt, the Consultant shall perform a thorough evaluation of market conditions preceding the negotiation of the terms of the sale of debt and will assist the City with the negotiation of final issue structure,

interest rates, interest cost, reoffering terms and gross underwriting spread and provide a recommendation on acceptance or rejection of the offer to purchase the debt. This assistance and evaluation will focus on the following areas as determinants of interest cost:

- Size of financing
- Sources and uses of funds
- Terms and maturities of the debt issue
- Review of the rating in pricing of the debt issue
- Investment of debt issue proceeds
- Distribution mix among institutional and retail purchasers
- Interest rate, reoffering terms and underwriting discount with comparable issues
- Redemption provisions

11. Recommend Award of Debt Issuance.

Based upon activities outlined in Task 10(a) and 10(b) above, the Consultant will recommend accepting or rejecting offers to purchase the debt issue. If the City elects to award the debt issue, the Consultant will instruct all parties and help facilitate the actions required to formally consummate the award.

12. Provide Pre-Closing and Closing Activities.

The Consultant shall assist in arranging for the closing of each financing. The Consultant shall assist counsel in assuming responsibility for such arrangements as they are required, including arranging for or monitoring the progress of bond printing, qualification of issues for book-entry status, signing and final delivery of the securities and settlement of the costs of issuance.

**EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL ADVISOR
BY AND BETWEEN
THE CITY OF RIALTO
AND
FIELDMAN, ROLAPP & ASSOCIATES**

Compensation and Expenses

Part 1: Transaction Based Compensation

For Services referenced in Section 1 of this Agreement, including Services performed after the adoption by the City Council, the Consultant's compensation will be \$34,500.

Payment of compensation earned by Consultant pursuant to this Part 1 shall be contingent on, and payable at the closing of the debt issue(s) undertaken to finance the Project.

Part 2: Hourly Compensation

For Services and Additional Services referenced in Section 1 and Section 2 of this Agreement, including Services performed prior to the adoption by City Council, the Consultant will be compensated at the then current hourly rates. The table below reflects the rates in effect as of the date of execution of this Agreement.

<u>Personnel</u>	<u>Hourly Rate</u>
Executive Officer	\$335.00
Principal	\$305.00
Principal/Senior Vice President.....	\$290.00
Vice President	\$240.00
Assistant Vice President.....	\$205.00
Senior Associate	\$160.00
Associate	\$135.00
Analyst	\$90.00
Administrative Assistant	\$70.00
Clerical	\$40.00

Hourly Compensation will be billed on a monthly basis.

Expenses

Expenses will be billed for separately and will cover, among other things, travel, lodging, subsistence, overnight courier, conference calls, and computer charges. Advances made on behalf of the City for costs of preparing, printing or distributing disclosure materials or related matter whether by postal services or electronic means, may also be billed through to the City upon prior authorization. Additionally, a surcharge of 6% of the compensation amount is added to verifiable out-of-pocket costs for recovery of costs such as telephone, postage, document reproduction and the like.

Limiting Terms and Conditions

The above compensation is based on completion of work orders within six months of the City's authorization to proceed, and assumes that the City will provide all necessary information in a timely manner.

The fee shown above in Part 1 presumes attendance at an unlimited number of meetings in the City's offices or such other location within a 25-mile radius of the City place of business as the City may designate.



**ALESHIRE &
WYNDER** LLP
ATTORNEYS AT LAW

ORANGE COUNTY | LOS ANGELES | RIVERSIDE | CENTRAL VALLEY

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18881 Von Karman Avenue,
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P (949) 223-1170
F (949) 223-1180

AWATTORNEYS.COM

October 26, 2016

VIA EMAIL

George Harris
Director of Administrative
and Community Services
City of Rialto
150 S. Palm Avenue
Rialto, CA 92376

Re: City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax
Refunding Bonds, Series 2016

Dear George:

You have asked for our fee proposal regarding the issuance of the above-referenced bonds. As you know, we are now proceeding under our hourly rate for public finance transactions under our contract with the City per our letter to you dated September 27, 2016. For this and future transactions, we have voluntarily reduced our hourly fee for bond transactions from \$400 per hour to \$350 per hour and we propose a not to exceed fee for this transaction of \$45,000 (which includes expenses and our special tax counsel fees (at \$500/hour)) and reflects the maximum estimated amount we would have received under our contract terms. We will provide an informational bill to you at the end of each month and then bill you at closing for costs up to closing and following closing for follow up costs. Per our discussion, we are prepared to wait and be paid out of surplus special taxes from the CFD should the bonds not issue and we will bill you when the decision to not issue bonds is made. We anticipate that the fees will likely come in lower than \$45,000 unless substantial issues or delays arise.

Please feel free to call me with any questions.

Very truly yours,

ALESHIRE & WYNDER, LLP

Anita Luck
Partner

AL:cd

cc: Fred Galante, City Attorney (via email)

NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
United States

October 24, 2016

Don Hunt
Partner
Direct line +1 213 892 9316
don.hunt@nortonrosefulbright.com

Kyle Johnson, Finance Manager
City of Rialto
150 South Palm Avenue
Rialto, California 92376

Tel +1 213 892 9200
Fax +1 213 892 9494
nortonrosefulbright.com

Re: 2006-1 (Elm Park)

Dear Mr. Johnson:

This letter shall serve as a services agreement to serve as Disclosure Counsel to the City of Rialto in connection with the referenced Mello Roos Community Facility District refunding.

As Disclosure Counsel, we will prepare the preliminary official statement, the final official statement or other disclosure document to be used in connection with the offering of the obligations as well as the Continuing Disclosure Agreement. We will render an opinion as to the adequacy of the disclosure document.

Our fees as Disclosure Counsel, including preparation of the Preliminary Official Statement and the Continuing Disclosure Agreement, and delivery of our opinion as Disclosure Counsel will be \$30,000.00.

Such fees are entirely contingent on the successful delivery of the bonds. In the event the bonds are not sold and delivered, the City shall not be liable for any legal services provided or costs incurred by the Firm.

You are advised that the firm maintains Professional Errors and Omissions insurance coverage applicable to the services which we would be rendering.

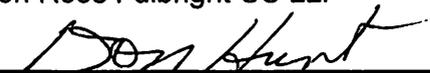
Kyle Johnson, Finance Manager
October 24, 2016
Page 2

 NORTON ROSE FULBRIGHT

If this arrangement is satisfactory to you, please return to us a copy of this letter executed by an authorized officer of the City.

Respectfully submitted,

Norton Rose Fulbright US LLP

By: 
Donald L. Hunt, Partner

Terms of Disclosure

Counsel Employment

Approved This ____ Day

of _____, 2016

City of Rialto

Name: _____

Title: _____



October 17, 2016

Mr. George Harris
Administrative and Community Services Director
City of Rialto
150 South Palm Avenue
Rialto, California 92376

Email:
gharris@rialtoca.gov

Re: *Letter Proposal to Provide Special Tax Refunding Services and Continuing Disclosure Filing Review Services to the City of Rialto*

Dear Mr. Harris:

Willdan Financial Services ("Willdan") is pleased to submit the following letter proposal to provide Special Tax Refunding Services and Continuing Disclosure Filing Review Services to the City of Rialto for the Community Facilities District No. 2006-1 refunding.

We look forward to continuing to serve the City and working with you and your staff. If you have any questions regarding this letter agreement, please contact me at (951) 587-3546. I may also be reached via email at smedina@willdan.com.

Sincerely,

Willdan Financial Services

A handwritten signature in blue ink that reads 'Susana Medina'.

Susana Medina, Project Manager
District Administration Services



SCOPE OF SERVICES

Refunding Administration

To assist the City of Rialto ("City") with the refunding of its special tax bonds for Community Facilities District (CFD) 2006-1, Willdan Financial Services will perform the following tasks:

1. Prepare calculations from our databases for the Preliminary Official Statements (POS) and Official Statements (OS). Calculations may include the following elements as requested:
 - Tables providing special tax amounts, special tax categories, assessed valuations, assessed value categories, calculated debt burdens, and value-to-liens.
 - Value-to-lien and value-to-bonded debt computations.
 - Top property owner tables (by special tax amounts).
 - Overlapping debt tables indicating property values, as compared to existing and new district debt; plus, any other CFD outstanding parcel debt.
 - Effective tax rate schedules indicating projected tax rate on parcels resulting from new and prior debts.
 - Historical delinquency and assessed valuation information.
 - Projected levy and debt service coverage.
 - Other data tables and analysis (as requested by City, underwriter, financial advisor, or bond counsel).
2. Participate on financing team conference calls and meetings (as requested).

Continuing Disclosure Filing Review

For the bond issues identified by City to be active during the review period, Willdan will undertake the following the tasks.

Using the Continuing Disclosure Agreements/Certificates for each bond issue:

1. Identify required filing dates; and
2. Identify the data required to be disclosed in each Annual Report.

Using documents disseminated through EMMA:

1. List bond issues with missing filings;
2. List bond issues with untimely filings; and
3. Review the content of each filing and identify the bond issues with missing or inaccurate information.

Using City's list of Events requiring Notices:

1. Compare the content of Listed Event Notices to the source document for the filing; and
2. List Event Notices not filed and identify the timing of Event Notices that were filed.



Deliverable

1. By an agreed upon date, Willdan will deliver a summary report identifying:
 - a. List of bond issues covered in the review;
 - b. Missing filings of Annual Information;
 - c. Untimely filings of Annual Information;
 - d. Filings containing incomplete Annual Information;
 - e. Missing filings of Event Notices;
 - f. Untimely filings of Event Notices; and
 - g. Event Notices containing incomplete information.

2. Prepare and disseminate remedial filings, if requested.

Client Responsibilities

City to provide the following:

- List of Events, other than Bond Insurer Rating Changes, that occurred during the review period.
- Authorization for Rating Agencies, Trustees, and any other third parties to send information directly to Willdan.

Furthermore, Willdan is relying on the validity and accuracy of City's data and documentation to complete our analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy, and that we will not be responsible for any errors that result from inaccurate data provided by City or a third party.

Client shall reimburse Consultant for any costs Consultant incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to Client or relating to the Project. Reimbursement shall be at Consultant's rates in effect at the time of such response.

FEES FOR SERVICES

Refunding Administration

Willdan will provide refunding services the not-to-exceed fee of identified in the table below. This fee *includes customary direct reimbursable expenses*, and assumes that the CFD refunding will be finalized by Willdan.

District	Per District Fee
Community Facilities District 2006-1	\$ 7,000
Total	\$ 7,000



Continuing Disclosure Filing Review

Service	Fee
Continuing Disclosure Compliance Review	\$200/per issue/per year
Remedial Filing for Newly Reported Information	\$250 per filing
Third Party Expenses, if applicable	At Cost

Additional Services

Hourly Rates

Additional services may be authorized by City and will be billed at our then-current hourly rates below.

Title	Hourly Rate
Group Manager	\$ 210
Senior Project Manager	165
Project Manager	145
Senior Project Analyst	130
Senior Analyst	120
Analyst	100
Analyst Assistant	75
Property Owner Services Representative	55
Support Staff	50



Backstrom McCarley Berry & Co., LLC

October 24, 2016

Mr. George Harris
Director of Administrative & Community Services
150 South Palm Avenue,
Rialto, CA 92376

Mr. Kyle Johnson
Finance Manager
150 South Palm Avenue
Rialto, CA 92376

Dear Messrs. Harris and Johnson:

On behalf of my team at BMcB, we are submitting this proposal to serve as the sole managing underwriter on the Rialto CDF No. 2006-1 Special Tax Refunding Bonds, 2016 Series. Our propose Underwriters Discount is not to exceed \$12.50 for this transaction. We will further refine these numbers as we get closer to the actual funding date.

Series 2016		
Principal Amount: \$5,220,000		
	\$ Amount	\$ per \$1000
Management Fee	-	-
Takedown	47,188.80	9.040
Expenses	18,060.10	3.460
Total Underwriter's Fee	<u>65,248.90</u>	<u>12.500</u>
Itemized U/W Expenses		
Underwriters' Counsel	15,000.00	2.874
Dalnet - syndication services	322.60	0.062
Dalnet EOE - syndication services	100.00	0.019
CDIAC fee	783.00	0.150
Day Loan	435.00	0.083
CUSIP	619.50	0.119
DTC	800.00	0.153
Miscellaneous	-0-	-0-
Itemized Underwriter's Expenses	<u>18,060.10</u>	<u>3.460</u>

Backstrom McCarley Berry & Co., LLC greatly appreciate this opportunity to propose to the City as a managing underwriter on the Series 2016 refunding transaction. If you have any questions or if there is any additional information we may provide, please let me know. I can be reached at (310) 221-0640 or dbackstrom@bmcbbc.com.

Sincerely

Don Backstrom



October 24, 2016

Mr. George Harris
Director of Administrative Services
City of Rialto
150 South Palm Avenue
Rialto, CA 92376

Re: Disclosures by the Senior Managing Underwriter
Pursuant to MSRB Rule G-17
Issuance of 2016 Special Tax Refunding Bonds (Refunding of CFD No. 2006-1 {Elm Park})

Dear Mr. Harris:

We are writing to provide you, as, Director of Administrative Services, City of Rialto with certain disclosures relating to the captioned bond issue (“Bonds”), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012)¹.

Backstrom McCarley Berry & Co. LLC has been appointed to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. As part of our services as underwriter, Backstrom McCarley Berry & Co. LLC may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

I. Disclosures Concerning Backstrom McCarley Berry & Co. LLC’s Role as Underwriter:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) The underwriters’ primary role is to purchase the Bonds with a view to distribution in an arm’s-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.

(iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.

(iv) The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.

(v) The underwriters will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction².

¹ Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective August 2, 2012).

² Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters’ obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

II. Disclosures Concerning Backstrom McCarley Berry & Co. LLC's Compensation:

The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

III. Additional Conflicts Disclosures:

If Backstrom McCarley Berry & Co. LLC identifies any additional potential or actual material conflicts (within the meaning of MSRB Rule G-17) specific to Backstrom McCarley Berry & Co. LLC's participation in the underwriting of the Bonds, we will notify you under separate cover at the appropriate time.

IV. Disclosures Concerning Complex Municipal Securities Financing:

In accordance with the requirements of MSRB Rule G-17, if Backstrom McCarley Berry & Co. LLC recommends a "complex municipal securities financing" to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at that time.

V. Acknowledgement:

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. **We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect.** As noted, depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures.

We look forward to working with you and the Issuer in connection with the issuance of the Bonds.

Sincerely,



Don Backstrom
Managing Director
Backstrom McCarley Berry & Co. LLC

Acknowledgement by E-mail:

George Harris
Director of Administrative Services
And/or Authorized Representative

Cc: Aleshire & Wynder, LLP and Fieldman, Rolapp & Associates



Project No. 16260 (CFD 2006-1 (Elm Park) Refunding)

October 31, 2016

Via email: gharris@rialto.ca.gov

George Harris
Director of Administrative and Community Services
City of Rialto
150 S. Palm Ave
Rialto, CA 92376

RE: Disclosure Statement

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, as a municipal advisor, Fieldman, Rolapp & Associates, Inc. ("Fieldman") has a fiduciary duty to [client name] (the "Client") with respect to the municipal advisory services we provide to the City of Rialto. Under new Municipal Securities Rulemaking Board Rules G-42(b) and (c), we are providing this disclosure statement ("Disclosure Statement") to you which includes our scope of services (including activities not included within the scope), a description of the form and basis of our compensation, a description of the term of our engagement, a description of actual or potential conflicts of interest, and a description of how to access our SEC Form MA and the Forms MA-I for our professionals. We will provide a definitive agreement relating to our relationship prior to, upon or promptly after the establishment of a municipal advisory relationship (the "Agreement").

While it is not required that you acknowledge receipt of this Disclosure Statement, we would appreciate acknowledgement as an indication that you understand the disclosures made herein.

The Project

Services to be Provided. We have been retained by the Client to provide financial advisor services as described in our contract dated October 24, 2016, with respect to the refunding of the Elm Park CFD (the "Project").

Form and Basis of Compensation

The Agreement describes the form and basis of our compensation.

Term of Project and Early Termination

The term of our engagement for the Project is expected to be through the completion of the Project. Either the Client or Fieldman can terminate our engagement on thirty (30) days notice to the other.

Representations and Conflict of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to all material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. With respect to all aspects of the relationship between Fieldman and the Client, Fieldman adheres to its fiduciary duty to the Client, which includes a duty of loyalty to the Client in performing all municipal advisory activities for the Client. The duty of loyalty obligates Fieldman to deal honestly and with the utmost good faith with the Client and to act in the Client's best interest without regard to any interest Fieldman has or may have. Fieldman has a wide range of clients so our success and profitability are not dependent on maximizing short-term revenue generated from individual recommendations to our clients but is instead dependent on long-term profitability based on a foundation of integrity, quality and adherence to our fiduciary duty. Furthermore, Fieldman's supervisory structure provides strong safeguards against individual representatives of Fieldman violating their duty due to personal interests.

Fieldman makes the following representations to the Client with regard to the Services:

- A. Other than the compensation to be paid to Fieldman, we have no other interest, direct or indirect, that would interfere with or impair in any matter or degree the performance of our obligations. During our work on the Services, we do not intend to acquire or obtain any such interest, direct or indirect. If any such interest is acquired or obtained, we will immediately advise the Client.
- B. We have not provided any gift or consideration to any officer, employee or agent of the Client to either obtain the Agreement or any assignment from the Client, including the Services. Neither our firm, nor its officers or employees will provide any such gift or consideration to any officer, employee or agent of the Client to influence decisions with regard to the Services or our obligations under the Agreement.
- C. The compensation agreed to between the Client and Fieldman for our Services has attributes that can potentially create conflicts of interest which we outline below:

A conflict may arise to the extent that our compensation for the Services is based on the size of the Project and/or is contingent on the completion of the Project. While this form of compensation is customary in the market for financial services to municipal entities, this may present conflict of interest as we would have an incentive to recommend to the Client the Project even if it is unnecessary or provides insufficient benefit or advise the Client to increase the size of the Project. This potential conflict is mitigated by Fieldman's fiduciary duty to the Client.

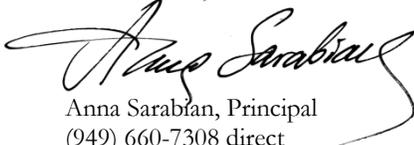
Information Regarding Legal Events and Disciplinary Actions

MSRB Rule G-42 requires that municipal advisors provide their clients disclosures of legal or disciplinary events material to the evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Fieldman sets out required disclosures and related information below:

- A. There are no legal or disciplinary events material to the Client's evaluation of Fieldman or the integrity of Fieldman's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I with the Securities and Exchange Commission (the "SEC").
- B. Fieldman's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001612429>

We invite you to discuss any questions relating to items raised in this letter. We have enjoyed our relationship with the City of Rialto and look forward to a fruitful and beneficial outcome for the Project.

Sincerely,
FIELDMAN, ROLAPP & ASSOCIATES, INC.



Anna Sarabian, Principal
(949) 660-7308 direct
asarabian@fieldman.com

Receipt Acknowledged:

CITY OF RIALTO

By _____

Title: _____

Date: _____

1 **WHEREAS**, proceeds of the Prior Bonds were used to finance certain public facilities permitted
2 by the Act; and

3 **WHEREAS**, the legislative body of the District desires to issue refunding bonds for the District
4 to achieve debt service savings in accordance with the Act; and

5 **WHEREAS**, pursuant to Section 53362.5 of the Act, refunding bonds shall not be issued if the
6 total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds
7 exceeds the total interest cost to maturity on the bonds to be refunded plus the principal amount of the
8 bonds to be refunded. Subject to these limitations, the principal amount of the refunding bonds may be
9 more than, less than, or the same as the principal amount of the bonds to be refunded; and

10 **WHEREAS**, the District desires to accomplish the refinancing through the issuance of not to
11 exceed \$5,350,000 designated as the City of Rialto Community Facilities District No. 2006-1 (ELM
12 PARK) Special Tax Refunding Bonds, Series 2016 (the “Bonds”); and

13 **WHEREAS**, in order to effect the issuance of the Bonds, the legislative body of the District
14 desires to approve the form of a Preliminary Official Statement for the Bonds and to approve the forms
15 of and authorize the execution and delivery of a Fiscal Agent Agreement, a Purchase Contract, the
16 Escrow Agreement, and a Continuing Disclosure Agreement, the forms of which are on file with the
17 City Clerk, all as defined below; and

18 **WHEREAS**, the legislative body of the District has determined that a negotiated sale of the
19 Bonds to Backstrom, McCarley, Berry & Co., LLC (the “Underwriter”) in accordance with the terms of
20 the Bond Purchase Contract for the Bonds to be entered into by the District and the Underwriter (a
21 “Purchase Contract”) will result in savings to the District; and

22 **WHEREAS**, the legislative body of the District has determined that it is prudent in the
23 management of its fiscal affairs to issue the Bonds; and

1 **WHEREAS**, the value of the real property in the District subject to the special tax to pay debt
2 service on the Bonds is more than three times the principal amount of the Bonds and the principal
3 amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a
4 special assessment levied on property within the District, which fact is required as a precondition to the
5 issuance of the Bonds.
6

7 **NOW, THEREFORE**, THE CITY COUNCIL OF THE CITY OF RIALTO, ACTING AS THE
8 LEGISLATIVE BODY OF CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2006-1
9 (ELM PARK), DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:
10

11 **Section 1:** Each of the above recitals is true and correct and is adopted by the legislative
12 body of the District.

13 **Section 2:** The District is authorized pursuant to the Act to issue the Bonds for the purpose
14 of refinancing the Prior Bonds which financed public facilities which the District is authorized to
15 finance.
16

17 **Section 3:** The issuance of the Bonds in a principal amount not to exceed \$5,350,000 is
18 hereby authorized, with the exact principal amount to be determined by the official signing of the
19 Purchase Contract for the Bonds in accordance with Section 7 below. The legislative body of the
20 District hereby determines that it is prudent in the management of its fiscal affairs to issue the Bonds.
21 The Bonds shall mature on the dates and pay interest at the rates set forth in the Fiscal Agent Agreement
22 and Bond Purchase Contract to be executed on behalf of the District in accordance with Section 7
23 hereof.
24

25 **Section 4:** The form of the Fiscal Agent Agreement, dated as of December 1, 2016 (“Fiscal
26 Agent Agreement”), by and between U.S. Bank National Association, as fiscal agent (the “Fiscal
27 Agent”), and the District, a copy of which is on file with the City Clerk, be and is hereby approved in
28

1 substantially the form thereof or with such changes as may be approved by the Mayor or City
2 Administrator or Director of Administrative Services (each, an “Authorized Officer”), said Mayor's or
3 City Administrator's or Director of Administrative Services’ execution thereof to constitute conclusive
4 evidence of said officer's approval of all such changes, and the Mayor or City Administrator or Director
5 of Administrative Services be and is hereby authorized, together or alone to execute and deliver said
6 Agreement.

7
8 **Section 5:** The Bonds shall be executed on behalf of the District by the manual or facsimile
9 signature of the Mayor or an Authorized Officer and the seal of the District or the City, if available, shall
10 be impressed or imprinted thereon and attested with the manual or facsimile signature of the City Clerk.
11 U.S. Bank National Association is hereby appointed to act as Fiscal Agent for the Bonds.

12
13 **Section 6:** The covenants set forth in the Fiscal Agent Agreement to be executed in
14 accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the legislative
15 body of the District, and shall be complied with by the District and its officers.

16
17 **Section 7:** The form of the Purchase Contract, a copy of which is on file with the City Clerk,
18 be and is hereby approved in the form thereof, or with such changes as may be approved by an
19 Authorized Officer, said Authorized Officer's execution thereof to constitute conclusive evidence of said
20 officer's approval of all such changes, and the Authorized Officers or any of them be and is hereby
21 authorized, together or alone, to execute and deliver the Purchase Contract and to insert in each of the
22 aforesaid Agreements the dollar amount which reflects the provisions of said Purchase Contract;
23 provided, however, that (1) the aggregate principal amount of the Bonds shall not exceed \$5,350,000;
24 and (2) the District shall achieve debt service savings of at least five percent (5%) on a present value
25 basis in connection with the sale of the Bonds over principal of the Prior Bonds, and (3) the initial
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27
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1 underwriter's discount (exclusive of original issue discount) shall be no more than one and one-quarter
2 percent (1.25%) of the principal amount of the Bonds.

3 **Section 8:** The form of the Continuing Disclosure Agreement, dated as of December 1, 2016,
4 executed and delivered by the District and Willdan Financial Services, as Dissemination Agent
5 thereunder, a copy of which is on file with the City Clerk, be and is hereby approved in substantially the
6 form thereof or with such changes as may be approved by an Authorized Officer, said Authorized
7 Officer's execution thereof to constitute conclusive evidence of said officer's approval of all such
8 changes, and each of the Authorized Officers be and is hereby authorized, together or alone, to execute
9 and deliver said Agreement.
10

11 **Section 9:** The form of the Escrow Deposit and Trust Agreement, dated the closing date,
12 executed and delivered by the District and U.S. Bank National Association (the "Escrow Agreement"), a
13 copy of which is on file with the City Clerk, be and is hereby approved in substantially the form thereof
14 or with such changes as may be approved by an Authorized Officer, said Authorized Officer's execution
15 thereof to constitute conclusive evidence of said officer's approval of all such changes, and each of the
16 Authorized Officers be and is hereby authorized, together or alone, to execute and deliver said Escrow
17 Agreement.
18

19 **Section 10:** The form of the Preliminary Official Statement presented at this meeting is hereby
20 approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to
21 municipal bond broker-dealers, to banking institutions, and to members of the general public who may
22 be interested in purchasing the Bonds. Each Authorized Officer is authorized to approve the amendment
23 of the Preliminary Official Statement, from time to time, pending distribution of the Preliminary Official
24 Statement as shall be required to cause such Preliminary Official Statement to contain any further
25 information necessary to accurately describe the Bonds and the City Administrator or Director of
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1 Administrative Services is authorized to deem final the Preliminary Official Statement as of its date for
2 the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934 as amended. The final Official
3 Statement relating to the Bonds shall be submitted to the City Administrator or the Director of
4 Administrative Services for approval.
5

6 **Section 11:** In accordance with the requirements of Section 53345.8 of the Act, the legislative
7 body of the District hereby determines that the value of the real property in the District subject to the
8 special tax to pay debt service on the Bonds is not less than three times the principal amount of the
9 Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied
10 pursuant to the Act or a special assessment levied on property within the District. This determination is
11 based on the value of the real property within the District based on the assessment roll obtained from the
12 County of San Bernardino.
13

14 **Section 12:** The law firm of Aleshire & Wynder, LLP, Irvine, California, has been appointed
15 as Bond counsel to the District with respect to the Bonds pursuant to its reduced hourly rate and
16 pursuant to its contract with the City.
17

18 **Section 13:** The municipal advisor of Fieldman, Rollapp & Associates, Inc. has been
19 appointed as Municipal Advisor to the District with respect to the Bonds in accordance with its contract
20 with the City.
21

22 **Section 14:** The law firm of Norton Rose Fulbright US, LLP, Los Angeles, California, has
23 been appointed as Disclosure Counsel with respect to the Bonds in accordance with its contract with the
24 City.
25

26 **Section 15:** Willdan Financial Services has been appointed as a special tax consultant and as
27 Dissemination Agent.
28

1 **Section 16:** The Mayor, City Administrator, Assistant to the City Administrator/Director of
2 Administrative Services and the other officers and staff of the City of Rialto and the District responsible
3 for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute
4 and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the
5 Bonds and to consummate the transactions contemplated by each aforesaid Agreement, including
6 executing all certifications and documents necessary to finalize the issuance of the Bonds. In the event
7 that the Mayor is unavailable to sign any document authorized for execution herein, any Authorized
8 Officer may sign such document. Any document authorized herein to be signed by the City Clerk may
9 be signed by a duly appointed deputy clerk.
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11 **Section 17:** This resolution shall take effect and be enforceable immediately upon its
12 adoption.
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PASSED APPROVED AND ADOPTED this 22nd day of November, 2016.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing City
5 Resolution No.____ was duly passed and adopted at a regular meeting of the City Council of the City
6 of Rialto held on the ____ day of _____, 2016.

7 Upon motion of City Council Member _____, seconded by City Council Member
8 _____, the foregoing City Resolution No. _____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

16
17
18 **BARBARA MCGEE, CITY CLERK**

FISCAL AGENT AGREEMENT

Between

CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)

and

U.S. BANK NATIONAL ASSOCIATION
as Fiscal Agent

Dated as of DECEMBER 1, 2016

Relating to

\$ _____
CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, Series 2016

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FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT, dated as of December 1, 2016, between the City of Rialto Community Facilities District No. 2006-1 (Elm Park) and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”) governs the terms of the City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Refunding Bonds, Series 2016.

RECITALS:

WHEREAS, the City Council of the City of Rialto (the “Council”), located in San Bernardino County, California, has heretofore undertaken proceedings to issue bonds on behalf of the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (the “CFD”) pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “Act”); and

WHEREAS, the CFD previously issued \$5,035,000 of the bonds entitled City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Bonds, 2006 Series (the “Prior Bonds”) to finance certain governmental facilities; and

WHEREAS, due to low interest rates, the Council, on behalf of the CFD, has determined to refinance the Prior Bonds;

WHEREAS, the Council intends to accomplish the refinancing through the issuance of bonds in an aggregate principal amount of \$_____ designated as the “City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Refunding Bonds, Series 2016” (the “Bonds”); and

WHEREAS, all requirements of the Act for the issuance of the Bonds have been satisfied;

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the CFD does hereby covenant and agree, for the benefit of the Owners of the Bonds (as defined herein) which may be issued hereunder from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context requires, the following terms shall have the following meanings:

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 *et seq.* of the California Government Code.

“Administrative Expense Account” means the account by such name in the Special Tax Fund created and established pursuant to Section 3.1 hereof.

“Administrative Expense Requirement” means an amount equal to \$25,000 per Bond Year and escalating 2% each Bond Year thereafter, or such lesser amount as may be designated in a Written Request of the CFD.

“Administrative Expenses” means the administrative costs with respect to the calculation and collection (including any foreclosure actions) of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Fiscal Agent, any fees for credit enhancement for the Bonds which are not otherwise paid as Costs of Issuance, any costs related to the CFD’s compliance with State and federal laws requiring continuing disclosure of information concerning the Bonds and the CFD, and any other costs otherwise incurred by the City’s staff on behalf of the CFD in order to carry out the purposes of the CFD as set forth in the Resolution of Formation and any obligation of the CFD hereunder.

“Annual Debt Service” means the principal amount of any Outstanding Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds in such Bond Year, if the Bonds are retired as scheduled.

“Authorized Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America (“Direct Obligations”).

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

U.S. Export-Import Bank (“Eximbank”)

Direct obligations or fully guaranteed certificates of beneficial ownership

Farmers Home Administration (“FmHA”)

Certificates of beneficial ownership

Federal Financing Bank

Federal Housing Administration Debentures (“FHA”)

General Services Administration

Participation certificates

Government National Mortgage Association (“GNMA” or “Ginnie Mae”)

GNMA-guaranteed mortgage-backed bonds

GNMA-guaranteed pass-through obligations

U.S. Maritime Administration

Guaranteed Title XI financing

U.S. Department of Housing and Urban Development (HUD)

Project Notes

Local Authority Bonds

New Communities Debentures - U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself:

Federal Home Loan Bank System

Senior debt obligations

Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”)

Participation certificates

Senior debt obligations

Federal National Mortgage Association (“FNMA” or “Fannie Mae”)

Mortgage-backed securities and senior debt obligations

Student Loan Marketing Association (“SLMA” or “Sallie Mae”)

Senior debt obligations

Resolution Funding Corp. (“REFCORP”) obligations

Farm Credit System CM. - Consolidated system-wide bonds and notes

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by

Standard & Poor's of AAAm-G, AAAM or AAM, and, if rated by Moody's, rated Aaa, Aal or Aa2 (including those of the Fiscal Agent and its affiliates).

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Bondholders must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC or which are with a bank rated AA or better by Standard & Poor's and Aa or better by Moody's (including those of the Fiscal Agent and its affiliates).

(7) Investment Agreements with any corporation, including banking or financial institutions, provided that

(a) the long-term debt of the provider of any such investment agreement is rated, at the time of investment, at least "AA" and "Aa" by the Rating Agency (without regard to gradations of plus or minus within such category), and

(b) any such investment agreement is collateralized with United States Treasury or agency obligations which at least equal 102% of the principal amount invested thereunder, and

(c) any such agreement shall include a provision to the effect that, in the event the long-term debt rating of the provider of such agreement is downgraded below "AA-" or below "Aa" by the applicable Rating Agency, the CFD has the right to withdraw or cause the Fiscal Agent to withdraw all funds invested in such agreement and thereafter to invest such funds pursuant to this Fiscal Agent Agreement.

(8) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by Standard & Poor's.

(9) Bonds or notes issued by any state or municipality which are rated by Moody's and Standard & Poor's in one of the two highest rating categories assigned by such agencies.

(10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured or unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by Standard & Poor's.

(11) Repurchase agreements collateralized by Direct Obligations, GNMA's, FNMA's or FHLMC's with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's, and "A-1" or "A-" by Standard & Poor's; provided:

(a) a master repurchase agreement or specific written repurchase agreement governs the transaction; and

(b) the securities are held free and clear of any lien by the Fiscal Agent or an independent third party acting solely as agent (“Agent”) for the Fiscal Agent, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million, or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the Fiscal Agent shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Fiscal Agent; and

(c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* in such securities is created for the benefit of the Fiscal Agent; and

(d) the repurchase agreement has a term of 180 days or less, and the Fiscal Agent or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

(e) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

(12) Local Agency Investment Fund (“LAIF”) of the State of California.

(13) Any other investment which the CFD is permitted by law to make.

“Authorized Representative of the CFD” means the Mayor, City Administrator, Chief Financial Officer, or any other person or persons designated by the Council and authorized to act on behalf of the CFD by a written certificate signed on behalf of the CFD by the Mayor or the City Administrator and containing the specimen signature of each such person.

“Bond Counsel” means an attorney at law or a firm of attorneys selected by the CFD of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

“Bond Register” means the books which the Fiscal Agent shall keep or cause to be kept on which the registration and transfer of the Bonds shall be recorded.

“Bondowner” or “Owner” means the person or persons in whose name or names any Bond is registered.

“Bonds” means the CFD’s \$ _____ Special Tax Refunding Bonds, Series 2016, issued pursuant to this Fiscal Agent Agreement.

“Bond Year” means the twelve month period commencing on September 2 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

“Business Day” means a day which is not a Saturday or Sunday or a day of the year on which banks in New York, New York, Los Angeles, California, or the city where the corporate trust office of the Fiscal Agent is located, are not required or authorized to remain closed.

“Certificate of Authorized Representative of the CFD” means a written certificate or warrant request executed by an Authorized Representative of the CFD.

“CFD” means the City of Rialto Community Facilities District No. 2006-1 (Elm Park) established pursuant to the Act and the Resolution of Formation.

“City” means the City of Rialto, California.

“Code” means the Internal Revenue Code of 1986 and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated ____, executed by the CFD and countersigned by Willdan Financial Services, as dissemination agent.

“Costs of Issuance” means the costs and expenses incurred in connection with the issuance and sale of the Bonds, including the acceptance and initial annual fees and expenses of the Fiscal Agent and its counsel, legal fees and expenses, costs of printing the Bonds and the preliminary and final official statements for the Bonds, fees of financial consultants and all other related fees and expenses, as set forth in a Certificate of Authorized Representative of the CFD.

“Costs of Issuance Fund” means the account by such name in the Costs of Issuance Fund created and established pursuant to Section 3.1 hereof.

“Defeasance Securities” means any of the following:

- (a) Cash
- (b) United States Treasury Certificates, Notes and Bonds (including State and Local Government Series -- “SLGS”)
- (c) Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself, *e.g.*, CATS, TIGRS and similar securities.
- (d) The interest component of Resolution Funding Corp. strips which have been stripped by request to the Federal Reserve Bank of New York and are in book-entry form.
- (e) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s.
- (f) Obligations issued by the following agencies which are backed by the full faith and credit of the United States:

U.S. Export-Import Bank - direct obligations or fully guaranteed certificates of beneficial ownership

Farmers Home Administration - certificates of beneficial ownership

Federal Financing Bank

General Services Administration - participation certificates

U.S. Maritime Administration - guaranteed Title XI financing

U.S. Department of Housing and Urban Development (HUD) - Project Notes, Local Authority Bonds, New Communities Debentures - U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds.

“Council” means the City Council of the City of Rialto.

“Delivery Date” means, with respect to the Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

“Depository” shall mean The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Certificates, or any other securities depository acting as Depository under Article II hereof.

“Fiscal Agent” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, at its principal corporate trust office in Los Angeles, California, and its successors or assigns, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3 and any successor thereto.

“Fiscal Agent Agreement” means this Fiscal Agent Agreement, together with any Supplemental Fiscal Agent Agreement approved pursuant to Article 6 hereof.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next following June 30.

“Independent Financial Consultant” means a financial consultant or special tax consultant or firm of either such consultants generally recognized to be well qualified in the financial consulting or special tax consulting field, appointed and paid by the CFD, who, or each of whom:

- (1) is, in fact, independent and not under the domination of the CFD;
- (2) does not have any substantial interest, direct or indirect, in the CFD; and
- (3) is not connected with the CFD as a member, officer or employee of the CFD, but who may be regularly retained to make annual or other reports to the CFD.

"Information Services" means Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services will mean such other services providing information with respect to the Bonds as the City may designate in a certificate of the City delivered to the Fiscal Agent.

"Interest Account" means the account by such name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

"Interest Payment Date" means each March 1 and September 1, commencing September 1, 2017, provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date will be paid on the Business Day next preceding such date.

"Investment Agreement" means one or more agreements for the investment of funds of the CFD complying with the criteria therefor as set forth in Subsection (7) of the definition of Authorized Investments herein.

"Maximum Annual Debt Service" means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds by adding the following for each Bond Year:

- (1) the principal amount of all Outstanding Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and
- (2) the interest payable on the aggregate principal amount of all Bonds Outstanding in such Bond Year if the Bonds are retired as scheduled.

"Moody's" means Moody's Investors Service, its successors and assigns.

"Nominee" shall mean the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.16 hereof.

"Outstanding" or "Outstanding Bonds" means all Bonds theretofore issued by the CFD, except:

- (1) Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof;
- (2) Bonds for payment or redemption of which monies shall have been theretofore deposited (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Fiscal Agent Agreement; and
- (3) Bonds which have been surrendered to the Fiscal Agent for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

“Participants” shall mean those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository.

“Person” means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

“Principal Account” means the account by such name in the Special Tax Fund created and established pursuant to Section 3.1 hereof.

“Principal Office of the Fiscal Agent” means the office of the Fiscal Agent located in Los Angeles, California or such other office or offices as the Fiscal Agent may designate from time to time, or the office of any successor Fiscal Agent where it principally conducts its business of serving as Fiscal Agent under indentures pursuant to which municipal or governmental obligations are issued.

“Prior Fiscal Agent” means U.S. Bank National Association, as fiscal agent for the Prior Bonds.

“Prior Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated as of August 1, 2006, by and between the CFD and the Prior Fiscal Agent related to the Prior Bonds.

“Rating Agency” means Moody’s and Standard & Poor’s, or both, as the context requires.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

“Redemption Account” means the account by such name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

“Refunding Instructions” means the Refunding Instructions executed by the District, the Fiscal Agent and the Prior Fiscal Agent in connection with the refunding of the Prior Bonds.

“Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to section 103 of the Code.

“Representation Letter” shall mean the Blanket Letter of Representations from the CFD to the Depository as described in Section 2.13 hereof.

“Reserve Account” means the account by such name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

“Reserve Requirement” means, as of any date of calculation, an amount equal to the lowest of (1) 10% of the issue price (as defined pursuant to section 148 of the Code), or (2) Maximum Annual Debt Service, or (3) 125% of the average Annual Debt Service of the Outstanding Bonds.

“Resolution of Formation” means Resolution No. _____ adopted by the Council on June 20, 2006, pursuant to which the Council formed the CFD.

“RMA” means the Rate and Method of Apportionment approved by the qualified electors of the CFD at the June 20, 2006 election, as amended from time to time.

“Sinking Fund Payment” means the annual payment to be deposited in the Redemption Account to redeem a portion of the Term Bonds in accordance with the schedule set forth in this Fiscal Agent Agreement.

“Special Taxes” means the Special Tax A (as defined in the RMA) authorized to be levied by the CFD on parcels within the CFD in accordance with the Resolution of Formation, the Act and the voter approval obtained at the June 20, 2006 election in the CFD and any additional special taxes authorized to be levied by the CFD from time to time that are pledged by the CFD to the repayment of the Bonds, together with the proceeds collected from the sale of property pursuant to the foreclosure provisions of this Fiscal Agent Agreement for the delinquency of such Special Taxes remaining after the payment of all the costs related to such foreclosure actions, including, but not limited to, all legal fees and expenses, court costs, consultant and title insurance fees and expenses.

“Special Tax Fund” means the fund by such name created and established pursuant to Section 3.1 hereof.

“Standard & Poor’s” means S & P Global, Inc., its successors and assigns.

“Supplemental Fiscal Agent Agreement” means any supplemental fiscal agent agreement amending or supplementing this Fiscal Agent Agreement.

“Surplus Fund” means the fund by such name created and established pursuant to Section 3.1 hereof.

“Tax Certificate” means the certificate by that name to be executed by the CFD on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“Term Bonds” means the Bonds maturing on September 1, 20__ and September 1, 20__.

“Underwriter” means the institution or institutions, if any, with whom the CFD enters into a purchase contract for the sale of the Bonds.

“Written Request of the CFD” means a request in writing executed by the Mayor, City Administrator, Chief Financial Officer, or written designee, on behalf of the CFD.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of Bond. Under and pursuant to the Act, the Bonds in the aggregate principal amount of \$_____ shall be issued for the purpose of refinancing the Prior Bonds, provided that the aggregate principal amount of the Bonds shall not exceed the total indebtedness presently authorized or subsequently authorized by the qualified electors of the CFD in accordance with the Act. The Bonds shall be and are limited obligations of the CFD and shall be payable as to the principal thereof and interest thereon and any premiums upon the redemption thereof solely from the Special Taxes and the other amounts in the Special Tax Fund (other than amounts in the Administrative Expense Account).

Section 2.2. Type and Nature of Bonds. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the CFD is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the CFD, but are limited obligations of the CFD payable solely from certain amounts deposited by the CFD in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account), as more fully described herein. The CFD's limited obligation to pay the principal of, premium, if any, and interest on the Bonds from amounts in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds may compel the exercise of the taxing power by the CFD (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the CFD's property, or upon any of its income, receipts or revenues, except the Special Taxes and other amounts in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) which are, under the terms of this Fiscal Agent Agreement and the Act, set aside for the payment of the Bonds and interest thereon, and neither the members of the Council nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Notwithstanding anything to the contrary contained in this Fiscal Agent Agreement, the CFD shall not be required to advance any money derived from any source of income other than the Special Taxes for the payment of the interest on or the principal of the Bonds, or for the performance of any covenants contained herein. The CFD may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3. Equality of Bonds and Pledge of Special Taxes. Pursuant to the Act and this Fiscal Agent Agreement, the Bonds shall be equally payable from the Special Taxes and other amounts in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) without priority for number, date of the Bonds, date of sale, date of execution,

or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Special Taxes and other amounts in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account), which are hereby set aside for the payment of the Bonds. Amounts in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and so long as any of the Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement. Notwithstanding any provision contained in this Fiscal Agent Agreement to the contrary, Special Taxes transferred to the Administrative Expense Account of the Special Tax Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds, and none of the Surplus Fund or the Administrative Expense Account of the Special Tax Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in this Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement shall preclude, subject to the limitations contained hereunder, the redemption prior to maturity of any Bond subject to call and redemption and payment of said Bond from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California.

Section 2.4. Description of Bonds; Interest Rates. The Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds of each issue shall be numbered as desired by the Fiscal Agent.

The Bonds shall be designated “CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK) SPECIAL TAX REFUNDING BONDS, SERIES 2016.” The Bonds shall be dated their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on each Interest Payment Date.

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Interest shall be payable on each Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of that Bond has been paid; provided, however, that if at the maturity date of any Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof in full, in accordance with the terms of this Fiscal Agent Agreement, such Bonds shall then cease to bear interest. Interest due on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5. Place and Form of Payment. The Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Fiscal Agent, or at the designated office of any successor Fiscal Agent. Interest on any Bond shall be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest shall be payable from the dated date of such Bond, as applicable; provided, however, that if at the time of authentication of such Bond, interest is in default, interest on that Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond, interest on that Bond shall be payable from its dated date. Interest on any Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Fiscal Agent mailed on the Interest Payment Date by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Fiscal Agent on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account within the United States designated by such Owner.

Section 2.6. Form of Bonds. The definitive Bonds may be printed from steel engraved or lithographic plates or may be typewritten. The Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which forms are hereby approved and adopted as the forms of such Bonds and of the certificate of authentication.

Notwithstanding any provision in this Fiscal Agent Agreement to the contrary, the CFD may, in its sole discretion, elect to issue the Bonds in book-entry form.

Until definitive Bonds shall be prepared, the CFD may cause to be executed and delivered in lieu of such definitive Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the CFD. Until exchanged for definitive Bonds, any temporary bond shall be entitled and subject to the same benefits and provisions of this Fiscal Agent Agreement as definitive Bonds. If the CFD issues temporary Bonds, it shall execute and furnish definitive Bonds, without unnecessary delay and thereupon any temporary Bond may be surrendered to the Fiscal Agent at its office, without expense to the Owner, in exchange for a definitive Bond of the same issue, maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds so surrendered shall be cancelled by the Fiscal Agent and shall not be reissued.

Section 2.7. Execution and Authentication. The Bonds shall be signed on behalf of the CFD by the manual or facsimile signature of the Mayor or the City Administrator, in their capacity as officers of the CFD, and attested by the signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed have been authenticated and delivered by the Fiscal Agent (including new Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Only the Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A hereto shall be entitled to any right or benefit under this Fiscal Agent Agreement, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Fiscal Agent.

Section 2.8. Bond Register. The Fiscal Agent will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds which shall upon reasonable prior notice be open to inspection by the CFD during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds as herein provided.

The CFD and the Fiscal Agent may treat the Owner of any Bond whose name appears on the Bond Register as the absolute Owner of that Bond for any and all purposes, and the CFD and the Fiscal Agent shall not be affected by any notice to the contrary. The CFD and the Fiscal Agent may rely on the address of the Bondowner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Fiscal Agent of any change in the Bondowner's address so that the Bond Register may be revised accordingly.

Section 2.9. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond may, in accordance with its terms,

be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Fiscal Agent, accompanied by delivery of written instrument of transfer in a form approved by the Fiscal Agent and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Fiscal Agent for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. The Fiscal Agent shall not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but shall require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds shall be surrendered for registration of transfer or exchange, the CFD shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds of the same issue and maturity, for a like aggregate principal amount; provided that the Fiscal Agent shall not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bonds. If any Bond shall become mutilated, the CFD shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be cancelled by the Fiscal Agent pursuant to Section 10.1 hereof. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence is satisfactory to the Fiscal Agent and, if any indemnity satisfactory to the CFD and the Fiscal Agent shall be given, the CFD shall execute and the Fiscal Agent shall authenticate and deliver, a new Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Fiscal Agent shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. Any Bond issued in lieu of any Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all other Bonds issued hereunder. The Fiscal Agent shall not treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Fiscal Agent may make payment with respect to such Bonds.

Section 2.11. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any defect in any proceedings taken by the CFD, or by the invalidity, in whole or in part, of any contracts made by the CFD in connection therewith, and the recital contained in the Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.12. Book Entry System. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of

the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Fiscal Agent in the name of the Nominee as nominee of the Depository. Unless the CFD elects to discontinue the use of the book-entry system, all of the Outstanding Bonds shall be registered in the registration books kept by the Fiscal Agent in the name of the Nominee.

With respect to Bonds registered in the registration books kept by the Fiscal Agent in the name of the Nominee, the CFD and the Fiscal Agent shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the CFD and the Fiscal Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Fiscal Agent, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Bonds are redeemed in part, or (iv) the payment to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Fiscal Agent, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The CFD and the Fiscal Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Fiscal Agent as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Fiscal Agent shall pay all principal of, premium, if any, and interest due on the Bonds only to or upon the order of the respective Owner, as shown in the registration books kept by the Fiscal Agent, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the CFD's obligations with respect to payment of the principal, premium, if any, and interest due on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the registration books kept by the Fiscal Agent, shall receive a Bond evidencing the obligation of the CFD to make payments of principal, premium, if any, and interest pursuant to this Fiscal Agent Agreement. Upon delivery by the Depository to the Fiscal Agent and the CFD of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Fiscal Agent Agreement shall refer to such new nominee of the Depository.

Section 2.13. Representation Letter. In order to qualify the Bonds which the CFD elects to register in the name of the Nominee for the Depository's book-entry system, an authorized representative of the CFD or the Fiscal Agent is hereby authorized to execute from time to time and deliver to such Depository the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 10.2 or in any other way impose upon the CFD or the Fiscal Agent any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Fiscal Agent. The Fiscal Agent agrees to take all action necessary to continuously comply with all representations made by it in the Representation Letter. In addition to the execution and delivery of the Representation Letter, the Mayor and any

Authorized Representative of the CFD are hereby authorized to take any other actions, not inconsistent with this Fiscal Agent Agreement, to qualify the Bonds for the Depository's book-entry program.

