



A G E N D A



**CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY**

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

AUGUST 19, 2015

**Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

CLOSED SESSION MEETING – 5:00 P.M.

REGULAR MEETING – 6:00 P.M.

THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH PLANNING COMMISSION, PUBLIC FINANCING AUTHORITY, HOUSING AUTHORITY AND IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 423-8301, as far in advance of the meeting as possible.

CLOSED SESSION MEETING CALL TO ORDER

ROLL CALL BY CITY CLERK

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code section 54957.6:

Agency Designated Representatives: City Manager, City Attorney, Assistant City Manager, Administrative Services Director

Employee Organizations: Service Employees International Union (SEIU), Local 221

Unrepresented Employees: Confidential, Mid-management, Management

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code section 54957

Title: City Manager

3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)

Facts and circumstances pursuant to Government Code section 54956.9(e)(1)

RECONVENE AND ANNOUNCE ACTION (IF APPROPRIATE)

ADJOURN CLOSED SESSION

REGULAR MEETING CALL TO ORDER

ROLL CALL BY CITY CLERK

PLEDGE OF ALLEGIANCE

AGENDA CHANGES

Any writings or documents provided to a majority of the City Council/Planning Commission/Public Financing Authority/Housing Authority/I.B. Redevelopment Agency Successor Agency regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.

MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/REPORTS ON ASSIGNMENTS AND COMMITTEES

COMMUNICATIONS FROM CITY STAFF

PUBLIC COMMENT- *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

PRESENTATIONS (1.1)

1.1* PROCLAMATION IN RECOGNITION OF NATIONAL PROSTATE CANCER AWARENESS MONTH. (0410-30)

* No staff report

CONSENT CALENDAR (2.1-2.3)-*All matters listed under Consent Calendar are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember or member of the public requests that particular item(s) be removed from the Consent Calendar and considered separately. Those items removed from the Consent Calendar will be discussed at the end of the Agenda.*

2.1 MINUTES.

Recommendation: Approve the Special Meeting minutes of August 5, 2015.

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

Recommendation: Ratify the following registers: Accounts Payable Numbers 87102 through 87135 and EFT #'s 48-56 for a subtotal amount of 168,491.59, and Payroll Checks/Direct Deposits 46654 through 46676 for a subtotal amount of \$179,249.51 for a total amount of \$347,741.10.

2.3 RECEIVE TREASURER'S REPORT. (0300-90)

Recommendation: That the City Council receive the monthly treasurer's report.

ORDINANCES – INTRODUCTION/FIRST READING (3)

None.

PUBLIC HEARINGS (4.1)

4.1 ADOPTION OF RESOLUTION NO. 2015-7616 AUTHORIZING ABATEMENT OF NUISANCE CONDITIONS AND REMOVAL OF INOPERABLE VEHICLES AT 741 HICKORY COURT. (0470-20)

Recommendation: That the City Council hold the public hearing and upon its conclusion: (1) determine that the conditions at 741 Hickory Court are substandard and constitute a public nuisance in violation of the Imperial Beach Municipal Code (IBMC), specifically IBMC sections 1.16.010(G), 1.16.010(H), 1.16.010(R), 1.16.010(U), 8.36.060, 8.44.020, and 8.50.050(A); (2) direct the property owner to abate the nuisance conditions on the property on or before September 21, 2015; and (3) that if the nuisance conditions are not completely abated by the owner or other person controlling the property on or before September 21, 2015, the City Manager or the City Manager's designee is authorized to cause the abatement of the nuisance conditions to be completed by city forces or private contract pursuant to IBMC section 1.16.180.

Staff recommends the Mayor and City Council:

1. Declare the Public Hearing open, and receive the report;
2. Entertain any objections or protests;
3. Close the Public Hearing; and
4. Consider a motion to adopt Resolution No. 2015-7616 finding and declaring that the notice and order to eliminate substandard and public nuisance conditions regarding the property at 741 Hickory Court is appropriate, determining that conditions exist at the property which constitute substandard and public nuisance conditions, and assessing costs of abatement pursuant to IBMC Chapter 1.16., and civil penalties pursuant to IBMC section 1.12.020.

REPORTS (5.1-5.5)

- 5.1 BI-ANNUAL INVESTMENT REPORT PRESENTED BY CHANDLER ASSET MANAGEMENT. (0350-90)**
Recommendation: Accept the bi-annual investment report from Chandler Asset Management.
- 5.2 APPOINTMENTS TO THE DESIGN REVIEW BOARD AND TIDELANDS ADVISORY COMMITTEE. (0120-30 & 0120-90)**
Recommendation:
1. Mayor Dedina to present names of candidates for openings on the:
a. Design Review Board for terms of office in accordance with I.B.M.C. 2.31.050:
i. one (1) term expiring December 31, 2016 and
ii. two (2) terms expiring December 31, 2018 and
b. Tidelands Advisory Committee for three (3) terms expiring on December 31, 2018 in accordance with I.B.M.C. 2.24.080:
2. Approve appointments with the advice and consent of the City Council.
- 5.3 DISCUSSION AND CONSIDERATION OF RESOLUTION NO. 2015-7618 PROVIDING \$50,000 TO THE BOYS & GIRLS CLUB OF SOUTH COUNTY TO ADDRESS A FUNDING SHORTFALL IN PROVIDING RECREATIONAL SERVICES ON BEHALF OF THE CITY OF IMPERIAL BEACH AT IMPERIAL BEACH SPORTS PARK. (1020-90)**
Recommendation: Approve Resolution No. 2015-7618 authorizing a budget amendment and appropriation of \$50,000 to address a funding shortfall experienced by the Boys & Girls Club. Staff would further recommend that future funding requests be considered following an annual report from the Club to the City Council.
- 5.4 REPORT: KEGEL (APPLICANT); INFORMATIONAL UPDATE REGARDING THE MIXED-USE DEVELOPMENT WITH THREE RESIDENTIAL CONDOMINIUM UNITS ABOVE COMMERCIAL SPACE AT 951 SEACOAST DRIVE (APN 625-352-23-00). MF 1149. (0600-20)**
Recommendation: That the City Council receive and accept the informational update regarding the mixed-use project located at 951 Seacoast Drive (APN 625-352-23-00).
- 5.5 13TH STREET CLASS 2 BIKEWAY PROJECT (S13-202). (0680-20)**
Recommendation: That the City Council authorizes staff to negotiate a construction agreement with a Class A contractor for the construction of the 13th Street Class 2 Bikeway Project (S13-202).

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (6)

None.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

ADJOURN REGULAR MEETING

The Imperial Beach City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

FOR YOUR CONVENIENCE, A COPY OF THE AGENDA AND COUNCIL MEETING PACKET MAY BE VIEWED IN THE OFFICE OF THE CITY CLERK AT CITY HALL OR ON OUR WEBSITE AT

www.ImperialBeachCA.gov

/s/
Jacqueline M. Hald, MMC
City Clerk

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MINUTES

CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

AUGUST 5, 2015
SPECIAL MEETING 2:45 P.M.

Community Room (Behind City Hall)
825 Imperial Beach Boulevard
Imperial Beach, CA 91932

CALL TO ORDER

Mayor Dedina called the Special Meeting to order at 2:55 p.m.

ROLL CALL

Councilmembers present:	Patton, Bragg, Spriggs
Councilmembers absent:	None
Mayor Present:	Dedina
Mayor Pro Tem Present:	Bilbray
Staff Present:	City Manager Hall, Deputy City Attorney Sjoblom, City Clerk Hald

PUBLIC COMMENT

None.

ITEM OF DISCUSSION

1. INTERVIEW APPLICANTS TO FILL THE VACANCIES ON THE TIDELANDS ADVISORY COMMITTEE AND DESIGN REVIEW BOARD. (0120-30 & 0120-90)

City Council conducted interviews of applicants to fill vacancies on the Tidelands Advisory Committee and Design Review Board.

ADJOURNMENT

Mayor Dedina adjourned the special meeting at 5:02 p.m.

Serge Dedina
Mayor

ATTEST:

Jacqueline M. Hald, MMC
City Clerk

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: AUGUST 19, 2015
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES *DSB*
SUBJECT: RATIFICATION OF WARRANT REGISTER

EXECUTIVE SUMMARY:

NEW FORMAT**** Please note that the Warrant Register detail report has been updated to improve readability. The content is the same, but the format has changed.

Approval of the warrant register in the amount of \$ 347,741.10

RECOMMENDATION:

It is respectfully requested that the City Council ratify the warrant register.

RATIONALE:

The warrant register is presented providing transparency with regards to City expenditures.

OPTIONS:

- Receive and file the report from the City Manager
- Provide direction to the City Manager to take a specific action

BACKGROUND:

None

ANALYSIS:

As of April 7, 2004 all large warrants above \$100,000 will be separately highlighted and explained on the staff report.

Vendor:	Check:	Amount:	Description:
City of San Diego	87108	\$ 116,432.00	2009-2012 reconciliation true-up

The following registers are submitted for Council ratification:

Accounts Payable

DATE	CHECK #	EFT #	AMOUNT (\$)
07/30/2015	87102		150.00
07/31/2015	87103-87135	48-56	\$168,341.59
			168,491.59

Payroll Checks/Direct Deposit

DATE	CHECK #		AMOUNT (\$)
P.P.E. 7/23/15	46654-46676		179,249.51
			179,249.51

TOTAL \$ 347,741.10

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Warrants are issued from budgeted funds and there is no additional impact on reserves.

Attachments:

1. Warrant Register
2. Warrant Register as Budgeted FY2015
3. Warrant Register as Budgeted FY2016

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount	
2015-07-30	87102	CAROLYN WALSTEIN	07/13/15 ENTERTAINMENT FE	101-0000-221.01-03	1003	(blank)	\$ 150.00
2015-07-30 Total							\$ 150.00
2015-07-31	48	AFLAC	PR AP PPE 7/23/15	101-0000-209.01-13	095070	(blank)	\$ 336.84
			PR AP PPE 7/9/15	101-0000-209.01-13	20150716	(blank)	\$ 336.84
	49	CALIFORNIA STATE DISBURSEMENT UI	PR AP PPE 7/23/15	101-0000-209.01-07	20150730	(blank)	\$ 355.84
	50	COLONIAL LIFE & ACCIDENT	PR AP PPE 7/23/15	101-0000-209.01-13	9498114-0702748	(blank)	\$ 50.09
			PR AP PPE 7/9/15	101-0000-209.01-13	20150716	(blank)	\$ 50.09
	51	FRANCHISE TAX BOARD	PR AP PPE 7/23/15	101-0000-209.01-07	20150730	(blank)	\$ 44.94
	52	I B FIREFIGHTERS ASSOCIATION	PR AP PPE 7/23/15	101-0000-209.01-08	20150730	(blank)	\$ 420.00
	53	ICMA RETIREMENT TRUST 457	PR AP PPE 7/23/15	101-0000-209.01-10	20150730	(blank)	\$ 6,846.96
	54	SEIU LOCAL 221	PR AP PPE 7/23/15	101-0000-209.01-08	20150730	(blank)	\$ 1,673.15
	55	STATE OF CALIFORNIA FTB	PR AP PPE 7/23/15	101-0000-209.01-07	20150730	(blank)	\$ 188.05
	56	US BANK	PAYROLL AP PPE 7/23/15	101-0000-209.01-20	20150730	(blank)	\$ 3,516.52
	87103	ANGIE ROMERO	MV ADDITIONAL HOUR RENTAL	101-0000-362.82-02	CR 7459/56/208	(blank)	\$ (60.00)
			REFUND MV DEPOSIT	101-0000-221.01-03	CR 7459/56/208	(blank)	\$ 500.00
	87104	AT&T	3372571583448	503-1923-419.27-04	6838908	(blank)	\$ 340.51
			3393431504727	503-1923-419.27-04	6837331	(blank)	\$ 182.73
			3393439371447	503-1923-419.27-04	6839979	(blank)	\$ 182.73
			3393442323406	503-1923-419.27-04	6840286	(blank)	\$ 182.73
			6194235034	101-1210-413.27-04	6828206	(blank)	\$ 17.98
			6194237246664	101-3020-422.27-04	6827442	(blank)	\$ 0.70
			6194238311966	101-5020-432.27-04	6819190	(blank)	\$ 5.04
			6194238322966	101-3030-423.27-04	6819191	(blank)	\$ 4.44
			6194243481712	503-1923-419.27-04	6798022	(blank)	\$ 17.39
			6196281356950	101-1230-413.27-04	6827445	(blank)	\$ 9.84
			6196282018442	101-1920-419.27-04	6827451	(blank)	\$ 0.10
			C602221236777	601-5060-436.27-04	6819182	(blank)	\$ 19.54
			C602224829777	101-1920-419.27-04	6820240	(blank)	\$ 107.63
			C602224831777	101-1110-412.27-04	6820242	(blank)	\$ 140.29
			C602224832777	101-1020-411.27-04	6820243	(blank)	\$ 63.20
			C602224833777	101-1230-413.27-04	6820244	(blank)	\$ 420.50
			C602224834777	101-1130-412.27-04	6820245	(blank)	\$ 47.27
			C602224835777	101-1210-413.27-04	6820246	(blank)	\$ 205.70
			C602224836777	101-6030-453.27-04	6820247	(blank)	\$ 79.38
			C602224837777	101-6010-451.27-04	6820248	(blank)	\$ 0.32
			C602224838777	101-3020-422.27-04	6820249	(blank)	\$ 310.61
			C602224839777	101-3030-423.27-04	6820250	(blank)	\$ 205.67
			C602224840777	101-5020-432.27-04	6820251	(blank)	\$ 307.67
	87105	AVI SYSTEMS, INC.	AV BRIDGE	101-1920-419.21-04	43988800	150773	\$ 1,868.72
	87106	BOCA RIO	GOLF CART BANNERS	101-1010-411.29-04	8932	F16005	\$ 108.00
			MAYOR'S SWIM/PADDLE SHRTS	101-1010-411.29-04	8844	160106	\$ 407.05
			SHIRTS, MAYORS INAUGURAL	101-1010-411.29-04	8933	F16001	\$ 241.49

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount
87107	CHULA VISTA ALARM, INC	06/22/15 INSLTION LABOR	101-1910-419.20-23	33669	150076	\$ 42.50
		06/22/15 LABOR INSTALLATI	101-1910-419.20-23	33682	150076	\$ 425.00
		JUL 2015 -2089	101-1910-419.20-23	33481	160088	\$ 30.00
		JUL 2015 -2466	101-1910-419.20-23	33515	160088	\$ 55.00
		JUL 2015 -2698	101-1910-419.20-23	33557	160088	\$ 30.00
		JUL 2015 -314 MVC	101-1910-419.20-23	33570	160088	\$ 30.00
		JUL 2015 -314 PW	101-1910-419.20-23	33591	160088	\$ 40.00
87108	CITY OF SAN DIEGO	FY 2009-2012 RECONCILITAN	601-0000-204.00-00	1000136690	(blank)	\$ 116,432.00
87109	DEPARTMENT OF INDUSTRIAL RELATI	CONVEYANCE-SAFETY CENTER	101-1910-419.30-02	E1288617 SD	(blank)	\$ 225.00
87110	DRUG TESTING NETWORK INC	APR 2015 DMV RECERT TSTNG	101-1130-412.20-06	76389	150177	\$ 60.95
87111	FASTAIRE HAND DRYERS	BLOWER MOTORS FOR REST RO	101-6040-454.30-02	07-14-2015	F16003	\$ 195.18
87112	GEOCON INC.	JUN 15 SEWER/RAINBOW&SR75	601-5060-536.20-06	1506279	150206	\$ 690.00
87113	GO-STAFF, INC.	W/E 07/19/15 GADAGA,C	601-5060-436.21-01	146706	160072	\$ 1,084.80
		W/E 07/19/15 RODRIGUEZ,A	501-1921-419.21-01	146707	160110	\$ 1,237.20
		ANGLE DRIVER	101-6020-452.30-02	9775201586	150007	\$ 23.46
87114	GRAINGER	BLOWER MOTORS	601-5060-436.28-01	9790629928	160007	\$ 741.83
		CR RTND VAPOR LAMPS	101-6020-452.30-02	9774631429	150007	\$ (122.26)
		DRILL BIT SET	101-6020-452.30-02	9775984868	150007	\$ 329.79
		PLUG-IN CFL	101-6020-452.30-02	9775259600	150007	\$ 16.42
		RECIPROCATING SAW/GLOVES	101-6020-452.30-02	9774102330	150007	\$ 532.36
		SODIUM LAMPSBALLASTS	101-6020-452.30-02	9759497010	150007	\$ 590.01
		REFUND PT 69159	101-0000-121.00-00	CR 6280	(blank)	\$ 53.00
87115	MISCELLANEOUS REFUNDS	REFUND PT 69159	101-0000-121.00-00	CR 6280	(blank)	\$ 53.00
87116	KOA CORPORATION	JUN 2015 FIELD MTG	202-5016-531.20-06	JB14106X24	150207	\$ 509.92
87117	LIGHTHOUSE, INC	ALARM/ADAPTER/TIE WRAP	501-1921-419.28-16	0169147	160035	\$ 42.52
		CR-FLASHER	501-1921-419.28-16	0161423	150036	\$ (24.32)
		CR-GROMMET	501-1921-419.28-16	0161425	150036	\$ (11.34)
		LED MARKER LAMP	501-1921-419.28-16	0169924	160035	\$ 51.81
87118	MISCELLANEOUS REFUNDS	REFUND OVERPYMT CE FINE	101-0000-121.00-00	CR 473	(blank)	\$ 3,527.50
87119	MANAGED HEALTH NETWORK	AUG 2015	101-1130-412.20-06	3200070832	160100	\$ 386.40
87120	MISCELLANEOUS VENDOR	CLAIM PYMT-724 GROVE AVE	502-1922-419.28-17	07-18-2015	(blank)	\$ 514.00
87121	OCHOA ELECTRIC	BREAKER INSTALLATION	503-1923-419.20-06	2073	160109	\$ 512.00
87122	OFFICE DEPOT, INC	5TAB DIVIDERS	101-1130-412.30-01	780965846001	160000	\$ 16.92
		AIR DEODORIZER	101-5020-432.30-01	781117526001	160000	\$ 4.85
		BATTERIES	101-3020-422.30-01	778157171002	150000	\$ 15.10
		BATTERIES/MISC OFFICE SUP	101-3020-422.30-01	778157171001	150000	\$ 162.42
		BINDERS	101-1130-412.30-01	780965996001	160000	\$ 21.21
		BINDERS	101-3030-423.30-02	779425918001	160000	\$ 86.31
		BINDERS/MARKERS/MISC SUPP	101-3030-423.30-02	77796396001	150000	\$ 127.53
		BINDERS/TRAY	101-5020-432.30-01	780650375001	160000	\$ 36.00
		BINDERS/BLADE RPLCMNT	101-5020-432.30-01	780650458001	160000	\$ 14.17
		COPY PAPER	101-5020-432.30-01	772869412002	150000	\$ 48.48
		CR RTND BINDERS	101-3030-423.30-02	779425917001	160000	\$ (86.31)

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount
		CR RTND ENVELOPES	101-1210-413.30-01	779887896001	160000	\$ (39.74)
		ENVELOPES	101-1210-413.30-01	779901311001	160000	\$ 43.18
		LEGAL PAD	101-5020-432.30-01	780650459001	160000	\$ 6.15
		LYSOL/CORRECTION TAPE	101-5020-432.30-01	781117527001	160000	\$ 8.08
		PAPER	101-1130-412.30-01	781269686001	160000	\$ 10.41
		POCKET FOLDERS	101-1210-413.30-01	780785499001	160000	\$ 44.05
		PRESENTER W/MOUSE	101-3030-423.30-02	777960458001	150000	\$ 75.59
		SORTER TRAY	101-5020-432.30-01	779301900001	160000	\$ 34.98
		SURGE PROTECTOR/MISC SUPP	101-5020-432.30-01	779301764001	160000	\$ 111.15
87123	OLDCASTLE PRECAST, INC.	GAL ROUND GALV LINERS	101-6020-452.28-01	070182215	150067	\$ 928.80
87124	PRINCIPAL FINANCIAL GROUP	AUG 2015 VOLUNTARY LIFE	101-0000-209.01-13	AUG 2015	(blank)	\$ 1,137.80
87125	PRINCIPAL FINANCIAL GROUP	AUG 2015 DENTAL PPO	101-0000-209.01-12	AUG 2015	(blank)	\$ 2,020.30
		AUG 2015 DENTAL PPO ADJ-	101-0000-209.01-12	AUG 2015	(blank)	\$ (42.80)
		AUG 2015 DENTAL PPO-DUSH,	101-0000-209.01-12	AUG 2015	(blank)	\$ 123.10
87126	PRO LINE PAINT COMPANY	ENML MEDGRN/TAPE	101-6020-452.30-02	6256-9	160016	\$ 361.17
		GREY/BLUE WHITE PAINT	601-5060-436.30-02	5169-5	150016	\$ 344.28
87127	PRUDENTIAL OVERALL SUPPLY	06/30/15 PW UNIFORMS	101-5020-432.25-03	30509811	150077	\$ 125.02
		07/08/15 PW UNIFORMS	101-5020-432.25-03	30511319	160082	\$ 134.74
		07/15/15 PW UNIFORMS	101-5020-432.25-03	30513253	160082	\$ 119.75
		07/22/15 PW UNIFORMS	101-5020-432.25-03	30514788	160082	\$ 129.47
87128	SAN DIEGO COUNTY ASSESSOR	APR-JUN 2015 MPR EXTRACT	101-1920-419.29-04	201503951	150107	\$ 125.00
87129	SD SPORTS MED & FAMILY HEALTH	EMPLOYMENT PHYSICAL-	101-1130-412.21-04	IB06292015_DUSH	(blank)	\$ 690.00
87130	SOFTWAREONE INC.	FY16 EMAIL LICENSE SUBSCR	503-1923-419.21-04	US-PSI-393648	160108	\$ 7,343.88
87131	SOUTHWEST WETLANDS INTERPRETIV	APR-JUN 2015 GRANT ADMIN	101-1230-513.20-06	1597	(blank)	\$ 642.15
87132	THOMAS SANTOS	REIMBURSE EMPLOYEE	101-3020-422.28-04	192050	(blank)	\$ 68.83
		REIMBURSE EMPLOYEE	101-3020-422.28-04	194651	(blank)	\$ 172.00
		REIMBURSE EMPLOYEE	101-3020-422.30-01	541879	(blank)	\$ 37.76
87133	US MOBILE WIRELESS COMMUNICATI	2015 LG RADIO MANT AGRMNT	101-3030-423.28-01	38539	150776	\$ 2,784.00
87134	VALLEY INDUSTRIAL SPECIALTIES, INC	CARTRIDGE REPLACEMENT	101-6040-454.30-02	216642	150027	\$ 212.33
		DOOR W/HARDWARE	101-6040-454.30-02	217690	160026	\$ 578.61
		REPAIR KIT	101-6040-454.30-02	217699	160026	\$ 27.00
87135	WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES	101-6040-454.30-02	75388433	160097	\$ 1,012.83
		JANITORIAL SUPPLIES	101-6040-454.30-02	75391921	160097	\$ 53.24
		JANITORIAL SUPPLIES	101-6040-454.30-02	75391924	160097	\$ 53.24
		JANITORIAL SUPPLIES	101-6040-454.30-02	75394084	160097	\$ 431.28
2015-07-31 Total						\$ 168,341.59
Grand Total						\$ 168,491.59

City of Imperial Beach
Warrant Register as Budgeted (FY2015)
 Current as of 08/05/2015

Expense	Budget	Previous Warrant Registers		2015-07-31	Remaining Budget
101 GENERAL FUND					
ADVERTISING	\$ 6,700	\$ 2,849		\$ 3,851	
ATTORNEY SERVICES	\$ 54,064	\$ 23,552		\$ 30,512	
ATTORNEY SERVICES-OTHER	\$ 99,010	\$ 74,043		\$ 24,967	
AUTO ALLOWANCE	\$ 37,268	\$ 37,874		\$ (606)	
BAD DEBT EXPENSE		\$ 50		\$ (50)	
BANKING/FIN SRVCS CHARGES	\$ 39,500	\$ 35,058		\$ 4,442	
CELL PHONE ALLOWANCE	\$ 8,844	\$ 8,740		\$ 104	
COMMUNITY PROGRAMS		\$ -		\$ -	
CONTRACTS-ELECTIONS	\$ 9,415	\$ 8,903		\$ 512	
CONTRACTS-POSTAGE MACHINE	\$ 1,109	\$ 1,109		\$ -	
COPIER LEASES	\$ 27,700	\$ 29,981		\$ (2,281)	
COUNCIL/RDA BOARD PAY	\$ 40,875	\$ 41,005		\$ (130)	
EMPLOYEE RECOGNITION AWRD	\$ 15,667	\$ 12,864		\$ 2,803	
EQUIPMENT	\$ 783	\$ 0		\$ 783	
FEES & LICENSES	\$ 18,250	\$ 14,741		\$ 3,509	
FICA	\$ 351,313	\$ 346,444		\$ 4,869	
FIRE EXTINGUISHER SERVICE	\$ 1,650	\$ 278		\$ 1,372	
FLSA WAGES	\$ 25,725	\$ 26,299		\$ (574)	
GAS & ELECTRIC (SDG&E)	\$ 226,530	\$ 186,454		\$ 40,076	
INSURANCE PREMIUM/DEPOSIT	\$ 75			\$ 75	
LIFE INSURANCE	\$ 13,622	\$ 13,721		\$ (99)	
MAINTENANCE & REPAIR	\$ 74,120	\$ 35,280	\$ 3,713	\$ 35,127	
MEMBERSHIP DUES	\$ 30,754	\$ 26,948		\$ 3,806	
MGT MEDICAL REIMBURSEMENT	\$ 2,421	\$ 2,492		\$ (71)	
MILEAGE REIMBURSEMENT	\$ 724	\$ 255		\$ 469	
NUISANCE ABATEMENT CHARGE	\$ 1,500			\$ 1,500	
OFFICE SUPPLIES	\$ 24,287	\$ 18,730	\$ 226	\$ 5,331	
OPERATING SUPPLIES	\$ 322,032	\$ 249,238	\$ 2,010	\$ 70,784	
OTHER SERVICES & CHARGES	\$ 124,515	\$ 71,234	\$ 125	\$ 53,156	
OVERTIME	\$ 126,331	\$ 125,140		\$ 1,191	
PARS CITY CONTRIBUTION	\$ 22,665	\$ 23,215		\$ (550)	
PERS-CITY PORTION	\$ 651,746	\$ 645,743		\$ 6,003	
PEST CONTROL SERVICE	\$ 4,200	\$ 3,250		\$ 950	
PLAN CHECK SERVCIES	\$ 8,298	\$ -		\$ 8,298	
POSTAGE & FREIGHT	\$ 17,450	\$ 10,797		\$ 6,653	
PRINTING SERVICES	\$ 12,914	\$ 7,005		\$ 5,909	
PROFESSIONAL SERVICES	\$ 7,006,776	\$ 5,746,544	\$ 703	\$ 1,259,529	
RCS PROGRAM	\$ 47,500	\$ 37,428		\$ 10,072	
RENT-EQUIPMENT	\$ 3,800	\$ 829		\$ 2,971	
RENT-FACILITIES	\$ 3,600			\$ 3,600	
RENT-UNIFORMS	\$ 38,374	\$ 18,206	\$ 125	\$ 20,043	
SALARIES FULL-TIME	\$ 4,280,153	\$ 4,244,005		\$ 36,148	
SALARIES PART-TIME	\$ 665,213	\$ 664,616		\$ 597	
SECTION 125 CAFETERIA	\$ 701,326	\$ 702,585		\$ (1,259)	
SECURITY & ALARM	\$ 5,300	\$ 2,620	\$ 468	\$ 2,213	
SMALL TOOLS/NON-CAPITAL	\$ 9,578	\$ 3,796		\$ 5,782	
SUBSCRIBE & PUBLICATIONS	\$ 4,350	\$ 1,345		\$ 3,005	
TECHNICAL SERVICES	\$ 484,061	\$ 278,716	\$ 2,559	\$ 202,786	
TEMPORARY STAFFING	\$ 140,226	\$ 108,638		\$ 31,588	
TRAFFIC CONTROL	\$ 40,500	\$ 28,038		\$ 12,462	
TRAINING & EDUCATION-MOU	\$ 11,400	\$ 4,682		\$ 6,718	
TRAVEL, TRAINING, MEETING	\$ 65,983	\$ 48,605		\$ 17,378	
UNEMPLOYMENT INSURANCE	\$ 56,644	\$ 56,577		\$ 67	
UTILITIES-CELL PHONES	\$ 17,053	\$ 14,300		\$ 2,753	
UTILITIES-SEWER	\$ 8,300	\$ 8,139		\$ 161	
UTILITIES-TELEPHONE	\$ 28,535	\$ 18,818	\$ 1,926	\$ 7,791	
UTILITIES-WATER	\$ 117,519	\$ 101,576		\$ 15,943	
VEHICLE ABATEMENT CHARGES		\$ -		\$ -	
VEHICLE OPERATE-FUEL/OIL		\$ -		\$ -	
WORKER'S COMP INSURANCE	\$ 72,025	\$ 72,024		\$ 1	
201 GAS TAX FUND					
AUTO ALLOWANCE	\$ 200	\$ 164		\$ 36	
CELL PHONE ALLOWANCE	\$ 200	\$ 54		\$ 146	
FICA	\$ 4,259	\$ 4,289		\$ (30)	

City of Imperial Beach
Warrant Register as Budgeted (FY2015)
Current as of 08/05/2015

	Budget	Previous Warrant Registers	2015-07-31	Remaining Budget
PERS-CITY PORTION	\$ 11,130	\$ 8,670		\$ 2,460
PROFESSIONAL SERVICES	\$ 673,781	\$ 422,778		\$ 251,003
SALARIES FULL-TIME	\$ 61,077	\$ 56,291		\$ 4,786
SECTION 125 CAFETERIA	\$ 8,800	\$ 9,139		\$ (339)
UNEMPLOYMENT INSURANCE	\$ 3,044	\$ 164		\$ 2,880
202 PROP "A" (TRANSNET) FUND				\$ -
ATTORNEY SERVICES	\$ 470	\$ 0		\$ 470
AUTO ALLOWANCE	\$ 400	\$ 128		\$ 272
CELL PHONE ALLOWANCE	\$ 400	\$ 43		\$ 357
FICA	\$ 4,837	\$ 1,619		\$ 3,218
PERS-CITY PORTION	\$ 5,313	\$ 3,243		\$ 2,070
PROFESSIONAL SERVICES	\$ 715,350	\$ 661,865	\$ 510	\$ 52,975
SALARIES FULL-TIME	\$ 53,031	\$ 21,218		\$ 31,813
SECTION 125 CAFETERIA	\$ 5,953	\$ 2,800		\$ 3,153
UNEMPLOYMENT INSURANCE	\$ 2,741	\$ 64		\$ 2,677
212 SLESF (COPS) FUND				\$ -
PROFESSIONAL SERVICES	\$ 100,000	\$ 91,687		\$ 8,313
215 LLMD-ASSMT DIST #67 FUND				\$ -
GAS & ELECTRIC (SDG&E)	\$ 28,000	\$ 20,727		\$ 7,273
PROFESSIONAL SERVICES	\$ 2,000			\$ 2,000
216 HOUSING AUTHORITY				\$ -
AUTO ALLOWANCE	\$ 50	\$ 48		\$ 2
CELL PHONE ALLOWANCE	\$ 20	\$ 15		\$ 5
FICA	\$ 2,774	\$ 2,952		\$ (178)
LIFE INSURANCE		\$ (17)		\$ 17
MGT MEDICAL REIMBURSEMENT	\$ 40	\$ 37		\$ 3
PERS-CITY PORTION	\$ 5,785	\$ 6,115		\$ (330)
PROFESSIONAL SERVICES	\$ 11,085	\$ 8,185		\$ 2,900
SALARIES FULL-TIME	\$ 1,910	\$ 1,909		\$ 1
SALARIES PART-TIME	\$ 35,396	\$ 37,719		\$ (2,323)
SECTION 125 CAFETERIA	\$ 637	\$ 583		\$ 54
UNEMPLOYMENT INSURANCE	\$ 434	\$ 434		\$ -
217 HOUSING AUTHORITY-BOND				\$ -
ATTORNEY SERVICES		\$ -		\$ -
PROFESSIONAL SERVICES	\$ 275,000	\$ 212,500		\$ 62,500
301 SA DEBT SERVICE FUND				\$ -
BOND INTEREST (2010 TAB)	\$ 1,058,910	\$ 1,058,716		\$ 194
BOND PRINCIPAL (2010 TAB)	\$ 235,000	\$ -		\$ 235,000
INTEREST BOND (2013 TAB)	\$ 762,957	\$ 762,957		\$ 1
PROFESSIONAL SERVICES		\$ (24,111)		\$ 24,111
303 REDEV OBLIG RETIRE FUND				\$ -
ATTORNEY SERVICES	\$ 170,000	\$ 135,523		\$ 34,477
AUTO ALLOWANCE	\$ 5,330	\$ 2,036		\$ 3,294
CELL PHONE ALLOWANCE	\$ 1,410	\$ 547		\$ 863
FICA	\$ 8,290	\$ 8,268		\$ 22
MGT MEDICAL REIMBURSEMENT	\$ 290	\$ 105		\$ 185
OTHER SERVICES & CHARGES	\$ 9,000	\$ 7,280		\$ 1,720
PERS-CITY PORTION	\$ 20,310	\$ 14,274		\$ 6,036
PROFESSIONAL SERVICES	\$ 137,106	\$ 116,330		\$ 20,776
SA ADMIN-OTHER REIMB		\$ -		\$ -
SALARIES FULL-TIME	\$ 153,270	\$ 113,964		\$ 39,306
SECTION 125 CAFETERIA	\$ 10,700	\$ 4,145		\$ 6,555
TRAVEL, TRAINING, MEETING	\$ 10	\$ 6		\$ 4
UNEMPLOYMENT INSURANCE	\$ 390	\$ 138		\$ 252
401 CAPITAL IMPROVEMENT FUND				\$ -
AUTO ALLOWANCE	\$ 200	\$ 0		\$ 200
CELL PHONE ALLOWANCE	\$ 200	\$ 0		\$ 200
FICA	\$ 1,958	\$ 0		\$ 1,958
PERS-CITY PORTION	\$ 3,377	\$ (0)		\$ 3,377
PROFESSIONAL SERVICES	\$ 976,911	\$ 235,026		\$ 741,885
SALARIES FULL-TIME	\$ 34,019	\$ 0		\$ 34,019
SECTION 125 CAFETERIA	\$ 3,772	\$ 0		\$ 3,772
UNEMPLOYMENT INSURANCE	\$ 574	\$ 0		\$ 574
402 C.I.P. 2010 BOND				\$ -
ATTORNEY SERVICES	\$ 110,400	\$ 36,496		\$ 73,904
AUTO ALLOWANCE	\$ 2,000	\$ 500		\$ 1,500

City of Imperial Beach
Warrant Register as Budgeted (FY2015)
Current as of 08/05/2015

	Budget	Previous Warrant Registers	2015-07-31	Remaining Budget
CELL PHONE ALLOWANCE	\$ 600	\$ 158		\$ 442
FICA	\$ 3,400	\$ 1,398		\$ 2,002
PERS-CITY PORTION	\$ 7,800	\$ 2,988		\$ 4,812
PROFESSIONAL SERVICES	\$ 1,291,877	\$ 526,710		\$ 765,167
SALARIES FULL-TIME	\$ 50,000	\$ 19,379		\$ 30,621
SECTION 125 CAFETERIA	\$ 3,800	\$ 1,357		\$ 2,443
UNEMPLOYMENT INSURANCE		\$ 24		\$ (24)
501 VEHICLE REPLACEMENT/MAINT				\$ -
EQUIPMENT	\$ 214,295	\$ (123,666)		\$ 337,961
FEES & LICENSES	\$ 4,000	\$ 3,358		\$ 642
FICA	\$ 10,309	\$ 10,174		\$ 135
FIRE EXTINGUISHER SERVICE	\$ 400	\$ 246		\$ 154
LIFE INSURANCE	\$ 259	\$ 268		\$ (9)
MAINTENANCE & REPAIR	\$ 23,100	\$ 19,244		\$ 3,856
OPERATING SUPPLIES	\$ 9,610	\$ 9,363		\$ 247
OTHER SERVICES & CHARGES	\$ 2,100	\$ 926		\$ 1,174
OVERTIME	\$ 200			\$ 200
PERS-CITY PORTION	\$ 18,407	\$ 18,619		\$ (212)
SALARIES FULL-TIME	\$ 133,232	\$ 136,771		\$ (3,539)
SECTION 125 CAFETERIA	\$ 23,822	\$ 23,822		\$ (0)
SMALL TOOLS/NON-CAPITAL	\$ 1,340	\$ 328		\$ 1,012
UNEMPLOYMENT INSURANCE	\$ 885	\$ 868		\$ 17
VEHICLE OPERATE-FUEL/OIL	\$ 211,824	\$ 186,633		\$ 25,191
VEHICLE OPERATE-PARTS M&O	\$ 25,000	\$ 20,177	\$ (36)	\$ 4,859
WORKER'S COMP INSURANCE	\$ 3,266	\$ 3,264		\$ 2
502 RISK MANAGEMENT FUND				\$ -
ATTORNEY SERVICES	\$ 88,498	\$ 72,162		\$ 16,336
AUTO ALLOWANCE	\$ 1,591	\$ 1,663		\$ (72)
CELL PHONE ALLOWANCE	\$ 210	\$ 228		\$ (18)
FICA	\$ 4,931	\$ 4,877		\$ 54
INSURANCE PREMIUM/DEPOSIT	\$ 167,344	\$ 104,557		\$ 62,787
INSURANCE PREMIUM/WK COMP	\$ 54,410	\$ 54,410		\$ 0
LIFE INSURANCE	\$ 262	\$ 271		\$ (9)
MGT MEDICAL REIMBURSEMENT		\$ -		\$ -
OFFICE SUPPLIES	\$ 250			\$ 250
OPERATING SUPPLIES		\$ -		\$ -
OTHER SERVICES & CHARGES	\$ 3,333	\$ 3,333		\$ 0
OVERTIME	\$ 50	\$ 10		\$ 40
PAYMENT OF CLAIMS	\$ 20,372	\$ 20,372		\$ 0
PERS-CITY PORTION	\$ 6,554	\$ 6,625		\$ (71)
PROFESSIONAL SERVICES	\$ 2,250	\$ 2,250		\$ -
PYMT OF WORK COMP CLAIMS	\$ 142,950	\$ 149,536		\$ (6,586) Offset by Cost Recovery
SALARIES FULL-TIME	\$ 62,023	\$ 64,252		\$ (2,229)
SECTION 125 CAFETERIA	\$ 8,509	\$ 8,867		\$ (358)
SUBSCRIBE & PUBLICATIONS		\$ -		\$ -
TECHNICAL SERVICES	\$ 1,580	\$ 1,578		\$ 2
THIRD PARTY ADMIN (W/C)	\$ 28,406	\$ 28,406		\$ (0)
UNEMPLOYMENT INSURANCE	\$ 349	\$ 347		\$ 2
WORKER'S COMP INSURANCE	\$ 1,025	\$ 1,020		\$ 5
CLAIM-COST RECOVERY		\$ (3,405)		\$ 3,405 Credit to offset claims
503 TECHNOLOGY/COMMUNICATIONS				\$ -
AUTO ALLOWANCE	\$ 4,542	\$ 4,359		\$ 183
CELL PHONE ALLOWANCE	\$ 700	\$ 675		\$ 25
EQUIPMENT	\$ 41,546	\$ (34,655)		\$ 76,201
FEES & LICENSES	\$ 1,900	\$ 1,902		\$ (2)
FICA	\$ 11,630	\$ 11,630		\$ 0
H.T.E. MAINTENANCE	\$ 64,175	\$ 62,925		\$ 1,250
LIFE INSURANCE	\$ 627	\$ 577		\$ 50
MAINTENANCE & REPAIR	\$ 105	\$ 105		\$ 0
MEMBERSHIP DUES	\$ 240	\$ 240		\$ -
MGT MEDICAL REIMBURSEMENT		\$ -		\$ -
OFFICE SUPPLIES	\$ 500	\$ 198		\$ 302
OPERATING SUPPLIES	\$ 5,065	\$ 1,925		\$ 3,140
OTHER SERVICES & CHARGES	\$ 500	\$ 414		\$ 86
PARS CITY CONTRIBUTION	\$ 402	\$ 391		\$ 11
PERS-CITY PORTION	\$ 15,334	\$ 15,251		\$ 83

City of Imperial Beach
Warrant Register as Budgeted (FY2015)
Current as of 08/05/2015

	Budget	Previous Warrant Registers	2015-07-31	Remaining Budget
POSTAGE & FREIGHT	\$ 200	\$ 149		\$ 51
PROFESSIONAL SERVICES	\$ 32,595	\$ 19,394		\$ 13,201
QUESYST	\$ 6,000	\$ 6,000		\$ -
SALARIES FULL-TIME	\$ 137,582	\$ 141,143		\$ (3,561)
SALARIES PART-TIME	\$ 9,481	\$ 10,414		\$ (933)
SECTION 125 CAFETERIA	\$ 19,521	\$ 18,750		\$ 771
SMALL TOOLS/NON-CAPITAL	\$ 31,644	\$ 3,784		\$ 27,860
SUBSCRIBE & PUBLICATIONS	\$ -	\$ -		\$ -
TECHNICAL SERVICES	\$ 25,116	\$ 20,328		\$ 4,788
TEMPORARY STAFFING	\$ 20,000	\$ 19,985		\$ 15
TRAVEL, TRAINING, MEETING	\$ 1,000	\$ 619		\$ 381
UNEMPLOYMENT INSURANCE	\$ 1,417	\$ 1,434		\$ (17)
UTILITIES-CELL PHONES	\$ 4,000	\$ 3,117		\$ 883
UTILITIES-TELEPHONE	\$ 10,343	\$ 9,413	\$ 906	\$ 23
WORKER'S COMP INSURANCE	\$ 859	\$ 864		\$ (5)
504 FACILITY MAINT/REPLACMNT				\$ -
EQUIPMENT	\$ 47,000			\$ 47,000
TECHNICAL SERVICES	\$ 79,000	\$ 65,937		\$ 13,063
601 SEWER ENTERPRISE FUND				\$ -
AUTO ALLOWANCE	\$ 600	\$ 289		\$ 311
CELL PHONE ALLOWANCE	\$ 400	\$ 54		\$ 346
EQUIPMENT	\$ -	\$ -		\$ -
FEES & LICENSES	\$ 2,375	\$ 1,702		\$ 673
FICA	\$ 28,951	\$ 21,178		\$ 7,773
GAS & ELECTRIC (SDG&E)	\$ 70,050	\$ 62,419		\$ 7,631
INTEREST PMT-CITY LOAN	\$ 635			\$ 635
LIFE INSURANCE	\$ 649	\$ 597		\$ 52
MAINTENANCE & REPAIR	\$ 45,020	\$ 33,805		\$ 11,215
MEMBERSHIP DUES	\$ 800	\$ 695		\$ 105
OPERATING SUPPLIES	\$ 15,045	\$ 6,575	\$ 344	\$ 8,126
OTHER SERVICES & CHARGES	\$ 8,400	\$ 3,768		\$ 4,632
OVERTIME	\$ 13,200	\$ 12,870		\$ 330
PERS-CITY PORTION	\$ 44,543	\$ 35,358		\$ 9,185
PRINCIPAL PMT-CITY LOAN	\$ 122,761			\$ 122,761
PROFESSIONAL SERVICES	\$ 1,348,266	\$ (141,538)	\$ 690	\$ 1,489,114
RENT-EQUIPMENT	\$ 1,000			\$ 1,000
SALARIES FULL-TIME	\$ 325,523	\$ 238,171		\$ 87,352
SECTION 125 CAFETERIA	\$ 62,784	\$ 44,890		\$ 17,894
SECURITY & ALARM	\$ 4,000	\$ 3,304		\$ 696
SMALL TOOLS/NON-CAPITAL	\$ 7,000	\$ 747		\$ 6,253
STAND-BY PAY	\$ 19,000	\$ 17,127		\$ 1,873
TECHNICAL SERVICES	\$ 2,574,100	\$ 2,431,858		\$ 142,242
TEMPORARY STAFFING	\$ 25,000	\$ 18,697		\$ 6,303
TRAVEL, TRAINING, MEETING	\$ 1,980	\$ 1,980		\$ -
UNEMPLOYMENT INSURANCE	\$ 7,765	\$ 1,608		\$ 6,157
UTILITIES-TELEPHONE	\$ 4,000	\$ 880	\$ 20	\$ 3,100
UTILITIES-WATER	\$ 3,500	\$ 2,813		\$ 687
WORKER'S COMP INSURANCE	\$ 6,532	\$ 6,528		\$ 4
Revenue				
Asset				
Liability			\$ 116,432	
Fund Balance				
Grand Total			\$ 130,721	