Section 2.14. Transfers Outside Book Entry System. In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the CFD determines that the Depository shall no longer so act, then the CFD will discontinue the book-entry system with the Depository. If the CFD fails to identify another qualified securities depository to replace the Depository then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Fiscal Agent in the name of the Nominee, but shall be registered in whatever name or names Persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.9 hereof.

Section 2.15. Payments to the Nominee. Notwithstanding any other provisions of this Fiscal Agent Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Section 2.16. Initial Depository and Nominee. The initial Depository under this Article shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF SPECIAL TAXES

Section 3.1. Creation of Funds; Application of Proceeds. There is hereby created and established and shall be maintained by the Fiscal Agent the following funds and accounts:

- (1) The Community Facilities District No. 2006-1 Special Tax Fund (the "Special Tax Fund") (in which there shall be established and created an Interest Account, a Principal Account, a Redemption Account, a Reserve Account and an Administrative Expense Account);
- (2) The Community Facilities District No. 2006-1 Surplus Fund (the "Surplus Fund"); and
- (3) The Community Facilities District No. 2006-1 Costs of Issuance Fund ("Costs of Issuance Fund").

The amounts on deposit in the foregoing funds, accounts and subaccounts shall be held by the Fiscal Agent and the Fiscal Agent shall invest and disburse the amounts in such funds, accounts and subaccounts in accordance with the provisions of this Article III and shall disburse investment earnings thereon in accordance with the provisions of Section 3.9 hereof. Except as required to be segregated into funds and accounts as described herein, money held by the Fiscal Agent hereunder need not be segregated from other funds except to the extent required by law.

At the Written Request of the CFD, the Fiscal Agent may create new funds, accounts or subaccounts, or may create additional accounts and subaccounts within any of the foregoing funds and accounts for the purpose of separately accounting for the proceeds of the Bonds.

All proceeds of the sale of the Bonds shall be received by the Fiscal Agent on behalf of the CFD and deposited and transferred as follows:

(1) \$_____ shall be transferred to the Costs of Issuance Fund established hereunder for disbursement in accordance with Section 3.8 below; and

(2) \$_____ (which is equal to the initial Reserve Requirement) shall be deposited in the Reserve Account to be disbursed in accordance with Section 3.6 below; and

(3) \$_____ shall be transferred to the Prior Fiscal Agent for deposit pursuant to the Refunding Instructions; and

Section 3.2. Deposits to and Disbursements from Special Tax Fund. The CFD shall, on each date on which it receives Special Taxes, transfer the Special Taxes to the Fiscal Agent for deposit in the Special Tax Fund to be held in accordance with the terms of this Fiscal Agent Agreement. The Fiscal Agent shall transfer the amounts on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections in the following order of priority:

- (a) The Administrative Expense Account of the Special Tax Fund;
- (b) The Interest Account of the Special Tax Fund;
- (c) The Principal Account of the Special Tax Fund;
- (d) The Redemption Account of the Special Tax Fund;
- (e) The Reserve Account of the Special Tax Fund; and
- (f) The Surplus Fund.

At the maturity of all of the Bonds and, after all principal and interest then due on the Bonds then Outstanding has been paid or provided for and any amounts owed to the Fiscal Agent have been paid in full, moneys in the Special Tax Fund and any accounts therein shall be transferred to the CFD and may be used by the CFD for any lawful purpose.

Section 3.3. Administrative Expense Account of the Special Tax Fund. The Fiscal Agent shall transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund an amount equal to the Administrative Expense Requirement for the Fiscal Year, which shall be disbursed by the Fiscal Agent to pay Administrative Expenses, all as instructed by the CFD pursuant to a Written Request of the CFD. Moneys in the Administrative Expense Account of the Special Tax Fund may be invested in any Authorized Investments as directed by an Authorized Representative of the CFD.

Section 3.4. Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds until maturity, other than principal due upon redemption, shall be paid by the Fiscal Agent from the Principal Account and the Interest Account of the Special Tax Fund, respectively. For the purpose of assuring that the payment of principal of and interest on the Bonds will be made when due, at least five Business Days prior to each March 1 and September 1, the Fiscal Agent shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds, or otherwise, the transfer from the Special Tax Fund need not be made; and provided, further, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the Reserve Account:

(1) To the Interest Account, an amount such that the balance in the Interest Account five Business Days prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the Bonds as the same become due.

(2) To the Principal Account, an amount such that the balance in the Principal Account five Business Days prior to September 1 of each year, commencing September 1, 2007 shall at least equal the principal payment due on the Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds as the same become due at maturity.

Section 3.5. Redemption Account of the Special Tax Fund.

(1) On each September 1 on which a Sinking Fund Payment is due, after the deposits have been made to the Interest Account and the Principal Account of the Special Tax Fund as required by Section 3.4 hereof, the Fiscal Agent shall next transfer into the Redemption Account of the Special Tax Fund from the Special Tax Fund the amount needed to make the balance in the Redemption Account five Business Days prior to each September 1 equal to the Sinking Fund Payment due on any Outstanding Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the Reserve Account, if funded, pursuant to Section 3.6 below. Moneys so deposited in the Redemption Account shall be used and applied by the Fiscal Agent to call and redeem Term Bonds in accordance with the Sinking Fund Payment schedule set forth in Section 4.1 hereof.

(2) After making the deposits to the Interest Account and the Principal Account of the Special Tax Fund pursuant to Section 3.4 above and to the Redemption Account for Sinking Fund Payments then due pursuant to subparagraph (1) of this Section, and in accordance with the CFD's election to call Bonds for optional redemption as set forth in Section 4.1(1) hereof, the Fiscal Agent shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the interest, the principal and the premiums, if any, payable on the Bonds called for optional redemption; provided, however, that

amounts in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) may be applied to optionally redeem Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement.

(3) All prepayments of Special Taxes shall be deposited in the Redemption Account to be used to redeem Bonds on the next date for which notice of redemption can timely be given.

(4) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and shall be applied on or after the redemption date to the payment of the principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds and in the case of an optional redemption to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account as set forth above may be used to purchase Outstanding Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds may be made by the CFD at public or private sale as and when and at such prices as the CFD may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Section 4.1(1) hereof. Any accrued interest payable upon the purchase of Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6. Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement. The amounts in the Reserve Account shall be applied as follows:

(1) Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on any Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due. If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Bonds when due, the Fiscal Agent shall withdraw from the Reserve Account for deposit in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund, as applicable, moneys necessary for such purposes.

(2) Whenever moneys are withdrawn from the Reserve Account, after making the required transfers referred to in Sections 3.4 and 3.5 above, the Fiscal Agent shall transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the CFD elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Fiscal Agent determines that such amounts will not be needed to make the deposits required to be made to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund. If amounts in the Special Tax Fund or otherwise transferred to replenish the Reserve Account are inadequate to restore the Reserve Account to the Reserve Requirement, then the CFD shall include the

amount necessary fully to restore the Reserve Account to the Reserve Requirement in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

(3) In connection with any redemption of the Bonds, or a partial defeasance of the Bonds in accordance with Section 9.1 hereof, amounts in the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement. To the extent that the Reserve Account is at the Reserve Requirement as of the first day of the final Bond Year for the Bonds, amounts in the Reserve Account may be applied to pay the principal of and interest due on the Bonds in the final Bond Year for such issue. Moneys in the Reserve Account in excess of the Reserve Requirement not transferred in accordance with the preceding provisions of this paragraph shall be withdrawn from the Reserve Account on the fifth Business Day before each March 1 and September 1 and transferred the Interest Account of the Special Tax Fund.

Section 3.7. Surplus Fund. After making the transfers required by Sections 3.3, 3.4, 3.5, and 3.6 hereof, as soon as practicable after each September 1, the Fiscal Agent shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, other than amounts in the Special Tax Fund which the CFD directs the Fiscal Agent by Written Request of the CFD to retain because the CFD has included such funds as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to Section 5.2(2) hereof. Moneys deposited in the Surplus Fund shall be transferred by the Fiscal Agent at the written direction of the CFD to the Administrative Expense Account of the Special Tax Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses or, upon the Written Request of the CFD, may be disbursed to the CFD to be expended for any other lawful purpose of the CFD.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds. In the event that the CFD reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds, upon the written direction of the CFD, the Fiscal Agent will segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds to which such amounts are to be applied, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds which were issued on a tax-exempt basis for federal income tax purposes.

Section 3.8. Costs of Issuance Fund.

(1) The moneys in the Costs of Issuance Fund shall be applied exclusively to pay the Costs of Issuance. Amounts for Costs of Issuance shall be disbursed by the Fiscal Agent from the account by a requisition signed by an Authorized Representative of the CFD, substantially in the form of Exhibit B hereto, which must be submitted in connection with each requested

disbursement. Notwithstanding the foregoing, any amount remaining in the Costs of Issuance Fund on the date 180 days from the Delivery Date shall be transferred to the Special Fund and such account shall be closed.

Section 3.9. Investments. Moneys held in any of the funds and accounts under this Fiscal Agent Agreement shall be invested at the Written Request of the CFD in accordance with the limitations set forth below only in Authorized Investments which shall be deemed at all times to be a part of such funds and accounts. Any loss resulting from such Authorized Investments shall be credited or charged to the fund or account from which such investment was made, and any investment earnings on a fund or account shall be applied as follows: (i) investment earnings on all amounts deposited in the Special Tax Fund (exclusive of amounts transferred to the Reserve Account), Surplus Fund, Costs of Issuance Fund and each Account therein shall be deposited in those respective funds and accounts, and (ii) all other investment earnings shall be deposited in the Interest Account of the Special Tax Fund; provided, however, to the extent moneys in the Reserve Account exceed the Reserve Requirement, such excess amounts shall be deposited and transferred pursuant to Section 3.6(3) hereof. Moneys in the funds and accounts held under this Fiscal Agent Agreement may be invested by the Fiscal Agent at the Written Request of the CFD received at least 2 Business Days prior to the investment date, from time to time, in Authorized Investments subject to the following restrictions:

(1) Moneys in the Interest Account, the Principal Account and the Redemption Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature, or in the case of an Investment Agreement are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds as the same become due.

(2) Moneys in the Costs of Issuance Fund shall be invested in Authorized Investments which will by their terms mature, as close as practicable to the date the CFD estimates the moneys represented by the particular investment will be needed for withdrawal from the Costs of Issuance Fund. ¶

(3) In the absence of Written Request of the CFD providing investment directions, the Fiscal Agent shall invest solely in Authorized Investments specified in clause (4) of the definition thereof.

The Fiscal Agent shall sell at the best price obtainable, or present for redemption, any Authorized Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such Funds and Accounts or from such Funds and Accounts. For the purpose of determining at any given time the balance in any such Funds and Accounts, any such investments constituting a part of such Funds and Accounts shall be valued at their cost, except that amounts in the Reserve Account shall be valued at the fair market value thereof and marked to market at least annually. Notwithstanding anything herein to the contrary, the Fiscal Agent shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of this Fiscal Agent Agreement. The Fiscal Agent or an affiliate may act as principal or agent in connection with the acquisition or disposition of any Authorized Investments and shall be entitled to its customary fees therefor. Any Authorized Investments that are registrable securities shall be registered in the name of the Fiscal Agent.

The Fiscal Agent is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Fiscal Agent or for any third person or dealing as principal for its own account.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.1. Redemption of Bonds.

(1) Optional Redemption. The Bonds are subject to redemption prior to maturity at the option of the CFD on any Interest Payment Date on or after March 1, ____, as a whole or in part, by lot, from any available source of funds at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be), together with accrued interest thereon to the date fixed for redemption:

Redemption Dates

Redemption Prices

(2) Special Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to mandatory redemption prior to maturity on any Interest Payment on or after March 1, ____, as a whole or in part, in a manner determined by the District from prepayments of Special Taxes at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption:

Redemption Dates

Redemption Prices

In connection with such redemption, the CFD may also apply amounts in the Reserve Account which will be in excess of the Reserve Requirement as a result of such Special Tax prepayment to redeem Bonds as set forth above.

(3) Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ and September 1, 20__ are subject to mandatory redemption, in part by lot, on September 1 in each year commencing September 1, 20__ with respect to the Bonds maturing on September 1, 20__, and commencing September 1, 20__, with respect to the Bonds maturing on September 1, 20__, from the Sinking Fund Payments that have been deposited into the Redemption Account

at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption as set forth in the following schedule; provided, however, that (i) in lieu of redemption thereof, the Bonds may be purchased by the CFD and tendered to the Fiscal Agent, and (ii) if some but not all of the Bonds have been redeemed pursuant to Section 4.1(1) through (3) above, the total amount of all future sinking payments will be reduced by the aggregate principal amount of the Bonds so redeemed, to be allocated among such sinking payments on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000 as determined by the CFD.

Bonds Maturing on September 1, 20__

Redemption Date <u>(September 1)</u>	<u>Principal Amount</u>
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Bonds Maturing on September 1, 20__

Redemption Date <u>(September 1)</u>	<u>Principal Amount</u>
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Section 4.2. Selection of Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds for redemption, the Fiscal Agent shall treat such Bonds as representing that number of Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds to be redeemed in part by \$5,000. The Fiscal Agent shall promptly notify the CFD in writing of the Bonds, or portions thereof, selected for redemption.

Section 4.3. Notice of Redemption. When Bonds are due for redemption under Section 4.1 above, the Fiscal Agent shall give notice, in the name of the CFD, of the redemption of such Bonds; provided, however, that a notice of a redemption to be made from other than from Sinking Fund Payments shall be conditioned on there being on deposit on the redemption date sufficient money to pay the redemption price of the Bonds to be redeemed. Such notice of

redemption shall (a) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds of a maturity are subject to redemption, or all the Bonds of one maturity, are to be redeemed, the bond numbers of such issue need not be specified; (b) state the date fixed for redemption and surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be redeemed; (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (f) state the date of issue of the Bonds as originally issued; (g) state the rate of interest borne by each Bond being redeemed; and (h) state any other descriptive information needed to identify accurately the Bonds being redeemed as shall be specified by the Fiscal Agent. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond, or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 60 days prior to the redemption date, the Fiscal Agent shall mail a copy of such notice, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Bond or the original purchaser of any Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Fiscal Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties and the Owner shall not be entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice shall be given by the Fiscal Agent as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent on or before the date notice of redemption is mailed to the Bondowners pursuant to the first paragraph of this Section by telecopy or registered or certified mail or overnight delivery service to the registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds as shall be specified by the CFD to the Fiscal Agent and to the Information Services.

Upon the payment of the redemption price of any Bonds being redeemed, each check or other transfer of funds issued for such purpose shall to the extent practicable bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The CFD shall have the right to rescind any notice of optional redemption by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of such redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The CFD and the Fiscal Agent shall have no liability to the Owners or any other party related or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent, except the notice

shall not be required to meet the time periods under this Section for mailing the notice of redemption.

Section 4.4. Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the CFD shall execute and the Fiscal Agent shall authenticate and deliver to the Bondowner, at the expense of the CFD, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity.

Section 4.5. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3 hereof, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(1) The Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Fiscal Agent Agreement, anything in this Fiscal Agent Agreement or in the Bonds to the contrary notwithstanding;

(2) Upon presentation and surrender thereof at the office of the Fiscal Agent, the redemption price of such Bonds shall be paid to the Owners thereof;

(3) As of the redemption date the Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds, or portions thereof, shall cease to bear further interest; and

(4) As of the date fixed for redemption no Owner of any of the Bonds, or portions thereof so designated for redemption, shall be entitled to any of the benefits of this Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1. Warranty. The CFD shall preserve and protect the security pledged hereunder to the Bonds against all claims and demands of all persons.

Section 5.2. Covenants. So long as any of the Bonds issued hereunder are Outstanding and unpaid, the CFD makes the following covenants with the Bondowners under the provisions of the Act and this Fiscal Agent Agreement (to be performed by the CFD or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants do not require the CFD to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(1) Punctual Payment; Against Encumbrances. The CFD hereby covenants that it will receive all Special Taxes in trust and will immediately deposit such amounts with the Fiscal Agent, and the CFD shall have no beneficial right or interest in the amounts so deposited except as provided by this Fiscal Agent Agreement. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the CFD.

The CFD covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and in accordance with this Fiscal Agent Agreement to the extent that Special Taxes are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds and this Fiscal Agent Agreement, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Fiscal Agent Agreement and all Supplemental Fiscal Agent Agreements and of the Bonds issued hereunder.

The CFD will not mortgage or otherwise encumber, pledge or place any charge upon any of the Special Taxes except as provided in this Fiscal Agent Agreement, and will not issue any obligation or security having a lien or charge upon the Special Taxes superior to or on a parity with the Bonds. Nothing herein shall prevent the CFD from issuing or incurring indebtedness which is payable from a pledge of Special Taxes which is subordinate in all respects to the pledge of Special Taxes to repay the Bonds.

(2) Levy of Special Tax. So long as any Bonds issued under this Fiscal Agent Agreement are Outstanding, the CFD hereby covenants to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and the Surplus Fund and available for such purpose, to pay (1) the principal of and interest on the Bonds when due, (2) the Administrative Expenses, and (3) any amounts required to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement.

(3) Commence Foreclosure Proceedings. The CFD hereby covenants for the benefit of the Owners of the Bonds that it will determine or cause to be determined, no later than March 1 and August 1 of each year, whether or not any owner of the property within the CFD are delinquent in the payment of Special Taxes and, if such delinquencies exist, the CFD will order and cause to be commenced no later than April 15 (with respect to the March 1 determination date) or September 1 (with respect to the August 1 determination date), and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due, provided, however, that the CFD shall not be required to order the commencement of foreclosure proceedings if (i) the total Special Tax delinquency in the CFD for such Fiscal Year is less than five percent (5%) of the total Special Tax levied in such Fiscal Year, and (ii) the amount in the Reserve Account is equal to the Reserve Requirement. Notwithstanding the foregoing, if the CFD determines that any single property owner in the CFD is delinquent in excess of ten thousand dollars (\$10,000) in the payment of the Special Tax, then it will diligently institute, prosecute and pursue foreclosure proceedings against such property owner.

Notwithstanding any provision of the Act or other law of the State to the contrary, in connection with any foreclosure related to delinquent Special Taxes:

(a) The CFD or the Fiscal Agent, is hereby expressly authorized to credit bid at any foreclosure sale, without any requirement that funds be set aside in the amount so credit bid, in the amount specified in Section 53356.5 of the Act, or such less amount as determined under clause (b) below or otherwise under Section 53356.6 of the Act.

(b) The CFD may permit, in its sole and absolute discretion, property with delinquent Special Tax payments to be sold for less than the amount specified in Section 53356.5 of the Act, if it determines that such sale is in the interest of the Bond Owners. The Bond Owners, by their acceptance of the Bonds, hereby consent to such sale for such lesser amounts (as such consent is described in Section 53356.6 of the Act), and hereby release the CFD and the City, and their respective officers and agents from any liability in connection therewith. If such sale for lesser amounts would result in less than full payment of principal of and interest on the Bonds, the CFD will use best efforts to seek approval of the Bond Owners.

(c) The CFD is hereby expressly authorized to use amounts in the Special Tax Fund to pay costs of foreclosure of delinquent Special Taxes.

(d) The CFD may forgive all or any portion of the Special Taxes levied or to be levied on any parcel in the CFD so long as the CFD determines that such forgiveness is not expected to adversely affect its obligation to pay principal of and interest on the Bonds as such payments become due and payable.

(4) Payment of Claims. The CFD will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Special Taxes or; other funds in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account), or which might impair the security of the Bonds then Outstanding; provided that nothing herein contained shall require the CFD to make any such payments so long as the CFD in good faith shall contest the validity of any such claims.

(5) Books and Accounts. The CFD will keep proper books of records and accounts, separate from all other records and accounts of the CFD, in which complete and correct entries shall be made of all transactions relating to the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent or of the Owners of the Bonds then Outstanding or their representatives authorized in writing.

(6) Tax Covenants.

(a) Special Definitions. When used in this subsection, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Bonds.

“Investment” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and that is not acquired to carry out the governmental purposes of that series of Bonds.

“Rebate Amount,” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Tax Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Not to Cause Interest to Become Taxable. The CFD covenants that it shall take all actions necessary in order that interest on the Bonds and Prior Bonds be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes, and that it shall not use or invest, and shall not permit the use or investment of, and shall not omit to use or invest Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Fiscal Agent receives a written opinion of Bond Counsel to the effect that compliance with such covenant is not necessary to, or that failure to comply with such covenant will not adversely affect, the exclusion of the interest on any Bond from the gross income of the owner thereof for federal income tax purposes, the CFD shall comply with each of the specific covenants in this subsection.

(c) Private Use and Private Payments. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations, the CFD shall take all actions necessary to assure that the CFD at all times prior to the final cancellation of the last of the Bonds to be retired:

(i) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property

acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds.

(d) No Private Loan. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the CFD shall not use or permit the use of Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except as would not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the CFD shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Bonds within the meaning of said section 148.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the CFD shall take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Bond to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The CFD shall timely file any information required by section 149(e) of the Code with respect to Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(i) The CFD shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the CFD may commingle (and may allow the CFD to commingle) Gross Proceeds of Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the CFD shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The CFD shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) In order to assure the excludability pursuant to 3(a) of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, the CFD shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the CFD at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the CFD. Notwithstanding the foregoing, and provided that the CFD takes all steps available to it to cause the provision of such amounts, the monetary obligation of the CFD under this paragraph (3) shall be limited to amounts provided to it for such purpose by the CFD.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the CFD shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (h) of this subsection because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yields on the Bonds not been relevant to either party.

(j) Bonds Not Hedge Bonds.

(i) The CFD represents that none of the Bonds is or will become a "hedge bond" within the meaning of section 149(g) of the Code.

(ii) Without limitation of paragraph (i) above: (A) the CFD reasonably expects that at least 85% of the spendable proceeds of the Bonds will be expended within the three-year period commencing on the date of issuance of the Bonds; and (B) no more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(k) Elections. The CFD hereby directs and authorizes any CFD Authorized Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(l) Closing Certificate. The CFD agrees to execute and deliver in connection with the issuance of the Bonds a Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

(7) Reduction of Maximum Special Taxes. The CFD hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the CFD hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the CFD below the levels provided in this Section 5.2(7) would interfere with the timely retirement of the Bonds. The CFD determines it to be necessary in order to preserve the security for the Bonds to covenant, and, to the maximum extent that the law permits it to do so, the CFD hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the CFD, unless, in connection therewith, (i) the CFD receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the CFD as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing Developed Property (as defined in the Rate and Method of Apportionment of Special Taxes then in effect in the CFD) in each Bond Year for any Bonds Outstanding will equal at least 110% of the sum on the estimated Administrative Expenses and gross debt service in that Bond Year on all Bonds to remain Outstanding after the reduction is approved, and (ii) the CFD hereby finds that any reduction made under such conditions will not adversely affect the interests of the Owners of the Bonds. For purposes of estimating Administrative Expenses for the foregoing calculation, the Independent Financial Consultant shall compute the Administrative Expenses for the current Fiscal Year and escalate that amount by two percent (2%) in each subsequent Fiscal Year.

(8) Covenants to Defend. The CFD hereby covenants that in the event that any initiative is adopted by the qualified electors in the CFD which purports to reduce the maximum

Special Tax below the levels specified in Section 5.2(7) above or to limit the power of the CFD to levy the Special Taxes for the purposes set forth in Section 5.2(2) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(9) Annual Reports to CDIAC. Not later than October 30 of each year, commencing October 30, 201_ and until the October 30 following the final maturity of the Bonds, the CFD shall cause the City to supply the information required by Section 53359.5(b) or (c) of the Act to CDIAC (on such forms as CDIAC may specify).

(10) Continuing Disclosure. The CFD hereby covenants to comply with the terms of the Continuing Disclosure Agreement executed by it with respect to the Bonds.

ARTICLE VI

AMENDMENTS TO FISCAL AGENT AGREEMENT

Section 6.1. Supplemental Fiscal Agent Agreements or Orders Not Requiring Bondowner Consent. The CFD may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplemental Fiscal Agent Agreements for any of the following purposes:

(1) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Fiscal Agent Agreement or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Bondowners;

(2) to add to the covenants and agreements of and the limitations and the restrictions upon the CFD contained in this Fiscal Agent Agreement, other covenants, agreements, limitations and restrictions to be observed by the CFD which are not contrary to or inconsistent with this Fiscal Agent Agreement as theretofore in effect or which further secure Bond payments;

(3) to modify, amend or supplement this Fiscal Agent Agreement in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds then Outstanding; or

(4) to modify, alter or amend the rate and method of apportionment of the Special Taxes in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the CFD to an amount which is less than that permitted under Section 5.2(7) hereof; or

(5) to modify, alter, amend or supplement this Fiscal Agent Agreement in any other respect which is not materially adverse to the Bondowners.

Section 6.2. Supplemental Fiscal Agent Agreements or Order Requiring Bondowner Consent. Exclusive of the Supplemental Fiscal Agent Agreements described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding shall have the right to consent to and approve the adoption by the CFD of such Supplemental Fiscal Agent Agreements as shall be deemed necessary or desirable by the CFD for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Fiscal Agent Agreement; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond, (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, (c) a preference or priority of any Bond over any other Bond, or (d) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplemental Fiscal Agent Agreement, without the consent of the Owners of all Bonds then Outstanding.

If at any time the CFD shall desire to adopt a Supplemental Fiscal Agent Agreement, which pursuant to the terms of this Section shall require the consent of the Bondowners, the CFD shall so notify the Fiscal Agent and shall deliver to the Fiscal Agent a copy of the proposed Supplemental Fiscal Agent Agreement. The Fiscal Agent shall, at the expense of the CFD, cause notice of the proposed Supplemental Fiscal Agent Agreement to be mailed, by first class mail, postage prepaid, to all Bondowners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Fiscal Agent Agreement and shall state that a copy thereof is on file at the office of the Fiscal Agent for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplemental Fiscal Agent Agreement when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Fiscal Agent shall receive an instrument or instruments purporting to be executed by the Owners of a majority in aggregate principal amount of the Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Fiscal Agent Agreement described in such notice, and shall specifically consent to and approve the adoption thereof by the CFD substantially in the form of the copy referred to in such notice as on file with the Fiscal Agent, such proposed Supplemental Fiscal Agent Agreement, when duly adopted by the CFD, shall thereafter become a part of the proceedings for the issuance of the Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds have consented to the adoption of any Supplemental Fiscal Agent Agreement, Bonds which are owned by the CFD or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the CFD shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplemental Fiscal Agent Agreement and the receipt of consent to any such Supplemental Fiscal Agent Agreement from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds in instances where such consent is required pursuant to the provisions of this Section, this Fiscal Agent Agreement shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Fiscal Agent Agreement of the CFD and all Owners of

Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3. Notation of Bonds; Delivery of Amended Bonds. After the effective date of any action taken as hereinabove provided, the CFD may determine that the Bonds may bear a notation, by endorsement in form approved by the CFD, as to such action, and in that case upon demand of the Owner of any Outstanding Bond at such effective date and presentation of his Bond for the purpose at the office of the Fiscal Agent or at such additional offices as the Fiscal Agent may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds. If the CFD shall so determine, new Bonds so modified as, in the opinion of the CFD, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond at such effective date such new Bonds shall be exchanged at the office of the Fiscal Agent or at such additional offices as the Fiscal Agent may select and designate for that purpose, without cost to each Owner of Outstanding Bonds, upon surrender of such Outstanding Bonds.

ARTICLE VII

FISCAL AGENT

Section 7.1. Fiscal Agent. U.S. Bank National Association, a national banking association shall be the Fiscal Agent for the Bonds unless and until another Fiscal Agent is appointed by the CFD hereunder. The CFD may, at any time, provided that no Event of Default has occurred and is continuing, appoint a successor Fiscal Agent satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the CFD is required to deposit with the Fiscal Agent hereunder and to allocate, use and apply the same as provided in this Fiscal Agent Agreement.

The Fiscal Agent is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Bondowners, to select Bonds for redemption, and to maintain the Bond Register. The Fiscal Agent is hereby authorized to pay the principal of and premium, if any, on the Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds presented to it for such purposes, to provide for the cancellation of Bonds all as provided in this Fiscal Agent Agreement, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Fiscal Agent Agreement; provided, however, that the Fiscal Agent undertakes to perform such duties and only such duties as are set forth in this Fiscal Agent Agreement, and no duties of the Fiscal Agent shall be implied hereunder. Discretionary rights of the Fiscal Agent under this Fiscal Agent Agreement shall not be construed as duties. The Fiscal Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder. The Fiscal Agent shall keep accurate records of all funds administered by it and all Bonds paid, discharged and cancelled by it. The Fiscal Agent may establish such funds and accounts as it deems necessary to perform its obligations hereunder.

The Fiscal Agent is hereby authorized to redeem the Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Fiscal Agent shall cancel all Bonds upon payment thereof in accordance with the provisions of Section 10.1 hereof.

Section 7.2. Removal of Fiscal Agent. Provided that no Event of Default has occurred and is continuing, the CFD may at any time at its sole discretion remove the Fiscal Agent initially appointed, and any successor thereto, by delivering to the Fiscal Agent a written notice of its decision to remove the Fiscal Agent and may appoint a successor or successors thereto; provided that any such successor, other than the Fiscal Agent, shall be a bank or trust company having (or if such bank or trust company is a member of a bank holding company system its bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state Authority. Any removal shall become effective only upon acceptance of appointment by the successor Fiscal Agent. If any bank or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Fiscal Agent and appointment of a successor Fiscal Agent shall become effective only upon acceptance of appointment by the successor Fiscal Agent and notice being sent by the successor Fiscal Agent to the Bondowners of the successor Fiscal Agent's identity and address.

Section 7.3. Resignation of Fiscal Agent. The Fiscal Agent may at any time resign by giving written notice to the CFD and by giving to the Owners notice of such resignation, which notice shall be mailed to the Owners at their addresses appearing in the registration books in the office of the Fiscal Agent. Upon receiving such notice of resignation, the CFD shall promptly appoint a successor Fiscal Agent satisfying the criteria in Section 7.2 above by an instrument in writing. Any resignation or removal of the Fiscal Agent and appointment of a successor Fiscal Agent shall become effective only upon acceptance of appointment by the successor Fiscal Agent provided, however, that in the event the CFD does not appoint a successor Fiscal Agent within 30 days following receipt of such notice of resignation, the resigning Fiscal Agent may, at the expense of the CFD, petition the appropriate court having jurisdiction to appoint a successor Fiscal Agent.

Section 7.4. Compensation and Liability of Fiscal Agent. The CFD shall from time to time, subject to any agreement between the CFD and the Fiscal Agent then in force, pay to the Fiscal Agent compensation for its services, reimburse the Fiscal Agent for all of its advances and expenditures, including, but not limited to, advances to and reasonable fees and expenses of independent accountants and counsel and agents employed by it in the exercise and performance of its powers and duties hereunder. The CFD agrees to indemnify the Fiscal Agent, including its officers, directors, employees and agents for, and hold it harmless against, any loss, claim, liability or expense incurred which does not arise from its own negligence or willful misconduct, arising out of or in connection with the administration of this Fiscal Agent Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Fiscal Agent shall not be liable for any error in judgment made in good faith by a reasonable officer, unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts. Whether or not

therein expressly so provided, every provision of this Fiscal Agent Agreement relating to the conduct of or affecting the liability of or affording protection to the Fiscal Agent (acting in its capacity as Fiscal Agent or in its capacity as Dissemination Agent), its officers, directors, employees and agents, shall be subject to the provisions of this Section 7.4.

The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any offering documents pertaining to the Bonds shall be taken as statements, promises, covenants and agreements of the CFD, and the Fiscal Agent assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Fiscal Agent Agreement or the Bonds, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations specifically set forth herein, in the Bonds, or in the certificate of authentication assigned to or imposed upon the Fiscal Agent. The Fiscal Agent shall be under no responsibility or duty with respect to the issuance of the Bonds for value.

The Fiscal Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Fiscal Agent may consult with counsel, who may be counsel to the CFD, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed. The Fiscal Agent may become the owner or pledgee of Bonds, and may otherwise deal with the CFD with the same rights it would have if it were not the Fiscal Agent.

Whenever in the administration of its duties under this Fiscal Agent Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a written certificate of the CFD, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Fiscal Agent Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Fiscal Agent shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. No provision in this Fiscal Agent Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

All rights and indemnities of the Fiscal Agent pursuant to this Section 7.4 shall survive the removal or resignation of the Fiscal Agent, the discharge of the Bonds, or the amendment or assignment of this Fiscal Agent Agreement.

Section 7.5. Merger or Consolidation. Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Fiscal Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default. Any one or more of the following events shall constitute an “event of default”:

(a) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) Default in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable; or

(c) Except as described in (a) or (b), default shall be made by the CFD in the observance of any of the agreements, conditions or covenants on its part contained in this Fiscal Agent Agreement or the Bonds, and such default shall have continued for a period of 30 days after the CFD shall have been given notice in writing of such default by the Fiscal Agent or the Owners of 25% in aggregate principal amount of the Outstanding Bonds.

The CFD agrees to give notice to the Fiscal Agent immediately upon the occurrence of an event of default under (a) or (b) above and within 30 days of the CFD’s knowledge of an event of default under (c) above. The Fiscal Agent shall not be deemed to have knowledge of any event of default described in Section 8.1(c) unless a responsible officer shall have actual knowledge thereof or the Fiscal Agent shall have received written notice at its Principal Office.

Section 8.2. Remedies of Owners. Following the occurrence of an event of default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(1) By mandamus or other suit or proceeding at law or in equity to enforce his rights against the CFD and any of the members, officers and employees of the CFD, and to compel the CFD or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Fiscal Agent Agreement;

(2) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(3) By a suit in equity to require the CFD and its members, officers and employees to account as the fiscal agent of an express trust.

Nothing in this Article or in any other provision of this Fiscal Agent Agreement or the Bonds shall affect or impair the obligation of the CFD, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners thereof at the respective dates of maturity, as herein provided, out of the Special Taxes and other amounts pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in this Fiscal Agent Agreement.

A waiver of any default or breach of duty or contract by any Owner shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Act or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the CFD and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

In case the moneys held by the Fiscal Agent after an event of default pursuant to Section 8.1(a) or (b) shall be insufficient to pay in full the whole amount so owing and unpaid upon the Outstanding Bonds, then all available amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

ARTICLE IX

DEFEASANCE

Section 9.1. Defeasance. If the CFD shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of Special Taxes, and, other than as set forth below, all covenants, agreements and

other obligations of the CFD to the Owner of such Bond under this Fiscal Agent Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds pursuant to this Section, the Fiscal Agent shall execute and deliver to the CFD all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over or deliver to the CFD's general fund all money or securities held by it pursuant to this Fiscal Agent Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

Any Outstanding Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond, as and when the same become due and payable;

(b) by depositing with the Fiscal Agent at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(c) by depositing with the Fiscal Agent or another escrow bank appointed by the CFD noncallable Defeasance Securities, in which the CFD may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the CFD, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the CFD under this Fiscal Agent Agreement and any Supplemental Fiscal Agent Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon and except for the covenants of the CFD contained in Section 5.2(6) or any covenants in a Supplemental Fiscal Agent Agreement relating to compliance with the Code. Notice of such election shall be filed with the Fiscal Agent not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent. In connection with a defeasance under (b) or (c) above, there shall be provided to the CFD a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds being defeased have been legally defeased in accordance with this Fiscal Agent Agreement and any applicable Supplemental Fiscal Agent Agreement. If a forward supply contract is employed in connection with an advance refunding to be effected under (c) above, (i)

such verification report shall expressly state that the adequacy of the amounts deposited with the bank under (c) above to accomplish the refunding relies solely on the initial escrowed investments and the maturity principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement executed to effect an advance refunding in accordance with (c) above shall provide that, in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

Upon a defeasance, the Fiscal Agent, upon request of the CFD, shall release the rights of the Owners of such Bonds which have been defeased under this Fiscal Agent Agreement and any Supplemental Fiscal Agent Agreement and execute and deliver to the CFD all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds, the Fiscal Agent shall pay over or deliver to the CFD any funds held by the Fiscal Agent at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of, premium, if any, or interest on the Bonds when due. The Fiscal Agent shall, at the written direction of the CFD, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds have been defeased, in the form directed by the CFD, stating that the defeasance has occurred.

Section 9.2. No Additional Bonds. The CFD shall not issue bonds, notes or other forms of indebtedness payable from Special Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Cancellation of Bonds. All Bonds surrendered to the Fiscal Agent for payment upon maturity or for redemption shall be upon payment therefor, and any Bond purchased by the CFD as authorized herein and delivered to the Fiscal Agent for such purpose shall be, cancelled forthwith and shall not be reissued. The Fiscal Agent shall destroy such Bonds, as provided by law, and, upon request of the CFD, furnish to the CFD a certificate of such destruction.

Section 10.2. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Fiscal Agent Agreement to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds shall be sufficient for the purposes of this Fiscal Agent Agreement (except as otherwise herein provided), if made in the following manner:

(1) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company or other eligible guarantor located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his Authority.

(2) As to any Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the CFD nor the Fiscal Agent shall be affected by any notice to the contrary.

Nothing contained in this Fiscal Agent Agreement shall be construed as limiting the Fiscal Agent or the CFD to such proof, it being intended that the Fiscal Agent or the CFD may accept any other evidence of the matters herein stated which the Fiscal Agent or the CFD may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Fiscal Agent or the CFD in pursuance of such request or consent.

Section 10.3. Unclaimed Moneys. To the extent permitted by law, anything in this Fiscal Agent Agreement to the contrary notwithstanding, any money held by the Fiscal Agent for the payment and discharge of any of the Outstanding Bonds which remain unclaimed for a period ending at the earlier of two Business Days prior to the date such funds would escheat to the State or two years after the date when such Outstanding Bonds have become due and payable, if such money was held by the Fiscal Agent at such date, or for a period ending at the earlier of two Business Days prior to the date such funds would escheat to the State or two years after the date of deposit of such money if deposited with the Fiscal Agent after the date when such Outstanding Bonds become due and payable, shall be repaid by the Fiscal Agent to the CFD, as its absolute property, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the CFD for the payment of such Outstanding Bonds; provided, however, that, before being required to make any such payment to the CFD, the Fiscal Agent at the written request of the CFD or the Fiscal Agent shall, at the expense of the CFD, cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds at their addresses as they appear on the registration books of the Fiscal Agent a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the CFD. The Fiscal Agent shall not be liable to the CFD or any Owner for interest on uninvested funds held by it for the payment and discharge of the principal, premium or interest on any of the Bonds to any Owner.

Section 10.4. Provisions Constitute Contract. The provisions of this Fiscal Agent Agreement shall constitute a contract between the CFD and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Bondowners or the Fiscal Agent, then the CFD, the Fiscal Agent and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Fiscal Agent Agreement shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Fiscal Agent Agreement, but to no greater extent and in no other manner.

Section 10.5. Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the CFD from making contracts or creating bonded or other indebtedness payable from a pledge of the Special Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the CFD or from taxes or any source other than the Special Taxes and other amounts pledged hereunder.

Section 10.6. Further Assurances. The CFD will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Fiscal Agent Agreement, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Fiscal Agent Agreement.

Section 10.7. Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Fiscal Agent Agreement, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Fiscal Agent Agreement and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Fiscal Agent Agreement, the Bonds issued pursuant hereto shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8. Notices. Any notices required to be given to the CFD with respect to the Bonds or this Fiscal Agent Agreement shall be mailed, first class, postage prepaid, or personally delivered to the City Administrator of the City of Rialto, 150 South Palm Avenue, Rialto, California 92376, and all notices to the Fiscal Agent in its capacity as Fiscal Agent shall be mailed, first class, postage prepaid, or personally delivered to the Fiscal Agent, U.S. Bank National Association, 633 West fifth Street, 24th Floor LM-CA-T24T, Los Angeles, California 90071, Attention: Corporate Trust Department.

Section 10.9. General Authorization. The Mayor, City Administrator and the Chief Financial Officer are hereby respectively authorized to do and perform from time to time any and all acts and things consistent with this Fiscal Agent Agreement necessary or appropriate to carry the same into effect.

Section 10.10. Execution in Counterparts This Fiscal Agent Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be

deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the CITY COUNCIL OF THE CITY OF RIALTO, acting as the legislative body of CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK), has caused this Fiscal Agent Agreement to be signed by its Mayor and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Fiscal Agent Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF RIALTO COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (ELM PARK)

By: _____
Mayor of the City of Rialto, acting in its capacity
as the legislative body of City of Rialto
Community Facilities District No.
2006-1 (Elm Park)

ATTEST:

By: _____
City Clerk

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Its: Authorized Officer

EXHIBIT A

FORM OF BOND

No. _____ \$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO**

**CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BOND, SERIES 2016**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP NO.
_____ %	September 1, _____	_____, 2016	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK) (the “CFD”) situated in the County of San Bernardino, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Fiscal Agent Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless (i) the date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date in which event interest shall be payable from the Dated Date set forth above. Notwithstanding the foregoing, if at the time of authentication of this Bond interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on March 1 and September 1 of each year (each, an “Interest Payment Date”), commencing September 1, 2017, at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of U.S. Bank National Association, a national banking association (the “Fiscal Agent”) in Los Angeles, California. Interest on this Bond shall be paid by check of

the Fiscal Agent mailed by first class mail, postage prepaid, or in certain circumstances described in the Fiscal Agent Agreement by wire transfer to an account within the United States, to the Registered Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Registered Owner's address as it appears on the registration books maintained by the Fiscal Agent. Interest due on the Bonds shall be calculated on a basis of a 360-day year comprised of twelve 30-day months.

This Bond is one of a duly authorized issue of "City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Refunding Bonds, Series 2016" (the "Bonds") issued in the aggregate principal amount of \$_____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, et seq., of the California Government Code (the "Act") for the purpose of refinancing certain prior bonds which financed the acquisition of certain capital facilities in the CFD, funding a reserve account, paying capitalized interest and paying certain costs related to the issuance of the Bonds. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City of Rialto, acting in its capacity as the legislative body of the CFD (the "Council") on June 5, 2006 and a Fiscal Agent Agreement dated as of December 1, 2016 (the "Fiscal Agent Agreement"), between the CFD and the Fiscal Agent, and this reference incorporates the Fiscal Agent Agreement herein, and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Fiscal Agent Agreement is executed under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Any amounts for the payment hereof shall be limited to the Special Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund (exclusive of amounts transferred to the Administrative Expense Account) established under the Fiscal Agent Agreement. The CFD has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Fiscal Agent Agreement it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

The Bonds are subject to redemption prior to maturity at the option of the CFD on any Interest Payment Date on or after March 1, ____, as a whole or in part, by lot, from any available source of funds at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be), together with accrued interest thereon to the date fixed for redemption:

Redemption Dates

Redemption Prices

The Bonds are subject to mandatory redemption prior to maturity on any Interest Payment on or after March 1, ____, as a whole or in part, in a manner determined by the District from prepayments of Special Taxes at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption:

Redemption Dates

Redemption Prices

In connection with such redemption, the CFD may also apply amounts in the Reserve Account which will be in excess of the Reserve Requirement as a result of such Special Tax prepayment to redeem Bonds as set forth above.

The Bonds maturing on September 1, 20__ and September 1, 20__ are subject to mandatory redemption, in part by lot, on September 1 in each year commencing September 1, 2021, with respect to the Bonds maturing on September 1, 20__, and commencing September 1, 20__, with respect to the Bonds maturing on September 1, 20__, from the Sinking Fund Payments that have been deposited into the Redemption Account at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption as set forth in the following schedule; provided, however, that (i) in lieu of redemption thereof, the Bonds may be purchased by the CFD and tendered to the Fiscal Agent, and (ii) if some but not all of the Bonds have been redeemed pursuant to optional redemption, special mandatory redemption from prepayment of Special Taxes or any other special mandatory redemption provision provided in the Fiscal Agent Agreement, the total amount of all future sinking payments will be reduced by the aggregate principal amount of the Bonds so redeemed, to be allocated among such sinking payments on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000 as determined by the CFD.

Bonds Maturing on September 1, 20__

Redemption Date
(September 1)

Principal Amount

Bonds Maturing on September 1, 20__

Redemption Date
(September 1)

Principal Amount

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 60 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books. Neither a failure of the Registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date; provided that funds for the redemption are on deposit with the Fiscal Agent on the redemption date. Thereafter, the registered owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the CFD and the Fiscal Agent may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Fiscal Agent Agreement. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Fiscal Agent in Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the Fiscal Agent Agreement, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Fiscal Agent shall not be required to register transfers or make exchanges of (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The rights and obligations of the CFD and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Fiscal Agent Agreement.

The Fiscal Agent Agreement contains provisions permitting the CFD to make provision for the payment of the interest on, and the principal and premium, if any, of the Bonds so that

such Bonds shall no longer be deemed to be outstanding under the terms of the Fiscal Agent Agreement.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF RIALTO (THE "CITY") OR OF THE CFD FOR WHICH THE CITY OR THE CFD IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE CFD PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE FISCAL AGENT AGREEMENT BUT ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the CFD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, City of Rialto Community Facilities District No. 2006-1 (Elm Park) has caused this Bond to be dated as of the Dated Date, to be signed on behalf of the CFD by the Mayor of the City of Rialto, acting as the legislative body of the City of Rialto Community Facilities District No. 2006-1 (Elm Park) by her manual signature and attested by the manual signature of the City Clerk of the City of Rialto and has caused the seal of the City to be reproduced hereon.

[SEAL]

By: _____ Mayor
of the City of Rialto , acting as the legislative body of
City of Rialto Community Facilities District No. 2006-
1 (Elm Park)

ATTEST:

City Clerk of the City of Rialto, acting
as the legislative body of City of
Rialto Community Facilities District
No. 2006-1 (Elm Park)

[FORM OF FISCAL AGENT'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Fiscal Agent Agreement.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Its: Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(NAME, ADDRESS, AND TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER OF ASSIGNEE)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature(s) on this Assignment must correspond with the names as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B

REQUISITION NO. 1

**CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)**

REQUISITION FOR DISBURSEMENT OF COSTS OF ISSUANCE

U.S. Bank National Association is hereby requested to pay from the Costs of Issuance Fund of the Community Facilities District No. 2006-1 (Elm Park), established by the Fiscal Agent Agreement dated as of December 1, 2016, between the Fiscal Agent and City of Rialto Community Facilities District No. 2006-1 (Elm Park), for payment of authorized Costs of Issuance.

The amount is due and payable under purchase order, contract or other authorization and has not formed the basis of any prior request for payment. The conditions to the release of this amount from the Community Facilities District No. 2006-1 (Elm Park) Costs of Issuance Fund are satisfied.

There has not been filed with nor served upon the CFD notice of any lien, right to lien or attachment upon, or stop notice or claim affecting the right to receive payment of the amount specified above which has not been released or will not be released simultaneously with the payment of such amount, other than materialmen's or mechanic's liens accruing by mere operation of law.

Dated: _____

CITY OF RIALTO COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (ELM PARK)

By: _____
Authorized Representative

BOND PURCHASE CONTRACT

\$ _____
CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

_____, 2016

City of Rialto
 Community Facilities District No. 2006-1
 150 South Palm Avenue
 Rialto, California 92376

Ladies and Gentlemen:

Backstrom McCarley Berry & Co., LLC (the “**Underwriter**”) offers to enter into this Bond Purchase Contract (this “**Purchase Contract**”) with the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (the “**Community Facilities District**”) which, upon your acceptance of this offer, will be binding upon the Community Facilities District and the Underwriter. Capitalized terms used but not otherwise defined herein have the same meanings as set forth in the Fiscal Agent Agreement described below.

This offer is made subject to the acceptance by the Community Facilities District of this Purchase Contract on or before 11:59 p.m., Pacific Time, on the date first set forth above.

1. Purchase of Bonds. (a) Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Community Facilities District, and the Community Facilities District hereby agrees to sell to the Underwriter, all (but not less than all) of \$_____ aggregate principal amount of the special tax refunding bonds captioned above (the “**Bonds**”) at a purchase price of \$_____ (being an amount equal to the collective par amount of the Bonds (\$_____), less a net original issue discount of \$_____, and less an Underwriter’s discount of \$_____).

(b) The Bonds will be issued by the Community Facilities District pursuant to:

- (i) the Mello-Roos Community Facilities Act of 1982 (constituting Sections 53311 *et seq.* of the California Government Code) (the “**Act**”),
- (ii) a resolution adopted on _____, 2016 (the “**Resolution of Issuance**”), by the City Council of the City of Rialto (the “**City Council**”), acting as the legislative body of the Community Facilities District, and
- (iii) a Fiscal Agent Agreement, dated as of December 1, 2016, (the “**Fiscal Agent Agreement**”), between the Community Facilities District and U.S. Bank National Association, as fiscal agent (the “**Fiscal Agent**”).

The Community Facilities District acknowledges and agrees that:

- (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the Community Facilities District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Community Facilities District and the City;
- (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City or the Community Facilities District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the City or Community Facilities District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Community Facilities District or City on other matters);
- (iii) the only obligations the Underwriter has to the Community Facilities District or the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”); and
- (iv) the City and the Community Facilities District have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate in connection with the transaction contemplated herein.

The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under rule G-17 of the MSRB. The Community Facilities District acknowledges and represents that it has engaged Fieldman, Rolapp & Associates as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on the financial advice of Fieldman, Rolapp & Associates with respect to the Bonds.

The Bonds are being issued to (i) defease and refund the outstanding special tax bonds of the Community Facilities District captioned “\$5,035,000 City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Bonds, 2006 Series” (the “**Refunded Bonds**”), (ii) fund a debt service reserve fund for the Bonds, and (iii) pay certain costs of issuing the Bonds.

2. Terms of the Bonds. The Bonds will mature on the dates and in the principal amounts, and will bear interest at the rates, and be subject to the redemption terms as set forth in Exhibit A hereto. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth in Exhibit A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Underwriter agrees, upon request, to furnish to the City, the Community Facilities District or Bond Counsel, reasonable written verification of its compliance with this paragraph. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market; and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

3. Preliminary Official Statement; Final Official Statement; Continuing Disclosure.

(a) The Community Facilities District agrees to deliver to the Underwriter as many copies of the Official Statement dated the date of this Purchase Contract, relating to the Bonds (as supplemented and amended from time to time, the "**Final Official Statement**") as the Underwriter may reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("**Rule 15c2-12**"). The Community Facilities District agrees to deliver such Final Official Statements within 7 business days after the execution of this Purchase Contract, and in sufficient time to accompany any confirmation that requests payment from a customer.

The Underwriter agrees to provide, consistent with the requirements of the MSRB's Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and deliver a copy of the Official Statement to a national repository on or before the Closing Date (as defined below), and that it will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, Rule 15c2-12 and MSRB Rule G-32.

(b) The Community Facilities District has authorized and approved the Preliminary Official Statement dated _____, 2016 (the "**Preliminary Official Statement**") and the Final Official Statement dated the date of this Purchase Contract, and consents to their distribution and use by the Underwriter and the execution and approval of the Final Official Statement by a duly authorized officer of the Community Facilities District.

(c) In connection with issuance of the Bonds, and in order to assist the Underwriter with complying with the provisions of Rule 15c2-12, the Community Facilities District will execute a continuing disclosure agreement (the "**Continuing Disclosure Agreement**"), pursuant to which the Community Facilities District will undertake to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure Agreement will be attached as an exhibit to the Preliminary and Final Official Statements.

4. Representations and Warranties of the Community Facilities District. The Community Facilities District makes the following representations and warranties to the Underwriter.

(a) *Due Organization and Authority.* The City is duly organized and validly existing under State law, and the Community Facilities District is duly organized and validly existing as a community facilities district under the Act. The City Council, acting as legislative body of the Community Facilities District, has the full legal right, power and authority to adopt the Resolution of Issuance and the other resolutions adopted by the City Council (collectively with the Resolution of Issuance, the "**Resolutions**") with respect to establishing the Community Facilities District.

The Community Facilities District has the full legal right, power and authority, among other things,

(i) upon satisfaction of the conditions in this Purchase Contract and the Resolution of Issuance, to issue the Bonds for the purposes contemplated by the Fiscal Agent Agreement,

(ii) to secure the Bonds in the manner contemplated in the Resolution of Issuance and the Fiscal Agent Agreement,

(iii) to enter into this Purchase Contract, the Fiscal Agent Agreement, the Escrow Agreement (the "**Escrow Agreement**"), dated as of the Closing Date, by and between the Community Facilities District and U.S. Bank National Association, as escrow agent (the "**Escrow Agent**") and the Continuing Disclosure Agreement,

(iv) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and

(v) to carry out and consummate all other transactions contemplated by the Bonds, this Purchase Contract, the Fiscal Agent Agreement, the Escrow Agreement and the Continuing Disclosure Agreement (collectively, the "**Community Facilities District Documents**").

(b) *Compliance with Law.* The City Council, acting as the legislative body of the Community Facilities District, has complied with all provisions of applicable law, including the Act, in all matters relating to the adoption of the Resolutions, the formation of the Community Facilities District, the incurrence of bonded indebtedness on behalf of the Community Facilities District, and the levy of the Special Tax.

(c) *Due Authorization; Consents and Approvals.* The City Council has duly authorized:

(i) the execution and delivery by the Community Facilities District of the Bonds and the execution, delivery and due performance by the Community Facilities District of its obligations under the Community Facilities District Documents,

(ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the Final Official Statement, and

(iii) the taking of any and all such action as may be required on the part of the Community Facilities District to carry out, give effect to and consummate the transactions on its part contemplated by such instruments.

All consents or approvals necessary to be obtained by the City or the Community Facilities District in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) *Effectiveness of Resolutions; Enforceability of Agreements.* The Resolutions have been duly adopted by the City Council, acting as legislative body of the Community Facilities District, and are in full force and effect; and the Continuing Disclosure Agreement, the Escrow Agreement and the Fiscal Agent Agreement, when executed and delivered by the Community Facilities District and the other respective parties thereto, will constitute legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance

with their terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(e) *Enforceability of Bonds.* When delivered to the Underwriter, the Bonds will have been duly authorized by the City Council, acting as legislative body of the Community Facilities District, and duly executed, issued and delivered by the Community Facilities District and, when authenticated by the Fiscal Agent, will constitute legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, and will be entitled to the benefit and security of the Resolution of Issuance, the Escrow Agreement and the Fiscal Agent Agreement.

(f) *Preliminary Official Statement.* The information contained in the Preliminary Official Statement relating to the City, the Community Facilities District, the Fiscal Agent Agreement, the Escrow Agreement, the Bonds, the Rate and Method (as defined below), the Continuing Disclosure Agreement and the Resolutions is, and as of the Closing Date such information in the Final Official Statement will be, true and correct in all material respects, and the Preliminary Official Statement does not as of its date, and the Final Official Statement will not as of the Closing Date, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein with respect to such information, in the light of the circumstances under which they were made, not misleading.

(g) *Amendment or Supplement to Official Statement.* The Community Facilities District shall promptly notify the Underwriter in writing if, at any time prior to the earlier of receipt of notice from the Underwriter that the Final Official Statement is no longer required to be delivered under Rule 15c2-12 or the Closing Date (as described in Section 7 below), any event known to the officers of the City participating in the issuance of the Bonds occurs with respect to the City or the Community Facilities District as a result of which the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Any information supplied by the City for inclusion in any amendments or supplements to the Final Official Statement will not contain any untrue or misleading statement of a material fact relating to the City or the Community Facilities District or omit to state any material fact relating to the City or the Community Facilities District necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) *No Breach or Conflict.* Neither the adoption of the Resolutions, the execution and delivery of the Community Facilities District Documents, nor the consummation of the transactions on the part of the Community Facilities District contemplated herein or therein or the compliance by the Community Facilities District with the provisions hereof or thereof will conflict with, or constitute on the part of the Community Facilities District a violation of, or a breach of or default under,

(i) any material indenture, note, agreement or instrument to which the City or the Community Facilities District is a party or by which it is bound,

(ii) any provision of the Act or the State Constitution, or

(iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City (or the members of the City Council or any of its officers in their respective capacities as such) or the Community Facilities District is subject,

that would have a material adverse affect on the ability of the Community Facilities District to perform its obligations under the Community Facilities District Documents.

(i) *No Defaults.* Neither the Community Facilities District nor the City has ever been in default at any time, as to principal of or interest on any obligation which either of them has issued, which default may have an adverse effect on the ability of the Community Facilities District to consummate the transactions on its part under the Community Facilities District Documents, except as specifically disclosed in the Final Official Statement; and other than the Bonds, neither the City nor the Community Facilities District has entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Special Taxes.

(j) *No Litigation.* Except as is specifically disclosed in the Final Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Community Facilities District or the City has been served with process or, to the best knowledge of the Community Facilities District or the City (after due inquiry), threatened against such entities, which

(i) in any way questions the powers of the City Council, the City or the Community Facilities District, or

(ii) in any way questions the validity of any proceeding taken by the City Council in connection with the issuance of the Bonds, or

(iii) wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Purchase Contract, or

(iv) which, in any way, could adversely affect the validity or enforceability of any of the Community Facilities District Documents, or

(v) to the knowledge of the Community Facilities District or the City, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes, or

(vi) in any other way questions the status of the Bonds under State tax laws or regulations.

(k) *Certificates.* Any certificate signed by an official of the Community Facilities District authorized to execute such certificate and delivered to the Underwriter in connection with the transactions contemplated by the Community Facilities District Documents or the Final Official Statement shall be deemed a representation and

warranty by the Community Facilities District to the Underwriter as to the truth of the statements therein contained.

(l) *Payment on Bonds.* The Bonds will be paid from the Special Taxes (as defined in the Fiscal Agent Agreement) received by the Community Facilities District.

(m) *Special Taxes.* The Special Taxes have been lawfully levied in accordance with the First Amended Rate and Method of Apportionment of Special Taxes for the Community Facilities District (the “**Rate and Method**”), and are secured by a lien on the property on which they are levied.

(n) *Pledge of Special Taxes.* The Fiscal Agent Agreement creates a valid pledge of, and first lien upon, Special Taxes deposited thereunder and the moneys in certain funds and accounts established pursuant to the Fiscal Agent Agreement, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(o) *Prior Continuing Disclosure Undertakings.* Based on a review of its prior undertakings under Rule 15c2-12 for the previous five years, any failures by the Community Facilities District and the City to comply in any material respects with any prior undertakings under Rule 15c2-12 are fully set forth in the Preliminary Official Statement and Final Official Statement.

(p) *Overlapping Liens.* Except as disclosed in the Final Official Statement, to the best of the City’s knowledge, in reliance on the information that the Special Tax Consultant reviewed and provided for inclusion in the Final Official Statement, there are no entities with outstanding assessment or special tax liens against any of the properties within the Community Facilities District.

(q) *Compliance with Local Goals and Policies.* The issuance of the Bonds by the Community Facilities District conforms with the local goals and policies for community facilities districts previously adopted by the City Council.

(r) *No Other Bonds.* Between the date of this Purchase Contract and the Closing Date, the Community Facilities District will not offer or issue any bonds, notes or other obligations of the Community Facilities District for borrowed money that have not been disclosed to the Underwriter as of the date of this Purchase Contract.

5. Representations and Agreements of the Underwriter. The Underwriter represents to and agrees with the Community Facilities District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute and deliver this Purchase Contract and to take any action under this Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the City and the Community Facilities District, and is not prohibited thereby from acting as underwriter with respect to securities of the City or the Community Facilities District.

(c) The Underwriter has, and has had, no financial advisory relationship with the City or the Community Facilities District with respect to the Bonds, and no investment firm

controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship, within the meaning of California Government Code Section 53590, or otherwise.

(d) The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm or person (including, but not limited to, the City's financial consultants, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Contract.

(e) The Underwriter has reasonably determined that the undertaking to provide continuing disclosure with respect to the Bonds, pursuant to the Continuing Disclosure Agreement, is sufficient to effect compliance with the Rule.

6. Blue Sky. The Community Facilities District covenants with the Underwriter that the City and the Community Facilities District will cooperate with the Underwriter (at the cost of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the Community Facilities District shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The Community Facilities District consents to the use by the Underwriter of the Community Facilities District Documents in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions of the documents relating to the Bonds.

7. Closing. At 9:00 a.m. on _____, 2016, or at such other time or date as may be mutually agreed upon by the Community Facilities District and the Underwriter (the "**Closing Date**"), the Community Facilities District will deliver or cause to be delivered through the facilities of The Depository Trust Company, on behalf of the Underwriter, the Bonds in definitive form (having the CUSIP numbers assigned to them printed thereon) duly executed and authenticated by the authorized officers of the Community Facilities District, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery through The Depository Trust Company and pay the Purchase Price of the Bonds in immediately available cleared funds.

The activities relating to the final execution and delivery of the Bonds and the payment therefor and the delivery of the resolutions, certificates, opinions and other instruments as described in Section 8 of this Purchase Contract shall occur at the offices of Aleshire & Wynder, LLP, Irvine, California ("**Bond Counsel**"). The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the "**Closing**." The Bonds will be delivered as fully registered Bonds initially in denominations of \$5,000 each and any integral multiple of \$5,000. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and will be made available for checking at the offices of Bond Counsel not less than 24 hours prior to the Closing.

8. Termination Events. The Underwriter has the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date any of the following events occurs:

(a) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, has pending before it, or passes or recommends favorably, legislation introduced previous to the date hereof, which legislation, if enacted

in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Community Facilities District or by any similar body under the Resolution of Issuance, the Fiscal Agent Agreement or the Act, or upon interest received on obligations of the general character of the Bonds, or of causing interest on obligations of the general character of the Bonds to be includable in gross income for purposes of federal income taxation, and such legislation, in the Underwriter's opinion, materially adversely affects the market price of the Bonds or the ability, of the Underwriter to enforce contracts for the sale of the Bonds; or

(b) a tentative decision with respect to legislation is reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation is favorably reported or re-reported by such a committee or introduced, by amendment or otherwise, in or passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or enacted or a decision by a federal court of the United States or the United States Tax Court is rendered, or a ruling, release, order, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency is made or proposed to be made having the purpose or effect, or any other action or event occurs that has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the Community Facilities District under the Resolution of Issuance or upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(c) legislation is enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States is rendered, the effect of which is that the Bonds, including any underlying obligations, or the Resolution of Issuance or the Fiscal Agent Agreement, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter is issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Fiscal Agent Agreement as contemplated hereby or by the Final Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Fiscal Agent Agreement Act of 1939, as amended and as then in effect; or

(e) any event occurs or any information becomes known to the Underwriter that causes the Underwriter to reasonably believe that the Final Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits

to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(f) there occurs any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(g) there is in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(h) a general banking moratorium is declared by federal, New York or State authorities; or

(i) any proceeding is pending or threatened by the Securities and Exchange Commission against the City, the City Council, or the Community Facilities District; or

(j) additional material restrictions not in force as of the date hereof are imposed upon trading in securities generally by any governmental authority or by any national securities exchange which adversely affects the Underwriter's ability to sell the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(k) the New York Stock Exchange or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increases materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter; or

(l) an amendment to the federal or State constitution is enacted or action is taken by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City or the Community Facilities District, their respective property, income or securities (or interest thereon), the validity or enforceability of the Special Tax or the ability of the Community Facilities District to issue the Bonds and levy the Special Tax as contemplated by the Resolution of Issuance, the Fiscal Agent Agreement, the Act, the Rate and Method and the Final Official Statement; or

(m) the entry of any order by a court of competent jurisdiction that enjoins or restrains the issuance of permits, licenses or entitlements within the Community Facilities District or which order, in the reasonable opinion of the Underwriter, otherwise materially and adversely affects development within the Community Facilities District; or

(n) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(o) the commencement of any action, suit, proceeding, inquiry or investigation of law, or in equity, before or by any court public board or body as described in Section 4(j) hereof.

9. Conditions to Closing. The obligations of the Underwriter to purchase the Bonds shall be subject (i) to the performance by the Community Facilities District of its obligations to be performed hereunder at and prior to the Closing, (ii) to the accuracy as of the date hereof and as of the time of the Closing of the representations and warranties of the Community Facilities District herein, and (iii) to the following conditions, including the delivery by the Community Facilities District of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

(a) At the time of Closing, (i) the Final Official Statement, this Purchase Contract, the Escrow Agreement, the Fiscal Agent Agreement, the Resolution of Issuance, and the Continuing Disclosure Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and (ii) the Community Facilities District shall have been duly formed and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, are necessary in connection with the transactions contemplated hereby, including, but not limited to, the Resolutions.

(b) The Underwriter shall receive the Bonds at the Closing, and the terms of the Bonds delivered shall in all instances be as described in Final Official Statement.

(c) At or prior to the Closing, the Underwriter will have the opportunity to review and approve final executed originals of the following documents, and within a reasonable time following the Closing the Underwriter shall receive a complete transcript related to the issuance of the Bonds which shall contain the following documents and be (a) in electronic form on CD-ROM or similar format, or, if electronic transcripts are not prepared, (b) in the form of a physical transcript binder:

(i) *Community Facilities District Documents.* Executed copies of the Fiscal Agent Agreement, the Escrow Agreement, this Purchase Contract, the Continuing Disclosure Agreement, and the Final Official Statement, together with the specimen Bonds.

(ii) *Resolutions.* Certified copies of the Resolutions.

(iii) *Final Opinion.* A final approving opinion of Bond Counsel dated the Closing Date in the form attached as an appendix to the Final Official Statement.

(iv) *Supplemental Opinion and Reliance Letters.* One or more letter or letters of Bond Counsel addressed to the Underwriter, which includes a statement to the effect that Bond Counsel's final approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter, and further provides as follows:

(A) The statements contained in the Final Official Statement on the cover page and under the captions "INTRODUCTORY STATEMENT," "THE BONDS" (excluding the subcaption "-Book-Entry

System”), “SECURITY FOR THE BONDS” (excluding the subcaption “– Rate and Method of Apportionment of Special Taxes”), and “CONCLUDING INFORMATION – Legal Opinion” and “– Tax Exemption,” and in Appendix C and Appendix D to the Final Official Statement, insofar as such statements expressly summarize certain provisions of the Bonds, the Resolutions, the Fiscal Agent Agreement, and Bond Counsel’s opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects (excluding any material, including appendices, that may be treated as included under such captions by cross-reference and any financial, statistical, economic or appraisal data or information, including special tax rates and amounts, and forecasts, numbers, charts, graphs, estimates, projections, assumptions or expressions of opinion therein, and all information related to DTC and the Book-Entry System included in all of the foregoing captioned sections, as to which no opinion or view is expressed);

(B) the Community Facilities District has duly and validly executed and delivered the Purchase Contract, and the Purchase Contract constitutes the legal, valid and binding obligation of the Community Facilities District, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors’ rights in general and to the application of equitable principles if equitable remedies are sought; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(v) *Disclosure Counsel Letter.* A letter of Norton Rose Fulbright US LLP, as disclosure counsel to the Community Facilities District (“**Disclosure Counsel**”), dated the Closing Date and addressed to the Underwriter and the Community Facilities District, to the effect that without passing upon or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Final Official Statement and making no representation that they have independently verified the accuracy, completeness or fairness of any such statements, based upon the information made available to them in the course of their participation in the preparation of the Final Official Statement, nothing has come to such counsel’s attention which would lead them to believe that the Final Official Statement, including the cover page (but excluding therefrom the appendices thereto, financial statements and statistical data, and information regarding The Depository Trust Company and its book-entry system, as to which no opinion need be expressed) as of its date and as of the Closing Date, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(vi) *Special Counsel Opinion.* An opinion, dated the Closing Date and addressed to the Underwriter, of Aleshire & Wynder, LLP, Irvine, California, special counsel to the City, in form and substance acceptable to the Underwriter.

(vii) *Issuer Closing Certificate.* A certificate, in form and substance as set forth in Exhibit B hereto, of the Community Facilities District, dated as of the Closing Date.

(viii) *Form 8038.* Evidence that Internal Revenue Service Form 8038 has been executed by the Community Facilities District and will be filed with the Internal Revenue Service.

(ix) *Non-Arbitrage Certificate.* A non-arbitrage certificate executed by the Community Facilities District in form and substance satisfactory to Bond Counsel.

(x) *Certificate Regarding Preliminary Official Statement.* Prior to and in connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the Community Facilities District in the form attached hereto as Exhibit C.

(xi) *Special Tax Consultant Certificate.* A certificate in form and substance as set forth in Exhibit D hereto, of Willdan Financial Services, Inc., Special Tax Consultant, dated as of the Closing Date.

(xii) *Fiscal Agent/Escrow Agent Closing Certificate.* A certificate in form and substance as set forth in Exhibit E hereto of the Fiscal Agent and Escrow Agent, dated as of the Closing Date.

(xiii) *Fiscal Agent Counsel Opinion.* An opinion of counsel to the Fiscal Agent in form and substance satisfactory to the Underwriter and Bond Counsel.

(xiv) *Underwriter's Counsel Opinion.* An opinion, dated the Closing Date and addressed to the Underwriter, of Jones Hall, A Professional Law Corporation, San Francisco, California, Underwriter's Counsel, in form and substance acceptable to the Underwriter.

(xv) *Financial Advisor's Closing Certificate.* A certificate of Fieldman, Rolapp & Associates, dated as of the Closing Date, in form and substance satisfactory to Bond Counsel and the Underwriter.

(xvi) *Defeasance Opinion.* A defeasance opinion of Bond Counsel, addressed to the District, the Underwriter and the Escrow Agent, dated the date of Closing, as to the effective defeasance of the Refunded Bonds in form and substance acceptable to the Underwriter.

(xvii) *Escrow Agent Counsel Opinion.* An opinion of counsel to the Escrow Agent dated the Closing Date and addressed to the Community Facilities District and the Underwriter to the effect that it has duly authorized the execution and delivery of the Escrow Agreement and that the Escrow Agreement is a valid and binding obligation of the Escrow Agent enforceable in accordance with its terms in a form acceptable to Bond Counsel.

(xviii) *Verification Report.* A copy of the verification report of Grant Thornton LLP, concluding that the amount of the proceeds of the Bonds to be

deposited under the Escrow Agreement are sufficient to defease the Refunded Bonds as provided in the Escrow Agreement.

(xix) *Other Documents.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Community Facilities District with legal requirements, the truth and accuracy, as of the time of the Closing, of the representations of the Community Facilities District herein contained and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District.

If the Community Facilities District is unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Community Facilities District shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 hereof shall continue in full force and effect.

10. Conditions to Community Facilities District's Obligations. The obligations of the Community Facilities District hereunder are subject to the performance by the Underwriter of its obligations hereunder.

11. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements of the Community Facilities District hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, the City or the Community Facilities District and shall survive the Closing.

12. Expenses. The Community Facilities District shall pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Purchase Contract, including, but not limited to: costs of delivery of the Bonds; costs of printing the Bonds, the Preliminary Official Statement and the Final Official Statement; costs of preparing and printing any amendment or supplement to the Preliminary Official Statement or Final Official Statement; and fees and disbursements of Bond Counsel and Disclosure Counsel, the Community Facilities District's special counsel, Underwriter's Counsel for services related to this Purchase Contract, the Special Tax Consultant, the Fiscal Agent, the Escrow Agent and any other accountants, financial advisers or other experts or consultants retained by the City or the Community Facilities District in connection with the formation of the Community Facilities District or the issuance of the Bonds.

The Underwriter shall pay all expenses incurred by it in connection with its public offering and distribution of the Bonds, including without limitation advertising expenses in connection with the public offering of the Bonds, the fees and expenses of its counsel (except for fees related to this Purchase Contract), and any MSRB fees, CUSIP Bureau fees, and California Debt and Investment Advisory Commission fees. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

13. Notices. Any notice or other communication to be given to the City or the Community Facilities District under this Purchase Contract may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

Backstrom McCarley Berry & Co., LLC
115 Sansome Street, Mezzanine A
San Francisco, California 94104
Attention: Public Finance Department

14. Benefit. This Purchase Contract is made solely for the benefit of the City, the Community Facilities District and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

15. Governing Law. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of California.

16. Effective Date. This Purchase Contract shall become effective upon acceptance hereof by the Community Facilities District.

17. Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

18. Severability. If any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

BACKSTROM MCCARLEY BERRY & CO.,
LLC

By: _____
Managing Director

Accepted and agreed to as of
the date first above written:

CITY OF RIALTO COMMUNITY
FACILITIES DISTRICT NO. 2006-1 (ELM
PARK)

By: _____
Authorized Representative

Date of Execution: _____
Time of Execution: _____

EXHIBIT A

\$ _____
CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
---	-----------------------------------	--------------------------------	--------------	--------------

20__*
20__*

*Term Bond.

C = Priced to the optional redemption date of September 1, 20__ at par.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds are subject to redemption prior to maturity at the option of the CFD on any Interest Payment Date on or after March 1, ____, as a whole or in part, by lot, from any available source of funds at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be), together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Date</u>	Redemption <u>Price</u>
	103%
	102
	101
	100

Special Mandatory Redemption From Special Tax Prepayments. The Bonds are subject to mandatory redemption prior to maturity on any Interest Payment on or after March 1, ____, as a whole or in part, in a manner determined by the District from prepayments of Special Taxes at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Date</u>	Redemption <u>Price</u>
	103%
	102
	101
	100

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ and September 1, 20__ are subject to mandatory redemption, in part by lot, on September 1 in each year commencing September 1, 20__ with respect to the Bonds maturing on September 1, 20__, and commencing September 1, 20__, with respect to the Bonds maturing on September 1, 20__, from the Sinking Fund Payments that have been deposited into the Redemption Account at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption as set forth in the following schedule; provided, however, that (i) in lieu of redemption thereof, the Bonds may be purchased by the CFD and tendered to the Fiscal Agent, and (ii) if some but not all of the Bonds have been redeemed pursuant to optional or special mandatory redemption as set forth above, the total amount of all future sinking payments will be reduced by the aggregate principal amount of the Bonds so redeemed, to be allocated among such sinking payments on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000 as determined by the CFD.

Sinking Fund Redemption Date <u>(September 1)</u>	<u>Sinking Payments</u>
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EXHIBIT B

**CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016**

ISSUER CLOSING CERTIFICATE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Rialto (the "City"), the City Council of which is the legislative body of the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (the "Community Facilities District"), and is duly authorized to execute and deliver this certificate and further hereby certifies and reconfirms on behalf of the Community Facilities District as follows:

(1) The representations, warranties and covenants of the Community Facilities District contained in Section 4 of that certain Bond Purchase Contract by and between the Community Facilities District and Backstrom McCarley Berry & Co., LLC dated _____, 2016 (the "Purchase Contract") are true and correct and in all material respects as of the date hereof as if made on the date hereof.

(2) The representations and warranties of the Community Facilities District contained in the Community Facilities District Documents are true and correct in all material respects as of the date hereof as if made on the date hereof, and the Community Facilities District has complied with all agreements, covenants and conditions to be complied with by the Community Facilities District under the Community Facilities District Documents as of the date hereof.

(3) To the best knowledge of the Community Facilities District, no event affecting the City or the Community Facilities District has occurred since the date of the Final Official Statement which either makes untrue or incorrect in any material respect as of the date hereof the statements or information relating to the City or the Community Facilities District contained in the Final Official Statement or is not reflected in the Final Official Statement but should be reflected therein in order to make such statements and information therein not misleading in any material respect.

(4) The Special Tax has been levied for fiscal year 2016-17 in accordance with the Rate and Method.

Capitalized terms not defined herein have the same meanings as is set forth in the Purchase Contract.

Dated: _____, 2016

CITY OF RIALTO COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (ELM PARK)

By: _____
Name: _____
Title: _____

EXHIBIT C

**CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016**

ISSUER RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Rialto (the "City"), the City Council of which is the legislative body of the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (the "Community Facilities District"), and is duly authorized to execute and deliver this certificate and further hereby certifies and reconfirms on behalf of the Community Facilities District as follows:

(1) This Certificate is delivered in connection with the offering and sale of the bonds captioned above (the "Bonds") in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, the City and the Community Facilities District (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of Rule 15c2-12, and the information therein is accurate and complete except for the Permitted Omissions.

Dated: _____, 2016

CITY OF RIALTO COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (ELM PARK)

By: _____
Name: _____
Title: _____

EXHIBIT D

\$ _____
CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

CERTIFICATE OF SPECIAL TAX CONSULTANT

Willdan Financial Services, Inc. ("Special Tax Consultant"), Temecula, California was retained as Special Tax Consultant and has reviewed the Rate and Method of Apportionment of the Special Tax (the "Rate and Method") set forth in Appendix A to the Official Statement (the "Official Statement") dated _____, 2016, relating to the bonds captioned above (the "Bonds").

Based upon such review, the Special Tax Consultant hereby certifies that the Special Tax, if levied in the maximum amounts permitted pursuant to the Special Tax formula set forth in the Rate and Method on the date hereof, in each remaining Bond Year on all parcels of Taxable Property that are not known by the Community Facilities District to be delinquent in the payment of any Special Taxes, assessments or ad valorem property taxes then due and owing is at least the sum of (i) the Administrative Expense Requirement, plus (ii) 110% of the Annual Debt Service for each corresponding Bond Year on all Bonds, provided that the annual debt service figures in the debt service schedule contained in the Official Statement, which were relied upon by Special Tax Consultant, are substantially true and correct.

Although the Special Tax, if levied in the maximum amounts pursuant to the Special Tax formula set forth in the Rate and Method, would be levied in an amount equal to at least 110% of the Annual Debt Service payable with respect to the Bonds each year, no representation is made herein as to actual amounts that will be collected in future years.

All information with respect to the Rate and Method in the Official Statement and tables sourced to the Special Tax Consultant in the Official Statement, and all information in the Official Statement provided by the Special Tax Consultant, is true and correct as of the date of the Official Statement and as of the date hereof, and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Capitalized terms not otherwise defined herein shall have their meaning set forth in the Official Statement.

Dated: _____, 2016

WILLDAN FINANCIAL SERVICES, INC.

By: _____

EXHIBIT E

**\$ _____
CITY OF RIALTO**

**COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016**

CERTIFICATE OF FISCAL AGENT/ESCROW AGENT

The undersigned, an authorized officer of U.S. Bank National Association, a national banking association (the "Bank"), and as such, is familiar with the facts herein certified and is authorized and qualified to state and certify the following:

(i) The Bank is duly organized and existing as a national banking association in good standing under the laws of the United States of America, having the full power and authority to accept and perform its duties under the Fiscal Agent Agreement dated as of December 1, 2016, (the "Fiscal Agent Agreement"), between the Community Facilities District and the Bank, as fiscal agent, and the Escrow Agreement (the "Escrow Agreement"), dated as of _____, 2016, by and between the Community Facilities District and the Bank, as Escrow Agent (capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Bond Purchase Contract, dated _____, 2016, by and between the Community Facilities District, and Backstrom McCarley Berry & Co., LLC).

(ii) Pursuant to the Fiscal Agent Agreement, the Bank will apply the proceeds from the above-captioned bonds (the "Bonds") to the purposes specified in such Fiscal Agent Agreement and the Escrow Agreement;

(iii) The Bank is duly authorized to accept the obligations created by the Fiscal Agent Agreement and the Escrow Agreement and to authenticate the Bonds pursuant to the terms of such Fiscal Agent Agreement;

(iv) The Fiscal Agent Agreement and the Escrow Agreement have been duly authorized, executed and delivered by the Bank and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Bank enforceable against the Bank in accordance with their terms;

(v) The Bonds have been validly authenticated and delivered by the Bank pursuant to the Fiscal Agent Agreement;

(vi) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Bank, that has not been obtained, is or will be required for the authentication of the Bonds or the consummation by the Bank of the other transactions contemplated to be performed by the Bank in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Fiscal Agent Agreement and the Escrow Agreement;

(vii) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of its knowledge, threatened in any way affecting the existence of the Bank, or seeking to restrain or to enjoin the execution and delivery of the Fiscal Agent Agreement, the Escrow Agreement or the authentication of the Bonds, by the Bank, or in any way contesting or affecting the validity or

enforceability, as against the Bank, of the Fiscal Agent Agreement, the Escrow Agreement or any action of the Bank contemplated by any of said documents, or in which an adverse outcome would materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement or the Escrow Agreement;

(viii) The Bank is not in breach of or in default under any applicable law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Bank is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement or the Escrow Agreement (*provided, however*, that the Bank does not certify as to compliance with State or federal securities laws); and

(ix) The authentication of the Bonds, and the execution and delivery of the Fiscal Agent Agreement and the Escrow Agreement by the Bank, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the Bank is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement and the Escrow Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of the Bank as of the date set forth below.

Dated: _____, 2016

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent and Escrow Agent

By: _____
Authorized Officer

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated ____, 2016, is executed and delivered by the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (the “CFD”) and Willdan Financial Services, as dissemination agent (the “Dissemination Agent”) hereunder, in connection with the issuance of the \$____ City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Refunding Bonds, Series 2016 (the “Bonds”). The Bonds are being issued pursuant to provisions of a Fiscal Agent Agreement, dated as of December 1, 2016 (the “Fiscal Agent Agreement”), by and between the CFD and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”). The CFD and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the CFD and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report or any addendum thereto provided by the CFD pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“CFD” means City of Rialto Community Facilities District No. 2006-1 (Elm Park), a community facilities district organized and existing under the laws of the State of California, and such area of land comprising that community facilities district.

“City” means the City of Rialto, California.

“Disclosure Representative” shall mean City Administrator of the City of Rialto or his or her designee, or such other officer or employee as the City shall designate in writing to the Fiscal Agent and Dissemination Agent from time to time.

“Dissemination Agent” shall mean Willdan Financial Services, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the CFD and which has filed with the Fiscal Agent a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The CFD shall, or shall cause the Dissemination Agent to, not later than March 1 of each year, commencing March 1, 2017, provide to the MSRB and the Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the CFD shall work and cooperate with the Dissemination Agent to prepare the Annual Report. If by such date, the Annual Report has not been completed, the Dissemination Agent shall notify the CFD of such failure to receive the Annual Report. The CFD shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. Except for the portions of the Annual Report prepared by the Dissemination Agent, the Dissemination Agent may conclusively rely upon such certification of the CFD and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall, to the extent information is known to it, file a report with the CFD and (if the Dissemination Agent is not the Fiscal Agent) the Fiscal Agent certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

SECTION 4. Content of Annual Reports. The CFD's Annual Report shall contain or include by reference the following (unless otherwise stated, such information shall be as of the end of the most recent Fiscal Year and shall be with respect to the City):

(i) The audited financial statements of the City, prepared in accordance with generally accepted accounting principles in effect from time to time. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the most recently filed audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(ii) The balance in the Reserve Account as of September 30 held under the Fiscal Agent Agreement.

(iii) Total assessed valuation (per the San Bernardino County Assessor records) of all parcels currently subject to the Special Tax within the CFD, showing the total assessed valuation for all land and the total assessed valuation for all improvements within the CFD and distinguishing between the assessed value of developed property and undeveloped property.

(iv) Identification of each parcel within the CFD for which any Special Tax payment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent; (B) the date of each delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not yet been dismissed, the date on which the complaint was filed; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.

(v) The principal amount of prepayments of the Special Tax with respect to the CFD for the prior Fiscal Year.

(vi) A land ownership summary listing property owners responsible for more than five percent (5%) of the annual Special Tax levy, as shown on the San Bernardino County Assessor's last equalized tax roll prior to the September next preceding the Annual Report date.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet Website or filed with the SEC.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this section, upon the occurrence of any of the following events (in each case to the extent applicable) with respect to the Bonds, the CFD shall give, or cause to be given by so notifying the Dissemination Agent in writing and

instructing the Dissemination Agent to give, notice of the occurrence of such event, in each case, pursuant to Section 5(c) hereof:

1. principal or interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to the rights of the Bondholders, if material;
4. optional, contingent or unscheduled calls, if material, and tender offers;
5. defeasances;
6. rating changes;
7. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
8. unscheduled draws on the debt service reserves reflecting financial difficulties;
9. unscheduled draws on the credit enhancements reflecting financial difficulties;
10. substitution of the credit or liquidity providers or their failure to perform;
11. release, substitution or sale of property securing repayment of the Bonds, if material;
12. bankruptcy, insolvency, receivership or similar proceedings of the CFD, which shall occur as described below;
13. appointment of a successor or additional fiscal agent or the change of name of a fiscal agent, if material, or;
14. the consummation of a merger, consolidation, or acquisition involving the CFD or the sale of all or substantially all of the assets of the CFD other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

For these purposes, any event described in item 12 of this Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the CFD in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the CFD, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an

order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the CFD.

(b) Upon receipt of notice from the CFD and instruction by the CFD to report the occurrence of any Listed Event, the Dissemination Agent shall provide notice thereof to the MSRB in accordance with Section 5(c) hereof. In the event the Dissemination Agent shall obtain actual knowledge of the occurrence of any of the Listed Events, the Dissemination Agent shall, immediately after obtaining such knowledge, contact the Disclosure Representative, inform such person of the event, and request that the CFD promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c). For purposes of this Disclosure Agreement, “actual knowledge” of the occurrence of such Listed Event shall mean actual knowledge by the Dissemination Agent, if other than the Fiscal Agent, and if the Dissemination Agent is the Fiscal Agent, then by the officer at the corporate trust office of the Fiscal Agent with regular responsibility for the administration of matters related to the Fiscal Agent Agreement. The Dissemination Agent shall have no responsibility to determine the materiality, if applicable, of any of the Listed Events.

(c) The CFD, or the Dissemination Agent, if the Dissemination Agent has been instructed by the CFD to report the occurrence of a Listed Event, shall file a notice of such occurrence with the MSRB in a timely manner not more than ten (10) Business Days after the occurrence of the event.

SECTION 6. Termination of Reporting Obligation. The CFD’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the CFD shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The CFD may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Except for information prepared or provided by the Dissemination Agent, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the CFD pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be Willdan Financial Services. The Dissemination Agent may resign by providing thirty days’ written notice to the CFD and the Fiscal Agent. Except for any portions of the report prepared by the Dissemination Agent, the Dissemination Agent shall not be responsible for the content of any report or notice prepared by the CFD. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the CFD in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the CFD and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the CFD) provided, the Dissemination Agent shall not be obligated to enter into any such

amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the CFD shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the CFD.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the CFD from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the CFD chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the CFD shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 11. Default. In the event of a failure of the CFD to comply with any provision of this Disclosure Agreement, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the CFD or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the CFD or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Fiscal Agent and Dissemination Agent. Article VII of the Fiscal Agent Agreement pertaining to the Fiscal Agent is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Fiscal Agent Agreement and the Fiscal Agent and the Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Fiscal Agent thereunder. The Dissemination Agent and the Fiscal Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the CFD agrees to indemnify and save the Dissemination Agent and the Fiscal Agent, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Fiscal Agent's respective negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the

CFD for its services provided hereunder in accordance with a separate agreement between the City and the Dissemination Agent. The Dissemination Agent and the Fiscal Agent shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the CFD, the Bondholders, or any other party. Neither the Fiscal Agent nor the Dissemination Agent shall have any liability to the Bondholders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from this Disclosure Agreement. The obligations of the CFD under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the City: City of Rialto
150 South Palm Avenue
Rialto, California 92376
Attn: City Administrator
Fax: (909) 820-2527

To the Dissemination Agent: Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, California 92590
Attn:
Fax:

To the Fiscal Agent: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attn: Corporate Trust Department
Fax: (213) 615-6199

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the CFD, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CITY OF RIALTO COMMUNITY
FACILITIES DISTRICT NO. 2006-1 (ELM
PARK)

By _____
Mayor of the City of Rialto

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent

By _____
Authorized Representative

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: City of Rialto Community Facilities District No. 2006-1 (Elm Park)

Name of Bond Issue: City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Refunding Bonds, Series 2016

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the CFD has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of _____, 2016, with respect to the Bonds. [The CFD anticipates that the Annual Report will be filed by _____.]

Dated: _____

Willdan Financial Services
on behalf of the CFD

cc: City

ESCROW DEPOSIT AND TRUST AGREEMENT

by and between the

**CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)**

and

U.S. BANK NATIONAL ASSOCIATION

Dated December __, 2016

Relating to the Payment and Redemption of the

**\$ _____
CITY OF RIALTO COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX BONDS, 2006 SERIES**

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (this “Escrow Agreement”) is entered into and dated December ___, 2016, by and between the CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK) (the “District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America having a corporate trust office in Los Angeles, California, as escrow bank, Prior Fiscal Agent and Fiscal Agent (as hereinafter defined) (collectively, the “Escrow Bank”);

WITNESSETH:

WHEREAS, the City Council of the City of Rialto (the “City”) formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code) (the “Act”) ; and

WHEREAS, the District has previously caused the issuance and delivery of the City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Bonds, 2006 Series (the “Prior Bonds”) in the aggregate original principal amount of \$5,035,00, of which \$4,625,000 is currently outstanding under a Fiscal Agent Agreement, dated as of August 1, 2006 (the “2006 Fiscal Agent Agreement”), between the Agency and U.S. Bank National Association, as the fiscal agent (the “Prior Fiscal Agent”); and

WHEREAS, in order to provide funds for the prepayment and cancelation in full on March 1, 2017 of all of the Prior Bonds, the City and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), have entered into a Fiscal Agent Agreement, dated as of December 1, 2016 (the “Fiscal Agent Agreement”), providing for the issuance of the District’s Special Tax Refunding Bonds, Series 2016 (the “Refunding Bonds”); and

WHEREAS, the District has determined to refund the Prior Bonds to effect savings and has determined that it is prudent in the management of its fiscal affairs to refund the Prior Bonds; and

WHEREAS, pursuant to Resolution No. ___ of the City Council acting as the legislative body of the District adopted on November 22, 2016, the City, on behalf of the District, approved the issuance of the Refunding Bonds to refund the Prior Bonds; and

WHEREAS, the District will use a portion of the proceeds of the Bonds, together with other available funds, to refund the Prior Bonds; and

WHEREAS, the Prior Fiscal Agent Agreement provides for the payment, redemption, and discharge of the Prior Bonds prior to maturity by the setting apart of money in a special trust escrow fund sufficient to pay the principal, premium, if any, and interest on the Prior Bonds; and

WHEREAS, the District and the Escrow Bank wish to enter into this Escrow Agreement for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and prepayment of the Prior Bonds in full and discharge of

the Prior Bonds, pursuant to and in accordance with the provisions of the Prior Fiscal Agent Agreement; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Certain Definitions. Unless the context otherwise requires, the terms defined in this section shall, for all purposes of this Escrow Agreement have the meanings herein specified. Capitalized terms not otherwise defined herein are defined in the Prior Fiscal Agent Agreement.

“Bond Counsel” means Aleshire & Wynder, LLP, or any other attorney or firm of attorneys of nationally recognized standing in the field of municipal finance whose opinions are generally accepted by purchasers of municipal bonds or notes, appointed from time to time by the District.

“Escrow Agreement” means this Escrow Deposit and Trust Agreement dated December ___, 2016, by and between the District and the Escrow Bank, acting as Escrow Bank, Prior Fiscal Agent and Fiscal Agent.

“Escrow Fund” means the Fund by that name as created in Section 4 herein.

“Payment Date” means each date upon which interest or principal is due on the Prior Bonds as shown on Schedule “A” attached hereto.

“Reserve Account” means the reserve account or fund so designated which is established and held by the Prior Fiscal Agent pursuant to the Prior Fiscal Agent Agreement.

Section 2. Receipt of Prior Fiscal Agent Agreement. The Escrow Bank hereby acknowledges receipt of a true and correct copy of the Prior Fiscal Agent Agreement. Reference herein to, or citation of, any provision of the Prior Fiscal Agent Agreement shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if fully set forth herein.

Section 3. Appointment of Escrow Bank. The District hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement and the Prior Fiscal Agent Agreement and the Escrow Bank hereby accepts such appointment. The Escrow Bank is entering into this Escrow Agreement in its capacity as escrow bank, Prior Fiscal Agent and Fiscal Agent.

Section 4. Establishment of Escrow Fund. There is hereby created by the District with, and to be held by, the Escrow Bank, in trust, as security for the payment of the principal of,

redemption premium and interest on the Prior Bonds as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the District and for the benefit of the owners of the Prior Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall constitute a special fund for the payment of the principal of and interest with respect to the Prior Bonds upon early redemption thereof in accordance with the provisions of the Prior Fiscal Agent Agreement. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 6 hereof, the Escrow Bank shall notify the District of such fact and the District shall immediately cure such deficiency.

Section 5. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with the execution of this Escrow Agreement, there is hereby deposited with the Escrow Bank in connection with the refunding of the Prior Bonds, and the Escrow Bank hereby acknowledges the receipt of, immediately available federal funds in the amount of \$____, which amount is derived as follows:

(1) \$_____ from excess amounts in the Reserve Account, transferred to the Escrow Bank by the Fiscal Agent; and

(2) \$_____ from proceeds of the Bonds transferred to the Escrow Bank by the Fiscal Agent.

(b) An amount equal to \$_____ (the "Escrow Deposit") shall be held by the Escrow Bank and invested by the Escrow Bank as described below in Section 5(c) herein. The Escrow Bank shall use such amounts to pay the principal of and interest due on the Prior Bonds in accordance with the provisions of this Escrow Agreement. The Escrow Deposit, together with interest earnings thereon, will be sufficient to pay all of the principal, redemption premium, if any, and interest on the Prior Bonds on the redemption date of March 1, 2017 ("Redemption Date"). The District has received from Grant Thornton, a certified independent accountant, a report dated ____, stating that the amount in the Escrow Fund, as invested pursuant to the provisions hereof, will be sufficient to pay all the principal of, premium, if any, and interest on the Prior Bonds on the redemption date on March 1, 2017.

(c) The Escrow Bank shall invest money on deposit in the Escrow Fund as provided in this paragraph. The amount of \$_____ deposited in the Escrow Fund pursuant to this Section shall be invested in the federal securities described in Schedule B attached hereto ("Federal Securities"), and the remaining \$___ in the Escrow Fund shall be held uninvested. The District warrants that the amount of \$___ deposited in the Escrow Fund shall be sufficient for purposes described in Section 6 below. The District hereby directs the Escrow Bank to acquire the Federal Securities described on Schedule B, for deposit in the Escrow Fund. The District certifies that the investment provided herein shall be sufficient to provide for redemption of the Prior Bonds in the Escrow Fund on March 1, 2017.

(d) Upon payment in full of all principal of, premium, if any, and interest on the Prior Bonds, all funds remaining in the Escrow Fund shall, after payment of amounts due to

the Escrow Bank hereunder, be paid to the Fiscal Agent, for deposit in the Bond Fund under the Fiscal Agent Agreement.

Section 6. Instructions as to Application of Deposit. In accordance with the Prior Fiscal Agent Agreement, the District hereby irrevocably directs and instructs the Escrow Bank to apply the moneys in the Escrow Fund to pay all of the principal of, premium and interest on the Prior Bonds as the same shall become due and payable to and including March 1, 2017, the date of early redemption of the Prior Bonds, all as more particularly set forth in Schedule "A" attached hereto and hereby made a part hereof. The District hereby instructs the Fiscal Agent, as the Prior Fiscal Agent, to send written notice by United States first-class mail in the name of the District to the owner of each of the Prior Bonds at the address shown on the registration books maintained by the Fiscal Agent, as the Prior Fiscal Agent, at least thirty (30) but not more than sixty (60) days prior to March 1, 2017, the date fixed for redemption and payment of all of the Prior Bonds. The District hereby provides notice to the Fiscal Agent of its intent to redeem and pay off the Prior Bonds.

The District hereby instructs the Fiscal Agent, as Prior Fiscal Agent, to provide notice of defeasance of the Prior Bonds within 10 days of the date of deposit of the funds into the Escrow Account pursuant to this Escrow Agreement.

The District hereby covenants that no part of the moneys or funds at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause the Prior Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

Section 7. Refunding of Prior Bonds. Pursuant to Section 9.1(c) of the Prior Fiscal Agent Agreement, the District shall pay and discharge the entire indebtedness, or any portion thereof, by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 3.2 of the Prior Fiscal Agent Agreement, is fully sufficient to pay all principal, interest, and redemption premiums for the Prior Bonds. Pursuant to this Escrow Agreement, the deposit of moneys and the provision for notice of redemption, and the lien of the Prior Fiscal Agent Agreement with respect to the Prior Bonds shall cease and terminate. Upon payment and discharge of all Prior Bonds, any remaining funds shall be used to repay the Escrow Bank for any fees and expenses, and subsequently shall be paid over to the Fiscal Agent for deposit in the Bond Fund under the Fiscal Agent Agreement.

Section 8. Notice of Redemption. Pursuant to Section 2.3(d) of the Prior Fiscal Agent Agreement, the Fiscal Agent shall mail by first class mail notice of redemption to the respective owners of the Prior Bonds at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption of the Prior Bonds. A form of the notice of defeasance is attached as Exhibit A hereto, and shall be posted within 10 days following the defeasance of the Prior Bonds on _____.

Section 9. Creation of Lien. The escrow created hereby shall be irrevocable. The Owners of the Prior Bonds are hereby given an express lien on, and security interest in, the Escrow Fund and all earnings thereon, if any, until used and applied in accordance with this

Escrow Agreement. The cash in the Escrow Fund is hereby pledged and assigned, and shall be applied solely for the payment of the principal of, the premium, if any, and interest on the Prior Bonds.

Section 10. Compensation to Escrow Bank. The District shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, redemption expenses, legal fees and other costs and expenses relating hereto. Without limitation on the foregoing, the Escrow Bank shall not be entitled to any lien or right of set-off on amounts on deposit in the Escrow Fund for payment of its compensation under this Escrow Agreement.

Section 11. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written or oral instructions of the District or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of moneys held hereunder to accomplish the redemption of the Prior Bonds, or any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the “whereas” clauses herein shall be taken as the statement of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the moneys to accomplish the redemption of the Prior Bonds pursuant to the Prior Fiscal Agent Agreement or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the District.

To the extent permitted by law, the District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and

disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the District shall not be required to indemnify the Escrow Bank against its own negligence, gross negligence or willful misconduct. The indemnities contained in this Section 11 shall survive the termination of this Escrow Agreement.

Section 12. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (a) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District, (b) to cure, correct or supplement any ambiguous or defective provision contained herein, (c) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the Prior Bonds, and that such amendment will not cause interest with respect to the Prior Bonds or the Refunding Bonds to become subject to federal income taxation.

Section 13. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the principal of and interest on all Prior Bonds have been paid; *provided, however,* that money held by the Escrow Bank in the Escrow Fund for the payment and discharge of any of the Prior Bonds which remains unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the District free from the trust created by the Prior Fiscal Agent Agreement and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease. Upon the discharge and redemption of all of the Prior Bonds, any funds in excess of those applied or to be applied to such discharge and redemption remaining on deposit with the Escrow Bank shall be transferred to the District for deposit in the Bond Fund under the Fiscal Agent Agreement.