FY2016 Expenses on next page

\$ 37,621

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
 Current as of 08/05/2015

Expense	Budget	Previous Warrant Registers	2015-07-30	2015-07-31	Remaining Budget
101 GENERAL FUND					
ADVERTISING	\$ 7,000	\$ 145			\$ 6,855
ATTORNEY SERVICES	\$ 40,276				\$ 40,276
ATTORNEY SERVICES-OTHER	\$ 110,724				\$ 110,724
AUTO ALLOWANCE	\$ 48,075	\$ 2,837			\$ 45,238
BANKING/FIN SRVCS CHARGES	\$ 38,000	\$ 5,401			\$ 32,599
CELL PHONE ALLOWANCE	\$ 13,440	\$ 713			\$ 12,727
COMMUNITY PROGRAMS	\$ 77,300	\$ 3,800			\$ 73,500
CONTRACTS-ELECTIONS	\$ 9,000				\$ 9,000
COPIER LEASES	\$ 28,050	\$ 1,935			\$ 26,115
COUNCIL/RDA BOARD PAY	\$ 41,999	\$ 2,649			\$ 39,350
EMPLOYEE RECOGNITION AWRD	\$ 2,700				\$ 2,700
EQUIPMENT	\$ 7,500				\$ 7,500
FEES & LICENSES	\$ 20,485				\$ 20,485
FICA	\$ 364,943	\$ 27,544			\$ 337,399
FIRE EXTINGUISHER SERVICE	\$ 550				\$ 550
FLSA WAGES	\$ 27,528	\$ 1,661			\$ 25,867
GAS & ELECTRIC (SDG&E)	\$ 237,000	\$ 1,334			\$ 235,666
LIFE INSURANCE	\$ 14,265	\$ 1,008			\$ 13,257
MAINTENANCE & REPAIR	\$ 70,200	\$ 1,975			\$ 68,225
MEMBERSHIP DUES	\$ 36,306	\$ 3,250			\$ 33,056
MGT MEDICAL REIMBURSEMENT	\$ 3,150	\$ (151)			\$ 3,301
MILEAGE REIMBURSEMENT	\$ 500				\$ 500
NUISANCE ABATEMENT CHARGE	\$ 1,000				\$ 1,000
OFFICE SUPPLIES	\$ 19,950	\$ 315		\$ 349	\$ 19,286
OPERATING SUPPLIES	\$ 285,845	\$ 2,897		\$ 2,713	\$ 280,236
OTHER SERVICES & CHARGES	\$ 34,800	\$ 133		\$ 757	\$ 33,911
OVERTIME	\$ 122,800	\$ 18,172			\$ 104,628
PARS CITY CONTRIBUTION	\$ 24,816	\$ 2,848			\$ 21,968
PERS-CITY PORTION	\$ 792,142	\$ 360,775			\$ 431,367
PEST CONTROL SERVICE	\$ 4,300	\$ -			\$ 4,300
PLAN CHECK SERVCIS	\$ 8,000				\$ 8,000
POSTAGE & FREIGHT	\$ 1,200				\$ 1,200
PRINTING SERVICES	\$ 10,376				\$ 10,376
PROFESSIONAL SERVICES	\$ 7,821,795	\$ 5,097		\$ 386	\$ 7,816,311
RCS PROGRAM	\$ 48,500				\$ 48,500
RENT-EQUIPMENT	\$ 3,400				\$ 3,400
RENT-UNIFORMS	\$ 31,612	\$ 124		\$ 384	\$ 31,104
SALARIES FULL-TIME	\$ 4,437,894	\$ 286,509			\$ 4,151,385
SALARIES PART-TIME	\$ 679,576	\$ 77,475			\$ 602,101
SECTION 125 CAFETERIA	\$ 832,487	\$ 52,649			\$ 779,838
SECURITY & ALARM	\$ 5,460	\$ 185		\$ 185	\$ 5,090
SMALL TOOLS/NON-CAPITAL	\$ 21,750				\$ 21,750
SUBSCRIBE & PUBLICATIONS	\$ 5,475				\$ 5,475
TECHNICAL SERVICES	\$ 506,375	\$ 5,355			\$ 501,020
TEMPORARY STAFFING	\$ 15,000				\$ 15,000
TRAFFIC CONTROL	\$ 51,000	\$ 772			\$ 50,228
TRAINING & EDUCATION-MOU	\$ 10,000				\$ 10,000
TRAVEL, TRAINING, MEETING	\$ 62,050	\$ 2,958		\$ 241	\$ 58,851
UNEMPLOYMENT INSURANCE	\$ 41,956	\$ 4,303			\$ 37,653
UTILITIES-CELL PHONES	\$ 20,100				\$ 20,100
UTILITIES-SEWER	\$ 8,568				\$ 8,568
UTILITIES-TELEPHONE	\$ 200				\$ 200
UTILITIES-WATER	\$ 149,680				\$ 149,680
WORKER'S COMP INSURANCE	\$ 71,209				\$ 71,209

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 08/05/2015

	Budget	Previous Warrant Registers	2015-07-30	2015-07-31	Remaining Budget
201 GAS TAX FUND					\$ -
AUTO ALLOWANCE		\$ 10			\$ (10)
CELL PHONE ALLOWANCE		\$ 3			\$ (3)
FICA		\$ 144			\$ (144)
PERS-CITY PORTION		\$ 202			\$ (202)
PROFESSIONAL SERVICES	\$ 628,000	\$ 1,057			\$ 626,943
SALARIES FULL-TIME		\$ 1,780			\$ (1,780)
SECTION 125 CAFETERIA		\$ 283			\$ (283)
202 PROP "A" (TRANSNET) FUND					\$ -
AUTO ALLOWANCE		\$ 26			\$ (26)
CELL PHONE ALLOWANCE		\$ 9			\$ (9)
FICA		\$ 152			\$ (152)
PERS-CITY PORTION		\$ 211			\$ (211)
PROFESSIONAL SERVICES	\$ 1,200,000	\$ -			\$ 1,200,000
SALARIES FULL-TIME		\$ 1,926			\$ (1,926)
SECTION 125 CAFETERIA		\$ 344			\$ (344)
212 SLESF (COPS) FUND					\$ -
PROFESSIONAL SERVICES	\$ 100,000				\$ 100,000
215 LLMD-ASSMT DIST #67 FUND					\$ -
GAS & ELECTRIC (SDG&E)	\$ 27,000				\$ 27,000
PROFESSIONAL SERVICES	\$ 2,000				\$ 2,000
216 HOUSING AUTHORITY					\$ -
FICA	\$ 3,529	\$ 203			\$ 3,326
PERS-CITY PORTION	\$ 8,788	\$ 4,224			\$ 4,564
PROFESSIONAL SERVICES	\$ 4,100	\$ -			\$ 4,100
SALARIES PART-TIME	\$ 46,133	\$ 2,659			\$ 43,474
UNEMPLOYMENT INSURANCE	\$ 434				\$ 434
301 SA DEBT SERVICE FUND					\$ -
BOND INTEREST (2010 TAB)	\$ 1,051,836	\$ (86,171)			\$ 1,138,007
BOND PRINCIPAL (2010 TAB)	\$ 245,000				\$ 245,000
INTEREST BOND (2013 TAB)	\$ 762,957	\$ (65,872)			\$ 828,829
303 REDEV OBLIG RETIRE FUND					\$ -
ATTORNEY SERVICES	\$ 90,000				\$ 90,000
FICA		\$ 3			\$ (3)
OTHER SERVICES & CHARGES	\$ 9,000				\$ 9,000
PERS-CITY PORTION		\$ 4			\$ (4)
PROFESSIONAL SERVICES	\$ 200,000	\$ -			\$ 200,000
SALARIES FULL-TIME	\$ 250,000	\$ 41			\$ 249,959
SECTION 125 CAFETERIA		\$ 2			\$ (2)
401 CAPITAL IMPROVEMENT FUND					\$ -
AUTO ALLOWANCE		\$ 19			\$ (19)
CELL PHONE ALLOWANCE		\$ 6			\$ (6)
FICA		\$ 65			\$ (65)
PERS-CITY PORTION		\$ 86			\$ (86)
PROFESSIONAL SERVICES	\$ 3,875,000				\$ 3,875,000
SALARIES FULL-TIME		\$ 783			\$ (783)
SECTION 125 CAFETERIA		\$ 141			\$ (141)
402 C.I.P. 2010 BOND					\$ -
FICA		\$ 35			\$ (35)
PERS-CITY PORTION		\$ 47			\$ (47)
PROFESSIONAL SERVICES	\$ 4,389,452	\$ -			\$ 4,389,452
SALARIES FULL-TIME		\$ 431			\$ (431)
SECTION 125 CAFETERIA		\$ 23			\$ (23)
420 PARKS MAJOR MAINTENAN CIP					\$ -
PROFESSIONAL SERVICES	\$ 225,000				\$ 225,000
501 VEHICLE REPLACEMENT/MAINT					\$ -

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
 Current as of 08/05/2015

	Budget	Previous Warrant Registers	2015-07-30	2015-07-31	Remaining Budget
FEES & LICENSES	\$ 3,150	\$ 1,555			\$ 1,595
FICA	\$ 9,373	\$ 2,131			\$ 7,242
FIRE EXTINGUISHER SERVICE	\$ 400				\$ 400
LIFE INSURANCE	\$ 265	\$ 16			\$ 249
MAINTENANCE & REPAIR	\$ 11,100	\$ -			\$ 11,100
OPERATING SUPPLIES	\$ 4,100				\$ 4,100
OTHER SERVICES & CHARGES	\$ 2,400				\$ 2,400
OVERTIME	\$ 300				\$ 300
PERS-CITY PORTION	\$ 23,762	\$ 11,210			\$ 12,552
SALARIES FULL-TIME	\$ 124,734	\$ 27,576			\$ 97,158
SECTION 125 CAFETERIA	\$ 25,760	\$ 1,552			\$ 24,208
SMALL TOOLS/NON-CAPITAL	\$ 12,000	\$ 54			\$ 11,946
TEMPORARY STAFFING		\$ 943		\$ 1,237	\$ (2,181)
UNEMPLOYMENT INSURANCE	\$ 868				\$ 868
VEHICLE OPERATE-FUEL/OIL	\$ 240,200	\$ 5,033			\$ 235,167
VEHICLE OPERATE-PARTS M&O	\$ 25,000	\$ 1,562		\$ 94	\$ 23,344
WORKER'S COMP INSURANCE	\$ 3,266				\$ 3,266
502 RISK MANAGEMENT FUND					\$ -
ATTORNEY SERVICES	\$ 75,000				\$ 75,000
AUTO ALLOWANCE	\$ 1,980	\$ 121			\$ 1,859
CELL PHONE ALLOWANCE	\$ 600	\$ 16			\$ 584
FICA	\$ 5,911	\$ 356			\$ 5,555
INSURANCE PREMIUM/DEPOSIT	\$ 157,236	\$ -			\$ 157,236
INSURANCE PREMIUM/WK COMP	\$ 80,000	\$ -			\$ 80,000
LIFE INSURANCE	\$ 269	\$ 19			\$ 250
MGT MEDICAL REIMBURSEMENT	\$ 126				\$ 126
OPERATING SUPPLIES	\$ 1,000				\$ 1,000
PAYMENT OF CLAIMS	\$ 50,000			\$ 514	\$ 49,486
PERS-CITY PORTION	\$ 9,080	\$ 381			\$ 8,699
PYMT OF WORK COMP CLAIMS	\$ 150,000				\$ 150,000
SALARIES FULL-TIME	\$ 70,512	\$ 4,358			\$ 66,154
SECTION 125 CAFETERIA	\$ 9,947	\$ 673			\$ 9,274
TECHNICAL SERVICES	\$ 1,000				\$ 1,000
THIRD PARTY ADMIN (W/C)	\$ 28,500	\$ -			\$ 28,500
UNEMPLOYMENT INSURANCE	\$ 347				\$ 347
WORKER'S COMP INSURANCE	\$ 1,025				\$ 1,025
503 TECHNOLOGY/COMMUNICATIONS					\$ -
AUTO ALLOWANCE	\$ 4,800	\$ 202			\$ 4,598
CELL PHONE ALLOWANCE	\$ 960	\$ 30			\$ 930
EQUIPMENT	\$ 30,000				\$ 30,000
FEES & LICENSES	\$ 7,164				\$ 7,164
FICA	\$ 13,516	\$ 619			\$ 12,897
H.T.E. MAINTENANCE	\$ 37,500	\$ 12,526			\$ 24,974
LIFE INSURANCE	\$ 571	\$ 41			\$ 530
MAINTENANCE & REPAIR	\$ 1,400				\$ 1,400
MEMBERSHIP DUES	\$ 640				\$ 640
MGT MEDICAL REIMBURSEMENT	\$ 84				\$ 84
OFFICE SUPPLIES	\$ 500				\$ 500
OPERATING SUPPLIES	\$ 7,000				\$ 7,000
PARS CITY CONTRIBUTION	\$ 883	\$ 53			\$ 830
PERS-CITY PORTION	\$ 19,271	\$ 7,320			\$ 11,951
POSTAGE & FREIGHT	\$ 200				\$ 200
PROFESSIONAL SERVICES	\$ 12,850	\$ 300		\$ 512	\$ 12,038
QUESYST	\$ 8,000				\$ 8,000
SALARIES FULL-TIME	\$ 130,702	\$ 7,041			\$ 123,661
SALARIES PART-TIME	\$ 23,559	\$ 1,413			\$ 22,146

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 08/05/2015

	Budget	Previous Warrant		2015-07-31	2015-07-31	Remaining Budget
		Registers	Registers			
SECTION 125 CAFETERIA	\$ 26,001	\$ 1,162			\$ 24,839	
SMALL TOOLS/NON-CAPITAL	\$ 24,600	\$ -			\$ 24,600	
TECHNICAL SERVICES	\$ 47,020	\$ 821		\$ 7,344	\$ 38,855	
TRAVEL, TRAINING, MEETING	\$ 4,950				\$ 4,950	
UNEMPLOYMENT INSURANCE	\$ 1,389	\$ 88			\$ 1,301	
UTILITIES-CELL PHONES	\$ 4,000				\$ 4,000	
UTILITIES-TELEPHONE	\$ 12,000				\$ 12,000	
504 FACILITY MAINT/REPLACEMNT					\$ -	
PROFESSIONAL SERVICES	\$ 100,000	\$ -			\$ 100,000	
TECHNICAL SERVICES	\$ 58,600				\$ 58,600	
601 SEWER ENTERPRISE FUND					\$ -	
AUTO ALLOWANCE		\$ 143			\$ (143)	
CELL PHONE ALLOWANCE		\$ 26			\$ (26)	
EQUIPMENT	\$ 42,000				\$ 42,000	
FEES & LICENSES	\$ 2,950				\$ 2,950	
FICA	\$ 20,686	\$ 1,598			\$ 19,088	
GAS & ELECTRIC (SDG&E)	\$ 68,000	\$ 1,645			\$ 66,355	
LIFE INSURANCE	\$ 664	\$ 36			\$ 628	
MAINTENANCE & REPAIR	\$ 40,800	\$ -		\$ 742	\$ 40,058	
MEMBERSHIP DUES	\$ 900				\$ 900	
OPERATING SUPPLIES	\$ 13,895	\$ 378			\$ 13,517	
OTHER SERVICES & CHARGES	\$ 8,400				\$ 8,400	
OVERTIME	\$ 12,200	\$ 1,462			\$ 10,738	
PERS-CITY PORTION	\$ 48,138	\$ 1,884			\$ 46,254	
PROFESSIONAL SERVICES	\$ 2,134,360				\$ 2,134,360	
RENT-EQUIPMENT	\$ 1,000				\$ 1,000	
SALARIES FULL-TIME	\$ 252,693	\$ 17,227			\$ 235,466	
SECTION 125 CAFETERIA	\$ 57,094	\$ 3,156			\$ 53,938	
SECURITY & ALARM	\$ 4,000	\$ -			\$ 4,000	
SMALL TOOLS/NON-CAPITAL	\$ 1,400	\$ -			\$ 1,400	
STAND-BY PAY	\$ 21,000	\$ 1,256			\$ 19,744	
TECHNICAL SERVICES	\$ 2,681,200	\$ -			\$ 2,681,200	
TEMPORARY STAFFING	\$ 30,000	\$ 868		\$ 1,085	\$ 28,047	
TRAVEL, TRAINING, MEETING	\$ 5,200				\$ 5,200	
UNEMPLOYMENT INSURANCE	\$ 2,170				\$ 2,170	
UTILITIES-TELEPHONE	\$ 2,500				\$ 2,500	
UTILITIES-WATER	\$ 6,700	\$ (1,899)			\$ 8,599	
WORKER'S COMP INSURANCE	\$ 6,532				\$ 6,532	
Revenue					\$ (60)	
Asset					\$ 3,581	
Liability			\$ 150	\$ 17,558		
Fund Balance						
Grand Total			\$ 150	\$ 37,621		

FY2015 Expenses on prior page

\$ 130,721

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AGENDA ITEM NO. 23

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: AUGUST 19, 2015
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES DEPARTMENT *ASB*
SUBJECT: RECEIVE TREASURER'S REPORT

EXECUTIVE SUMMARY:

The monthly treasurer's report is submitted for review. Contained in this report is a complete listing of assets, monthly transactions, portfolio summary, statement of compliance with investment policy and a statement that the city has adequate funds to meet cash flow needs.

RECOMMENDATION:

Staff recommends that the City Council receive the monthly treasurer's report.

RATIONALE:

In compliance with the Investment Policy, staff is providing a monthly Treasurers Report which details the City's investment portfolio.

OPTIONS:

1. Receive the monthly treasurer's report.

BACKGROUND:

The City staff has been directed to provide a monthly treasurers report. Within this report is a detailed asset listing, monthly transaction history, a portfolio summary, a statement of compliance with the investment policy and a statement that the city has adequate funds to meet cash flow needs.

ANALYSIS:

The City has funds invested by Chandler Asset Management, in the Local Area Investment Fund, our checking account is with Union Bank, and has cash in an Escrow Account reserved for the 9th and Palm project. The total amount of cash deposits equal **\$32,186,859**. The estimated annual income from this investment is **\$265,646**. The Successor Agency has Debt Service Reserve of **\$2,811,611** deposited with Wells Fargo.

The funds in which this cash belongs to are listed in the table below. Within each of these funds, the cash is categorized as unassigned, assigned, or restricted. The details of these designations can be found in the City's Financial Statements.

City of Imperial Beach
Treasurer Report: Cash by Fund = Deposit Account
Current as of 06/30/2015

CASH BY FUND (cash belongs here)

	Actual
* GENERAL FUND	\$ 14,716,657
* HOUSING AUTHORITY	\$ 572,612
* 2010 BOND FUND	\$ 5,364,046
* OTHER GOVERNMENT FUNDS	\$ 2,253,557
* SEWER FUND	\$ 2,830,769
* INTERNAL SERVICES	\$ 4,892,730
* AGENCY FUNDS	\$ 390,165
* SUCESSOR AGENCY	\$ 1,166,318
Grand Total	\$ 32,186,854

CASH DEPOSIT ACCOUNTS (cash deposited here)

	Actual
CHANDLER ASSET MANAGEMENT	\$ 24,625,575
LOCAL AREA INVESTMENT FUND	\$ 6,325,343
UNION BANK	\$ 1,080,632
9TH AND PALM ESCROW ACCOUNT	\$ 155,308
Grand Total	\$ 32,186,859
WELLS FARGO-2010 BOND RESERVE ACCOUNT	\$ 2,811,611
Chadler Asset Management Reconciliation	
Book Balance	\$ 24,625,575
Market Appreciation	\$ 23,719
Statement Balance	<u>\$ 24,649,294</u>
UNIOIN Bank Reconciliation	
Book Balance	\$ 1,080,632
Outstanding Checks & Deposits	\$ 18,495
Statement Balance	<u>\$ 1,099,127</u>

The transactions and holdings as detailed in the monthly statement are in compliance with the City's Investment Policy (see attachment 2). The City has adequate funds to meet its cash flow requirements for the next six months.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The interest income is included in the fiscal budget.

Attachments:

1. Chandler Asset Management Investment Report Dated June 30, 2015

Note: Investment statements available upon request.



CHANDLER ASSET MANAGEMENT

Investment Report

City of Imperial Beach

Period Ending
June 30, 2015



SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings



SECTION 1

Economic Update

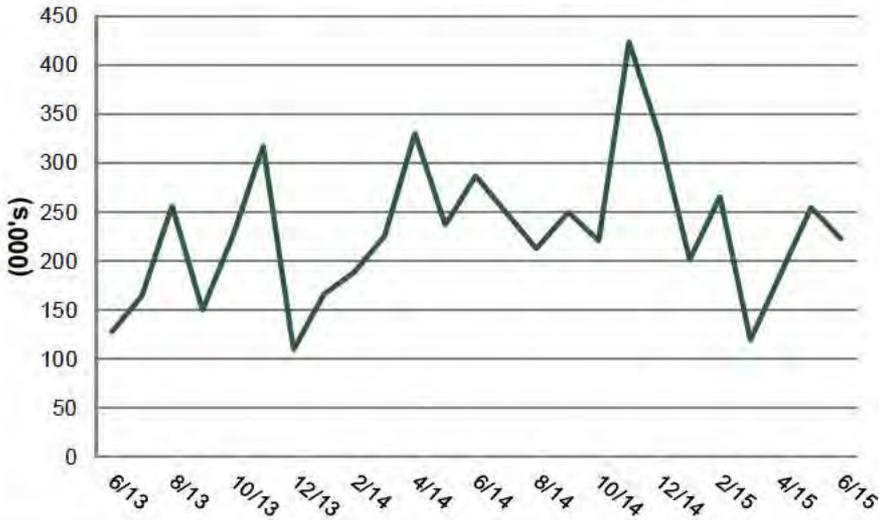


- The June Non-Farm Payrolls report was modestly below expectations. The economy added 223,000 jobs, below the consensus estimate of 233,000. Net revisions over the past three months totaled negative 60,000. The unemployment rate declined to 5.3%; however, the participation rate also declined to 62.6%, the lowest reading since the 1970's. The underemployment rate also declined by 0.3% to 10.5%, but most market participants are not viewing the unemployment rate numbers as being indicative of a tight labor market due to the low participation rate. Manufacturing trends remain sluggish and consumer spending remains soft. The outlook on the housing market remains constructive; however, the pace of price appreciation has slowed and is now more correlated with the growth rate of the US economy.
- As expected, the Federal Open Market Committee (FOMC) left policy rates unchanged at its July 28-29 meeting, without any dissenting votes. The Committee noted economic activity has expanded moderately; however, business fixed investment and exports remain soft. The labor market has improved, but inflation remains below the Fed's target. The FOMC still expects to see "some further improvement in the labor market" and needs to be confident that inflation will move back toward its 2% target before they raise rates. We believe the FOMC statement language implies that labor market conditions are close to the appropriate level for monetary policy normalization. We continue to believe the first fed funds rate hike will be near the end of this year. There are three remaining FOMC meetings scheduled this year (September 16-17, October 27-28, and December 15-16).
- Interest rate volatility remains elevated as global sovereign debt markets continue to be influenced by divergent central bank policies, as well as heightened geopolitical risk. Given the recent referendum vote in Greece, and the corresponding implications for the European growth outlook, interest rate volatility is poised to stay high for the foreseeable future. In the US, domestic economic data remains mixed, with the timing of the first fed funds rate hike remaining uncertain.

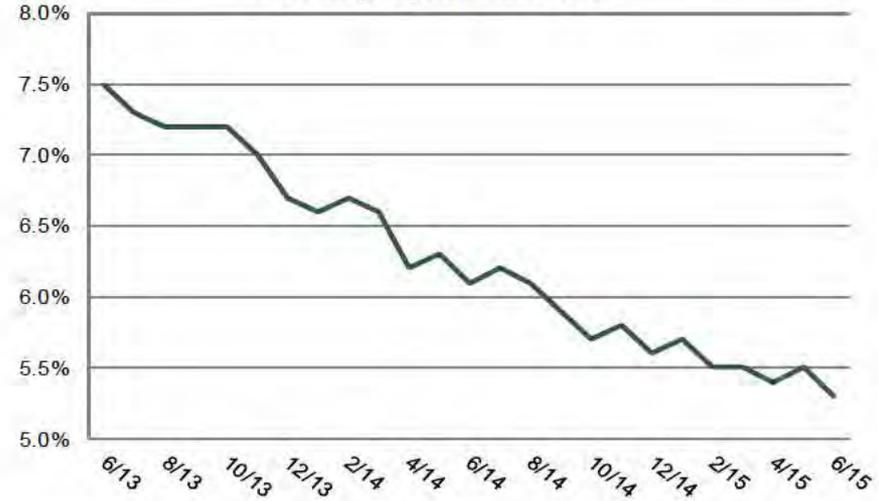


Employment

Nonfarm Payroll (000's)



Unemployment Rate

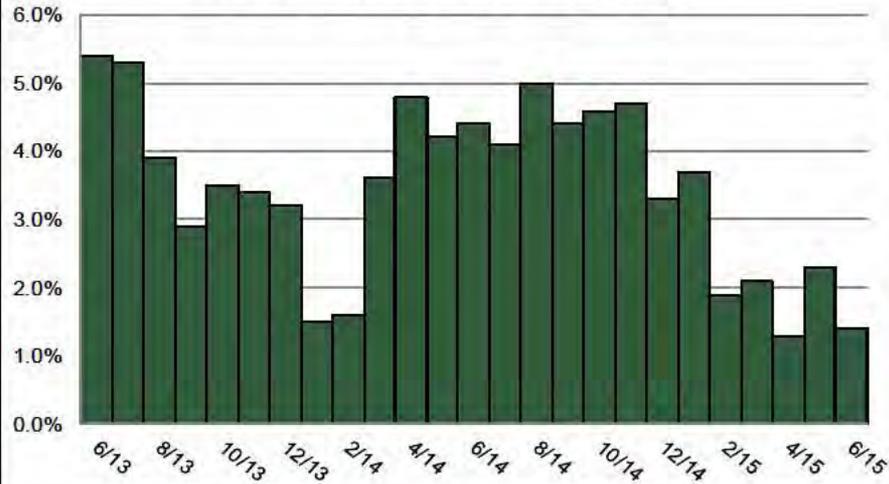


Source: U.S. Department of Labor

The June employment report was modestly below expectations as nonfarm payrolls rose by 223,000, below the consensus estimate of 233,000. The prior two months saw net downward revisions totaling 60,000 jobs. Private payrolls rose by 223,000 and manufacturing payrolls rose by 4,000, both slightly below consensus forecasts. The unemployment rate ticked down 0.2% to 5.3%; however, the decline in the participation rate to 62.6%, the lowest since the 1970's, is indicative of the impact of changing demographics and continued slack in the economy. Wages were flat on the month, following a revised 0.2% increase in May. On a 3-month basis ending in June, payrolls rose by an average of 221,000 per month compared to the trailing 6-month average of 208,000.

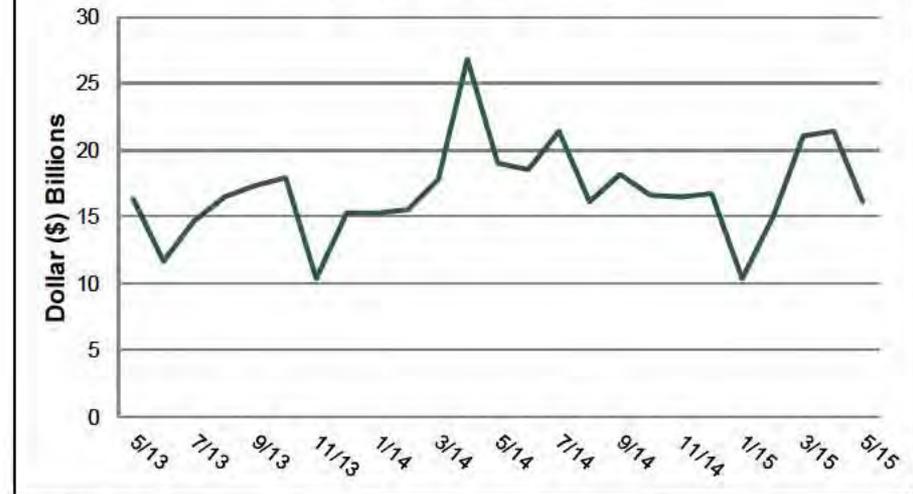


Retail Sales Y-O-Y % Change



Source: U.S. Department of Commerce

Consumer Credit

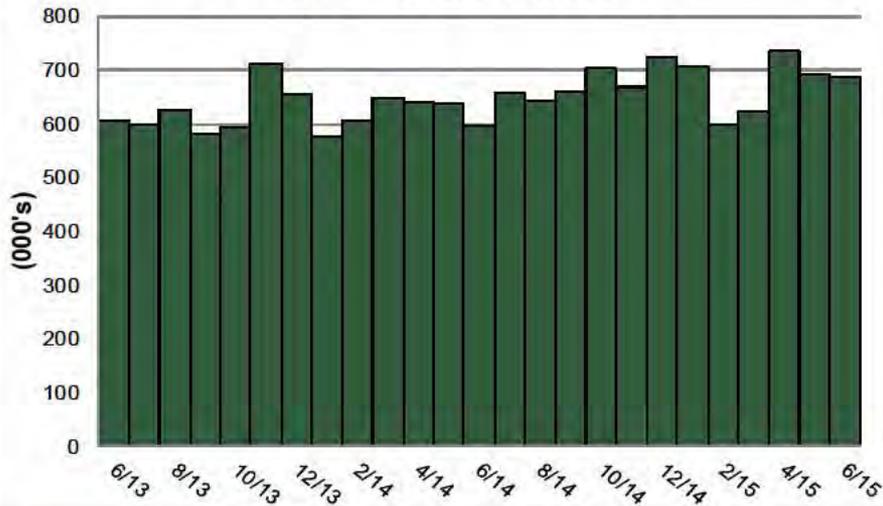


Source: Federal Reserve

Retail sales were weaker than expected in June, down 0.3% on a month-over-month basis. On a year-over-year basis, retail sales rose just 1.4% in the month. Ongoing improvement in the labor market should have a positive influence on consumer spending, but thus far consumer spending trends have been lackluster. Consumer credit rose by \$16.1 billion in May versus a gain of \$21.4 billion in April. Revolving credit (credit cards) rose by \$1.6 billion in May while nonrevolving credit (student and auto loans) increased by \$14.5 billion.

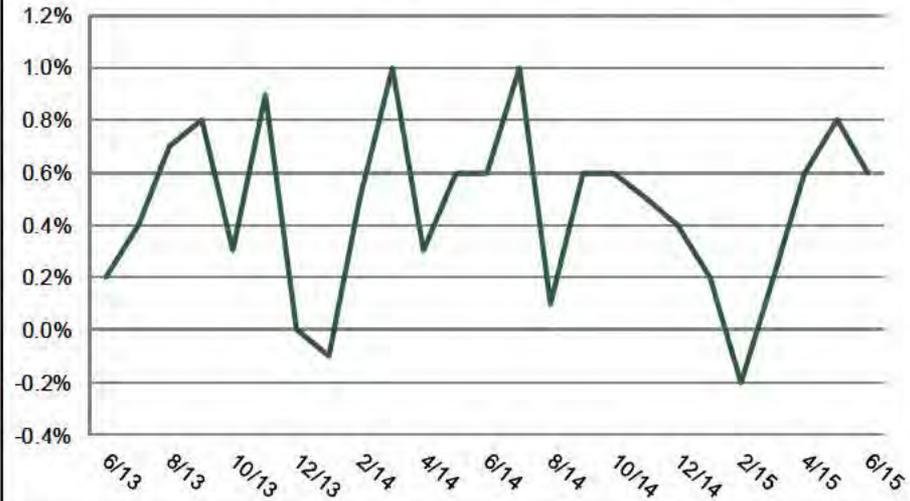


Single-Family Housing Starts



Source: US Department of Commerce

Leading Economic Indicators

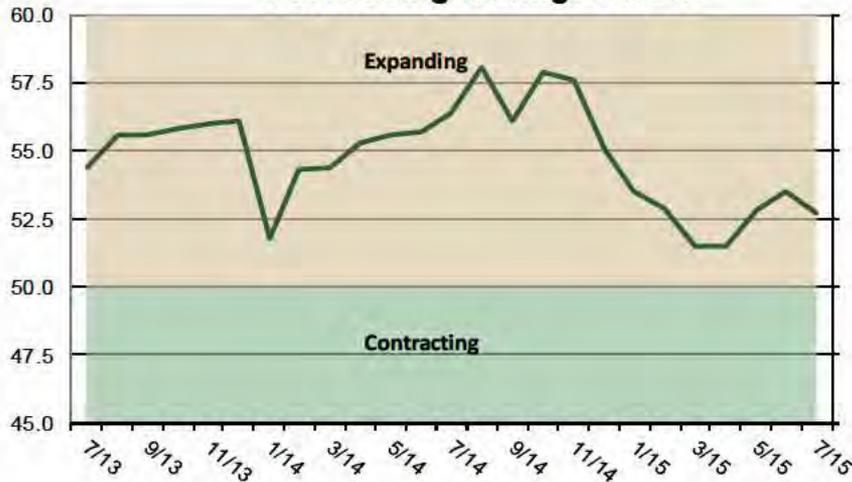


Source: The Conference Board

Housing starts rose 9.8% in June following a 10.2% decline in May. The strength in June was driven by a 29.4% increase in multi-family starts. Single-family housing starts fell 0.9% in June. Permits were much stronger than expected in June, up 7.4%, following a 9.6% increase in May. Overall, activity in the housing sector has recently picked up. The index of Leading Economic Indicators (LEI) rose 0.6% in June, exceeding the consensus forecast, following an increase of 0.8% in May. Strength was driven by interest rate spread and building permits. Overall, the LEI points to modest economic expansion.

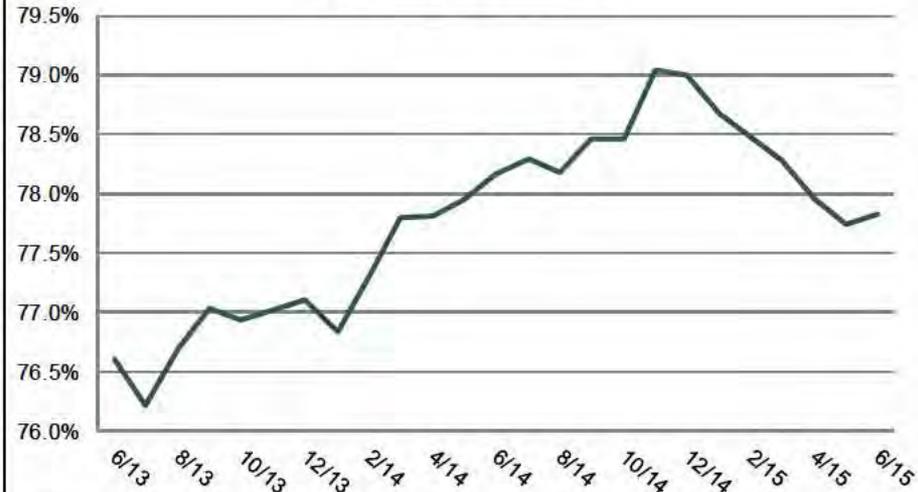


Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

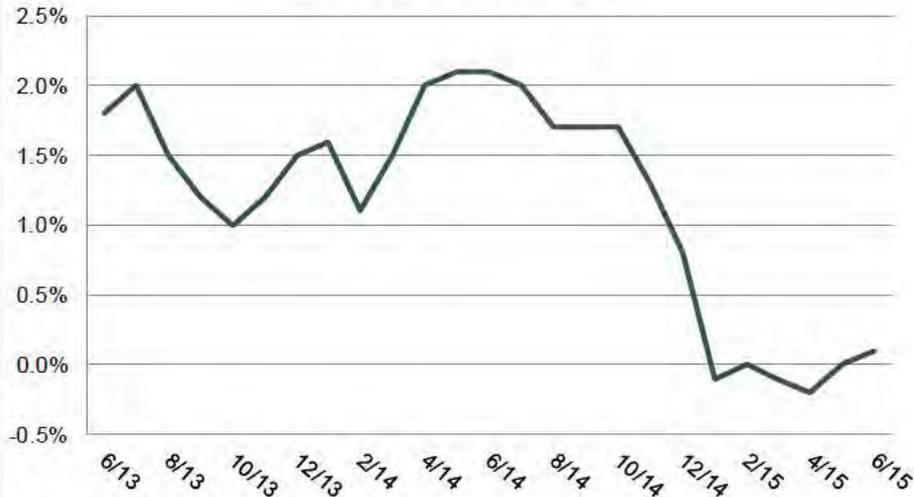
Capacity Utilization



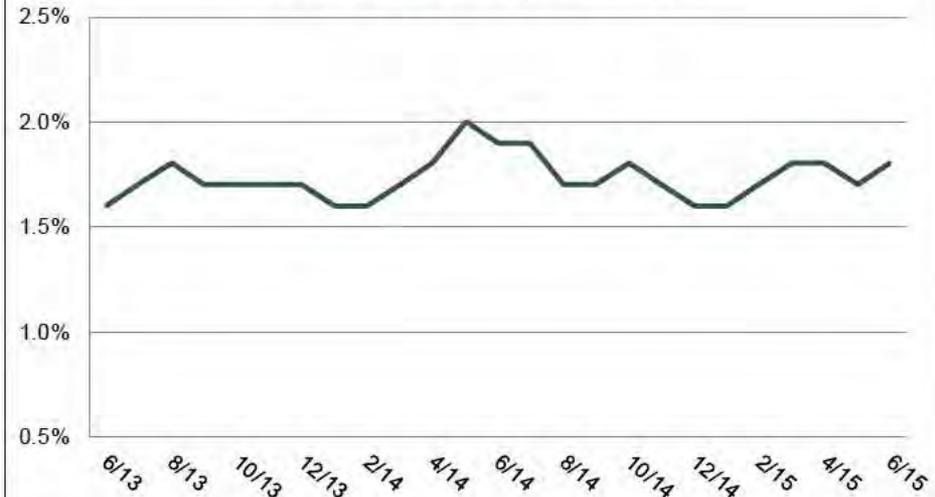
Source: Federal Reserve

During July, the ISM manufacturing index declined to 52.7 from 53.5 in June. Overall, manufacturing trends remain soft, however, a reading above 50.0 is viewed as expansionary in the manufacturing sector, while a reading below 50.0 suggests contraction. Capacity utilization, which is production divided by capacity, increased to 77.8% in June from 77.7% in May. The capacity utilization rate is lower than the long-run average of 80.1% (1972-2014). Notably, manufacturing capacity utilization actually declined in June to 77.2% from 77.3% in May.

CPI Y-O-Y % Change



Core CPI Y-O-Y % Change

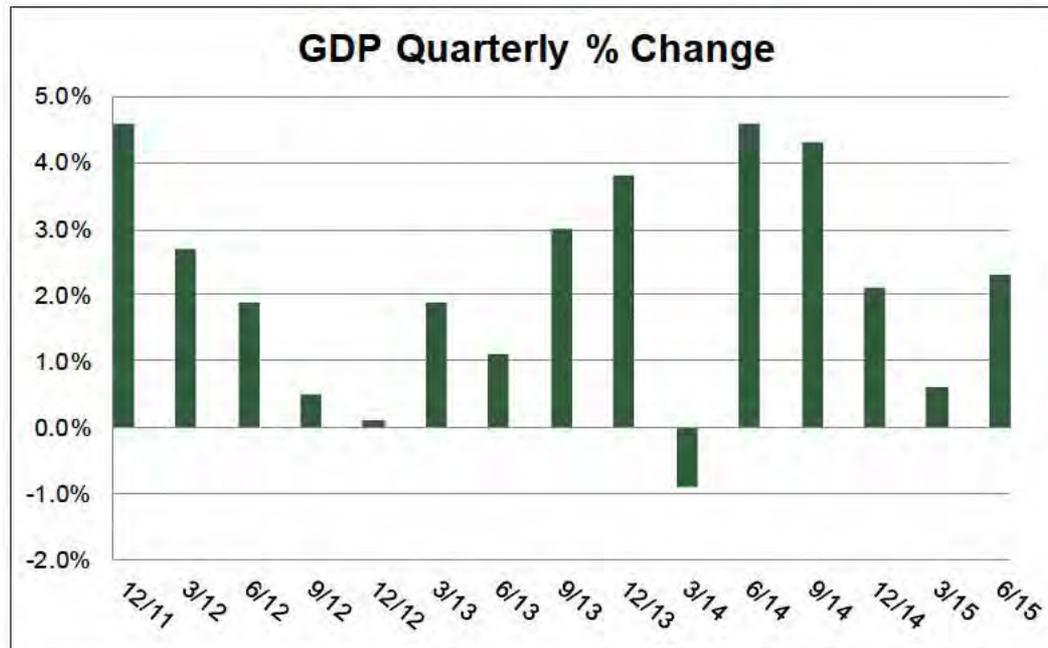


Source: US Department of Labor

In June, overall Consumer Price Index (CPI) inflation was up 0.1% on a year-over-year basis after being flat in May. Headline inflation remains low, following a precipitous decline in energy prices at the end of last year. The year-over-year Core CPI (CPI less food and energy) rose slightly to 1.8% in June from 1.7% in May. Pricing pressures (excluding food and energy) at the consumer and producer levels have firmed slightly, but inflation remains below the Fed's target.



Gross Domestic Product

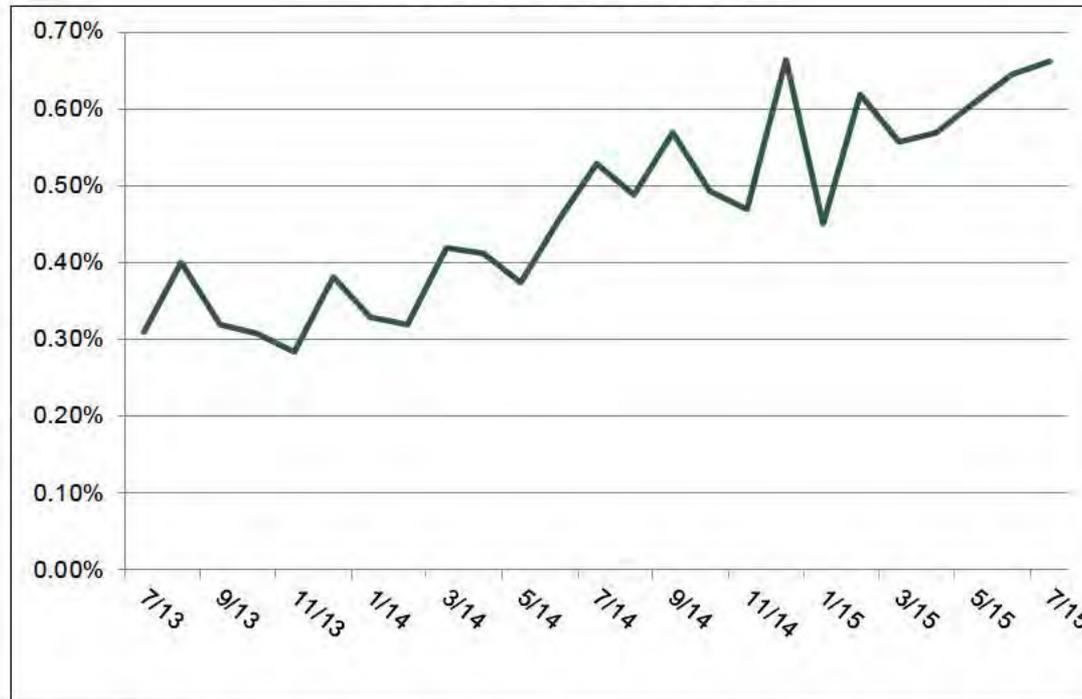


Source: U.S. Department of Commerce

According to the advance estimate, real annualized GDP growth was 2.3% in the second quarter of 2015, slightly weaker than the 2.5% consensus estimate. However, first quarter GDP was revised up to 0.6% from -0.2%. Growth in the second quarter was boosted by strength in residential investment and personal consumption expenditures. Net exports also added slightly to second quarter GDP growth after dragging down the first quarter.



Yield on the Two-Year Note July 2013 through July 2015



Source: Bloomberg

The yield on the two-year Treasury note rose slightly in July as the yield curve flattened. Market participants are anticipating a potential fed funds rate hike before the end of this year. Divergent global central bank monetary policies, both conventional and unconventional, have been a source of market volatility as the Federal Reserve remains the only major central bank contemplating a tightening of monetary policy over an intermediate time horizon.



April 30, 2015 and July 31, 2015



Source: Bloomberg

During the past three months, the Treasury yield curve shifted upward. Mixed U.S. economic data, divergent central bank monetary policies, and concerns about the ability and desire of Greece to remain in the Euro have fueled interest rate volatility in recent months.



SECTION 2

Account Profile

Investment Objectives

The investment objectives of the City of Imperial Beach are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide adequate liquidity to meet all requirements which might be reasonably anticipated; and third, to earn a commensurate rate of return.