Section 14. Merger or Consolidation of Escrow Bank; Resignation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as fiscal agent under the Prior Fiscal Agent Agreement, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act. The Escrow Bank may resign by giving written notice to the District, and upon receipt of such notice the District shall promptly appoint a successor Escrow Bank. If the District does not appoint a successor Escrow Bank, the resigning Escrow Bank may, at the expense of the District, petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may

thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the resigning Escrow Bank shall transfer all amounts held by it in the Escrow Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

Section 15. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 16. Notice of Escrow Bank, District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at U.S. Bank National Association, Global Corporate Trust Services, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party c/o City of Rialto 101 North "D" Street, Rialto, California 92570, Attn: City Manager (or such other address as may have been filed in writing by the District with the Escrow Bank). Any notice acknowledged as being received shall be deemed to have been sufficiently given.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the District and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF RIALTO COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (ELM PARK)

By: _____
City Manager

U.S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Officer

[SIGNATURE PAGE TO ESCROW AGREEMENT]

SCHEDULE A

PAYMENT AND REDEMPTION SCHEDULE OF PRIOR BONDS

<u>Payment Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total Payment</u>
----------------------------	------------------------	----------------------------------	----------------------------------	-----------------------------

SCHEDULE B

SCHEDULE OF FEDERAL SECURITIES

<u>Type of Security</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>

EXHIBIT A
NOTICE OF DEFEASANCE
[SEE ATTACHED]

**NOTICE OF DEFEASANCE
CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAXBONDS, 2006 SERIES**

Redemption Date on ____ at 100%

Rate	Maturity Date	CUSIP¹	Principal Amount
-------------	--------------------------	--------------------------	-----------------------------

NOTICE IS HEREBY GIVEN to the owners of the bonds described above (the “Prior Bonds”), that pursuant to the Escrow Deposit and Trust Agreement (the “Agreement”) entered into and dated December ___, 2016, by and among the CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK) (the “District”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America having a corporate trust office in Los Angeles, California, as escrow bank, Prior Fiscal Agent, and Fiscal Agent (as those terms are defined in the Agreement) (collectively, the “Escrow Bank”), that:

The District has deposited in an Escrow Fund with the Escrow Bank sufficient monies, which together with investment earnings thereon, as provided in the Agreement, to pay all of the principal of, premium and interest on the Prior Bonds as the same shall become due and payable to and including ___, the date of early redemption of the Prior Bonds, all as set forth above.

The Escrow Bank has been instructed by the District to redeem the Prior Bonds on March 1, 2017 at the Redemption price of 100%.

Date: _____

**By: U.S. BANK NATIONAL ASSOCIATION,
as Escrow Bank**

THIS IS NOT A NOTICE OF REDEMPTION

¹ *The District, the Authority, and the Escrow Bank shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Refunded Bond. They are included solely for the convenience of the owners of the Prior Bonds.*

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PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016

NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

In the opinion of Aleshire & Wynder, LLP, Irvine, California, Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with the tax covenants described herein, interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 (the "Code") from the gross income of the owners thereof for federal income tax purposes and is not an item of preference under section 57(a) of the Code for purposes of the federal alternative minimum tax. See "CONCLUDING INFORMATION - Tax Exemption" herein.

STATE OF CALIFORNIA

SAN BERNARDINO COUNTY

\$ _____ *
CITY OF RIALTO

COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

Dated: Date of Delivery

Due: September 1, as shown on the inside front cover hereof

This cover page and the inside cover page contain certain information for general reference only. Such information is not a summary of this issue. Community Facilities District No. 2006-1 of the City of Rialto (the "District") has not and does not contemplate making an application to any rating agency for the assignment of a rating to the Bonds. Investors must read the entire Official Statement, including the sections entitled "SPECIAL RISK FACTORS" and "NO RATING" to obtain information essential to making an informed investment decision with respect to the Bonds.

The City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Refunding Bonds, Series 2016 (the "Bonds") are being issued by the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (the "District"), which was established by the City of Rialto (the "City"), pursuant to a Fiscal Agent Agreement, dated as of December 1, 2016 (the "Fiscal Agent Agreement"), by and between the District and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and will be secured as described herein. The Bonds are being issued to (i) refund the outstanding City of Rialto Community Facilities District No. 2006-1 (Elm Park) Special Tax Bonds, 2006 Series, (ii) fund a reserve account for the Bonds, and (iii) pay the costs of issuance of the Bonds. See "THE FINANCING PLAN" herein.

The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the inside front cover hereof. Interest on the Bonds shall be payable on each March 1 and September 1, commencing September 1, 2017 (the "Interest Payment Dates") to the Owner thereof as of the Record Date (as defined herein) immediately preceding each such Interest Payment Date, by check mailed on such Interest Payment Date or by wire transfer to an account in the United States of America made upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds. The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of the Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Bonds will be payable by DTC through the DTC participants. See "THE BONDS - Book-Entry System" herein. Purchasers of the Bonds will not receive physical delivery of the Bonds purchased by them.

The Bonds are subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption from Special Tax prepayments prior to maturity as set forth herein. See "THE BONDS - Redemption" herein.

The Bonds are limited obligations of the District. The Bonds are payable solely from the Special Taxes (as defined herein) to be levied on and collected from the owners of the taxable land within the District, and from certain other funds pledged under the Fiscal Agent Agreement, all as further described herein. The Special Taxes are to be levied according to a First Amended Rate and Method of Apportionment of Special Tax approved by the qualified electors within the District on June 20, 2006.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF SAN BERNARDINO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN. EXCEPT FOR THE SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES AND AMOUNTS HELD UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED HEREIN.

SEE THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "SPECIAL RISK FACTORS" FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN CONSIDERING THE INVESTMENT QUALITY OF THE BONDS.

This cover page contains certain information for quick reference only. It is not a complete summary of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued, subject to approval as to their legality by Aleshire & Wynder, LLP, Irvine, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney and by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel to the City with respect to the issuance of the Bonds. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2016.

Backstrom McCarley Berry & Co., LLC

Dated: _____, 2016

* Preliminary; subject to change.
88071227.6

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$ _____^{*}
THE CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

Maturity Dates, Principal Amounts, Interest Rates and Yields

(Base CUSIP† _____)

\$ _____ Serial Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
--	-----------------------------------	--------------------------------	--------------	---------------

\$ _____ % Term Bonds due September 1, _____ – Yield: _____ % CUSIP†: _____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Preliminary; subject to change.

CITY OF RIALTO, CALIFORNIA

CITY COUNCIL

Deborah Robertson, Mayor
Joe Baca Jr., Mayor Pro Tem
Edward Palmer, Council Member
G. Edward Scott, Council Member

OTHER ELECTED OFFICIALS

Edward J. Carrillo, Treasurer
Barbara A. McGee, City Clerk

CITY STAFF

Mike Story, City Administrator
Robb Steel, Assistant City Administrator/Director of Development Services
George Harris II, Assistant to the City Administrator/Director of Administrative Services
Fred Galante, City Attorney

PROFESSIONAL SERVICES

Bond Counsel

Aleshire & Wynder, LLP
Irvine, California

Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Underwriter

Backstrom McCarley Berry & Co., LLC
Los Angeles, California

Fiscal Agent

U.S. Bank National Association
Los Angeles, California

Verification Agent

Grant Thornton, LLP
Minneapolis, Minnesota

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

The information set forth herein has been obtained from the City and other sources believed to be reliable. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. No dealer, broker, salesperson or any other person has been authorized by the City, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation of such offer or any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale of the Bonds made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Successor Agency or in any other information contained herein, since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") website.

The City of Rialto maintains a website with information pertaining to the City. However, the information presented therein is not incorporated into this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

[INSERT AREA MAP?]

OFFICIAL STATEMENT

§ _____^{*}
CITY OF RIALTO
COMMUNITY FACILITIES DISTRICT NO. 2006-1 (ELM PARK)
SPECIAL TAX REFUNDING BONDS, SERIES 2016

INTRODUCTORY STATEMENT

General

This Official Statement, including the cover page, the inside cover page and the Appendices hereto, is provided to furnish certain information in connection with the issuance and sale by the City of Rialto Community Facilities District No. 2006-1 (Elm Park) (the “District”) of its Special Tax Refunding Bonds, Series 2016 (the “Bonds”) in the aggregate principal amount of \$ _____^{*} issued in connection with the refunding of the District’s No. 2006-1 (Elm Park) Special Tax Bonds, 2006 Series (the “Refunded Bonds”), currently outstanding in the aggregate principal amount of \$4,625,000. The Refunded Bonds financed certain capital facilities fees relating to public improvements serving the District. The Bonds will be issued pursuant to the provisions of a Fiscal Agent Agreement, dated as of December 1, 2016 (the “Fiscal Agent Agreement”), by and between the District and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California) (the “Act”).

The Act was enacted by the California Legislature to provide an alternate method of financing certain public facilities and services, especially in developing areas. Once duly established, a community facilities district is a legally constituted governmental entity established for the purpose of financing specific facilities and services within defined boundaries. Subject to approval by a two-thirds vote of the qualified electors within a community facilities district and compliance with the provisions of the Act, a community facilities district may issue bonds and levy and collect special taxes to repay its bonds.

The Bonds will be issued in denominations of \$5,000 each or any integral multiple thereof and will be dated and bear interest from the date of their delivery, at the rates set forth on the inside cover page hereof. See “THE BONDS.” The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Individual purchases of the Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Bonds will be payable by DTC through the DTC participants. See “THE BONDS - Book-Entry System” herein. Purchasers of the Bonds will not receive physical delivery of the Bonds purchased by them.

Use of Proceeds

The Bonds are being issued to (i) refund the Refunded Bonds, (ii) fund a reserve account for the Bonds, and (iii) pay the costs of issuance of the Bonds. See “THE FINANCING PLAN” herein.

The Special Tax

On June 20, 2006, at an election held pursuant to the Act, the single landowner who comprised the qualified electors of the District authorized the District to incur bonded indebtedness in an aggregate

^{*} Preliminary; subject to change.

amount not to exceed \$6,000,000, approved a First Amended Rate and Method of Apportionment of Special Tax (the "Rate and Method"), approved the levy of special taxes within and for the District to pay the principal of, and interest on, the authorized bonded indebtedness and approved an appropriations limit for the District equal to the maximum amount of bonded indebtedness authorized to be incurred for the District. See "SECURITY FOR THE BONDS," "THE DISTRICT" and "APPENDIX A – FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES."

Security for the Bonds

The Bonds are secured by the pledge of Special Taxes and the other amounts in the Special Tax Fund (other than amounts in the Administrative Expense Account therein). Special Taxes means the amount of all Special Tax A, which is levied for the purpose of financing public capital facilities, as described in the Rate and Method authorized to be levied within the District, together with the proceeds collected from the sale of property pursuant to the foreclosure provision of the Fiscal Agent Agreement for the delinquency of such Special Taxes remaining after the payment of all the costs related to such foreclosure actions. Special Tax B is levied for the purpose of financing ongoing public services. See "SECURITY FOR THE BONDS - General."

The District has established a Reserve Account pursuant to the Fiscal Agent Agreement. The Reserve Account will be funded from the proceeds of the Bonds in the initial amount of \$_____. The Reserve Requirement as of any date of calculation will be an amount equal to the lowest of (1) 10% of the issue price (as defined pursuant to section 148 of the Code), (2) Maximum Annual Debt Service, or (3) 125% of the average Annual Debt Service of the Outstanding Bonds. See "SECURITY FOR THE BONDS - Reserve Account."

The District

The District consists of approximately 25 gross acres. The District contains 130 parcels which have been developed into 130 single family homes in a gated community known as "Elm Park."

Foreclosure Covenant

The District has covenanted for the benefit of the owners of the Bonds that, under certain circumstances described herein, the District will commence judicial foreclosure proceedings with respect to delinquent Special Taxes on property within the District, and will diligently pursue such proceedings to completion. See "SECURITY FOR THE BONDS – The Special Taxes" and "SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure."

Limited Obligations

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF SAN BERNARDINO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN. EXCEPT FOR THE SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES AND AMOUNTS HELD UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED HEREIN.

See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

Further Information

Brief descriptions of the Bonds, the security for the Bonds, special risk factors, the District, the City and other information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The descriptions herein of the Bonds, the Fiscal Agent Agreement, resolutions and other documents are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Bonds, the Fiscal Agent Agreement, such resolutions and other documents. All such descriptions are further qualified in their entirety by reference to laws and to principles of equity relating to or affecting generally the enforcement of creditors’ rights. For definitions of certain capitalized terms used herein and not otherwise defined, and a description of certain terms relating to the Bonds, see “APPENDIX C – SUMMARY OF FISCAL AGENT AGREEMENT” hereto.

Copies of such documents may be obtained from the office of the City Administrator of the City.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

THE FINANCING PLAN

The proceeds of the Bonds will be used to (i) refund all of the outstanding Refunded Bonds, (ii) fund a reserve account for the Bonds and (iii) pay the costs of issuance of the Bonds.

The Refunded Bonds were issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2006, by and between the District and U.S. Bank National Association, as fiscal agent thereunder (the “Prior Fiscal Agent”). The proceeds of the Refunded Bonds were used to (i) finance certain capital facilities fees relating to, and certain public improvements situated outside of, the Elm Park development, but indirectly benefiting the properties within the District, (ii) fund a reserve fund for the Refunded Bonds, (iii) fund capitalized interest for the Refunded Bonds and (iv) pay the costs of issuance of the Refunded Bonds.

A portion of the proceeds of the Bonds, together with certain amounts held by the Prior Fiscal Agent, will be transferred to U.S. Bank National Association, as escrow agent (the “Escrow Agent”) for deposit into an escrow fund (the “Escrow Fund”) created pursuant to the terms of an escrow agreement, dated as of December __, 2016, by and between the District and the Escrow Agent. On March 1, 2017 (the “Redemption Date”), the Escrow Agent shall apply amounts on deposit in the Escrow Fund to the redemption of the Refunded Bonds at a redemption price equal to 100% of the par amount of the Refunded Bonds, plus accrued interest thereon to such date of redemption. Grant Thornton, as verification agent (“Verification Agent”) will verify the computations concluding that moneys and federal securities deposited in the Escrow Fund will together produce sufficient funds to provide for the redemption of the Refunded Bonds on the Redemption Date. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds relating to the issuance of the Bonds is set forth below:

Sources of Funds

Principal Amount of the Bonds
 [Plus][Less][Net]Original Issue [Premium][Discount]
 Plus Transfer from the Debt Service Reserve Fund of the Refunded Bonds
 Total Sources

Uses of Funds

Deposit to Escrow Fund
 Deposit to Reserve Account
 Deposit to Costs of Issuance Account⁽¹⁾
 [Deposit to Administrative Expense Account]
 Total Uses.....

⁽¹⁾ Includes Underwriter’s discount, fees for Bond Counsel, Disclosure Counsel, Municipal Advisor, the Fiscal Agent and its counsel, costs of printing the Official Statement, and other costs of issuance of the Bonds.

THE BONDS

Description of the Bonds

The Bonds will be issued as fully registered bonds, in denominations of \$5,000 each or any integral multiple thereof within a single maturity and will be dated and bear interest from the date of their delivery (the “Dated Date”), at the rates set forth on the inside cover page hereof. The Bonds will be issued in fully registered form, without coupons.

Interest on the Bonds will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each, an “Interest Payment Date”), commencing on September 1, 2017. Interest on the Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after the close of business on the fifteenth day of the calendar month preceding an Interest Payment Date (the “Record Date”) but prior to such Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest shall be payable from the dated date of such Bond; provided, however, that if at the time of authentication of such Bond, interest is in default, interest on that Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond, interest on that Bond shall be payable from its dated date.

The Bonds will mature on September 1 in the principal amounts and years as shown on the inside cover page hereof and are subject to optional redemption, special mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption as described below.

Redemption*

Optional Redemption

The Bonds are subject to redemption prior to maturity at the option of the District on any Interest Payment Date on or after September 1, 20__, as a whole or in part, by lot, from any available source of funds at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be), together with accrued interest thereon to the date fixed for redemption:

Redemption Dates

Redemption Prices

* Preliminary; subject to change.

Mandatory Redemption from Special Tax Prepayments

The Bonds are subject to mandatory redemption prior to maturity on any Interest Payment Date on or after September 1, 2017, as a whole or in part, in a manner determined by the District from prepayments of Special Taxes at the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed), together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
_____ through _____	%
_____ and _____	
_____ and _____	
and thereafter	

In connection with such redemption, the District may also apply amounts in the Reserve Account which will be in excess of the Reserve Requirement as a result of such Special Tax prepayment to redeem Bonds as set forth above.

Mandatory Sinking Fund Redemption

The Bonds maturing on September 1, _____, are subject to mandatory redemption, in part by lot, on September 1 in each year commencing September 1, 20____ with respect to the Bonds maturing on September 1, 20____, commencing September 1, _____ with respect to the Bonds maturing on September 1, _____ and commencing September 1, _____, with respect to the Bonds maturing on _____, from the Sinking Fund Payments that have been deposited into the Redemption Account at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption as set forth in the following schedule; provided, however, that (i) in lieu of redemption thereof, the Bonds may be purchased by the District and tendered to the Fiscal Agent, and (ii) if some but not all of the Bonds have been redeemed, the total amount of all future sinking payments will be reduced by the aggregate principal amount of the Bonds so redeemed, to be allocated among such sinking payments on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000 as determined by the District.

Term Bonds Maturing on September 1, _____

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal Amount</u>
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Selection of Bonds for Redemption

If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds for redemption, the Fiscal Agent shall treat such Bonds as representing that number of Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds to be redeemed in part by \$5,000.

Notice of Redemption

When Bonds are due for redemption under the Fiscal Agent Agreement, the Fiscal Agent shall give notice, in the name of the District, of the redemption of such Bonds; provided, however, that a notice of a redemption to be made from other than Sinking Fund Payments shall be conditioned on there being on deposit on the redemption date sufficient money to pay the redemption price of the Bonds to be redeemed. Such notice of redemption shall (a) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds of a maturity are subject to redemption, or all the Bonds of one maturity, are to be redeemed, the bond numbers of such issue need not be specified; (b) state the date fixed for redemption and surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be redeemed; (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (f) state the date of issue of the Bonds as originally issued; (g) state the rate of interest borne by each Bond being redeemed; and (h) state any other descriptive information needed to identify accurately the Bonds being redeemed as shall be specified by the Fiscal Agent. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond, or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 60 days prior to the redemption date, the Fiscal Agent shall mail a copy of such notice, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Bond or the original purchaser of any Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date.

The District shall have the right to rescind any notice of optional redemption by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of such redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The District and the Fiscal Agent shall have no liability to the Owners or any other party related or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent, except the notice shall not be required to meet the time periods described in the preceding paragraph for mailing the notice of redemption.

Effect of Notice of Redemption

Notice of redemption having been duly given, as described above, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(1) The Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Fiscal Agent Agreement, anything in the Fiscal Agent Agreement or in the Bonds to the contrary notwithstanding;

(2) Upon presentation and surrender thereof at the office of the Fiscal Agent, the redemption price of such Bonds shall be paid to the Owners thereof;

(3) As of the redemption date, the Bonds, or portions thereof so designated for redemption, shall be deemed to be no longer Outstanding and such Bonds, or portions thereof, shall cease to bear further interest; and

(4) As of the date fixed for redemption no Owner of any of the Bonds, or portions thereof so designated for redemption, shall be entitled to any of the benefits of this Fiscal Agent Agreement, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

The Fiscal Agent

U.S. Bank National Association has been appointed as the Fiscal Agent for all of the Bonds under the Fiscal Agent Agreement. For a further description of the rights and obligations of the Fiscal Agent pursuant to the Fiscal Agent Agreement, see “APPENDIX C – SUMMARY OF FISCAL AGENT AGREEMENT” hereto.

Book-Entry System

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will be registered in the name of Cede & Co. (DTC’s partnership nominee), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Fiscal Agent, so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants. See “APPENDIX G – BOOK-ENTRY ONLY SYSTEM.”

Debt Service Schedule

The following is the debt service schedule for the Bonds, assuming no redemptions other than mandatory sinking fund redemptions.

<u>Year Ending (September 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Total			

SECURITY FOR THE BONDS

General

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF SAN BERNARDINO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN. EXCEPT FOR THE SPECIAL TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES AND AMOUNTS HELD UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED HEREIN.

The Bonds are secured by a pledge of Special Taxes of the District and the other amounts in the Special Tax Fund (other than amounts in the Administrative Expense Account therein). Special Taxes means the amount of all Special Tax A, which is levied for the purpose of financing public capital facilities as described in the Rate and Method (the “Special Taxes” or the “Special Tax”) received by the District, together with the proceeds collected from the sale of property pursuant to the foreclosure provision of the Fiscal Agent Agreement for the delinquency of such Special Taxes remaining after the payment of all the costs related to such foreclosure actions.

In the event that delinquencies occur in the receipt of the Special Taxes within the District in any fiscal year, the District may increase its Special Tax levy on property within the District in the following fiscal year up to the maximum amount permitted under the Rate and Method. Under no circumstances, however, will Special Taxes levied against any parcel used for private residential purposes be increased by more than 10 percent as a consequence of delinquency or default by the owner of any other parcel or parcels within the District. Although the Special Tax levy on property within the District may be increased, Special Taxes resulting from the increase may not be available to cure any delinquencies for a period of one year or more. In addition, an increase in the Special Tax levy may adversely affect the ability or willingness of property owners to pay their Special Taxes. See “Rate and Method of Apportionment of Special Taxes” below and “APPENDIX A – FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES” hereto for a description of the District’s procedures for levying Special Taxes within the District, and “SPECIAL RISK FACTORS – Insufficiency of Special Taxes.”

OWNERSHIP OF THE BONDS IS SUBJECT TO A SIGNIFICANT DEGREE OF RISK. POTENTIAL INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED “SPECIAL RISK FACTORS.”

The Special Taxes

The Special Taxes are to be apportioned, levied and collected according to the Rate and Method. See “– Rate and Method of Apportionment of Special Taxes” below and “APPENDIX A – FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES” hereto.

Beginning in Fiscal Year 2006-2007 and so long as any Bonds issued under the Fiscal Agent Agreement are Outstanding, the District has covenanted to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses associated with the Special Tax, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected, and (v) the acquisition or construction of eligible Facilities, provided that the inclusion of such amount does not cause an increase in the levy of the Special Tax on Undeveloped Property (all parcels have been developed and there is no longer any undeveloped property), less (vi) any amount available to pay debt service or other periodic costs on the Bonds pursuant to the Fiscal Agent Agreement. See “SPECIAL RISK FACTORS” for a discussion of certain factors affecting the actual timely collection of such Special Tax levies.

Special Tax Fund

Pursuant to the Fiscal Agent Agreement, there is established a “Special Tax Fund” to be held and maintained by the Fiscal Agent. In the Special Tax Fund there is further established and created an Interest Account, a Principal Account, a Redemption Account, a Reserve Account and an Administrative Expense Account.

The amounts on deposit in the foregoing funds and accounts will be held by the Fiscal Agent in trust and the Fiscal Agent will invest and disburse the amounts in such funds and accounts in accordance with the provisions of the Fiscal Agent Agreement and will disburse investment earnings thereon in accordance with the provisions of the Fiscal Agent Agreement.

The District will, on each date on which it receives Special Taxes, transfer the Special Taxes to the Fiscal Agent for deposit in the Special Tax Fund in accordance with the terms of the Fiscal Agent Agreement to be held in trust. The Fiscal Agent shall transfer the amounts on deposit in the Special Tax Fund on the dates and in the amounts set forth in the Fiscal Agent Agreement in the following order of priority:

1. The Administrative Expense Account of the Special Tax Fund;
2. The Interest Account of the Special Tax Fund;
3. The Principal Account of the Special Tax Fund;
4. The Redemption Account of the Special Tax Fund;
5. The Reserve Account of the Special Tax Fund; and
6. The Surplus Fund.

Administrative Expense Account of the Special Tax Fund. The Fiscal Agent will transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund an amount equal to the Administrative Expense Requirement levied for the Fiscal Year, which will be disbursed by the Fiscal Agent upon the Written Request of the District. Amounts deposited in the Administrative Expense Fund are not pledged to the repayment on the Bonds.

Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds until maturity, other than principal due upon redemption including sinking fund redemption, will be paid by the Fiscal Agent from the Principal Account and the Interest Account of the Special Tax Fund, respectively. At least five Business Days prior to each March 1 and September 1, the Fiscal Agent will make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds, or otherwise, the transfer from the Special Tax Fund need not be made; and provided, further, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the Reserve Account:

1. To the Interest Account, an amount such that the balance in the Interest Account five Business Days prior to each Interest Payment Date will be equal to the installment of interest due on the Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the Bonds as the same become due.

2. To the Principal Account, an amount such that the balance in the Principal Account five Business Days prior to September 1 of each year, commencing September 1, 2017 shall at least equal the principal payment due on the Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account will be used for the payment of the principal of such Bonds as the same become due at maturity.

Redemption Account of the Special Tax Fund. On each September 1 on which a Sinking Fund Payment is due, after the deposits have been made to the Interest Account and the Principal Account of the Special Tax Fund, the Fiscal Agent will next transfer into the Redemption Account of the Special Tax Fund from the Special Tax Fund the amount needed to make the balance in the Redemption Account five Business Days prior to each September 1 equal to the Sinking Fund Payment due on any Outstanding

Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency will be made up by an immediate transfer from the Reserve Account. Moneys so deposited in the Redemption Account will be used and applied by the Fiscal Agent to call and redeem Term Bonds in accordance with the Sinking Fund Payment schedule set forth in the Fiscal Agent Agreement and in any Supplemental Fiscal Agent Agreement for such Term Bonds.

All prepayments of Special Taxes shall be deposited in the Redemption Account to be used to redeem Bonds on the next date for which notice of redemption can timely be given.

Surplus Fund. Moneys deposited in the Surplus Fund shall be transferred by the Fiscal Agent (i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including mandatory Sinking Fund Payments, premium, if any, and interest on the Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, (ii) to the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement, and (iii) to the Administrative Expense Account of the Special Tax Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses or, upon the Written Request of the District, may be disbursed to the District to be expended for any other lawful purpose of the District. ***The amounts in the Surplus Fund are not pledged to the repayment of the Bonds.***

Reserve Account

Moneys in the Reserve Account will be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on any Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due. If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Bonds when due, the Fiscal Agent will withdraw from the Reserve Account for deposit in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund, as applicable, moneys necessary for such purposes.

Whenever moneys are withdrawn from the Reserve Account, after making the required transfers under the Fiscal Agent Agreement, the Fiscal Agent will transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund will be deemed available for transfer to the Reserve Account only if the Fiscal Agent determines that such amounts will not be needed to make the deposits required to be made to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund. If amounts in the Special Tax Fund or otherwise transferred to replenish the Reserve Account are inadequate to restore the Reserve Account to the Reserve Requirement, then the District will include the amount necessary fully to restore the Reserve Account to the Reserve Requirement in the next annual Special Tax levy for property within the District to the extent of the maximum permitted Special Tax rates, however, Special Taxes on Residential Property may not be increased more than 10% from the prior Fiscal Year due to delinquencies.

Rate and Method of Apportionment of Special Taxes

The following is a summary of certain provisions of the Rate and Method. This summary does not purport to be comprehensive and reference should be made to the Rate and Method attached hereto

as Appendix A. All capitalized terms not defined in this section have the meanings set forth in the Rate and Method.

Each Fiscal Year, commencing with the 2006-2007 Fiscal Year, each Assessor's Parcel within the District shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2006-2007, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property, Provisional Property, or Taxable Public Property. Lastly, each Fiscal Year, beginning with Fiscal Year 2006-2007, each Assessor's Parcel of Developed Property shall further be classified as Residential Property or Non-Residential Property.

Commencing Fiscal Year 2006-2007 and for each subsequent Fiscal Year, the City Council shall levy Special Tax on all Taxable Property within the District until the total amount of Special Tax levied equals the Special Tax Requirement for Facilities in accordance with the following steps:

Step One: Special Tax shall be levied on each Assessor's Parcel of Developed Property within the District at 100% of the applicable Assigned Special Tax (which amounts are set forth below) for such Fiscal Year.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within the District up to 100% of the Assigned Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities. (There is no longer any undeveloped property in the District).

Step Three: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then for each Assessor's Parcel of Developed Property within the District whose Maximum Special Tax is equal to the Backup Special Tax, those parcels' Special Tax shall be increased Proportionately from the Assigned Special Tax up to 100% of the Backup Special Tax as needed to satisfy the Special Tax Requirement for Facilities. (No longer applicable).

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first three steps, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property within the District up to 100% of the Assigned Special Tax for Undeveloped Property as needed to satisfy the Special Tax Requirement for Facilities. (No longer applicable).

Step Five: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after all previous steps, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property within the District up to 100% of the Assigned Special Tax for Undeveloped Property as needed to satisfy the Special Tax Requirement for Facilities.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the District.

Each July 1, beginning July 1, 2007, the Assigned Special Tax applicable to all Taxable Property increases 2% above the amount that was in effect the prior Fiscal Year.

The Assigned Special Tax rates for the 2016-2017 Fiscal Year are as follows:

<u>Land Use Type</u>	<u>Building Square Feet</u>	<u>Assigned Special Tax</u>
Residential Property	>3,000	\$2,879.98 per Unit
Residential Property	2,651 – 3,000	\$2,758.88 per Unit
Residential Property	2,401 – 2,650	\$2,597.05 per Unit
Residential Property	≤ 2,450	\$2,435.21 per Unit
Non-Residential Property	NA	\$0.00 per Acre

In each Fiscal Year, the estimated Special Taxes (other than amounts in the Administrative Expense Account) within the District, assuming that the maximum Assigned Special Tax rates are applied, is expected to be at least 120% of the debt service on the Bonds.

Pursuant to the Rate and Method, the City Council will also levy special taxes on all residential property to finance the cost of providing police services, fire protection and suppression services, and park maintenance. The Fiscal Year 2016-17 levy amount will be \$773.02 per unit, which may be increased by 2% year from the prior year levy amount. These special taxes are not pledged to the payment of the Bonds. See “THE DISTRICT – Estimated Effective Tax Rate” and “APPENDIX A – FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES.”

Covenant for Superior Court Foreclosure

In the event of a delinquency in the payment of any installment of Special Taxes, the District is authorized by the Act to order institution of an action in the Superior Courts of the State to foreclose any lien therefor. In such action, the real property subject to the Special Taxes may be sold at a judicial foreclosure sale. The ability of the District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner in the event the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the “FDIC”) or other similar federal agencies. See “SPECIAL RISK FACTORS – Bankruptcy and Foreclosure” and “SPECIAL RISK FACTORS – Tax Delinquencies.” Such judicial foreclosure proceedings are not mandatory.

However, in the Fiscal Agent Agreement, the District has covenanted for the benefit of the Owners of the Bonds that it will determine or cause to be determined, no later than March 1 and August 1 of each year, whether or not any owner of the property within the District is delinquent in the payment of Special Taxes and, if such delinquencies exist, the District will order and cause to be commenced no later than April 15 (with respect to the March 1 determination date) or September 1 (with respect to the August 1 determination date), and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due, provided, however, that the District shall not be required to order the commencement of foreclosure proceedings if (i) the total Special Tax delinquency in the District for such Fiscal Year is less than five percent (5%) of the total Special Tax levied in such Fiscal Year and (ii) the amount in the Reserve Account is equal to the Reserve Requirement. Notwithstanding the foregoing, if the District determines that any single property owner in the District is delinquent in excess of ten thousand dollars (\$10,000) in the payment of the Special Tax, then it will diligently institute, prosecute and pursue foreclosure proceedings against such property owner.

There could be a default or a delay in payments to the owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the District of foreclosure sale proceeds, if any, and subsequent transfer of those proceeds to the District. However, up to the maximum amount permitted under the applicable Rate and Method, the District may adjust the Special Taxes levied on all property within the

District to provide the amount required to pay debt service on the Bonds, but not more than a 10% increase on a Residential Property from the prior Fiscal Year is allowed due to delinquencies in the District.

Under current law, a judgment debtor (property owner) has at least 140 days from the date of service of the notice of levy in which to redeem the property to be sold. If a judgment debtor fails to redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action a foreclosure sale is set aside, the judgment is revived, the judgment creditor is entitled to interest on the revived judgment and any liens extinguished by the sale are revived as if the sale had not been made (Section 701.680 of the Code of Civil Procedure of the State of California).

No Obligation of the City Upon Delinquency

The City is under no obligation to transfer any funds of the City into the Special Tax Fund or any other funds or accounts under the Fiscal Agent Agreement for the payment of the principal of or interest on the Bonds if a delinquency occurs in the payment of any Special Taxes. See “SECURITY FOR THE BONDS - Covenant for Superior Court Foreclosure” for a discussion of the District’s obligation to foreclose Special Tax liens upon delinquencies.

No Parity Obligations

Other than refunding bonds, the District may not issue bonds, notes or other similar evidences of indebtedness payable from the Special Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Bonds.

THE CITY

The City is located in the western portion of San Bernardino County, approximately 60 miles east of the City of Los Angeles and just west of the City of San Bernardino. The City was incorporated in 1911, and is organized as a general law city with a Council-Administrator form of government. The City is approximately four miles wide and eight and one-half miles long. The City is served by Interstate Freeways 210, 215, 10 and 15. See “APPENDIX B – CITY OF RIALTO SUPPLEMENTAL INFORMATION” herein.

THE DISTRICT

On May 16, 2006, the City Council adopted a Resolution of Intention to form a community facilities district under the Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing the public improvements for the benefit of the District. After conducting a noticed public hearing, on June 20, 2006, the City Council adopted the Resolution of Formation, which established the District and set forth the Rate and Method for the levy and collection of Special Taxes within the District.

On June 20, 2006, an election was held within the District in which the landowners eligible to vote unanimously approved the incurrence of bonded indebtedness in an amount not to exceed \$6,000,000 and the levy of the Special Tax within the District.

The District consists of approximately 25 gross acres, approximately 13.4 acres of which are developed for residential development and the remaining 11.6 acres are used for two retention basins, a neighborhood park, perimeter landscaping and in-tract streets. The District contains 130 detached residential dwelling units in a gated community known as “Elm Park.” The Elm Park development is

located near the northern boundary of the City. More specifically, the Elm Park development is located east of Cactus Avenue, south of Baseline Road and west of Lilac Avenue.

The District’s assessed value for Fiscal Year 2016-2017 was \$8,723,401.00 for land and \$29,124,425.00 for structures, for a total 2016-2017 Assessed Valuation of \$37,847,826.00. Total special taxes levied in Fiscal Year 2016-2017 were \$334,860.51.

PROPERTY OWNERSHIP AND DEVELOPMENT STATUS

There are 130 parcels in Community Facilities District No. 2006-1 (Elm Park), all of which have completed single family homes in individual ownership.

The value-to-lien ratio of individual parcels may be less or more than the aggregate value-to-lien ratio shown below. Pursuant to the Act and the Rate and Method of Apportionment, the principal amount of the Bonds is not allocable among the parcels in the District.

Shown below is the estimated value-to-lien ratio for the District based upon Fiscal Year 2016-2017 assessed values.

**Community Facilities District No. 2006-1 (Elm Park)
Estimated Value to Lien Ratios**

Fiscal Year 2016-2017 Assessed Value of Property Within CFD No. 2006-1 (Elm Park)	Principal Amount of 2016 Bonds*	Approximate Ratio of Assessed Value to Principal Amount of 2016 Bonds	Approximate Ratio of Assessed Value to Principal Amount of the Bonds and other Overlapping Lien
\$37,847,826	\$5,085,000	7.44	5.96:1

Source: Willdan Financial Services, as Special Tax Consultant.

* Preliminary; subject to change.

Estimated Effective Tax Rate

Set forth below is the estimated Fiscal Year 2017-2018 tax obligation that would be applicable to a sample residential unit based on the Fiscal Year 2017-2018 Assigned Special Tax and other taxes and assessments in place within the District in Fiscal Year 2017-2018.

**ESTIMATED FISCAL YEAR 2017-2018 TAX OBLIGATION
FOR A SAMPLE DEVELOPED PROPERTY**

Assessed Valuation and Property Taxes	Percent of Total Assessed Valuation	Single Family Residence (2,311 Sq. Ft.)	Single Family Residence (3,228 Sq. Ft.)
<i>Value</i>			
Land plus Improvements		\$315,000.00	\$366,500.00
Homeowner' Exemption		0.00	0.00
Subtotal Basis for Tax		\$315,000.00	\$366,500.00
<i>Ad Valorem</i>			
General Tax	1.00000%	\$3,150.00	\$3,665.00
SBCB Bonds	0.03500%	110.25	128.27
School Bonds	0.09920%	312.48	363.56
SB Muni Water Debt Service	<u>0.16250%</u>	511.87	595.56
Subtotal Ad Valorem Taxes	1.29670%	\$4,084.60	\$4,752.38
<i>Special Taxes and Assessments</i>			
SBCO Vector Control		\$5.62	\$5.62
Rialto Lighting District No. 2		369.42	369.42
CFD 2006-1 Special Tax		3,086.53	3,506.25
Subtotal Special Assessments		\$3,461.57	\$3,881.29
Total Taxes		\$7,546.17	\$8,633.67
Total Tax Rate		2.40%	2.36%

Source: Willdan Financial Services, as Special Tax Consultant.

Direct and Overlapping Debt

The following table details the direct and overlapping debt currently encumbering property within the District.

CITY OF RIALTO Community Facilities District No. 2006-1 Special Tax Bonds Detailed Direct and Overlapping Debt

I. Assessed Value

2016-2017 Secured Roll Assessed Value \$37,847,826

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Ad Valorem Tax Charges	AVALL	767,779	\$2,197,680,235.23	0.02208%	130	\$485,201.82
City of Rialto Annual Solid Waste Charge	TRASH	1,440	\$515,871.12	0.33996	5	1,753.74
City of Rialto CFD No. 2006-1	CFD	130	\$435,351.30	100.00000	130	435,351.30
City of Rialto Delinquent Trash Charge	DQ	765	\$183,764.33	0.84306	6	1,549.24
City of Rialto LLD No. 2	LLMD	498	\$464,699.82	10.33454	130	48,024.60
County of San Bernardino Vector Control	VECTOR	21,831	\$123,681.02	0.59071	130	730.60
SANBAG HERO Funded Program (2013-2014) ⁽¹⁾	1915	10,431	\$29,402,517.42	0.02854	3	8,390.45
2016-2017 TOTAL PROPERTY TAX LIABILITY						\$981,001.75
TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2016-2017 ASSESSED VALUATION						2.59%

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of Rialto CFD No. 2006-1	CFD	\$5,085,000	\$5,085,000	100.00000%	130	\$5,085,000
TOTAL LAND SECURED BOND INDEBTEDNESS ⁽¹⁾						5,085,000
TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS ⁽¹⁾						5,085,000

Authorized Direct and Overlapping Bonded Debt	Type	Authorized	Unissued	% Applicable	Parcels	Amount
City of Rialto CFD No. 2006-1	CFD	\$6,000,000	\$915,000	100.00000%	130	\$915,000
TOTAL UNISSUED LAND SECURED BOND INDEBTEDNESS ⁽¹⁾						915,000
TOTAL OUTSTANDING AND UNISSUED LAND SECURED BOND INDEBTEDNESS ⁽¹⁾						\$6,000,000

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Rialto Unified School District GOB 1999	GOB	\$59,995,038	\$31,568,446	0.80097%	130	\$252,853
Rialto Unified School District GOB 2010	GOB	68,642,187	68,642,187	0.80097	130	549,801
San Bernardino Community College District GOB 2007	GOB	189,999,797	103,202,347	0.09059	130	93,492
San Bernardino Community College District GOB 2008	GOB	258,312,389	405,872,373	0.09059	130	367,683
San Bernardino Valley Municipal Water District GOB 1971	GOB	3,000,000	0	0.12631	130	0
TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS ⁽¹⁾						1,263,829
TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS ⁽¹⁾						1,263,829

Authorized Direct and Overlapping Bonded Debt	Type	Authorized	Unissued	% Applicable	Parcels	Amount
Rialto Unified School District GOB 1999	GOB	\$60,000,000	\$4,962	0.80097%	130	\$40
Rialto Unified School District GOB 2010	GOB	98,000,000	29,357,813	0.80097	130	235,146
San Bernardino Community College District GOB 2007	GOB	190,000,000	203	0.09059	130	0
San Bernardino Community College District GOB 2008	GOB	500,000,000	241,687,611	0.09059	130	218,947
San Bernardino Valley Municipal Water District GOB 1971	GOB	3,000,000	0	0.12631%	130	0
TOTAL UNISSUED GENERAL OBLIGATION BONDED DEBT ⁽¹⁾						454,133
TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION BOND INDEBTEDNESS ⁽¹⁾						\$1,717,962

TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT	\$6,348,829
VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT	5.96:1
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING BONDED DEBT	\$7,717,962
VALUE TO ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING BONDED DEBT	4.90:1

⁽¹⁾ Does not include PACE program liens due to the variable nature of each lien.

⁽²⁾ Additional bonded indebtedness or available bond authorization may exist but are not shown because a tax was not levied for the referenced fiscal year.
Source: National Tax Data, Inc.

SPECIAL RISK FACTORS

The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District.

Risks of Real Estate Secured Investments Generally

The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential properties and/or sites in the event of sale or foreclosure, (ii) changes in real estate tax rates and other operating expenses, government rules (including, without limitation, zoning laws and restrictions relating to threatened and endangered species) and fiscal policies and (iii) natural disasters (including, without limitation, earthquakes and floods), which may result in uninsured losses, or natural disasters elsewhere in the country or other parts of the world affecting supply of building materials that may cause delays in construction. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due.

Disclosure to Future Homebuyers

Pursuant to Section 53328.3 of the Act, the District has recorded a Notice of Special Tax Lien in the Office of the San Bernardino County Recorder. The sellers of property within the District are required to give prospective buyers a Notice of Special Tax in accordance with Sections 53340.2 and 53341.5 of the Act. While title companies normally refer to the Notice of Special Tax Lien in title reports, there can be no guarantee that such reference will be made or the seller's notice given or, if made and given, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a home or the lending of money thereon. Failure to disclose the existence of the Special Taxes may affect the willingness and ability of future owners of land within the District to pay the Special Taxes when due.

Parity Taxes and Special Assessments

The Special Taxes and any penalties thereon will constitute a lien against the parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is coequal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property. The District, however, has no control over the ability of other agencies to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property within the District. In addition, the landowners within the District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes or assessments. Any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes. See "THE DISTRICT – Direct and Overlapping Debt."

Value to Lien Ratios

Value-to-lien ratios have traditionally been used in land-secured bond issues as a measure of the “collateral” supporting the willingness of property owners to pay their special taxes and assessments (and, in effect, their general property taxes as well). The value-to-lien ratio is mathematically a fraction, the numerator of which is the value of the property (in this case, Fiscal Year 2016-2017 Assessed Values) and the denominator of which is the “lien” of the assessments or special taxes. A value to lien ratio should not, however, be viewed as a guarantee for credit-worthiness. Land values are sensitive to economic cycles. A downturn of the economy or other market factors may depress land values and hence the value-to-lien ratios. Further, the value-to-lien ratio cited for a bond issue is an average. Individual parcels in a community facilities district may fall above or below the average, sometimes even below a 1:1 ratio. (With a ratio below 1:1, the land is worth less than the debt on it.) Although judicial foreclosure proceedings can be initiated rapidly, the process can take several years to complete, and the bankruptcy courts may impede the foreclosure action. No assurance can be given that, should a parcel with delinquent Special Taxes be foreclosed upon and sold for the amount of the delinquency, any bid will be received for such property or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. Finally, local agencies may form overlapping community facilities districts or assessment districts because they typically do not coordinate their bond issuances. Debt issuance by another entity can dilute value-to-lien ratios, as set forth in the table in the section above entitled “THE DISTRICT - Direct and Overlapping Debt.” See “THE DISTRICT – Estimated Value-to-Lien Ratios.”

Insufficiency of Special Taxes

Under the Rate and Method, the annual amount of Special Tax to be levied on each taxable parcel in the District will be based primarily on whether such parcel is developed or not and, for Developed Property that is Residential Property on the square footage. See “APPENDIX A – FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES” and “SECURITY FOR THE BONDS – Rate and Method of Apportionment of Special Taxes.” See “SPECIAL RISK FACTORS – Future Land Use Regulations and Growth Control Initiatives” and “– Failure to Develop Properties” above for a discussion of the risks associated with undeveloped property.

The Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by a gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts. MOREOVER, IF A SUBSTANTIAL PORTION OF LAND WITHIN THE DISTRICT BECAME EXEMPT FROM THE SPECIAL TAX BECAUSE OF PUBLIC OWNERSHIP, OR OTHERWISE, THE MAXIMUM SPECIAL TAX WHICH COULD BE LEVIED UPON THE REMAINING ACREAGE MIGHT NOT BE SUFFICIENT TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE AND A DEFAULT COULD OCCUR WITH RESPECT TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST.

Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within the District on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Special Tax installment payments cannot be made to the County Tax Collector separately from property

tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future.

See “SECURITY FOR THE BONDS – Reserve Fund” and “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure,” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Fiscal Agent Agreement, in the event of delinquency in the payment of Special Tax installments.

Future Indebtedness

The cost of any additional improvements may well increase the public and private debt for which the land in the District provide security, and such increased debt could reduce the ability or desire of property owners to pay the Special Taxes levied against the land in the District. In addition, in the event any additional improvements or fees are financed pursuant to the establishment of an assessment district or another district formed pursuant to the Act, any taxes or assessments levied to finance such improvements may have a lien on a parity with the lien of the Special Taxes. See “THE DISTRICT – Direct and Overlapping Debt.”

Natural Disasters

The District, like many California communities, is subject to unpredictable seismic activity, fires due to the vegetation and topography, and flooding in the event of significant rainfall. According to the seismic safety element of the City’s General Plan, the City is located in a seismically active region. As a result, the District could be impacted by a major earthquake from the numerous faults in the area. Seismic hazards encompass both potential surface rupture and ground shaking. The occurrence of seismic activity, fires or flooding in or around the District could result in substantial damage to properties in the District, which, in turn, could substantially reduce the value of such properties. As a result of the occurrence of such an event, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due, and the reserve fund for the Bonds may become depleted. In addition, the value of land in the District could be diminished in the aftermath of such natural events, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

A serious risk in terms of the potential reduction in the value of a parcel within the District is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel within the District may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of the property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the District be affected by a hazardous substance, will be to reduce the marketability and value of such parcel by the costs of remedying the condition, because the prospective purchaser, upon becoming the owner, will become obligated to remedy the condition just as the seller is.

Further it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the current existence on the parcel of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the parcel of a substance not presently classified as hazardous but

which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly affect the value of a parcel within the District that is realizable upon a delinquency.

As described in the Phase 1 Environmental Assessment, no areas of the District were determined to be subject to contamination at the time of formation of the District.

Bankruptcy and Foreclosure

The payment of property owners' taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings, may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

In addition, bankruptcy of a property owner (or a property owner's partner or equity owner) would likely result in a delay in procuring Superior Court foreclosure proceedings unless the bankruptcy court consented to permit such foreclosure action to proceed. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent tax installments not being paid in full.

Under 11 U.S.C. Section 362(b)(18), in the event of a bankruptcy petition filed on or after October 22, 1994, the lien for ad valorem taxes in subsequent fiscal years will attach even if the property is part of the bankruptcy estate. Bondowners should be aware that the potential effect of 11 U.S.C. Section 362(b)(18) on the Special Taxes depends upon whether a court were to determine that the Special Taxes should be treated like ad valorem taxes for this purpose.

The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as ad valorem taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy.

Property Controlled by FDIC

The District's ability to collect interest and penalties specified by State law and to foreclose the lien of delinquent Special Tax payments may be limited in certain respects with regard to properties in which the Internal Revenue Service, the Drug Enforcement Agency, the Federal Deposit Insurance Corporation (the "FDIC") or other similar federal agency has or obtains an interest. The District is not aware of any such interest of a federal agency in the land within the District. On June 4, 1991 the FDIC issued a Statement of Policy Regarding the Payment of State and Local Real Property Taxes. The 1991 Policy Statement was revised and superseded by a new Policy Statement effective January 9, 1997 (the "Policy Statement"). The Policy Statement provides that real property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its proper tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the

FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula which determines the special tax due each year, are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity.

The FDIC has filed claims against one California county in United States Bankruptcy Court contending, among other things, that special taxes authorized under the Act are not ad valorem taxes and therefore not payable by the FDIC, and seeking a refund of any special taxes previously paid by the FDIC. The FDIC is also seeking a ruling that special taxes may not be imposed on properties while they are in FDIC receivership. The Bankruptcy Court ruled in favor of the FDIC's positions and, on August 28, 2001, the United States Court of Appeals for the Ninth Circuit affirmed the decision of the Bankruptcy Court, holding that the FDIC, as an entity of the federal government, is exempt from post-receivership special taxes levied under the Act. This is consistent with provision in the Law that the federal government is exempt from special taxes.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a parcel in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed on at a judicial foreclosure sale would likely reduce the number of or eliminate the persons willing to purchase such a parcel at a foreclosure sale. Owners of the Bonds should assume that the District will be unable to foreclose on any parcel owned by the FDIC. Such an outcome would cause a draw on the Reserve Account and perhaps, ultimately, a default in payment of the Bonds. The District has not undertaken to determine whether the FDIC or any FDIC-insured lending institution currently has, or is likely to acquire, any interest in any of the parcels, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

Billing of Special Taxes

A special tax formula can result in a substantially heavier property tax burden being imposed upon properties within a community facilities district than elsewhere in a city or county, and this in turn, along with various other factors, can lead to problems in the collection of the special tax. In some community facilities districts, taxpayers have refused to pay the special tax and have commenced litigation challenging the special tax, the community facilities district and the bonds issued by a community facilities district.

Under provisions of the Act, the Special Taxes are billed to the properties within the District which were entered on the Assessment Roll of the County Assessor by January 1 of the previous Fiscal Year on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Ordinarily, these Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular

property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and installment payments of Special Taxes in the future. See “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure,” for a discussion of the provisions which apply, and procedures which the District is obligated to follow, in the event of delinquency in the payment of installments of Special Taxes.

Collection of Special Taxes

In order to pay debt service on the Bonds, it is necessary that the Special Tax levied against property within the District be paid in a timely manner. It is possible that delays in the payment of debt service may be the result of the County processing subdivisions or by the transfer of ownership of property within the District. The District has covenanted in the Fiscal Agent Agreement under certain conditions to institute foreclosure proceedings against property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Taxes to protect its security interest. In the event such superior court foreclosure is necessary, there could be a delay in principal and interest payments to the owners of the Bonds pending prosecution of the foreclosure proceedings and receipt of the proceeds of the foreclosure sale, if any. No assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Taxes installment. Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not specify the obligations of the District with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale if there is no other purchaser at such sale. See “SECURITY FOR THE BONDS – Covenant for Superior Court Foreclosure.”

Maximum Special Tax Rates

Within the limits of the Rate and Method, the District may adjust the Special Taxes levied on all property within the District to provide the amount required each year to pay annual debt service on the Bonds and to replenish the Reserve Account to an amount equal to the Reserve Requirement. However, the amount of Special Taxes that may be levied against particular categories of property is subject to the maximum tax rates set forth in the applicable Rate and Method. In the event of significant Special Tax delinquencies, there is no assurance that the maximum tax rates for property in the District would be sufficient to meet debt service obligations on the Bonds. See “SECURITY FOR THE BONDS – The Special Taxes” and “APPENDIX A – FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES.”

Exempt Properties

Under the Rate and Method, the City will classify as Exempt Property: (i) Public Property, (ii) Assessor’s Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iii) Assessor’s Parcels used exclusively by a homeowners’ association, or (iv) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property to less than 13.39 acres within the District.

In addition, the Act provides that properties or entities of the State, federal or local government are exempt from the Special Taxes; provided, however, the property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Taxes, will continue to be subject to the Special Taxes. The Act further provides that if property subject to the Special Taxes is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Taxes with respect to that property is to be treated as if it were a special

assessment. The constitutionality and operation of these provisions of the Act have not been tested. In particular, insofar as the Act requires payment of the Special Taxes by a federal entity acquiring property within the District, it may be unconstitutional.

If for any reason property within the District becomes exempt from taxation by reason of its status under the Rate and Method, or by reason of its ownership by a nontaxable entity such as the federal government or another public agency, subject to the limitation of the maximum authorized rates, the Special Taxes will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Taxes and could have an adverse impact upon the timely payment of the Special Taxes.

California Constitution Article XIIC and Article XIID

On November 5, 1996, the voters of the State approved Proposition 218, the so-called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIIC and XIID to the State Constitution, which articles contain a number of provisions affecting the ability of the District to levy and collect both existing and future taxes, assessments, fees and charges. According to the “Official Title and Summary” of Proposition 218 prepared by the California State Attorney General, Proposition 218 limits the “authority of local governments to impose taxes and property-related assessments, fees and charges.” On July 1, 1997 California State Senate Bill 919 (“SB 919”) was signed into law. SB 919 enacted the “Proposition 218 Omnibus Implementation Act,” which implements and clarifies Proposition 218 and prescribes specific procedures and parameters for local jurisdictions in complying with Articles XIIC and XIID.

Article XIID of the State Constitution reaffirms that the proceedings for the levy of any Special Taxes by the District under the Act must be conducted in conformity with the provisions of Section 4 of Article XIII A. The District has completed its proceedings for the levy of Special Taxes in accordance with the provisions of Section 4 of Article XIII A. Under Section 53358 of the California Government Code, any action or proceeding to review, set aside, void, or annul the levy of a special tax or an increase in a Special Tax (including any constitutional challenge) must be commenced within 30 days after the Special Tax is approved by the voters.

Article XIIC removes certain limitations on the initiative power in matters of local taxes, assessments, fees and charges. The Act provides for a procedure, which includes notice, hearing, protest and voting requirements, to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting a resolution to reduce the rate of any special tax if the proceeds of that tax are being utilized to retire any debt incurred pursuant to the Act unless such legislative body determines that the reduction of that tax would not interfere with the timely retirement of that debt. Although the matter is not free from doubt, it is likely that exercise by the voters of the initiative power referred to in Article XIIC to reduce or terminate the Special Tax is subject to the same restrictions as are applicable to the City Council, as the legislative body of the District, pursuant to the Act. Accordingly, although the matter is not free from doubt, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce the Special Taxes if such repeal or reduction would interfere with the timely retirement of the Bonds.

It may be possible, however, for voters or the City Council, acting as the legislative body of the District, to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds.

Proposition 218 and the implementing legislation have yet to be extensively interpreted by the courts; however, the California Court of Appeal in April 1998 upheld the constitutionality of Proposition 218's balloting procedures as a condition to the validity and collectability of local governmental assessments. A number of validation actions for and challenges to various local governmental taxes, fees and assessments have been filed in Superior Court throughout the State, which could result in additional interpretations of Proposition 218. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and the outcome of such determination cannot be predicted at this time with any certainty.

Ballot Initiatives and Legislative Measures

Proposition 218 was adopted pursuant to a measure qualified for the ballot pursuant to California's constitutional initiative process; and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the Legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the District or other local districts to increase revenues or to increase appropriations or on the ability of a landowner to complete the development of property. See "SPECIAL RISK FACTORS – Future Land Use Regulations and Growth Control Initiatives" above.

No Acceleration

The Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement or upon any adverse change in the tax status of interest on the Bonds. There is no provision in the Act or the Fiscal Agent Agreement for acceleration of the Special Taxes in the event of a payment default by an owner of a parcel within the District. Pursuant to the Fiscal Agent Agreement, a Bond Owner is given the right for the equal benefit and protection of all Bond Owners to pursue certain remedies described in "APPENDIX C – SUMMARY OF FISCAL AGENT AGREEMENT."

Loss of Tax Exemption

As discussed under the caption "CONCLUDING INFORMATION – Tax Exemption," in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the District has covenanted in the Fiscal Agent Agreement not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds could become includable in gross income for purposes of Federal income taxation retroactive to the date the Bonds were issued, as a result of acts or omissions of the City or the District in violation of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Fiscal Agent Agreement.

Limitations on Remedies

Remedies available to the Bond Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds. Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Fiscal Agent Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial

discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Fiscal Agent Agreement. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Bond Owners.

Enforceability of the rights and remedies of the Bond Owners, and the obligations incurred by the District, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against joint powers authorities in the State. See "SPECIAL RISK FACTORS – Bankruptcy and Foreclosure."

Limited Secondary Market

As stated herein, investment in the Bonds poses certain economic risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand the risk of investment in the Bonds should consider such investment. There can be no guarantee that there will be a secondary market for purchase or sale of the Bonds or, if a secondary market exists, that the Bonds can or could be sold for any particular price. No application has been made for a credit rating for the Bonds, and it is not known whether a credit rating could be secured either now or in the future for the Bonds.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") on an annual basis for the District, and to provide notices of the occurrences of certain enumerated events.

The Annual Report will be filed with the MSRB. The notices of enumerated events will be filed with the MSRB. The specific nature of information to be contained in the Annual Report or the notice of events is summarized in "APPENDIX E – FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made by the District in order to assist the Underwriter in complying with the Rule. [Neither the City nor the District have failed to comply in all material respects with any previous undertakings with regards to said Rule to provide annual reports or notices of material events.]

VERIFICATION OF MATHEMATICAL CALCULATIONS

Grant Thornton, a firm of independent public accountants, will deliver to the District, on or before the date of delivery of the Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of computations prepared on behalf of the District relating to the sufficiency of amounts on deposit and expected investment earnings thereon with respect to the Escrow Fund and to the yield on the Bonds and the federal securities for federal income tax purposes. Such report will be relied upon by Bond Counsel in rendering its opinions with respect to the exclusion from gross income of interest on the Bonds for federal income tax purposes and with respect to defeasance of the Refunded Bonds.

CONCLUDING INFORMATION

Underwriting

The Underwriter purchased the Bonds at a purchase price of \$ _____, representing the principal amount of the Bonds less an Underwriter's discount of \$ _____ and less original issue discount of \$ _____. The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallocate any such discounts on sales to other dealers.

Legal Opinion

The legal opinion of Aleshire & Wynder, LLP, Irvine, California, approving the validity of the Bonds, in substantially the form set forth in APPENDIX D hereto, will be made available to purchasers of the Bonds at the time of original delivery. A copy of the legal opinion for the Bonds will be provided with each definitive bond. Bond Counsel has not undertaken on behalf of the Owners or the Beneficial Owners of the Bonds to review the Official Statement and assumes no responsibility to such Owners and Beneficial Owners for the accuracy of the information contained herein. Certain legal matters will be passed upon for the City by the City Attorney and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel to the City with respect to the issuance of the Bonds.

Tax Exemption

The Internal Revenue Code of 1986 (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to maintain the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

In the opinion of Aleshire & Wynder, LLP, Bond Counsel, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with the aforementioned covenant, interest on the Bonds is excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Bond Counsel is also of the opinion that, assuming compliance with the aforementioned covenant, the Bonds are not "specified private activity bonds" within the meaning of section 57(a)(5) of the Code and, therefore, the interest on the Bonds will not be treated as an item of tax preference for purposes of computing the alternative minimum tax imposed by section 55 of the Code. The receipt or accrual of interest on the Bonds owned by a corporation may affect the computation of its alternative minimum taxable income, upon which the alternative minimum tax is imposed, to the extent that such interest is taken into account in determining the adjusted current earnings of that corporation (75 percent of the excess, if any, of such adjusted current earnings over the alternative minimum taxable income being an adjustment to alternative minimum taxable income (determined without regard to such adjustment or to the alternative tax net operating loss deduction)).

The excess, if any, of the stated redemption price at maturity of Bonds of a maturity over the initial offering price to the public of the Bonds of that maturity set forth on the cover of this Official Statement is “original issue discount” under the Code. Such original issue discount accruing on a Bond is treated as interest excluded from the gross income of the owner thereof for federal income tax purposes and exempt from California personal income tax to the same extent as would be stated interest on the Bond. Original issue discount on any Bond purchased at such initial offering price and pursuant to such initial offering will accrue on a semiannual basis over the term of the Bond on the basis of a constant yield method and, within each semiannual period, will accrue on a ratable daily basis. The amount of original issue discount on such a Bond accruing during each period is added to the adjusted basis of such Bond to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Bond. The Code includes certain provisions relating to the accrual of original issue discount in the case of purchasers of Bonds who purchase such Bonds other than at the initial offering price and pursuant to the initial offering.

Any person considering purchasing a Bond of a maturity having original issue discount should consult his or her own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering and at the original offering price, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds or the tax consequences of the ownership of the Bonds. No assurance can be given that future legislation, or amendments to the Code, if enacted into law, will not contain provisions that could directly or indirectly reduce the benefit of the exemption of interest on the Bonds from personal income taxation by the State of California or of the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. Furthermore, Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof predicated or permitted upon the advice or approval of bond counsel if such advice or approval is given by counsel other than Bond Counsel.

Although Bond Counsel is of the opinion that interest on the Bonds is exempt from state personal income tax and excluded from the gross income of the owners thereof for federal income tax purposes, an owner’s federal, state or local tax liability may be otherwise affected by the ownership or disposition of the Bonds. The nature and extent of these other tax consequences will depend upon the owner’s other items of income or deduction. Without limiting the generality of the foregoing, prospective purchasers of the Bonds should be aware that (i) section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner’s interest expense allocated to interest on the Bonds, (ii) with respect to insurance companies subject to the tax imposed by section 831 of the Code, section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by section 884 of the Code, (iv) passive investment income, including interest on the Bonds, may be subject to federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, (v) section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds and (vi) under section 32(i) of the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income credit. Bond Counsel has expressed no opinion regarding any such other tax consequences.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City and the District described above. No ruling has been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures the Service is likely to treat the District as the "taxpayer" and the Owners would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interest from the Owners. Further, the disclosure of the initiation of an audit may adversely affect the market price of the Bonds, regardless of the final disposition of the audit.

No Litigation

A certificate of the District to the effect that no litigation is pending or threatened concerning the validity of the Bonds will be furnished to the Underwriter at the time of the original delivery of the Bonds. Neither the City nor the District are aware of any litigation pending or threatened which questions the existence of the District or the City or contests the authority of the District to levy and collect the Special Taxes or to issue the Bonds.

No Rating on the Bonds

The Bonds are not rated and the District does not anticipate applying for a rating on the Bonds.

Municipal Advisor

The City has retained Fieldman, Rolapp & Associates, Irvine, California, as Municipal Advisor in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. Compensation paid to the Municipal Advisor is contingent upon the successful issuance of the Bonds.

Miscellaneous

All of the preceding summaries of the Fiscal Agent Agreement, other applicable legislation, agreements and other documents are made subject to the provisions of such documents and do not purport to be complete documents of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The City Council of the City of Rialto has duly authorized the City Administrator to execute and deliver this Official Statement on behalf of the District.

CITY OF RIALTO COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (ELM PARK)

By: _____
City Administrator of the City of Rialto on behalf of the
City of Rialto Community Facilities District No. 2006-1
(Elm Park)

APPENDIX A

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

APPENDIX B

CITY OF RIALTO SUPPLEMENTAL INFORMATION

The following information concerning the City of Rialto is presented as general background data. The Bonds are payable solely from Special Taxes as described in the Official Statement. The Bonds are not an obligation of the City, and the taxing power of the City is not pledged to the payment of the Bonds (except to the limited extent described herein).

Municipal Government

The City functions as a general law city under the council-administrator form of government. Four council members are elected at large to serve four year overlapping terms. The Mayor is elected at large and serves a four-year term. The City Administrator is appointed by the City Council.

The City has approximately [292] full-time employees. The City has a full service police station to provide 24-hour protection, including dispatch and 911 services. There are [144] personnel employed by the City's police department, and [63] personnel employed by the City's fire department, operating out of four fire stations.

Population

The following table shows population estimates for the City, the County and the State of California for the last five years. The population of the City was estimated at 107,330 as of January 1, 2016.

CITY OF RIALTO, SAN BERNARDINO COUNTY, AND STATE OF CALIFORNIA POPULATION ESTIMATES

Year (January 1)	City of Rialto	San Bernardino County	State of California
2012	102,124	2,070,374	37,881,357
2013	104,565	2,086,559	38,239,207
2014	105,289	2,100,700	38,567,459
2015	106,425	2,121,088	38,907,642
2016	107,330	2,139,570	39,255,883

Source: State of California Department of Finance, Demographic Research Unit.

Employment and Industry

The City's total labor force, the number of persons who work or are available for work, averaged 44,200 in calendar year 2015 and the number of employed workers in the labor force averaged 40,800.

The following table sets forth information regarding the size of the labor force, employment and unemployment rates for the City for the calendar years 2011 through 2015 and for September 2016. As of September 2016, the seasonally adjusted unemployment rate for the City has declined to 7.0%.

CITY OF RIALTO LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT Calendar Years 2011 through 2015 and September 2016 Data

<u>Year</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2011	43,100	36,600	6,500	13.1%
2012	43,300	37,400	5,800	13.5
2013	43,300	38,300	5,000	11.6
2014	43,600	39,400	6,100	9.5
2015	44,200	40,800	3,400	7.7
2016 ⁽¹⁾	44,900	41,700	3,100	7.0

⁽¹⁾ 2016 figures for September 2016.

Source: State of California Employment Development Department.

The following table sets forth the annual average employment by industry within the Riverside-San Bernardino-Ontario Metropolitan Statistical Area for the fiscal years 2011 through 2015.

RIVERSIDE-SAN BERNARDINO-ONTARIO METROPOLITAN STATISTICAL AREA ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY 2011 through 2015

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total All Industries	1,010,100	1,050,700	1,078,700	1,108,100	1,178,700
Agriculture	21,700	20,900	20,900	20,400	18,700
Mining	1,300	1,200	1,100	1,300	1,200
Construction	80,100	88,400	90,300	97,500	111,800
Manufacturing	120,100	118,600	114,700	113,500	120,100
Wholesale Trade	38,300	41,600	41,000	43,800	45,600
Retail Trade	127,400	132,200	137,700	141,700	153,800
Transportation, Warehousing and Utilities	46,400	45,600	45,600	47,500	55,500
Information	12,900	14,600	14,000	13,800	14,000
Financial Activities	34,800	38,200	39,800	42,100	45,700
Professional and Business Services	97,000	101,700	105,600	113,100	125,500
Educational and Health Services	102,200	106,000	111,200	115,300	118,400
Leisure and Hospitality	100,800	104,400	106,100	108,300	116,700
Other Services	35,000	37,100	38,500	38,400	39,300
Government	192,100	200,200	212,400	211,400	212,500

Source: State of California Employment Development Department.

Commercial Activity

Taxable sales in the City totaled approximately \$1,044,504,000 in 2014, the most recent full year for which figures are available. The following shows the taxable transactions of the City for the years shown, as provided by the California State Board of Equalization. Figures for 2015 are not yet available.

CITY OF RIALTO TAXABLE TRANSACTIONS (In Thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Retail and Food Services					
Motor Vehicle and Parts Dealer	23,169	25,574	25,808	25,130	31,641
Home Furnishings and Appliances	3,749	4,727	6,560	8,257	7,724
Bldg. Matrl. and Supplies	43,772	41,984	42,817	55,345	56,420
Food and Beverage Stores	41,928	42,146	45,244	45,672	47,005
Gasoline Stations	256,897	191,361	171,930	167,972	181,732
Clothing Stores	17,582	17,272	17,939	18,849	17,909
Food Services and Drinking Places	66,163	68,046	75,650	82,977	95,596
Other Retail Group	116,521	124,792	126,571	138,841	151,667
Total Retail and Food Services	569,782	515,902	512,518	543,043	589,693
All Other Outlets	<u>279,188</u>	<u>352,025</u>	<u>366,225</u>	<u>397,029</u>	<u>454,811</u>
Totals All Outlets	848,970	867,927	878,743	940,073	1,044,504

Source: California State Board of Equalization.

Construction Activity

The following table shows the number of construction permits and the dollar value of construction in the City for the last five fiscal years.

CITY OF RIALTO CONSTRUCTION PERMITTING ACTIVITY

Fiscal Year	<u>Commercial</u>		<u>Residential – Single Family</u>		<u>Residential - Multi Family</u>		<u>Total New Construction</u>	
	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>
2011	\$ 0	7	\$ 1,267,970	75	\$5,495,646	82	\$5,503,136	159
2012	7,195,285	8	1,175,000	0	0	8	8,370,283	8
2013	0	69	15,720,000	0	0	69	15,720,000	69
2014	0	7	1,681,324	0	0	7	1,681,324	7
2015	0	0	0	4	427,255	4	427,250	4

Source: Construction Industry Research Board/CIRB.

APPENDIX C
SUMMARY OF FISCAL AGENT AGREEMENT

APPENDIX D
FORM OF BOND COUNSEL OPINION

[TO COME]

APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC; and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The foregoing internet addresses are included for reference only, and the information on these internet sites is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds: DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.



Legislation Details (With Text)

File #: 16-727 **Version:** 1 **Name:** TAB 7
Type: Resolution **Status:** Agenda Ready
File created: 10/18/2016 **In control:** City Council
On agenda: 11/22/2016 **Final action:**
Title: Request City Council to Approve Budget Resolution No. 7037 and a Reimbursement Agreement by and between the City of Rialto and Lewis-Hillwood Rialto Company to reimburse costs for the SR-210/Alder Avenue Interchange Feasibility Study in an amount not to exceed \$275,000. (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A - Map](#)
[Exhibit B - Scope of Work and Proposal](#)
[Exhibit C - LHR Reimbursement Agreement for Feasibility Study](#)
[Exhibit D - Budget Resolution](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb Steel, Assistant City Administrator/Development Services Director

Request City Council to Approve Budget **Resolution No. 7037** and a Reimbursement Agreement by and between the City of Rialto and Lewis-Hillwood Rialto Company to reimburse costs for the SR-210/Alder Avenue Interchange Feasibility Study in an amount not to exceed \$275,000. (ACTION)

BACKGROUND:

Recent traffic studies for various industrial projects area (e.g., Panattoni I-210 III - V, Thrifty Oil, ProLogis, Monster, etc...) within the Renaissance Specific Plan (RSP) area have identified certain deficiencies of the SR-210 Alder Avenue interchange. A map of the SR-210/Alder Avenue Interchange is attached hereto as **Exhibit A**.

The Transportation Commission conditioned each of these development projects to pay certain fair share fees to make minor improvements to the east bound and west bound Alder Avenue on and off ramps to mitigate impacts caused by their projects. The traffic studies indicated that other improvements of the Alder Avenue interchange, including but not limited to widening the bridge structure might be necessary to accommodate the future planned growth in the City. More recently, the Traffic Impact Analysis prepared for the proposed Amendment to the Renaissance Specific Plan/Environmental Impact Report (EIR) also concluded that the Alder Interchange might not

accommodate cumulative traffic volumes.

The Transportation Commission requested that the City and/or the master developer, Lewis-Hillwood Rialto (LHR), fund a feasibility study to determine the short-term and ultimate long-term improvements to the Alder Avenue Interchange to ensure that it can accommodate the projected traffic volumes at build out in 2040.

ANALYSIS/DISCUSSION:

Based upon direction received from the Transportation Commission, the City and LHR solicited a proposal (**Exhibit "B"**) from Advanced Civil Technologies (ACT) to complete a feasibility study for the Alder Avenue Interchange. ACT has completed preliminary design work for improvements to the Alder Avenue Interchange. ACT anticipates completing the report within 12 months. Staff summarized the scope of work below:

- **Coordination/Administration.** ACT will provide overall project management, coordination, and supervision of project staff to facilitate the performance of the work in accordance with the scope and requirements. In addition, ACT will participate in discussing progress, coordinating design activities, obtaining direction, exchanging project information, and identifying issues to be resolved.
- **Data Collection.** ACT will conduct data collection and information gathering necessary for alternatives analysis. A formal data request will be prepared for the relevant agencies. ACT will also conduct limited field reviews to verify existing geometric data.
- **Alternative Development.** For the two alternatives previously developed for the SR-210/Alder Avenue interchange, ACT will refine the previous concepts and prepare design drawings, which will include edge of pavement lines, approximate striping, preliminary lane and shoulder widths, preliminary right-of-way requirements, existing utilities, and major structures. ACT will also develop one additional alternative in addition to the two previously developed.
- **Preliminary Cost Estimates.** ACT will prepare preliminary construction cost estimates for the three alternatives, based on current cost data and the layouts development. Order of magnitude cost estimates will assess roadway and structure costs, right-of-way, utility relocations, preliminary environmental mitigation measures, supplemental work, and contingencies.
- **Environmental Analysis.** The ACT team will review existing environmental documents for the project area and review a current aerial photograph to determine environmental constraints for the project. A Preliminary Environmental Analysis Report (PEAR) equivalent document will identify environmental constraints according to the topics included in a PEAR format. The document will also include cost estimates for potential permitting and mitigation requirements for each alternative concept.
- **Traffic Analysis.** The ACT team will assess the traffic impacts within the defined project area. ACT will conduct the analysis based upon an agreed-upon methodology that will be discussed with LHR and the City before beginning the analysis. The ACT team will summarize existing and future traffic data. Generalized performance criteria will be applied to

show existing and future deficiencies. A technical memorandum will be prepared to summarize the results.

- **Draft Feasibility Study Report.** ACT will prepare a Draft Feasibility Study Report, using the data and analysis conducted in previous tasks. The report will be prepared generally following the Caltrans PDPM guidelines for a Project Study Report.
- **Final Feasibility Study Report.** ACT will refine the Feasibility Study Report based on stakeholder review. The Final Feasibility Study Report will incorporate comments received on the text and appendices.

ACT’s proposed fee to prepare the feasibility study report is \$248,597 as summarized below.

advanced civiltechnologies.		COST PROPOSAL	
SR-210/Alder Avenue Interchange			
Lewis Operating Corporation			
Feasibility Study Report (FSR)			
LABOR			
Task 1 - Project Management	\$	27,608	
Task 2 - Alternatives Development	\$	136,277	
Task 3 - Draft Feasibility Study Report	\$	26,041	
Task 4 - Final Feasibility Study Report	\$	10,841	
		SUBTOTAL	\$ 200,767
OTHER DIRECT COSTS			
Reproduction	\$	2,000	
Mileage	\$	1,080	
		SUBTOTAL	\$3,080
SUBCONSULTANTS			
Translutions	\$	30,000	
LSA Associates	\$	12,000	
Subconsultant Markup (5%)	\$	2,750	
		SUBTOTAL	\$ 44,750
		TOTAL	\$ 248,597

In addition, LHR requested a contingency of about 10% to cover additional analysis or studies, if needed. The maximum cost is \$275,000.

LHR will initially pay for the feasibility study, but requests a Reimbursement Agreement (**Exhibit “C”**) with the City.

ENVIRONMENTAL IMPACT:

Pursuant to Section 15262 of the California Environmental Quality Act (“CEQA”), a project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors is statutory exempt from CEQA. The Reimbursement Agreement is to reimburse LHR to conduct a feasibility study for the Alder/210 interchange.

GENERAL PLAN CONSISTENCY:

The proposed Reimbursement Agreement to prepare a feasibility study is consistent with the following goals and objectives contained in the General Plan:

Goal 3-3: Attract, expand, and retain commercial and industrial businesses to reduce blighted conditions and encourage job growth.

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Policy 3-6.1: Coordinate all development proposals with other affected public entities to ensure the provision of adequate public facilities and infrastructure services.

Goal 3-7: Upgrade public infrastructure as an inducement to promote private investment.

LEGAL REVIEW:

The City Attorney has reviewed and approved the Reimbursement Agreement and staff report.

FINANCIAL IMPACT:

To reimburse LHR for the maximum \$275,000 cost of preparing the feasibility study, the City would use the existing balance in the RSP EIR/SP Fair Share Fee (Fund Account 301-241-0401-0001). The City collects approximately \$3,300 per acre from developers from within the RSP to recover the costs of preparing the RSP and the Program EIR. LHR paid for all of these costs in accordance with the Contracts of Sale; however, the City is recapturing the investment and has offered to use the funds for the enhancement of the RSP Project.

Ultimately, if the Alder Interchange improvements are included in a revised RSP Traffic Fee Study, the City may recover the expenditure from the future fee revenues derived from the RSP Fair Share Traffic Impact Fees collected (Fund Account 301-241-0401-0000). The Reimbursement Agreement will require approval by the City Council.

Staff recommends approving a Budget Resolution increasing appropriations of \$275,000 in Fair Share Agreement Fund No. 301-500-4312-2011 and increasing estimated revenues in Fair Share Agreement Fund No. 301-400-4312-7679.

RECOMMENDATION:

Staff recommends that the City Council:

- Approve a Reimbursement Agreement by and between the City of Rialto and Lewis-Hillwood Rialto Company for reimbursement costs for the SR-210/Alder Avenue Interchange Feasibility Study in an amount not to exceed \$275,000.

- Approve a Budget Resolution (Exhibit D).

SR-210/ALDER AVE INTERCHANE



EXHIBIT B

SR-210/Alder Avenue Interchange Feasibility Study Report

SCOPE OF WORK

Advanced Civil Technologies (ACT) will provide Lewis Operating Corporation (Lewis) with professional services required to prepare a Feasibility Study Report for the SR-210/Alder Avenue Interchange Improvements. The duration for this scope of work is anticipated to be no more than 12 months. Specific scope items are documented in the following sections.

TASK 1 – PROJECT MANAGEMENT/COORDINATION/ADMINISTRATION

This task includes the project management services including the requirements for meetings, schedules, progress reports, invoicing, and administration of ACT's work.

Task 1.1 Coordination/Administration

The ACT Project Manager will provide overall project management, coordination, and supervision of project staff to facilitate the performance of the work in accordance with the scope and requirements. In addition, ACT will participate in discussing progress, coordinating design activities, obtaining direction, exchanging project information, and identifying issues to be resolved. ACT will participate in the following meetings:

- **Kickoff meeting:** Kickoff meeting will be held with Lewis, the City of Rialto, and Caltrans District 8 to discuss policy, procedure, and make decisions affecting the direction of the Feasibility Study. ACT will prepare and distribute meeting notices, agendas, handout material relevant to the agenda, and meeting minutes.
- **Agency Coordination/Technical Workshop Meetings:** Meetings will be held to discuss technical issues with specific agencies. ACT will participate in a maximum of 8 meetings and will bring progress plans as appropriate. No special presentation materials will be prepared.

Deliverables:

- Meeting notices, agendas, handouts, and minutes
- Progress plans
- Project schedule

TASK 2 – ALTERNATIVES DEVELOPMENT

Task 2.1 Data Collection/Permit Applications

This task will include data collection and information gathering necessary for alternatives analysis. A formal data request will be prepared for the relevant agencies. Limited field reviews will also be conducted to verify existing geometric data. ACT will obtain a Caltrans encroachment permit for the field reconnaissance.

ACT will collect as-built plans from the previous projects constructed within the study limits. This information will be used to identify existing pavement sections, geometric information, location of existing right-of-way, utility and drainage locations.

EXHIBIT B

Contacts will be made with utility companies affected and a preliminary determination of relocation requirements and responsibilities will be made. Utility potholing is not included as part of this scope. Preliminary impacted utilities will be delineated on concept plans.

The most recent three year accident history by type, as well as the comparable breakdown of the statewide average accident rates for similar facilities will be compiled. Coordination with the Caltrans Traffic Studies/Safety branch will be carried out to obtain the necessary information.

Deliverables:

- Inventory of existing planning/engineering data
- Caltrans Encroachment Permit

Assumptions:

- *It is assumed that the City of Rialto will enter into a Cooperative Agreement with Caltrans for oversight activities.*
- *The City of Rialto, Caltrans, or other agencies will provide copies of relevant documents for ACT's review.*

Task 2.2 Alternative Development

For the two alternatives previously developed for the SR-210/Alder Avenue interchange, ACT will refine the previous concepts and prepare design drawings in English units at 1"=100' scale, which will include edge of pavement lines, approximate striping, preliminary lane and shoulder widths, preliminary right-of-way requirements, existing utilities, and major structures. ACT will also develop one additional alternative in addition to the two previously developed. The interchange alignments will show limits of bridges. The concepts will be presented on half size (11" x 17") sheets.

Conceptual drawings of proposed typical cross-sections will be prepared for each alternative.

Plans will be prepared using Microstation V8 and InRoads, using most current Caltrans standards.

It is assumed that no additional alternative analysis will be completed beyond the three alternatives previously discussed.

Additional evaluation supporting the alternative analysis will also be conducted, including:

Design Exceptions. The alternative geometrics will be analyzed to update the potential Caltrans Highway Design Manual mandatory and advisory non-standard geometric design features requiring a Fact Sheet. The design exceptions needed will be determined using the most recent Highway Design Manual update.

Right-of-Way Assessment. The right-of-way requirements for the three alternatives will be evaluated based on the most recent Caltrans right-of-way information available. No title reports will be obtained during this study.

Utility Impacts. The potential utility impacts for the three alternatives will be evaluated based on the most recent utility information available. This includes providing a rough estimate for any potential relocation that might be required as a result of this project.

EXHIBIT B

Construction Phasing. The proposed construction phasing for the three alternatives will be evaluated based on the alternative refinements. A summary discussion will be included in the FSR and no plans will be prepared.

Structures. The structures impacts for the three alternatives will be evaluated based on the alternative refinements. A preliminary cost estimate will be developed for structures that will need to be widened or newly constructed. The estimate will be developed based on a cost per square foot. A structures Advanced Planning Study is not included in this scope of work.

Additional analysis may be required by the Caltrans functional units, which is not covered under this scope of work.

Deliverables:

- Conceptual Plans for three alternatives

Task 2.3 Preliminary Cost Estimates

ACT will prepare preliminary construction cost estimates for the three alternatives, based on current cost data and the layouts development in Task 2.2. Order of magnitude cost estimates will assess roadway and structure costs, right-of-way, utility relocations, preliminary environmental mitigation measures, supplemental work, and contingencies. The Caltrans template for a PSR-PDS level estimate will be used for preparation of the cost estimate.

Deliverables:

- Preliminary construction cost estimates (PDF and Excel), to be included in Feasibility Study Report

Task 2.4 Environmental Analysis

The ACT team will review existing environmental documents for the project area and review a current aerial photograph to determine environmental constraints for the project. No record searches will be conducted as part of this task and no GIS mapping will be produced. A Preliminary Environmental Analysis Report (PEAR) equivalent document will identify environmental constraints according to the topics included in a PEAR format. The document will also include cost estimates for potential permitting and mitigation requirements for each alternative concept.

Deliverables:

- PEAR equivalent document (included as an appendix of the Feasibility Study Report)

Task 2.5 Traffic Analysis

The ACT team will assess the traffic impacts within the defined project area. The analysis will be conducted based on an agreed-upon methodology that will be discussed with Lewis and the City of Rialto before beginning the analysis. The ACT team will summarize existing and future traffic data. Generalized performance criteria will be applied to show existing and future deficiencies. A technical memorandum will be prepared to summarize the results.

Deliverables:

- Traffic Analysis Memorandum

EXHIBIT B

TASK 3 – DRAFT FEASIBILITY STUDY REPORT

ACT will prepare a Draft Feasibility Study Report, using the data and analysis conducted in previous tasks. The report will be prepared generally following the Caltrans PDPM guidelines for a Project Study Report. No additional reports or studies are assumed.

Deliverables:

- Draft Feasibility Study Report, including information documented in previous tasks

TASK 4 – FINAL FEASIBILITY STUDY REPORT

ACT will refine the Feasibility Study Report based on stakeholder review. The Final Feasibility Study Report will incorporate comments received on the text and appendices. It is assumed that comments on the draft report will not change the recommended alternative selected in the Final Feasibility Study Report.

Deliverables:

- Final Feasibility Study Report, including information documented in previous tasks

EXHIBIT B

advanced civiltechnologies.		COST PROPOSAL	
SR-210/Alder Avenue Interchange Lewis Operating Corporation Feasibility Study Report (FSR)			
LABOR			
Task 1 - Project Management		\$	27,608
Task 2 - Alternatives Development		\$	136,277
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		SUBTOTAL	\$3,080
SUBCONSULTANTS			
Translutions		\$	30,000
LSA Associates		\$	12,000
Subconsultant Markup (5%)		\$	2,750
		SUBTOTAL	\$ 44,750
		TOTAL	\$ 248,597

EXHIBIT B

SR-210/Alder Avenue Interchange
 Feasibility Study Report (FSR)
 9/19/2016

Fully Loaded Hourly Rate (Direct Labor, Escalation, overhead, and profit)	Staff Name	\$285.14	\$195.00	\$195.00	\$145.00	\$98.00	TOTAL HOURS	TOTAL FULLY LOADED LABOR COST PER TASK
Staff Classification								
TOTAL FOR PROJECT		162	172	238	320	288	1180	\$200,766.68
Task 1 - Project Management		60	0	36	24	0	120	\$27,608.40
Coordination and Administration		60		36	24		120	\$27,608.40
Task 2 - Alternatives Development		90	140	158	208	228	824	\$136,276.60
Data Collection/Permit Applications		8		8	4	8	28	\$5,205.12
Alternative Development		40	100	110	132	140	522	\$85,215.60
Preliminary Cost Estimates		18	40	40	40	80	218	\$34,372.52
Environmental Analysis		12			16		28	\$5,741.68
Traffic Analysis		12			16		28	\$5,741.68
Task 3 - Draft Feasibility Study Report		8	32	24	48	60	172	\$26,041.12
Draft FSR		8	32	24	48	60	172	\$26,041.12
Task 4 - Final Feasibility Study Report		4	0	20	40	0	64	\$10,840.56
Final FSR		4		20	40		64	\$10,840.56
TOTAL FULLY LOADED LABOR COST PER CLASSIFICATION		\$46,192.68	\$33,540.00	\$46,410.00	\$46,400.00	\$28,224.00		

REIMBURSEMENT AGREEMENT

This **REIMBURSEMENT AGREEMENT** (“Agreement”) is made and entered into as of November 8, 2016, (the “Effective Date”), by and between the **CITY OF RIALTO**, a municipal corporation (“City”), and **LEWIS-HILLWOOD RIALTO COMPANY, LLC**, a Delaware limited liability company (“LHR”).

RECITALS

A. The City and LHR are parties to that certain Second Amended and Restated Contract of Sale for Areas B, C, and D, dated as of September 25, 2012 (“Airport Agreement”) which relates to approximately 436 acres of real property located in the City situated in the Renaissance Specific Plan.

B. The Transportation Commission conditioned each of these development projects to pay certain fair share fees to make minor improvements to the east bound and west bound Alder Avenue on and off ramps to mitigate impacts caused by their projects. The traffic studies indicated that other improvements of the SR-210/Alder Avenue interchange, including but not limited to widening the bridge structure might be necessary to accommodate the future planned growth in the City. More recently, the Traffic Impact Analysis prepared for the proposed Amendment to the Renaissance Specific Plan/EIR also concluded that the SR-210/Alder Avenue interchange might not accommodate cumulative traffic volumes. The Transportation Commission requested that the City and/or the master developer, Lewis-Hillwood Rialto (LHR), fund a feasibility study to determine the short-term and ultimate long-term improvements to the Alder Avenue Interchange to ensure that it can accommodate the projected traffic volumes at build out in 2040.

C. Subject to the terms and conditions set forth in this Agreement, the City has agreed to reimburse LHR for the cost of preparing the SR-210/Alder Avenue Interchange Feasibility Study.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and LHR agree as follows:

1. Responsibilities of City. City agrees to pay to LHR all third party costs (“Reimbursable Costs”) actually incurred and paid by LHR that are directly attributable to the preparation of the SR-210/Alder Avenue Interchange Feasibility Study by Advanced Civil Technologies and in accordance with a contract between LHR and Advanced Civil Technologies for such services. City shall make such reimbursement payments to LHR in accordance with the procedures set forth in Section 4 below from moneys held the RSP EIR/SP Fair Share Fee (Fund Account 301-241-0401-000) (“City Account”). The total amount to be paid by City pursuant to this Section 1 (exclusive of change orders pursuant to Section 2) shall not exceed Two Hundred Forty-Eight Thousand Five Hundred and Ninety Seven Dollars (\$248,597).

2. Change Orders. City shall have the right to review and approve or disapprove any and all change orders under the contract described in Section 1 that would result, cumulatively or individually, in an increase in the contract price of five percent (5%) or more. The City Administrator shall have authority to approve change orders on behalf of the City; provided that City shall have no obligation to pay or reimburse LHR for work performed under change orders cumulatively exceeding Five Thousand Dollars (\$5,000). The City’s total obligation under

Sections 1 and 2 and including a 10% contingency of this Agreement is hereby expressly limited to Two Hundred Seventy-Five Thousand Dollars (\$275,000)

3. Responsibilities of LHR. LHR shall be responsible for preparing (or causing to be prepared) complete SR-210/Alder Avenue Interchange Feasibility Study by Advanced Civil Technologies attached hereto as Exhibit A. LHR shall provide the City with copies of all reports and design documents produced by LHR or any of its contractors and/or consultants in connection with the preparation of such Feasibility Study. LHR shall notify the City of, and allow the City to participate in, all meetings related to the preparation of such Feasibility Study. The final Feasibility Study shall be subject to the approval of the City Administrator.

4. Reimbursement Procedure.

(a) On or after the Effective Date, LHR shall submit to the City from time to time, but no more frequently than monthly and no less frequently than every two months (subject to timely receipt of invoices from Advanced Civil Technologies) a "Request for Reimbursement" setting forth the exact amount of Reimbursable Costs for which LHR is seeking reimbursement. Each Request for Reimbursement shall be accompanied by the list of Reimbursable Costs for which reimbursement is sought setting forth (1) the nature of the product or service obtained by LHR, (2) the name of the provider of the product or service, and (3) the charge for such product or service in the full amount of the payment made by LHR. Such list shall be certified as accurate and correct by LHR's project manager in charge of overseeing the preparation of such Feasibility Study.

(b) Fifteen (15) business days after receipt of such Request for Reimbursement, the City shall either (i) pay the full amount of the requested sum as set forth in the Request for Reimbursement (the "Full Reimbursement Sum"), or (ii) pay the Full Reimbursement Sum less that which the City contests is either not yet due or subject to objection (in either case, the "Contested Portion"). The City Administrator shall simultaneously give written notice to LHR ("Notice of Contest") of the amount of the Contested Portion and stating with reasonable specificity its reason for objecting to the Contested Portion. The City Administrator and a representative from LHR shall meet and confer, either in person or by phone, within three (3) business days after LHR's receipt of the Notice of Contest and shall use their good faith efforts to promptly resolve any issues regarding the Contested Portion. As used herein, "business days" shall mean Monday through Thursday, excluding federal and state holidays.

5. City Officers and Employees. No officer or employee of the City shall be personally liable to LHR or any successors in interest in the event of any default or breach by the City or for any amount which may become due to LHR or any successor(s) in interest or for breach of any obligation of the terms of this Agreement. No officer or employee of LHR shall be personally liable to the City or any successor(s) in interest in the event of any default or breach by LHR or for any amount which may become due to the City or their successors in interest or for breach of any obligation of the terms of this Agreement.

6. Notice. Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any person shall be in writing and either served personally or sent by prepaid, first-class mail to the address set forth below. Notice shall be deemed communicated immediately upon personal delivery or forty-eight (48) hours from the time of mailing if mailed as provided in this Section.

To City: City of Rialto
150 S. Palm Avenue
Rialto, CA 92376
Attn: City Administrator

Copies to: Fred Galante, City Attorney
City of Rialto
150 S. Palm Avenue
Rialto, CA 92376

Thomas P. Clark, Jr.
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660

To LHR: Bryan Goodman
Lewis Rialto Company, LLC
1156 Mountain Avenue
Upland, CA 91786

Copies to: Ken Corhan
Vice President/General Counsel
Lewis Operating Corp.
1156 Mountain Avenue
Upland, CA 91786

David Newsom
General Counsel
Hillwood Development Company, LLC
3090 Olive Street, Suite 300
Dallas, TX 75219

John Magness
HGI CA Investors, L.P.
901 Via Piemonte, Suite 175
Ontario, CA 91764
Tel (909) 382-0033 ext. 8103
Fax (909) 382-0073

7. Assignment.

(a) The parties hereto may not assign their obligations hereunder to any person or entity without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld. It shall be reasonable for a party to withhold its consent hereunder if the proposed assignee is unwilling, or financially incapable, or not professionally competent to carry out the assigning party's obligations hereunder. In addition, any such assignment shall only be effective if, in addition to being approved in writing as provided in the first sentence of this Section, the assigning party and the proposed assignee execute an Assignment and Assumption Agreement whereby the assignee assumes all the duties and responsibilities of the assigning party under this

Agreement in the form approved by the non-assigning party, such approval not to be unreasonably withheld.

(b) Upon the receipt by LHR of the final payment due under this Agreement, LHR shall execute an assignment agreement for the contract with Advanced Civil Technologies assigning all of its rights and remedies against Advanced Civil Technologies under said contract with Advanced Civil Technologies to the City in a form approved by the City, such approval not to be unreasonably withheld.

8. General Provisions.

(a) Except as otherwise provided herein, the terms, conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns, and successors of the parties hereto.

(b) The parties to this Agreement do not rely upon any warranty or representation not contained in this Agreement.

(c) This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

(d) Any failure or delay by any party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any rights or remedies provided for herein.

(e) This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing signed by the parties.

(f) This Agreement, upon acceptance by the parties hereto, constitutes the sole and only agreement between the parties hereto as to the subject matter hereof, and is intended by each to constitute the final written memorandum of all of their agreements and understandings in this transaction. No covenants, warranties, and/or representations, express or implied, and no promises or prior agreements whatsoever have been made, agreed to, or entered into by the parties hereto which are not expressly set forth herein; and if either party hereto has attempted to make such covenants, warranties, and/or representations, promises or prior agreements, the same are each superseded hereby and waived.

(g) The parties hereto acknowledge and agree that each has been given the opportunity to review this Agreement independently with legal counsel and other professionals of each party's own choosing, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. All words, unless otherwise specifically defined in this Agreement, shall have their ordinary meanings as set forth in any dictionary of American English in common usage; there are no secrets or code words. Any capitalized word, term, or phrase not otherwise defined in any Exhibit shall have the meaning assigned to it in this Agreement. The parties have equal bargaining power and intend the plain meaning of the provisions herein. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsman.

9. Severability. In the event that any provision or provisions of this Agreement are held unenforceable, all provisions not so held shall remain in full force and effect.

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

CITY:

CITY OF RIALTO,
a California municipal corporation

Deborah Robertson, Mayor

ATTEST:

Barbara McGee, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Special Counsel to City

LHR:

LEWIS-HILLWOOD RIALTO COMPANY, LLC,
a Delaware limited liability company

By: LEWIS-RIALTO COMPANY, LLC, a Delaware
limited liability company, its Managing
Member

By: LEWIS OPERATING CORP., a California
Corporation, its Sole Member

By: _____
Name: _____
Title: Authorized Agent

By: HGI CA INVESTORS, L.P.,
a California limited partnership

By: HGI GP, LLC, a Texas limited
liability company, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT A

Advanced Civil Technologies

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PASSED APPROVED AND ADOPTED this ____ day of _____, 2017.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, ESQ., City Attorney

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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. ____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the ____ day of _____, 2017.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing Resolution No. ____ was duly passed and adopted.

Vote on the motion:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this ____ day of _____, 2017.

BARBARA McGEE, CITY CLERK



Legislation Details (With Text)

File #: 16-729 Version: 1 Name: TAB 8
 Type: Agenda Item Status: Agenda Ready
 File created: 10/18/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Authorize the Purchase of Three (3) Undercover Vehicles for the Police Department for Administrative Purposes in the Total Amount of \$86,018.50. (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Randy De Anda, Chief of Police

Request City Council to Authorize the Purchase of Three (3) Undercover Vehicles for the Police Department for Administrative Purposes in the Total Amount of \$86,018.50. (ACTION)

BACKGROUND:

The Police Department has a variety of vehicles assigned to various uses from Administration to Patrol to Animal Control and Detectives, etc. Of those vehicles, six (6) are used in an undercover capacity. Per fleet study standards, three (3) of the vehicles meet immediate replacement due to excessive miles and/or totally inoperability. Staff is recommending that Council approve the purchase of three (3) undercover vehicles of various Makes and Models. Three (3) of the current undercover vehicles will be taken out of service.

ANALYSIS/DISCUSSION:

Due to the confidentiality of the vehicles to be purchased and the sensitivity of the investigations that are to be conducted with their use, the vehicle makes, models, colors and the bidding company's identity will remain confidential in this report. Additional information on these vehicles and awarding process will be made available at Council's request.

Various dealerships and auto resellers were solicited to provide pricing. Bids were received for vehicles that would be appropriate for use in an undercover capacity as determined by the Division Commander. Vehicles sought in this process varied in style, type and manufacturer. As a result the ability to solicit the standard bidding process was not feasible and/or recommended by the City's

purchasing department. Vehicles chosen were selected based on specifications and pricing. Vendor chosen was based on the lowest price for interested vehicles, model availability and vehicle condition to include mileage and warranty.

Staff is recommending approval of the vehicle purchases from a local company due to their competitive pricing, vehicle quality and available inventory.

	Location	Type of Vehicle	Cost
V-1	Rialto	*****	\$27,398.00
V-2	Rialto	*****	\$28,230.25
V-3	Rialto	*****	\$30,390.25

The City of Rialto will not take delivery of any vehicles prior to final inspection and acceptance.

The vehicles are not manufactured with law enforcement specific emergency equipment such as emergency lights or police radios. If these items are later required a request to purchase this emergency equipment may be brought to Council at a later date.

ENVIRONMENTAL IMPACT:

The proposed action does not meet the definition of a project as defined by Section 15378 California Environmental Quality Act (CEQA). A “project” means the whole of an action, which has a potential for resulting in either a direct, physical change in the environment, or reasonably foreseeable indirect physical change in the environment, and excludes the following:

1. Continuing administrative or maintenance activities, such as purchases for supplies, personnel -related actions, general policy and procedure making.
2. Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

The City of Rialto has outlined key goals and objects relating to public safety. The purchase of this equipment is consistent with meeting these objectives.

Goal 5-8: Provide effective and comprehensive policing services that meet the safety needs of Rialto.

LEGAL REVIEW:

The City Attorney has reviewed and approved this staff report.

FINANCIAL IMPACT:

Budget is approved and available in Asset Forfeiture Rolling Stock Account No. 219-500-6091-3050 for the purchase of three (3) undercover vehicles from a local auto dealership in the amount of \$86,018.50.