Chandler Asset Management Performance Objectives

The performance objective of the City of Imperial Beach is to earn a return that equals or exceeds the return on an index of 1-3 Year US Treasury notes.

Strategy

In order to achieve this objective, the portfolio invests in high-quality money market instruments, US Treasury securities, US agency securities and A rated or higher Corporate medium term notes.

City of Imperial Beach
June 30, 2015

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	20% max callable notes	Complies
Municipal Securities	"A" rated; 5% max per issuer	Complies
Banker's Acceptances	"A-1" rated; "A"-rated issuer; 40% maximum; 5% max per issuer; <180 days maturity	Complies
Commercial Paper	"A-1" rated; "A"-rated issuer; 25% maximum; 5% max per issuer; <270 days maturity	Complies
Medium Term Notes	"A" rated; 30% maximum; 5% max per issuer; 5 years maximum maturity	Complies*
Negotiable Certificates of Deposit	"A" or "A-1" rated issuers; 30% maximum; 5% max per issuer; 5 years max maturity	Complies
Bank/Time Deposits	20% maximum; 5% max per issuer; FDIC Insured or Collateralized	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	"AA"-rated issue; "A"-rated issuer; 20% maximum; 5% max per ABS issuer	Complies
Repurchase Agreements	1 year maximum maturity	Complies
Money Market Mutual Funds	"AAA" rated or SEC adviser; 20% maximum; 10% max per fund	Complies
Local Government Investment Pools	not used by adviser	Complies
Local Agency Investment Fund	\$50 million per account	Complies
Weighted Average Maturity	3 years	Complies
Maximum Maturity	5 years	Complies

*JP Morgan Chase represents 8.2% of the portfolio and is rated A3/A; however, it was purchased prior to November 2012.



Portfolio Characteristics

City of Imperial Beach

	06/30/2015		03/31/2015
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.83	1.96	1.85
Modified Duration	1.79	1.69	1.60
Average Purchase Yield	n/a	1.01 %	0.92 %
Average Market Yield	0.60 %	0.76 %	0.61 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		24,704,573	24,681,595

* BAML 1-3 Yr US Treasury Index

** Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

During the second quarter, the investment activity in the City's portfolio consisted of purchasing \$2.9 million of new securities in order to maintain the desired portfolio strategy and structure. Purchases included a diversified mix of Agency, Asset Backed (ABS) and Corporate securities with maturities ranging from September 2017 through October 2019.

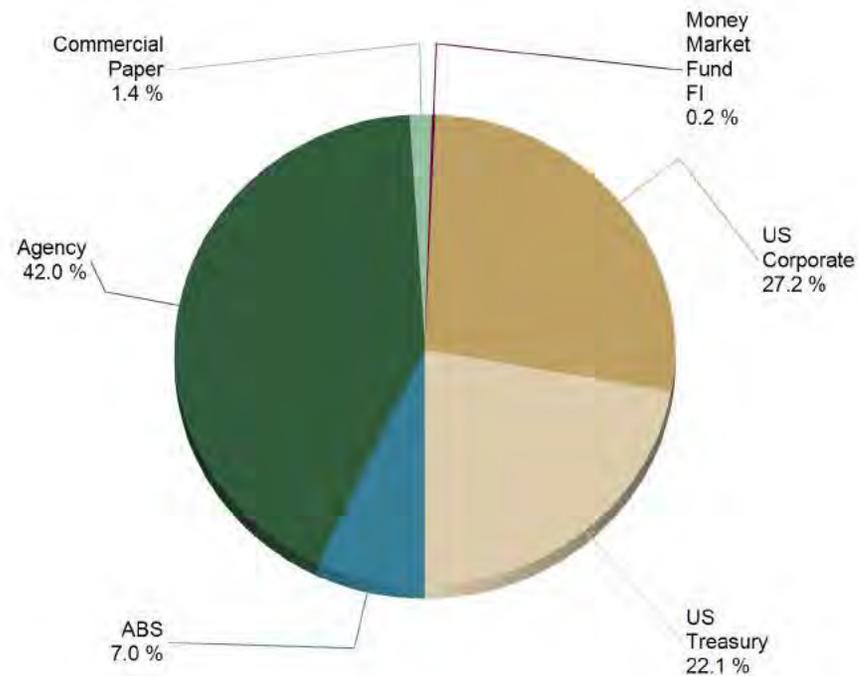
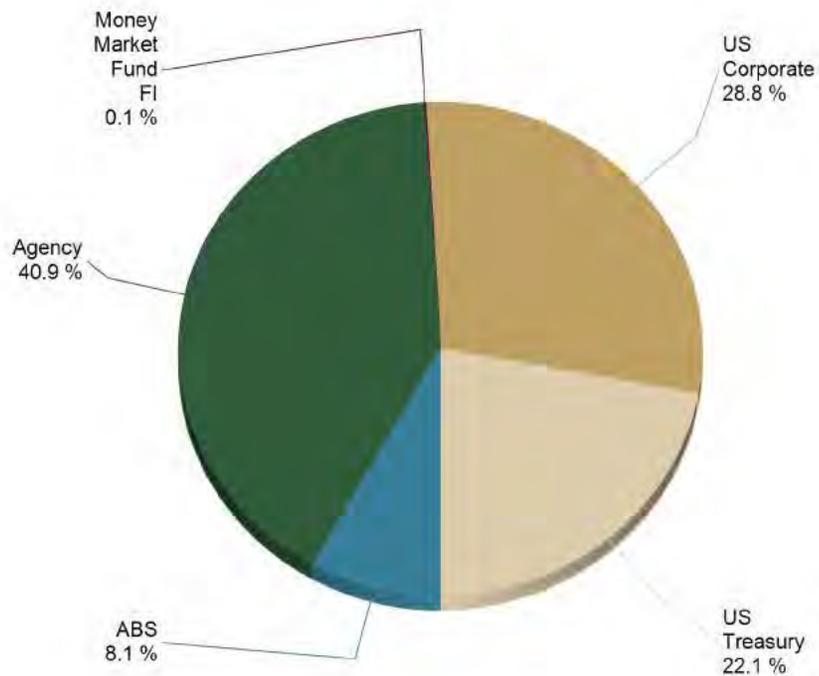


Sector Distribution

City of Imperial Beach

June 30, 2015

March 31, 2015



The portfolio sector allocation changed modestly during the second quarter as the exposure to Corporate and Asset Back Securities increased 1.6% and 1.1% respectively. Agency and Commercial Paper sectors decreased 1.1% and 1.4% respectively.

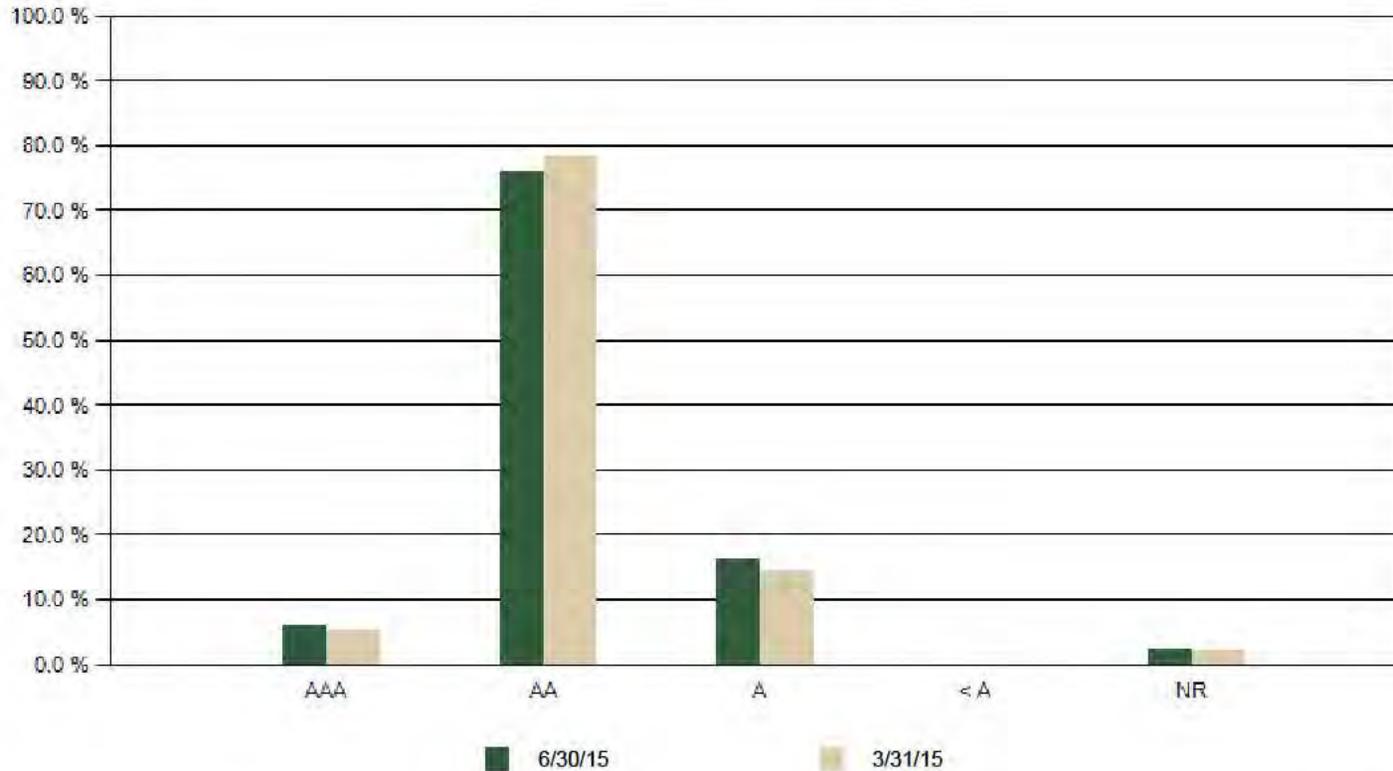
Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	22.10 %
Federal Home Loan Mortgage Corp	Agency	15.01 %
Federal National Mortgage Association	Agency	12.26 %
Federal Home Loan Bank	Agency	9.35 %
JP Morgan Chase & Co	US Corporate	8.24 %
Federal Farm Credit Bank	Agency	4.30 %
Berkshire Hathaway	US Corporate	4.14 %
Honda ABS	ABS	3.08 %
John Deere ABS	ABS	2.23 %
Toyota ABS	ABS	1.76 %
Qualcomm Inc	US Corporate	1.50 %
Apple Inc	US Corporate	1.48 %
Google Inc	US Corporate	1.44 %
3M Company	US Corporate	1.43 %
ChevronTexaco Corp	US Corporate	1.42 %
Charles Schwab Corp/The	US Corporate	1.28 %
IBM Corp	US Corporate	1.25 %
General Electric Co	US Corporate	1.24 %
US Bancorp	US Corporate	1.23 %
Wells Fargo Corp	US Corporate	1.22 %
Intel Corp	US Corporate	1.17 %
JP Morgan ABS	ABS	1.01 %
Honda Motor Corporation	US Corporate	0.87 %
Deere & Company	US Corporate	0.47 %
Pfizer Inc.	US Corporate	0.41 %
First American Govt Oblig Fund	Money Market Fund FI	0.10 %
Total		100.00 %



Quality Distribution

City of Imperial Beach

June 30, 2015 vs. March 31, 2015



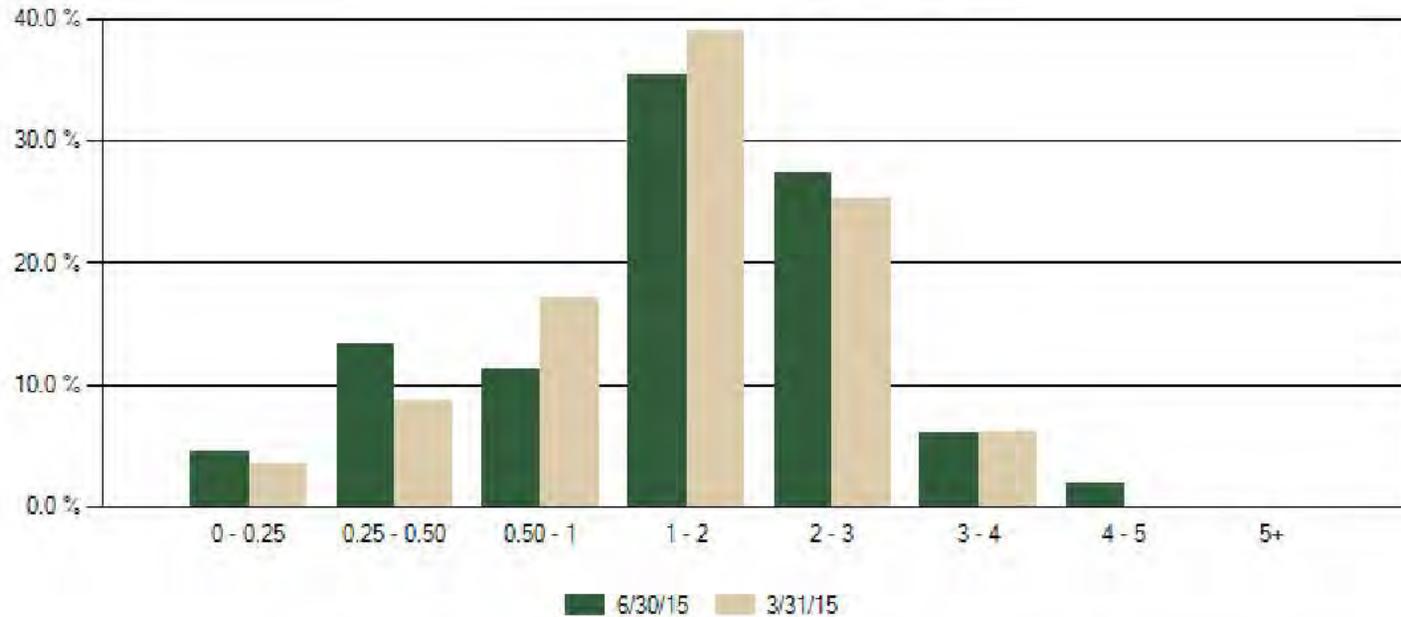
	AAA	AA	A	<A	NR
6/30/15	6.0 %	75.8 %	16.0 %	0.0 %	2.2 %
3/31/15	5.1 %	78.5 %	14.3 %	0.0 %	2.1 %

Source: S&P Ratings



Duration Distribution

City of Imperial Beach
June 30, 2015 vs. March 31, 2015



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
6/30/15	4.5 %	13.4 %	11.2 %	35.5 %	27.3 %	6.1 %	2.0 %	0.0 %
3/31/15	3.6 %	8.7 %	17.1 %	39.1 %	25.3 %	6.1 %	0.0 %	0.0 %

The duration of the portfolio increased slightly during the reporting period, currently 1.69 versus 1.60 at the end of March 2015. Interest rate volatility is likely to remain elevated as the Federal Reserve considers raising the fed funds rate towards the end of 2015. We anticipate keeping the duration close to the benchmark in the coming quarter using the proceeds from maturities and sales to extend the duration of the portfolio.



Investment Performance

City of Imperial Beach

Period Ending

June 30, 2015

Total Rate of Return

Annualized Since Inception

July 31, 2013



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
City of Imperial Beach	0.09 %	0.86 %	N/A	N/A	N/A	N/A	0.95 %
BAML 1-3 Yr US Treasury Index	0.14 %	0.88 %	N/A	N/A	N/A	N/A	0.77 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



SECTION 3

Portfolio Holdings



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43814CAC3	Honda Auto Receivables 2013-1 A3 0.48% Due 11/21/2016	81,284.02	02/12/2014 0.23 %	81,331.64 81,295.98	99.99 0.60 %	81,275.73 10.84	0.33 % (20.25)	NR / AAA AAA	1.40 0.26
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	250,000.00	02/12/2014 0.52 %	250,458.98 250,279.57	100.00 0.59 %	250,000.75 65.56	1.01 % (278.82)	NR / AAA AAA	2.13 0.11
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	205,000.00	03/11/2014 0.68 %	204,962.12 204,979.28	99.80 0.91 %	204,585.90 61.04	0.83 % (393.38)	Aaa / AAA NR	2.46 0.84
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	200,000.00	05/13/2014 0.52 %	199,975.96 199,984.89	99.84 0.91 %	199,680.40 55.61	0.81 % (304.49)	Aaa / AAA NR	2.72 1.13
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	285,000.00	04/02/2014 0.93 %	284,954.34 284,972.90	100.07 0.85 %	285,207.20 116.53	1.15 % 234.30	Aaa / NR AAA	2.80 1.03
43814HAC2	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	200,000.00	08/12/2014 0.83 %	199,961.42 199,972.88	100.06 0.83 %	200,127.60 78.22	0.81 % 154.72	NR / AAA AAA	2.96 1.30
477877AD6	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	265,000.00	Various 1.06 %	265,028.99 265,037.47	100.07 1.03 %	265,174.37 126.02	1.07 % 136.90	Aaa / NR AAA	3.38 1.47
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	230,000.00	02/24/2015 1.05 %	229,965.22 229,969.06	100.19 1.02 %	230,429.87 114.49	0.93 % 460.81	Aaa / AAA NR	3.63 1.78
43813NAC0	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	280,000.00	05/13/2015 1.05 %	279,957.02 279,958.33	99.96 1.23 %	279,882.40 80.89	1.13 % (75.93)	NR / AAA AAA	3.65 1.85
Total ABS		1,996,284.02	0.82 %	1,996,595.69 1,996,450.36	0.91 %	1,996,364.22 709.20	8.08 % (86.14)	Aaa / AAA Aaa	2.92 1.16
AGENCY									
313383V81	FHLB Note 0.375% Due 8/28/2015	335,000.00	12/16/2013 0.32 %	335,321.60 335,030.13	100.04 0.11 %	335,143.72 429.22	1.36 % 113.59	Aaa / AA+ AAA	0.16 0.16
3134G3J76	FHLMC Note 0.45% Due 9/4/2015	500,000.00	08/13/2013 0.44 %	500,080.00 500,006.92	100.07 0.05 %	500,356.50 731.25	2.03 % 349.58	Aaa / AA+ AAA	0.18 0.18
31331J2S1	FFCB Note 1.5% Due 11/16/2015	370,000.00	08/20/2013 0.43 %	378,809.70 371,488.05	100.47 0.26 %	371,733.08 693.75	1.51 % 245.03	Aaa / AA+ AAA	0.38 0.38
313380L96	FHLB Note 0.5% Due 11/20/2015	485,000.00	07/17/2013 0.45 %	485,562.60 485,093.88	100.12 0.19 %	485,590.73 276.18	1.97 % 496.85	Aaa / AA+ AAA	0.39 0.39
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	325,000.00	07/17/2013 0.50 %	324,008.75 324,805.57	100.07 0.22 %	325,231.40 33.85	1.32 % 425.83	Aaa / AA+ AAA	0.48 0.47
3133834R9	FHLB Note 0.375% Due 6/24/2016	500,000.00	08/07/2013 0.58 %	497,105.00 499,011.13	99.99 0.38 %	499,966.00 36.46	2.02 % 954.87	Aaa / AA+ AAA	0.99 0.98
3135G0YE7	FNMA Note 0.625% Due 8/26/2016	485,000.00	10/29/2013 0.61 %	485,164.90 485,067.50	100.24 0.42 %	486,169.34 1,052.52	1.97 % 1,101.84	Aaa / AA+ AAA	1.16 1.15
3133ECWV2	FFCB Note 0.875% Due 12/7/2016	500,000.00	08/07/2013 0.87 %	500,130.00 500,056.08	100.55 0.49 %	502,769.50 291.67	2.04 % 2,713.42	Aaa / AA+ AAA	1.44 1.43
3130A0C65	FHLB Note 0.625% Due 12/28/2016	485,000.00	12/13/2013 0.72 %	483,666.25 484,341.57	100.12 0.55 %	485,575.70 25.26	1.97 % 1,234.13	Aaa / AA+ AAA	1.50 1.49



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	290,000.00	Various 0.85 %	292,981.88 291,809.77	101.04 0.59 %	293,006.72 1,520.48	1.19 % 1,196.95	Aaa / AA+ AAA	1.59 1.56
3137EADC0	FHLMC Note 1% Due 3/8/2017	500,000.00	07/26/2013 0.99 %	500,160.00 500,074.78	100.63 0.62 %	503,149.50 1,569.44	2.04 % 3,074.72	Aaa / AA+ AAA	1.69 1.67
3137EADF3	FHLMC Note 1.25% Due 5/12/2017	500,000.00	08/07/2013 1.07 %	503,265.00 501,619.42	101.12 0.65 %	505,589.50 850.69	2.05 % 3,970.08	Aaa / AA+ AAA	1.87 1.84
3137EADH9	FHLMC Note 1% Due 6/29/2017	190,000.00	01/29/2015 0.72 %	191,271.10 191,051.80	100.55 0.72 %	191,042.53 10.56	0.77 % (9.27)	Aaa / AA+ AAA	2.00 1.98
3135G0MZ3	FNMA Note 0.875% Due 8/28/2017	500,000.00	03/06/2014 1.00 %	497,800.00 498,633.23	100.24 0.76 %	501,185.50 1,494.79	2.03 % 2,552.27	Aaa / AA+ AAA	2.16 2.13
3135G0ZL0	FNMA Note 1% Due 9/27/2017	420,000.00	Various 1.02 %	419,614.62 419,848.73	100.38 0.83 %	421,599.36 1,096.67	1.71 % 1,750.63	Aaa / AA+ AAA	2.25 2.21
3137EADL0	FHLMC Note 1% Due 9/29/2017	500,000.00	07/31/2014 1.19 %	497,116.50 497,952.12	100.24 0.89 %	501,178.00 1,277.78	2.03 % 3,225.88	Aaa / AA+ AAA	2.25 2.21
3133EDDV1	FFCB Note 1.16% Due 10/23/2017	185,000.00	01/29/2015 0.87 %	186,443.00 186,223.00	100.43 0.97 %	185,787.92 405.36	0.75 % (435.08)	Aaa / AA+ AAA	2.32 2.27
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	510,000.00	03/06/2014 1.29 %	501,677.31 504,417.36	99.65 1.01 %	508,227.75 1,413.13	2.06 % 3,810.39	Aaa / AA+ AAA	2.69 2.64
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	500,000.00	05/27/2015 1.02 %	501,467.00 501,420.08	100.23 1.04 %	501,144.50 1,031.25	2.03 % (275.58)	Aaa / AA+ AAA	2.82 2.76
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	500,000.00	Various 1.44 %	490,030.70 492,132.48	99.40 1.09 %	497,007.50 486.11	2.01 % 4,875.02	Aaa / AA+ AAA	2.89 2.84
3135G0E33	FNMA Note 1.125% Due 7/20/2018	500,000.00	Various 1.20 %	498,934.27 498,946.46	99.92 1.15 %	499,620.51 359.38	2.02 % 674.05	Aaa / AA+ AAA	3.06 2.99
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	500,000.00	04/29/2015 1.40 %	496,880.00 497,002.55	98.94 1.52 %	494,687.50 2,604.17	2.01 % (2,315.05)	Aaa / AA+ AAA	4.09 3.95
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	05/27/2015 1.51 %	494,500.00 494,617.76	98.66 1.58 %	493,324.50 1,545.14	2.00 % (1,293.26)	Aaa / AA+ AAA	4.26 4.11
Total Agency		10,080,000.00	0.92 %	10,061,990.18 10,060,650.37	0.72 %	10,089,087.26 19,235.11	40.92 % 28,436.89	Aaa / AA+ Aaa	1.91 1.87
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund	25,044.69	Various 0.00 %	25,044.69 25,044.69	1.00 0.00 %	25,044.69 0.00	0.10 % 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		25,044.69	N/A	25,044.69 25,044.69	0.00 %	25,044.69 0.00	0.10 % 0.00	Aaa / AAA NR	0.00 0.00
US CORPORATE									
037833AH3	Apple Inc Note 0.45% Due 5/3/2016	365,000.00	07/18/2013 0.72 %	362,335.50 364,194.09	99.95 0.51 %	364,828.45 264.63	1.48 % 634.36	Aa1 / AA+ NR	0.84 0.84



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	350,000.00	07/26/2013 0.72 %	363,604.50 354,295.46	101.49 0.44 %	355,223.05 867.71	1.44 % 927.59	Aa2 / AA NR	0.89 0.88
166764AC4	Chevron Corp. Note 0.889% Due 6/24/2016	350,000.00	07/19/2013 0.72 %	351,704.50 350,574.03	100.28 0.60 %	350,993.65 60.50	1.42 % 419.62	Aa1 / AA NR	0.99 0.98
88579YAD3	3M Co. Note 1.375% Due 9/29/2016	350,000.00	08/07/2013 0.83 %	355,827.50 352,322.85	100.82 0.71 %	352,868.25 1,229.86	1.43 % 545.40	Aa3 / AA- NR	1.25 1.23
458140AH3	Intel Corp Note 1.95% Due 10/1/2016	285,000.00	12/19/2013 0.79 %	294,014.55 289,079.71	101.06 1.10 %	288,017.87 1,389.38	1.17 % (1,061.84)	A1 / A+ A+	1.26 1.23
084670BD9	Berkshire Hathaway Note 1.9% Due 1/31/2017	1,000,000.00	04/11/2012 1.61 %	1,013,489.00 1,004,455.36	101.56 0.91 %	1,015,603.00 7,969.44	4.14 % 11,147.64	Aa2 / AA A+	1.59 1.55
48125VLC2	JP Morgan Chase Floating Rate Note 1.358% Due 2/6/2017	2,000,000.00	02/01/2012 1.36 %	2,000,000.00 2,000,000.00	101.53 0.40 %	2,030,560.00 3,997.08	8.24 % 30,560.00	A3 / A NR	1.61 0.47
36962G5W0	General Electric Capital Corp Note 2.3% Due 4/27/2017	300,000.00	04/25/2014 1.19 %	309,714.00 305,919.05	101.95 1.21 %	305,857.80 1,226.67	1.24 % (61.25)	A1 / AA+ NR	1.83 1.78
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	300,000.00	04/29/2014 1.19 %	304,026.00 302,435.71	101.20 0.97 %	303,614.40 632.50	1.23 % 1,178.69	A1 / A+ AA-	1.88 1.76
717081DJ9	Pfizer Inc. Note 1.1% Due 5/15/2017	100,000.00	05/12/2014 1.13 %	99,912.00 99,945.08	100.29 0.94 %	100,294.70 140.56	0.41 % 349.62	A1 / AA A+	1.88 1.85
02665WAQ4	American Honda Finance Note 1.55% Due 12/11/2017	215,000.00	12/08/2014 1.58 %	214,800.05 214,836.90	100.35 1.41 %	215,743.04 185.14	0.87 % 906.14	A1 / A+ NR	2.45 2.39
94974BFG0	Wells Fargo Corp Note 1.5% Due 1/16/2018	300,000.00	09/09/2014 1.64 %	298,596.00 298,933.24	99.81 1.58 %	299,437.20 2,062.50	1.22 % 503.96	A2 / A+ AA-	2.55 2.47
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	310,000.00	02/03/2015 1.23 %	309,054.50 309,179.59	99.37 1.37 %	308,031.50 1,404.69	1.25 % (1,148.09)	Aa3 / AA- A+	2.61 2.54
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	315,000.00	Various 1.50 %	314,969.60 314,986.02	100.10 1.46 %	315,310.91 1,456.88	1.28 % 324.89	A2 / A A	2.70 2.54
24422ESB6	John Deere Capital Corp Note 1.3% Due 3/12/2018	115,000.00	12/03/2014 1.55 %	114,088.05 114,245.15	99.77 1.39 %	114,739.99 452.65	0.47 % 494.84	A2 / A NR	2.70 2.63
747525AG8	Qualcom Inc Note 1.4% Due 5/18/2018	370,000.00	Various 1.45 %	369,416.00 369,437.69	99.69 1.51 %	368,851.16 589.95	1.50 % (586.53)	A1 / A+ NR	2.88 2.81
Total US Corporate		7,025,000.00	1.26 %	7,075,551.75 7,044,839.93	0.84 %	7,089,974.97 23,930.14	28.80 % 45,135.04	A1 / AA- A+	1.73 1.37
US TREASURY									
912828UG3	US Treasury Note 0.375% Due 1/15/2016	500,000.00	07/17/2013 0.45 %	499,044.64 499,791.44	100.14 0.12 %	500,703.00 864.99	2.03 % 911.56	Aaa / AA+ AAA	0.55 0.54
912828VC1	US Treasury Note 0.25% Due 5/15/2016	500,000.00	08/07/2013 0.53 %	496,173.55 498,792.64	99.97 0.29 %	499,844.00 159.65	2.02 % 1,051.36	Aaa / AA+ AAA	0.88 0.87



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828RU6	US Treasury Note 0.875% Due 11/30/2016	500,000.00	08/07/2013 0.74 %	502,228.24 500,953.91	100.59 0.46 %	502,929.50 370.56	2.04 % 1,975.59	Aaa / AA+ AAA	1.42 1.41
912828SC5	US Treasury Note 0.875% Due 1/31/2017	500,000.00	07/17/2013 0.83 %	500,861.05 500,387.44	100.55 0.52 %	502,773.50 1,824.93	2.04 % 2,386.06	Aaa / AA+ AAA	1.59 1.57
912828C32	US Treasury Note 0.75% Due 3/15/2017	450,000.00	04/23/2014 0.86 %	448,612.83 449,178.51	100.35 0.54 %	451,582.20 990.49	1.83 % 2,403.69	Aaa / AA+ AAA	1.71 1.69
912828SS0	US Treasury Note 0.875% Due 4/30/2017	485,000.00	10/07/2013 0.90 %	484,509.05 484,747.35	100.51 0.60 %	487,462.83 714.98	1.98 % 2,715.48	Aaa / AA+ AAA	1.84 1.82
912828TW0	US Treasury Note 0.75% Due 10/31/2017	500,000.00	09/11/2014 1.14 %	493,946.99 495,490.64	99.91 0.79 %	499,570.50 631.79	2.02 % 4,079.86	Aaa / AA+ AAA	2.34 2.31
912828UJ7	US Treasury Note 0.875% Due 1/31/2018	500,000.00	10/29/2014 1.01 %	497,775.12 498,231.70	100.02 0.87 %	500,078.00 1,824.93	2.03 % 1,846.30	Aaa / AA+ AAA	2.59 2.54
912828UR9	US Treasury Note 0.75% Due 2/28/2018	500,000.00	12/04/2014 1.09 %	494,611.05 495,560.16	99.60 0.90 %	498,008.00 1,253.40	2.02 % 2,447.84	Aaa / AA+ AAA	2.67 2.63
912828RH5	US Treasury Note 1.375% Due 9/30/2018	500,000.00	12/04/2014 1.28 %	501,759.49 501,497.14	100.83 1.11 %	504,140.50 1,728.14	2.05 % 2,643.36	Aaa / AA+ AAA	3.25 3.16
912828WD8	US Treasury Note 1.25% Due 10/31/2018	500,000.00	10/29/2014 1.30 %	499,005.58 499,171.54	100.34 1.14 %	501,719.00 1,052.99	2.04 % 2,547.46	Aaa / AA+ AAA	3.34 3.25
Total US Treasury		5,435,000.00	0.92 %	5,418,527.59 5,423,802.47	0.67 %	5,448,811.03 11,416.85	22.10 % 25,008.56	Aaa / AA+ Aaa	2.02 1.98
TOTAL PORTFOLIO		24,561,328.71	1.01 %	24,577,709.90 24,550,787.82	0.76 %	24,649,282.17 55,291.30	100.00 % 98,494.35	Aa1 / AA Aaa	1.96 1.69
TOTAL MARKET VALUE PLUS ACCRUED						24,704,573.47			



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: August 19, 2015 *SD*
ORIGINATING DEPT.: CITY MANAGER'S DEPARTMENT
STEVEN DUSH, ASSISTANT CITY MANAGER/COMMUNITY
DEVELOPMENT DIRECTOR
SUBJECT: ADOPTION OF RESOLUTION NO. 2015-7616 AUTHORIZING
ABATEMENT OF NUISANCE CONDITIONS AND REMOVAL OF
INOPERABLE VEHICLES AT 741 HICKORY COURT

EXECUTIVE SUMMARY:

The property at 741 Hickory Court has been the subject of code compliance activity by the City's Building Department since March of 2010 due to long standing violations of the Imperial Beach Municipal Code (IBMC). Beginning in March 2010, Notices of Violation were issued seeking abatement of several code violations for substandard and public nuisance conditions. When no action was taken by the property owner to correct the violations, administrative citations were issued, beginning in August 2013. Despite repeated notices and the continuing issuance of additional administrative citations, there has been no response from the property owner and no abatement of the violations. (See Attachment 1, Summary of Violations, and corresponding exhibits for details on dates of site visits to the property, pictures of the property, and Notice of Violations & Administrative Citations issued).

RECOMMENDATION:

Staff recommends the City Council hold the public hearing and upon its conclusion: (1) determine that the conditions at 741 Hickory Court are substandard and constitute a public nuisance in violation of the Imperial Beach Municipal Code (IBMC), specifically IBMC sections 1.16.010(G), 1.16.010(H), 1.16.010(R), 1.16.010(U), 8.36.060, 8.44.020, and 8.50.050(A); (2) direct the property owner to abate the nuisance conditions on the property on or before September 21, 2015; and (3) that if the nuisance conditions are not completely abated by the owner or other person controlling the property on or before September 21, 2015, the City Manager or the City Manager's designee is authorized to cause the abatement of the nuisance conditions to be completed by city forces or private contract pursuant to IBMC section 1.16.180.

Staff recommends the Mayor and City Council:

1. Declare the Public Hearing open, and receive the report;
2. Entertain any objections or protests;

3. Close the Public Hearing; and
4. Consider a motion to adopt Resolution No. 2015-7616 finding and declaring that the notice and order to eliminate substandard and public nuisance conditions regarding the property at 741 Hickory Court is appropriate, determining that conditions exist at the property which constitute substandard and public nuisance conditions, and assessing costs of abatement pursuant to IBMC Chapter 1.16., and civil penalties pursuant to IBMC section 1.12.020.

RATIONALE:

The removal of the junk, trash, debris and inoperable vehicles on the property, and the repair to the roof will complete compliance activity pursued at this property since March of 2011. The abatement of the nuisance, substandard conditions at the property is consistent with the law, is necessary to promote the health and safety of the residents and community as a whole and is consistent with the Imperial Beach Mission Statement which promotes maintaining and enhancing a safe environment and family atmosphere rich in natural and cultural resources.

OPTIONS:

- Adopt Resolution or
- Continue the Public Hearing and direct staff to return with additional information.

BACKGROUND:

Case 10-99 was opened on March 17, 2010 for inoperable vehicles, a damaged roof and an accumulation of trash and debris at 741 Hickory Court. The inoperable vehicles, junk, trash, debris and the damaged roof remain as violations at 741 Hickory Court, despite numerous attempts to bring the property into compliance through Notices of Violation and Administrative Citations. Case 13-140 was opened on May 20, 2013 to continue enforcement of the remaining violations. Attachment 1, Summary of Violations, and the corresponding exhibits, detail the dates of site visits to the property, and provides copies of pictures of the property, Notices of Violation & Administrative Citations issued to the property owner. The property owners have been the same since the case was originally opened in 2010. Records indicate that this property has not changed owners since December 29, 1983.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The last payment on the outstanding amount owed by the property owner was recorded in July of 2013. The current amount owed to the City as of January 2015 was \$16,490.00, as a result of unpaid administrative citations and corresponding penalties. The Administrative Citations issued, from June 2013 through present, total \$15,690.00. The interest charged against the unpaid balance is \$740.00, and late penalties total \$350.00. The total amount owed is \$16,690.00. City records show a \$200.00 payment made on July 22, 2013, bringing the amount owed to \$16,490. Tax liens against the property were collected in January and May of 2015, each for \$1,245.00, reducing the amount owed as of May 19, 2015 to \$14,000.00

Attachments:

1. Resolution No. 2015-7612
2. Summary of Violations (Due to large file size, Exhibits are available for review in the City Clerk's Office)

RESOLUTION NO. 2015-7616

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA FINDING AND DECLARING THAT THE NOTICE AND ORDER TO ELIMINATE SUBSTANDARD AND PUBLIC NUISANCE CONDITION(S), REGARDING THE PROPERTY AT 741 HICKORY COURT IS APPROPRIATE AND THAT THE CONDITIONS AT 741 HICKORY COURT ARE SUBSTANDARD AND CONSTITUTE A PUBLIC NUISANCE; AND ORDERING THE ABATEMENT OF THE SUBSTANDARD AND PUBLIC NUISANCE CONDITIONS AT 741 HICKORY COURT; AND ASSESSING COSTS OF ABATEMENT AND CIVIL PENALTIES.

WHEREAS, On March 17, 2010, City of Imperial Beach staff ["staff"] received two citizen complaints regarding property conditions at 741 Hickory Court, Case 10-99 ["Property"] and conducted an inspection to confirm violations of the Imperial Beach Municipal Code ["IBMC"] at the Property; and

WHEREAS, the Property is owned by: Miguel H. Del Rosal, according to San Diego County Recorder's Grant Deed Document #1999-0814411, recorded December 15, 1999;

WHEREAS, On March 22, 2010, staff issued a Notice of Violation to the property owner for the observed violations and subsequently issued several administrative citations to the property owner in year 2010 in reference to the Property; and

WHEREAS, On October 5, 2011, City Council adopted Resolution No. 2011-70977 whereby the City Council:

1. Found and declared the notice and order to eliminate substandard and public nuisance conditions at the Property to be appropriate;
2. Determined that the conditions at the Property constituted substandard and public nuisance conditions;
3. Authorized the City Manager or City Manager's designee to continue to monitor the Property for compliance with the IBMC; and
4. Authorized the recordation of the Notice of Violation with the Office of the County Recorder; and

WHEREAS, On November 4, 2011, the Notice of Violation was recorded and mailed to the property owner, document #2011-0591684; and

WHEREAS, On or about July 3, 2012, all fines were paid through 2011/2012 property taxes; and

WHEREAS, On May 16, 2013, staff conducted an inspection of the Property and observed several violations of the IBMC including an accumulation of junk, trash and debris in the front yard, inoperable vehicles in the front yard driveway and dead and overgrown vegetation throughout the front of the property. Further research revealed that there is no trash service at 741 Hickory Court in violation of IBMC 8.36.060; and

WHEREAS, On May 20, 2013, staff opened a new case, 13-140 to continue enforcement action and issued another Notice of Violation to the property owner for the following observed code violations ["Nuisance Conditions"] on the Property:

1. **IBMC 1.16.010 (U) Junk, trash and debris littered on property**

2. **IBMC 8.44.020 Inoperable, wrecked, dismantled or abandoned vehicles**
3. **IBMC 1.16.010 (G) Dead or hazardous vegetation**
4. **IBMC 1.16.010 (H) Overgrown vegetation**
5. **IBMC 8.36.060 Lack of mandated trash service; and**

WHEREAS, the owner was required to correct the violations no later than June 20, 2013; and

WHEREAS, between June 20, 2013 and April 6, 2015, staff conducted numerous re-inspections and did not observe any change to the inoperable vehicles in the front driveway. Dead and hazardous vegetation was addressed by the property owner occasionally but there is still junk, trash and debris littered on the property in violation of the IBMC. Subsequent inspections also revealed damage to the roof which constitutes a violation of the IBMC.

WHEREAS, On or about October 14, 2014, staff issued another Notice of Violation to the property owner and between June 20, 2013 and April 6, 2015 staff has issued approximately eight (8) Administrative Citations to the property owner, all with no response (see Attachment A); and

WHEREAS, On July 28, 2015, staff conducted an inspection of the property and observed the following violations of the IBMC:

6. **IBMC 8.44.020 Inoperable, wrecked, dismantled or abandoned vehicles**
7. **IBMC 8.36.060 Lack of mandated trash service; and**

WHEREAS, ownership of the Property has not changed since 2010; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The foregoing recitals are true and correct, the City Council hereby concurs with the Finding and Declaring the Notice and Order to Eliminate Substandard and Public Nuisance Condition(s) is appropriate, and the City Council determines that conditions exist which constitute substandard and public nuisance conditions, pursuant to Chapters 8.44 Nuisance Vehicles, 8.50 additional Substandard Conditions, and Chapter 1.16 Property Maintenance, of the Imperial Beach Municipal Code and the assessment of civil penalties pursuant to IBMC 1.12.020.
2. The owner or person controlling the Property is ordered to abate the Nuisance Conditions on the Property by:
 - a. Removing the inoperable vehicles from the property;
 - b. Removing the tarps from the roof and repair the deteriorated portions of the roof;
 - c. Establishing and maintaining trash service.

The owner or other person controlling the Property is ordered to abate the nuisance conditions on or before September 21, 2015.

3. That if the Nuisance Conditions are not completely abated by the owner on or before September 21, 2015, the City Manager or the City Manager's designee is authorized to cause the abatement of the Nuisance Conditions to be completed by City forces or

private contract pursuant to IBMC 1.16.180.

4. The cost of abatement is approved as follows:
Any work performed by City shall be done at the expense of the owner and the expense of such abatement shall constitute a lien against the property and a personal obligation of the person(s) causing and creating the substandard and nuisance conditions pursuant to IBMC 1.16.220.
5. Accrual of civil penalties at \$50.00 per day per violation from October 14, 2014 to July 28, 2015 = \$14,350.00 pursuant to IBMC 1.12.020.
6. The City Council authorizes staff to seek legal action to either compel the owner or other person controlling the Property to abate the nuisance conditions on the Property or to obtain an abatement warrant to cause the abatement to be completed by City forces or private contract pursuant to IBMC Chapter 1.16.
7. The City Manager may cause a copy or copies of his Resolution to be conspicuously posted, as the City Manager may deem necessary.
8. The City Clerk is hereby directed to:
 1. Mail a copy or copies of this Resolution, by first class mail, to the owner(s) of the above-described property as shown in the last equalized assessment roll;
 2. Inform the property owner, by copy of this Resolution, that the time within which judicial review of this decision must be sought is governed by §1094.6 of the California Code of Civil Procedure. The property owner's right to appeal this decision is governed by California Code of Civil Procedure §1094.5 and Chapter 1.18 of the Imperial Beach Municipal Code.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 5th day of August 2015, by the following vote:

**AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:**

SERGE DEDINA, MAYOR

ATTEST:

**JACQUELINE M. HALD, MMC
CITY CLERK**

SUMMARY OF VIOLATIONS

741 Hickory Court Case 13-140

Old Case History (Case #10-99):

Case opened: 3/17/2010

3/17/10 Complainant detail:

Compliant #1: "at 741 Hickory Ct, a tarp over the roof, structural damage inside (ceiling). Hoarding, utterly cluttered, fire hazard unsafe"

Complaint #2: "At 741 Hickory Ct, cars in yard non-operable. Van full of junk, license expried, 4 flat tires, convertible under rotted cover – top of convertible rotted through. Has not operated in 15-20 years. No trash pick-up. Trash accumulating on side of yard. Rust camper trailer"

3/17/10 Code Compliance Officer made site visit and observed all items mentioned in the two complaints received; violations of Imperial Beach Municipal Code (IBMC) sections 1.16.010 (R), 1.16.010 (U) and 8.44.020. See Exhibit A: photographs taken of property on March 18, 2010

3/22/10 Mailed Notice of Violation (NOV) to property owner; See Exhibit B: Copy of NOV sent to property owner dated March 22, 2010.

4/5/10 Extension requested by property owner due to death in family; RI (re-inspect) date scheduled for 4/26/10

4/26/10 Site visit, observed that all violations remain, nothing has been done. Took photos. See Exhibit C: photographs taken on 4/26/10

5/4/10 Site visit, violations remain; no compliance. No photographs taken.

5/13/10 Administrative Citation issued A10032; See Exhibit D: Administrative Citation issued on May 13, 2010 for \$300.00

5/26/10 Site visit made, photographs taken, no compliance. See Exhibit E: photographs taken on 5/26/10

6/15/10 Site visit, violations not changed, no compliance; See Exhibit F: Administrative Citation A10039; issued on June 15, 2010 for \$600.00

6/28/10 Site visit, conditions unchanged, no compliance. No photographs taken.

7/12/10 Site visit, took photos, conditions unchanged, no compliance. See Exhibit G & G1: photographs taken on 7/12/10 & 7/13/10

7/13/10 Administrative Citation issued A10044; See Exhibit H: Administrative Citation issued on 7/13/10 for \$1,500.00

8/17/10 Per conversation with David Garcias, allow more time before next Administrative Citation due to divorce situation

9/7/10 Delinquent Notice; Intent to Lien sent to owner, with penalties & interest; See Exhibit I Delinquent Notice & Intent to Lien

9/23/10 Site visit, took photos, violations remain, no compliance; See Exhibit J: photographs taken on 9/23/10

10/26/10 Site visit, took photos, violations remain, no compliance; See Exhibit K & K1: photographs taken on 10/26/10

11/12/10 Fine not paid; Added \$60 Interest charge for A10032; Added \$120 Interest charge for A10039; Added \$300 Interest charge for A10044; See Exhibit L; Notice of Lien dated 11/12/10.