RECOMMENDATION:

Staff recommends that City Council:

- Authorizes the purchase of three undercover vehicles from a local auto dealership for a total purchase amount of \$86,018.50.

- Approval of a Blanket Purchase Order for the purchase of three vehicles.



Legislation Details (With Text)

File #: 16-780 Version: 1 Name: TAB 9
 Type: Agenda Item Status: Agenda Ready
 File created: 11/7/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Approve the Issuance of a Purchase Order for a Replacement Stencil Truck to Roadline Products, Inc. in the Total Amount of \$126,360.00. (ACTION)

Sponsors:

Indexes:

Code sections:

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Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to Approve the Issuance of a Purchase Order for a Replacement Stencil Truck to Roadline Products, Inc. in the Total Amount of \$126,360.00. (ACTION)

BACKGROUND:

The City of Rialto Public Works Department is tasked with restriping and marking City streets. These pavement markings include centerlines, lane lines, crosswalks and stop bars. Pavement markings are part of the City’s infrastructure and are necessary for the safety of both the motoring public and pedestrians.

Road surface markings are used on paved roadways to provide guidance and information to drivers and pedestrians. They can be used to inform motorists in advance of conditions and to delineate traffic lanes; it is also used to mark spaces in parking lots, including special purpose spaces for disabled parking or time-restricted parking areas.

The City of Rialto uses both standard traffic paint and thermoplastic material for many street markings, which is applied using specially designed equipment. Traffic paint used for the lane lines is applied with glass beads mixed into the paint to provide retro-reflectivity and improve the visibility of the roadway striping.

Street markings (symbols and legends) are applied using a specially equipped truck that is designed to carry the stencils that are used to place the various markings such as stop bars, speed limit numbers, and various standard pavement markings. The truck includes the equipment necessary to apply both thermoplastic material and standard paint, depending on the location and traffic levels at the location.

The City currently operates a 1987 Ford F-350 with a specialized service bed that hauls all of the various equipment used for installing stenciled pavement markings. The vehicle has reached the end of its economic and physical service. During the course of the last 29 years, the vehicle has had two engines installed. Currently the engine overheats and various paint delivery piping on the truck is leaking and substandard. The vehicle does not meet current fuel efficiency standards and will not meet proposed emissions standards.

ANALYSIS/DISCUSSION:

The County of San Bernardino recently went out for bid for an identical type vehicle. The County issued Request for Bid (RFB) number PWG116-OPERA-1682, dated September 29, 2015, that closed on October 23, 2015. Based on the bids received, the County awarded the bid to Roadline Products, Inc., USA of Downey California in the amount of \$128,850.00 for each fully equipped truck. The bid specification is for a diesel-powered F450 Super Cab Stencil Truck that is fully outfitted and complete. The period of contract awarded by the County is from October 23, 2015 to October 22, 2018. A copy of the County's RFB is included as Attachment 1.

While the basic vehicle awarded by the County matches the type and equipment needed by the City, the County vehicle has features that the City does not need, including a two-sided message board, blue tooth and back up camera. Staff approached Roadline Products and they have agreed to exchange the two-sided message board with a two-sided LED arrow board and to delete the blue tooth and back up camera features. This resulted in a reduction in the purchase price of approximately \$11,850.00, for a before tax price of \$117,000.00. The total cost including taxes at 8% is \$126,360.00. A copy of the adjusted pricing proposal submitted to the City on July 22, 2016 and confirmed by letter dated November 7, 2016 is included as Attachment 2 & 3 .

The City's Purchasing Ordinance allows the City to make purchases on another Public Entity's contract. The City of Rialto Municipal Section 2.48.210 General - Cooperative Purchasing Agreements states:

"Where advantageous for the City, the Purchasing Manager is authorized to purchase supplies, materials, equipment and contractual services through legal contracts of other governmental jurisdictions or public agencies without further contracting, solicitation, or formal bidding, provided such practice otherwise complies with state law. Utilization of cooperative purchasing agreements must include:

- a) Minimal change in specifications from original bid.
- b) Copy of the request for bids and all bids received for the subject item(s) by the originating agency.
- c) Authorization from the originating agency to use the bid.
- d) Authorization and agreement from the vendor to supply the supplies, materials, equipment or services in accordance with the terms of the bid.
- e) Utilization of CMAS, GSA or County established contracts."

ENVIRONMENTAL IMPACT:

The requested action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

Budget in the amount of \$175,000 is available in Fund 300-500-7308-3050, Capital Project Funds, Traffic Safety - Gas Tax, Rolling Stock.

RECOMMENDATION:

Staff recommends that the City Council Award the stencil truck purchase to Roadline Products, Inc. of Downey, California in the total amount of \$126,300.00.

REQUEST FOR PROPOSAL

COUNTY OF SAN BERNARDINO

PURCHASING DEPARTMENT

Materials: **One (1) DIESEL POWERED F450 SUPER CAB STENCIL TRUCK**

To Be Delivered To: Department of Public Works
210 Lena Rd., Bldg 3
San Bernardino, Ca. 92415

For further information, call: Diana Diaz
Purchasing Agent
(909)387-2070; Diana.Diaz@pur.sbcounty.gov

Date: September 29, 2015

Proposal No. PWG116-OPERA-1682

Page No. 1 of 31 Pages

Submit each individual proposal in separate sealed envelope with proposal number marked on outside to:
County Purchasing Agent
777 East Rialto Avenue
San Bernardino, CA 92415-0760
BEFORE: Thursday, October 23, 2015, at 3:30 PM

INSTRUCTIONS AND CONDITIONS

- All prices and notations must be typewritten or printed in ink. No erasures permitted. Mistakes may be crossed out and corrections made adjacent, and must be initialed in ink by person signing quotation.
- State brand or make, on each item. If quoting an article exactly as specified, the words "or equal" must be stricken out by the Vendor. If quoting on other than make, model or brand specified, the manufacturer's name and the catalog number must be given, or descriptive cut and information attached to the quotation.
- Quote on each item separately. Prices should be stated in units specified.
- Each quotation must be in separate sealed envelope with proposal number on outside, and must be received by County Purchasing Agent, 777 East Rialto Avenue, San Bernardino, CA 92415-0760 not later than the hour and day specified hereon, at which time it will be publicly opened and read. For the purposes of this proposal, the time specified will be as defined by the official time clock located in the Purchasing Department. **Late or incomplete proposals will not be accepted.**
- Time of delivery is a part of the consideration and must be stated in definite terms, and must be adhered to. If time varies on different items, the Vendor shall so state in the column provided, opposite each item.
- Terms of less than 30 days for cash discount will be considered as net.
- All quotations must be signed with the firm's name, by a responsible officer or employee. Obligations assumed by such signatures must be fulfilled.
- Unless otherwise definitely specified, the prices quoted herein do not include California Sales Tax.
- No charge for packing, drayage, or for any other purpose will be allowed over and above the prices quoted on this sheet.
- The right is reserved, unless otherwise stated, to accept or reject any or all quotations, or any part thereof, either separately or as a whole, or to waive any informality in a proposal.
- Cost is an important factor in the evaluation process, but the County is not obligated to accept the lowest cost proposal. At the County's discretion, considerations other than price may factor into a decision as to which products provide the best overall value to the County.
- Samples of items, when required, must be furnished free of expense to the County; and if not destroyed by tests, will upon request be returned at Vendor's expense. Vendors shall pick up their items within five days after they have been notified that the testing has been completed. Items not picked up will be disposed of at the discretion of the Purchasing Agent.
- In case of default by the Vendor, the County of San Bernardino may procure the product(s) from other sources and may deduct from unpaid balance due the Vendor, or may collect against the bond of surety, or mail bill for excess costs so paid, and the prices paid by the County of San Bernardino shall be considered the prevailing market prices paid at the time such purchase is made.
- All freight charges must be itemized separately on all responses to this RFP. If shipping cost is included in the product unit cost, deduct the amount added for shipping and show it as a separate line item. Freight terms to be FOB destination.
- Cost of transportation, handling, and/or inspection on deliveries, or offers for delivery, which do not meet specifications, will be for the account of the Vendor.
- The Vendor shall hold the County of San Bernardino, its officers, agents, servants and employees, harmless and defend same from liability of any nature or kind on account of use of any copyright or uncopyrighted composition, secret process, patented or unpatented invention, article, or appliance furnished or used under this quotation.
- PRICES QUOTED F.O.B. DESTINATION UNLESS OTHERWISE STATED.**
- Neither party will be held liable for failure or delay in fulfillment if hindered or prevented by fire, strikes, or Acts of God. (Force Majeure)
- Quotations are subject to acceptance at any time within 60 days after opening of same, unless otherwise stipulated.
- Verify your quotations before submission, as they cannot be withdrawn or corrected after being opened.
- RETURN THIS SHEET WHETHER OR NOT YOU QUOTE A PRICE.** If you do not quote, state your reason; otherwise, your name may be removed from the mailing list.
- Accounts paid for transportation of property to the County of San Bernardino are exempt from Federal Transportation Tax. An exemption certificate is not required where the shipping papers show the consignee as San Bernardino County; as such, papers may be accepted by the carrier as proof of the exempt character of the shipment.
- To be considered, each Vendor must register with the epro system at <https://epro.sbcounty.gov/epro/onfile>.
- The Vendor agrees to comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment Practice Act, Equal Employment Opportunity, San Bernardino County Emerging Small Business Enterprise program, and other applicable Federal, State, and County laws, regulations, and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted. The articles covered by the quotation must conform to safety orders of OSHA, CALOSHA and/or NIOSHA, and OSH-POD.
- Assignment of the contract by the Vendor to other suppliers/contractors must be approved by the Purchasing Agent.
- Prevailing Wage Laws (if applicable)
By its execution of this Agreement, Contractor certifies that it is aware of the requirements of California Labor Code Sections 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 certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Vendor agrees to fully comply with such Prevailing Wage Laws. Vendor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Vendor's principal place of business and at the project site. Vendor will also adhere to any other applicable requirements, including but not limited to, those regarding the employment of apprentices, travel and subsistence pay, retention and inspection of payroll records, workers compensation and forfeiture of penalties prescribed in the Labor Code for violations. Vendor shall defend, indemnify and hold the County, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with Prevailing Wage Laws.
- Conflict of Interest: Your signature hereon certifies that no County employee, whose position in the County service enables them to influence any award of your offer or any competing offer, shall have any direct or indirect financial interest in any transaction resulting from this request for proposal.
- Vendors making delivery or providing services on County premises shall carry liability insurance and Worker's Compensation coverage in accordance with the County's Standard Practice requirements.

The following must be filled in by the contractor in submitting his proposal:

Date 10/23/15

Delivery will be made in 240-365 days
from receipt of order unless otherwise noted.

Cash Discount Terms NET 30

Signed By [Signature]

Company ROADLINE PRODUCTS INC USA

Address 13253 STANBRIDGE AVE

City & State DOWNEY, CA Zip 90242

Telephone No. (562) 464-8889

*BASED ON
CARRISS RECEIPT*

I. INTRODUCTION

A. Solicitation Language

ePro

Proposals or bids must be received by the designated date and time. An electronic proposal or bid can be submitted through the County of San Bernardino Electronic Procurement Network (ePro) <https://epro.sbcounty.gov/epro/>. Submittals in ePro will be opened from the system's "encrypted lock box" after the deadline and evaluated as stated in this solicitation. If the proposal or bid is submitted through ePro, the proposal or bid may also be withdrawn OR retrieved, adjusted and re-submitted by the vendor at the time prior to the scheduled deadline for submission of the proposal or bid.

Paper responses will also be accepted at the location identified in the solicitation, by mail or in person to the address listed in Section I, Paragraph G and will be time/date stamped when received and can be withdrawn at any time prior to the scheduled deadline for submission of the proposal or bid. If the proposal or bid is submitted through ePro, the proposer/bidder acknowledges that its electronic signature is legally binding. **All proposers/bidders must register with the ePro system prior to the date and time to receive the bid or proposal or they will be disqualified. Late or incomplete proposals or bids will not be accepted.** System-related issues in ePro shall be directed to Vendor support at ePro.Vendors@buyspeed.com or at (855) 800-5046. For procurement questions involving ePro, please contact the Purchasing Department at (909) 387-2060.

B. PURPOSE

The County of San Bernardino (County) is seeking qualified Vendors to provide pricing for a **One (1) DIESEL POWERED F450 STENCIL TRUCK** furnished in quantities ordered, at times needed, by the successful Vendor(s).

C. PERIOD OF CONTRACT

The contract awarded shall begin on October 23, 2015, or as soon as thereafter practicable and extend through October 22, 2018.

II. INSTRUCTIONS TO VENDORS

A. GENERAL INFORMATION

Vendors shall conform to all instructions and conditions as specified in the Request for Proposal. Awards will be posted on the Purchasing Department website at www.sbcounty.gov/purchasing

B. PROPOSAL RETURN

Return a signed original of the proposal in a sealed envelope and clearly state on the outside of the envelope in the lower left-hand corner "PROPOSAL ENCLOSED PWG116-OPERA-1682 **One (1) DIESEL POWERED F450 STENCIL TRUCK**" and return to:

County of San Bernardino
Purchasing Department
777 E. Rialto Avenue; RFP PWG116-OPERA-1682
San Bernardino, CA 92415-0760
Attn: Diana Diaz, Purchasing Agent
Due on or before: Thursday, October 23, 2015, at 3:30 PM (PDT)

C. DEADLINE

Vendors shall submit signature page (Cover Sheet), References (Attachment A), and Price Sheet (Attachment B). To be considered responsive, proposals are to include all items identified. **Facsimile or electronically transmitted proposals will not be accepted. Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals will not be accepted.**

D. PROPOSAL OPENING

All proposals will be opened at the time, date and place specified.

E. MINIMUM VENDOR REQUIREMENTS

All Vendors must:

1. Have at least three references of governmental agencies or private companies of similar size and scope to whom they have supplied like products/supplies within the last five years (see Attachment A).
2. Provide copies of current necessary licenses and/or permits.
3. Have no record of unsatisfactory performance as determined by the California Contractors State License Board and California Department of Consumer Affairs. Contractors who are or have been seriously deficient in current or recent contract performance, in the absence of circumstances properly beyond the control of the contractor, shall be presumed to be unable to meet the requirement.
4. Have no outstanding or unresolved complaints/issues with San Bernardino County or other local agencies.

F. PROPOSAL PREPARATION INSTRUCTIONS

Bids must be typed OR written legibly in ink. Erasures and "white-out" are not permitted. Mistakes may be crossed out, corrections typed adjacent and initialed in ink by person signing the proposal. Proposals must be verified before submission as they cannot be withdrawn or corrected after being opened. The County will not be responsible for errors or omissions on the part of bidders in making up their proposals. A responsible officer or employee must sign proposals. **California State Sales Tax should NOT be included in Vendor's proposal.**

G. PROPOSAL PREPARATION COST

Cost for preparing bid response and any other related material is the responsibility of the vendor and shall not be chargeable in any manner to the County.

H. USE OF PROPOSALS RECEIVED

All proposals received shall become the property of the County.

I. ACCEPTANCE OR REJECTION OF PROPOSALS

Proposals shall remain open, valid and subject to acceptance anytime within 90 days after the proposal opening date and time, unless a longer period of time is mutually agreed to by the parties.

The County reserves the right to reject any and all proposals or any portions of a proposal or alternates received by reasons of this request or to waive any informality or immaterial irregularities in a proposal.

The County also reserves the right to negotiate separately with vendors as may be necessary to serve its best interests.

Incomplete proposals will not be accepted.

J. ADMONITION TO VENDORS

Once this RFP has been issued, Vendors are specifically directed not to contact County personnel for meetings, conferences or technical discussions related to this RFP. Failure to adhere to this policy may result in disqualification of the Vendor. All questions regarding this RFP should be directed to the Deputy Purchasing Agent indicated on the Cover Page.

K. CONTINGENCIES

This RFP does not commit the County to award a contract. The County reserves the right to accept or reject any or all proposals or portions of proposals, if the County determines it is in the best interest of the County to do so.

L. MODIFICATIONS

The County reserves the right to issue addenda or amendments to this RFP. Minor modifications may be made at the discretion of the Director of Purchasing. Any addenda or amendments will be posted on the Purchasing Department website. No other notice will be given.

M. NONEXCLUSIVE CONTRACT

This is not an exclusive Request for Proposal. The County reserves the right to enter into a contract with other Vendors for the same or similar services. The County does not guarantee or represent that the Vendors will be

permitted to perform any minimum amount of work, or receive compensation other than on a per order basis, under the terms of this contract.

N. CONFIDENTIAL INFORMATION

It is the responsibility of bidders to identify information in their proposals, which they consider to be confidential under the California Public Records Act, such as method of manufacture, materials, etc. To the extent that the County agrees with such a designation, such information will be held in strict confidence. All other information shall be considered public.

O. BEST VALUE EVALUATION PROCESS

Cost is an important factor in the evaluation process, but the County is not obligated to accept the lowest cost proposal. At the County's discretion, considerations other than price may factor into a decision as to which products provide the best value to the County. Such considerations may include:

- Life cycle cost
- Probable life of the product
- Length and scope of warranty
- Maintenance or service availability
- Past performance
- Environmental considerations
- Trade-in terms
- Risk reduction
- Any other relevant factor listed in the solicitation

P. LOCAL PREFERENCE

The County of San Bernardino has adopted a preference for Vendors whose principle place of business is located within the boundaries of the County. A five percent (5%) preference may be applied prior to approval of any purchase or acquisition of services, equipment, goods, or supplies.

For purposes of the application of the local preference policy (County Policy 11-12), "principal place of business" is defined as the Vendor's main office (or headquarters) or a major regional office. A "major regional office" is defined as a business location apart from the Vendor's main office (or headquarters) which:

- a. Has been issued a business license, if required, and has been established and open for a minimum of six months prior to the date that the approval authority authorizes the circulation of an RFP/RFB/Quote for any contract, agreement, or purchase order to which it responds;
- b. Can demonstrate on-going business activity in the field of endeavor on which the Vendor is proposing, from that office during the preceding six months; and
- c. Has a minimum of twenty-five percent (25%) of the Vendor's full time management employees and twenty-five percent (25%) of its full time regular employees working from the County of San Bernardino location(s).

The County's Local Preference Policy means for example, if two Vendors are responding to this RFP and if quality, service and ability to meet the County's needs are equal, County staff must determine if one of the Vendors is a local Vendor. If one of the Vendors is a local Vendor, and its quoted price or cost for services, equipment, goods or supplies does not exceed five percent (5%) of the other Vendor's quoted price or cost, unless it is determined that an exemption applies, staff may recommend the local Vendor for the contract award.

My company meets the criteria for the five percent cost preference as a local Vendor for the County of San Bernardino, as described above: YES _____ NO _____

Q. PRICE GUARANTEE

The County gives preference to firm prices. All price escalation provisions will be considered alternate offers. Offers specifying a maximum escalation percentage during the period of contract will be given preference over those offering an unspecified price escalation. The County requires bona fide proof of cost increases, including surcharges, fees, etc., on Contracts prior to any price escalation adjustment. A minimum of thirty (30) days advance notice is required to secure such adjustments. Vendor must obtain prior written approval from the Purchasing Agent before implementing any price increases. When offering escalating price contracts, quote applicable labor and materials separately as to percentage of total cost. No retroactive pricing adjustments will be

considered. The County may enforce, adjust, or cancel escalating price contracts as it sees fit. The net dollar amount of profit will remain firm during the period of the contract. Adjustments increasing the vendor's profit will not be allowed. The County shall be given the benefit of all price decreases provided by vendor to similarly-sized customers.

Vendor represents that the prices charged the County do not exceed existing selling prices to other agencies for the same or substantially similar items or services for comparable quantities under similar terms and conditions. The County retains the right to rebid the contract if, in the opinion of the County, prices become too high.

R. COMPLETION OF QUOTE

When no manufacturer is specified, vendor must indicate brand of manufacturer being bid. When brand or manufacturer is specified, vendor may bid substitute items as equals, except those items marked "NO SUBSTITUTE". Vendor must be able to justify any substitute item by submitting samples when called for. The County reserves the exclusive right to accept or reject any item. If there is a discrepancy between brand or manufacturer number and item description, the description will be controlling. Changes in packaging will not be authorized unless so indicated when proposal is submitted. Bidder shall complete quote by filling in on each item quoted: brand name, product number and manufacturer. If bidding "As Specified", indicate so, with an "A/S". Indicate if there is a minimum quantity required with order. If unable to quote on an item, specify "No Bid".

S. CONSUMPTION

Totals shown on proposal schedule are approximate and are minimum estimates for the period of contract in order not to over-contract. Quantities herein are an estimate and are not a guarantee of any quantity purchase as a result of this proposal.

T. PURCHASE ORDER ADDRESS

If purchase orders are to be sent to an address other than that filled in by the vendor on the first page of this proposal, the vendor shall show on the following blank lines the address to which resultant orders from this proposal should be sent:

III. CONTRACT REQUIREMENTS

Contracts resulting from this RFP may include the terms contained below. If the Proposer has any objections to these terms, these objections must be addressed in the proposal/bid or the objections will be deemed waived.

A. GENERAL

1. DELIVERY SERVICE

- a. Delivery shall be made to point as specified to each County address and department as ordered.
- b. Delivery shall be inside delivery to the specified inside point as directed by the receiving department.
- c. Vendor shall coordinate with each location to establish a regular delivery schedule.
- d. Delivery shall be made complete as ordered within the time quoted by vendor from receipt of order.
- e. One Delivery-One Invoice.
- f. Delivery will be made to the listed locations during the stated delivery hours (see Attachment B).
- g. Prompt delivery and efficient service are essential; failure to furnish such delivery and service will constitute a breach of this contract.
- h. All freight charges must be itemized separately on all responses to this RFP. If shipping cost is included in the product unit cost, deduct the amount added for shipping and show it as a separate line item. Freight terms to be FOB destination.

2. VENDOR'S GUARANTEE

- a. In quoting, the Vendor guarantees to make delivery of all items quoted, either from its stock, from warehouse stock, or via manufacturer's shipment. If unavailable from Vendor's stock or if Vendor is unable to secure from warehouse or manufacturer, it shall be the Vendor's responsibility to see that the item is obtained from any other source having the item in stock.

- b. In case of default by Vendor, the County may procure the item from other sources and will charge the vendor for excess costs so paid and the prices paid by the County shall be considered to be the prevailing market price at the time such purchase is made.
- c. Vendor's response to this RFP is to be on the basis that all items bid are guaranteed equal in quality and pattern to those specified and that any item purchased as equivalent and found not acceptable to using department may be returned for full credit.
- d. The Vendor guarantees that the goods supplied under this RFP and any purchase order resulting from award of same will meet all the express warranties and the implied warranties of merchantability and fitness for the intended purpose(s).

3. INVOICES

Invoices are payable monthly unless otherwise agreed upon by department. Invoices must reflect both purchase order number and applicable proposal number to initiate payment. Invoices are to be sent to the ordering department.

4. TAXES

County is exempt from Federal excise taxes and no payment shall be made for any personal property taxes levied on Vendor or on any taxes levied on employee wages. The County shall only pay for any State or local sales or use taxes on the services rendered or equipment and/or parts supplied to the County pursuant to the Contract.

5. STOCK ADJUSTMENTS/RETURNS

In quoting, the Seller agrees to give full credit on returned merchandise resulting from this proposal, with exception of custom orders. Vendor agrees to waive any re-stocking fees.

6. RETURNED MERCHANDISE

In quoting, the Vendor agrees to give full credit on returned merchandise resulting from this proposal, with exception of custom orders.

7. CONFIDENTIALITY

During the term of the Contract, if Vendor will have access to and become acquainted with confidential information, Vendor and each of their officers, employees, and agents, will maintain all confidential information, except as authorized in writing by County, or except as specifically provided herein, or except to the extent that: it was generally known when received; it is or hereafter becomes lawfully obtainable from other sources; it is necessary to disclose it to regulatory authorities having jurisdiction over either party or their subsidiaries or affiliated companies, or as may otherwise be required by law; or to that extent such duty as to confidentiality is waived. Vendor will take all steps necessary to safeguard the confidential information against unauthorized disclosure or use, and to satisfy their obligations under this contract. Failure of Vendor to exercise and safeguard confidential information may result in criminal prosecution. If deemed necessary, any background checks will be at Vendor's expense. County will invoice the Vendor for costs paid by the County for reimbursement.

8. TERMINATION FOR CONVENIENCE

The County for its convenience may terminate this contract in whole or in part upon thirty (30) calendar day's written notice. If such termination is effected, an equitable adjustment in the price provided for in this contract shall be made. Such adjustment shall provide for payment to the Vendor for services rendered and expenses reasonably incurred prior to the effective date of termination. Upon receipt of termination notice Vendor shall promptly discontinue services unless the notice directs otherwise. Vendor shall deliver promptly to County and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

9. PARTICIPATION

The County desires that Public Agencies, Municipalities, School Districts, and other Tax Exempt Districts within the:

(select all that apply)

- County of San Bernardino
- State of California
- None

requiring **One (1) DIESEL POWERED F450 STENCIL TRUCK**; may at their option and through the County Purchasing Agent, avail themselves of the agreement resulting from this proposal. Upon notice, in writing, the Vendor agrees to the extension of the terms of a resultant agreement with such Governmental bodies as though they have been expressly identified in this agreement, with the provision that:

- a. Such Governmental body does not have and will not have in force any other contract for like purchases.
- b. Such Governmental body does not have under consideration for award any other bids or quotations for like purchases.
- c. Such Governmental body shall make purchases and payment directly through the Vendor. The County will not be liable for any such purchase made between the Vendor and another Governmental body who avail them of this agreement.

The Contractor shall be required to maintain a list of all Public Agencies, Municipalities, School Districts, and other Tax Exempt Districts using this Contract. The list shall report dollar volumes spent annually and shall be provided to the County on January 1st of each year during the term of the contract.

10. VOLUME PURCHASE DISCOUNTS

The County may, from time to time, have the need for a large individual spot purchase, warranting special pricing. Separate quotes with Vendors shall be permitted in these cases.

11. INDEMNIFICATION AND INSURANCE REQUIREMENTS

Indemnification – The Contractor agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Contractor's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

Waiver of Subrogation Rights – The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.

Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

Severability of Interests – The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.

Proof of Coverage – The Contractor shall furnish Certificates of Insurance to the County Department administering the contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services

hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum “Best” Insurance Guide rating of “A- VII”.

Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

Failure to Procure Coverage – In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

Insurance Review – Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County’s risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

Workers’ Compensation/Employers Liability – A program of Workers’ Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer’s Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as “employees” under the Labor Code and the requirement for Workers’ Compensation coverage will be waived by the County’s Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers’ Compensation insurance.

Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property

damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- a. Premises operations and mobile equipment.
- b. Products and completed operations.
- c. Broad form property damage (including completed operations).
- d. Explosion, collapse and underground hazards.
- e. Personal injury
- f. Contractual liability.
- g. \$2,000,000 general aggregate limit.

Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. Coverage shall also apply to automobile liability.

12. RIGHT TO MONITOR AND AUDIT

The County shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Vendor in the delivery of services provided under this contract. Vendor shall give full cooperation, in any auditing or monitoring conducted. Vendor shall cooperate with the County in the implementation, monitoring and evaluation of this contract and comply with any and all reporting requirements established by the County.

In the event the County determines that Vendor's performance of its duties or other terms of this contract are deficient in any manner, County will notify Vendor of such deficiency in writing or orally, provided written confirmation is given five (5) days thereafter. Vendor shall remedy any deficiency within forty-eight (48) hours of such notification, or County at its option, may terminate this contract immediately upon written notice, or remedy deficiency and off set the cost thereof from any amounts due the Vendor under this contract or otherwise.

Availability of Records

All records pertaining to services delivered and all fiscal, statistical and management books and records shall be available for examination and audit by County representatives for a period of three years after final payment under the contract or until all pending County, State and Federal audits are completed, whichever is later.

13. DISCLOSURE OF CRIMINAL AND CIVIL PROCEEDINGS

The County reserves the right to request the information described herein from the Vendor selected for contract award. Failure to provide the information may result in a disqualification from the selection process and no award of contract to the Vendor. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The selected Vendor also may be requested to provide information to clarify initial responses. Negative information provided or discovered may result in disqualification from the selection process and no award of contract.

The selected Vendor may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly

or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Vendor will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the selected Vendor may also be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Vendor will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to the County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

14. REPRESENTATION OF THE COUNTY

In the performance of the contract, Vendor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County of San Bernardino.

15. VENDOR PRIMARY CONTACT

The Vendor will designate an individual to serve as the primary point of contact for the contract. Vendor or designee must respond to County inquiries within two (2) business days. Vendor shall not change the primary contact without written acknowledgement to the County.

16. CHANGE OF ADDRESS

Vendor shall notify the County in writing, and update their Vendor profile at www.sbcounty.gov/purchasing, of any change in mailing address within ten (10) business days of the change. ,

17. SUBCONTRACTING

Vendor agrees not to enter into any subcontracting contracts for work contemplated under the contract without first obtaining written approval from the County. Any subcontracting shall be subject to the same terms and conditions as Vendor. Vendor shall be fully responsible for the performance and payments of any subcontractor's contract.

18. LEGALITY AND SEVERABILITY

The parties' actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full effect.

19. CONTRACT ASSIGNABILITY

Without the prior written consent of the County, the contract is not assignable by Vendor either in whole or in part.

20. CONTRACT AMENDMENTS

Vendor agrees any alterations, variations, modifications, or waivers of the provisions of the contract, shall be valid only when reduced to writing, executed and attached to the original contract and approved by the required persons.

21. ATTORNEY FEES AND COSTS

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorney fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney fees directly arising from a third-party legal action against a party hereto and payable under Section C Terms and Conditions, Indemnification and Insurance Requirements.

22. VENUE

The venue of any action or claim brought by any party to the Agreement will be the Superior Court of California, County of San Bernardino, San Bernardino District or the Federal District Court, Riverside County. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this contract is brought by any third-party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to San Bernardino County.

23. LICENSES AND PERMITS

Vendor shall ensure that it has all necessary licenses and permits required by the laws of Federal, State, County, and municipal laws, ordinances, rules and regulations. The Vendor shall maintain these licenses and permits in effect for the duration of this contract. Vendor will notify County immediately of loss or suspension of any such licenses and permits. Failure to maintain a required license or permit may result in immediate termination of this contract.

24. NOTICE OF DELAYS

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, that party shall, within twenty-four (24) hours, give notice thereof, including all relevant information with respect thereto, to the other party.

25. NOTIFICATION REGARDING PERFORMANCE

In the event of a problem or potential problem that could impact the quality or quantity of work, services, or the level of performance under this contract, the Vendor shall notify the County within one (1) working day, in writing and by telephone.

26. CONFLICT OF INTEREST

Vendor shall make all reasonable efforts to ensure that no county officer or employee, whose position in the county enables him/her to influence any award of this contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of this contract or shall have any relationship to the Vendor or officer or employee of the Vendor.

27. LABOR LAWS

Vendor shall strictly adhere to the applicable provisions of the Labor Code regarding the employment of apprentices; minimum wages; travel and subsistence pay; retention and inspection of payroll records; workers compensation; payment of wages. If applicable, the Vendor shall forfeit to the County the penalties prescribed in the Labor Code for violations.

28. ELECTRONIC FUND TRANSFER PROGRAM

Vendor shall accept all payments from County via electronic funds transfer (EFT) directly deposited into the Vendor's designated checking or other bank account. Vendor shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.

29. PROCUREMENT CARD PROGRAM

The County participates in the State of California Procurement Card Program known as CAL-Card (VISA credit card). Whenever possible, the County prefers to place orders and make payments utilizing procurement cards. Please indicate if your company accepts VISA. YES _____ NO _____

If your company does not accept procurement cards and you are interested in accepting VISA, contact your local bank or financial institution for assistance.

30. OWNERSHIP OF DOCUMENTS

All documents, data, products, graphics, computer programs and reports prepared by Vendor pursuant to contract shall be considered property of the County upon payment for services. All such items shall be delivered to County at the completion of work under this contract, subject to the requirements of Termination for Convenience.

31. COPYRIGHT

County shall have a royalty-free, non-exclusive and irrevocable license to publish, disclose, copy, translate, and otherwise use, copyright or patent, now and hereafter, all reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials or properties developed under this contract including those covered by copyright, and reserves the right to authorize others to use or reproduce such material. All such materials developed under the terms of this contract shall acknowledge the County of San Bernardino as the funding agency and Vendor as the creator of the publication. No such materials or properties produced in whole or in part under this contract shall be subject to private use, copyright or patent right by Vendor in the United States or in any other country without the express written consent of County. Copies of all educational and training materials, curricula, audio/visual aids, printed material, and periodicals, assembled pursuant to this contract must be filed with the County prior to publication.

32. RELEASE OF INFORMATION

No news releases, advertisements, public announcements or photographs arising out of this contract or Vendor's relationship with County may be made or used without prior written approval of the County.

33. ENVIRONMENTAL REQUIREMENTS

In accordance with County Policy 11-10, the County prefers to acquire and use products with higher levels of post-consumer recycled content. Environmentally preferable goods and materials must perform satisfactorily and be available at a reasonable price. The County requires Vendors to use recycled paper for proposals and for any printed or photocopied material created as a result of a contract with the County. The policy also requires Vendors to use both sides of paper sheets for reports submitted to the County whenever practicable.

Although the County has not committed to allowing a cost preference, if two products are equivalent and the cost is feasible the environmentally preferable product would be selected. The intent is to utilize Vendors that reduce environmental impacts in their production and distribution systems whenever fiscally practicable.

To assist the County in meeting the reporting requirements of the California Integrated Waste Management Act of 1989 (AB939), Vendor must be able to annually report the County's environmentally preferable purchases using Exhibit I. Service providers are also asked to report on environmentally preferable goods and materials used in the provision of their service to the County.

34. ARTWORK, PROOFS AND/OR NEGATIVES

All artwork, proofs and/or negatives in either print or digital format for this product are the property of the County of San Bernardino. These items must be returned to the County of San Bernardino within ten (10) days, upon written notification to the Vendor. In the event of a failure to return the documents, the county is entitled to pursue any available legal remedies. In addition, the Vendor will be barred from all future solicitations, for a period of at least six (6) months.

35. EMPLOYMENT OF FORMER COUNTY OFFICIALS

Vendor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Vendor. The information provided must include a list of former county administrative officials who terminated county employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Vendor. For purposes of this provision, "county administrative official" is defined as a member of the Board of Supervisors or such officer's staff, Chief Executive Officer or member of such officer's staff, county department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

36. DRUG-FREE WORKPLACE

The Vendor certifies that he will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a);
- b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

- i. The dangers of drug abuse in the workplace.
 - ii. The person's or organization's policy of maintaining a drug-free workplace.
 - iii. Any available counseling, rehabilitation and employee assistance programs.
 - iv. Penalties that may be imposed upon any employees for drug abuse violations.
- c. Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed or resulting contract:
- i. Will receive a copy of the company's drug-free policy statement; and,
 - ii. Will agree to abide by the terms of the company's statement as a condition of employment.

37. DAMAGE TO COUNTY PROPERTY, FACILITIES, BUILDINGS OR GROUNDS

The Vendor shall repair, or cause to be repaired, at its own cost, all damage to County vehicles, facilities, buildings or grounds caused by the willful or negligent acts of Vendor or employees or agents of the Vendor. Such repairs shall be made immediately after Vendor becomes aware of such damage, but in no event later than thirty (30) days after the occurrence.

If the Vendor fails to make timely repairs, the County may make any necessary repairs. The Vendor, as determined by the County, for such repairs shall repay all costs incurred by the County, by cash payment upon demand or County may deduct such costs from any amounts due to the Vendor from the County.

38. AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING (ARRA)

Use of ARRA Funds and Requirements

This Contract may be funded in whole or in part with funds provided by the American Recovery and Reinvestment Act of 2009 ("ARRA"), signed into law on February 17, 2009. Section 1605 of ARRA prohibits the use of recovery funds for a project for the construction, alteration, maintenance or repair of a public building or public work (both as defined in 2 CFR 176.140) unless all of the iron, steel and manufactured goods (as defined in 2 CFR 176.140) used in the project are produced in the United States. A waiver is available under three limited circumstances: (i) Iron, steel or relevant manufactured goods are not produced in the United States in sufficient and reasonable quantities and of a satisfactory quality; (ii) Inclusion of iron, steel or manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent; or (iii) Applying the domestic preference would be inconsistent with the public interest. This is referred to as the "Buy American" requirement. Request for a waiver must be made to the County for an appropriate determination.

Section 1606 of ARRA requires that laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 31). This is referred to as the "wage rate" requirement.

The above described provisions constitute notice under ARRA of the Buy American and wage rate requirements. Contractor must contact the County contact if it has any questions regarding the applicability or implementation of the ARRA Buy American and wage rate requirements. Contractor will also be required to provide detailed information regarding compliance with the Buy American requirements, expenditure of funds and wages paid to employees so that the County may fulfill any reporting requirements it has under ARRA. The information may be required as frequently as monthly or quarterly. Contractor agrees to fully cooperate in providing information or documents as requested by the County pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

Contractor may also be required to register in the Central Contractor Registration (CCR) database at <http://www.ccr.gov> and may be required to have its subcontractors also register in the same database. Contractor must contact the County with any questions regarding registration requirements.

Schedule of Expenditure of Federal Awards

In addition to the requirements described in "Use of ARRA Funds and Requirements," proper accounting and reporting of ARRA expenditures in single audits is required. Contractor agrees to separately identify the expenditures for each grant award funded under ARRA on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by the Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." This identification on the SEFA

and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for ARRA funds by Federal award number consistent with the recipient reports required by ARRA Section 1512 (c).

In addition, Contractor agrees to separately identify to each subcontractor and document at the time of sub-contract and at the time of disbursement of funds, the Federal award number, any special CFDA number assigned for ARRA purposes, and amount of ARRA funds.

Contractor may be required to provide detailed information regarding expenditures so that the County may fulfill any reporting requirements under ARRA described in this section. The information may be required as frequently as monthly or quarterly. Contractor agrees to fully cooperate in providing information or documents as requested by the County pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

Whistleblower Protection

Contractor agrees that both it and its subcontractors shall comply with Section 1553 of the ARRA, which prohibits all non-Federal contractors, including the State, and all contractors of the State, from discharging, demoting or otherwise discriminating against an employee for disclosures by the employee that the employee reasonably believes are evidence of: (1) gross mismanagement of a contract relating to ARRA funds; (2) a gross waste of ARRA funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of ARRA funds; (4) an abuse of authority related to the implementation or use of recovery funds; or (5) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) awarded or issued relating to ARRA funds.

Contractor agrees that it and its subcontractors shall post notice of the rights and remedies available to employees under Section 1553 of Division A, Title XV of the ARRA.

IV. IMPROPER CONSIDERATION

Vendor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding the award of this proposal.

The County, by written notice, may immediately terminate any contract resulting from this proposal process if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Vendor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Vendor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

V. INACCURACIES OR MISREPRESENTATIONS

If, in the course of the RFP process or in the administration of a resulting contract, the County determines that Vendor has made a material misstatement or misrepresentation, or that materially inaccurate information has been provided to the County, Vendor may be terminated from the RFP process, or in the event a contract has been awarded, the contract may be immediately terminated. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

VI. EVALUATION AND AWARD

A. General

Proposals will be subject to a review process developed by the County, which includes:

1. Mandatory submittal requirements and minimum qualifications
2. Analysis of functionality and service requirements
3. Cost evaluation
4. Reference checks

B. Evaluation Criteria

1. **Initial Review** - All proposals will be initially evaluated as follows to determine if they are eligible to be considered and evaluated:
 - a. The proposal must be complete, in the required format, and comply with all RFP requirements.
 - b. Proposers must meet the Minimum Vendor Requirements as outlined in Section II. E. Failure to meet all of these requirements will result in a non-responsive proposal that will be rejected with no further evaluation or consideration. No proposal shall be rejected, however, if it contains a minor irregularity, defect or variation and if the irregularity, defect or variation is considered by the County to be immaterial or inconsequential, the County may choose to accept the proposal. In such cases the Vendor will be notified of the deficiency in the proposal and given an opportunity to correct the irregularity, defect or variation or the County may elect to waive the deficiency and accept the proposal.
2. **Technical Review** - Proposals meeting the above requirements will be evaluated on the basis of the following criteria:
 - a. Credentials, qualifications, reputation or past performance
 - b. Ability to provide product(s) in a timely manner
 - c. Functional specifications or system components
 - d. Parts availability, fill rate or other production considerations
 - e. Maintenance or serviceability
 - f. E-commerce or online reporting capabilities
 - g. Packaging
 - h. Quality and contamination control
 - i. Field delivery or priority service considerations
 - j. Performance, testing or certifications
 - k. Warranties/guarantees
 - l. Training
 - m. Reliability and/or fiscal strength
 - n. Risk reduction
 - o. Environmental considerations
3. **Cost Evaluation** - Cost effectiveness may include factors such as trade-in terms, buyback options, financing (including factory-direct financing), and life cycle cost.
4. **Reference Checks** - References are obtained or verified at the discretion of the County, and at any stage in the evaluation process.

C. Award

Contract(s) will be awarded based on a competitive selection of proposals received. The contents of the proposal of the successful Vendor will become contractual obligations and failure to accept these obligations in a contractual agreement may result in cancellation of the award.

D. Disputes Relating to Proposal Process and Award

In the event a dispute arises concerning the proposal process prior to the award of the contract, the party wishing resolution of the dispute shall submit a request in writing to the Director of Purchasing. Vendor may appeal the recommended award or denial of award, provided the following stipulations are met:

- a. Appeal must be in writing.
- b. Must be submitted within ten (10) calendar days of the date of the notification of the recommended award or denial of award letters.

An appeal of a **denial of award** can only be brought on the following grounds:

- a. Failure of the County to follow the selection procedures and adhere to requirements specified in the RFP or any addenda or amendments.
- b. There has been a violation of conflict of interest as provided by California Government Code Section 87100 et seq.
- c. A violation of State or Federal law.

Appeals will not be accepted for any other reasons than those stated above. All appeals must be sent to:

Laurie Rozko, Director
County of San Bernardino
Purchasing Department
777 E. Rialto Avenue
San Bernardino, CA 92415-0760

The County Purchasing Agent shall make a decision concerning the appeal, and notify the Vendor making the appeal, within a reasonable timeframe prior to the tentatively scheduled date for awarding the contract. **The decision of the County Purchasing Agent shall be deemed final.**

ATTACHMENT A – REFERENCES

List three (3) government agencies or private sector companies of equal size and scope to whom you have supplied like product within the last five (5) years.

Agency Name: COUNTY OF LOS ANGELES
Address: 1537 ALCAZAR STREET LOS ANGELES, CA 90033
Contact Person: FRANK OCHIA
Telephone No.: (626) 476-0173 Fax: (626) 458-1792
Number of years your company has provided this product to this customer: 20

Agency Name: CITY OF GLENDALE
Address: 541 W. CHEVY CHASE GLENDALE, CA 91204
Contact Person: DAVID LEW
Telephone No.: (818) 402-0943 Fax: (818) 547-0637
Number of years your company has provided this product to this customer: 20

Agency Name: CITY OF HUNTINGTON BEACH
Address: 17371 GOTHARD STREET HUNTINGTON BEACH, CA 92647
Contact Person: TERRY TITTLE
Telephone No.: (714) 475-4525 Fax: (714) 375-5702
Number of years your company has provided this product to this customer: 20

Submission of this document constitutes permission to the County to check, verify, and have certified all of the information contained herein.

ATTACHMENT B – SPECIFICATIONS

	MEETS	EXCEEDS	NO	COMMENTS
<p>General: The following specifications describe construction equipment to be used by the Transportation Department, of the San Bernardino County, Department of Public Works. The machine will be a new and currently advertised model built by a well-established manufacturer of this type of machinery. Vendor shall supply with the bid, a list of customers, names, address, and phone numbers type of business who currently own and operate the model bid. <u>The intent of the department is not to limit or eliminate proposals but to start with a buildable set of specifications towards a vehicle that the department is seeking.</u> In the event of major failure during the warranty period, the vendor will furnish or reimburse the County for the transportation of the machinery to the vendor's place of business for repairs.</p>	✓ ↓			
<p>The specifications herein shall not be construed in any way to mean the degrading or elimination of accepted standards of engineering and craftsmanship in configuration and construction. If there are conflicting specifications; the one with the higher operations standard will apply. ALL EXCEPTIONS to the specifications contained herein must be on the Proposal Sheet to be considered at the time of award. All subcontractors or suppliers and vendors of attachments to this unit must be listed on the bid sheet. Vendor to be the sole responsible party for equipment, attachments and specialized components.</p>	✓ ↓			
<p>Warranty: The entire unit(s) and its attachments, as specified, shall be fully warranted from date of delivery for a minimum of (3) years or 36,000 miles, (5 year and 60,000 miles on powertrain) whichever comes first, excluding consumable items such as oil and filters, and normal wear items such as belts, hoses, etc. Warranties will be delayed to the first day of service for the unit which may not be the date of delivery.</p>	✓ ↓			
<p>Manufacturers' standard warranty shall accompany the vehicle, together with all the information required by the manufacturer on the warranty form.</p>	✓			
<p>Safety: The successful vendor must certify that they will meet all existing regulations contained in the State of California Construction Safety Orders Vehicle Code and/or O.S.H.A. at time of acceptance, for this type of machinery, all applicable South Coast Air Quality Management District Regulation, all California and Federal Vehicle Code, U.S. Forestry, Fire Codes or any other applicable laws or regulations for on- or off-road, and day or night operation. Interior and exterior noise shall comply with Occupational Safety and Health Act (OSHA) sound level (dba) requirement in effect of time of award of contract for an eight hour maximum operator exposure time; measured at operator's ear with the engine governed at RPM. Shall be less than 85 dba.</p>	✓ ↓			

	MEETS	EXCEEDS	NO	COMMENTS
Vendor: The successful vendor may contact the Operations Equipment Coordinator prior to delivery so that arrangements can be made for pre-delivery inspection on vendor's premises. Under no circumstances will a partial delivery of accepted specifications be made.	✓ ↓			
If equipment does not meet minimum specified, vendor will be required to make necessary correction at their expense. Payment process will begin on the day of acceptance of the unit, which may not be the same as the date of delivery. If the vendor requires the dates to match it is imperative that the vehicle is delivered to specifications and appointments are made in advance with the accepting party to insure timely processing of all necessary paperwork required.	✓ ↓			
List the locations of available replacement parts and normal time required for delivery of such parts with bid. Vendor shall guarantee replacement parts and make sure that they are available within 48 hours or less. If parts are not available in this time period, vendor shall reimburse the County for the cost of renting a machine until the part arrives.	✓			
Supply a list of recommended parts to stock and a published price list with bid.	✓			
Delivery: Prior to delivery, new vehicle must be completely serviced in accordance with the standard new vehicle "made ready" and the manufacturer's recommendations. Notification to the County Equipment Specialist, Eileen Lewis 909-387-8080 must be made 72 hours prior to delivery. Unit shall be delivered to the Public Works Department, 210 N Lena Rd, Bldg 7, San Bernardino, Ca. 92415-0835 and shall contain a pre-delivery check sheet and what operations have been performed on the unit and signed by the mechanics or individuals who worked on the unit. State max hours on unit at time of delivery.	✓ ↓			
Fuel tank to be filled. If the unit is not delivered with a full tank it will be considered an unacceptable unit. Unit(s) delivered to the Public Works Department at 210 N. Lena Rd. Building 6c, San Bernardino, CA 92415-0835, shall contain a pre-delivery check sheet and what operations have been performed on the vehicle and signed by the mechanics or individuals who worked on the unit. Unit shall have an odometer reading of less than 500 miles when unit is accepted meeting specifications. Exceeding mileage stated will result in refusal of unit and cancellation of order.	✓ ↓			
Notice: Vendor shall complete the right-hand column indicating specific size and/or make and model of all components when not exactly as specified. Check yes and state "AS SPECIFIED" if item is exactly as set forth in the left-hand column. Vendor shall supply with the bid a scaled drawing of the unit. Each vendor must indicate their compliance with these specifications by marking "YES" or "NO" in the appropriate column for each paragraph of this specification. Indicating "YES" to a	✓ ↓			

	MEETS	EXCEEDS	NO	COMMENTS
paragraph will mean full compliance; indicating "NO" will mean that an exception is being taken. All exceptions must be fully explained (on a separate page if necessary, titled "EXCEPTIONS", giving a brief reference to the page and paragraph where the exception is being taken. Failure to comply with this requirement will result in the proposal being rejected.				

FAILURE TO COMPLETE THE RIGHT-HAND COLUMN WILL INVALIDATE THIS PROPOSAL

	MEETS	EXCEEDS	NO	COMMENTS
1. ENGINE - DIESEL: <ul style="list-style-type: none"> - Diesel 6.7 Turbo, 300 hp, V8 POWERED motor meeting MAQMD, SCAQMD and CARB Emission Vehicle Level Standards at time of order. - Exhaust System shall be horizontal and comply with all current California regulations for exhaust and sound emissions. For on and off road use. - Heavy duty cooling system. Oil filter, bypass type. - 12-volt starter, 200 amp (Diesel). Alternator. Dual batteries 84 AMP hour. - Air Cleaner. 				
2. TRANSMISSION: <ul style="list-style-type: none"> - 6 - Speed Automatic, oil cooler mounted off radiator. Torque shift overdrive. 				
3. CHASSIS: (Intended to accommodate an 135 inches long x 95 inches wide – stencil bed) <ul style="list-style-type: none"> - Minimum GVWR 16,500 lbs - Front bumper full width, two (2) tow hooks mounted to the frame. - Rear axle maximum capacity. Limited slip differential. Springs. Limited slip. - Frame – Minimum 36,000- PSI Steel 7 Cross Member - Brakes ABS, all 4-wheels (must comply with all California and Federal regulations at time of delivery). 4 wheel powered Disc brakes. - Trailer package – All electrical with connectors run out to the extreme rear of the frame. Integrated trailer brake controller. - Tires and wheels shall be rated to maximum GVWR. (6) Six Steel Belted radials (<u>Four (4) rear traction pattern and two (2) front highway pattern</u>) with a mounted spare tire (<u>highway pattern</u>) and wheel of the same with tire equipment, jack and wheel wrench. Two (2) Fuel tanks – 68 gallons combined. 				