11/22/10 Site visit, all violations remain, no compliance; See Exhibit M & M1; photographs taken on 11/22/10 & 11/24/10

11/24/10 Issued Administrative Citation A10077, posted on property at approx 11:00 am; See Exhibit N: Administrative Citation A10077 issued on 11/24/10 for \$3,000.00

12/23/10 Site visit, violations remain, no compliance. Extended until 1/12/11 due to recent rainy period, took photos. See Exhibit O: photographs taken 12/23/10.

1/12/11 Site visit, all violations remain. Took photos, no compliance. See Exhibit P: photographs taken 1/12/11

2/5/11 Notice of lien recorded; See Exhibit Q: Notice of Lien recorded 2/5/11

5/9/11 Staff report and Nuisance Notice and draft City Council Resolution ; Notice to Eliminate Substandard and Nuisance Conditions posted and photographed. No compliance; See Exhibit R: Staff Report, Exhibit S: Resolution, Exhibit T: Notice to Eliminate Substandard & Nuisance Conditions, Exhibit U: Declaration of Service of Notice to Eliminate Substandard Conditions and Exhibit V: photographs taken on 5/9/11

5/18/11 City Council meeting, Council voted to continue public hearing to June 15, 2011 City Council meeting and temporarily suspend accrual of civil penalties. Owners of property, Miguel Del Rosal and Donna Musick-Del Rosal attended. Staff spoke with them after meeting to establish work plan for abatement; owner would not commit to work plan saying he could not provide a date when violations would be abated. Ms. Musick-Del Rosal said she did not know how long it takes to clear title on inoperable vehicles, she could not commit to work plan. Staff asked about tarp on roof, Ms. Musick –Del Rosal

stated there is a hole in the roof and leaks and she further advised she has roofer in mind to repair roof but he does not have contractor's license. Staff directed owner to get 3 bids from licensed roofing contractor for roof repair

- 6/1/11 Staff re-inspected property and observed some of the fascia had been cleaned up, owner patched a small section of roof sheathing over the doorway, and one inoperable vehicle (van filled with material) was removed from driveway. Staff observed that remainder of violations continue unabated, including junk, trash and debris in yard, portion of roof still covered in tarp which continues to deteriorate. Staff met with Mr. Del Rosal at the property. Mr. Del Rosal said his wife is working on getting 3 bids from licensed roofing contractor for repairs on roof and cleaning up titles on inoperable vehicles so they can be removed. Staff asked about junk, trash and debris in yards. Mr. Del Rosal said he would clean immediately. See Exhibit W: photographs taken on 6/1/11
- 6/6/11 Staff re-inspected and observed no change, no compliance. Staff left messages for property owners requesting call back with update. Staff spoke to Mr. Del Rosal and was told junk, trash and debris cleaned by date of City Council meeting; See Exhibit X, X1 & X2; photographs taken on 6/7/11, 6/9/11 & 6/13/11
- 6/15/11 City Council meeting, Council voted to continue public hearing to 10/5/11 to allow owner time to correct violations. Site visit, no compliance; See Exhibit Y: Staff Report 6/15/11; Exhibit Z: Resolution 2011-7058; Exhibit AA: photographs taken 6/15/11
- 9/26/11 Site visit, observed roof not repaired, tarp present, inoperable vehicle in driveway covered by shredded unsightly car cover. Trash bag in driveway. Same violations continue from 3/2010, no compliance. See Exhibit BB: photographs taken on 9/26/11
- 9/27/11 Staff contacted Mr. Del Rosal, who advised that wife is patching sections of roof. Message left for Ms. Musick-Del Rosal – no return call
- 10/5/11 City Council meeting, Council adopted Resolution No. 2011-7097 finding and declaring the notice and order to eliminate substandard and public nuisance conditions(s) is appropriate, determining that the conditions exist which constitute substandard and public nuisance conditions, and authorizing the City Manager or City Manager's designee to continue to monitor the property for compliance with the Imperial Beach Municipal Code, and to record a Notice of Violation with the Office of the County Recorder; See Exhibit CC: Last Minute Agenda Information; Exhibit DD: Staff Report; Exhibit EE: Resolution 2011-7097; Exhibit FF: City Council Minutes and Exhibit GG: photographs taken on 10/5/11
- 10/6/11 Voicemail messages left for Mr. & Mrs. Del Rosal (10:15 am) stating City would like to get case resolved ASAP, Building Inspector to come inspect roof. Need to discuss car, get it operable or remove. Requested return call from both parties.

- 10/11/11 Site visit, photos taken, violations remain, no compliance. See Exhibit HH: photographs taken on 10/11/11
- 10/18/11 Called property owners 10/6 about continuing code violations and what, if any, progress has been made.
- Spoke to Mr. Del Rosal, wife still talking to contractor about obtaining permits and completing repairs. Going to have car repaired and operable. Wife lost phone, so now new number is 619 850-6280. Left message asking for return call ASAP. Mr. Del Rosal stated that Donna Musick Del Rosal is responsible for abating violations
- 10/25/11 Mailed lien #2011-0552665 to property owners; See Exhibit II: Notice of Lien
- 11/4/11 Recorded Notice of Violation, document #2011-0591684. Copy mailed to property owner; See Exhibit JJ: Recorded Notice of Violation
- 11/28/11 Site visit, photos taken, violations remain, no compliance. See Exhibit KK: photographs taken on 11/28/11
- 7/3/12 Fines paid in full through 2011/2012 property tax

New Case Opened May 20, 2013 (Case #13-140) Continuation of old cases

- 5/16/13 Site visit, photos taken, Observed inoperable vehicles in driveway, overgrown and dead vegetation. See Exhibit LL: photographs taken on 5/16/13
- 5/20/13 NOV issued for IBMC violations 1.16.010 (G), 1.16.010 (H), 1.16.010 (U) and 8.36.060 for dead & overgrown vegetation, junk, trash & debris on property, inoperable vehicles & lack of trash service. See Exhibit MM: Notice of Violation dated 5/20/13
- 6/4/13 Site visit, no change on cars or trash service; some vegetation trimmed, no compliance on vehicles
- 6/20/13 Site visit, photos taken; vehicles still present, no compliance. See Exhibit NN: photographs taken 6/20/13
- 6/21/13 Administrative Citation issued A10332; See Exhibit OO: Administrative Citation issued on 6/21/13 for \$200.00
- 6/24/13 Site visit, photos taken; NOV returned by Post Office; posted Administrative Citation on property, noticed cat food in driveway. See Exhibit PP: photograph taken on 6/24/13
- 7/22/13 Site visit, photos taken, vehicles still in driveway, no change since last inspection, foul odor emanating from property, no compliance. See Exhibit QQ: photographs taken on 7/22/13

8/5/13 Site visit, photos taken, vehicles in driveway, no compliance. See Exhibit RR: photographs taken on 8/5/13

8/6/13 Administrative Citation issued A10344; See Exhibit SS: Administrative Citation issued on 8/6/13 for \$400.00

8/27/13 Site visit, photos taken, no change on vehicles, no trash service, no compliance. See Exhibit TT: photographs taken on 8/27/13

8/30/13 Administrative Citation issued A10357; See Exhibit UU: Administrative Citation issued on 8/30/2013 for \$1,000.00

9/19/13 Site visit, photos taken; no change on vehicles, junk in driveway, no compliance. See Exhibit VV: photographs taken on 9/19/13

10/10/13 No payments made; Delinquent Notice/Intent to Lien prepared & mailed. See Exhibit WW: Delinquent Notice & Notice of Intent to Lien dated 10/10/13

10/16/13 Site visit, photos taken; no change on vehicles, no compliance. See Exhibit XX: photograph taken on 10/16/13

2/6/14 Site visit, photos; no changes on vehicles, confirmed with Edco there is still no trash service, no compliance. See Exhibit YY: photographs taken on 2/6/14

Administrative Citation issued A10406; See Exhibit ZZ: Administrative Citation issued on 2/6/14 for \$2,000.00

2/6/14 No payments made

2/20/14 Site visit, photos taken; Jeep removed, other vehicles present, neighbor complained of overgrown vegetation impacting power line. Edco confirms no trash service. No compliance. See Exhibit AAA: photographs taken on 2/20/14

Administrative Citation issued A10412; See Exhibit BBB: Administrative Citation issued on 2/20/14 for \$2,000.00

3/6/14 Site visit, photos taken; vehicles present, junk in driveway again, no compliance. See Exhibit CCC: photographs taken on 3/6/14

3/12/14 Administrative Citation issued A10419; See Exhibit DDD: Administrative Citation issued on 3/12/14 for \$2,000.00

3/26/14 Site visit, observed vehicles in driveway, no compliance

3/27/14 No payments made; lien prepared

- 4/2/14 Administrative Citation issued A10431: See Exhibit EEE: Administrative Citation issued on 4/2/14 for \$2,000.00
- 4/16/14 Site visit, photos taken; vehicles still present, overgrown vegetation; Edco confirms no trash service. No compliance. See Exhibit FFF: photographs taken on 4/16/14
Administrative Citation issued A10440: See Exhibit GGG: Administrative Citation issued on 4/16/14 for \$2,000.00
- 4/30/14 Site visit, photos taken. No change on vehicles, no trash service, no compliance. See Exhibit HHH: photographs taken on 4/30/14
- 5/20/14 Complaint received about damaged roof; photos and DVD provided by complainant. Site visit, photos taken; no change on vehicles or trash service. See Exhibit III: photographs taken on 5/20/14
- 6/19/14 Site visit, photos taken. Confirmed with Edco no trash service, vehicles still present. No payment made, no compliance. See Exhibit JJJ: photographs taken on 6/19/14
Administrative Citation issued A10471; See Exhibit KKK: Administrative Citation issued on 6/19/14 for \$2,000.00
- 7/9/14 Site visit, photos taken. Vehicles still present; tarps on roof moved to rear of roof area, but still visible from street. See Exhibit LLL: photographs taken on 7/9/14
- 7/14/14 Lien notice sent for \$2,490.00; See Exhibit MMM: Notice of Lien dated 7/14/14
- 7/31/14 Site visit, photos. Vehicles still present, overgrown vegetation, no compliance. See Exhibit NNN: photographs taken on 7/31/14
Administrative Citation issued A10497: See Exhibit OOO: Administrative Citation issued on 7/31/14 for \$2,000.00. Posted on property.
- 8/19/14 Site visit, photos taken. Weeds in front yard, vehicles still there, green SUV now in driveway but appears operable. Trailer, Suburban and sports car still there, Neighbor came out and said he saw cat entering house through hole in roof. Edco confirms still no trash service. See Exhibit PPP: photographs taken on 8/19/14
- 9/11/14 Site visit, photos taken. 2 inoperable cars still in driveway, along with trailer. No roof repair evident; grass in front yard dead; grapevines overgrown; no compliance. See Exhibit QQQ: photographs taken on 9/11/14
- 9/17/14 Site visit, photos taken. No change since last inspection. Overgrown vegetation, cinder blocks and tarps on roof, 2 inoperable vehicles in driveway. Still no trash service, no compliance. See Exhibit RRR: photographs taken on 9/17/14

10/14/14 No payments made. The NOV is OK to post, copies to be mailed also. Site visit, photos taken. See Exhibit SSS, photographs taken on 10/14/14. Vehicles still in driveway, confirmed with Edco no trash service, roof still has cinder blocks and tarp, visible from street. No compliance. Posted NOV on fence. See Exhibit TTT, NOV issued on 10/14/14

10/21/14 Site visit, photos taken. Some vegetation trimmed, no other corrections. Roof still has cinder blocks and tarps, Suburban, red sports car and trailer still in driveway. Grapevines are growing 10' into neighbor's yard. No compliance. See Exhibit UUU, photographs taken on 10/21/15

11/20/14 Site visit, photos taken. Vehicles & trailer still in driveway. Grass mowed, no other work done. Overgrown bougainvillea impacting overhead lines on west side of property. No compliance. See Exhibit VVV, photographs taken on 11/20/14

12/9/14 Another complaint received from neighbor on cars, roof and condition of property

12/18/14 Site visit, photos taken. Vehicles still in driveway, vegetation on west side out of control. Roof has tarps and cinder blocks. No compliance. See Exhibit WWW, photographs taken 12/18/2014

2/5/15 Site visit, photos taken. Jeep removed from driveway, another operable vehicle in driveway. Lawn getting high, grapevines trimmed. No action on Suburban, trailer and sports car. Cinder blocks and tarps on roof. No compliance. See Exhibit XXX, photographs taken on 2/5/15

3/18/15 Neighbor (complainant) is upset over length of time this case has taken. Complained again about overgrown vegetation, roof repair, vehicles. She wants the date of Public Hearing – not established yet.

3/19/15 Site visit, photos taken. Vehicles still in driveway, overgrown vegetation. No compliance. See Exhibit YYY, photographs taken on 3/19/15

3/23/15 Neighbor (complainant) called – someone is mowing lawn at 741 Hickory

Site visit, photos taken. Yard mowed, suburban, sports car and trailer in driveway. No compliance. See Exhibit ZZZ, photographs taken on 3/23/15

4/22/15 Confirmed with Edco – no trash service

5/4/15 Neighbor (complainant, Ms. Williamson) came in to the office and complained again about the vehicles, overgrown vegetation and roof. She also mentioned concern over the vegetation impacting overhead power and communication lines

- 5/7/15 Site visit, photos taken. Vegetation is growing into overhead lines, and the grapevines are extending well into the property to the east. No compliance. See Exhibit AAAA, photographs taken on 5/7/15
- 7/14/15 Site visit, photos taken. Vegetation has been trimmed. No compliance on vehicles. See Exhibit BBBB, photographs taken on 7/14/15
- 7/28/2015 Site visit, photos taken. Vehicles still present in driveway. No compliance. Junk and trash observed on east side of house. See Exhibit CCCC, photographs taken on 7/28/15



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: AUGUST 19, 2015
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES *DSB*
SUBJECT: BI-ANNUAL INVESTMENT REPORT PRESENTED BY
CHANDLER ASSET MANAGEMENT

EXECUTIVE SUMMARY:

Chandler Asset Management will present information pertaining to the City's financial holdings. As of June 30, 2015, the City has the follow cash assets:

CASH DEPOSIT ACCOUNTS

	Actual
CHANDLER ASSET MANAGEMENT	\$ 24,625,575
LOCAL AREA INVESTMENT FUND	\$ 6,325,343
UNION BANK	\$ 1,080,632
9TH AND PALM ESCROW ACCOUNT	\$ 155,308
Grand Total	\$ 32,186,859
WELLS FARGO-2010 BOND RESERVE ACCOUNT	\$ 2,811,611

RECOMMENDATION:

Accept the bi-annual investment report from Chandler Asset Management.

RATIONALE:

The investment strategy implemented by Chandler Asset Management is in compliance with the City Council Investment Policy #408. The returns received are as expected.

OPTIONS:

- Receive and file the report from the City Manager
- Provide direction to the City Manager to take a specific action
- Request additional information and an additional report

BACKGROUND:

The City contracted with Chandler Asset Management in May 2013 to manage the City's investment portfolio. As part of their responsibilities, they will present the financial performance of the City's investments twice per year to the City Council. The presentation will also include a summary of general economic indicators.

ANALYSIS:

The three objectives of the Policy are as follows, and are in the order of importance:
 Safety – This is the primary objective of the portfolio to ensure preservation of principal while mitigating credit and interest rate risk.

Liquidity – The portfolio will maintain sufficient liquidity through structuring the maturities to ensure the City is able to meet its operational needs.

Yield - After safety and liquidity needs are addressed, the portfolio is designed to achieve a market rate of return.

Investment holdings currently under the Chandler Asset Management portfolio total \$24,625,575 as of June 30, 2015.

The funds in which this cash belongs to are listed in the table below. Within each of these funds, the cash is categorized as unassigned, assigned, or restricted. The details of these designations can be found in the City's Financial Statements.

City of Imperial Beach
 Treasurer Report: Cash by Fund = Deposit Account
 Current as of 06/30/2015

CASH BY FUND (cash belongs here)

	Actual
*GENERAL FUND	\$ 14,716,657
*HOUSING AUTHORITY	\$ 572,612
*2010 BOND FUND	\$ 5,364,046
*OTHER GOVERNMENT FUNDS	\$ 2,253,557
*SEWER FUND	\$ 2,830,769
*INTERNAL SERVICES	\$ 4,892,730
*AGENCY FUNDS	\$ 390,165
*SUCESSOR AGENCY	\$ 1,166,318
Grand Total	\$ 32,186,854

CASH DEPOSIT ACCOUNTS (cash deposited here)

	Actual
CHANDLER ASSET MANAGEMENT	\$ 24,625,575
LOCAL AREA INVESTMENT FUND	\$ 6,325,343
UNION BANK	\$ 1,080,632
9TH AND PALM ESCROW ACCOUNT	\$ 155,308
Grand Total	\$ 32,186,859
WELLS FARGO-2010 BOND RESERVE ACCOUNT	\$ 2,811,611
Chadler Asset Management Reconciliation	
Book Balance	\$ 24,625,575
Market Appreciation	\$ 23,719
Statement Balance	<u>\$ 24,649,294</u>
UNIOIN Bank Reconciliation	
Book Balance	\$ 1,080,632
Outstanding Checks & Deposits	\$ 18,495
Statement Balance	<u>\$ 1,099,127</u>



The City pays a maximum of \$15,000 per year to Chandler Asset Management for the consultant services. The 3 year contract was entered into on May 13, 2013.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The estimated annual income from this investment is \$265,646.

Attachments:

1. Chandler Asset Management Investment Report Dated June 30, 2015

City of Imperial Beach

Period Ending
June 30, 2015



SECTION 1

Economic Update

SECTION 2

Account Profile

SECTION 3

Portfolio Holdings



SECTION 1

Economic Update

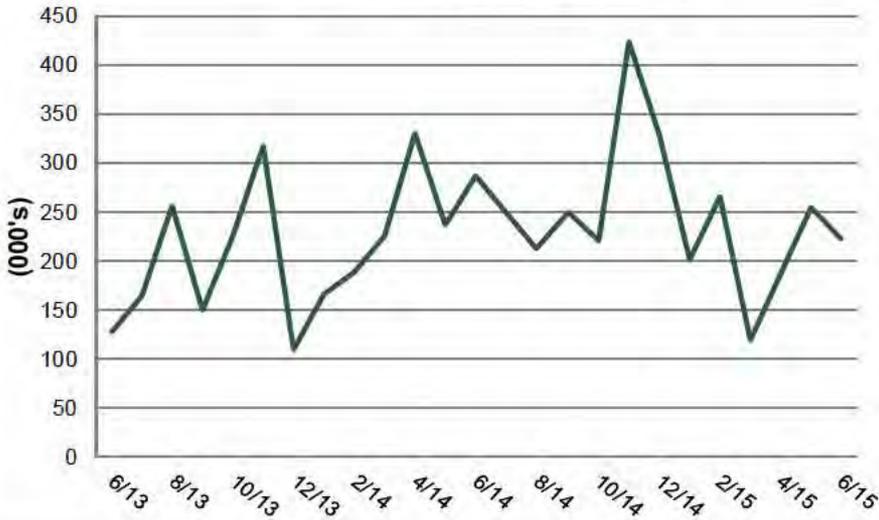


- The June Non-Farm Payrolls report was modestly below expectations. The economy added 223,000 jobs, below the consensus estimate of 233,000. Net revisions over the past three months totaled negative 60,000. The unemployment rate declined to 5.3%; however, the participation rate also declined to 62.6%, the lowest reading since the 1970's. The underemployment rate also declined by 0.3% to 10.5%, but most market participants are not viewing the unemployment rate numbers as being indicative of a tight labor market due to the low participation rate. Manufacturing trends remain sluggish and consumer spending remains soft. The outlook on the housing market remains constructive; however, the pace of price appreciation has slowed and is now more correlated with the growth rate of the US economy.
- As expected, the Federal Open Market Committee (FOMC) left policy rates unchanged at its July 28-29 meeting, without any dissenting votes. The Committee noted economic activity has expanded moderately; however, business fixed investment and exports remain soft. The labor market has improved, but inflation remains below the Fed's target. The FOMC still expects to see "some further improvement in the labor market" and needs to be confident that inflation will move back toward its 2% target before they raise rates. We believe the FOMC statement language implies that labor market conditions are close to the appropriate level for monetary policy normalization. We continue to believe the first fed funds rate hike will be near the end of this year. There are three remaining FOMC meetings scheduled this year (September 16-17, October 27-28, and December 15-16).
- Interest rate volatility remains elevated as global sovereign debt markets continue to be influenced by divergent central bank policies, as well as heightened geopolitical risk. Given the recent referendum vote in Greece, and the corresponding implications for the European growth outlook, interest rate volatility is poised to stay high for the foreseeable future. In the US, domestic economic data remains mixed, with the timing of the first fed funds rate hike remaining uncertain.

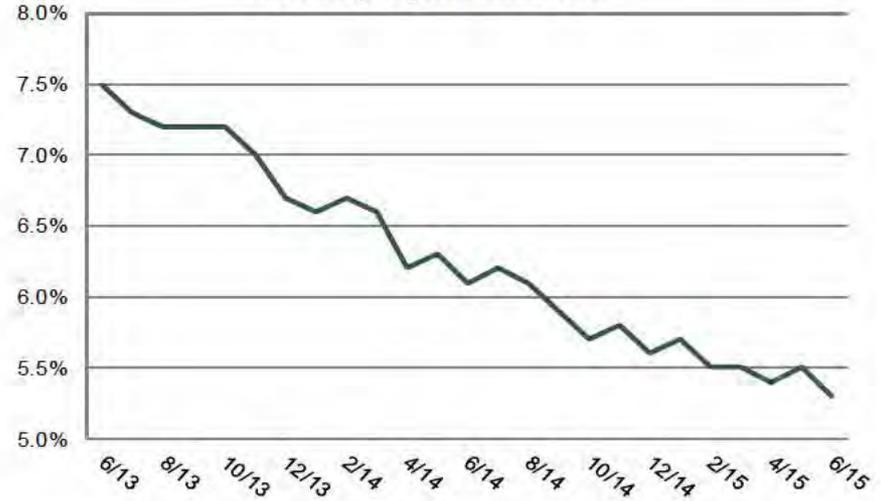


Employment

Nonfarm Payroll (000's)



Unemployment Rate

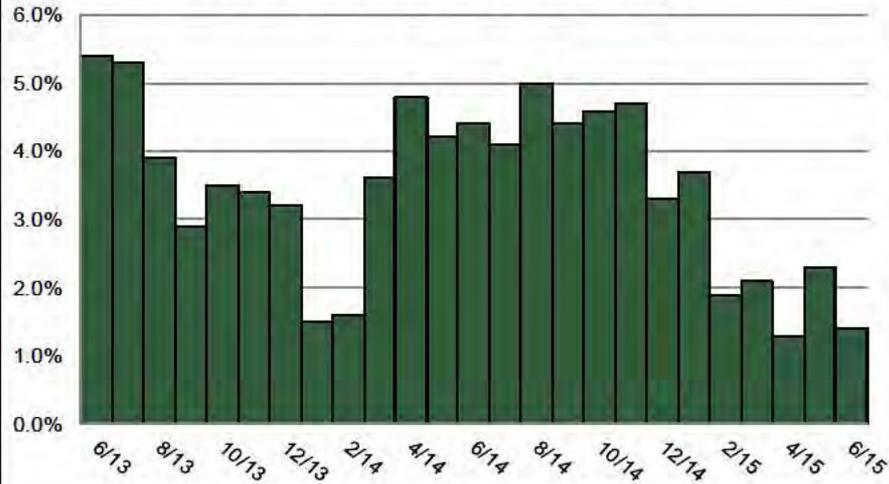


Source: U.S. Department of Labor

The June employment report was modestly below expectations as nonfarm payrolls rose by 223,000, below the consensus estimate of 233,000. The prior two months saw net downward revisions totaling 60,000 jobs. Private payrolls rose by 223,000 and manufacturing payrolls rose by 4,000, both slightly below consensus forecasts. The unemployment rate ticked down 0.2% to 5.3%; however, the decline in the participation rate to 62.6%, the lowest since the 1970's, is indicative of the impact of changing demographics and continued slack in the economy. Wages were flat on the month, following a revised 0.2% increase in May. On a 3-month basis ending in June, payrolls rose by an average of 221,000 per month compared to the trailing 6-month average of 208,000.

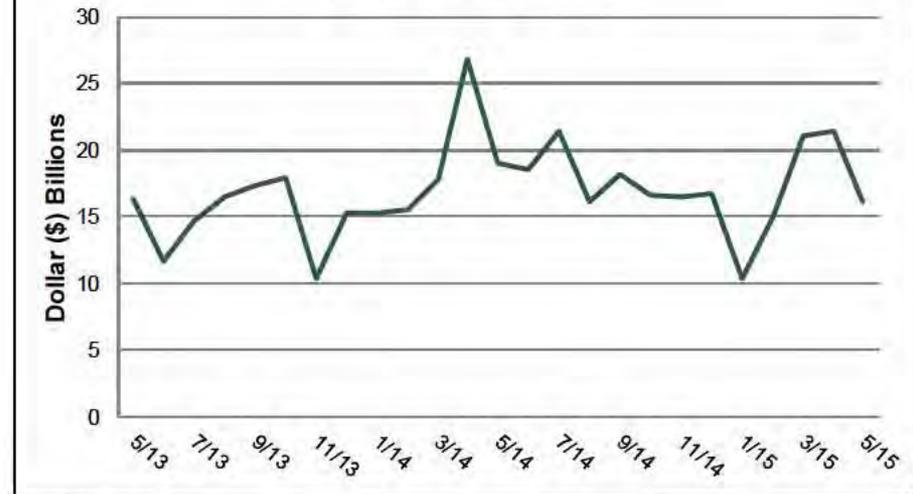


Retail Sales Y-O-Y % Change



Source: U.S. Department of Commerce

Consumer Credit

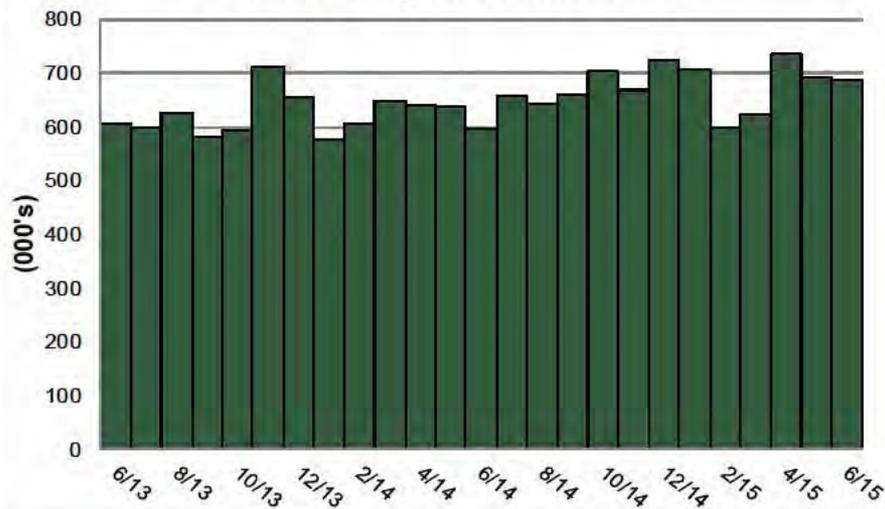


Source: Federal Reserve

Retail sales were weaker than expected in June, down 0.3% on a month-over-month basis. On a year-over-year basis, retail sales rose just 1.4% in the month. Ongoing improvement in the labor market should have a positive influence on consumer spending, but thus far consumer spending trends have been lackluster. Consumer credit rose by \$16.1 billion in May versus a gain of \$21.4 billion in April. Revolving credit (credit cards) rose by \$1.6 billion in May while nonrevolving credit (student and auto loans) increased by \$14.5 billion.

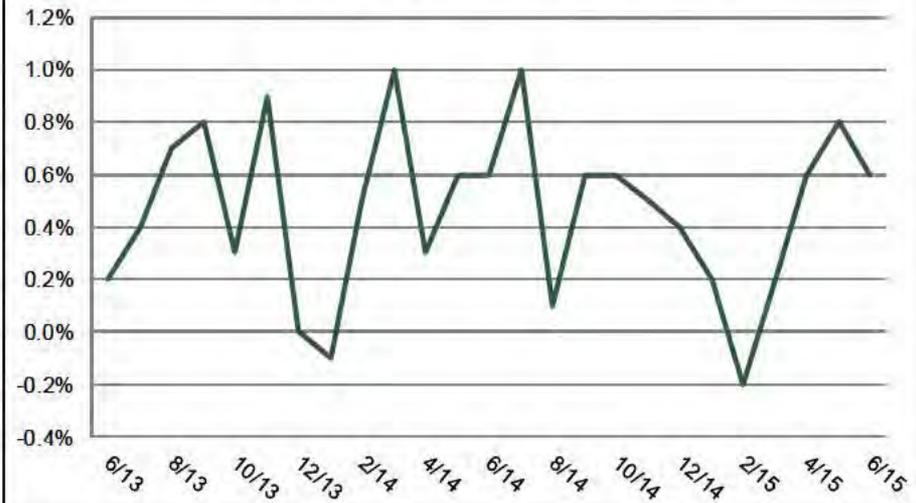


Single-Family Housing Starts



Source: US Department of Commerce

Leading Economic Indicators

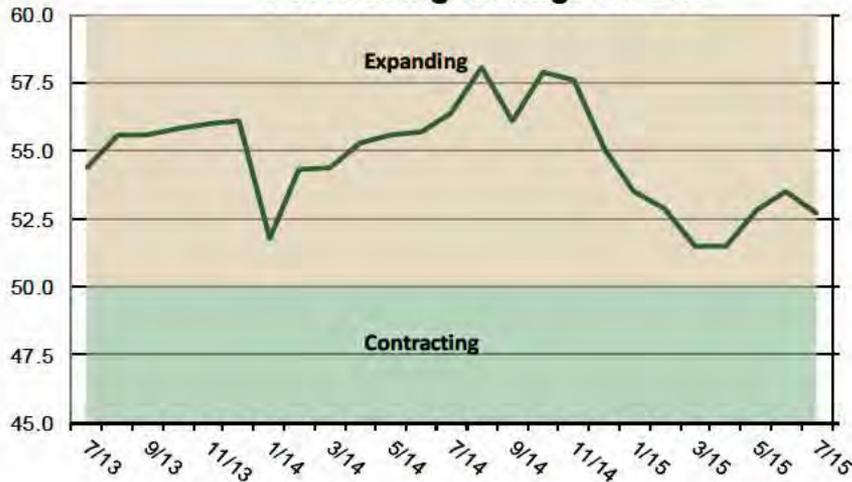


Source: The Conference Board

Housing starts rose 9.8% in June following a 10.2% decline in May. The strength in June was driven by a 29.4% increase in multi-family starts. Single-family housing starts fell 0.9% in June. Permits were much stronger than expected in June, up 7.4%, following a 9.6% increase in May. Overall, activity in the housing sector has recently picked up. The index of Leading Economic Indicators (LEI) rose 0.6% in June, exceeding the consensus forecast, following an increase of 0.8% in May. Strength was driven by interest rate spread and building permits. Overall, the LEI points to modest economic expansion.

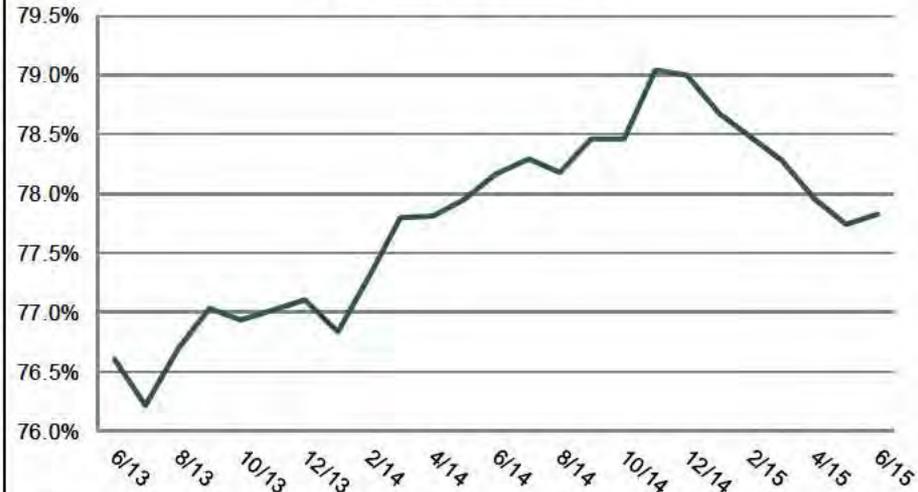


Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

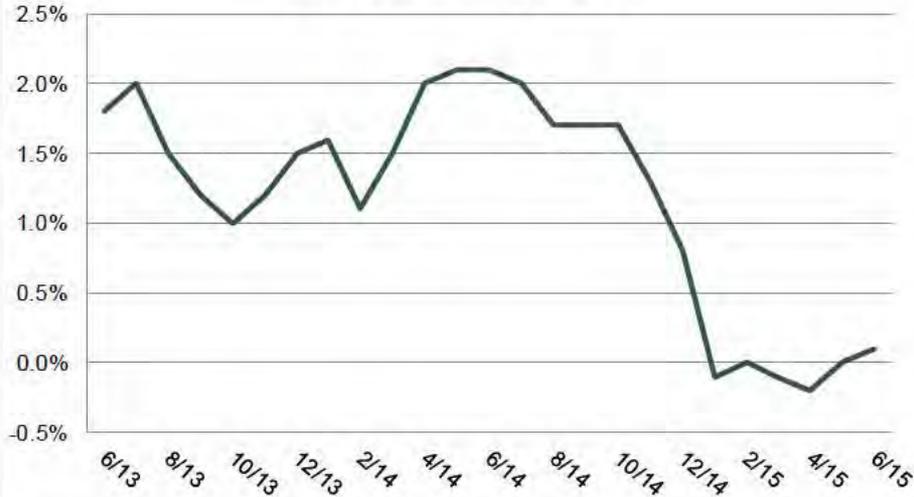
Capacity Utilization



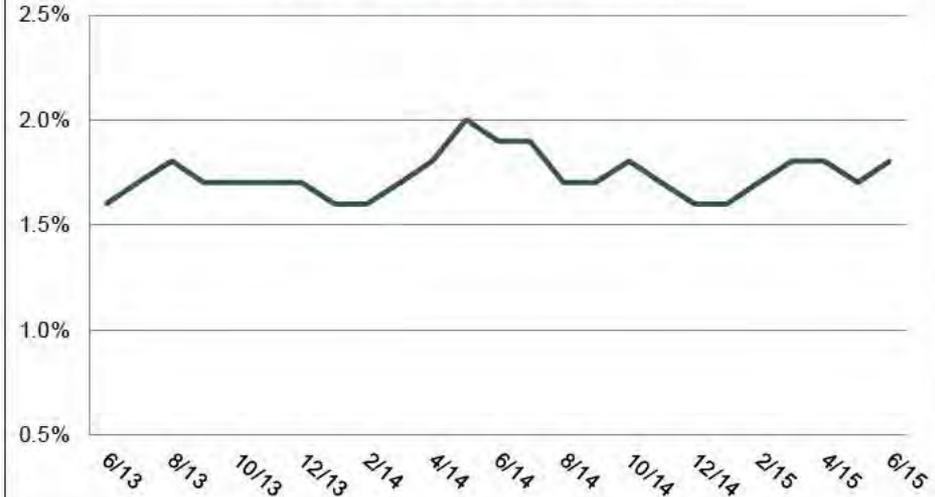
Source: Federal Reserve

During July, the ISM manufacturing index declined to 52.7 from 53.5 in June. Overall, manufacturing trends remain soft, however, a reading above 50.0 is viewed as expansionary in the manufacturing sector, while a reading below 50.0 suggests contraction. Capacity utilization, which is production divided by capacity, increased to 77.8% in June from 77.7% in May. The capacity utilization rate is lower than the long-run average of 80.1% (1972-2014). Notably, manufacturing capacity utilization actually declined in June to 77.2% from 77.3% in May.

CPI Y-O-Y % Change



Core CPI Y-O-Y % Change

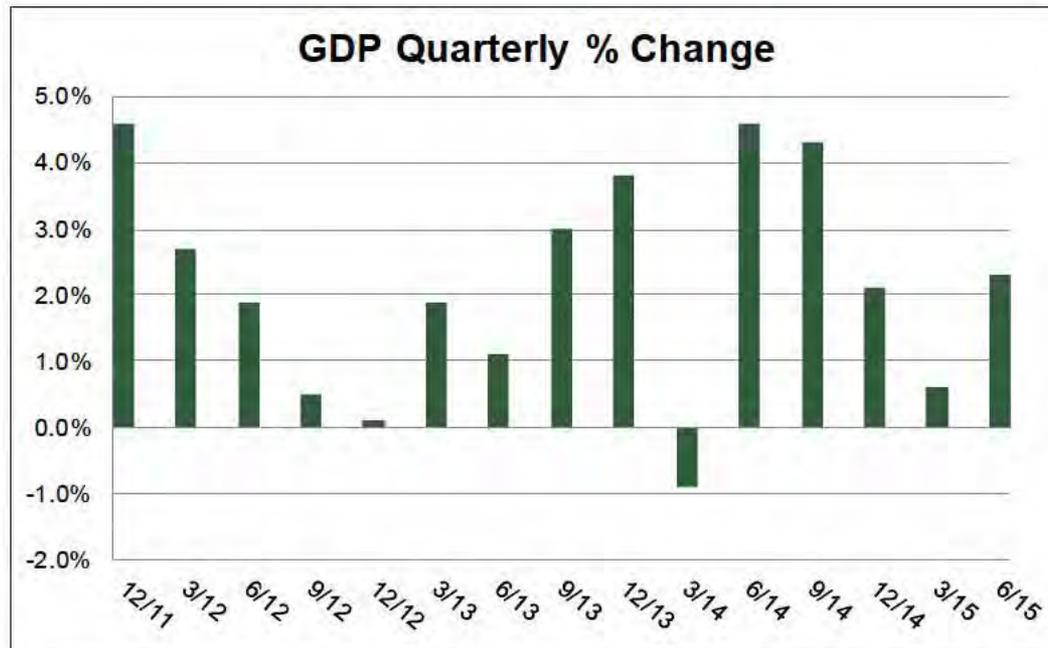


Source: US Department of Labor

In June, overall Consumer Price Index (CPI) inflation was up 0.1% on a year-over-year basis after being flat in May. Headline inflation remains low, following a precipitous decline in energy prices at the end of last year. The year-over-year Core CPI (CPI less food and energy) rose slightly to 1.8% in June from 1.7% in May. Pricing pressures (excluding food and energy) at the consumer and producer levels have firmed slightly, but inflation remains below the Fed's target.



Gross Domestic Product

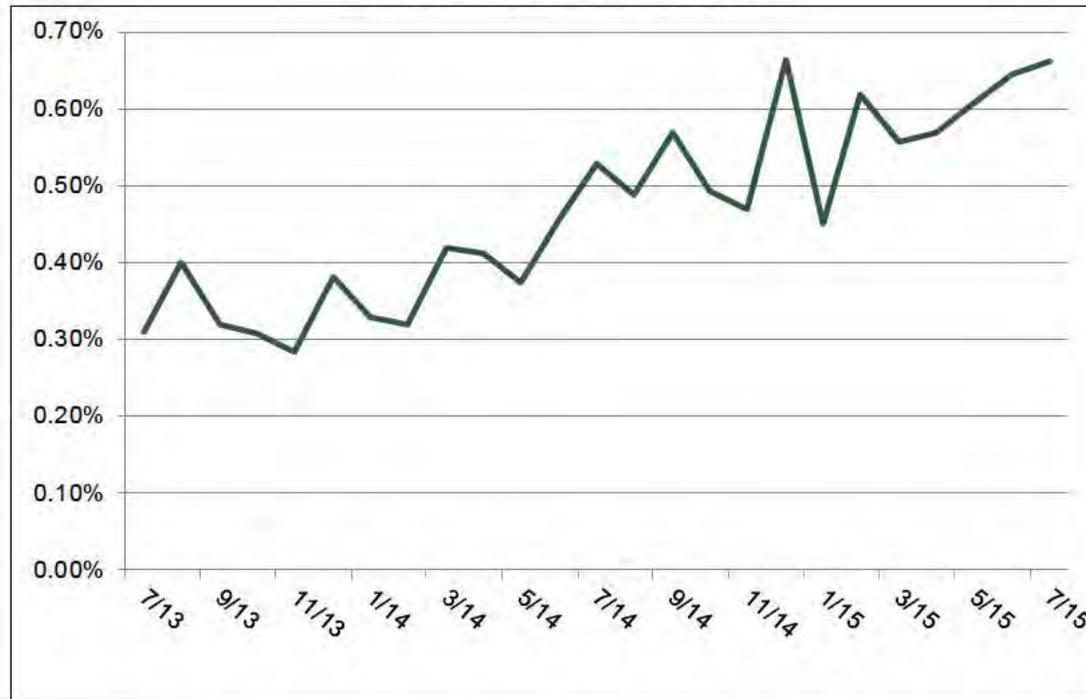


Source: U.S. Department of Commerce

According to the advance estimate, real annualized GDP growth was 2.3% in the second quarter of 2015, slightly weaker than the 2.5% consensus estimate. However, first quarter GDP was revised up to 0.6% from -0.2%. Growth in the second quarter was boosted by strength in residential investment and personal consumption expenditures. Net exports also added slightly to second quarter GDP growth after dragging down the first quarter.



Yield on the Two-Year Note July 2013 through July 2015



Source: Bloomberg

The yield on the two-year Treasury note rose slightly in July as the yield curve flattened. Market participants are anticipating a potential fed funds rate hike before the end of this year. Divergent global central bank monetary policies, both conventional and unconventional, have been a source of market volatility as the Federal Reserve remains the only major central bank contemplating a tightening of monetary policy over an intermediate time horizon.



April 30, 2015 and July 31, 2015



Source: Bloomberg

During the past three months, the Treasury yield curve shifted upward. Mixed U.S. economic data, divergent central bank monetary policies, and concerns about the ability and desire of Greece to remain in the Euro have fueled interest rate volatility in recent months.



SECTION 2

Account Profile

Investment Objectives

The investment objectives of the City of Imperial Beach are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide adequate liquidity to meet all requirements which might be reasonably anticipated; and third, to earn a commensurate rate of return.

Chandler Asset Management Performance Objectives

The performance objective of the City of Imperial Beach is to earn a return that equals or exceeds the return on an index of 1-3 Year US Treasury notes.

Strategy

In order to achieve this objective, the portfolio invests in high-quality money market instruments, US Treasury securities, US agency securities and A rated or higher Corporate medium term notes.

City of Imperial Beach

June 30, 2015

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	20% max callable notes	Complies
Municipal Securities	"A" rated; 5% max per issuer	Complies
Banker's Acceptances	"A-1" rated; "A"-rated issuer; 40% maximum; 5% max per issuer; <180 days maturity	Complies
Commercial Paper	"A-1" rated; "A"-rated issuer; 25% maximum; 5% max per issuer; <270 days maturity	Complies
Medium Term Notes	"A" rated; 30% maximum; 5% max per issuer; 5 years maximum maturity	Complies*
Negotiable Certificates of Deposit	"A" or "A-1" rated issuers; 30% maximum; 5% max per issuer; 5 years max maturity	Complies
Bank/Time Deposits	20% maximum; 5% max per issuer; FDIC Insured or Collateralized	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	"AA"-rated issue; "A"-rated issuer; 20% maximum; 5% max per ABS issuer	Complies
Repurchase Agreements	1 year maximum maturity	Complies
Money Market Mutual Funds	"AAA" rated or SEC adviser; 20% maximum; 10% max per fund	Complies
Local Government Investment Pools	not used by adviser	Complies
Local Agency Investment Fund	\$50 million per account	Complies
Weighted Average Maturity	3 years	Complies
Maximum Maturity	5 years	Complies

*JP Morgan Chase represents 8.2% of the portfolio and is rated A3/A; however, it was purchased prior to November 2012.



Portfolio Characteristics

City of Imperial Beach

	06/30/2015		03/31/2015
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.83	1.96	1.85
Modified Duration	1.79	1.69	1.60
Average Purchase Yield	n/a	1.01 %	0.92 %
Average Market Yield	0.60 %	0.76 %	0.61 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		24,704,573	24,681,595

* BAML 1-3 Yr US Treasury Index

** Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

During the second quarter, the investment activity in the City's portfolio consisted of purchasing \$2.9 million of new securities in order to maintain the desired portfolio strategy and structure. Purchases included a diversified mix of Agency, Asset Backed (ABS) and Corporate securities with maturities ranging from September 2017 through October 2019.