<p>4. <u>ELECTRICAL: TO COMPLY WITH ALL CALIFORNIA AND FEDERAL REGULATIONS.</u></p> <ul style="list-style-type: none"> - Shall have automatic daytime headlight control system. - Switch pack for body builder light package & accessories. - Circuit breakers. - Emergency flashers. - Headlights, Tail lights/Brake lights/ (2) reverse lights, and a license plate light. - Brake light mounted high with cargo box light - Dome light, glove box, with courtesy lights and map lights. - Fog Lights 	<p style="text-align: center;">✓</p> 			
<p>5. <u>CAB:</u></p> <ul style="list-style-type: none"> - Super Cab - Painted Oxford White - Size of wheel base 185.8" and 84" cab axle. - Conventional, steel - Horn, electric. - Windshield laminated glass, all glass tinted to maximum allowable tint. - All heated mirrors retractable with spacing 12x8. Built in convex mirror. - Windshield wipers – Intermittent, variable speed electric. - Metal tubular non-slip step bars installed along with left and right cab entry assists. 	<p style="text-align: center;">✓</p> 			
<p>6. <u>INTERIOR CAB EQUIPMENT:</u></p> <ul style="list-style-type: none"> - Coat hooks. - Mirror 12" day/night- back up camera integrated into rear view mirror - Radio- Bluetooth/AM/FM/CD/Auxiliary input with speakers - Sun visors. - 40/20/40 Split Bench seat – high back with head restraints, gray vinyl/ cloth. - Rear bench seat - Seat belts, lap and shoulder – driver and passenger. - Padded rubber floor mat - Instrument gauge switch/warning devices (include but not limited to): Gauges, direct read, oil pressure temperature, voltage, fuel, Transmission temperature gauge. - Speedometer – electric MPH/KMH with trip meter. - Cruise control - One electrical port (for cell phone charger/computer, ETC.). - Factory air conditioner and heater. - Electrical door locks & windows - Keyless entry with six (6) remote key fobs. 	<p style="text-align: center;">✓</p> 			

One (1) Diesel Powered F450 Super Cab Stencil Truck

<p>7. REAR BUMPER:</p> <ul style="list-style-type: none"> - A rear bumper shall extend across the full width of the vehicle and shall protrude a minimum of 9". The rear bumper shall be constructed of diamond plate steel and painted the color of the vehicle. A trailer hitch receptacle and electric plug (type to be confirmed by the County) shall be included. If desired, bumper will be Rhino coated 	<p>✓ ↓</p>			
<p>8. PAINT SPRAY SYSTEM:</p> <ul style="list-style-type: none"> - Two (2) SPEEFLO 989-002 Hydraulic Airless Paint Spray Systems (no other brand of pump will be accepted) to be furnished. Each system to include: Airless pump with hard chrome over steel lowers, suction hose and tube for 5 gallon paint pail, hydraulic connection hose, high pressure needle valve, 50 mesh paint filter and manifold, high pressure (3300 PSI) connection hose. All hoses, fittings, valves, and connections shall be pressure tested to 3300 PSI. Pumps to be mounted curbside on heavy duty brackets welded to the headboard. 	<p>✓ ↓</p>			
<p>9. HOSE REEL AND GUN:</p> <ul style="list-style-type: none"> - Two (2) spring rewind hose reels with 50' each of 1/4" high pressure (3000 PSI) static grounded hose, hose ball stops, and 3' whip end hose to be furnished. Speeflo #801-307 Mastic Guns with 12" gun extensions and Zip Tip systems included with each system. Two (2) Fluid hose reels to be mounted on curbside. Hose roller assemblies mounted in the rear body panel. Drain holes to be provided for all cabinet spaces. 	<p>✓ ↓</p>			<p>801-307 GUNS HAVE BEEN DISCONTINUED WILL SUPPLY GRAND CONTRACTOR 288421</p>
<p>10. WARNING LIGHTS AND ARROW BOARD:</p> <ul style="list-style-type: none"> - A double sided, 3-line, 42" x 76" programmable message board with a cab mounted remote control is to be provided. The arrow board must come with a 180 degree electric lift. Arrow board to be mounted above headboard so as to be clearly visible from the front and rear. Controls are to be in the cab. 	<p>✓ ↓</p>			<p>WAWCO BOARD TO BE FURNISHED</p>

One (1) Diesel Powered F450 Super Cab Stencil Truck

11. SECURED Stencil Rack

The body is to be all steel construction and measure a minimum of 135" long by 95" wide. Frame shall consist of "box" construction. Deck to be 1/8" diamond plate sloped sufficiently to prevent standing liquids. Headboard to extend 20" above deck. Frame to incorporate 2" x 2" x 3'16" tubing cross members @ 16" O.C. Side skirts of 12-gauge steel. Metal skirts that are not reinforced full length will not be accepted. Two (2) tool boxes installed as follows:

- a) **A**
toolbox under the left side (street side) will be approximately 9 cubic feet.
- b) **Right**
side deck top front opening 30 l x 20 d x 16 h. Toolbox doors must be double wall doors with synthetic weather strip seals.
- c) **Latches**
to be spring loaded striker plate type with "T" handles.
- d) **Doors**
to be side hinged on piano type hinge. Doors held open magnetically.
- e) **Service**
access doors to provide ease of access to hose reel and

12. STENCIL RACK:

- A stencil rack framed with 1" square steel tubing and using 1/4" X 1" flat bar as dividers between stencils is to be furnished.
- It will accommodate 18 stencils stacked on edge. 13 will be 43" high, 5 will be divided in half to a height of 21".
- Each space will be 1 3/4" in width.
- Three additional spaces open at the top with 50" high supports will be included in the rack.
- The area above the stencils will have a solid bottom and 12" expanded metal railing completely around it for miscellaneous storage.
- A 1-1/2" stencil deck roller and stop will be incorporated into the rear of the rack.
- The rack will sit 2-1/2" off of the deck to accommodate stop bars or other stencils.
- A safety chain with clasp shall be attached to the rear of the rack approximately half way up the frame.

One (1) Diesel Powered F450 Super Cab Stencil Truck

<ul style="list-style-type: none"> - The rack shall be attached to the deck by a minimum of 4 rust proof bolts and nuts. The rack is to be powder coated black. 	✓			
<p>13. PAINT STORAGE:</p> <ul style="list-style-type: none"> - Seven 1" steel rings (to prevent 5 gallon paint cans from shifting) to be mounted on a removable tray with side handles. Paint storage well to be drilled for drainage. Paint storage tray to be secured with 2 "T" handle bolts for easy removal. 	✓			
<p>14. GUN HOLSTERS:</p> <ul style="list-style-type: none"> - Dual recessed 3" (min) diameter paint gun holsters to be included in the rear panel on the curb side. These holsters must be removable for easy cleaning. 	✓			
<p>15. HYDRAULIC RESERVOIR:</p> <ul style="list-style-type: none"> - The hydraulic reservoir is to have a 30-gallon capacity. It shall be an integral part of body headboard. It shall be mounted above the piston pump to prevent positive head. Reservoir shall have incorporated into it a vent, oil filler plug, oil drain plug, and oil level sight gauge. Bolt on hydraulic reservoir tanks will not be accepted. 	✓			
<p>16. HYDRAULIC SYSTEM:</p> <ul style="list-style-type: none"> - A MINIMUM 12.0 GPM @ 1000 RPM hydraulic gear pump is to be provided. The pump to be transmission mounted driven through a PTO that is activated electrically from the operator's position. Engine speed to be controlled by a chassis manufacturers installed electronic throttle control. There shall be a 10-micron return line spin on oil filter. One 1000-PSI maximum adjustable pressure regulator with gauge (0-2000 PSI) and one 0-2000 PSI gauge for each pump to be furnished. Cab mounted key switch with indicator light plus rear mounted and curb side waterproof on/off safety switch is to be included. All hoses, piping, and fittings are to be SAE hydraulic rated. 	✓			

One (1) Diesel Powered F450 Super Cab Stencil Truck

<p>17. BODY LIGHTS:</p> <ul style="list-style-type: none"> - Combination stop/turn lights, clearance lights, and side marker lights to be furnished. All lights and reflectors to conform to Federal Motor Vehicle safety standard 108 made waterproof. Rear lights to be recessed in body. Three LED work lights will be mounted on the truck; one will illuminate the paint well area, the other two illuminate the tailgate work area. A toggle switch will be located in the cab to turn these lights on and off. In addition, strobe lights shall be mounted on both sides, front and rear for added visibility. These strobes to be LED 360 degree visibility two (2) mounted on headache rack and two (2) mounted at the rear top of the stencil rack. 				
<p>18. BEAD STORAGE BIN:</p> <ul style="list-style-type: none"> - Driver side rear of stencil rack to have a bin approximately 20wx13l x16d, t handle, weather tight, top opening, hydraulic strut shock. 				
<p>19. Pre build meeting:</p> <ul style="list-style-type: none"> - To be held after award to builder. - Pre paint meeting will be determined after stencil rack built. 				
<p>19. MISC:</p> <ul style="list-style-type: none"> - Certified Weight Master weight certificate and certificate of Origin to be delivered with the unit on the day of delivery (No exceptions) - Completed vehicles component form. - Two (2) lubrication charts, and two (2) charts permanently labeled on the unit. - Original invoice and copy of PO to be delivered with unit. (No exceptions) - SIX (6) sets of keys to be delivered with unit. 				

ATTACHMENT C – COST SHEET
One (1) Diesel Powered F450 Super Cab Stencil Truck

DELIVERY 240.365 DAYS. EACH @ \$ 127,500
(BEFORE TAX)

3 YR - 36,000 MILES (CHASSIS)
WARRANTY

FORD F450
MAKE

ROADLINE MODEL TPMT
MODEL

**\$100.00 PER DAY PENALTY FEE FOR LATE DELIVERY OF UNIT OR
LATE DELIVERY OF REQUIRED PAPERWORK.**

OPTIONS:

**VENDOR SHALL QUOTE PRICING SEPARATELY TO PROVIDE UNIT WITH THE
FOLLOWING:**

- 1. Bluetooth/AM/FM/CD/AUXILIARY INPUT @ 850.00
- 2. Back Up Camera @ 500.00

Department Of Public Works
Vehicle Master File

VEHICLE FILE MAINTENANCE

1. Unit Number : _____ Dept. # _____ 21. Tire Ply, etc. : _____ Psi: _____

2. Veh. Year - Make	: _____ - _____	22. Lugs	: _____
3. Vehicle Model	: _____ Sz: _____	23. State Inspect.	: _____
4. License Plate	: _____ Class: _____	24. Unit GVW	: _____
5. Serial Number	: _____	25. Wheel Base	: _____
6. Location	: _____	26. Alternator Mk.	: _____ Amps _____
7. Registration#	: _____	27. Brakes	: _____
8. Odometer hour	: _____	28. Steering	: _____
9. Date Purchased	: _____ Fuel: _____	29. Spec. Body Mk.	: _____
10. Engine Make	: _____ Insrvc: _____	30. Spec. Body Md.	: _____
11. Engine Model	: _____	31. Spec. Equipmt.	: _____
12. Engine Family	: _____	32. *Purchase Price	: _____
13. Engine Disp	: _____	Current Value	: _____
14. Engine Mod Year	: _____	33. Trade in Value	: _____
15. Eng Horsepower	: _____	34. Deprec./Perd.	: _____ /pd for _____ Pd
16. Trans Model	: _____ Tons. _____	35. License/Year	: _____ /yr or _____ /pd
17. Trans Make	: _____	36. Insranc/Year	: _____ /yr or _____ /pd
18. Wheel Size	: _____	37. License Expir.	: Pd: _____ every _____ pds
19. Tire Size	: _____	38. Fuel X-Ref. #	: _____
20.	: _____	39. Bucket Cu. Yd.	: _____

*Total Number of Periods to Depreciate: _____

**SAN BERNARDINO COUNTY
Department of Public Works
Transportation/Flood Control
Vehicle Maintenance Master File**

COMPONENT	RECOMMENDED SERVICE INTERVALS	OIL VISCOCITY/TYPE	REFILL CAPACITIES	FILTER/PART NUMBERS
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One (1) Diesel Powered F450 Super Cab Stencil Truck

ENGINE				
TRANSMISSION				
TRANSFER CASE				
PTO GEAR BOX				
AUX. GEAR BOX				
DIFFERENTIALS				
FINAL DRIVES				
HYDRAULIC SYSTEM				
CIRCLE DRIVE GEAR BOX				
DPF SYSTEM				
COOLING SYSTEM				
OTHER				

TIRE SPECIFICATIONS

TIRE POSITION	TIRE SIZE	TREAD DEPTH (NEW)	TIRE INFLATION (PSI)	WHEEL NUT TORQUE



13253 STANBRIDGE AVENUE
DOWNEY, CALIFORNIA 90242
(562) 803-4447
FAX: (562) 803-6506

November 7, 2016

Mr. Eddie Castaneda
City of Rialto
246 South Willow
Rialto, CA 92376

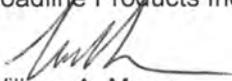
Subject: Roadline Stencil Truck

Hi Eddie,

I would like to confirm our telephone conversation earlier today. Roadline will protect the price quoted to you for a new Stencil Truck in our letter dated July 22, 2016. This price was \$126,360.00 including 8% CA sales tax.

If you have any questions, please do not hesitate to give me a call. Thank-you for your continued interest in a new Roadline Stencil Truck.

Very truly yours,
Roadline Products Inc.



William A. Moon
Sales Representative.



13253 STANBRIDGE AVENUE
DOWNEY, CALIFORNIA 90242
(562) 803-4447
FAX: (562) 803-6506

July 22, 2016

Mr. Eddie Castaneda
City of Rialto
246 South Willow
Rialto, CA 92376

Subject: Roadline Stencil Truck

Hi Eddie,

Roadline would like to offer the City of Rialto the opportunity to piggyback off of the San Bernardino County Contract. I believe that you have a copy of this contract as well as a copy of their purchase order to Roadline. The unit you are looking for is very similar to the County contract with a couple of deductions not required by the City. Below is the pricing breakdown:

San Bernardino County contract price (less tax)	\$128,850.00
Deduct to replace 2 sided message board with 2 sided LED arrowboard	-\$ 10,500.00
Deduct Blue Tooth and Back up camera	-\$ 1,350.00
Plastic Bead Storage Bin in place of specified Bead storage	<u>N/C</u>
Cost of Equipment	\$117,000.00
8% Sales Tax	<u>\$ 9,360.00</u>
TOTAL COST	\$126,360.00

This is a very complete unit and includes the following features:

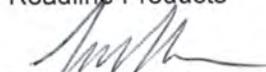
Ford F450 Chassis	Diesel Engine
Extended Cab	Roadline Stencil Body
2 – Airless Spray Systems	2 – Hose Reels w. 50' Hose
Custom Stencil Rack	7 Pail Paint Storage
12 GPM PTO Driven Hydraulic System	3 - Work Lights
4 – Safety Strobe Lights	Side, Front and Rear Body Strobe Lights
Dual Sided 36" X 72" Arrowboard	Electric Arrowboard Lift
Plastic Bin Bead Storage	

These units are manufactured in Norwalk CA. We would welcome representatives of the City at our factory any time during the build process. Before we begin the manufacturing process, we will meet with you to firm up the design and layout. After that, when the body is built before it is painted we would like you to visit our factory to inspect the unit to see that all of the equipment is placed as you would like it.

Delivery would be 30-60 days after receipt of the truck chassis. Right now we can not predict chassis delivery because Ford has just started production of the 2017 model year. We expect our first 2017 chassis to arrive in October after which delivery of the chassis to us will probably approach 60-90 days unit Ford gets caught up.

If you have any questions or need more information, please do not hesitate to give me a call. I look forward to working with you on this project. Thank-you for your continued interest in a new Roadline Stencil Paint Truck.

Very truly yours
Roadline Products



William A. Moon
Sales Representative



Legislation Details (With Text)

File #: 16-697 Version: 1 Name: TAB 10
 Type: Agenda Item Status: Agenda Ready
 File created: 10/5/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Approve a Purchase Order with J&K Auto Body and Towing for Collision and Auto Body Repair Services in the Amount of \$75,000 for Fiscal Year 2016/2017 and Authorize the City Administrator or his Designee to Execute Annual Purchase Orders for Fiscal Years 2017/2018 and 2018/2019 in the amount of \$75,000 for each year, predicated upon Satisfactory Service. (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to Approve a Purchase Order with J&K Auto Body and Towing for Collision and Auto Body Repair Services in the Amount of \$75,000 for Fiscal Year 2016/2017 and Authorize the City Administrator or his Designee to Execute Annual Purchase Orders for Fiscal Years 2017/2018 and 2018/2019 in the amount of \$75,000 for each year, predicated upon Satisfactory Service. (ACTION)

BACKGROUND:

The Fleet Division of the Public Works Department maintains the City of Rialto’s nearly 400 units of rolling stock. While Fleet Operations are able to conduct a variety of maintenance and repairs in-house, specialized auto-body repairs and painting exceed the capability of the in-house operations.

The City released Request for Proposals (RFP) #15-048 on December 23, 2014, with proposals due by January 15, 2015. A Notice Inviting Bids was published in the San Bernardino County Sun on December 27, 2014, as well as on January 2, 2015. Fifty-seven (57) email notices were sent out to businesses. On December 23, 2014, the City posted the request for proposals on the City’s Website.

On January 15, 2015, the City received two (2) proposals in response to the RFP. On February 10, 2015, the Council awarded a Contract Services Agreement to J&K Auto Body and Towing in the amount of \$56,000 for fiscal year 14-15 for the period from February 11, 2015 to June 30, 2015. A subsequent Purchase Order in the amount of \$70,000 was issued in FY15-16.

ANALYSIS/DISCUSSION:

The existing Contract Services Agreement authorized the City to exercise up to three (3) one-year options through June 30, 2019. The term for the first period was from February 11, 2015 through June 30, 2016. In order for the City to exercise subsequent option years, the City was required to notify the contractor prior to June 30, 2016; however, due to the impending retirement of the Public Works Superintendent, the city did not provide this written notification in a timely manner. On October 17, 2016, staff contacted J&K Auto Body and Towing to confirm its desire to continue this Agreement under the same terms and conditions as set forth in the original agreement.

The need for future annual collision and auto body repair is hard to predict; however, auto body repairs to a single vehicle can cost up to \$15,000 or more for each incident. In FY15-16, the City experienced 21 vehicle repairs totaling approximately \$70,000 and ranging from simple repaints to a \$10,106 repair to one 2013 Ford Taurus Police Interceptor which was involved in a side collision, and an \$8,600 repair to a 2013 Ford Taurus Police Interceptor involved in a frontal collision.

The City has budgeted \$60,000 for this activity in FY16-17. J&K Auto Body and Towing is agreeable to the same terms and conditions set forth in the original agreement. J&K Auto Body and Towing has provided satisfactory services in the prior years.

ENVIRONMENTAL IMPACT:

Approval of this item is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report.

FINANCIAL IMPACT:

Expenditures for vehicle maintenance are charged to the respective department as the costs are incurred. Sufficient budget is available in those respective accounts to charge the costs as incurred for fiscal year 2016/2017. Subsequent year's contract services budget will be set during the annual budget process.

LICENSING:

A Business License application and payment of a Business License tax at the Professional Service rate in the amount of \$129 will be paid by the vendor prior to execution of the Professional Service Agreement.

RECOMMENDATION:

Staff recommends that the City Council Approve a Purchase Order with J&K Auto Body and Towing for Collision and Auto Body Repair Services in the Amount of \$75,000 for Fiscal Year 2016/2017 and Authorize the City Administrator or his Designee to Execute Annual Purchase Orders for fiscal years 2017/2018 and 2018/2019 in the amount of \$75,000 for each year, predicated upon Satisfactory Service.



Legislation Details (With Text)

File #: 16-713 Version: 2 Name: TAB 11
 Type: Resolution Status: Agenda Ready
 File created: 10/17/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Approve Agreement No. XP-99T24001-0 and Accept a \$291,000 Water Infrastructure Grant from the United States Environmental Protection Agency and Adopt Budget Resolution No. 7038 Amending the 2016/2017 Fiscal Budget to Appropriate \$291,000 to Design, Purchase, Install and Commission a Supervisory Control and Data Acquisition (SCADA) System for the Rialto Utility Authority.
 (ACTION)

Sponsors: Susanne Wilcox

Indexes:

Code sections:

- Attachments: [Attachment 1- Water Zones](#)
[Attachment 2- Water System Schematic](#)
[Attachment 3 Agreement XP-99T24001-0](#)
[Attachment 4 Notice of Exemption](#)
[Budget Resolution - 110816 - PW - EPA SCADA Grant](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting and Rialto Utility Authority [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Thomas Crowley, P.E., Utilities Manager

Request City Council to Approve Agreement No. XP-99T24001-0 and Accept a \$291,000 Water Infrastructure Grant from the United States Environmental Protection Agency and Adopt Budget Resolution No. 7038 Amending the 2016/2017 Fiscal Budget to Appropriate \$291,000 to Design, Purchase, Install and Commission a Supervisory Control and Data Acquisition (SCADA) System for the Rialto Utility Authority.
 (ACTION)

BACKGROUND:

The City of Rialto owns a domestic water system serving 11,100 customers including residents, businesses, parks, schools, and industrial facilities. The water system is divided into three main pressure zones. Zone 1 is the highest and Zone 3 is the lowest. Water is delivered to several subzones within Zones 1 and 3, through pressure reducing valves. The geographical areas served by subzones are shown in Water Pressure Zones map included as Attachment 1 (Figure 2-1). Booster pumps in the system can deliver water from Zone 3 to Zones 1 or 2 and from Zone 2 to Zone 1 to provide flexibility in meeting peak

demands.

Attachment 2 (Figure 2-2) presents a Schematic Diagram of the system showing the relationships between the supplies, booster pumps, reservoirs, and principal pipelines in the system. There are a total of eleven booster pumps in the Rialto Water System, but only the nine are in operation. These pumps boost water from Zones 2 and 3 to Zones 1 and 2, as necessary to meet demands in the higher zones and provide flexibility in the system operation. There are also three booster pumps at a City and West Valley Water District reservoir that store water from City Well 4A. There are five storage reservoirs in the Rialto Water System with a total capacity of 28 million gallons.

In order to assure a continuous supply of water to the customers, the water system monitors its water activities including reservoir storage capacity, well controls, 24-hour monitoring of all alarms and a complete system overview through the use of a Supervisory Control and Data Acquisition (SCADA) system.

A SCADA system is basically composed of three main components:

- a) remote stations,
- b) communication system, and
- c) master control station.

The current system was installed in 1986. Each of the three main components of the City of Rialto existing SCADA system is obsolete, in disrepair or lacks reliability and vendor support and is not fully functional.

ANALYSIS/DISCUSSION:

On June 28, 2016, the City Council and the Rialto Utility Authority (RUA) approved the Final Construction Work Authorization (FCWA) for \$1,687,706 with RWS for the Water Facility Improvement Project W1-SCADA Improvements. RWS through its operator, Veolia Waters is contracting with Tesco Controls, Inc. (TESCO) for the design build construction of the W1-SCADA improvements for a total not to exceed amount of \$1,378,683.

With the assistance and support of Senator Barbara Boxer, the City received a Congressional earmark grant during the 2010 Federal Fiscal Year from the State and Tribal Assistance Grant Program (STAG) through the Environmental Protection Agency (EPA). The Senator secured the funds for Rialto to assist with groundwater remediation and drinking water systems improvement needs. After evaluating various potential projects, the City and EPA agreed to use the earmark funds towards the SCADA system replacement project.

On October 5, 2016, the EPA notified staff of the award and provided the Grant Agreement included as Attachment 3 .

ENVIRONMENTAL IMPACT:

The request is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Regarding the SCADA project itself, in accordance with Section 15301 “Existing Facilities”, of the CEQA Guidelines, a Class 1 project consists of the operation, repair, maintenance, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. The Water Facility Improvement Project W1 - Supervisory Control and Data Acquisition (SCADA) Improvements is considered a Class 1 project, and is categorically exempt from CEQA. A Notice of Exemption was previously filed on June 1, 2012 and included as Attachment 4 .

GENERAL PLAN CONSISTENCY:

Approval of this action complies with the following City of Rialto General Plan Goals and Policy:

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Goal 3-8: Promote affordable and quality water service capable of adequately meeting normal and emergency water demands to all areas in the Rialto.

Policy 3-8.5: Upgrade outdated and undersized water service facilities to prevent unnecessary system failures in the City’s water system.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report, Resolution and Agreement.

FINANCIAL IMPACT:

Staff recommends increasing estimated revenue in the Water Fund Capital Replacement Account No. 670-400-7960-7560-170402-67 in the amount of \$291,000 and appropriate expenditures in Account No. 670-500-7960-3001-170402-05 in the amount of \$291,000 for acceptance of the 2010 Federal Fiscal Year STAG grant program from the EPA. Sufficient budget is available in Water Fund Account No. 670-500-7960-3001 for the Project W1 - SCADA project to meet the matching funds requirement in the amount of \$1,396,706.

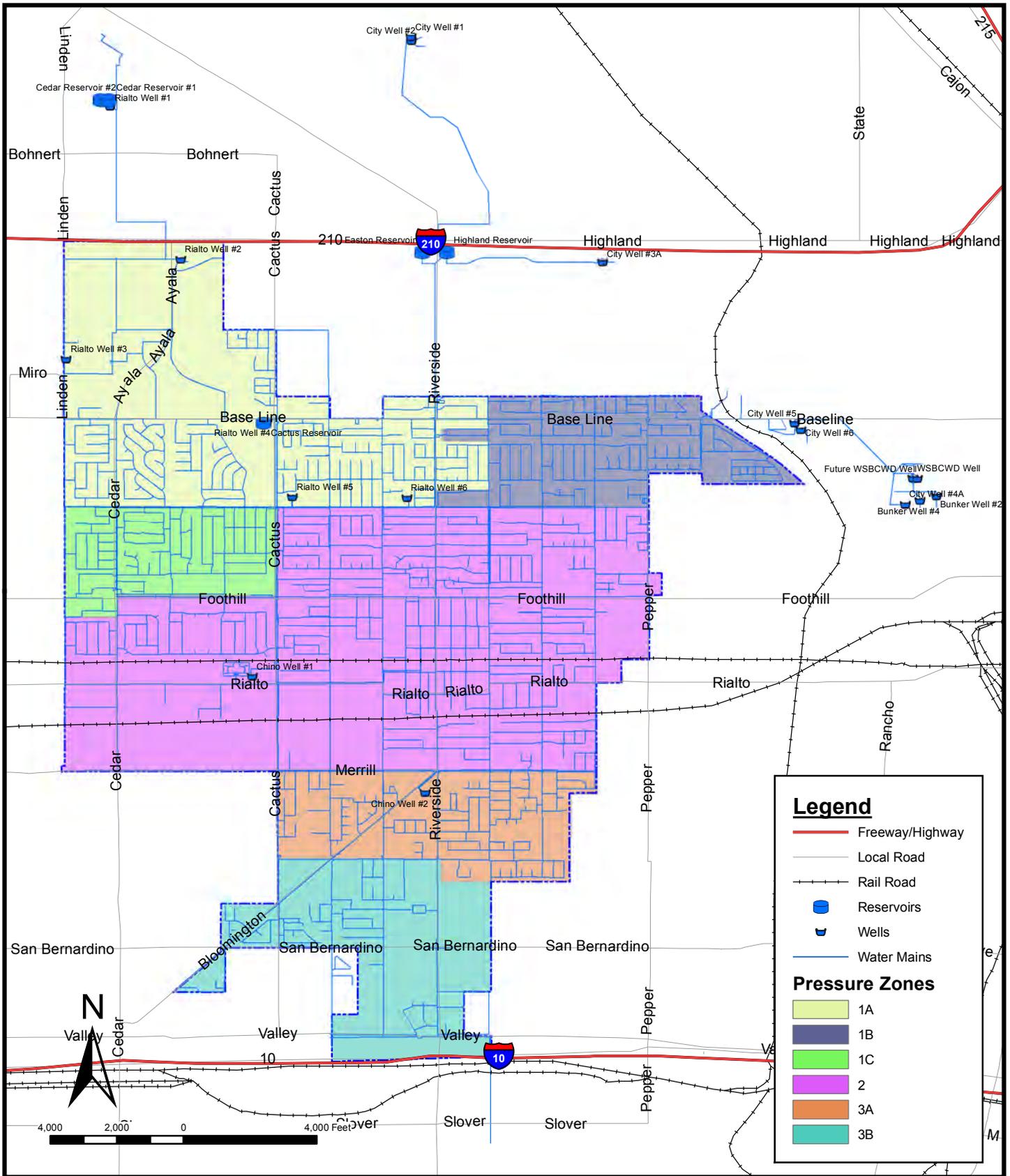
Name of Agency or Department	U.S. Environmental Protection Agency (EPA)
CFDA#	66.202
Name of Program	Congressionally Mandated Projects
American Recovery and Reinvestment Act (ARRA) Funded (Yes/No)	No
Direct/Pass-through	N/A
Name of Grant	State and Tribal Assistance Grant Program (STAG)
Grant Period	N/A
Grant ID No.	XP-99T24001-0
Award Amount	\$291,000

Match Requirement	\$1,396,706
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RECOMMENDATION:

Staff recommends that the City Council:

- Approve Grant Agreement XP-99T24001-0 with the United States Environmental Protection Agency and accept the Water Infrastructure Grant in the amount of \$291,000.
- Approve the Budget Resolution.

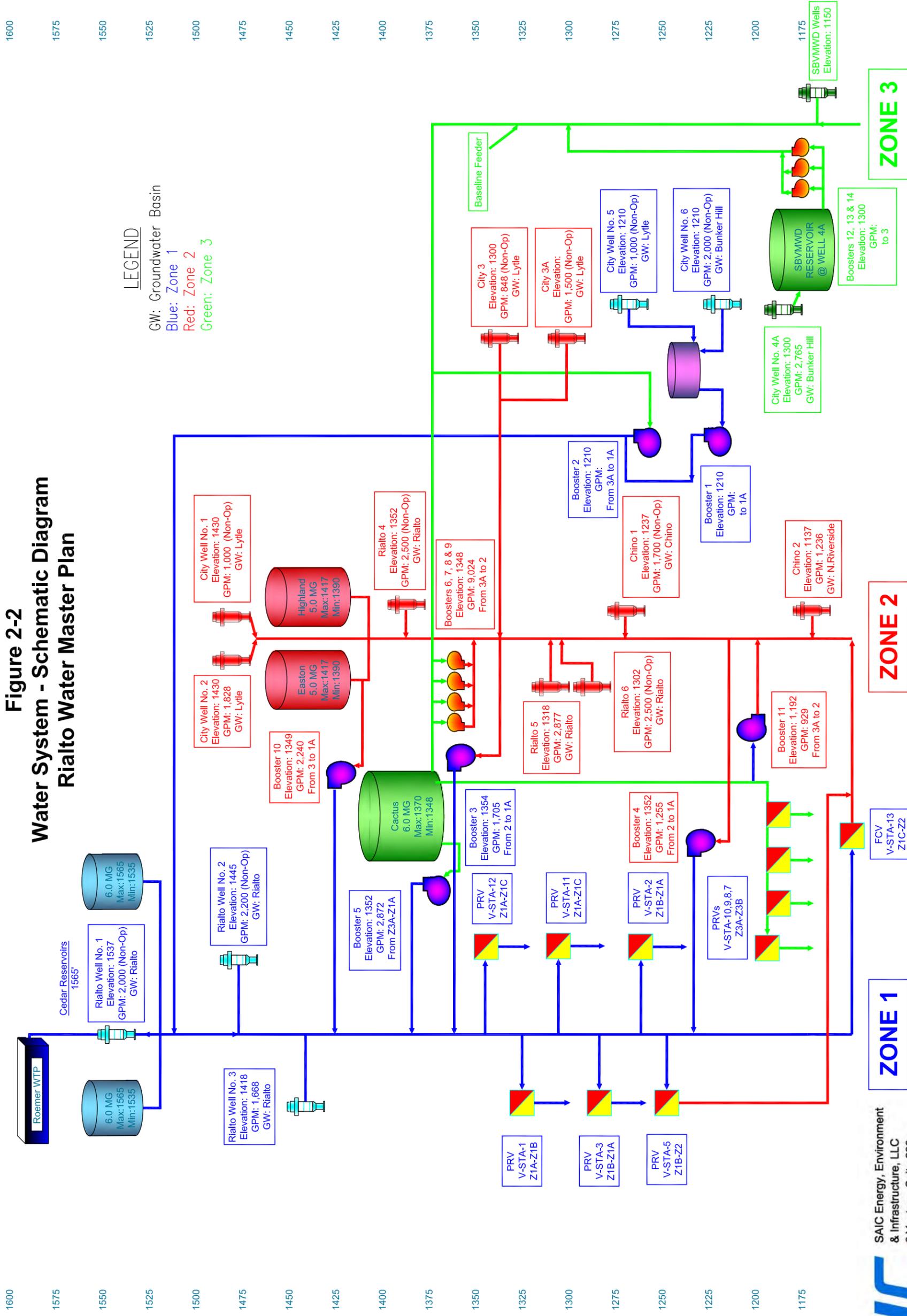


SAIC SAIC Energy, Environment & Infrastructure, LLC
 6 Venture, Suite 290
 Irvine, CA 92618
 (949) 596-8980

Figure 2-1
Water Pressure Zones
Rialto Water Master Plan



**Figure 2-2
Water System - Schematic Diagram
Rialto Water Master Plan**



SAIC Energy, Environment & Infrastructure, LLC
 6 Venture, Suite 290
 Irvine, CA 92618
 (949) 596-8980



	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement	GRANT NUMBER (FAIN): 99T24001 MODIFICATION NUMBER: 0 PROGRAM CODE: XP	DATE OF AWARD 09/28/2016
		TYPE OF ACTION New	MAILING DATE 10/05/2016
		PAYMENT METHOD: Reimbursement	ACH# 90506
		RECIPIENT TYPE: Municipal	
RECIPIENT: City of Rialto 150 South Palm Avenue Rialto, CA 92376 EIN: 95-6000768		PAYEE: City of Rialto 150 South Palm Avenue Rialto, CA 92376	
PROJECT MANAGER Susanne Wilcox 150 South Palm Avenue Rialto, CA 92376 E-Mail: swilcox@rialto.ca.gov Phone: 909-820-2525, ext. 2062		EPA PROJECT OFFICER Bruce Macler 75 Hawthorne Street, WTR-3-1 San Francisco, CA 94105 E-Mail: Macler.Bruce@epa.gov Phone: 415-972-3569	
EPA GRANT SPECIALIST Renee Chan Grants Management Section, EMD-6-1 E-Mail: Chan.Renee@epa.gov Phone: 415-972-3675			
PROJECT TITLE AND DESCRIPTION Water Infrastructure - Supervisory Control and Data Acquisition (SCADA) system This assistance agreement provides full federal funding in the amount of \$291,000 to support the FY-2010 Congressional line item. The project is to design, purchase, install, and commission a Supervisory Control and Data Acquisition (SCADA) system. The SCADA system will operate and monitor the existing City water system which will improve drinking water quality and reliability. Pre-Award costs have been approved back to 09/01/2016.			
BUDGET PERIOD 09/01/2016 - 12/31/2018	PROJECT PERIOD 09/01/2016 - 12/31/2018	TOTAL BUDGET PERIOD COST \$1,786,061.00	TOTAL PROJECT PERIOD COST \$1,786,061.00
NOTICE OF AWARD			
Based on your Application dated 08/27/2014 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$291,000. EPA agrees to cost-share 16.30% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$291,000. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS U.S. EPA, Region 9 Grants Management Section, EMD 6-1 75 Hawthorne Street San Francisco, CA 94105		ORGANIZATION / ADDRESS U.S. EPA, Region 9 Water Division, WTR-1 75 Hawthorne Street San Francisco, CA 94105	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official Craig A. Wills - Grants Management Officer			DATE 09/28/2016

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 291,000	\$ 291,000
EPA In-Kind Amount	\$	\$	\$ 0
Unexpended Prior Year Balance	\$	\$	\$ 0
Other Federal Funds	\$	\$	\$ 0
Recipient Contribution	\$	\$ 1,495,061	\$ 1,495,061
State Contribution	\$	\$	\$ 0
Local Contribution	\$	\$	\$ 0
Other Contribution	\$	\$	\$ 0
Allowable Project Cost	\$ 0	\$ 1,786,061	\$ 1,786,061

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.202 - Congressionally Mandated Projects	Consolidated Appropriations Act 2010 Public Law 111-117 Division C Section 723	2 CFR 200 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	1609W31025	15	E5C	09L0G9Z	201B51	4192			291,000
									291,000

Budget Summary Page: City of Rialto Well Rehabilitation Project

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$0
2. Fringe Benefits	\$0
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$1,786,061
7. Construction	\$0
8. Other	\$0
9. Total Direct Charges	\$1,786,061
10. Indirect Costs: % Base	\$0
11. Total (Share: Recipient 83.70 % Federal 16.30 %.)	\$1,786,061
12. Total Approved Assistance Amount	\$291,000
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$291,000
15. Total EPA Amount Awarded To Date	\$291,000

Administrative Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-march-29-2016-or-later>. These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions or restrictions cited throughout the award. The EPA repository for the general terms and conditions by year can be found at <http://www.epa.gov/grants/grant-terms-and-conditions>.

A. Annual Federal Financial Report (FFR) - SF 425

For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to September 30 of each calendar year to the U.S. EPA Las Vegas Finance Center (LVFC). The FFR will be submitted electronically to lvfc-grants@epa.gov no later than December 31 of the same calendar year. The form with instructions can be found on LVFC's website at <http://www2.epa.gov/financial/forms>.

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance 2 CFR Part 200.323 the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

C. Six Good Faith Efforts 40 CFR Part 33, Subpart C

Pursuant to 40 CFR Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- (e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.
- (f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

D. Utilization of Disadvantaged Business Enterprises

General Compliance, 40 CFR Part 33

The recipient agrees to comply with the requirements of EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR Part 33.

Fair Share Objectives, 40 CFR Part 33, Subpart D

A recipient must negotiate with the appropriate EPA award official, or his/her designee, fair share objectives for MBE and WBE participation in procurement under the financial assistance agreements.

In accordance with 40 CFR Section 33.411 some recipients may be exempt from the fair share objective requirements as described in 40 CFR Part 33, Subpart D. Recipients should work with their DBE coordinator if they think their organization may qualify for an exemption.

The dollar amount of this assistance agreement, or the total dollar amount of all of the recipient's financial assistance agreements in the current federal fiscal year from EPA is \$250,000 or more. The recipient accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the California State Water Resources Control Board (CSWRCB), as follows:

	<u>MBE</u>	<u>WBE</u>
Construction	02%	01%
Equipment	01%	01%
Services	01%	01%
Supplies	01%	01%

The recipient accepts the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as CSWRCB

Negotiating Fair Share Objectives/Goals, Section 33.404

The recipient has the option to negotiate its own MBE/WBE fair share objectives/goals. If the recipient wishes to negotiate its own MBE/WBE fair share objectives/goals, the recipient agrees to submit proposed MBE/WBE objectives/goals based on an availability analysis, or disparity study, of qualified MBEs and WBEs in their relevant geographic buying market for construction, services, supplies and equipment.

The submission of proposed fair share goals with the supporting analysis or disparity study means that the recipient is **not** accepting the fair share objectives/goals of another recipient. The recipient agrees to submit proposed fair share objectives/goals, together with the supporting availability analysis or disparity study, to the Regional MBE/WBE Coordinator, Joe Ochab at Ochab.Joe@epa.gov, within 120 days of its acceptance of the financial assistance award. EPA will respond to the proposed fair share objective/goals within 30 days of receiving the submission. If proposed fair share objective/goals are not received within the 120 day time frame, the recipient may not expend its EPA funds for procurements until the proposed fair share objective/goals are submitted.

Contract Administration Provisions, 40 CFR Section 33.302

The recipient agrees to comply with the contract administration provisions of 40 CFR Section 33.302.

Bidders List, 40 CFR Section 33.501(b) and (c)

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create

and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR Section 33.501 (b) and (c) for specific requirements and exemptions.

E. MBE/WBE Reporting – Reporting Condition

General Compliance, 40 CFR Part 33, Subpart E – Reporting Condition

MBE/WBE reporting is required annually. Reporting is required for assistance agreements where there are funds budgeted for procuring construction, equipment, services and supplies, including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the “Other” category, that exceed the threshold amount of \$150,000, including amendments and/or modifications.

Based on EPA’s review of the planned budget, this award meets the conditions above and is subject to Disadvantaged Business Enterprise (DBE) Program reporting requirements. Conversely, the recipient must submit to the GrantsRegion9@epa.gov a justification and budget detail within 21 days of the award date demonstrating that this award is not subject to the DBE reporting requirements.

The recipient agrees to complete and submit a “MBE/WBE Utilization under Federal Grants, Cooperative agreements” report (EPA Form 5700-52A) on an annual basis. All procurement actions that are reportable, not just that portion which exceeds \$150,000.

When completing the annual report, recipients are instructed to check the box titled “annual:” in section 1B of the form. For the final report, recipients must check the box indicated for the “last report” of the project in section 1B of the form. Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the project period, whichever comes first.

The reporting requirement is based on total procurements. Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

MBE/WBE reports should be sent to GrantsRegion9@epa.gov . The current EPA Form 5700-52A can be found at the EPA Office of Small Business Program’s Home Page at http://www.epa.gov/osbp/dbe_reporting.htm .

This provision represents an approved deviation from the MBE/WBE reporting requirements as described in 40 CFR Part 33, Section 33.502; however, the other requirements outlined in 40 CFR Part 33 remain in effect, including the Good Faith Effort requirements as described in 40 CFR Part 33, Subpart C, and Fair Share Objectives negotiation as described in 40 CFR Part 33, Subpart D.

F. Recipient Contribution (Cost Share)

The required recipient cost share for this assistance agreement is 45% of total project costs. EPA agrees to pay up to 55% of total eligible project costs, not to exceed the Total Approved Assistance Amount. The assistance agreement may reflect a percentage shown under the “Notice of Award” section which is based on estimated costs requested in the recipient’s application.

Programmatic Conditions

a) Environmental and Public Health

The recipient agrees to submit to the EPA Project Officer a short narrative describing the environmental and public health benefits of this project upon initiation of the funding agreement. Additionally, at the conclusion of the project, the recipient shall submit an assessment of how effective the project was in achieving the stated environmental and public health objectives.

b) Progress Reports

The recipient shall submit quarterly progress reports to the EPA Project Officer beginning three months after initiation of the agreement. The recipient agrees to submit performance information on each of the following areas:

- 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period;
- 2) the reasons for slippage if established outputs/outcomes were not met;
- 3) monies expended towards completing the different workplan tasks; and
- 4) additional pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs. These reports shall be components of the quarterly progress reports.

c) Final Report

Final report(s) for this project shall be submitted to the EPA Project Officer within three months of its completion. Copies of publication and/or presentation based on this project shall be supplied to the EPA Project Officer.

d) Delays to Outputs/Outcomes

The recipient agrees to inform EPA as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan.

e) Copyright

EPA has the right to reproduce, publish, use, and authorize others to use copyrighted works developed under this assistance agreement for Federal purposes. Examples of Federal purpose include but are not limited to: (1) Use by EPA and other Federal employees for official Government purposes; (2) Use by Federal contractors performing specific tasks for the Government; (3) Publication in EPA documents provided the document does not disclose trade secrets (e.g. software codes) and the work is properly attributed to the recipient through citation or otherwise; (4) Reproduction of documents for inclusion in Federal depositories; (5) Use by State, tribal and local governments that carry out delegated Federal environmental programs as "co-regulators" or act as official partners with EPA to carry out a national environmental program within their jurisdiction; (6) Limited use by other grantees to carry out Federal grants provided the use is consistent with the terms of EPA's authorization to the grantee to use the copyrighted material.

f) EPA Project Officer's Participation

The EPA Project Officer shall be informed of any project meetings in a timely manner to allow the Project Officer's participation.

g) Workplan Modifications

Any modifications to the workplan or budget must have prior written approval by the EPA Project Officer before further grant payments can be made.

h) Payment Reimbursement

Recipient will provide EPA Project Officer with all documentation for reimbursement for his review and approval.

i) Cybersecurity:

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all State or Tribal law cybersecurity requirements as applicable.

(b)(1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) no later than 90 days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(b)(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

-- End of Agreement --

Rec# 424790

NOTICE OF EXEMPTION

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: City of Rialto
Development Services Department
150 South Palm Avenue
Rialto, CA 92376

Clerk of the Board
County of San Bernardino
385 North Arrowhead Avenue
San Bernardino, CA 92415

Project Title: C.R. P. EAR 12-13 Project No. WI-SCADA Improvements

Project Location (Specific): Citywide

Project Location (City): City of Rialto

Project Location (County): San Bernardino

Project Description: Replace and standardize all existing equipment, including the radios, for integration with wastewater Supervisory Control & Data Acquisition (SCADA) remote computerized system. Tie in with American Water Enterprises Operations Service Center in O'Fallon, Missouri via a T1 line.

Name of Public Agency Approving Project: City of Rialto

Name of Person or Agency Carrying Our Project: Rialto Utility Authority/ American Water

Exempt Status: (check one)

- Ministerial (Sec. 21080(b) (1); 15268);
- Declared Emergency (Sec. 21080(b) (3); 15269(a));
- Emergency Project (Sec. 21080(b) (4); 15269 (b)(c));
- Categorical Exemption.** State type and section number: 15301, Existing Facilities
- Statutory Exemptions.** State code number:

COUNTY OF SAN BERNARDINO
 CALIFORNIA
 12 JUN - 1 PM 3:40
 CLERK OF THE BOARD OF SUPERVISORS

Reasons why project is exempt: Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The types of "existing facilities" itemized below are not intended to be all inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use. Examples include but are not limited to:

(b) Existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.

Lead Agency Contact Person: Gina M. Gibson, Senior Planner

Area Code/Telephone/Extension: (909) 421-7240

If filed by applicant:

- 1 Attach certified document of exemption finding.
- 2 Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature:  **Title:** Senior Planner

Date: May 4, 2012

- Signed by Lead Agency
- Signed by Applicant

Date received for filing at OPR:

DATE FILED & POSTED

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PASSED APPROVED AND ADOPTED this ____ day of _____, 2016.

Deborah Robertson, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, City Attorney

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Resolution No. ____ was duly passed and adopted at a regular meeting of the City Council of the City of
6 Rialto held on the ____ day of _____, 2016.

7 Upon motion of Council Member _____, seconded by Council Member _____,
8 the foregoing Resolution No. ____ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
15 Rialto this ____ day of _____, 2016.

16
17 _____
18 BARBARA McGEE, CITY CLERK
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Legislation Details (With Text)

File #: 16-812 Version: 1 Name: TAB 12
 Type: Agenda Item Status: Agenda Ready
 File created: 11/17/2016 In control: City Council
 On agenda: 11/22/2016 Final action:
 Title: Request City Council to Authorize submittal of an EDA grant application in the amount of \$3,000,000 for the Rialto Data Analytics, Logistics, Business Acceleration and Training Center, and direct staff to assign reserves in the amount of \$2,086,860 in the General Fund as a matching contribution. (ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A Executive Summary](#)
[Exhibit B October 25, 2016 EDC Presentation Materials](#)
[Exhibit C November 15, 2016 EDC Presentation Materials](#)

Date	Ver.	Action By	Action	Result
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For City Council Meeting [November 22, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb R. Steel, ACA/Development Services Director

Request City Council to Authorize submittal of an EDA grant application in the amount of \$3,000,000 for the Rialto Data Analytics, Logistics, Business Acceleration and Training Center, and direct staff to assign reserves in the amount of \$2,086,860 in the General Fund as a matching contribution. (ACTION)

BACKGROUND:

The City engaged MHM & Associates (“MHM”) to solicit grant funding for a variety of City projects. For several months, MHM has been working on a proposal to develop a Data Analytics, Logistics, Business Acceleration, and Training Center within the Renaissance Specific Plan. In general, the project contemplates a 10,000± square foot office building on a 3± acre site that would house professional workers engaged in transportation data analytics. An intended objective of this program would be to manage truck traffic within the City to better utilize the existing infrastructure, and include adoption of transponder technologies to levy fees on a trip/trip basis. Funds derived therefrom could offset the City’s cost of service for truck related industries.

ANALYSIS/DISCUSSION:

MHM prepared a short summary of the proposed project and its costs, attached hereto as Exhibit A. The program consists of three primary components:

1. Installation of a Fiber Optics Network in Renaissance.
2. Purchase and Distribution of Transponders.
3. Construction of a Data Analytics Center.

The estimated cost to complete the capital cost of these components is \$5,479,860, with an intended grant from the Economic Development Administration (EDA) of \$3,000,000. The City must provide grant matching funds for \$2,086,860 and project supporting funds of \$393,000 to prepare business plans, operational models, and impact/deployment assessment briefings/reports. The City is not required to provide the matching funds (\$2,086,860) unless the EDA awards a grant for the project and the City Council accepts the terms.

In order to apply for the grant, the City must state its intention to provide the required matching funds. Consequently, this report requests that the City Council conditionally commit the grant matching funds of \$2,086,860 that will be made available upon the City Council's acceptance of the grant (if awarded).

The Economic Development Committee received presentations regarding the proposal on October 25, 2016 and on November 15, 2016. The EDC asked numerous questions regarding the proposal, but MHM advised that the EDA grant application would be more highly considered for a submittal in December 2016 and that the grant opportunity requires the applicant to commit the matching funds as a condition of submittal. The staff reports and presentation materials submitted to the EDC on October 25, 2016 and November 15, 2016 are attached hereto as Exhibit B and Exhibit C respectively.

This action does not commit the City to any immediate expenditure of funds. The City Council may choose, by this or separate action, to release funds to MHM (or others) to begin developing required business plans, operational models, and a planned impact/deployment assessment.

ENVIRONMENTAL IMPACT:

Pursuant to Section 15378 of California Environmental Quality Act (CEQA), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, such as: (1) Government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, or (2) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

The City of Rialto has identified several goals and objectives within the City's General Plan through which the City looks to improve the community. The proposed action to is consistent with the following goals and objectives contained in the General Plan:

- Goal 3-1: Strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate.

Goal 3-7: Upgrade public infrastructure as an inducement to promote private investment.

LEGAL REVIEW:

The City Attorney reviewed and approved this staff report.

FINANCIAL IMPACT:

The City will reserve general funds for \$2,086,860 as the matching commitment; however, the City Council must still accept the grant before the funds become obligated. The City will not appropriate the remaining pre-development expenses of \$393,000 until the City Council accepts the grant or, by separate action, the City Council releases some or all of the projected \$393,000 for specific pre-development services. The City will appropriate the pre-development funds when the City Council acts upon specific requests.

RECOMMENDATION:

Request City Council to Authorize submittal of an EDA grant application in the amount of \$3,000,000 for the Rialto Data Analytics, Logistics, Business Acceleration and Training Center and direct staff to assign reserves in the amount of \$2,086,860 in the General Fund as a matching contribution.

Rialto Technological Innovation Zone and Data Analytics and Business Training Center

Executive Summary – Shift in Perspective - Transportation is a business wherein the warehousing / distribution industry is almost completely private and has yet to fully explore possibilities inherent in a public, private partnership and ancillary benefits. The privatization of this industry has led to many unforeseen damages to communities. Such damages include environmental damages, economic disparities, and lack of equity. The City of Rialto with its growing logistics industry has enjoyed many of the industry benefits yet, road destruction, lacking air quality, and stagnant employment continue to plague the growing city. As such, the City of Rialto will shift its perspective from transportation as an ‘infrastructure intensive activity with engineering as the dominant methodological paradigm for transportation studies and private benefactors’ to one where transportation serves as a ‘data driven activity built on the inquiry and application of analytics, surveillance, and business efficiency as the dominant paradigm for moving goods and services with public and private beneficiaries’. General Plan/Business Model – The City of Rialto will design and develop a business model strategy in transportation (and logistics) in accordance to this shift in perspective that will promote productivity gains, such as increased accessibility, safety, capacity and performance that will catapult the City of Rialto as a regional leader in the application and use of: **1)** fiber optics (high-speed data cables) **2)** transponders and **3)** data analytics, surveillance and business innovation and efficiency advancement.

Collectively, the three components will involve:

- a) **Users** – Movers of goods in and throughout the City of Rialto
- b) **Beneficiaries** – Rialto, Residents, Businesses
- c) **Revenue Streams** – Resulting from a financial model that supports fee-based revenue and trip area, businesses efficiency of operation, and expansion of innovation using data analytics.

General Plan/Business Model - Rialto Technological Innovation Zone and Data Analytics and Business Training Center will engage users, support beneficiaries, and generate fee-based revenue resulting from movement of goods and services, accelerating innovation to market. Revenue will support a) measuring and comparing desired federal, state and local environmental, economic, and equity outcomes impacted by the general plan/business model; b) increasing area businesses with operational efficiency and effectiveness (in reducing carbon footprints); supporting city maintenance and costs for street repair; and in measuring overall impact, as determined by analysis across multiple sectors (i.e. carbon footprint, traffic congestions, air quality, street/road conditions, economic opportunities (jobs), social, health and environmental indicators).

The planned approach will be delineated in a General Plan/Business Model (see outline following). The approach being proposed will explore Public Private Partnerships and its multiple variations capable of elevating **performance driven activities**, reducing risks to the City in terms of sunk costs, and includes the option of exercising the use of an independent operator. Planning and analysis of infrastructure and systems in transportation and logistics are interdisciplinary by nature, involving ‘industry experts’ reflective of civil engineers, economists, urban planners, public relations and marketing specialists, lawyers, business managers, tech scientist, telecommunication specialist, environmentalist, geographers, and more. Each area of focus will have their short and long-term role defined within the general plan/business model’s developed scope-of-work.

Budget Breakdown Rialto EDA

Component	Cost	Timeline
Fiber Optics Construction and Equipment (200,000-350,000 yards)	\$1,144,000	1-3 years
Transponders Construction and Equipment (35-45 expected transponders)	\$900,400	1-3 years
The Rialto Data Analytics, Logistics, Business Acceleration and Training Center Construction and Equipment (Engineering, Design, Completion)	\$3,042,460	1-3 years
Pre-Design Operational Model and Planned Impact Document from MHM & Associates	\$393,000	3-5 months (pre-design)



The Rialto Technological Innovation Zone: An EDA Project

Project Overview -The City of Rialto is proposing to renovate their Renaissance District into a ‘Technological Innovation Zone.’ This zone (which covers 700 sq. acres in the north end of Rialto and 800 sq. acres in the south end) will support the creation of 637 jobs and includes construction and equipment as follows:

- a) **High speed fiber optic installation (Construction and Equipment)** - construction will support 15-25 businesses moving into the area and those seeking to remain in area as a result of: access to advanced and high-speed internet connection, consistent signal strength reduction in environmental issues sustained by usage, increased longevity of planned usage, elimination of cost for replacement of copper wires (the most commonly used alternative to fiber), and unlimited capacity for expansion of new innovation in technology). **Cost: \$1,144,000** for 1500 acres (including both North and South Rialto estimated at \$763 per acre).
- b) **Transponders (Construction and Equipment)**– that will be installed overhead/on top of streetlights with capacity for supporting logistics traffic management (movement of trucks in/out of the City of Rialto). Transponders and supportive data will fuel efficiency of operation among businesses transporting goods and services and afford cost savings while affording revenue into the City’s Regional Data Center to address employer directed training, data analytics, and acceleration of innovation among area businesses. **Cost: \$900,400** for 1500 acres
- c) **Data Analytics, Logistics and Surveillance Accelerator/Training Center (Construction)** – that will serve in aggregating data to support logistics for the city and advance training and pathways for residents to enter into area companies in support of product development using data aggregation, and in advancing innovation (via access to leveraged resources/accelerator funds and industry experts). Training will support positions supportive of NAICS codes: 541513, 541511, 541512 and 488510 which cover the positions of: Computer Facilities Management Services, Custom Computer Programming Services, Computer Systems Design Services, Freight Transportation Management. **Cost: \$3,042,460** for 12,000 sq ft, two story building.

These three components (above) of the overall project supported by EDA will create 637 jobs, reduce the carbon footprint for the region and spur a localized economic engine.

Primary Beneficiaries – Two primary beneficiaries include: Amazon and Monster Energy Drink who will employ 637 people as a result of the three project components identified above. (See signed 900 B Form) **Secondary Beneficiaries** – Currently there are preliminary plans for Ross Clothing, Cinemark Theatres, 24 hour fitness and a litany of other businesses to occupy space in the Renaissance District. This increase of new businesses into the region will create an estimated additional 1,200 jobs.

Further, support in accelerating innovation to market will create additional jobs (estimated at 35 jobs per innovation expanded to market). **Note:** *According to The Guardian an average of 35 jobs are created for each new and successful technology with the capacity to go to market within the first 5 years)*

Detailed Summary of the City of Rialto's Project Components

1) Fiber Optics- The City of Rialto's projected cost for the construction of Fiber Optic Cables covering over 1500 acres (including both North and South Rialto) is \$1,144,000 (estimated cost at \$763 per acre). Core components of the construction will include Fiber optic cable construction including purchasing of fiber/types (micro-tube and loose/tight buffered), ripcords, tensile and outer Jackets (for strength). Specifications and installations of fiber optic cable will include inter and intra-building (breaking out and planting of outside patch and plant cables), stripping of fiber, dropping ceilings, pulling cable, raising floors, removing jackets and construction of vertical risers in-trays, pathways and spaces and underground conduits.

Two project primary beneficiaries (Fortune 500 businesses) that will benefit from having increased access to high-speed internet include Amazon and Monster Inc. Fiber optics will support each of these businesses in retention and creation of jobs. Companies already established in the Renaissance District include B and B Plastics, Ross, T& B Water Trucks, Matich Asphalt, Target, and Niagara Water.

2) Transponders - Rialto's 'Technological Innovation Zone' will require the installation of traffic tracking transponders on the streetlights along the 210 freeway, the 10 freeway, and main transportation corridors/streets traversing through the City of Rialto. The City of Rialto's projected cost for Transponders (Equipment) cover 1500 acres (w/installations required in over 24 select points throughout the city) is \$900,400 (based on total cost per installation at \$37,516) The tracking transponder system will track movement in/out of the city and charge fees commiserate to the traffic levels and time of day/night when goods are moved through the city – commonly referred to as congestion pricing.

Corridors within the City of Rialto serve as direct routes to/from the Port of Los Angeles, to/from the Port of Long Beach, 10 Freeway East to/from Arizona, 15 Freeway North to/from Las Vegas and South to San Diego. It is estimated that more than 2,500 trucks move through these corridors each day with an estimate 26% (650 trucks) utilizing the corridors Transportation Rialto. More than 80% of these trucks move an excess of \$100,000 worth of goods, daily indicating more than \$60M worth of goods moving through the city each day. Managing the movement of these trucks with assessed moving fees will be tracked/facilitated by the transponders. The transponders fee based assessment will be manned and operated by the City's Data Analytics, Logistics, Surveillance, and Training Center.

Over the first eight (8) years, Rialto anticipates the Transponders will average operating at 45% of its capacity the first five years and up to 75% by the eighth year. Anticipated generated annual revenue from the transponders at 45% capacity totals \$462,150 per year (for 650 trucks per day at \$4 per truck). The congestion pricing allows the city to cover initial costs with revenue generated by the 3rd year of operation reflecting the break-even point with follow-on costs to address responsibilities/repairs that the City will assume resulting from the increase in truck traffic i.e. congestion, air quality, increased repairs on streets, etc.

Note: Information added here will reflect the expected increase in costs for roads that a city can anticipate based on increasing truck traffic.

3) Data Analytics, Logistics, Surveillance, Training Center - The DALSTC will be located within the ‘Technological Innovation Zone.’ and will serve as a Public Private Partnership among local government, educational institutions, businesses, and industry experts. The data and training center will be approximately two stories in height and approximately 12,000 square feet. The City of Rialto’s projected cost for the Data Analytics, Logistics, Surveillance, Innovation Training Center (Data Center) is \$3,242,460. Currently four (4) businesses have agreed to participate in the Business Development aspect of planned services that will support businesses in advancing innovation to market; referred to as Business Innovation Acceleration (BIA). These businesses include Webb Family Enterprises, InSoCal Connect*, Berg & Associates, and Azure Property Management. Each entity has new technologies and/or products requiring commercialization. The DALSTC will engage an average of 2 new businesses monthly, 24 over the course of a year (supporting over 192 businesses over the course of 8 years)

Company Name	Function	Square Footage Designated (includes common space)
Large Scale Data Company TBD	Data Aggregation	3,200 square feet
SBCCCD, Cal Poly Pomona, RUSD	Training	4,000 square feet
Webb Family Enterprises/Blackman & Associates/ InSoCal Connect	Business Acceleration: Franchising - supporting Minority/Seniors/Veterans	1,600 square feet
Berg & Associates/ InSoCal Connect	Business Acceleration: Manufacturing, Logistics and Telecommunication	1,600 square feet
Azure Property Management/ InSoCal Connect	Business Acceleration: Technologies	1,600 square feet
Total		12,000 square feet

- = **Company coordinating Industry Experts to support other businesses**

The center will have three primary services:

a) Data Aggregation – managed by P3 partners occupying 3,200 square feet will support:

- Project beneficiaries in advancing business efficiency of operations as it relates to aggregated data that support proactive decision making, conservation of energy, and managing of employee hours.
- Companies participating in the global and local logistics in advancing business efficiency of operations as it relates to aggregated data that supports efficiency of truck traffic movements, fuel savings, and logistical decision-making.

b) Training – headed by SBCCCD, Pomona, and RUSD on-site occupying 4000 sq. feet and supporting the capacity to support companies moving into the area requiring NAICS codes (541513, 541511, 541512, 488510) which reflect the positions of: Computer Facilities Management Services, Custom Computer Programming Services, Computer Systems Design Services, Freight Transportation Management . These skilled laborers will fulfill jobs being created for participating project beneficiaries and other(s).

c) Business Innovation Accelerator – covering 4,800 square feet that serves in supporting area businesses with professional development that elevates the acceleration of innovation into the

global market. The business innovation accelerator and technical assistance will be facilitated by Industry experts/Business with noted successes in specified areas necessary to enter into the global market (including technical assistance in Import/Export, R&D, Validation of Innovation, Financing/Funding, etc). Space will managed/occupied by InSocial/Connect that will serve as an umbrella agency to all start-ups and small businesses requiring support. Webb Family Enterprises, Blackmann & Associates, Berg & Associates, and Azure Property Management each serve as industry experts for the select area(s) of focus/function. Data center operation funds from the transponders will be designated to the City of Rialto's Accelerator Funds that will support advancing local innovation into global markets. In addition to the 460 jobs being created by project beneficiaries, the DALSTC will also support the creation of an estimated 416 additional multiplier jobs based on a rate of 52 new jobs per 16 (average 2 per year) business expansions/launches.

Total Project Construction and Equipment Cost	\$5,086,860
Total Request of EDA	\$3,000,000
City of Rialto:	\$2,086,860
Percent of Total Project Covered by EDA:	58%
Percent of Total Project Covered by City of Rialto:	42%

DRAFT



Shifting Perspective

FROM THE INDUSTRIAL ZONE TO THE TECHNOLOGICAL INNOVATION ZONE

THE RIALTO RENAISSANCE DISTRICT

Outline

- ▶ **History in Developing the Technological Innovation Zone**
 - ▶ City Priorities for Existing/Planned Resources
 - ▶ Project Objectives that Support City Priorities
 - ▶ Why the Shift in Perspective/Approach (Trajectory of Federal and State Support Supporting Priorities)
- ▶ **Partners Represented in the Presentation**
- ▶ **The Proposed Project: Technological Innovation Zone and Data Center**
- ▶ **Project Benefits and Beneficiaries**
- ▶ **The Cost of the Technological Innovation Zone and Data Center**
- ▶ **Planned Approach for Funding the Project**

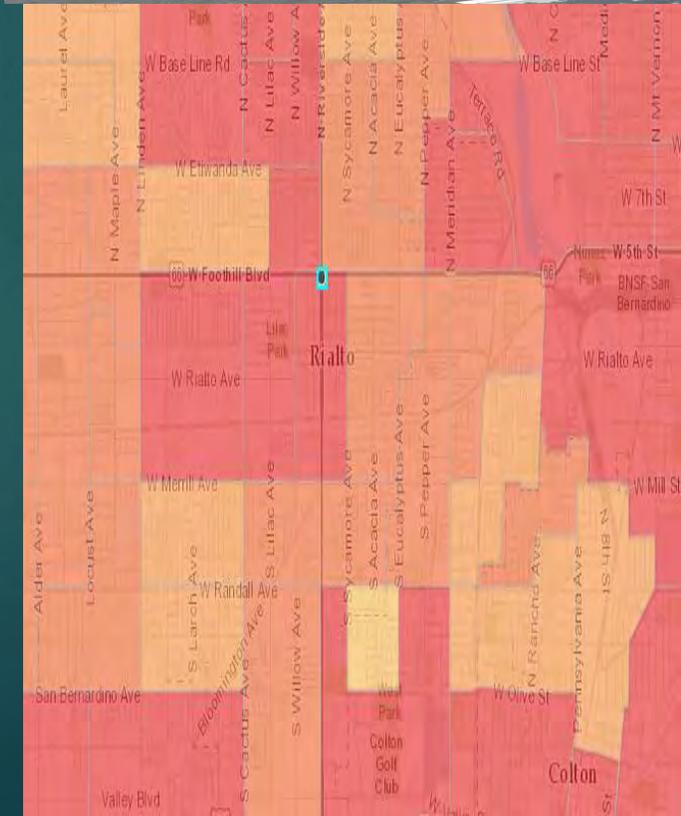
History – Creating A Technological Innovation Zone and Data Analytics Center

▶ How the Shift in Perspective/Approach Occurred

▶ **July of 2015- City of Rialto Became an e3p3 City –** Contract with MHM & Associates and its National Resource Development Council (NRDC-LG)

▶ **E3p3 Model** - Environmental Sustainability, Economic Opportunities and Equity In Education, Social, and Health

▶ **January - August of 2016** – Garnered the interest of U.S. DOT, EDA, and EPA. October of 2016 – Preliminary Approval from EDA: \$3M



History – Creating A Technological Innovation Zone and Data Analytics Center

▶ Why the Shift in Perspective/Approach

- ▶ **Environment** - The IE continues to worsen with one of the highest Cal Enviro-Screen scores in the country.
- ▶ **Economics** - Transportation will expend 13.7 trillion worldwide on solving transportation problems; and the lack of efficiency in business movements causes billions of dollars wasted on employee time and gas mileage (US Treasury).
- ▶ **Equity** Issues in Rialto/ California Specific
 - ▶ Housing- 19.2% living below the poverty line
 - ▶ Homelessness- 1,224 homeless in IE (low-end estimate)
 - ▶ Street Tax Rate- California second worst in terms of ratio from tax rate to road conditions (CA)



Paralleling Technological Innovation Zone and Data Analytics Center with City of Rialto's Priorities

Rialto Priority Areas (General Plan)

- ▶ Attract High Quality New Development and Improve its Physical Environment
- ▶ Create an Economic Environment is Healthy and Diverse
- ▶ Support an Active Community with Clean Air
- ▶ Effective Use of Land/Land Appropriation in the Renaissance Area
- ▶ Stabilize Revenues that Allow for Consistent Delivery of Community Service
- ▶ Make/Create a Sense of Place for Area Residents (Minimize increase their Taxes to do so)

Project Objectives

- ▶ High Quality Businesses where Technology works to improve quality of life
- ▶ Create an economic engine designed to spur innovation and provide job creation
- ▶ Combines transportation, non-motorized travel, and walking for increased probability of active living
- ▶ Land Appropriation that will generate employment outcomes for residents
- ▶ Stable revenue generator through transponders, business acceleration, and trainings
- ▶ A sense of place.....an e3p3 Model City

History in Developing the Technological Innovation Zone and Data Center

Trajectory of Federal and State Support Supporting Priorities (e3 p3 focus) Reasons:



Proposed Project: Technological Innovation Zone and Data Center



**The Proposed Plan:
Create Fee-based Structure supporting
Traffic Management and Advancing Innovations using Technology**

Envisioning a future where governments and businesses work towards the same goal.....

The expertise and direction of government matched with the innovation from the public sphere.

Proposed Project Approval: Technological Innovation Zone and Data Center

Fiber/ Internet Connectivity

Approval: For the construction of fiber optics cable throughout the Renaissance District – throughout Rialto

Pre-design/Pre-Implementation Cost: \$131,000

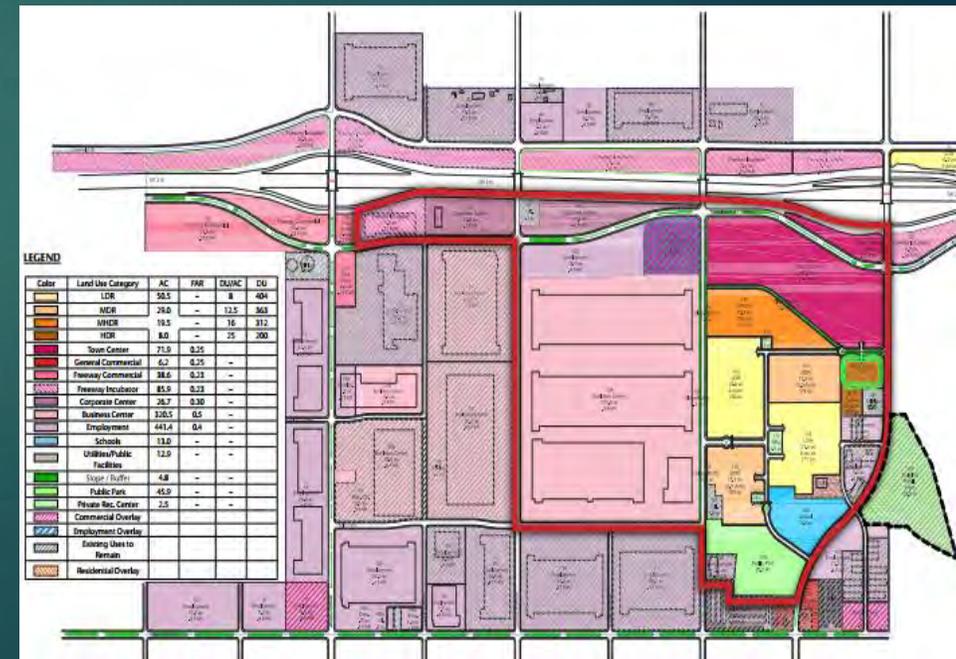
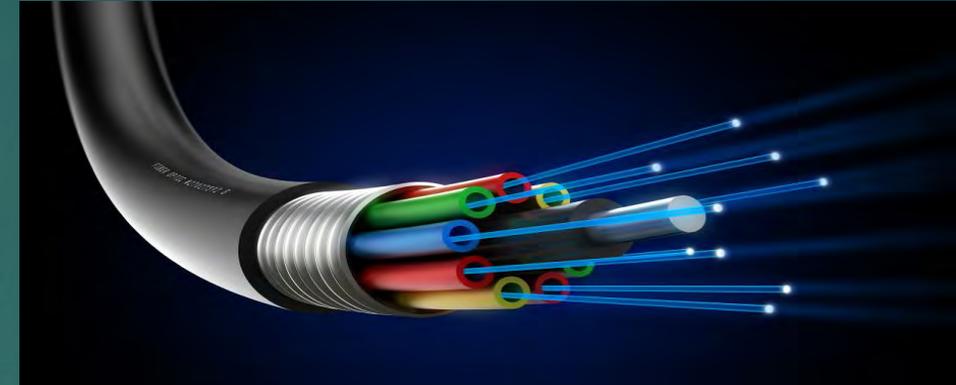
Estimated Cost: \$1,144,000.00 (Construction and Equipment)

Benefits

- Increase in the number of businesses and thus jobs in the area
- Internet connectivity at more than 3x the speed of traditional internet connections
- Economic development incentive for businesses considering IE
- Puts Rialto in the forefront of cities being considered throughout the IE for Hotels, Large(r) Establishments, and Companies using 21st Century Technologies
- Replacement required after 25-40 years (if at all) as opposed to 5 years
- Businesses with fiber optics connectivity are less likely to lose connections and can more easily replace internet connection for upgrades
- Lower user cost
- Increased efficiency of operations that could lead to increase in corporate savings (and thus employment opportunities)

Beneficiaries

- Existing and new Fortune 100 and 500 companies in the Renaissance region and throughout Rialto
- Small Businesses throughout Rialto
- Innovators



Proposed Project: Technological Innovation Zone and Data Center

Transponders

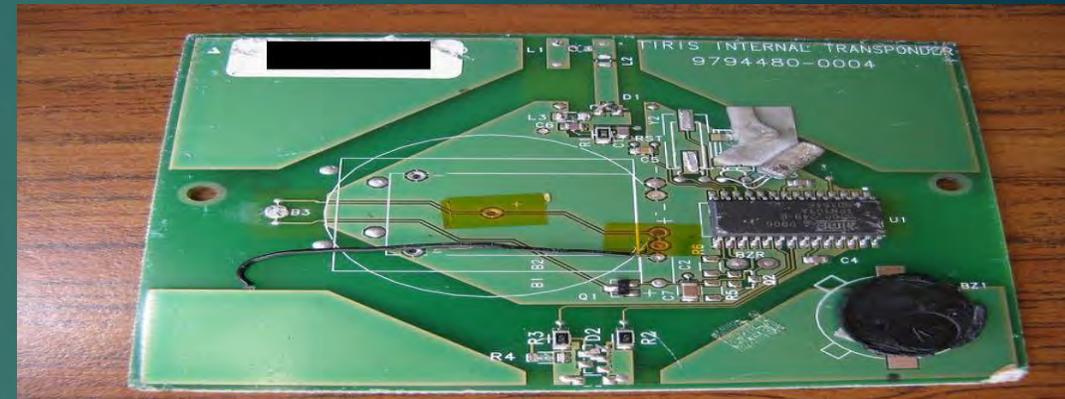
Approval: For the pre-design and construction of Transponders throughout the City of Rialto

Pre-design/Pre-Implementation Cost: \$131,100

Estimated Cost: \$900,400 (Construction and Equipment)

Benefits

- Transponders Located throughout the Renaissance District and through corridors in the City of Rialto to support transportation of large scale trucks and fees (similar to FastTrack)
- Addresses community residents concerns of footing the bill for increased traffic by trucks
- Minimizes the need to request residents/tax payers to agree to increase in tax
- Increased Revenue generation from transponders so as to offset the environmental and economic impacts that are being caused by the high logistics sector



Beneficiaries

City of Rialto residents, community leaders, businesses

Proposed Project: Technological Innovation Zone and Data Center

The Rialto Data Analytics, Surveillance, Logistics, Innovation - TRAINING Center

Approval: For the construction of 12,000 sq. ft., two story building

Pre-design/Pre-Implementation Cost: \$131,000

Estimated Cost: \$3,042,460 (Construction and Equipment)

Benefits:

- **Tracking of Movement** - in the area that maximizes operations by maximizing efficiency as it relates to: freight movement; traffic; energy usage; deployment of innovation; business growth
- **Aggregation of Data** - surrounding traffic, logistics, patterns,
- **Business Training** - that expands innovation to market (and elevates demand jobs for data scientists, computer scientists, logistics management staff (and other in-demand jobs)
- **Increased efficiency and costs savings** - among area businesses
- **Surveillance** - that adds safety and increased revenue for city and area residents

Beneficiaries

Businesses doing the incubation (p3 partners), residents of the City of Rialto, start-up and existing businesses in the region.



Proposed Project: Technological Innovation Zone and Data Center

► Total Project Cost

Primary Fund/ Developer	Funding Requested	Source of Funding	Planned Use
City of Rialto	\$2,086,860	Economic Development Reserve	Construction/ Equipment
EDA	\$3,000,000	Federal Match	Construction/ Equipment

Primary Fund/Developer	Funding Requested	Source of Funding	Planned Use
City of Rialto	\$ 693,000	Data Center- Transportation Fees	Pre-Design Operational Plan

► **Total Project Cost: Construction and Equipment: \$5,086,860**

► **Total Project Pre-Design and Operations: \$393,000 (Part 1); \$300,000 (Part 2)**

Strategy For Financing Project



City of Rialto Financing

U.S. Department of Commerce EDA Grant - \$3,000,000

- ▶ Revised Grant Narrative (Incorporate 3 Project Components)
- ▶ EDA Grant Application Funded

City of Rialto – Fund Construction and Equipment - \$2,086,860

- ▶ Future Airport Land Sales Proceeds/Short Term Advance
- ▶ General Fund (Based on anticipated project revenue)
- ▶ Other Non-Federal Grants

City of Rialto – Operational Development Plan/Agreement \$ 693,000

- ▶ Part 1 (\$393,000) General Fund
- ▶ Part 2 (\$300,000) from Project Revenues from Transponders and Data Aggregation* Not Allocated until revenue has been generated

Projected Short-term/Long-term Benefits

Financial Benefits

- ▶ 1. Project Revenues from Transponders and Data Aggregation (supporting data traffic management) at \$1.00 per day for 775 trucks traveling through Rialto = \$282,875 per year/ **\$2.82M over** 10 Years.
- ▶ 2. Project Revenues from Transponders and Data Aggregation (supporting data traffic management) at \$1.00 per day for 2000 trucks traveling through partnering JPA cities = \$730,000 per year/ \$7.3 M over 10 Years x .25 (Fee for use of Rialto's Data Aggregation Center) = **\$1.8M**

Note: The 2015 estimated # of trucks per day in the region: 2,500 with an expected 4.5% annual growth

- ▶ 3. Efficiency of operations among businesses, due to fibre, data traffic management, state incentivized tax breaks (SGC), business development training, and access to innovation is expected to increase cost savings for every business in Rialto (TBD by Operations Plan)

Proposed Partners for Moving Project Forward

▶ P3 Partners



Industry Experts:
Federal Motor Carrier Safety Administration (U.S. DOT)
Timothy Simon - TS Corporation
Brad Chapman – Transportation Consultant
Jimmy Narvaez - Angst Transportation
Bill Benman – Patenting and Licensing

▶ Federal and State Agencies – That will be Engaged



Proposed Action

- ▶ Approve Funds for released in Accordance with EDA Grant Award Specification and required matching funds supported by Operational Development Agreement:
 - \$ 300,000 - Over 2 Years Beginning March of 2017 (City of Rialto)
 - \$2,088,000 - Over 2 Years Beginning March of 2017 (City of Rialto)
- ▶ Approve contract/funds in accordance with Operational Development Agreement:
 - \$293,000 - Beginning November 15th, 2016 – March of 2017 (Scope A)
 - \$100,000 - Beginning November 15th, 2016 – November of 2018 (Scope B)



The Rialto Data Analytics, Logistics, Business Acceleration, Training Center

PRESENTED BY: MHM & ASSOCIATES

The Rialto Data Analytics, Logistics, Business Acceleration, Training Center

1. Proposed 10,000 square foot space with open area for training, business acceleration, and efficiency model generation
2. Data Analytics- Efficiency of movement can reduce line item costs in salaries, equipment, and fuel for large capacity transportation movers by up to 10% (Harvard Business Review)
3. Transponder- All transponder technology will be aggregated at the DALBT Center in Rialto (estimated at \$848,625 at high end)
4. Logistics- Data aggregation for all businesses in the area will allow for a logistics zone where movement is determined by other businesses and not just in isolation.
5. Business Acceleration- Similar business accelerators see 15-30 companies move to market in the first 5 years (Yucapia Business Accelerator)
6. Trainings- Expects to train 600 people per year in the fields of data scientists, transportation management, and logistics (NAICS Codes- 541513,541511, 54152)



Artistic Depiction of the Rialto DALBT Center

What are we going to do? The Mission of the DALBT Center

1

We will Reduce the Local and Regional Carbon Footprint- The Rialto DALBT Center will reduce the amount of time trucks remain idle or slow moving through the city through this traffic management system. This will reduce the amount of GHG emissions that have been plaguing Rialto residents

3

Accelerate Innovation of Companies- Business acceleration will allow for companies to use the resources available at the center including fiber technology and utilize them to create new products for use by companies in the area to increase their efficiency

2

We will bring sustained revenue into the city- Through sensitivity analysis, the transponder technology is estimated to bring in between \$84,862-\$848,625 per year. Revenue that can be invested in sustainable technology

4

Advance Business Efficiency- Through the use of data and the experts in the center, businesses will increase their efficiency of movement and the city can explore preferential pricing for those companies who change their movement patterns

Proposed Partners for Moving Project Forward

▶ P3 Partners



Industry Experts:

Federal Motor Carrier Safety Administration (U.S. DOT)

Timothy Simon - TS Corporation
Brad Chapman – Transportation Consultant

Jimmy Narvaez - Angst Transportation
Bill Benman – Patenting and Licensing
Allan Kirst- Caltrans

▶ Federal and State Agencies – That will be Engaged



How we will Fulfill this Mission

Fiber Optics (The Business Creator)

- Fiber optics to be laid in the Renaissance District
- Estimated to cost \$1.275M
- Will be provided to businesses in the Renaissance region
- 3 times the speed of copper cables
- 30 year replacement as opposed to 10 year for copper

Data Center (The Traffic Aggregator)

- Mirrored after industrial parks in England
- Data Center will train new logistics, transportation, and data scientists specialists (\$BCCD partner)
- Data Center will aggregate all incoming information from businesses in the region (Benefit to participating businesses)
- 10,000 square foot estimate
- \$3,173,460 cost estimate

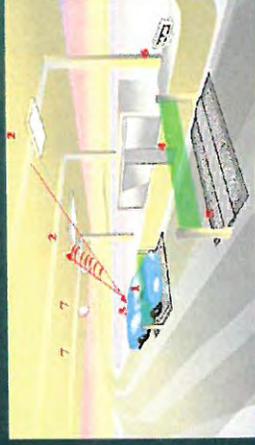
Transponders (Traffic Management)

- Paralleled by the Fastrak system in Southern California
- Estimated 30 transponders throughout the Renaissance region (10 and 210 freeways)
- Transponder counterpart to be installed on cell phone or receiver of the truck
- Transponders estimated to provide revenue of \$282,875 per year on the low end

The Reduction of the Carbon Footprint/ Sustained Revenue - Transponder System

Cost

- ▶ **Pre-design/Pre-Implementation**
Cost: \$131,000 (See General Plan/Business Model Outline)
- ▶ **Estimated Cost: \$900,400**
(Construction and Equipment)



Benefits

- ▶ **Transponders Revenue:**
Example #1:
.30 cents to **\$1.00/day**
775 trucks - \$84,862 - \$282,875 year (low end)
Example #2:
\$2.00 - \$3.00/day
775 trucks- \$565,750 - \$848,625 year (high end)

Probable Usage/Dispersement of Revenue:

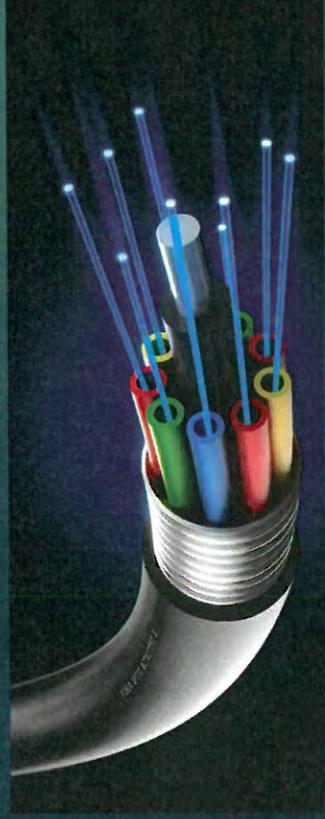
- 30%- Public Works- Offsetting projects for road or environment
- 30%- Rialto's General Fund - Reimbursement
- 40%- Operations of the center/transponders

Reduction of Carbon Footprint- Traffic Management Systems like transponders force changed behavior for companies including moving at less peak times, sending full loads, or partnering with other companies. All of these activities reduce the carbon footprint

The Business Accelerator Fiber/ Internet Connectivity

Cost

- ▶ **Pre-design/Pre-Implementation Cost: \$131,000** (See General Plan/Business Model Outline)
- ▶ **Estimated Cost: \$1,144,000.00** (Construction and Equipment)



Benefits

- ▶ **Increased in # of Businesses Moving into the Area** – Fiber optics will act as a selling feature for businesses who are drawn because of higher speeds, reliability, and longevity.
- ▶ **Increased Cost Savings to Area Businesses** - Fiber optics internet service is anticipated to save businesses in the region **\$2.4M** based on 20 businesses over 5 years (Simpson, Troy Smart Business Insider)
- ▶ **Increase in Jobs** - Savings for businesses often lead to increased hiring practices. Every new business moving or expanding into the area will generate a range between 10 -2,000 new jobs.
- ▶ **Increase in Residents Participating in Home Buying, Furthering Their Education, and Health/Wealth Building Savings.**– New jobs foster an increase in discretionary spending among area tax payers. This increases possibilities of area residents participating in home buying, furthering their education, increasing their savings, etc.

The Business Efficiency, Reduction of Carbon Footprint, Revenue Generator

The Rialto Data Analytics, Logistics, Business Acceleration- TRAINING Center

Cost

- ▶ **Pre-design/Pre-Implementation Cost: \$131,000** (See General Plan/Business Model Outline)
- ▶ **Estimated Cost: \$3,042,460** (Construction and Equipment)



Benefits

- ▶ **Increased Support to Area Businesses** – Businesses using the data aggregation center will see an increase in efficiency through data efficiency models for their transportation movements.
- ▶ **Increased Capacity to Accelerate Innovation to Market** – Center will accelerate between 15-30 companies to market in first 5 years of operation
- ▶ **Regional/State Operations Unit (Based in Rialto)**– The Rialto Data center will act as a central point for regional and state transportation and logistics movement. Through greater efficiency 20-25 jobs per year
- ▶ **Common Use Space** - usage of space for training and support will afford small businesses opportunity to advance innovation using data aggregating
- ▶ **Trainings** - advance access to companies requiring company directed training in fields supported by data aggregation. (positions include the like of logistics manager, data scientist, transportation manager)
- ▶ **Professional Space** – Space can be leased and/or dually used by local government(s) and businesses to further advance P3' opportunities supported by Data Aggregation with revenue generating probabilities

THREE COMPONENT COSTS BASELINE

Costs	Amount	Source
DALBT Center	\$3,042,460	Preliminary Engineering Document (Vobecky)
Center Operations(continuous)	\$120,000 per year	Data Center TCO (Ongoing Operations)
Fiber Optics Internet	\$1,144,000	Manchester Technology Park
Transponder Systems	\$900,400	Fastrak System
Preliminary Impact Document/ Pre-Design	\$393,000	Harvard Business Review
Total:	\$5,599,860	

Note: EDA \$3M pre-committed to cover costs

THREE COMPONENT BASELINE BENEFITS

Benefits/ Revenues	Amount	Source
Business Attraction	\$2,800,000 (\$5,600 per acre x 500 acres filled)	Rialto Institute of Progress
Transponder Revenue	\$282,875 per year	USC Feasibility Study
Trainings	\$ 5,134,680 (20% employment estimate)	Department of Labor
Business Acceleration	\$ Estimate of \$400,000 per year	Quora
Savings to Businesses in the Renaissance	\$480,000 per year (savings to business)	Business Insider
Total	\$9,097,555	

Plan To Reimburse/ Timeline

Year	Costs	Benefits	NPV
1	\$866,620	0	-\$866,620
2	\$866,620	0	-\$1,733,240
3	\$866,620	0	-\$2,599,860
4	\$120,000	\$688,475	-\$2,031,385
5	\$120,000	\$688,475	-\$1,462,910
6	\$120,000	\$688,475	-\$894,435
7	\$120,000	\$688,475	-\$325,960
8	\$120,000	\$688,475	\$242,515

Notes: Break Even Year Calculated at year 8 after year 8 operating at positive \$568,475 per year after year 8

- Benefits Calculated using ONLY Business Attraction of one acre per year (\$5,600) Transponder Revenue (\$282,875), and Business Acceleration (\$400,000)

Strategy For Financing Project

TOTAL COST: \$5,779,860

U.S. Department of Commerce EDA Grant - \$3,000,000

- ▶ Actions Required
 - ▶ Follow- EDA's request in the Resubmittal of Application
 - ▶ Build model using EDA's soft commitment of \$3M
 - ▶ Receive Grant Award Notice
 - ▶ Begin Financial Draw Down

City of Rialto - \$2,086,860 and 693,000 (Construction, Equipment and General/Operational Development Plan)

- ▶ Action Required
 - ▶ Select and Approve option to support project.
 - ▶ Option 1: Future Airport Land Sales Proceeds/Short Term Advance
 - ▶ Option 2: General Fund (Based on anticipated project revenue)
- ▶ Supporting Efforts
 - ▶ Other Non-Federal Grants
 - ▶ Private Loan/Financing

Action Items Required



Transportation Commission and EDC approval for the Concept of the Project moving forward into the pre-design preliminary impact phase



City Council approval of the release of funds for the pre-design elements (\$393,000 for Phase I) and the \$2,086,860 of matching funds



Approval of the pre-design and preliminary impact phase document

**The National Resource Development Council on Local
Government (NRDC-LG) Concept Analysis for the
Rialto Technological Innovation Zone**



Provided by: MHM & Associates

Planned Outcomes/ Agenda

Agenda Items/ Advisory Council:

- Meetings with NRDC-LG members results in greater clarity of who will complete the Businesses and Planned Impact Document, the requirements of for the document, and the outcomes that can be expected for all city representatives
- Allan Kirst and Dennis Barton are clearer on the focus of the revenue generator and the role of the NRDC-LG
- Transportation Commission approval for the processes going forward including meeting with the City Council
- Economic Development Committee meeting on the 15th
- Approval from the Economic Development Committee to move forward with the project. Presentation to City Council
- Approval from City Council on the release of \$363,000 for the pre-design and pre-implementation phase
- Approval from City Council to release matching funds for the project over the course of two years \$2,086,860 over the course of two years
- Begin work with City staff- Planning, Public Works, and Accounting to complete the scope of work under the EDA grant

- ▶ **Increased Capacity to Accelerate Innovation to Market** – Center will accelerate between 15-30 companies to market in first 5 years of operation
- ▶ **Regional/State Operations Unit (Based in Rialto)**– The Rialto Data center will act as a central point for regional and state transportation and logistics movement. Through greater efficiency 20-25 jobs per year
- ▶ **Common Use Space** - usage of space for training and support will afford small businesses opportunity to advance innovation using data aggregating
- ▶ **Trainings** - advance access to companies requiring company directed training in fields supported by data aggregation (positions include the like of logistics manager, data scientist, transportation manager)
- ▶ **Joint Powers Authority** – Space can be leased and/or dually used by local government(s) and businesses to further advance P3' opportunities supported by Data Aggregation with revenue generating probabilities

Outline of General Business Model Strategy

E1: Carbon Footprint Reduction; E2: Generating City Revenue (Demand Management); Creating Jobs; E3: Business Efficiency, Social, Infrastructure

The overall plan will serve in A: Developing Plan and Model that Determines 1) What will be Measured; 2) How we will measure the proposed plans effectiveness/impact; 3) Timeline for specific benchmarks and progress; 4) Determination of Data to be collected in determining **E1: Environmental Factors; E2: Economic Factors; and E3: Equity Factors.**

B. Executing Plans Developed by Experts to Structure the Model: 1) Determining analytics fee structure; 2) Strategic Quantitative and Qualitative Plan for Measuring Outcomes; 3) Pilot Demonstration Model on assessment; 4) Securing Strategic Public/Private Partners and specified scopes/investments (through City RFP Process); 5) Assessment of Data to be collected in determining **E1: Environmental Factors; E2: Economic Factors; and E3: Equity Factors.**

C. Deployment: 1) Analytics fee structure; 2) Quantitative and Qualitative Plan for Outcomes; 3) Deployment of Public/Private Partners and specified scopes/investments (successful RFA); 4) Aggregation of data obtained and reports: on **E1: Environmental Factors; E2: Economic Factors; and E3: Equity Factors.**

I. Business Model Overview

II. Objective and Mission

III. The Product/Project (Marketing)

IV. Financing of the Product/Project (Infrastructure)

V. Financing Options of the Operational System

VI. Business Model Strategies for Operation

VII. Transportation Growth supported by Fiber Optics Transponders and Data Center

VIII. Costs/ Benefits

IX. Probable Use and Benefits of Revenue

X. Public-Private Partnership

XI. Financial Projections and Timeline

XII. Development Mandates Within Operations - Mapping of Fiber Optics

XIII. Development Mandates Within Operations - Mapping of Current and Project Impacted Carbon Footprint

XIV. Development Mandates Within Operations - Survey and Assessment of Area Business Needs

XV. Development Mandates Within Operations - Congestion Management Efficiency Model

XVI. Development Mandates Within Operations - Engagement of Strategic Growth Council as P3 with Defined Scope and Investment

XVII. Development Mandates Within Operations - Strategy for Leveraging Cap and Trade-CO2 Emissions

II. Objective and Mission

a) Overview

b) Mission and Objective of the Rialto Technological Innovation Zone

c) Mission and Objective of the Data Analytics and Business Training Center

d) Mission and Objective of the City of Rialto's Economic Development Division (Cross-Application to Innovation Zone and Training Center)

e) Targeted Outcomes

- e) Market Conditions- existing businesses
- f) Market Conditions – new businesses moving into Rialto
- g) Market Conditions for the region (support for area municipalities)
- h) Increased accessibility, safety, capacity and efficiency
- i) Clarity of Targeted Outcomes for beneficiaries (area businesses)
- j) Favorable and probable impacts on transport system performance
- k) Impact to businesses linked with the Data Center fee-based/investments

VII. The Growth of Transportation Supported by Fiber Optics, Transponders, and Data Center

- a) Overview
- b) **Asset (intrinsic value)** - How terminal assets become more valuable to cities/residents
- c) **Asset (business value)** - How support resources, funds, and waivers (for those using terminal assets) elevate business efficiency
- d) **Source of income (operational value)** - Traffic growth expectations result in income growth expectations.
- e) **Diversification (risk mitigation value)**. Strategies for lowering risks through diversification.
- f) Monetization Options

VIII. Operating Costs/ Benefits

- a) Overview
- b) Managerial and labor costs
- c) Maintenance
- d) Technical and financial risks
- e) Operational and expansion guidelines
- f) Quality of services to users

IX. Probable Use and Benefits of Revenue

- a) Overview
- b) Existing projects
- c) Operations
- d) Pay existing debt
- e) Reduce taxation level
- f) Concessions for new projects
- g) Capital costs

X Private - Public Partnerships - (PPP) / Industry Experts

- a) Overview
- b) Contractual agreements between a public agency (federal, state or municipal)
- c) Design, building, operation or financing of transport infrastructure
- d) Leveraging Benefits of P3's
 - i. Accelerating the advancement of innovation.
 - ii. Reducing risk (implicit private support)
 - iii. Management

XI. Financial Projections and Timeline

- a) Overview
- b) Financial Projections and Costs Efficiency Model
- c) Capital Expenditure Budget – One-time costs
- d) Five Year Operating Budget

Scope of the Pre-Design of the Technological Innovation Zone
NRDC-LG Industry Experts

MANAGEMENT TEAM

- Management Expert- 500-001
- Management Liaison- 300-002
- Licensing and Legal Specialist - 400-003
- Transportation Specialist - 200- 004
- Impact Assessment
- Lead Evaluator -100-005
- Business Evaluator –100-006
- Business Efficiency Model
- Public Utilities Specialist- 200-0014
- Business Efficiency Expert -200-011
- Technology Expert - 009
- Jobs (Training/Business Acceleration)
- Business Incubation Expert 200- 008
- Fee Structure/Logistics
- Logistics Specialist- Angus Transportation 007
- Transportation Specialist - 012
- Marketing/Public Relations
- Marketing Expert – Marketing/Public Relations

Company/Corporate Leaders

- Mapping Expert – 100** – Impact Assessment
- Economic Partnership Org – 200** – Business Efficiency
- Training Experts/ Business Acceleration 300** – Jobs (Training/Business Acceleration)
- Legal Experts/ Logistics 400** – Fee Structure /Logistics
- Management Team 500** - Management
- Marketing Team 600** – Marketing/Public Relations

PHASE I		
Industry Expert	Description of Role/ Mandate	Number of Hours
PART I-A	Developing Plan and Model that Determines 1) What will be Measured; 2) How we will measures the proposed plans effectiveness/impact; 3) Timeline for specific benchmarks and progress; 4) Determination of Data to be collected in determining E1: Environmental Factors; E2: Economic Factors; and E3: Equity Factors.	TOTAL: 460
007/012	Planning Stage Assessment of the Transportation climate in the Inland Empire	45 hours
200-0014	Engineering Plans for the Fiber Optics Network	55 hours

500	Coordination with City Staff and Key NRDC-LG industry experts	45 hours
200	Coordination with school districts to develop a pipeline for data scientists, transportation experts, and warehouse managers	55 hours
500/600-013	Coordinate Rialto residents so as to increase participation of residents in the Rialto Technological Innovation Center	45 hours
PART II	Deployment: 1) Analytics fee structure; 2) Quantitative and Qualitative Plan for Outcomes; 3) Deployment of Public/Private Partners and specified scopes/investments (successful RFA); 4) Aggregation of data obtained and reports: on E1: Environmental Factors; E2: Economic Factors; and E3: Equity Factors.	TOTAL: 415
400-003	On hand legal review and structures for expansion of the transponder technology available	45 hours
500	Municipalities in the IE begin to utilize the transponder systems	55 hours
200	Trainings with Community College and private partners commences within the center.	45 hours
300	Local Employer programs commence within the City of Rialto Center	55 hours
200-008	Start-up businesses in the region begin to construct innovative technologies for improved business efficiency.	55 hours
200-011	Establishing innovative models for the center including increased business operations	55 hours
200-011	Sustainable and innovative technologies are deployed throughout the IE for businesses	60 hours
200-008	Wrap around services to companies operating within the Training Center	45 hours