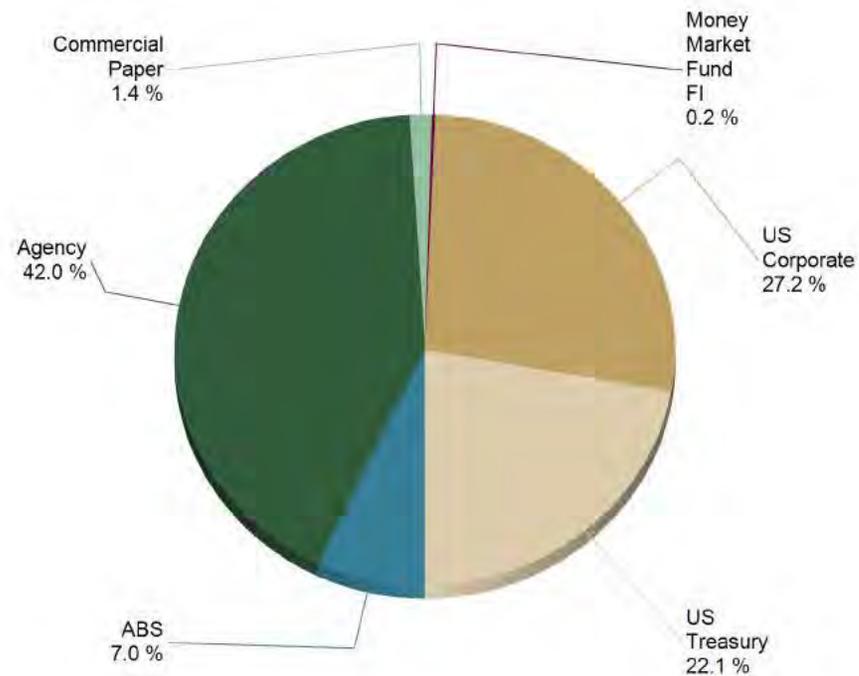
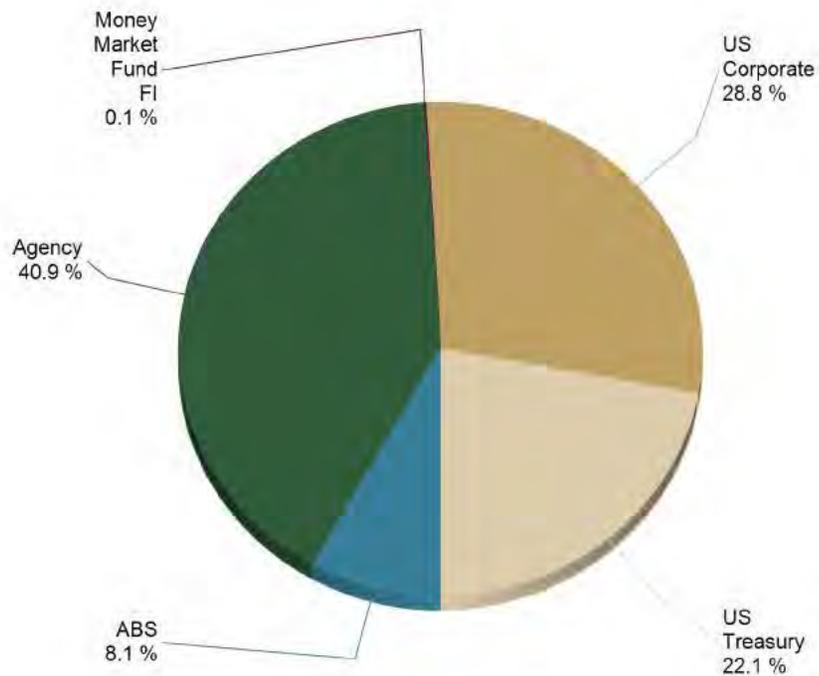


Sector Distribution

City of Imperial Beach

June 30, 2015

March 31, 2015



The portfolio sector allocation changed modestly during the second quarter as the exposure to Corporate and Asset Back Securities increased 1.6% and 1.1% respectively. Agency and Commercial Paper sectors decreased 1.1% and 1.4% respectively.

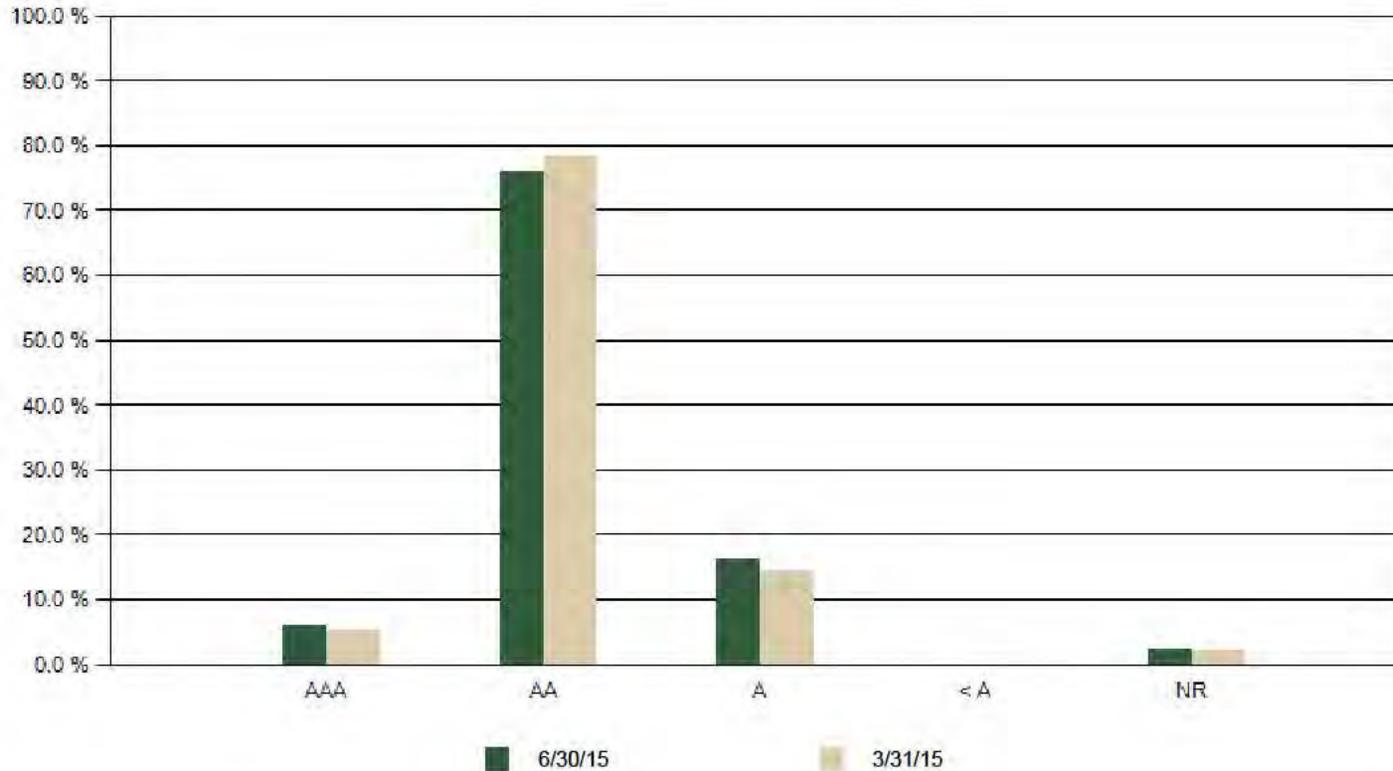
Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	22.10 %
Federal Home Loan Mortgage Corp	Agency	15.01 %
Federal National Mortgage Association	Agency	12.26 %
Federal Home Loan Bank	Agency	9.35 %
JP Morgan Chase & Co	US Corporate	8.24 %
Federal Farm Credit Bank	Agency	4.30 %
Berkshire Hathaway	US Corporate	4.14 %
Honda ABS	ABS	3.08 %
John Deere ABS	ABS	2.23 %
Toyota ABS	ABS	1.76 %
Qualcomm Inc	US Corporate	1.50 %
Apple Inc	US Corporate	1.48 %
Google Inc	US Corporate	1.44 %
3M Company	US Corporate	1.43 %
ChevronTexaco Corp	US Corporate	1.42 %
Charles Schwab Corp/The	US Corporate	1.28 %
IBM Corp	US Corporate	1.25 %
General Electric Co	US Corporate	1.24 %
US Bancorp	US Corporate	1.23 %
Wells Fargo Corp	US Corporate	1.22 %
Intel Corp	US Corporate	1.17 %
JP Morgan ABS	ABS	1.01 %
Honda Motor Corporation	US Corporate	0.87 %
Deere & Company	US Corporate	0.47 %
Pfizer Inc.	US Corporate	0.41 %
First American Govt Oblig Fund	Money Market Fund FI	0.10 %
Total		100.00 %



Quality Distribution

City of Imperial Beach

June 30, 2015 vs. March 31, 2015



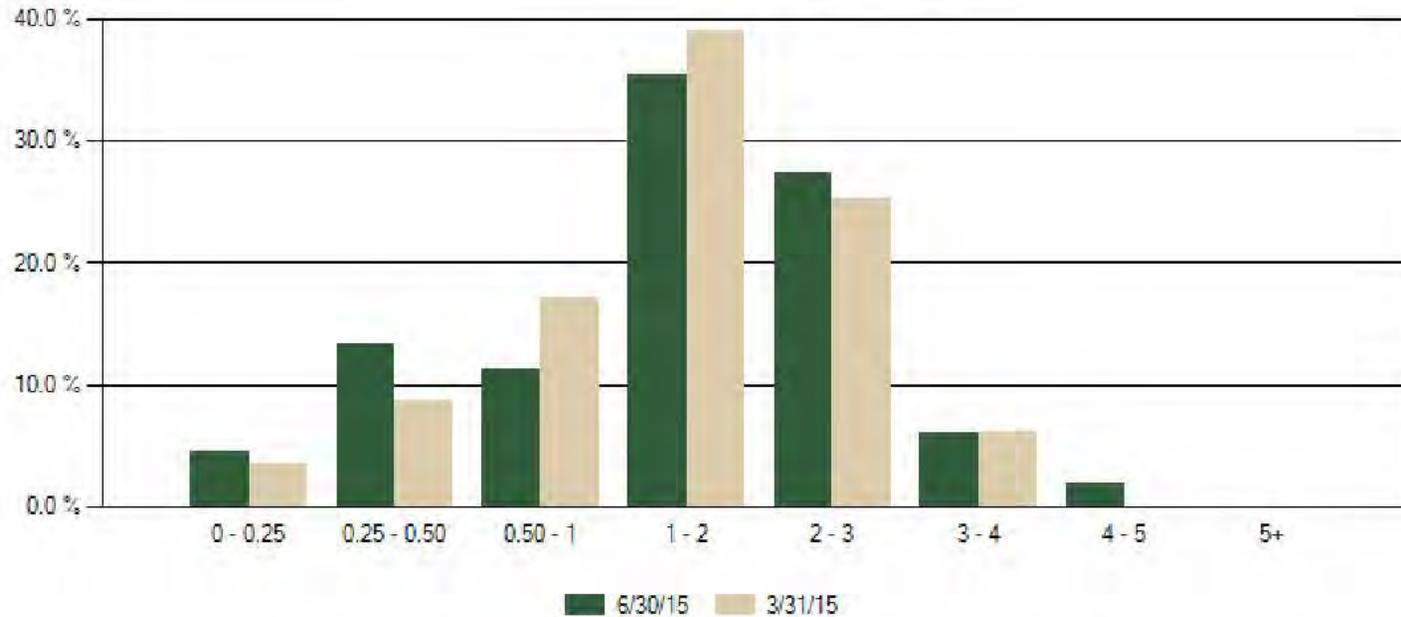
	AAA	AA	A	<A	NR
6/30/15	6.0 %	75.8 %	16.0 %	0.0 %	2.2 %
3/31/15	5.1 %	78.5 %	14.3 %	0.0 %	2.1 %

Source: S&P Ratings



Duration Distribution

City of Imperial Beach
June 30, 2015 vs. March 31, 2015



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
6/30/15	4.5 %	13.4 %	11.2 %	35.5 %	27.3 %	6.1 %	2.0 %	0.0 %
3/31/15	3.6 %	8.7 %	17.1 %	39.1 %	25.3 %	6.1 %	0.0 %	0.0 %

The duration of the portfolio increased slightly during the reporting period, currently 1.69 versus 1.60 at the end of March 2015. Interest rate volatility is likely to remain elevated as the Federal Reserve considers raising the fed funds rate towards the end of 2015. We anticipate keeping the duration close to the benchmark in the coming quarter using the proceeds from maturities and sales to extend the duration of the portfolio.



Investment Performance

City of Imperial Beach

Period Ending

June 30, 2015

Total Rate of Return

Annualized Since Inception

July 31, 2013



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
City of Imperial Beach	0.09 %	0.86 %	N/A	N/A	N/A	N/A	0.95 %
BAML 1-3 Yr US Treasury Index	0.14 %	0.88 %	N/A	N/A	N/A	N/A	0.77 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



SECTION 3

Portfolio Holdings



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43814CAC3	Honda Auto Receivables 2013-1 A3 0.48% Due 11/21/2016	81,284.02	02/12/2014 0.23 %	81,331.64 81,295.98	99.99 0.60 %	81,275.73 10.84	0.33 % (20.25)	NR / AAA AAA	1.40 0.26
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	250,000.00	02/12/2014 0.52 %	250,458.98 250,279.57	100.00 0.59 %	250,000.75 65.56	1.01 % (278.82)	NR / AAA AAA	2.13 0.11
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	205,000.00	03/11/2014 0.68 %	204,962.12 204,979.28	99.80 0.91 %	204,585.90 61.04	0.83 % (393.38)	Aaa / AAA NR	2.46 0.84
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	200,000.00	05/13/2014 0.52 %	199,975.96 199,984.89	99.84 0.91 %	199,680.40 55.61	0.81 % (304.49)	Aaa / AAA NR	2.72 1.13
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	285,000.00	04/02/2014 0.93 %	284,954.34 284,972.90	100.07 0.85 %	285,207.20 116.53	1.15 % 234.30	Aaa / NR AAA	2.80 1.03
43814HAC2	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	200,000.00	08/12/2014 0.83 %	199,961.42 199,972.88	100.06 0.83 %	200,127.60 78.22	0.81 % 154.72	NR / AAA AAA	2.96 1.30
477877AD6	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	265,000.00	Various 1.06 %	265,028.99 265,037.47	100.07 1.03 %	265,174.37 126.02	1.07 % 136.90	Aaa / NR AAA	3.38 1.47
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	230,000.00	02/24/2015 1.05 %	229,965.22 229,969.06	100.19 1.02 %	230,429.87 114.49	0.93 % 460.81	Aaa / AAA NR	3.63 1.78
43813NAC0	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	280,000.00	05/13/2015 1.05 %	279,957.02 279,958.33	99.96 1.23 %	279,882.40 80.89	1.13 % (75.93)	NR / AAA AAA	3.65 1.85
Total ABS		1,996,284.02	0.82 %	1,996,595.69 1,996,450.36	0.91 %	1,996,364.22 709.20	8.08 % (86.14)	Aaa / AAA Aaa	2.92 1.16
AGENCY									
313383V81	FHLB Note 0.375% Due 8/28/2015	335,000.00	12/16/2013 0.32 %	335,321.60 335,030.13	100.04 0.11 %	335,143.72 429.22	1.36 % 113.59	Aaa / AA+ AAA	0.16 0.16
3134G3J76	FHLMC Note 0.45% Due 9/4/2015	500,000.00	08/13/2013 0.44 %	500,080.00 500,006.92	100.07 0.05 %	500,356.50 731.25	2.03 % 349.58	Aaa / AA+ AAA	0.18 0.18
31331J2S1	FFCB Note 1.5% Due 11/16/2015	370,000.00	08/20/2013 0.43 %	378,809.70 371,488.05	100.47 0.26 %	371,733.08 693.75	1.51 % 245.03	Aaa / AA+ AAA	0.38 0.38
313380L96	FHLB Note 0.5% Due 11/20/2015	485,000.00	07/17/2013 0.45 %	485,562.60 485,093.88	100.12 0.19 %	485,590.73 276.18	1.97 % 496.85	Aaa / AA+ AAA	0.39 0.39
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	325,000.00	07/17/2013 0.50 %	324,008.75 324,805.57	100.07 0.22 %	325,231.40 33.85	1.32 % 425.83	Aaa / AA+ AAA	0.48 0.47
3133834R9	FHLB Note 0.375% Due 6/24/2016	500,000.00	08/07/2013 0.58 %	497,105.00 499,011.13	99.99 0.38 %	499,966.00 36.46	2.02 % 954.87	Aaa / AA+ AAA	0.99 0.98
3135G0YE7	FNMA Note 0.625% Due 8/26/2016	485,000.00	10/29/2013 0.61 %	485,164.90 485,067.50	100.24 0.42 %	486,169.34 1,052.52	1.97 % 1,101.84	Aaa / AA+ AAA	1.16 1.15
3133ECWV2	FFCB Note 0.875% Due 12/7/2016	500,000.00	08/07/2013 0.87 %	500,130.00 500,056.08	100.55 0.49 %	502,769.50 291.67	2.04 % 2,713.42	Aaa / AA+ AAA	1.44 1.43
3130A0C65	FHLB Note 0.625% Due 12/28/2016	485,000.00	12/13/2013 0.72 %	483,666.25 484,341.57	100.12 0.55 %	485,575.70 25.26	1.97 % 1,234.13	Aaa / AA+ AAA	1.50 1.49



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0GY3	FNMA Note 1.25% Due 1/30/2017	290,000.00	Various 0.85 %	292,981.88 291,809.77	101.04 0.59 %	293,006.72 1,520.48	1.19 % 1,196.95	Aaa / AA+ AAA	1.59 1.56
3137EADC0	FHLMC Note 1% Due 3/8/2017	500,000.00	07/26/2013 0.99 %	500,160.00 500,074.78	100.63 0.62 %	503,149.50 1,569.44	2.04 % 3,074.72	Aaa / AA+ AAA	1.69 1.67
3137EADF3	FHLMC Note 1.25% Due 5/12/2017	500,000.00	08/07/2013 1.07 %	503,265.00 501,619.42	101.12 0.65 %	505,589.50 850.69	2.05 % 3,970.08	Aaa / AA+ AAA	1.87 1.84
3137EADH9	FHLMC Note 1% Due 6/29/2017	190,000.00	01/29/2015 0.72 %	191,271.10 191,051.80	100.55 0.72 %	191,042.53 10.56	0.77 % (9.27)	Aaa / AA+ AAA	2.00 1.98
3135G0MZ3	FNMA Note 0.875% Due 8/28/2017	500,000.00	03/06/2014 1.00 %	497,800.00 498,633.23	100.24 0.76 %	501,185.50 1,494.79	2.03 % 2,552.27	Aaa / AA+ AAA	2.16 2.13
3135G0ZL0	FNMA Note 1% Due 9/27/2017	420,000.00	Various 1.02 %	419,614.62 419,848.73	100.38 0.83 %	421,599.36 1,096.67	1.71 % 1,750.63	Aaa / AA+ AAA	2.25 2.21
3137EADL0	FHLMC Note 1% Due 9/29/2017	500,000.00	07/31/2014 1.19 %	497,116.50 497,952.12	100.24 0.89 %	501,178.00 1,277.78	2.03 % 3,225.88	Aaa / AA+ AAA	2.25 2.21
3133EDDV1	FFCB Note 1.16% Due 10/23/2017	185,000.00	01/29/2015 0.87 %	186,443.00 186,223.00	100.43 0.97 %	185,787.92 405.36	0.75 % (435.08)	Aaa / AA+ AAA	2.32 2.27
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	510,000.00	03/06/2014 1.29 %	501,677.31 504,417.36	99.65 1.01 %	508,227.75 1,413.13	2.06 % 3,810.39	Aaa / AA+ AAA	2.69 2.64
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	500,000.00	05/27/2015 1.02 %	501,467.00 501,420.08	100.23 1.04 %	501,144.50 1,031.25	2.03 % (275.58)	Aaa / AA+ AAA	2.82 2.76
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	500,000.00	Various 1.44 %	490,030.70 492,132.48	99.40 1.09 %	497,007.50 486.11	2.01 % 4,875.02	Aaa / AA+ AAA	2.89 2.84
3135G0E33	FNMA Note 1.125% Due 7/20/2018	500,000.00	Various 1.20 %	498,934.27 498,946.46	99.92 1.15 %	499,620.51 359.38	2.02 % 674.05	Aaa / AA+ AAA	3.06 2.99
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	500,000.00	04/29/2015 1.40 %	496,880.00 497,002.55	98.94 1.52 %	494,687.50 2,604.17	2.01 % (2,315.05)	Aaa / AA+ AAA	4.09 3.95
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	05/27/2015 1.51 %	494,500.00 494,617.76	98.66 1.58 %	493,324.50 1,545.14	2.00 % (1,293.26)	Aaa / AA+ AAA	4.26 4.11
Total Agency		10,080,000.00	0.92 %	10,061,990.18 10,060,650.37	0.72 %	10,089,087.26 19,235.11	40.92 % 28,436.89	Aaa / AA+ Aaa	1.91 1.87
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund	25,044.69	Various 0.00 %	25,044.69 25,044.69	1.00 0.00 %	25,044.69 0.00	0.10 % 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		25,044.69	N/A	25,044.69 25,044.69	0.00 %	25,044.69 0.00	0.10 % 0.00	Aaa / AAA NR	0.00 0.00
US CORPORATE									
037833AH3	Apple Inc Note 0.45% Due 5/3/2016	365,000.00	07/18/2013 0.72 %	362,335.50 364,194.09	99.95 0.51 %	364,828.45 264.63	1.48 % 634.36	Aa1 / AA+ NR	0.84 0.84



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	350,000.00	07/26/2013 0.72 %	363,604.50 354,295.46	101.49 0.44 %	355,223.05 867.71	1.44 % 927.59	Aa2 / AA NR	0.89 0.88
166764AC4	Chevron Corp. Note 0.889% Due 6/24/2016	350,000.00	07/19/2013 0.72 %	351,704.50 350,574.03	100.28 0.60 %	350,993.65 60.50	1.42 % 419.62	Aa1 / AA NR	0.99 0.98
88579YAD3	3M Co. Note 1.375% Due 9/29/2016	350,000.00	08/07/2013 0.83 %	355,827.50 352,322.85	100.82 0.71 %	352,868.25 1,229.86	1.43 % 545.40	Aa3 / AA- NR	1.25 1.23
458140AH3	Intel Corp Note 1.95% Due 10/1/2016	285,000.00	12/19/2013 0.79 %	294,014.55 289,079.71	101.06 1.10 %	288,017.87 1,389.38	1.17 % (1,061.84)	A1 / A+ A+	1.26 1.23
084670BD9	Berkshire Hathaway Note 1.9% Due 1/31/2017	1,000,000.00	04/11/2012 1.61 %	1,013,489.00 1,004,455.36	101.56 0.91 %	1,015,603.00 7,969.44	4.14 % 11,147.64	Aa2 / AA A+	1.59 1.55
48125VLC2	JP Morgan Chase Floating Rate Note 1.358% Due 2/6/2017	2,000,000.00	02/01/2012 1.36 %	2,000,000.00 2,000,000.00	101.53 0.40 %	2,030,560.00 3,997.08	8.24 % 30,560.00	A3 / A NR	1.61 0.47
36962G5W0	General Electric Capital Corp Note 2.3% Due 4/27/2017	300,000.00	04/25/2014 1.19 %	309,714.00 305,919.05	101.95 1.21 %	305,857.80 1,226.67	1.24 % (61.25)	A1 / AA+ NR	1.83 1.78
91159HHD5	US Bancorp Callable Note Cont 4/15/2017 1.65% Due 5/15/2017	300,000.00	04/29/2014 1.19 %	304,026.00 302,435.71	101.20 0.97 %	303,614.40 632.50	1.23 % 1,178.69	A1 / A+ AA-	1.88 1.76
717081DJ9	Pfizer Inc. Note 1.1% Due 5/15/2017	100,000.00	05/12/2014 1.13 %	99,912.00 99,945.08	100.29 0.94 %	100,294.70 140.56	0.41 % 349.62	A1 / AA A+	1.88 1.85
02665WAQ4	American Honda Finance Note 1.55% Due 12/11/2017	215,000.00	12/08/2014 1.58 %	214,800.05 214,836.90	100.35 1.41 %	215,743.04 185.14	0.87 % 906.14	A1 / A+ NR	2.45 2.39
94974BFG0	Wells Fargo Corp Note 1.5% Due 1/16/2018	300,000.00	09/09/2014 1.64 %	298,596.00 298,933.24	99.81 1.58 %	299,437.20 2,062.50	1.22 % 503.96	A2 / A+ AA-	2.55 2.47
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	310,000.00	02/03/2015 1.23 %	309,054.50 309,179.59	99.37 1.37 %	308,031.50 1,404.69	1.25 % (1,148.09)	Aa3 / AA- A+	2.61 2.54
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	315,000.00	Various 1.50 %	314,969.60 314,986.02	100.10 1.46 %	315,310.91 1,456.88	1.28 % 324.89	A2 / A A	2.70 2.54
24422ESB6	John Deere Capital Corp Note 1.3% Due 3/12/2018	115,000.00	12/03/2014 1.55 %	114,088.05 114,245.15	99.77 1.39 %	114,739.99 452.65	0.47 % 494.84	A2 / A NR	2.70 2.63
747525AG8	Qualcom Inc Note 1.4% Due 5/18/2018	370,000.00	Various 1.45 %	369,416.00 369,437.69	99.69 1.51 %	368,851.16 589.95	1.50 % (586.53)	A1 / A+ NR	2.88 2.81
Total US Corporate		7,025,000.00	1.26 %	7,075,551.75 7,044,839.93	0.84 %	7,089,974.97 23,930.14	28.80 % 45,135.04	A1 / AA- A+	1.73 1.37
US TREASURY									
912828UG3	US Treasury Note 0.375% Due 1/15/2016	500,000.00	07/17/2013 0.45 %	499,044.64 499,791.44	100.14 0.12 %	500,703.00 864.99	2.03 % 911.56	Aaa / AA+ AAA	0.55 0.54
912828VC1	US Treasury Note 0.25% Due 5/15/2016	500,000.00	08/07/2013 0.53 %	496,173.55 498,792.64	99.97 0.29 %	499,844.00 159.65	2.02 % 1,051.36	Aaa / AA+ AAA	0.88 0.87



Holdings Report

As of 6/30/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828RU6	US Treasury Note 0.875% Due 11/30/2016	500,000.00	08/07/2013 0.74 %	502,228.24 500,953.91	100.59 0.46 %	502,929.50 370.56	2.04 % 1,975.59	Aaa / AA+ AAA	1.42 1.41
912828SC5	US Treasury Note 0.875% Due 1/31/2017	500,000.00	07/17/2013 0.83 %	500,861.05 500,387.44	100.55 0.52 %	502,773.50 1,824.93	2.04 % 2,386.06	Aaa / AA+ AAA	1.59 1.57
912828C32	US Treasury Note 0.75% Due 3/15/2017	450,000.00	04/23/2014 0.86 %	448,612.83 449,178.51	100.35 0.54 %	451,582.20 990.49	1.83 % 2,403.69	Aaa / AA+ AAA	1.71 1.69
912828SS0	US Treasury Note 0.875% Due 4/30/2017	485,000.00	10/07/2013 0.90 %	484,509.05 484,747.35	100.51 0.60 %	487,462.83 714.98	1.98 % 2,715.48	Aaa / AA+ AAA	1.84 1.82
912828TW0	US Treasury Note 0.75% Due 10/31/2017	500,000.00	09/11/2014 1.14 %	493,946.99 495,490.64	99.91 0.79 %	499,570.50 631.79	2.02 % 4,079.86	Aaa / AA+ AAA	2.34 2.31
912828UJ7	US Treasury Note 0.875% Due 1/31/2018	500,000.00	10/29/2014 1.01 %	497,775.12 498,231.70	100.02 0.87 %	500,078.00 1,824.93	2.03 % 1,846.30	Aaa / AA+ AAA	2.59 2.54
912828UR9	US Treasury Note 0.75% Due 2/28/2018	500,000.00	12/04/2014 1.09 %	494,611.05 495,560.16	99.60 0.90 %	498,008.00 1,253.40	2.02 % 2,447.84	Aaa / AA+ AAA	2.67 2.63
912828RH5	US Treasury Note 1.375% Due 9/30/2018	500,000.00	12/04/2014 1.28 %	501,759.49 501,497.14	100.83 1.11 %	504,140.50 1,728.14	2.05 % 2,643.36	Aaa / AA+ AAA	3.25 3.16
912828WD8	US Treasury Note 1.25% Due 10/31/2018	500,000.00	10/29/2014 1.30 %	499,005.58 499,171.54	100.34 1.14 %	501,719.00 1,052.99	2.04 % 2,547.46	Aaa / AA+ AAA	3.34 3.25
Total US Treasury		5,435,000.00	0.92 %	5,418,527.59 5,423,802.47	0.67 %	5,448,811.03 11,416.85	22.10 % 25,008.56	Aaa / AA+ Aaa	2.02 1.98
TOTAL PORTFOLIO		24,561,328.71	1.01 %	24,577,709.90 24,550,787.82	0.76 %	24,649,282.17 55,291.30	100.00 % 98,494.35	Aa1 / AA Aaa	1.96 1.69
TOTAL MARKET VALUE PLUS ACCRUED						24,704,573.47			

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: AUGUST 19, 2015
ORIGINATING DEPT.: CITY CLERK *mmH*
SUBJECT: APPOINTMENTS TO THE DESIGN REVIEW BOARD AND
TIDELANDS ADVISORY COMMITTEE

EXECUTIVE SUMMARY:

City Council to provide advice and consent in appointing Mayor Dedina's three (3) candidates for openings on the Design Review Board and three (3) candidates to the Tidelands Advisory Committee.

RECOMMENDATION:

1. Mayor Dedina to present names of candidates for openings on the:
 - a. Design Review Board for terms of office in accordance with I.B.M.C. 2.31.050:
 - i. one (1) term expiring December 31, 2016 and
 - ii. two (2) terms expiring December 31, 2018 and
 - b. Tidelands Advisory Committee for three (3) terms expiring on December 31, 2018 in accordance with I.B.M.C. 2.24.080:
2. Approve appointments with the advice and consent of the City Council.

RATIONALE:

After conducting an open interview process with candidates for the Design Review Board and Tidelands Advisory Committee, Mayor Dedina will present the names of candidates to fill each opening.

OPTIONS:

- Approve appointments to the Design Review Board and Tidelands Advisory Committee.
- Do not approve appointments and discuss/consider other applicants.

BACKGROUND:

At the March 18, 2015 City Council Meeting, the City Council approved an interview process allowing all members of the City Council to be more involved in the selection process of members to community boards, committees and commissions. The process is also consistent with the effort to be more open and transparent in conducting City business.

ANALYSIS:

All candidates for the Design Review Board and for the Tidelands Advisory Committee were interviewed by the City Council at a Special meeting held on July 15, 2015. Following the interviews, scoring matrices were given to the Mayor for consideration.

ENVIRONMENTAL IMPACT

Not a project as defined by CEQA.

FISCAL IMPACT:

None associated with this report.



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *SH*

MEETING DATE: AUGUST 19, 2015

ORIGINATING DEPT.: CITY ADMINISTRATION *Ed*

SUBJECT: DISCUSSION AND CONSIDERATION OF RESOLUTION NO. 2015-7618 PROVIDING \$50,000 TO THE BOYS & GIRLS CLUB OF SOUTH COUNTY TO ADDRESS A FUNDING SHORTFALL IN PROVIDING RECREATIONAL SERVICES ON BEHALF OF THE CITY OF IMPERIAL BEACH AT IMPERIAL BEACH SPORTS PARK

EXECUTIVE SUMMARY:

On August 5, 2015, the City Council, upon receiving a request from the Boys & Girls Club of South County, directed staff to place an item on the City Council agenda to discuss an appropriation of \$50,000 to address an operational funding shortfall experienced by the Club in providing recreation services on behalf of the City. Consistent with the recommendation of staff, the proposed resolution includes a one-time \$50,000 appropriation. Secondly, the Boys & Girls Club of South County is requesting additional funding on an annual basis of up to \$50,000. Although the amount will not be fully known until the annual report next year, staff will work with the Boys & Girls Club to carefully monitor the recreation program in an effort to reduce the shortfall.

It is important to note that the annual request for up to \$50,000 is in addition to the funding currently appropriated for recreational programs.

Overall Funding		
	2014	2015
Resolution No. 2014-7470 <i>(approved on 04-16-14)</i>	\$ 60,000	\$ 60,000
Resolution No. 2015-7614 <i>(approved on 08-05-15)</i>	\$ -	\$ 4,000
Resolution No. 2015-7618 <i>(current – up for discussion)</i>	\$ -	\$ 50,000
Total	\$ 60,000	\$ 114,000

City Council has already appropriated \$50,000 to cover the costs of power and water at the sports park, plus \$10,000 for scholarships and \$4,000 to maintain the playground / tot lot and parking area.

Funding for this request would need to be appropriated from the Unassigned General Fund Balance because the request is not included within the adopted budget.

RECOMMENDATION:

Staff recommends approval of Resolution No. 2015-7618 authorizing a budget amendment and appropriation of \$50,000 to address a funding shortfall experienced by the Boys & Girls Club. Staff would further recommend that future funding requests be considered following an annual report from the Club to the City Council.

RATIONALE:

A well organized and effective recreation program is consistent with the Imperial Beach Mission Statement, providing a safe environment, family atmosphere and promoting cultural opportunities. While providing recreational services on behalf of the City of Imperial Beach, the Boys & Girls Club experienced a documented shortfall of approximately \$50,000.

OPTIONS:

- Adopt Resolution No. 2015-7618 authorizing a budget amendment for a one-time appropriation of \$50,000 to address the documented shortfall experienced by the Boys & Girls Club and have the issues be re-examined at the annual report to the City Council near the end of the next fiscal year.
- Revise the Resolution to include the request of the Boys & Girls Club to receive an annual appropriation of \$50,000.
- Continue the agenda item with direction to staff to provide additional information.
- Deny proposed Resolution No. 2015-7618

BACKGROUND:

Throughout the previous fiscal year, staff from the Boys & Girls Club indicated that providing recreational services as currently programed would result in a budget shortfall. On July 31, 2015, the City received a letter from the Boys & Girls Club indicating a shortfall of approximately \$50,000 with a request for an annual appropriation of \$50,000 to provide recreational services.

In order to address the shortfall, representatives of the Boys & Girls Club and City staff have discussed options for reducing the shortfall and on August 5, 2015, the City Council approved a two year agreement with the Club that will allow the implementation of several ideas intended to reduce the shortfall including modified hours of operation, additional landscaping maintenance responsibilities shifted to the City and other cost saving measures.

ANALYSIS:

The City Council has expressed the importance of an effective recreation program. In the past several months, there has been a transition from a City staffed recreation program to a recreational program outsourced to the Boys & Girls Club, in collaboration with the Imperial Beach Little League and the Imperial Beach Girls Softball League. In the duration of the initial agreement with the Boys & Girls Club, a shortfall of approximately \$50,000 was experienced by the Club. Both representatives of the Boys & Girls Club and the City believe that the modifications to the agreement approved by the City Council on August 5, 2015, will reduce, if not eliminate, the shortfall. Although this will not be fully known until the annual report next year, staff will work with the Boys & Girls Club to carefully monitor the recreation program in an effort to reduce the shortfall.

Staff is recommending that rather than provide an annual funding appropriation, have the issues be re-examined at the annual report to the City Council near the end of the next fiscal year. This will also allow the impending needs assessment survey to be completed and the various amendments to the agreement to be implemented giving all parties a more clear financial picture of the recreation program.

For purposes of clarity, in addition to the Boys & Girls Club funding request for \$50,000, the City Council has already authorized up to \$50,000 in the municipal budget that will be used to offset the power and water costs for the Sports Park facility with the remainder of the funds, if any, being used to conduct any necessary improvements to the facility. Additionally, the City Council has appropriated \$10,000 in the municipal budget to be used for scholarships for qualified lower income Imperial Beach residents, and approximately \$4,000 to maintain the playground / tot lot and parking area that was previously the responsibility of the Boys & Girls Club.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Approval of the Resolution would result in a budget amendment appropriating \$50,000 from the Unassigned General Fund Reserve.

Overall Funding		
	2014	2015
Resolution No. 2014-7470 <i>(approved on 04-16-14)</i>	\$ 60,000	\$ 60,000
Resolution No. 2015-7614 <i>(approved on 08-05-15)</i>	\$ -	\$ 4,000
Resolution No. 2015-7618 <i>(current – up for discussion)</i>	\$ -	\$ 50,000
Total	\$ 60,000	\$ 114,000

Attachments:

1. Resolution No. 2015-7618
2. Boys & Girls Club of South County Funding Request dated July 31, 2015
3. Boys & Girls Club Sports Park Profit & Loss Statement (July 2014 through June 2015)
4. Sports Park Update of Recreation Programs Presentation (07-15-15 City Council Meeting)
5. Sports Park Operating Agreement with the Boys & Girls Club dated April 16, 2014
6. Boys & Girls Club Operating Agreement Amendment No. 1

RESOLUTION NO. 2015-7618

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, PROVIDING \$50,000 TO THE BOYS & GIRLS CLUB OF SOUTH COUNTY TO ADDRESS A FUNDING SHORTFALL IN PROVIDING RECREATIONAL SERVICES ON BEHALF OF THE CITY OF IMPERIAL BEACH AT SPORTS PARK

WHEREAS, the Boys & Girls Club of South County is requesting \$50,000 from the City to address a funding shortfall experienced by the Club in providing recreation services on behalf of the City at Sports Park; and

WHEREAS, in order to address the shortfall, representatives of the Boys & Girls Club and City staff have discussed options for reducing the shortfall and on August 5, 2015, the City Council approved a two year agreement with the Club that will allow the implementation of several ideas intended to reduce the shortfall including modified hours of operation, additional landscaping maintenance responsibilities shifted to the City and other cost saving measures; and

WHEREAS, future funding requests be considered following an annual report from the Club to the City Council; and

WHEREAS, there is a need to adjust the two-year budget adopted by City Council to amend fiscal year 2015/2016 with an increase of said funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach authorizing the following expenditure budget amendment in the amount of \$50,000:

Budget Transaction Type	Budget Account No.	Description of Budget Adjustment	Adjustment Amount
Expenditure	101-6010-451-21-04	Recreation Services	\$50,000

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 19th day of August 2015, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK



**BOYS & GIRLS CLUBS
OF SOUTH COUNTY**

July 31, 2015

Mayor Dedina and Imperial Beach City Council Members
Imperial Beach Boulevard
Imperial Beach, CA 91932
San Diego, CA 92108

**Boys & Girls Clubs of
South County**

Administrative Center
847 Encina Avenue
Post Office Box 520
Imperial Beach CA 91933
Tel - (619) 424-2266
Fax - (619) 424-8266

Dear Mayor and City Council Members,

On behalf of the board of directors and staff of the Boys & Girls Clubs of South County this letter is written requesting your support in our efforts. As we continue to serve more members and citizens, additional funding allows the Club to maintain and enhance Imperial Beach as a Classic Southern California town.

We are requesting a \$50,000.00 yearly subsidy to offset the yearly operational cost of the Sports Park facility. Please refer to the attached Profit & Loss Report for year ending June 30, 2015. Referencing the P&L Report here are a few items supporting our request.

- We have reduced personnel to offset the lack of revenue;
- Facility space has limited and the amount of classes we can offer;
- Expectations to have the facility opened extended hours for the Skate Park, morning hours for the gymnasium and to open for weekend availability;
- Unforeseen expenses in the areas of maintenance, facility repairs, internet service and telephone.

With your support of \$50,000 yearly subsidy we will be able to meet the current needs of the public and offset the lack of revenue. Our plan is to collaboratively seek funding to reduce the \$50,000 yearly subsidy.

If you have additional questions please feel free to contact Aaron Ruiz, Imperial Beach Unit Director at aruiz@bacscounty.org or at (619) 424-2266 ext. 224.

Thank you again, and we look forward to your continued support.

Best Wishes,

Signature on file

Ken Blinsman
President/CEO

Officers

Christine Harlin
Chief Volunteer Officer/Chair

Donn Hall
1st Vice Chair/Chair Elect

Mark Neagles
2nd Vice Chair of Programs &
Human Resources

Lynn France
3rd Vice Chair of Financial
Resource Development

Chad Harbin
Secretary

Gary Trieschman
Treasurer

Board of Directors

Active Members

James Algert
George Braudaway
Carlos Jaime

Emeritus Members

Paul Odermatt
J. D. "Bud" Webb

President/CEO

Ken Blinsman

Profit & Loss

July 2014 through June 2015

	Jul '14 - Jun 15
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	
43410 · Corporate Contributions	500.00
Total 43400 · Direct Public Support	500.00
46400 · Other Types of Income	
46420 · Concessions-Misc.	2,298.03
46435 · Grounds Maintenance-IBSP	7,792.00
Total 46400 · Other Types of Income	10,090.03
47200 · Program Income	
47230 · Membership Dues	
47232 · New/Renewing Members	100.00
Total 47230 · Membership Dues	100.00
Total 47200 · Program Income	100.00
47250 · Clubhouse Program Fees	
47251 · Recreation Classes	
Sports Park	11,006.00
47251 · Recreation Classes - Other	25.00
Total 47251 · Recreation Classes	11,031.00
Total 47250 · Clubhouse Program Fees	11,031.00
47300 · Club Special Events	
47397 · Muay Thai Event	660.00
47340 · Athletic Leagues	6,500.00
47300 · Club Special Events - Other	150.00
Total 47300 · Club Special Events	7,310.00
47400 · Board Special Events	
47410 · Be Great!	119.39
Total 47400 · Board Special Events	119.39
47500 · Building Rentals	
47506 · Sports Park Rental	2,845.00
Total 47500 · Building Rentals	2,845.00
Total Income	31,995.42
Gross Profit	31,995.42
Expense	
60000 · Salaries & Wages	57,367.34
60100 · ERE (Employee Related Expenses)	
60110 · FICA	4,278.81
60140 · Health Insurance	3,169.99
60150 · Dental/Vision, Life, LTD	1,082.51
Total 60100 · ERE (Employee Related Expenses)	8,531.31
60900 · Business Expenses	
60912 · Debit/Credit Card Processing	286.00
60920 · Business Registration Fees	51.00
60955 · Sales Tax	50.00
Total 60900 · Business Expenses	387.00

Boys & Girls Clubs of South County

Profit & Loss

July 2014 through June 2015

07/27/15

Accrual Basis

	Jul '14 - Jun 15
62100 · Contract Services	
62150 · Outside Contract Services	571.65
Total 62100 · Contract Services	571.65
62800 · Facilities and Equipment	
62840 · Equip Rental and Maintenance	338.86
Total 62800 · Facilities and Equipment	338.86
62900 · Repairs and Maintenance	
62910 · Building	18.18
62930 · Janitorial	462.71
62940 · Security Monitoring	702.45
62960 · Sewage	680.55
62900 · Repairs and Maintenance - Other	3,000.00
Total 62900 · Repairs and Maintenance	4,863.89
65000 · Operations	
65035 · Telephone, Telecommunications	1,835.18
65038 · Internet Service	728.00
Total 65000 · Operations	2,563.18
65040 · Office Supplies	
65042 · Ink Cartridges	271.77
65044 · General	177.08
Total 65040 · Office Supplies	448.85
65070 · Clubhouse Program Expense	
65071 · Program Supplies	
Sports Park	-74.12
Total 65071 · Program Supplies	-74.12
65075 · Athletic Leagues	1,371.51
65070 · Clubhouse Program Expense - Other	0.00
Total 65070 · Clubhouse Program Expense	1,297.39
65080 · Club Special Event Expenses	
Muay Thai Event	500.00
65080 · Club Special Event Expenses - Other	181.85
Total 65080 · Club Special Event Expenses	681.85
65082 · Concession Expense	2,201.38
65100 · Other Types of Expenses	
65110 · Advertising Expenses	25.00
65120 · Licenses & Permits	35.00
65135 · Grounds Maintenance-IBSP	569.59
65160 · Other Costs	42.09
Total 65100 · Other Types of Expenses	671.68
Total Expense	79,924.38
Net Ordinary Income	-47,928.96
Other Income/Expense	
Other Expense	
80000 · Ask My Accountant	0.00
Total Other Expense	0.00
Net Other Income	0.00
Net Income	-47,928.96



Sports Park Update

"A Year in Review"

Presented by:

*The Boys & Girls Club of South County,
the Imperial Beach Girls Softball League,
and the Imperial Beach Little League*

*City Council Meeting Date:
July 15, 2015*



BOYS & GIRLS CLUBS
OF SOUTH COUNTY



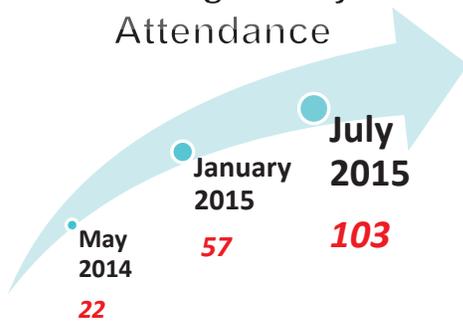
BOYS & GIRLS CLUBS
OF AMERICA

GREAT FUTURES START HERE.



Everyday at the Club...

Average Daily Attendance



Activities

- Arts & Crafts
- Homework assistance
- Theme Days
- Dodge ball Nights
- Games Room Tournaments



BOYS & GIRLS CLUBS
OF AMERICA

GREAT FUTURES START HERE.



Recreation Classes

22 Different
Classes Offered

Over 215
Participants

Over 68 % Used
Financial
Assistance



BOYS & GIRLS CLUBS
OF AMERICA

GREAT FUTURES START HERE.



Adult Recreation



CO-Ed Softball



Adult Basketball



ZUMBA!

16 Teams
(208 players)



10 Teams
(90 players)



Over 25
participants



BOYS & GIRLS CLUBS
OF AMERICA

GREAT FUTURES START HERE.



Community Outreach



Kids Day!

Over 200
guests



School Dances!



BOYS & GIRLS CLUBS
OF AMERICA

GREAT FUTURES START HERE.



Imperial Beach Girls Softball Programs Offered

250 Players
(Ages 3 to 16)

- Spring Season – FEB to APR
- All Stars – Tournaments, Districts, States – MAY to JUL
- Girls Fast-pitch League – SEP to NOV
- Fall Ball – SEP to NOV



Imperial Beach Girls Softball Volunteers



150 Volunteers (parents & others) that coach, maintain the fields and work the snack bar

12,000
volunteer
hours last
year

Imperial Beach Girls Softball Softball Clinics



A training program that helps coaches and players. Offered once a month in FEB, MAR, APR and again in SEP, OCT and NOV

Imperial Beach Girls Softball Seaside Smash Tournament



Ages 10U & 12U from all over San Diego County
2014: (4) 10U teams (5) 12 U Teams
2015: (6) 10 U Teams (7) 12 U Teams

Imperial Beach Girls Softball Interleague Games



6 Different Leagues from all San Diego County
Approx. 300 players along with parents and
coaches.

Imperial Beach Girls Softball The Future of Softball is T-Ball



6U T-Ball = 30% Growth

Imperial Beach Little League Programs Offered



Teams:

- | | |
|-------------|-----------------|
| (4) Major | (4) T-Ball |
| (4) Minor A | (2) Wiffle Ball |
| (6) Minor B | (8) Fall Ball |

250 Players
(Ages 2-12)

Imperial Beach Little League Volunteers



250 Volunteers (parents & others) that coach, maintain the fields and work the snack bar

18,000
volunteer
hours last
year

Imperial Beach Little League Wiffle Ball (Ages 2-4)



(2) Teams – (24) Kids
Goal to expand to (6) Teams (72) kids

Imperial Beach Little League Challenger Division



Requirements to bring this back:

- Flexible Scheduling
- Support from the community, schools & the City

Imperial Beach Little League Challenger Division



“I never thought I’d get to see my kid on a baseball field playing the game” – From an Imperial Beach Challenger Dad

Imperial Beach Little League Field Use

- Host Tournaments
- MLB sponsored events



- Clinics
- Community Events

AGREEMENT

OPERATING AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH, CALIFORNIA, AND THE BOYS & GIRLS CLUB, A CALIFORNIA NON-PROFIT, PUBLIC BENEFIT CORPORATION, FOR OPERATION AND MAINTENANCE OF THE IMPERIAL BEACH SPORTS PARK BY THE CLUB

THIS AGREEMENT ("Agreement") is made and entered into this 16th day of Apr. 1, 2014, by and between the City of Imperial Beach ("CITY"), a municipal corporation, and The Boys & Girls Club ("CLUB"), a California non-profit public benefit corporation. CITY and CLUB are hereinafter sometimes individually referred to as "party" and, collectively, as the "parties."

RECITALS:

WHEREAS, CITY is the owner of certain real property located at 425 Imperial Beach Boulevard, commonly referred to as the "Sports Park," as set forth in Imperial Beach Municipal Code section 12.56.010 ("the Property") as described in Exhibit A, which includes but is not limited to the Recreation Center, Skate Park, Outdoor Basketball Court, Picnic Tables, Playground/Tot Lot, and Parking areas (this Agreement excludes the ball fields on the southern portion of the Property as shown in Exhibit A); and

WHEREAS, CITY acknowledges that CLUB provides recreational, social and educational programs, services and activities to the general public, including the citizens of CITY and that CLUB is a well-respected charity in San Diego County; and

WHEREAS, CLUB has a unique expertise and extensive experience in administering sports and recreation programs in addition to institutional knowledge obtained from running sports and recreation programs throughout San Diego County; and

WHEREAS, CLUB has previously operated the Property and provided recreational programs; and

WHEREAS, this Agreement will provide the residents of CITY with more, and better, sports and recreation programs than are offered currently by CITY and by CITY employees; and

WHEREAS, City Council finds and declares that the services provided by CLUB under this Agreement are sufficiently technical in nature that they require specialized training and expertise, and constitute professional services within the meaning of Imperial Beach Municipal Code section 3.04.160; and

WHEREAS, the City Council finds and declares that the services provided by CLUB under this Agreement could not feasibly be provided by CITY employees, and constitute specialized services; and

WHEREAS, CITY desires that CLUB enter into this Agreement to enhance its recreation programs within Imperial Beach, the terms and conditions of which are expressed herein; and

WHEREAS, in consideration of CITY entering into this Agreement with CLUB, CLUB shall provide defined sports and recreation programming to the public, and shall assume responsibility for the maintenance and operation of the Property, the terms and conditions of which are expressed herein; and

WHEREAS, the Property is primarily intended for the benefit of City of Imperial Beach residents, and the purpose of this Agreement and the Property is to preserve the health and well-being of Imperial Beach residents; and

WHEREAS, this Agreement supersedes all prior written and/or oral agreements, statements or other matters by and between CITY and CLUB related to the Property.

NOW, THEREFORE, in consideration of the terms and conditions set forth, the parties hereby agree as follows:

I. TERM

- A. Commencement:** The term of this Agreement shall be from the commencement date of this Agreement on Apr. 16, 2014 ("Commencement Date") until June 30, 2015 ("Initial Term"), unless otherwise modified by mutual written agreement of the parties. It is understood and agreed that CLUB's ability to use the Property is contingent upon the fulfillment of its obligations and covenants contained in this Agreement.
- B. Renewal Option:** At the end of the Initial Term of this Agreement, the parties have the option to renew this Agreement by mutual agreement for two (2) additional two (2) year periods ("Renewal Term") to correlate with the bi-annual budget cycle of City. Each Renewal Term may be exercised by CLUB providing written notice to CITY at least six (6) months prior to the expiration of the existing term of the Agreement and CITY will then consider CLUB's performance under the provisions of this Agreement in deciding whether or not to approve a renewal term.
- C. Termination:** This Agreement may be terminated without cause by either party with six [6] months advance written notice to the other party.
- D. Holdover:** CLUB shall have no rights of holding over after expiration or termination of the Agreement.
- E. Surrender of Facilities:** Upon termination or expiration of this Agreement, CLUB shall surrender all buildings, replacements, changes, additions and improvements constructed or placed by CLUB thereon, with all equipment or apparatus in or appurtenant thereto, except all movable fixtures [not including equipment or apparatus] installed by CLUB, to

CITY in a serviceable, safe and sanitary condition and good order and repair, except reasonable wear and tear. If any removal of such personal property by CLUB results in damage to the remaining improvements on the Property, CLUB agrees to repair all such damage at their sole cost and expense.

F. Surrender of Records: Upon termination or expiration of this Agreement, CLUB shall deliver to CITY copies of all files, plans, records, registers and other papers and documents which may be required for the proper operation and management of the Property, except those files or documents that may contain confidential information that must be protected by CLUB. CLUB shall surrender the Property free and clear of all liens and encumbrances, except those existing on the Commencement Date of this Agreement or those approved in writing by CITY. It is understood that CITY shall be entitled to a mandatory injunction to enforce this provision.

II. PROPERTY SUBJECT TO THE OPERATING AGREEMENT

A. The Property: For the purposes of operating Sports Park for the benefit of the citizens of Imperial Beach, CITY hereby delivers exclusive possession of the Property as depicted on Exhibit A subject to any covenants, conditions, and restrictions listed in this Agreement (including but not limited to the requirement that CLUB hold certain areas of the Property open to the public for public use in Section III(L); the existing lease mentioned under Section II(G) of this Agreement; and any easements or other encumbrances in the title report attached as Exhibit G) to CLUB and CLUB agrees to operate the Property, which includes but is not limited to the Recreation Center, Skate Park, Outdoor Basketball Court, Picnic Tables, Playground/Tot Lot, and Parking areas.

B. Acceptance of Property: CLUB and CITY will conduct a preliminary walk through to identify the existing condition of the Property and equipment. An inventory of condition will be prepared and attached hereto as Exhibit D. Following the walk through, CLUB accepts the Property in an "AS IS" condition as of the Commencement Date of this Agreement as established by Section I(A), subject to the limitations in this Section and unless otherwise provided for under the terms of the Agreement. By signing this Agreement, CLUB represents and warrants that it has independently inspected the Property and made all tests, investigations and observations necessary to satisfy itself of the condition of the Property. CLUB agrees it is relying solely on such independent inspections, tests, investigations and observations in making this Agreement. CLUB further acknowledges that it does not hold CITY responsible for any defects in the Property and that CITY has made no representations or warranties of any kind, express or implied, with respect to the Property. CLUB's obligations under this Agreement shall not be diminished on account of any defect in the Property, any change of condition, or any damage occurring on the Property except as provided in this Agreement.

C. Representations: CITY has made no representations or warranties, expressed or implied, with respect to the Property and CLUB shall acquire no rights, easements or

licenses in or to the Property by implication or otherwise except as expressly set forth in this Agreement. CLUB understands that this Agreement is solely an operating agreement and the CITY is not granting any real property rights or interests to CLUB by entering into this Agreement. CITY represents that it has full authority and ability to enter into this Agreement.

D. Public Property: CLUB understands that the Property that is the subject of this Agreement is owned by the City of Imperial Beach and is public property.

E. Subsurface Rights: CITY hereby reserves all rights, title and interest in any and all subsurface rights, including but not limited to natural gas, oil, minerals, and/or other hydrocarbon materials or substances and water under, on or within the Property, without the right of surface entry.

F. Easements: CITY reserves the right to grant and use easements or to establish and use rights-of-way over, under, along and across the Property for utilities or access as it deems advisable for the public good.

G. Cricket Wireless Telecommunications Facility: The wireless telecommunications facility located in the area shown on Exhibit E is the subject of a lease agreement between CITY and Cricket Wireless. This facility shall remain under the leasehold of CITY and shall be maintained by Cricket Wireless pursuant to the terms of the lease between CITY and Cricket Wireless. CITY shall retain any and all rights to the monthly payment made by Cricket Wireless to CITY pursuant to said lease agreement.

H. CITY Right to Enter: CITY reserves and shall have the right to enter the Property at any time in response to an emergency and at reasonable hours, upon prior reasonable notice to CLUB for the purpose of viewing and ascertaining the condition, for making necessary repairs, or developing municipal resources and services, to protect its interest in the Property, or to inspect the operations conducted thereon. In the event that such entry or inspection by CITY discloses that the Property is not in a serviceable, safe, healthy and sanitary condition, CITY shall have the right but not the duty, after ten (10) days' written notice to CLUB, to have any necessary maintenance or repair work done at the expense of CLUB. Further, if at any time CITY determines that Property is not in a serviceable, safe, healthy and sanitary condition, CITY may at its option, upon ten (10) days' notice, require CLUB, at their expense, to file with CITY a faithful performance bond to assure prompt correction of any condition which is not serviceable, safe, healthy or sanitary. If CLUB does not obtain the performance bond within 10 days of receiving the request, the City has the option to obtain the bond and charge the cost of the bond to CLUB. The rights reserved in this section shall not create any obligations or duties on CITY or increase obligations elsewhere in this Agreement imposed on CITY, nor do any rights reserved in this section limit any authority City may have in administering and enforcing state or local laws, regulations, or ordinances.

III. CLUB RESPONSIBILITIES AND OPERATIONAL REQUIREMENTS

- A. Operation Fee:** As an operation fee, CLUB shall: (i) pay CITY \$1.00 per year in advance, (ii) modify and maintain the Property at CLUB's sole cost, and (iii) provide to the general public and citizens of Imperial Beach recreational, social and educational programs at a desirable level.
- B. Use and Programming:** It is expressly agreed that the Property to be operated by CLUB for the purpose of establishing, installing, maintaining and operating the Property to provide, at a minimum, the sports and recreation programming set forth in Exhibit B. Use of the Property for activities other than park and recreation activities are strictly prohibited pursuant to deed restrictions on the Property. Any CLUB programs offered in addition to those listed in Exhibit B are subject to the approval of the City Manager, or the City Manager's designee. No approval required by this Agreement shall be unreasonably withheld.
- C. Hours of Operation:** CLUB, with written consent of CITY which shall not be unreasonably withheld, shall be responsible for establishing hours of operation for all activities other than those areas of the Property required to be open to the public, as set forth in Section III (L).
- D. CLUB Employees:** CLUB shall provide an experienced and well-qualified on-site supervisor to oversee all operations conducted by CLUB at the Property. CLUB shall ensure that its employees are well-trained and shall at all times conform to all applicable rules, regulations and requirements, as well as all rules and regulations as hereafter may be promulgated, or put into operation by CITY. CLUB shall maintain a staff in adequate size and number, to CITY's satisfaction, to effectively operate, maintain and administer all services offered. CLUB shall conduct background checks of its prospective employees, including but not limited to criminal fingerprint clearance through the Department of Justice.
- E. Equipment:** CITY retains the right to require CLUB to discontinue the use of those items that are of a quality or nature unacceptable to CITY.
- F. Fee Schedule:** CLUB shall at all times maintain a complete list or schedule of the prices and charges for all goods or services, or combinations thereof, supplied to the public on or from the Property whether the same are supplied by CLUB or by concessionaires, permittees or licensees. Fees and rates, and any adjustments thereto shall not exceed the cost of providing the services, which includes any regular and acceptable overhead costs. Discounted fees for all memberships, goods and services shall be established for City of Imperial Beach residents (residency to be determined by the CLUB). CLUB shall establish scholarships based on financial need, for members of the public who do not have the ability to pay the established fees. Any fees to be charged are subject to the following exceptions:

1. Skate Park: CLUB shall operate the Skate Park as a public, non-profit facility, in compliance with the terms of a grant agreement between CITY and the Tony Hawk Foundation attached hereto as Exhibit F, which provided funding for construction of the park and in compliance with Imperial Beach Municipal Code Chapter 12.56. CLUB may charge fees for use of the Skate Park which are not inconsistent with these requirements. CITY prefers to allow the Skate Park to be used free of charge, except special events (i.e. competitions, exhibitions, etc.). Any fee charged for the use of the Skate Park by CLUB shall include a discounted Skate Park fee for City of Imperial Beach residents. CLUB shall be responsible to reimburse the CITY for the cost of any grant funds CITY is required to repay to the Tony Hawk Foundation as a result of CLUB's operation of the Skate Park.

- G. Improvements:** This Agreement is executed with the understanding and agreement that CLUB may find it necessary to make certain improvements to the Property in order to provide the required programming to the public. CLUB covenants and agrees that its operations, including any needed improvements to the Property, must be established, improved, and paid for wholly at the expense of CLUB, except as otherwise specified in this Agreement. CLUB shall diligently pursue any necessary improvements, provided however that CLUB shall be granted an extension for the completion of any modifications required under this Agreement if delay is caused by reason of strikes, fire, acts of God or other events beyond the control of CLUB, or unless the parties agree otherwise in writing. All improvements to the Property by CLUB are subject to the prior written approval of the City and are subject to any local, state or federal permits or building requirements. Within sixty (60) days following a request from CITY, CLUB shall furnish CITY with a complete set of "as built" plans for any improvements done by CLUB.
- H. Prevailing Wages:** CLUB shall, when required by law, pay prevailing wages for public works performed on the Property. As a material part of this Agreement, CLUB agrees to assume all risk and liability arising from any decision by CLUB or any contractor or subcontractor of CLUB not to pay prevailing wages for work required by this Agreement as evidenced by the requirements of Section IX(A)(1) of this Agreement.
- I. Contribution by City:** CITY agrees to pay the water and electricity costs for the Property until June 30, 2015. After June 30, 2015, Club and City will determine how much, if any, of the utility costs will be paid by City during the preparation of the Imperial Beach Two Year Municipal Budget. Additionally, City will provide up to \$10,000, per fiscal year, in scholarships for qualified residents who would otherwise not be able to participate. Such residents will be required to submit a request to CITY for consideration. Scholarships will be provided in accordance with policies and procedures of CITY and funds given directly from CITY to CLUB.
- J. Maintenance and Operation:** Except as specifically provided in Section III(I) above, as part of the consideration for permission to operate and use the Property, CLUB agrees to assume full responsibility and cost for all maintenance and operation of the Property

described in Exhibit A, including minor and routine maintenance, and major maintenance and repair, up to \$1,000 of all facilities, fields and buildings on the Property, in consultation with CITY. The Property shall be maintained in a condition satisfactory to CITY throughout the term of this Agreement. CLUB will conduct the repair and maintenance, including interior and exterior of buildings, equipment and apparatus, in conformity with all applicable laws, including the Prevailing Wage Law and the Public Contract Code. CLUB will ensure that the entire Property and all equipment and exterior landscaping are maintained in a safe and aesthetically pleasing manner, as established by (i) health and safety codes, (ii) standards established by exemplary facilities of a similar type, and (iii) CITY. CLUB will make general maintenance repairs within seven working days, and will make emergency (safety-related liabilities) repairs immediately. CLUB will provide custodial services and routine maintenance services for the Property. Should CLUB determine that the Property, in whole or in part, must be closed due to repair, renovation or maintenance, CLUB shall give CITY thirty (30) days advance notice prior to such closure and discuss ways to mitigate any impacts of such closure, unless an emergency condition exists, in which case, the CLUB will make a good faith effort to give CITY notice of the closure within twenty-four (24) hours of learning of the emergency condition.

- K. City Employees:** At the time of this Agreement, CITY has employees currently working at the Sports Park (hereinafter "Current Employees") whose names and contact information shall be provided to CLUB. CLUB shall offer each of the Current Employees the opportunity to interview for employment with CLUB. Further, the Current Employees shall receive priority for employment with CLUB where a Current Employee meets the qualifications and requirements for a position, as designated by CLUB.
- L. Public Access to Programs/Events:** Members of the public shall not be required to join CLUB (Boys and Girls Club or any affiliate or subset of the parent organization) in order to access any program and/or events offered at the Property by or supported by CLUB or its associates, contractors, or others acting on its behalf. Nonetheless, the CLUB may charge daily and other use fees as provided in this Agreement. CLUB shall not charge the public for parking. The Playground and Tot Lot portions of the Property as described on Exhibit C shall be open to the public free of charge at all times that the Property is open to the public, unless specifically reserved for a special event approved by CLUB. At the time of execution of this Agreement, the open hours for the Property are 7:00 a.m. until 10:00 p.m., pursuant to Imperial Beach Municipal Code section 12.56.020(X), which may be amended from time to time. The areas of the Property that are required to remain open to the public at all times that the park is open to the public are depicted in Exhibit C.
- M. Evaluation/Annual Reports:** On or about the first anniversary of the Commencement Date and then annually thereafter, CLUB shall provide annual reports to the CITY denoting Imperial Beach participant numbers, total participant numbers, events coordinated, capital projects completed, budget, next year operating and maintenance

plan and fee schedule, and any other pertinent statistics. CLUB shall provide CITY a written report on the first ninety (90) days of operation within the first six (6) months of this Agreement, which report shall include the same information as required in the annual report. On or about the first anniversary of the Commencement Date and then annually thereafter, CITY shall evaluate CLUB's performance in fulfilling its responsibilities under this Agreement. CITY and CLUB will mutually establish criteria to be used in performing this evaluation of CLUB's services. The evaluation shall include the CLUB's professional evaluation of current programs and the needs of City of Imperial Beach residents so that the CLUB and the CITY can discuss opportunities to further expand or modify services to meet the most current needs of the community.

- N. Use by Others:** The CLUB may allow short term recreational use of the Property to other groups or organizations, subject to regulations and fees as imposed by CLUB and in accordance with Imperial Beach Municipal Code Chapter 12.56.

IV. TAXES AND UTILITIES

- A. Taxes:** CITY shall not be obligated to pay any taxes, assessments or fees assessed or levied ("Impositions") upon the Property CLUB agrees to pay, before delinquency, all Impositions upon the Property.
- B. Payment before Delinquency:** Any and all Impositions and installments of Impositions required to be paid by CLUB under this Agreement shall be paid by CLUB at least ten (10) days before each such Imposition, or installment thereof, become delinquent, and the official and original receipt for the payment for such Imposition or installment thereof shall immediately be given to CITY.
- C. Payment by CITY:** Should CLUB fail to pay within the time specified in this Article any Impositions required by this Article to be paid by CLUB, CITY may, without notice to or demand on CLUB, pay, discharge, or adjust such imposition for the benefit of CLUB. In such event, CLUB shall, on or before the first day of the next calendar month following any such payment by CITY, reimburse CITY for the full amount incurred by CITY in so paying, discharging, or adjusting such imposition together with interest thereon at the highest permissible legal rate per annum, from the date of payment by CITY until the date of repayment by CLUB.
- D. Utilities:** Except as provided in Section III (I) above, CLUB is responsible for the cost of all utilities necessary for operation of the Property, including but not limited to water, sewer, cable, solid waste removal, telephone and electricity.

V. REPORTS / RECORDS

- A. Annual Program Financial Report:** Commencing no later than July 31st of each year after CLUB assumes management and operation of the Property, CLUB shall provide a

written accounting to CITY for the previous calendar year of all (i) fees, appropriate portion of CLUB membership fees and other income (excluding donations and grants) hereinafter called "Property income", and (ii) costs of repair, maintenance, expansion, renovation and operation hereinafter called "Property costs." Any excess of annual Property income over Property costs shall be held by CLUB and accounted for in an account which may be used by CLUB for the following Property-related purposes: operation and program costs, repair, maintenance, expansion, renovation, equipment or the prior year's deficit, if any. Any excess of annual Property costs over annual Property income shall be at cost to CLUB. Each such accounting shall be pursuant to generally accepted accounting principles as applied consistently to all CLUB branches and operating units, and shall be accompanied by CLUB's written certification that the accounting is accurate and complete.

- B. Inspection of Records:** CLUB agrees to make any and all records and accounts available to CITY for inspection at all reasonable times so that CITY can determine CLUB's compliance with this Agreement. These records and accounts will be complete and accurate showing all income and receipts from the use of the Property. CLUB's failure to keep and maintain such records and make them available for inspection by CITY shall be deemed a default of this Agreement. CLUB shall maintain all such records and accounts for a minimum period of five (5) years following the expiration or termination of this Agreement.

VI. COMPLIANCE WITH LAW

CLUB shall at all times in the use, maintenance, occupancy and operation of the Property comply with all applicable laws, statutes, ordinances and regulations of CITY, County, State and Federal governments at CLUB's sole cost and expense, whether or not said laws are expressly stated or referred to herein. This shall include, but not be limited to, compliance with the provisions of the Imperial Beach Municipal Code Chapter 12.56 related to the use of public parks and recreation facilities. In addition, CLUB shall comply with any and all notices by CITY under the authority of any such law, statute, ordinance or regulation.

VII. DEFAULTS AND REMEDIES

- A. Default:** The following shall be treated as events of default by CLUB:

1. Failure to perform any covenant or condition required by this Agreement and failure to cure such default within thirty (30) days following written notice thereof from CITY; or if any such default is not curable within thirty (30) days, failure to commence to cure the default(s) within said thirty (30) day period diligently pursue such cure to completion; or
2. Becoming insolvent, or voluntarily filing, or having involuntarily filed against it, any petition under any bankruptcy or insolvency act or law; or
3. Being adjudicated bankrupt; or

4. Making a general assignment for the benefit of creditors.

In any of these events of default, CITY may, at its option, without further notice or demand upon CLUB or upon any person claiming rights through CLUB, immediately terminate this Agreement and all rights of CLUB and of all persons claiming rights through CLUB to the Property or to possession thereof and CITY may enter and take possession of the Property.

B. Remedies: If CITY shall be required to exercise its right to cure default(s) through litigation, CITY shall have the option of the following courses of action in order that the default(s) may be expeditiously corrected:

1. CITY may correct said default(s) and charge the costs thereof to CLUB, which shall be due and payable within thirty (30) days after presentation by CITY to CLUB.
2. CITY may correct said default(s) and may pay the costs thereof from the proceeds of any insurance fund held by CITY, or CITY may use the funds of any faithful performance or cash bond on deposit with CITY, or CITY may call on the bonding agent to correct the default(s) or to pay the costs of correction performed by or at the direction of CITY.

C. Abandonment: If CLUB has breached the Agreement and abandoned the Property for more than five (5) consecutive days, CITY may enforce all its rights and remedies hereunder including, but not limited to, the right to reenter and take possession of buildings, improvements, equipment and appurtenances thereto, and to recover any and all damages.

D. Endangerment: In the event CITY determines that CLUB's provision of service, program and/or staff endangers the public health, safety and/or welfare, CITY reserves the right to terminate such use immediately.

E. Waiver: Any CITY waiver of a default is not a waiver of any other default. Any waiver of a default must be in writing and be executed by the City Manager of CITY in order to constitute a valid and binding waiver. CITY delay or failure to exercise a remedy or right is not a waiver of that or any other remedy or right under this Agreement. The use of one remedy or right for any default does not waive the use of another remedy or right for the same default or for another or later default. CITY and CLUB specifically agree that the Property is intended for the benefit of the citizens of Imperial Beach and that failure by CITY to discover a default to take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY shall at all times, subject to applicable statute of limitations, have the legal right to require the cure of any default when and as such defaults are discovered.

F. Security Interest and Lien on Improvements And Personal Property: CITY shall have a security interest and first lien paramount to all others on every right and interest of CLUB in and to this Agreement, and on any building or improvement on or thereafter

placed on the Property, and on any furnishings, equipment, fixtures or other personal property of any kind belonging to CLUB, or the equity of CLUB therein, on the Property. The security interest and lien are granted for the purpose of securing considerations, taxes, assessments, charges, liens, penalties, and damages to be paid by CLUB, and for the purpose of securing the performance of all of CLUB's obligations under this Agreement. The security interest and lien shall be in addition to all rights of CITY given under statutes of this state, which are now or shall hereinafter be in effect.

VIII. EMINENT DOMAIN

- A. Taking:** This Agreement is contingent upon the Property being owned by the City of Imperial Beach. If the Property or portion thereof is taken through condemnation proceedings or under threat of condemnation by another public authority with the power of eminent domain, this Agreement shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- B. Award:** All monies awarded in any such taking shall belong to CITY. In the event CITY is not the condemning authority, CITY shall have no liability to CLUB for any award not provided by the condemning authority.
- C. Transfer:** CITY has the right to transfer CITY's interest in the Property in lieu of condemnation to any authority entitled to exercise the power of eminent domain.
- D. No Inverse Condemnation:** The exercise of any CITY right under this Agreement shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon CITY for inverse condemnation so long as such rights do not unreasonably or substantially interfere with CLUB's operations.
- E. Relocation Assistance:** CLUB agrees that nothing contained in this Agreement shall create any duty in CITY for relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16 of the Government Code, as same may be amended or supplemented, upon the expiration or earlier termination of this Agreement.

IX. MECHANICS' LIENS; STOP NOTICES

- A. Mechanics' Liens; Stop Notices:** CLUB shall pay, or cause to be paid, the total cost and expense of all works of improvement, as that phrase is defined in the Mechanics Lien Law in effect at the place of construction, done by it, or caused to be done by it, on the Property, and for all materials furnished for or in connection with any such work. If any lien or stop notice is filed against the Property, CLUB shall cause the lien or stop notice to be discharged of record within one hundred eighty (180) days after it is filed. If improvements, alterations or repairs are made or are caused to be made to the Property by CLUB, and a lien or notice of lien is filed, CLUB shall within five (5) days of such filing either:

1. Take all actions necessary to record a valid release of lien; or
2. File with CITY a bond, cash, or other security acceptable to CITY sufficient to pay in full all claims of all persons seeking relief under the lien.

B. Indemnification: CLUB shall indemnify, defend, and hold CITY harmless from any and all liability, loss, damage, costs, attorneys' fees and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for CLUB or persons claiming under CITY.

C. Notice of Lien or Stop Notice: Should any claim of lien or stop notice related to CLUB's work of improvement of the Premises be filed against the Premises or any action be filed against the Premises or any action affecting the title to such property be commenced, the party receiving notice of such lien or stop notice or action shall immediately give the other party written notice thereof.

D. Notice of Nonresponsibility: CITY or its representatives shall have the right to post and keep posted on the Premises notices of nonresponsibility or such other notices which CITY may deem to be proper for the protection of CITY's interest in the Premises. CLUB shall, before the commencement of any work which might result in any such lien or stop notice, give to CITY written notice of its intention to do so in sufficient time to enable posting of such notices.

X. INDEMNIFICATION

A. Hold Harmless and Indemnification:

1. CLUB hereby indemnifies, defends, and holds harmless CITY and its Council members, agents, officers, employees and volunteers from and against any and all liability or claim of liability, loss or expense, including defense costs and legal fees and claims for damages of whatsoever character, nature and kind, whether directly or indirectly arising from or connected with an act or omission of CLUB, or an agent, invitee, guest, employee, or anyone in, on or about the Property, with respect to the Property, the operations or services under this Agreement, or with respect to the application of any of CLUB's policies to activities or operations at the Property, including, but not limited to, liability, expense, and claims for: bodily injury, death, personal injury, or property damage caused by negligence, creation or maintenance of a dangerous condition of property, breach of express or implied warranty of product, defectiveness of product, loss of use, or claims pertaining or related to the release or use of hazardous materials, including but not limited to those listed in 49 CFR 172.101; intentional infliction of harm, including any workers' compensation suits, compliance with prevailing wage and public contracting requirements, compliance with tax laws, liability, or expense, arising from or connected with services performed by on behalf of CLUB by any person pursuant to this Agreement;

infringement of a patent or copyright or disclosure of a trade secret; and violation of state and federal antitrust laws; provided, however, that (1) nothing herein shall relieve CITY from liability to the extent that such liability arises from CITY's sole established negligence or willful misconduct and (2) nothing herein shall relieve CITY from liability to the extent that such liability arises solely from CITY operations conducted on the Property. For purposes of this indemnity clause, "Property" shall include all portions of the Property described in Exhibit A and Exhibit E. This indemnity shall not require payment of a claim by CITY or any of its Council members, officers, employees, agents or volunteers as a condition precedent to CITY's recovery hereunder. CLUB's obligation to indemnify hereunder shall not be restricted to insurance proceeds, if any, received by CITY and its Council members, officers, employees, agents and volunteers.

2. CLUB shall at all times save CITY free and harmless and indemnify CITY against all claims for labor and materials in connection with operations, improvements, alterations, or repairs to the Property and the costs of defending against such claims including attorney's fees.

B. Hazardous Materials:

1. **Hazardous Materials Laws-Definition:** As used in this Section X(B), the term "Hazardous Materials' Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., sec.9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C., sec.1801 et seq.), and the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C., sec. 6901 et seq.), relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Property, soil and ground water conditions or other similar substances or conditions.
2. **Hazardous Materials – Definition:** As used in this Section X(B) the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that:
 - a. is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;
 - b. is controlled, referred to, designated in or governed by any Hazardous Materials Laws;
 - c. gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws, or
 - d. is any other material or substance giving rise to any liability, responsibility or duty upon the CITY or CLUB with respect to any third person under any Hazardous Materials Law.

- 3. CLUB's Representations and Warranties:** CLUB represents and warrants that, during the Term of this Agreement or any extension thereof, CLUB shall comply with the following provisions of this Section unless otherwise specifically approved in writing by CITY, subject to the terms and conditions of CLUB's maintenance obligations provided elsewhere in this Agreement:
- a. CLUB shall not cause or permit any Hazardous Materials to be brought, kept or used in or about the Property by CLUB, its agents, employees, assigns, contractors or invitees, except as required by CLUB's permitted use of the Property in the normal course of operations;
 - b. Any handling, transportation, storage, treatment or usage by CLUB of Hazardous Materials that is to occur on the Property following the Commencement Date shall be in compliance with all applicable Hazardous Materials Laws;
 - c. Any leaks, spills, release, discharge, emission or disposal of Hazardous Materials which may occur on the Property following the Commencement Date shall be promptly and thoroughly cleaned and removed from the Property by CLUB at its sole expense, and any such discharge shall be promptly reported in writing to CITY, and to any other appropriate governmental regulatory authorities;
 - d. No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by CLUB in the Property;
 - e. No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by CLUB on the Property without CITY's prior written consent;
 - f. CLUB shall conduct and complete all investigations, studies, sampling, and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Property in accordance with all applicable Hazardous Materials' Laws and to the satisfaction of CITY;
 - g. CLUB shall promptly supply CITY with copies of all notices, reports, correspondence, and submissions made by CLUB to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials' Laws; and
 - h. CLUB shall promptly notify CITY of any liens threatened or attached against the Property pursuant to any Hazardous Materials' Law. If such a lien is filed against the Property, then, within the earlier of (i) twenty (20) days following such filing, or (ii) before any governmental authority commences proceedings to sell the Property pursuant to the lien, CLUB shall either: (a) pay the claim and remove the lien from the Property, or (b) furnish either (1) a bond or cash deposit reasonably satisfactory to CITY in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to CITY in an amount not less than that which is sufficient to discharge the claim from which the lien arises. At the end of this Agreement, CLUB shall surrender the Property to CITY free of any

and all Hazardous Materials and in compliance with all Hazardous Materials' Laws affecting the Property.

XI. INSURANCE

- A. Coverage:** Without limiting CLUB's indemnification of CITY, as provided above, CLUB shall take out and maintain at all times during the term of this Agreement, and shall require any contractors performing work on the Property to furnish, the following insurance at its sole expense:
- 1. Liability:** Public liability and property damage insurance in the amount of not less than \$1,000,000 per occurrence in the primary and \$2,000,000 per occurrence in the excess for a stackable amount of \$3,000,000 per occurrence. This policy shall cover all injury or damage, including death, suffered by any party or parties from acts or failures to act by CLUB or by authorized representatives of CLUB on or in connection with CLUB's use and operation of the Property.
 - 2. Automobile Liability:** Automobile liability insurance in the amount of not less than \$1,000,000 combined single limit in the primary and \$2,000,000 per occurrence in the excess for a stackable amount of \$3,000,000 per occurrence. At all times during the term of this Agreement, CLUB shall maintain automobile liability insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles in a form and with insurance companies acceptable to CITY.
 - 3. Workers' Compensation:** CLUB shall maintain California Workers' Compensation Insurance with statutory limits. CLUB shall provide the CITY with a certificate of Workers' Compensation Insurance coverage.
 - 4. Employer's Liability Insurance:** CLUB shall provide Employers' Liability insurance in the amount of, at least \$1,000,000 per accident for bodily injury and disease. CLUB shall provide the CITY with a certificate of Employers' Liability Insurance.
 - 5. Sexual Molestation Liability (SML) Insurance:** CLUB shall provide sexual molestation liability (SML) insurance in the amount of \$2,000,000 per occurrence or event with an annual aggregate limit of \$4,000,000.
- B. Conditions:** All insurance policies shall list CITY, its Council members, officers, employees, and agents as additional insureds, protect CITY as its interest may appear against reasonable legal costs in defending claims and shall not terminate without sixty (60) days prior written notice to CITY. All insurance companies must be satisfactory to CITY and licensed to do business in California.
- C.** CLUB shall provide evidence of compliance with the insurance requirements listed above by providing certificates of insurance, in a form satisfactory to the Administrative Services Director of CITY. Copies of the insurance certificate will remain on file with CITY during the entire term of this Agreement. At least thirty (30) days prior to the expiration of each certificate, CLUB shall furnish a certificate showing that a new or extended policy has been obtained which meets the terms of this Agreement. For any

claims related to this Agreement, CLUB's insurance shall be primary insurance as respects CITY, its officers, officials, employees, agents, representatives, and/or volunteers.

- D. Acceptable Insurance Companies:** Insurance carriers shall be qualified to do business in California and maintain an agent for service of process within the State. Such insurance carriers shall have not less than an "A-"policy holder's rating and a financial rating of not less than "Class VII" according to the latest Best Key Rating Guide unless otherwise approved by CITY.
- E. Deductibles and Self-Insured Retentions:** Any deductible or self-insured retention in excess of \$25,000 must be declared to and approved by CITY prior to the execution of this Agreement, but may be adjusted in CITY's discretion over the term of this Agreement for inflation.
- F. Modifications:** CITY, at its discretion, may reasonably require the revision of amounts of coverage at any time during the term by giving CLUB sixty (60) days prior written notice. CITY's requirements shall be designated to assure protection from and against the kind and extent of risk existing on the Property. CLUB also agrees to obtain any additional insurance required by CITY for new improvements in order to meet the requirements of this Agreement.
- G. Accident Reports:** Within seventy-two (72) hours (twenty-four (24) hours for death or serious accidents), CLUB shall report to CITY any accident causing more than ten thousand dollars (\$10,000) worth of property damage or any serious injury to persons using the Property. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses and other pertinent information.
- H. Waste, Damage, or Destruction:** CLUB agrees to give notice to CITY of any fire or other damage that may occur at the Property within three days of such fire or damage. CLUB agrees not to commit or suffer to be committed any waste or injury or any public or private nuisance, to keep the Property clean and clear of refuse and obstructions, and to dispose of all garbage, trash, and rubbish in a manner satisfactory to CITY.
- I. Failure to Comply:** If CLUB fails or refuses to take out and maintain the required insurance, or fails to provide the proof of coverage, CITY has the right to obtain the insurance. CLUB shall reimburse CITY for the premiums paid with interest at the maximum allowable legal rate then in effect in California. CITY shall give notice of the payment of premiums within 30 days of payment stating the amount paid, names of the insurer and rate of interest. Said reimbursement and interest shall be paid by CLUB on the first day of the month following the notice of payment by CITY. Notwithstanding the preceding provision, if CLUB fails or refuses to take out or maintain insurance as required in this Agreement, or fails to provide the proof of insurance, CITY has the right

to declare this Agreement in default without further notice to CLUB and CITY shall be entitled to exercise all legal remedies in the event of such default.

XII. DAMAGE OR DESTRUCTION

- A. CLUB's Duty to Repair Casualty:** Except as provided in this section and subject to the terms and conditions of CLUB's maintenance obligations provided elsewhere in this Agreement, should the Property be damaged by fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature (Casualty), CLUB, at CLUB's sole cost and expense, shall, as expeditiously as reasonably possible, consult with CITY and repair any damages to the Property, and repair, restore and replace any such damaged or destroyed fixtures, improvements or personal property.
- B. Construction Provisions:** In the event of any reconstruction of the Property, fixtures or improvements required of CLUB pursuant to this Section, CLUB shall repair the Property, and repair or rebuild such fixtures and improvements, to substantially the same condition they were in immediately preceding such Casualty.
- C. No Abatement:** In the event of reconstruction, replacement or repair by CLUB pursuant to this Section as approved by CITY, CLUB shall continue its operations on the Property during any such period to the extent reasonably practicable from the standpoint of prudent business management, and in continuing compliance with applicable laws and regulations. CLUB shall not be entitled to any compensation or damages from CITY for loss of use of the whole or any part of the Property, CLUB's personal property or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

XIII. GENERAL PROVISIONS

- A. Entire Agreement:** This Agreement supersedes all prior agreements and understandings between the parties relating to the subject matter hereof. Neither of the parties has relied upon any oral or written representation or oral or written information given to it by any representative of the other party. All prior and contemporaneous agreements, representations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the parties hereto. Each party has relied on its own examination of the Property, advice from its own attorneys, and the warranties, representations, and covenants of the Agreement itself. Each of the parties agrees that no other party, agent, or attorney of any other party has made any promise, representation or warranty, whatsoever, which is not contained in this Agreement. Failure or refusal of any party to read the Agreement or other documents, inspect the Property and obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have

been based on these actions. No modification, amendment or alteration of this Agreement will be valid unless it is in writing and signed by all parties.

- B. Covenant Running With the Land:** This Agreement shall be binding upon and shall inure to the benefit of the parties, and their assigns, agents, servants, employees and successors in interest, including, but not limited to, any person or entity claiming title through CLUB to all or any portion of the Property. The benefits and burdens described herein constitute covenants running with the land for the benefit of the Property owned by CITY.
- C. Headings:** The headings of Sections of this Agreement have been inserted for convenience of reference only and shall not affect the interpretation of any of the provisions of this Agreement.
- D. Amendments:** The governing bodies of CITY and CLUB may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, are executed in writing, and are signed by a duly authorized representative of each organization. Amendments shall not invalidate this Agreement, but may relieve or release either party from certain obligations contained herein.
- E. Additional Instruments to Be Executed:** The parties shall execute and deliver any instruments in writing necessary to carry out any agreement, term, condition, or assurance in this Agreement whenever occasion shall arise and request for such instruments shall be made.
- F. Counterparts:** This Agreement may be executed in counterparts and, when so executed by the parties, shall become binding upon them and each such counterpart will be an original document.
- G. Waiver:** No covenant, term or condition of this Agreement shall be deemed to be waived by any party hereto unless such waiver is in writing and executed by the party making the waiver. No waiver or a breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained.
- H. Severability:** If any provision of this Agreement is held invalid, the Agreement shall not be affected thereby and shall nevertheless be in full force and effect to the fullest extent permissible by law.
- I. Successors And Assigns / Binding Effect:** CLUB shall not be entitled to assign or sublet all or any portion of its rights or obligations contained in this Agreement without obtaining the prior written consent of CITY, which consent shall not be unreasonably withheld. Approval of any assignment or sublease shall be conditioned upon the assignee or sublessee agreeing in writing that it will assume the rights and obligations

thereby assigned or subleased and that it will keep and perform all covenants, conditions and provisions of this Agreement which are applicable to the rights acquired. Any purported assignment or subletting without CITY's prior written consent shall be void.

- J. Governing Law and Venue:** This Agreement shall be construed in accordance with and governed by the laws of the State of California. This Agreement shall be deemed made and entered into San Diego County, which shall also be deemed to be the sole proper venue for any action or proceeding to this Agreement.
- K. Attorney's Fees:** In the event any action shall be instituted by CITY in connection with this Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its costs of action, including reasonable attorneys' fees as fixed by the Court therein.
- L. Inconsistencies and Ambiguities:** This Agreement is to be deemed to have been prepared jointly by the parties hereto with advice of counsel and, if any inconsistencies or ambiguities exist herein, they shall not be interpreted or construed against any particular party as the drafter.
- M. Independent Contractor:** This Agreement by and between CITY and CLUB and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CITY and CLUB. CLUB understands and agrees that all persons furnishing services for and on behalf of CLUB pursuant to this Agreement are, for purposes of liability, employees solely of CLUB and not of CITY.
- N. Nondiscrimination/Equal Opportunity:** CLUB, for itself, its successors and assigns and all persons claiming under or through it, covenants that it shall not discriminate against or segregate against any person or group of persons on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, or sexual orientation, in the operations, occupancy, use or enjoyment of the Property. CLUB shall adopt guidelines to ensure that neither CLUB nor any person claiming under or through it, will establish or permit any practice of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, licensees, employees or vendees in the Property or the improvements thereon. CLUB shall not prophesy or promote its creed to persons making use of the Property. CLUB further covenants to comply with all State and Federal nondiscrimination laws now or hereafter in effect. The foregoing covenants shall run with the leasehold. CLUB agrees to abide by CITY's equal opportunity policy as it exists or is amended to the extent that the program is applicable to this Agreement. A copy of the program effective as of the date of this Agreement is on file in the office of the City of Imperial Beach.

- O. Notices:** All notices, demands or other communications concerning this Agreement shall be directed to the following authorized representatives. Any party may change its address by a notice given to the other party.

CITY

City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932
Phone: (619) 423-8303
Attn: City Manager

CLUB

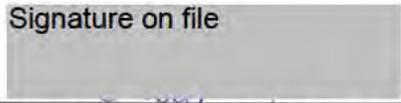
The Boys & Girls Club
847 Encina Avenue
Imperial Beach, CA 91932
Phone: (619) 424-2266
Attn: President

Any such notices shall be deemed given when deposited in the mail as required herein above and shall be deemed received 48 hours after being deposited as required herein. The person and the place to which notices are to be mailed may be changed by either Party by notice to the other.

- P. Authority:** Each party and its respective agents executing this Agreement warrants and represents that it has full power and authority to execute, deliver and perform the obligations under this Agreement, and that each party's performance hereunder has been duly authorized by requisite actions on the part of that party.
- Q. Time of Essence:** Time is of the essence of each and every provision of this Agreement.

IN WITNESS WHEREOF THE PARTIES HERETO have executed this Agreement on date first above written.

CITY OF IMPERIAL BEACH

Signature on file


ANDY HALL, CITY MANAGER

4/17/2014
Date

THE BOYS & GIRLS CLUB

Signature on file


PRESIDENT

4/17/2014
Date

ATTEST:

Signature on file


JACQUELINE M. HALD
CITY CLERK

EXHIBIT A
DESCRIPTION OF THE PROPERTY SUBJECT TO THE OPERATING AGREEMENT

- Note (ball field area to be removed as indicated in attached map)

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of San Diego, City of Imperial Beach and described as follows:

Parcel 1:

The North 390.00 feet of the West Half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey.

Excepting therefrom the West 960.00 feet thereof.
Also excepting therefrom any and all street openings.

Parcel 2:

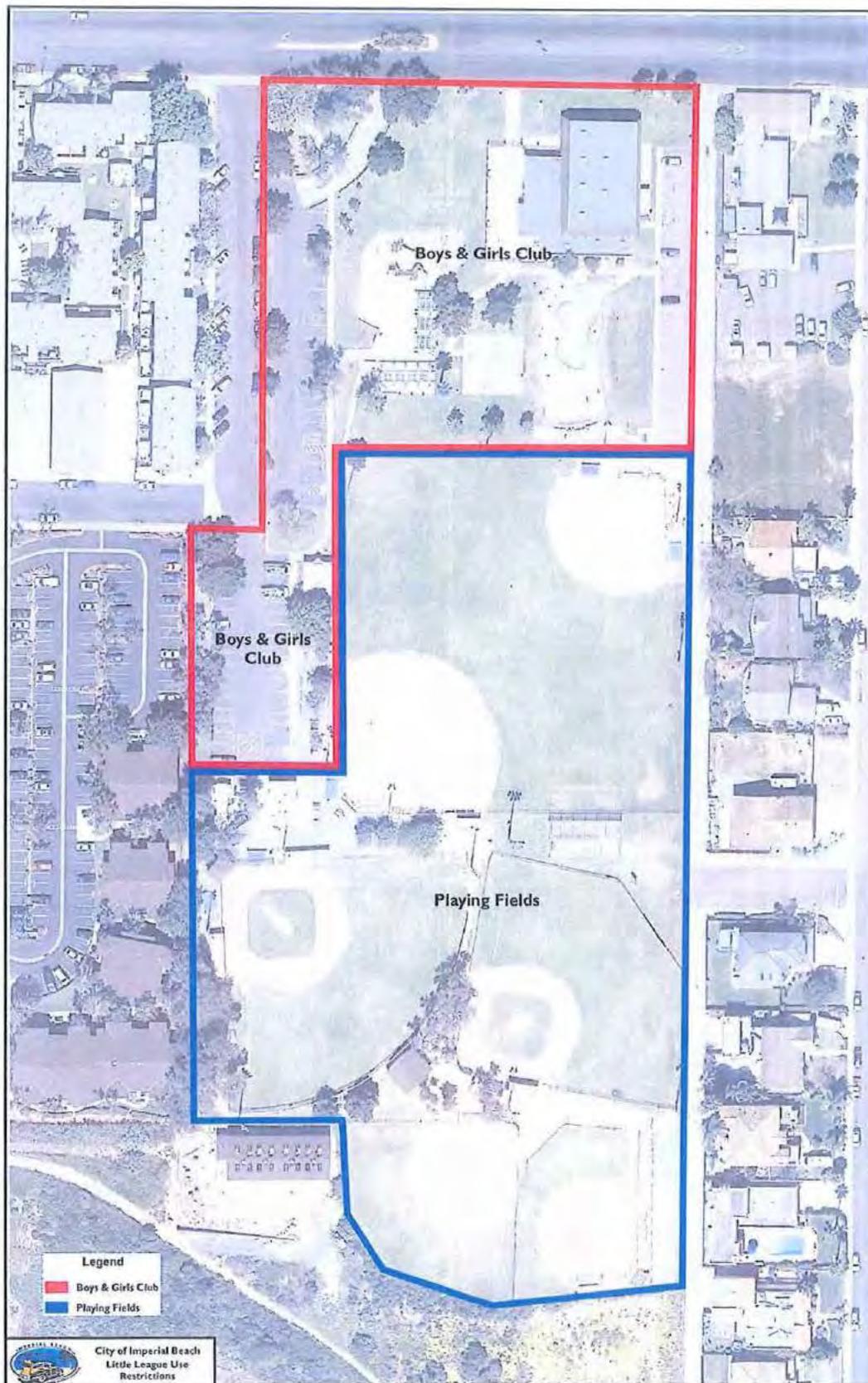
The South 515.00 feet of the North 905.00 feet of the East 423.00 feet of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey.

Parcel 3:

That portion of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey More particularly described as follows:

Commencing at the Northwest corner of Lot 24 of Seaside Point Palisades Unit No. 2, according to Map thereof No. 8748, filed December 20, 1977, in the Office of the County Recorder of San Diego County; thence along the Westerly prolongation of the North line of said Lot 24, due West a distance of 16.80 feet to a point on the East line of the West half of the Southeast quarter of said Section 30, said point being 733.00 feet from the Northeast corner of the West half of the Southeast quarter of Section 30; thence along said East line South 00° 08' 32" East a distance of 172.01 feet to a point on the South line of the South 515.00 feet of the North 905.00 feet of said West half as described in Deed recorded March 1, 1972, file/Page No. 72-49370, of Official Records of the County Recorder of San Diego County, said point being the true point of beginning; thence along said South line North 89° 49' 07" West (record North 89° 06' 47" West per record of Survey Map No. 8470), a distance of 289.84 feet; thence South 03° 35' 22" East a distance of 78.92 feet ;thence South 33° 17' 15" East a distance of 57.80 feet; thence South 72° 56' 56" East a distance of 9755 feet; thence North 84° 09' 11" East a distance of 161.09 feet more or less to a point on the East line of said West half; thence along said East line North 00° 06' 32" West a distance of 138.36 feet to the true point of beginning.

APN: 632-400-35-00 and 632-400-33-00
(End of Legal Description)



**EXHIBIT B
MINIMUM PROGRAMMING TO BE PROVIDED BY CLUB**



**BOYS & GIRLS CLUBS
of South County**

**IMPERIAL BEACH SPORTS PARK
SPRING CLASS SCHEDULE**

Annual Membership Fees: \$40 Individual Fee / \$60 Family Fee

DANCE	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Ballet /Tap-Beginning	3-4	Yesenia	TBD	TBD	\$40/\$45/\$55	10 WEEK
Ballet /Tap-Intermedia	5-7	Yesenia	Thurs	5-5:45pm	\$40/\$45/\$55	10 WEEK
Ballet /Tap-Intermedia	8-10	Yesenia	Wed	5-5:50pm	\$40/\$45/\$55	10 WEEK
Zumba	12+	Abby	Mon &Thurs	7-8pm	\$40/\$45/\$55 (\$7 drop in)	MONTHLY

MARTIALARTS	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Tae Kwon Do I	3-5	Kim	Tues & Thurs	4-4:30pm	TBD	MONTHLY
Tae Kwon Do II	6+	Kim	Tues & Thurs	5-6pm	TBD	MONTHLY

LIFE SKILLS	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Basic Computer Skills	18+	STAFF	1/WEEK	TBD	FREE	8 WEEK
Career Readiness	16+	STAFF	1/WEEK	TBD	FREE	8 WEEK

PHYSICAL FITNESS	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Yoga I	4-7	Minnie	1/WEEK	TBD	TBD	MONTHLY
Yoga II	8-12	Minnie	1/WEEK	TBD	TBD	MONTHLY
Yoga III	12+	Minnie	1/WEEK	TBD	TBD	MONTHLY
Gymnastics	3-5	Daniela	Mon	TBD	\$40/\$45/\$55	10 WEEK
Gymnastics	6-10	Daniela	Thurs	4:15-5pm	\$40/\$45/\$55	10 WEEK
Boot Camp	16+	Marion	TBD	TBD	\$100/\$105/\$110	MONTHLY

PERFORMING ARTS	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Guitar	6+	TBD	1/WEEK	TBD	\$35/\$40/\$50	8 WEEK

ENRICHMENT	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Mommy & Me	2-5	Sandra	Mon	10-11am	\$40/\$45/\$55	10 WEEK

SPORTS	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Youth Basketbal	12--14	TBD	1/WEEK	TBD	\$40/\$45/\$55	SEASONAL
Adult Basketball	18+	TBD	1/WEEK	TBD	\$250/\$300 per team	SEASONAL

Seniors	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Yoga IV	55+	Minnie	1/WEEK	TBD	TBD	MONTHLY
Zumba II	55+	Abby	Mon &Thurs	7-8pm	\$40/\$45/\$55 (\$7 drop in)	MONTHLY
Basic Computer Skills	55+	STAFF	1/WEEK	TBD	FREE	ON GOING
Social Hour	55+	STAFF	1/WEEK	TBD	FREE	ON GOING

DROP-IN ACTIVITIES	AGES	INSTRUCTOR	DAY	TIME	MEMBER/RES/NON RES	SESSION
Cooking	6-16	STAFF	1/MONTH	TBD	\$2/\$2/\$4	TBD
Dodgeball Night	6-16	STAFF	1/MONTH	TBD	\$2/\$2/\$4	TBD
Dances	11-16	STAFF	1/MONTH	TBD	\$2/\$2/\$4	TBD
Parent Night Out	6-12	STAFF	1/MONTH	6-10PM	\$10/\$15/\$20	TBD

Exhibit C
Property Held Open to the Public
Map/Description of Facilities

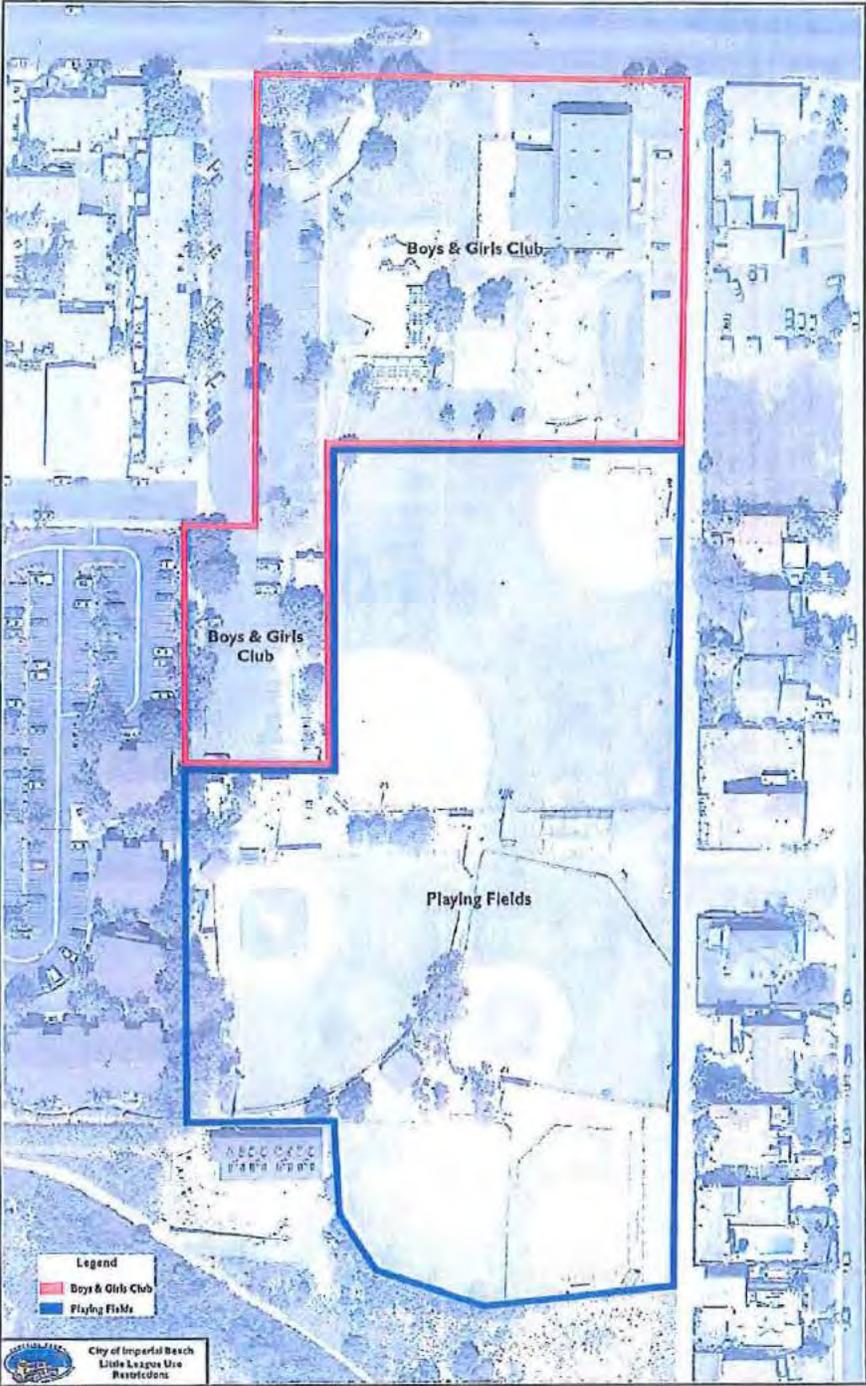


Exhibit D – Walk-Thru Inspection

EXHIBIT D - SPORTS PARK WALK THRU INSPECTION

1. Signage needs to be changed to Boys & Girls Club
2. Gym Fascia needs painted/wood rot needs replaced
3. Remove pine trees on south side of gymnasium. Water is leaching up lower portion of wall
4. South east corner of gym is cracked. PVC piping missing on top Southeast corner of gym, wiring exposed
5. Graffiti removed on South side of gym
6. Southwest entry door is stained with urination
7. Light/fence columns on patio are cracked
8. Caulking around lower joints of patio/building
9. Water heater drain is broken
10. Water heater vent need connection
11. Men's toilet drains slowly. Lines need to be inspected by video camera to determine problem
12. Music Room door/ wall need finished
13. New gym flooring is needed. Multi-purpose flooring such as flooring at BGC gym is suggested
14. Gym divider partition/curtain is needed to maximize recreation classes space
15. Gym storage door needs replaced
16. All gym lights need to be checked
17. Holes in gym storage ceiling
18. Gym water fountain not working properly
19. Spit sink adjustment is needed
20. Breakaway rims need installed on basketball backboards
21. Test mechanical operation of basketball backboards
22. Test mechanical operation of scoreboard
23. Test mechanical operation of heaters
24. Test mechanical operation of speakers
25. Test mechanical operation of fire alarms

Exhibit D – Walk-Thru Inspection

26. Games room counter door hinges need replaced
27. Dry wall under sink in kitchen area needs replaced
28. Games room ceiling tiles need replaced or painted
29. Missing exit light screens
30. Playground mats in Tot Area are missing and worn
31. Gazebo needs repainting
32. Meter box foundation needs replaced
33. Outside activities board needs removed or replaced
34. Is Skate Park unfinished? Identify purpose of grass area in skate park
35. Replace or remove goop on North west fascia
36. East side lighting needs checked
37. North side under eaves stucco is cracked
38. West wall gym entrance door needs replaced
39. NW corner roof - grease or mold
40. NW corner base is discolored
41. Tree trimming

EXHIBIT E
CELLULAR TOWER AGREEMENT WITH CRICKET COMMUNICATIONS

MF 852; CUP 060382; DR 060383
Site known as: Imperial Beach Sports Park
APN: 632-400-35
Cricket Site Identifier: SAN-749 Imperial Beach Park

NON-EXCLUSIVE LICENSE AGREEMENT FOR CELLULAR SITE

This Non-Exclusive License Agreement for Cellular Site (the "Agreement") is entered into as of the date indicated on the execution page, by the City of Imperial Beach, a municipal corporation with an address at 825 Imperial Beach Boulevard, Imperial Beach, California 91932 (the "City" and hereinafter referred to as "Grantor") and Cricket Communications, Inc., a Delaware corporation, with its principal office located at 10307 Pacific Center Court, San Diego, California 92121 (hereinafter referred to as "Grantee"). Pursuant to the terms hereof, Grantor hereby grants to Grantee, its successors and assigns, a License to enter upon certain property, as more particularly described in Exhibit 1 attached hereto and incorporated herein by reference (the "Property"), subject to the terms and conditions set forth in this Agreement:

WITNESSETH:

WHEREAS, the City owns that certain plot, parcel or tract of land, located at 425 Imperial Beach Boulevard, Imperial Beach, California 91932, in the County of San Diego, commonly known as the Imperial Beach Sports Park (referred to hereinafter as the "Property" and more particularly described in Exhibit 1 attached hereto and incorporated herein by reference).

WHEREAS, Grantee desires to use a portion of the Property in connection with its federally licensed communications business.

WHEREAS, Grantor desires to grant to Grantee the right to use said portion of the Property in accordance with the Non-exclusive License described herein.

WHEREAS, the Non-Exclusive License authorizes only the uses specified therein and requires the prior written permission of the City for any other use.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **GRANT OF LICENSE.** Grantor hereby agrees to permit Grantee to locate its Communication Facility (as defined below in Section 2) on a portion of the Property, as more particularly described and depicted in Exhibit 2, attached hereto and incorporated herein by reference. In connection with the Communication Facility, Grantor grants to Grantee a License to enter upon and/or use portions of the Property consisting of the following: (i) ground area space of approximately 91 square feet with dimensions measuring approximately 13' X 7' feet (the "Equipment Space") upon which Grantee will construct its underground vault station equipment; and (ii) the non-exclusive easement for reasonable access to the Equipment Space and existing telecommunications monopole, seven (7) days a week twenty-four (24) hours a day,

on foot or motor vehicle and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under or along a two (2) foot wide right-of-way extending from the existing monopole and existing SDGE power source, to the demised premises (said demised premises and right-of-way hereinafter collectively referred to as the "Premises") for access being substantially as depicted in Exhibit 2; provided that the access and use shall not interfere with Imperial Beach Sports Park related activities.

2. PERMITTED USE / OBLIGATIONS.

(a) Grantee may use the Premises for the transmission and reception of communications signals and the installation, construction, maintenance, operation, repair and replacement of its communication facility and related equipment, cables, accessories and improvements, which may include a suitable support structure for associated antennas, underground equipment shelters or cabinets and any other items necessary to the successful and secure use of the Premises (collectively the "Communication Facility") as approved in the City of Imperial Beach Conditional Use Permit 060382; such use may include the right to test, survey and review title on the Property (collectively, the "Permitted Use"). Grantor and Grantee agree that any portion of the Communication Facility that may be described on Exhibit 2 will not be deemed to limit Grantee's Permitted Use. Final approval of the initial installation of the Communication Facility shall be made based upon final drawings. Grantee has the right to make improvements, alterations or additions to the Premises ("Grantee Changes") appropriate for Grantee's use, subject to prior written approval by the Grantor, which approval shall not be unreasonably withheld, or delayed. Grantee agrees to comply with all applicable governmental laws, rules, statutes and regulations, relating to its use of the Communication Facility, including all requirements of the Grantor set forth in its Policies and Regulations concerning Cellular Telephone Facilities, a copy of which has been provided to Grantee, as hereafter amended or modified. Grantee has the right to, at its sole cost and expense, to modify, replace, or upgrade the Communication Facility within the Premises at any time during the term of this Agreement provided that said alterations of the Premises or actions taken by Grantee shall not violate Section 7 or Section 12 of this Agreement, shall not increase the burden upon the Premises or the Property, or materially change the shape, number or location of antennae or pole. Grantor reserves the right to increase the License Rent if the Grantor determines that any substitutions, modifications, or additions including, but not limited to, the number of antennae, antennae location, or antennae orientation materially alters the scope of License or project installation as described in Exhibit 2.

(b) As a condition of granting this license the Grantee shall install and maintain three (3) appropriately sized flood lights and one (1) security light to sufficiently illuminate the picnic and basketball court area of the Imperial Beach Sports Park to the Grantor's specifications and satisfaction.

(c) Upon completion of the Communication Facility, Grantee shall arrange for a radio frequency emissions test (the "Test") to be performed by an FCC-certified third party reasonably approved by Grantor, as required by Federal Communications Commission (the "FCC") regulations, which results shall be provided to Grantor in a written report. Grantee shall be responsible for the cost of performing the Test and submitting the third party written report of

monitoring results to Grantor. During the final year of the Initial Term (as defined below), and before the start of the second term, if any, Grantee shall arrange for another Test to be conducted and another written report to be submitted to Grantor, as specified herein.

(d) If the results of either of the Tests described in paragraph (c) above do not demonstrate compliance with FCC emissions standards, Grantor shall give Grantee written notice thereof, and Grantee shall bring the Communication Facility into compliance with FCC standards. The parties acknowledge and agree that the grant of this License is conditioned upon ensuring that Grantee's radio emissions fall within FCC standards. If the facilities of telecommunications licensees other than Grantee are located on the Property, only Grantee's radio frequency emissions shall be considered as the benchmark for compliance with FCC standards. Should Grantee be unable to comply with FCC standards within ninety (90) days after receiving Grantor's written notice of such non-compliance, Grantee shall discontinue use of its equipment that is causing such noncompliance. If Grantee fails to do so within such ninety (90) day period, Grantor shall have the right to terminate this License upon ten (10) day written notice.

(e) During the term of this License, Grantee shall conduct additional emissions tests as may be required by FCC regulations.

(f) Within ninety (90) days after the installation of Grantee's Communication Facilities, Grantee shall provide Grantor with as-built drawings of the Communication Facilities, which show actual location of all equipment and improvements consistent with Exhibit 2. Said drawings shall be accompanied by a complete and detailed inventory of all equipment, personal property, and antennae.

3. TERM.

(a) This Agreement and the License conveyed herein shall be in effect for five (5) years ("Initial Term"), commencing upon the Commencement Date, as defined below. The Initial Term will terminate on the last day of the month in which the fifth annual anniversary of the Commencement Date occurs.

(b) This Agreement and the License will automatically renew for four (4) additional renewals of five (5) years each and, unless earlier terminated, shall remain in effect for up to twenty-five (25) aggregate years (each renewal term shall be referred to as an "Extension Term"). Each Extension Term shall be effective automatically but only if the terms and conditions set forth in Section 4 below are met; provided that Grantee does not notify Grantor in writing of its intention not to renew this Agreement at least ninety (90) days prior to the expiration of the then current Initial Term or Extension Term.

(c) If Grantee continues use of the License after the end of the Initial Term and any applicable Extension Term (the "Holdover Term"), Grantee's use of the Premises shall be subject to the same terms and conditions as this License and Agreement. Grantee shall continue to pay Grantor the same monthly amount set forth in Section 4 hereof on a month-to-month or yearly basis. The Holdover Term and this license to continue use during the Holdover Term may

be revoked by either party upon thirty (30) days written notice to the other party.

(d) The Initial Term, the Extension Term and the Holdover Term are collectively referred to as the Term ("Term").

4. RENT.

(a) Commencing on the later of (i) January 1, 2007, (ii) the date that Grantee commences occupation of the Premises, as evidenced by the storing of any tools or equipment on the Premises or the commencement of construction or any alteration of the Premises, or (iii) the date which is ninety (90) days following the issuance of a non-appealable Conditional Use Permit by the City of Imperial Beach for Grantee's use of the Property (the "Commencement Date"), Grantee will pay annual rental payment of Thirty Thousand and No/100 Dollars (\$30,000.00) ("Rent") to Grantor for the use of the Premises. Payments shall be made annually or in twelve (12) equal monthly installments, on or before the 5th day of each calendar month in advance. The monthly payment shall be an aggregate amount of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) per month to be paid by Grantee in one check addressed and delivered to the City at the address indicated below. Rent will be prorated for any partial month. Grantee also agrees to pay the City a one-time payment in the amount of Seven Thousand Five Hundred Dollars (\$7,500), within sixty (60) days of the date on which the City signs this Agreement.

(b) Upon the commencement of each new calendar year, the Rent shall increase by any percentage increase which occurred in the Consumer Price Index ("CPI") for "All Items - All Urban Consumers" for the San Diego Metropolitan Statistical Area during the preceding year period. However, in no event shall the adjusted rent increase be less than four percent (4%) nor more than eight percent (8%) per year rounded to the nearest dollar (\$1.00). In the event that the above index is no longer published, the parties shall use the successor index, or if no successor index exists, the parties shall mutually agree on an equivalent index.

(c) Grantee shall pay Grantor a late payment charge of five percent (5%) of any payment which is not paid within ten (10) business days after the due date. In addition, any late payment shall bear interest at a rate of one and a half percent (1.5%) per month or the highest rate permitted by law.

5. APPROVALS.

(a). Grantor agrees that Grantee's ability to use the Premises is contingent upon the suitability of the premises for Grantee's Permitted Use and Grantee's ability to obtain all governmental licenses, permits, approvals or other relief required of or deemed necessary or appropriate by Grantee of its use of the Premises, including without limitation all permits required by the City, applications for zoning variances, zoning ordinances, amendments, special use permits, conditional use permits, and construction permits (collectively referred to as "Governmental Approvals"). Grantor authorizes Grantee to prepare, execute and file all required applications to obtain Governmental Approvals for Grantee's Permitted Use under this Agreement and agrees to reasonably cooperate with Grantee in preparing such applications.

(b) Grantee has the right to obtain a title report or commitment for a title policy from a title insurance company of its choice and to have the Property surveyed by a surveyor of Grantee's choice at Grantee's sole cost and expense.

(c) Grantee may also obtain, at Grantee's sole cost and expense, soil boring, percolation, engineering procedures, environmental investigation or other tests or reports (collectively the "Tests") on, over, and under the Property, necessary to determine if the Grantee's use of the Premises will be compatible with Grantee's engineering specifications, system, design, operations or Governmental Approvals.

6. **TERMINATION.** This Agreement may be terminated, without penalty or further liability, as follows:

(a) by either party on thirty (30) days prior written notice, if the other party remains in default under Section 14 of this Agreement after the applicable cure period;

(b) by Grantee upon written notice to Grantor, if Grantee is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Communication Facility as now and hereafter intended by Grantee; or if Grantee determines in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable;

(c) by Grantee on sixty (60) days written notice for any reason, so long as Grantee pays Grantor and City a termination fee equal to six (6) months Rent, at the then current Rent rate, provided, however, that no such termination fee will be payable on account of the termination of this Agreement by Grantee under any one or more of Sections 6(a), 6(b), 17, 18 or 19(c) of this Agreement;

(d) by Grantor upon eighteen (18) months' prior written notice by Grantor after the first five (5) year term, if Grantor needs the Premises to provide for the health, safety, and welfare of its citizens; provided, however, in the event any such notice of such termination is given, Grantor and Grantee shall use their best efforts to find a suitable alternative site on or near the Property to which Grantee's Facilities may be temporarily or permanently relocated. If a relocation site is agreed to, this License shall be amended accordingly.

(e) upon termination of this Agreement for any of the causes listed in this section or at the end of the Term of this Agreement, all interests herein conveyed shall be terminated automatically (no conveyance from Grantor to Grantee will be required) and all equipment shall be removed pursuant to Section 12 hereof.

7. **INTERFERENCE.**

(a) Except for any uses required under applicable law, Grantor will not grant, after the date of this Agreement, a lease, license or any other right to any third party for the use of the Property, if such use interferes with Grantee's Communication Facility. Grantor will notify

Grantee of any such proposed lease, license or other right, and Grantor may grant any third party the right to install and operate communications equipment on the Property so long as it has determined that such use will not create interference with Grantee's Communication Facility.

(b) Neither Grantee nor Grantor will use, nor will Grantee or Grantor permit its respective employees, licensees, invitees or agents to use, any portion of the Premises or the Property in any way which unreasonably interferes with each other's operations or the rights of either Grantor or Grantee under this Agreement. Grantor and Grantee will cause interference caused by either of them, respectively, to cease within seventy-two (72) hours after receipt of written notice of interference from the other party. In the event any such interference does not cease within the aforementioned cure period, then the party causing or permitting such interference shall cause the equipment causing such interference to be modified such as to eliminate the interference or to be removed, if modification is not successful in terminating the interference. The parties acknowledge that there will not be an adequate remedy at law for non-compliance with the provisions of this Paragraph and therefore, either party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

8. INDEMNIFICATION.

Subject to Section 19(b) below, Grantee agrees to indemnify, defend and hold City and its respective governing board or council, officers, attorneys, agents and employees, collectively and individually, harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising from the installation, use, maintenance, repair or removal of the Communication Facility or Grantee's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of the City, or their respective employees, agents or independent contractors.

9. WARRANTIES.

(a) Grantee and Grantor each acknowledge and represent to the other that it is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Agreement and bind itself hereto through the party set forth as signatory for the party below.

(b) The City, as applicable, represents and warrants that: (i) the Property is owned by the City in fee simple; (ii) the Property is not encumbered by any other liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Grantee's Permitted Use and enjoyment of the premises under the License and this Agreement; (iii) as long as Grantee is not in default then Grantor grants to Grantee sole, actual, quiet and peaceful use, enjoyment and possession of the Premises subject to the terms herein; (iv) City's execution and performance of this Agreement will be binding on the respective party after the other party's binding and valid execution thereof.

10. ENVIRONMENTAL.

(a) Grantee agrees it will be responsible for compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or matters as may now or at any time hereafter be in effect, that are now or were related to Grantee's activity conducted in, or on the Property.

(b) Grantee agrees to hold harmless and indemnify Grantor from, and to assume all duties, responsibilities and liabilities at its sole cost and expense, (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is related to (i) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards of policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or matters as may now or hereafter be in effect, or (ii) any environmental or industrial hygiene conditions that arise out of or are in any way related to the condition of the Property or activities conducted by the party thereon, unless the environmental conditions are caused by the other party.

(c) The indemnifications of this Section 10 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Section 10 will survive the expiration or termination of this Agreement.

11. ACCESS.

At all times throughout the Term of this Agreement, and at no additional charge to Grantee, Grantee and its employees, agents, and subcontractors, will have twenty-four (24) hour, seven (7) days a week pedestrian and vehicular access to and over a portion of the Property, from an open and improved public road, to the Premises, for the installation, maintenance and operation of the Communication Facility and any utilities serving the Premises, provided that such access does not interfere with Imperial Beach Sports Park activities as determined by Grantor.

12. REMOVAL/RESTORATION.

All portions of the Communication Facility brought onto the Property by Grantee will be and remain Grantee's personal property and, at Grantee's option, may be removed by Grantee at any time during the Term. However, the Grantor, in its sole discretion, may elect for the antenna pole, the facility used to store communications equipment, and related conduit to become the permanent property of the Grantor upon expiration or termination of this Agreement by notice to Grantee, in writing, no later than sixty (60) days following expiration or termination of this Agreement. Within one hundred twenty (120) days of the expiration or termination of this Agreement, Grantee will remove all improvements, including the antenna pole, facility used to store communications equipment, and related conduit, unless Grantor has elected to take permanent possession of said items, and return the Premises to their original condition on the

date of execution of this Agreement, normal wear and tear and loss due to casualty and other causes beyond Grantee's control excepted, unless such requirement is waived in writing by Grantor.

13. MAINTENANCE/UTILITIES.

(a) Grantee will keep and maintain the Premises in good condition, reasonable wear and tear and damage from the elements excepted. Grantor will maintain and repair the Premises and access thereto, in good and tenable condition, subject to reasonable wear and tear and damage from the elements. Grantee will promptly repair any damage to the Property caused by Grantee or its agents.

(b) Grantee will apply and maintain an anti-graffiti coating of the Grantor's specification on their antenna pole up to a height of ten feet above ground. Grantee will remove any graffiti from their property within 48 hours following receipt of notice to Grantee. If graffiti is not removed by Grantee within 48 hours following receipt of notice to Grantee, Grantor will remove graffiti and bill Grantee cost of removal, the minimum charge being fifty (\$50) dollars per occurrence. Grantee shall provide Grantor with the name and telephone number of Grantee's representative for purposes of the notice in this Section 13(b). Within ten (10) days of a change in representative, Grantee shall notify Grantor of the new representative's name and telephone number.

(c) Grantee will be solely responsible for and promptly pay all utilities charges for electricity, telephone service or any other utility used or consumed by Grantee on the Premises. Grantor and Grantee will fully cooperate with any utility company requesting an easement over, under and across the Property in order for the utility company to provide service to the Grantee or Grantor. In the event Grantee cannot secure its own metered electrical supply, Grantee will have the right, at its own cost and expense, to submeter from the Grantor, in which case Grantee's share of the electricity shall be "Rent" for purposes of Section 14 hereof. Grantee will pay on a monthly basis the current local utility company rate for submetered electric, after the meter is read by the Grantor and billed to Grantee. Grantor will not be responsible for interference with, interruption of or failure, beyond the reasonable control of Grantor, of such services to be furnished or supplied by Grantor.

14. DEFAULT AND RIGHT TO CURE.

The following will be deemed a default by Grantee and a breach of this Agreement: (i) non-payment of Rent if such rent remains unpaid for more than thirty (30) days after receipt of written notice from Grantor of such failure to pay; or (ii) Grantee's failure to perform any other term or condition under this Agreement within thirty (30) days after receipt of written notice from Grantor specifying the failure, provided that with respect to a non-monetary failure to perform, no default will be deemed to have occurred if, within such thirty (30) day period, Grantee commences a cure satisfactory to Grantor and makes progress to complete said cure in a manner reasonably satisfactory to Grantor, but no later than ninety (90) days from the date of the notice without prior written consent from Grantor. Delay in curing a default will be excused if due to causes beyond the reasonable control of Grantee. If Grantee remains in default beyond any

applicable cure period, Grantor will have the right to exercise any and all rights and remedies available to it under law and equity, including the right to cure Grantee's default and to charge Grantee the costs of said cure payable under the same terms and conditions as set forth in Section 4(c).

15. ASSIGNMENT.

Grantee may assign this Agreement at any time without Grantor's consent (i) to any of Grantee's partners or parent firms; (ii) to Grantee's successors-in-interest and their affiliates and subsidiaries; (iii) in connection with the sale, exchange, or other transfer of Grantee's FCC authorization for the geographic market area in which the premises are located or substantially all of Grantee's assets in the geographic market area where the premises are located; or (iv) in connection with any financing, loan, security interest, pledge, or mortgage of Grantee's property. Any other assignment or any subletting shall require Grantor's prior written approval, which approval shall not be unreasonably withheld, delayed, or conditioned.

16. NOTICES. All notices, requests, demands and communications hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

City: City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, California 91932
Attention: City Manager's Office

Grantee at: Cricket Communications, Inc.
10307 Pacific Center Court
San Diego, CA 92121
Attention: Legal Department

with a copy to: Cricket Communications, Inc.
4031 Sorrento Road
San Diego, CA 92121
Attention: Property Manager

Any party hereto may change the place for the giving of notice to it by thirty (30) days written notice to the other parties as provided herein.

17. SEVERABILITY. If any term or condition of this Agreement is found unenforceable, the remaining terms and conditions will remain binding upon the parties as though said unenforceable provision were not contained herein. However, if the invalid, illegal or unenforceable provision materially affects this Agreement then the Agreement may be terminated by either party on ten (10) days prior written notice to the other party hereto.

18. CONDEMNATION. In the event Grantor receives notification of any

condemnation proceedings affecting the Property, Grantor will provide notice of the proceeding to Grantee within ten (10) days. If a condemning authority takes all of the Property, or a portion sufficient, in Grantee's sole determination, to render the Premises unsuitable for Grantee, this Agreement will terminate as of the date the title vests in the condemning authority. As owner of a license on the Property, it shall be Grantee's responsibility to negotiate its separate award, if any, with the condemning authority.

19. CASUALTY.

(a) During the Initial Term, Grantee shall maintain Commercial General Liability insurance covering bodily injury (including death), personal injury and property damage in an amount of not less than five million dollars (\$5,000,000) per occurrence which may be satisfied by a primary policy with a limit of no less than \$2,000,000 and an umbrella policy of excess liability in an amount of no less than \$5,000,000 with an insurance provider authorized to do business in California and rated at least "AV" in *A.M. Best & Company's Insurance Guide* and include the City as an additional insured on the policy or policies. Grantee shall provide the City, with a Certificate of Insurance evidencing the required insurance within thirty (30) days after the Commencement Date of this Agreement. Prior to the commencement of any Extension Term, the City and Grantor shall confer to agree on the insurance to be maintained during that term, which insurance coverage shall, at a minimum, be equal to the financial equivalent of \$5,000,000 in 2006 dollars, reasonably increased each year to account for inflation. Evidence of renewal of the policy (reflecting any required increases) shall be provided by Grantee to the City within twenty (20) business days after each renewal of said insurance policy. Grantor agrees that Grantee may self-insure against any loss or damage which could be covered by a comprehensive general public liability insurance policy; provided that, if Grantee elects to self-insure, it shall notify the City at least 60 days in advance of the effective date of that election and shall provide evidence of a satisfactory self-insurance program to the City. Any election to self-insure shall not become effective until the City has given Grantee written approval therefore, and Grantee shall maintain insurance coverage through an insurance company until said approvals are granted. All policies of insurance covering property damage obtained by any of the parties hereto concerning the Property shall waive the insurer's right of subrogation against the other parties.

(b) The parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Premises or to property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the parties, or either of them. These waivers and releases shall apply between the parties and they shall also apply to any claims under or through either party as a result of any asserted right of subrogation.

(c) City will provide notice to Grantee of any casualty affecting the Property within forty-eight (48) hours after the casualty occurs. If any part of the Communication Facility or Property is damaged by fire or other casualty so as to render the Premises unsuitable, in Grantee's sole determination, then Grantee may terminate this Agreement by providing written notice to the City, which termination will be effective as of the date of such damage or destruction. Notwithstanding the foregoing, if Grantee does not terminate this Agreement, all

Rent shall abate during the period of repair following such fire or other casualty until such time as Grantee may resume use of the Premises for Grantee's Permitted Use.

(d) Grantee shall maintain Worker's Compensation coverage at statutory limits.

20. MISCELLANEOUS.

(a) **Amendment/Waiver.** This Agreement cannot be amended, modified or revised unless done in writing and signed by an authorized agent of the City and the Grantee. No provision may be waived except in writing signed by all parties to this Agreement.

(b) **Bind and Benefit.** The terms and conditions contained in this Agreement will run with the Property and bind and inure to the benefit of the parties, their respective heirs, executors, administrators, successors and assigns.

(c) **Entire Agreement.** This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements.

(d) **Governing Law.** This Agreement will be governed by the laws of the State of California. Any action at law or in equity brought by either of the parties for the purposes of enforcing a right provided by this Agreement will be tried in a court of competent jurisdiction in the county of San Diego, State of California, and the parties waive all provisions of law providing for a change of venue in these proceedings to any other county.

(e) **Interpretation.** Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof. (ii) whenever a party's consent is required under this Agreement, except as otherwise stated in the Agreement or as same may be duplicative, such consent will not be unreasonably withheld, conditioned or delayed; (iii) exhibits are an integral part of the Agreement and are incorporated by reference into this Agreement.

(f) **Estoppel.** Either party will, at any time upon fifteen (15) days prior written notice from the other, execute, acknowledge and deliver to the other a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying this Agreement, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to such party's knowledge, any uncured defaults on the part of the other party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied, upon by any prospective purchaser or encumbrancer of the Premises. The requested party's failure to deliver such a statement within such time will be conclusively relied upon by the requesting party that (i) this Agreement is in full force and effect, without modification except as may be properly represented by the requesting party, (ii) there are no uncured defaults in either party's performance, and (iii) no more than one month's Rent has been paid in advance.

(g) **Corporate Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party 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 said party is bound.

(h) **No Electronic Signatures/No Option.** The submission of this Agreement to any party for examination or consideration does not constitute an offer, reservation of or option for the Premises based on the terms set forth herein. This Agreement will become effective as a binding Agreement only upon the handwritten legal execution, acknowledgment and delivery hereof by Grantor and Grantee.

IN WITNESS WHEREOF, the undersigned have caused this NON-EXCLUSIVE LICENSE AGREEMENT FOR CELLULAR SITE to be executed and effective as of the date the last party executed this Agreement below.

"GRANTOR"
CITY OF IMPERIAL BEACH

Signature on file

By: _____

Name: Gary R. Brown

Its: City Manager

Dated: 12/21/06

"GRANTEE"
Cricket Communications, Inc.,
a Delaware corporation

Signature on file

By: _____

Name: Anthony G. Benyola

Its: Regional Network Director, Western Region

Dated: 1/8/07

EXHIBIT 1

ASSESSOR PARCEL NUMBER: 632-400- 35

COMMON ADDRESS:

425 Imperial Beach Boulevard
Imperial Beach, California 91932
County of San Diego

LEGAL DESCRIPTION OF THE PROPERTY:

The land referred to herein is situated in the State of California, County of San Diego, described as follows:

Parcel 1:

The North 390.00 feet of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey. Excepting therefrom the West 960.00 feet thereof. Also excepting therefrom any and all street openings.

Parcel 2:

The South 515.00 feet of the North 905.00 feet of the East 423.00 feet of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey.

EXHIBIT F
TONY HAWK FOUNDATION GRANT AGREEMENT

TONY HAWK
FOUNDATION

19 December 2008

City of Imperial Beach
825 Imperial Beach Blvd
Imperial Beach, CA 91932
Attn: Tom Ritter

Dear Tom,

I'm pleased to inform you that the Tony Hawk Foundation has raised \$10,000 to assist in the construction of your public, non-profit skatepark in Imperial Beach. Please review and sign the grant agreement outlined below.

It is our hope that a check from the Tony Hawk Foundation might also help raise your project's public profile and accelerate local fundraising efforts. We'll leave such publicity strategies to your discretion. We only ask that you don't imply that Tony will be appearing at your park, and that no one exploits his name for personal gain.

Please return this agreement to: 1611-A S. Melrose DR #360, Vista, CA 92081.

The grant is made subject to the following conditions:

1. You agree to assume any and all liability for:
 - a. The construction and operation of the skateboard park, and
 - b. The implementation of any information or advice given to you by the Foundation.
2. The Foundation has the right to terminate the grant, to modify or withhold any payment otherwise due under the grant, or to require repayment of any expended or unexpended grant funds if the skatepark is not operational within two (2) years of the date of this agreement, or if in the Foundation's sole judgment:
 - a. Grant funds or income arising from the grant have been used for purposes other than those described above; or
 - b. Your organization has failed to comply with any of the terms of the grant.
3. You agree to provide a written progress report (not to exceed two pages) on or before six months from the date of this agreement, and every six months thereafter until the skatepark opens, detailing the manner in which the Grant money has been spent and the progress you've made in accomplishing the purpose of the Grant. Upon opening the skatepark, you agree to submit a final report, including a photograph (or photographs) showing the entire skatepark.
4. You qualify as a public charity as described in Section 501(c)(3) and under IRC sec. 170(b)(1)(a), or you are a state or local agency, including public school systems or public projects. You agree to inform the Foundation immediately of any alterations in your organization's structure or activities which may adversely affect its status under this Code provision.
5. You agree NOT to expend Tony Hawk Foundation grant funds:
 - a. To carry on propaganda or otherwise to attempt to influence legislation within the meaning of the Internal Revenue Code 4945(d)(1), or

1611-A S. MELROSE DRIVE #360 • VISTA, CA • 92081 • P: 760.477.2479 • F: 760.477.2474

- b. To influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive within the meaning of Internal Revenue Code Section 4945(d)(2). (The term "legislation" in this case does not include actions by executive, judicial or administrative bodies, such as school boards, housing authorities, zoning boards, and similar federal, state or local special-purpose bodies.)
- 6. Neither Tony Hawk's name or likeness may be used for any purpose, including, without limitation, in connection with the skatepark and/or any other activities of the City of Imperial Beach, or otherwise. Notwithstanding the foregoing, you are welcome to make any appropriate public announcements about this grant, particularly if they are designed to boost local fundraising efforts.
- 7. You give the Foundation permission to publicly release information concerning this grant, including your statements and correspondence with the Foundation.
- 8. You shall defend, indemnify and hold harmless the Foundation, Tony Hawk, Inc., Tony Hawk, and each of their affiliates, officers, directors, partners, shareholders, employees, contractors, successors, licensees and assigns, of and from all liability, loss, damage, claim or expense (including attorneys' fees and court costs) with respect to any and all claims arising in connection with this grant and/or the skatepark, including, without limitation, any and all third party claims for injuries and or other damages, if any, resulting at, or otherwise related to, the skatepark.

Please signify your agreement to the above terms of the grant by signing below. The agreement must be signed by the officer or officers who are, under your bylaws and the law governing you, authorized to execute contracts on your organization's behalf. Please return both pages of the executed original of the letter to us, and keep a copy for your records. The original, signed agreement must be returned no later than Thursday, March 19, 2009 (90 days from the date of this agreement).

After we've received the signed original of this letter, we'll send you the check. Please use this address: 1611-A S. Melrose DR #360, Vista, CA 92081.

Sincerely,

Signature

Miki Vuckovich
Executive Director
Tony Hawk Foundation

Agreed to and accepted on behalf of City of Imperial Beach this 28 day of JANUARY, 20089.

By: [Signature] (signature)

Name: TOM RITTER (please print)

Title: ASSISTANT CITY MANAGER

The check to be made payable to: City of Imperial Beach

Address and name of the person to whom the check should be mailed: TOM RITTER
CITY OF IMPERIAL BEACH
825 IMPERIAL BEACH BLVD.
IMPERIAL BEACH, CA 91932

**EXHIBIT G
TITLE REPORT**

stewart title

Frank Green
Commercial Title Mgr/ATO

Stewart Title of California, Inc.
San Diego, CA 92108
Phone (619) 398-8035
Fax
fgreen@stewart.com

PRELIMINARY REPORT

Order No. : 01180-12316
Title Unit No. : 7034
Your File No. :
Buyer/Borrower Name :
Seller Name : City Of Imperial Beach

Property Address: 441 Imperial Beach Boulevard, Imperial Beach, CA

In response to the above referenced application for a Policy of Title Insurance, Stewart Title of California, Inc. hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referenced to as an Exception on Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions, and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on covered Risks of said policy or policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limits of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report, (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance a binder or commitment should be requested.

Dated as of November 20, 2012 at 7:30 a.m.

Frank Green, Title Officer

When replying, please contact: Frank Green, Title Officer

PRELIMINARY REPORT

The form of Policy of Title Insurance contemplated by this report is:

- CLTA Standard Coverage Policy
- CLTA/ALTA Homeowners Policy
- 2006 ALTA Owner's Policy
- 2006 ALTA Loan Policy
- ALTA Short Form Residential Loan Policy
- Preliminary Search

SCHEDULE A

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee

Title to said estate or interest at the date hereof is vested in:

City of Imperial Beach, a Municipal corporation

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of San Diego, City of Imperial Beach and described as follows:

Parcel 1:

The North 390.00 feet of the West Half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey.

Excepting therefrom the West 960.00 feet thereof.

Also excepting therefrom any and all street openings.

Parcel 2:

The South 515.00 feet of the North 905.00 feet of the East 423.00 feet of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey.

Parcel 3:

That portion of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey More particularly described as follows:

Commencing at the Northwest corner of Lot 24 of Seaside Point Palisades Unit No. 2, according to Map thereof No. 8748, filed December 20, 1977, in the Office of the County Recorder of San Diego County; thence along the Westerly prolongation of the North line of said Lot 24, due West a distance of 16.80 feet to a point on the East line of the West half of the Southeast quarter of said Section 30, said point being 733.00 feet from the Northeast corner of the West half of the Southeast quarter of Section 30; thence along said East line South 00° 08' 32" East a distance of 172.01 feet to a point on the South line of the South 515.00 feet of the North 905.00 feet of said West half as described in Deed recorded March 1, 1972, file/Page No. 72-49370, of Official Records of the County Recorder of San Diego County, said point being the true point of beginning; thence along said South line North 89° 49' 07" West (record North 89° 06' 47" West per record of Survey Map No. 8470), a distance of 289.84 feet; thence South 03° 35' 22" East a distance of 78.92 feet; thence South 33° 17' 15" East a distance of 57.80 feet; thence South 72° 56' 56" East a distance of 9755 feet; thence North 84° 09' 11" East a distance of 161.09 feet more or less to a point on the East line of said West half; thence along said East line North 00° 06' 32" West a distance of 138.36 feet to the true point of beginning.

APN: 632-400-35-00 and 632-400-33-00
(End of Legal Description)

SCHEDULE B

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy or policies would be as follows:

Taxes:

- A. General and special city and/or county taxes, bonds or assessments which may become due on said land, if an when title to said land is not longer vested in a government or quasi-governmental agency. Tax parcel(s) for said land are currently shown as 632-400-35-00.

Said matter affects: Parcels 1 and 2

- B. General and special city and/or county taxes, bonds or assessments which may become due on said land, if an when title to said land is not longer vested in a government or quasi-governmental agency. Tax parcel(s) for said land are currently shown as 632-400-33-00.

Said matter affects: Parcel 3

- C. Assessments, if any, for Community Facilities Districts or a Mello-Roos District affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.

- D. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the revenue and taxation code of the State of California.

Exceptions:

1. Rights of the public in and to any portion of the property herein described lying within roads, streets or highways.
2. An easement for laying, relaying, repairing, maintaining and/or renewing an anode bed together with necessary electric cables and appurtenances thereto and rights incidental thereto in favor of California Water & Telephone Company, A California Corporation as set forth in a document recorded February 28, 1955 in Book 5549, Page 77, of Official Records, affects a portion of the herein described land.
3. An easement for public street and rights incidental thereto in favor of City Imperial Beach, a municipal corporation as set forth in a document recorded November 29, 1957, in Book 6851, Page 352, of Official Records, affects a portion of the herein described land.

Said matter affects: Parcel 1

4. The provision that the portion of the herein described property located in the North 390 feet of the Northwest Quarter of the Southeast Quarter of said Section 30, respecting the West 960 feet thereof, be used for park and recreational purposes, as provided in Grant Deed dated May 27, 1960, recorded May 31, 1960 as Instrument No. 111864, of Official Records.

The reversionary interest, if any, of South Bay Lions Club in and to the portion of the reversionary property described above, if said land is used for purposes other than park and recreational, as provided in the above referenced deed.

Said matter affects: Parcel 1

5. The matters contained in an instrument entitled "Development Agreement" dated June 6, 1967, by and between Helix Imperial Harbour Redevelopment Corporation, A California Corporation and

City of Imperial Beach, California, a municipal corporation, upon the terms therein provided recorded June 7, 1967 as Instrument No. 67-80981, of Official Records.

Reference is made to said document for full particulars.

6. The effect, if any, of record of survey map no. 8470 which sets forth, or purports to set forth certain dimensions and bearings of the herein described property.
7. An easement for public utilities, appurtenances, ingress, egress and rights incidental thereto in favor of the San Diego Gas and Electric Company as set forth in a document recorded December 28, 1984 as Instrument No. 84-484000, of Official Records, affects a portion of the herein described land.

Said matter affects: Parcel 2

8. A Resolution of the City Council of the City of Imperial Beach, California Establishing an underground utility district, in the City of Imperial Beach to be known and denominated as the Imperial Beach Boulevard underground utility district, recorded April 5, 1994 as Instrument No. 1994-0225350, of Official Records.
9. The Provision that said land be used for public recreational purposes as provided in Grant Deed recorded December 21, 1994 as Instrument No. 1994-0724849, of Official Records, the Reversionary interest, if any, of the United States of America, acting by and through the Department of the Interior, U.S. Fish and Wildlife Service in and to said land if said land is used for any purposes other than recreational.

Said matter affects: Parcel 3

10. The effect, if any, of record of survey map no. 14756 which sets forth, or purports to set forth certain dimensions and bearings of the herein described property.
11. Please be advised that our search did not disclose any open deeds of trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review.
12. Rights of tenants in possession of said land by reason of unrecorded leases. Kindly forward said lease, or a current certified tenant rent roll.
13. Matters which may be disclosed by an inspection or by a survey of said land satisfactory to this Company or by inquiry of the parties in possession thereof.
14. Rights of parties in possession.

(End of Exceptions)

NOTES AND REQUIREMENTS

- A. There are no conveyances affecting said land, recorded with the County Recorder within 24 months of the date of this report.
- B. The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement 100 and 116, indicating that there is located on vacant land to an extended coverage policy.
- C. This Company will require the following documents, in order to insure a conveyance or encumbrance by the corporation or unincorporated association named below:

Entity: City of Imperial Beach, a municipal corporation

- a. A copy of the corporation By-Laws or Articles.
- b. An original or certified copy of the Resolution authorizing the subject transaction.
- c. If the Articles or By-Laws require approval by a "parent" organization, we will also require a copy of those By-Laws or Articles.
- d. If an unincorporated association, a statement pursuant to applicable law (such as California Corporation Code Section 20002).

The right is reserved to add requirements or additional items after completion of such review.

CALIFORNIA "GOOD FUNDS" LAW

California Insurance Code Section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds received by Stewart Title of California, Inc. via wire transfer may be disbursed upon receipt. Funds received via cashier's checks or teller checks drawn on a California Bank may be disbursed on the next business day after the day of deposit. If funds are received by any other means, recording and/or disbursement may be delayed, and you should contact your title or escrow officer. All escrow and sub-escrow funds received will be deposited with other escrow funds in one or more non-interest bearing escrow accounts in a financial institution selected by Stewart Title of California, Inc.. Stewart Title of California, Inc. may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and Stewart Title of California, Inc. shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by Stewart Title of California, Inc.. Such benefits shall be deemed additional compensation to Stewart Title of California, Inc. for its services in connection with the escrow or sub-escrow.

If any check submitted is dishonored upon presentation for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment.

WIRE INSTRUCTIONS

We hereby request that our funds are wire transferred directly to our account. If you have any questions, regarding this matter, please call the number as referenced above.

We do not accept ACH Transfers, these funds will be returned and may cause a delay in closing.

Bank Name: **Union Bank**

Bank Address: **1980 Saturn Street, Monterey Park, CA**

ABA#: **122000496**

Account Name: **Stewart Title of California, Inc.**

Account Number: **0010426383**

REFERENCE OUR FILE NUMBER: **01180-12316**

REFERENCE OUR BUYER/BORROWER NAME:

REFERENCE OUR SELLER NAME: **City Of Imperial Beach**

EXHIBIT "A"
LEGAL DESCRIPTION

Order No.: 01180-12316
Escrow No.: 01180-12316

The land referred to herein is situated in the State of California, County of San Diego, and described as follows:

Parcel 1:

The North 390.00 feet of the West Half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey.

Excepting therefrom the West 960.00 feet thereof.

Also excepting therefrom any and all street openings.

Parcel 2:

The South 515.00 feet of the North 905.00 feet of the East 423.00 feet of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey.

Parcel 3:

That portion of the West half of the Southeast Quarter of Section 30, Township 18 South, Range 2 West, San Bernardino Base and Meridian, in the City of Imperial Beach, County of San Diego, State of California, according to United States Government Survey More particularly described as follows:

Commencing at the Northwest corner of Lot 24 of Seaside Point Palisades Unit No. 2, according to Map thereof No. 8748, filed December 20, 1977, in the Office of the County Recorder of San Diego County; thence along the Westerly prolongation of the North line of said Lot 24, due West a distance of 16.80 feet to a point on the East line of the West half of the Southeast quarter of said Section 30, said point being 733.00 feet from the Northeast corner of the West half of the Southeast quarter of Section 30; thence along said East line South 00° 08' 32" East a distance of 172.01 feet to a point on the South line of the South 515.00 feet of the North 905.00 feet of said West half as described in Deed recorded March 1, 1972, file/Page No. 72-49370, of Official Records of the County Recorder of San Diego County, said point being the true point of beginning; thence along said South line North 89° 49' 07" West (record North 89° 06' 47" West per record of Survey Map No. 8470), a distance of 289.84 feet; thence South 03° 35' 22" East a distance of 78.92 feet ;thence South 33° 17' 15" East a distance of 57.80 feet; thence South 72° 56' 56" East a distance of 9755 feet; thence North 84° 09' 11" East a distance of 161.09 feet more or less to a point on the East line of said West half; thence along said East line North 00° 06' 32" West a distance of 138.36 feet to the true point of beginning.

APN: 632-400-35-00 and 632-400-33-00

(End of Legal Description)

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

Date: December 11, 2012

Escrow No.: 01180-12316

Property: 441 Imperial Beach Boulevard, Imperial Beach, CA

From:

This is to give you notice that ("Stewart Title") has a business relationship with Stewart Solutions, LLC, DBA – Stewart Specialty Insurance Services, LLC ("Stewart Insurance"). Stewart Information Services Corporation owns 100% of Stewart Insurance and Stewart Title of California. Because of this relationship, this referral may provide Stewart Title a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider(s) as a condition for purchase, sale, or refinance of the subject Property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

<i>Stewart Insurance Settlement Service</i>	<i>Charge or range of charges</i>
Hazard Insurance	\$400.00 to \$6,500.00
Home Warranty	\$255.00 to \$ 780.00
Natural Hazard Disclosure Report	\$ 42.50 to \$ 149.50

CLTA Preliminary Report Form

Exhibit A (Revised 06-03-11)

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990
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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 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.
(c) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or 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 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 claim, which arises out of the transaction vesting in the insured the estate of interest insured by this 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.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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 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 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE
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 those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division;
 - f. environmental protection.
 This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
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 limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
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 are recorded 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.e., 25, 26, 27 or 28.
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 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

* For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**2006 ALTA LOAN POLICY (06-17-06)
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).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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. (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, which are 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**2006 ALTA OWNER'S POLICY (06-17-06)
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 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.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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. (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 which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are 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 that 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

WARNING: THIS DOCUMENT MUST BE COMPLETED IN ITS ENTIRETY (1 THROUGH 9, BELOW MUST BE FILLED IN) FOR IT TO BE ACCEPTED BY . IF THIS IS NOT COMPLETED WILL REQUIRE A COMPLETE COPY OF THE TRUST, WITH A SIGNED AND ACKNOWLEDGED AFFIDAVIT.

TRUSTEE CERTIFICATE
(California Probate Code Section 18100.5)

SCETRUST

STG Privacy Notice 1 (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes— to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

Sharing practices

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> • request insurance-related services • provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us	If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056
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Order No. 01180-12316

AVAILABLE DISCOUNTS DISCLOSURE STATEMENT

This is to give you notice that Stewart Title of California, Inc. ("Stewart Title") is pleased to inform you that upon proper qualification, there are premium discounts available upon the purchase of title insurance covering improved property with a one to four family residential dwelling.

Such discounts apply to and include:

Property located within an area proclaimed a state or federal disaster area;

Property purchased from a foreclosing beneficiary or successful bidder at a foreclosure sale;

Property being refinanced.

Please talk with your escrow or title officer to determine your qualification for any of these discounts.

Order Number: 01180-12316
Available Discounts Disclosure Statement SCE

FIRST AMENDMENT TO THE OPERATING AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH, CALIFORNIA, AND THE BOYS & GIRLS CLUB, A CALIFORNIA NON-PROFIT, PUBLIC BENEFIT CORPORATION, FOR OPERATION AND MAINTENANCE OF THE IMPERIAL BEACH SPORTS PARK BY THE CLUB

THIS FIRST AMENDMENT TO THE OPERATING AGREEMENT (hereinafter referred to as "First Amendment") is made this 5th day of August 2015, by and between the City of Imperial Beach, a Municipal Corporation, (hereinafter referred to as "City"), and The Boys & Girls Club ("CLUB"), a California non-profit public benefit corporation, (collectively referred to as the "Parties").

RECITALS

- A. The City and CLUB entered into the original Operating Agreement ("Agreement") with respect to the CLUB's operation of Sports Park on or about April 16, 2014 and the CLUB took possession on May 28, 2014.
- B. After operation under the Agreement, the CLUB has proposed various changes to the Agreement to allow for the continued operation under the Agreement and the City has agreed to modify the Agreement as shown below.
- C. Upon agreeing to the renewal of the term of the Agreement, the City Council emphasized the need for the CLUB to provide an annual report of the programs and activities provided by the CLUB and an annual financial report, which reports are consistent with the CLUB's obligations pursuant to Sections III.M and V.A of the Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

- 1. As allowed pursuant to Section I.B. of the Agreement, the City and CLUB have agreed to a renewal term of the Agreement from June 30, 2015 to June 30, 2017.
- 2. Section II.A. of the Agreement is amended in its entirety to read as follows:

"The Property: For the purposes of operating Sports Park for the benefit of the citizens of Imperial Beach, CITY hereby delivers exclusive possession of the Property as depicted on Exhibit A subject to any covenants, conditions, and restrictions listed in this Agreement (including but not limited to the requirement that CLUB hold certain areas of the Property open to the public for public use in Section III(L); the existing lease mentioned under Section II(G) of this Agreement; and any easements or other encumbrances in the title report attached as Exhibit G) to CLUB and CLUB agrees to operate the Property, which includes but is not limited to the Recreation Center, Skate Park, Outdoor Basketball Court, and Picnic Tables; provided, however, that the CITY shall maintain and operate the Playground/Tot Lot and Parking areas."

3. Pursuant to Section III.C of the Agreement, the CITY approves the hours of operation for the Recreation Center to be from 2:00 p.m. to 8:00 p.m. daily from Monday to Friday and from 10 a.m. to 2 p.m. on Saturdays.

4. Section III.L of the Agreement is amended in its entirety to read as follows:

“Public Access to Programs/Events: Members of the public shall not be required to join CLUB (Boys & Girls Club or any affiliate or subset of the parent organization) in order to access any program and/or events offered at the Property by or supported by CLUB or its associates, contractors, or others acting on its behalf. Nonetheless, the CLUB may charge daily and other use fees as provided in this Agreement. CLUB shall not charge the public for parking. The Playground and Tot Lot portions of the Property as described on Exhibit C shall be open to the public free of charge at all times that the Property is open to the public, unless specifically reserved for a special event approved by CLUB. At the time of execution of this Agreement, the open hours for the Property are 7:00 a.m. until 10:00 p.m., pursuant to Imperial Beach Municipal Code section 12.56.020(X), which may be amended from time to time. The areas of the Property that are required to remain open to the public at all times that the park is open to the public are depicted in Exhibit C. In addition, the CITY shall be responsible to unlock the Skate Park each morning and the CLUB shall lock and secure the Skate Park each evening consistent with the open hours required herein on Mondays to Fridays. On Saturdays and Sundays, the CITY shall both unlock, and lock and secure the Skate Park.

5. This First Amendment shall become effective and enforceable with respect to the City and CLUB upon execution by the City.

6. Capitalized Terms. Capitalized terms used but not otherwise defined in this First Amendment shall have the meanings assigned to them in the Agreement.

7. Continuing Effect. Except as expressly modified or amended by this First Amendment, all terms and provisions of the Agreement shall remain in full force and effect.

8. Conflicts. If there is a conflict between any provisions of the Agreement and this First Amendment, all provisions of this First Amendment shall control.

9. Execution in Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original.

Executed on the date and year first indicated above at Imperial Beach, California.

CITY OF IMPERIAL BEACH,
a Municipal Corporation

THE BOYS & GIRLS CLUB

By _____
Andy Hall, City Manager

By _____
Ken Blinsman, President



AGENDA ITEM NO. 5.4

**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: AUGUST 19, 2015

ORIGINATING DEPT.: *AH* COMMUNITY DEVELOPMENT DEPARTMENT *SD TF*

SUBJECT: REPORT: KEGEL (APPLICANT); INFORMATIONAL UPDATE REGARDING THE MIXED-USE DEVELOPMENT WITH THREE RESIDENTIAL CONDOMINIUM UNITS ABOVE COMMERCIAL SPACE AT 951 SEACOAST DRIVE (APN 625-352-23-00). MF 1149.

EXECUTIVE SUMMARY:

Staff is providing an informational update on the mixed-use project located at 951 Seacoast Drive that was approved by the City Council on July 15, 2015. The public hearing for the project was well attended and various individuals offered comment on the project's design and some raised concerns regarding the project's height and scale. In an effort to alleviate some citizen concerns regarding the project's design, the applicant has provided an alternate plan that would remove the roof top deck, reduce the elevator roof height to 35-feet, remove the stairway enclosure, setback the commercial first story two feet from the Elder Avenue property line, and setback the second and third floor balconies from Elder Avenue and round the edges of the balconies to offer some visual relief at the southwest corner of the building. The project, as modified, would remain in substantial compliance with the approved plans and no additional action is required.

RECOMMENDATION:

That the City Council receive and accept the informational update regarding the mixed-use project located at 951 Seacoast Drive (APN 625-352-23-00).

RATIONALE:

One July 15, 2015 the City Council adopted Resolution 2015-7606, which approved the mixed-use project located at 951 Seacoast Drive and provided a condition of approval that the site shall be developed in substantial compliance with the plans that were presented to the City Council, or as otherwise amended and approved. The applicant has proposed an alternate plan that would alleviate



some citizen concerns regarding the project's design by removing the roof top deck, reducing the elevator roof height to 35-feet, removing the stairway enclosure, setting the commercial first story back two feet from the Elder Avenue property line, and setting the second and third floor balconies back from Elder Avenue and rounding the edges of the balconies to offer some visual relief at the southwest corner of the building. The proposed alterations would remain in substantial compliance with the approved plans and no additional action is required.

BACKGROUND:

The project will demolish one existing residential unit and construct a new, mixed-use development with three residential condominium units above approximately 2,118 square feet of commercial/retail space at 951 Seacoast Drive (APN 625-352-23-00), which is located in the C/MU-2 (Seacoast Commercial & Mixed-Use) Zone.

The project was originally reviewed by the Design Review Board on March 19 and March 26, 2015 and the City Council on May 20 and June 3, 2015. The project was approved by the Council upon adoption of Resolution 2015-7577. Following these meetings, it was discovered that notice of these meetings was not sent to some occupants within the vicinity. The project was renoticed and returned to the Design Review Board on June 30, 2015 where the project's design received a recommendation of approval with a vote of 3-0 (1 absent). Following the Design Review Board meeting, a new public hearing by the City Council took place on July 15, 2015 where the project was approved with a vote of 3-1.

The public hearing was well attended and various individuals offered comment on the project's design and some raised concerns regarding the project's height and scale. As discussed at the public hearing, the Municipal Code allows properties east of Seacoast Drive to have a height limit of up to three stories and 35 feet with approval of a conditional use permit. In addition, the project proposed various elements that the Municipal Code states may exceed the height limit. However, in an effort to alleviate some citizen concerns regarding the project's design, the applicant has provided an alternate plan that amends some elements of the project as follows:

- Removal of the roof top deck;
- Reduction of the elevator roof height to 35-feet;
- Removal of the stairway enclosure;
- Setback the commercial first story two feet from the Elder Avenue property line; and
- Setback the second and third floor balconies from Elder Avenue; the edges of the balconies would also be rounded to offer some visual relief at the southwest corner of the building.

The alternate plan would remain in substantial compliance with the approved plans, as allowed by Resolution 2015-7577.

ANALYSIS:

The alternate plan would not substantially modify the approved plans and the project would still be required to comply with the conditions of approval provided in Resolution 2015-7577. The most visible modification would be the removal of the roof deck, which would include the removal of the stairway enclosure and reduction of the elevator roof height to 35-feet. One primary purpose of the roof deck was to provide additional areas for landscaping to comply with the Municipal Code requirement that not less than 15% of total site shall be landscaped (the

4,765 square foot lot requires a minimum of 714.75 square feet of landscaping). However, the landscaping requirements would still be met with the removal of the roof deck because the Municipal Code states that paved surfaces may be considered as elements of landscape development (IBMC 19.04.445). In addition, the City's Design Review Guidelines states that landscaping for commercial projects should not be confined to plant material, and that textured flooring, masonry, and other features should be used to promote a project's visual interest, variety, and amenity. Though plant-material is still proposed in some areas throughout the project site, textured flooring would be provided on the ground floor so that the minimum landscape square footage would be provided.

Setting the first story back two feet from the Elder Avenue property line would allow for a greater distance between the building and sidewalk and setting the second and third floor balconies back from Elder Avenue and rounding the edges of the balconies should offer some visual relief at the southwest corner of the building.

The project would continue to provide three residential units above commercial space, the mechanical shelter "lighthouse" design element, and the colors and materials that were presented to the Design Review Board and City Council.

General Plan Consistency:

C/MU-2 (Seacoast Commercial and Mixed-use) Zone: The purpose of the C/MU-2 Zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C/MU-2 Zone will be visitor-serving retail such as specialty stores, surf shops, restaurants, and hotels and motels. Mixed-use and multiple family residences are also permitted in the C/MU-2 Zone and in the Seacoast Mixed Use/Residential Overlay Zone. The development standards of the C/MU-2 Zone encourage pedestrian activity through the design and location of building frontages and parking provisions (IBMC Section 19.27.010). The mixed-use project meets the purpose and intent of the C/MU-2 land use designation because mixed-use buildings are permitted in the C/MU-2 Zone and the project encourages pedestrian activity through the design, location, and use of the building frontage and will provide commercial goods and services required by the tourist population and local residents.

ENVIRONMENTAL IMPACT:

The project is categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15332 (In-Fill Development Projects). A Notice of Exemption was filed with the County Clerk.

COASTAL JURISDICTION:

The project is located in the Appeal Jurisdiction of the California Coastal Commission as indicated on the Local Coastal Program Post Certification and Appeal Jurisdiction Map and, as such, was appealable to the California Coastal Commission under Section 30603(a) of the California Public Resources Code and IBMC Section 19.87.160. The City Council public hearing served as the required coastal permit hearing and the City's decision was not appealed by the California Coastal Commission.

FISCAL ANALYSIS:

The Applicant has deposited \$11,000.00 to fund processing of the application.

Attachments:

1. Resolution 2015-7606
2. July 15, 2015 Staff Report for MF 1149

c: file MF 1149

RESOLUTION NO. 2015-7606

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING A REGULAR COASTAL PERMIT (CP 140023), CONDITIONAL USE PERMIT (CUP 140024), DESIGN REVIEW CASE (DRC 140025), SITE PLAN REVIEW (SPR 140026), AND TENTATIVE PARCEL MAP (TPM 140027), AND CATEGORICAL EXEMPTION PURSUANT TO CEQA GUIDELINES 15332 (IN FILL DEVELOPMENT) FOR THE DEMOLITION OF ONE EXISTING RESIDENTIAL UNIT AND CONSTRUCTION OF A NEW MIXED-USE DEVELOPMENT WITH THREE RESIDENTIAL CONDOMINIUM UNITS ABOVE COMMERCIAL UNIT(S) AT 951 SEACOAST DRIVE (APN 625-352-23-00). MF 1149.

DEVELOPER: RICHARD KEGEL

WHEREAS, on July 15, 2015, the City Council of the City of Imperial Beach held a duly advertised and noticed public hearing to consider the merits of approving or denying an application for a Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), Site Plan Review (SPR 140026), and Tentative Parcel Map (TPM 140027) proposing to demolish one existing residential unit and the construct a new mixed-use development with three residential condominium units above approximately 2,118 square feet of commercial/retail space at 951 Seacoast Drive (APN 625-352-23-00), which is located in the C/MU-2 (Seacoast Commercial & Mixed-Use) Zone. The project site is legally described as follows:

APN 625-352-23-00

Lots 1 in Block 20 of Imperial Beach, in the City of Imperial Beach, County of San Diego, State of California, Map No. 1139, filed in the Office of the County Recorder of San Diego County, June 16, 1908.

WHEREAS, on June 30, 2015, the Design Review Board recommended approval of the project's design with a vote of 3-0 (1 absent); and

WHEREAS, the project was originally reviewed by the Design Review Board on March 19 and March 26, 2015 and the City Council on May 20 and June 3, 2015 and approved by Resolution No. 2015-7577; and

WHEREAS, following these meetings, it was discovered that notice of these meetings was not sent to some occupants within the vicinity. It was not the intent of the applicant or City to omit any member of the public from the review process. Therefore, the project has been re-noticed. The project was reviewed again by the Design Review Board on June 30, 2015, and is being returned to the Council for review following proper notice; and

WHEREAS, the Council is not bound by its decision in Resolution No. 2015-7577, and that resolution should be rescinded; and

WHEREAS, the project design of a mixed-use project with residential above commercial space is compatible with the community and would be consistent with Policy D-8 (Project Design) of the Design Element of the General Plan; and,

WHEREAS, the City Council finds that the project is in compliance with the Land Use Element of the General Plan; and,

WHEREAS, the City Council finds that the project complies with the requirements of the California Environmental Quality (CEQA) as the project is categorically exempt pursuant to CEQA Guidelines 15332 (In-Fill Development Projects); and

WHEREAS, the City Council further offers the following findings in support of its decision to conditionally approve the project:

REGULAR COASTAL PERMIT (IBMC § 19.87.050):

1. The proposed development conforms to the certified local coastal plan including coastal land use policies.

The General Plan/Local Coastal Plan designates the site as Seacoast Commercial & Mixed-Use (C/MU-2 Zone). The purpose of the C/MU-2 Zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C/MU-2 Zone will be visitor-serving retail such as specialty stores, surf shops, restaurants, and hotels and motels. Mixed-use and multiple family residences are also permitted in the C/MU-2 Zone and in the Seacoast Mixed Use/Residential Overlay Zone. The development standards of the C/MU-2 Zone encourage pedestrian activity through the design and location of building frontages and parking provisions (IBMC Section 19.27.010). The proposed mixed-use project meets the purpose and intent of the land use designation because mixed-use buildings are permitted in the C/MU-2 Zone and the project would encourage pedestrian activity through the design and location of the building frontage and would provide commercial goods and services required by the tourist population and local residents.

2. The proposed development meets the minimum criteria set forth in the City of Imperial Beach Zoning Ordinance, the City's Minimum Landscape Planting and Irrigation Standards, and the City's Design Guidelines, as applicable.

The project complies with the intent of the City's design guidelines, landscape and irrigation standards, and minimum requirements set forth in the Zoning Ordinance because it is consistent with the General Plan and the Zoning development standards for the site. The project shall receive an administrative adjustment of 10% to deviate from the typical 15 foot vertical floor-to-ceiling dimension (Section 19.84.150) and shall provide a vertical floor-to-ceiling dimension of 13.5 feet for the ground floor commercial space, and this is authorized because it would allow for more desirable/livable vertical floor-to-ceiling dimensions above the first floor.

With regard to parking, three residential units are proposed for the project in total, which would require 4.5 parking spaces. A 25% reduction for the vertical mixed-use project would allow for a minimum of three parking spaces ($4.5 \times .25 = 1.125$; $4.5 - 1.125 = 3.375$ required spaces). However, five parking spaces accessing off the alley are proposed for the residential units. The project proposes approximately 2,118 square feet of commercial space, which would typically require two parking spaces. A 25% reduction for the vertical mixed-use project would still require two commercial parking spaces ($2 \times .25 = .50$; $2 - .50 = 1.5$ required spaces; the Municipal Code requires parking fractions of .5 or greater to be rounded up to one space). However, one commercial unit is proposed to measure approximately 908 square feet, which would be eligible for a waiver in parking. The second unit would measure approximately 1,210 square feet, which would require one parking space. If a commercial tenant utilizes the entire commercial area, two parking spaces would be required, though off-site parking

within one thousand feet of the project site may be used to satisfy the parking requirements with the approval of a conditional use permit and implementation of a transportation demand management strategy. Two parking lots are located within one thousand feet of the project site and the transportation demand management strategy proposed by the applicant includes bicycle parking. In addition, the commercial tenants would be required to encourage employees to use bicycling, walking, and other forms of active transportation. Therefore, one commercial parking space would be required for the project and one space is proposed.

3. This project complies with the California Environmental Quality Act.

This project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article 19 Sections 15332 (In-Fill Development Projects). The City has prepared a Categorical Exemption per the CEQA requirements for this project and the Notice of Exemption will be filed with the County Clerk in compliance with CEQA.

4. Public Notice requirements, pursuant to Zoning Ordinance Section 19.87.100, of the Coastal Development Project have been satisfied.

The project description and the date of the City Council public hearing were sent to property owners within 300 feet and occupants within 100 feet of the subject site on July 1, 2015, and a public hearing notice was published in the South County Eagle & Times newspaper on July 2, 2015.

CONDITIONAL USE PERMIT (IBMC § 19.82.040):

5. That the proposed use is necessary or desirable to provide a service or facility which will contribute to the general well-being of the neighborhood or community;

The purpose of the C/MU-2 Zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C/MU-2 Zone will be visitor-serving retail such as specialty stores, surf shops, restaurants, and hotels and motels. Mixed-use and multiple family residences are also permitted in the C/MU-2 Zone and in the Seacoast Mixed Use/Residential Overlay Zone. The development standards of the C/MU-2 Zone encourage pedestrian activity through the design and location of building frontages and parking provisions (IBMC Section 19.27.010). The proposed mixed-use project meets the purpose and intent of the land use designation. The mixed-use project with a building height of thirty-five feet with portions of the project extending above the height limit as permitted by Imperial Beach Municipal Code Section 19.40.020 is necessary and desirable as it will provide residential units to assist in meeting housing demand, provide visitor-serving retail commercial space, and should provide an economic benefit for the neighborhood and community.

6. That the use will not, under the circumstances of the particular use, be detrimental to the health, safety or general welfare of persons residing or working in the vicinity, or injurious to property or improvements in the vicinity;

The proposed use will not be detrimental to the public, as there will be no hazardous materials, fumes, or operations at the facility, nor will there be any noxious odors, loud noises, or excessive traffic generated at the site. The proposed use is compatible with other uses in the neighborhood and would function in a similar manner as other nearby uses.

- 7. That the proposed use will comply with the regulations and conditions specified in this title for the use and for other permitted uses in the same zone; and**

Mixed-use developments are permitted in the C/MU-2 Zone. The proposed project is consistent with the zoning for this area and will comply with all of the regulations and conditions for these uses. Properties east of Seacoast Drive shall have a height limit not to exceed three stories and thirty-five feet with approval of a conditional use permit that demonstrates compliance with setbacks, setbacks, and two or more development incentives. The project complies with the setback and setback requirements and the two development incentives proposed by the applicant are as follows: 1) At least 25% of the proposed residential units will be three-bedroom units (100% proposed); 2) Entire project provides a minimum of seventy-five percent "active commercial uses" on the ground floor. Some portions of the project would extend above the height limit as permitted by Imperial Beach Municipal Code Section 19.40.020, which would be limited to parapet walls that also serve as railing, and mechanical, elevator, and stairwell enclosures. Off-site parking for one parking space may be provided because two parking lots are located within one thousand feet of the project site and the transportation demand management strategy proposed by the applicant includes bicycle parking (IBMC 19.48.050). In addition, the commercial tenant(s) would be required to encourage employees to use bicycling, walking, and other forms of active transportation as a condition of approval.

- 8. That the granting of the conditional use permit will be in harmony with the purpose and intent of the zoning code, the adopted General Plan and the adopted Local Coastal Program.**

The C/MU-2 Zone allows for properties east of Seacoast Drive to have a height limit not to exceed three stories and thirty-five feet with approval of a conditional use permit that demonstrates compliance with setbacks, setbacks, and two or more development incentives. The project complies with the setback and setback requirements and the two development incentives proposed by the applicant are as follows: 1) At least 25% of the proposed residential units will be three-bedroom units (100% proposed); 2) Entire project provides a minimum of seventy-five percent "active commercial uses" on the ground floor. The proposed project and conditional use permit is in compliance with the General Plan and Local Coastal program and is in harmony with the purpose and intent of the zoning code because the project is east of Seacoast Drive and demonstrates compliance with setbacks, setbacks, and two development incentives, which allows for the height limit not to exceed three stories and thirty-five feet, though some portions of the project would extend above the height limit as permitted by Imperial Beach Municipal Code Section 19.40.020 (i.e. parapet walls and mechanical, elevator, and stairwell enclosures). In addition, if necessary, off-site parking within one thousand feet of the project site may be used to satisfy the parking requirements if a commercial tenant utilizes the entire commercial space area. The transportation demand management strategy required for the project would include bicycle parking and the commercial tenants would be required to encourage employees to use bicycling, walking, and other forms of active transportation as a condition of approval. One parking space designed to meet Americans with Disability Act (ADA) standards would still be provided.

DESIGN REVIEW/SITE PLAN REVIEW (IBMC § 19.81.060):

- 9. The proposed use does not have any detrimental effect upon the general health, safety and convenience of persons residing or working in the neighborhood, or is**

not detrimental or injurious to the value of the property and improvements in the neighborhood.

The project proposes the construction of a mixed-use building with commercial and residential uses. The project would not have a detrimental effect on the general health, welfare, safety and convenience of persons residing or working in the neighborhood because it is consistent with the intent of the development standards and zoning designations. The development would not be injurious to the value of the property and improvements in the neighborhood because the project represents an improvement of the existing conditions and the project could improve property values and stimulate growth in the area.

10. The proposed use does not adversely affect the General Plan or the Local Coastal Plan.

The General Plan/Local Coastal Plan designates the site as Seacoast Commercial & Mixed-Use (C/MU-2 Zone). The purpose of the C/MU-2 Zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C/MU-2 Zone will be visitor-serving retail such as specialty stores, surf shops, restaurants, and hotels and motels. Mixed-use and multiple family residences are also permitted in the C/MU-2 Zone and in the Seacoast Mixed Use/Residential Overlay Zone. The development standards of the C/MU-2 Zone encourage pedestrian activity through the design and location of building frontages and parking provisions (IBMC Section 19.27.010). Therefore, the proposed mixed-use project meets the purpose and intent of the General Plan and Local Coastal Plan.

11. The proposed use is compatible with other existing and proposed uses in the neighborhood.

The property to the north of the site is mixed-use, the property to the west is Pier Plaza, and the properties to the south and east are residential. The proposed mixed-use project is compatible with other uses in the neighborhood because it is a mixed-use commercial/residential project and nearby properties are comprised of mixed-use and multiple-story buildings.

12. The location, site layout and design of the proposed use orients the proposed structures to streets, driveways, sunlight, wind and other adjacent structures and uses in a harmonious manner.

The proposed building is oriented to Seacoast Drive and is harmonious with other uses and structures, which include multiple-story buildings located to the north and east of the project site.

13. The combination and relationship of one proposed use to another on the site is properly integrated.

The project proposes commercial and residential uses within a building that is properly integrated.

14. Access to and parking for the proposed use does not create any undue traffic problem.

Vehicular ingress and egress to and from the site would be provided from the alley and one parking space would access from Elder Avenue. Pedestrian access would be provided from Seacoast Drive and Elder Avenue. Access and ingress and egress for the

project should not create undue traffic problems because the project would comply with the standards set for in the Municipal Code.

15. All other applicable provisions of the Zoning Code are complied with.

The project is consistent with the General Plan and the Zoning development standards for the site. The project shall receive an administrative adjustment of 10% to deviate from the typical 15 foot vertical floor-to-ceiling dimension (Section 19.84.150) and shall provide a vertical floor-to-ceiling dimension of 13.5 feet for the ground floor commercial space, and this is authorized because it would allow for more desirable/livable vertical floor-to-ceiling dimensions above the first floor. Portions of the roof eave for the proposed mechanical equipment enclosure on the northwest corner of the roof would extend approximately one foot into the public right-of-way at an elevation of approximately 37 feet, which is typical of a building abutting on a property line and should not provide any significant impacts to the public. Some portions of the project would extend above the height limit as permitted by Imperial Beach Municipal Code Section 19.40.020, which would be limited to parapet walls that also serve as railing, and mechanical, elevator, and stairwell enclosures.

16. Any other considerations as the Community Development Department deem necessary to preserve the health, safety and convenience of the City in general.

Standard and applicable conditions of approval have been included with the Resolution to further ensure that the health, safety, welfare, and convenience of the City in general is preserved.

17. Public Notice requirements, pursuant to Zoning Ordinance Section 19.87.100, have been satisfied.

The project description and the date of the City Council public hearing were sent to property owners within 300 feet and occupants within 100 feet of the subject site on July 1, 2015, and a public hearing notice was published in the Imperial Beach Eagle & Times newspaper on July 2, 2015.

TENTATIVE PARCEL MAP FINDINGS (IBMC § 18.12.070):

18. The proposed tentative tract map is consistent with the General Plan/Local Coastal Plan.

The proposed subdivision is consistent with the General Plan and zoning designations because the lot will meet the lot area and frontage requirements.

19. The design or improvement of the proposed subdivision is consistent with the General Plan/Local Coastal Plan.

The General Plan/Local Coastal Plan designates the site as Seacoast Commercial & Mixed-Use (C/MU-2 Zone). The purpose of the C/MU-2 Zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C/MU-2 Zone will be visitor-serving retail such as specialty stores, surf shops, restaurants, and hotels and motels. Mixed-use and multiple family residences are also permitted in the C/MU-2 Zone and in the Seacoast Mixed Use/Residential Overlay Zone. The development standards of the C/MU-2 Zone encourage pedestrian activity through the design and location of building frontages and parking provisions (IBMC Section 19.27.010). Therefore, the proposed mixed-use

project meets the purpose and intent of the land use designation of the General Plan/Local Coastal Plan.

20. The site is physically suitable for the type of development.

The subject site is relatively flat and the proposed grading and drainage for the development of the mixed-use project has been reviewed so that no adverse impacts would occur.

21. The design of the subdivision will not cause substantial environmental damage or substantial and avoidable injury to fish or wildlife, or their habitat.

The project involves new construction in a developed urban area that will not affect fish or wildlife habitat.

22. The design of the subdivision will not cause serious public health problems.

The development will meet all construction requirements and will be served by municipal water and sewer service and would not result in public health problems.

23. The design of the subdivision will not conflict with any easement of record.

The design of the subdivision will not conflict with any easement of record.

24. All requirements of the California Environmental Quality Act (CEQA) have been fulfilled.

The project is exempt from the requirements of the CEQA under CEQA Guidelines Section 15332 (In-Fill Development Projects).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach that the above-listed findings and recitals are true and correct and are incorporated by reference; and

BE IT FURTHER RESOLVED by the City Council of the City of Imperial Beach that Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), Site Plan Review (SPR 140026), and Tentative Parcel Map (TPM 140027) for the demolition of one existing residential unit and the construction of a new, mixed-use development with three residential condominium units above approximately 2,118 square feet of commercial/retail space at 951 Seacoast Drive (APN 625-352-23-00) are hereby approved subject to the following:

CONDITIONS OF APPROVAL:

1. **Approval** of Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), Site Plan Review (SPR 140026), and Tentative Parcel Map (TPM 140027) is valid for three years from the date of final action by the City Council **to expire July 15, 2018**, unless vested with substantial construction pursuant to an approved building permit. Approvals of the Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), and Site Plan Review (SPR 140026) shall run coterminous with the tentative parcel map.
2. The site shall be developed in substantial compliance with the plans dated June 25, 2015, on file at the Community Development Department, or as otherwise amended and approved, and the conditions contained herein.

3. No portion of the building may exceed the 35 foot height limit except those allowed by Imperial Beach Municipal Code Section 19.40.020, such as parapet walls and mechanical, elevator, and stairwell enclosures.
4. Bicycle parking shall be provided and permanently maintained as an essential transportation demand management component of the project. Commercial tenants are required to encourage the use of transit and forms of active transportation in order to help meet the state's greenhouse gas emissions reduction goals (e.g. provide bus passes to employees, discounts when presenting bus passes/bicycles, or other methods). The applicant shall enter into an agreement with the City that identifies implementation of transportation demand management strategies.
5. Parking space dimensions must meet requirements set forth in the Municipal Code.
6. All landscaping must be drought tolerant.
7. All landscaping and bio-filtration areas shall be maintained by the owner. All landscaped areas shall be permanently maintained in a healthy condition, free from weeds, trash, and debris.
8. Landscaping and other improvements in the public right-of-way shall comply with Seacoast Drive Aesthetic Improvement plan. Design and construction shall be provided by the applicant, subject to review and approval by the City.
9. A permanent irrigation system shall be installed and permanently maintained to serve all landscaped areas.
10. All building permits required for the project shall be obtained from the Imperial Beach Building Department.
11. This project is subject to all Model Codes, State Codes and City Ordinances adopted by the City of Imperial Beach.
12. A licensed surveyor/engineer shall verify pad elevations and all building corners and setbacks.
13. Hours of Construction: No work for which a building permit is required shall be performed within the hours of 7:00 P.M. - 7:00 A.M. Monday - Friday, nor prior to 8:00 A.M. or after 5:00 P.M. on Saturday. Construction work on Sundays, or alteration of the approved hours of construction, is subject to City approval.
14. Ensure that the hot water tank P.T. discharge pipe is piped to discharge to the sanitary sewer system or the landscape area. A design that has the water discharge directly into the storm drain conveyance system (onto an impervious surface that flows to the street) is in violation of the Municipal Storm Water Permit - Order R9-2013-0001.
15. The sewer lateral (existing and new) locations shall be drawn on the plans and submitted to the City for review and approval. Plans must show the intended connection for bathrooms and kitchens to the sewer system. Plans must also show the location(s) of planned sewer clean outs for new building. Any abandonment of a sewer lateral shall be consistent with or in accordance with the Greenbook (Standard Specifications for Public Works Construction) current edition including the connection to the sewer main.
16. No building roof or landscape water drains may be piped to the street or onto impervious surfaces that lead to the street. A design that has the water discharge directly into the storm drain conveyance system (onto an impervious surface that flows to the street) is in violation of the Municipal Storm Water Permit - Order R9-2013-0001. Proposed

- discharge of site drainage system into the City's storm-water system (alleyway) must meet the criteria directed by the City Engineer.
17. Ensure that construction drawings provide for the building foundation elevations be at least 1 foot above gutter line to minimize flooding during storm conditions.
 18. Applicant shall obtain any necessary approvals from SDG&E related to relocation or construction near the existing guy-wire on the alley.
 19. Construction of an ADA compliant driveway approach on Elder Avenue must be constructed per San Diego County Regional Standard Drawings G-14A (Contiguous Sidewalk), G-15, and G-16. Concrete shall be a minimum of 6-inches in thickness. Curb & Gutter shall be removed and replaced per San Diego County Regional Standard drawing G-2. The curb & Gutter shall be poured separately from the driveway approach and sidewalk.
 20. A minimum 4-foot wide landing shall be maintained behind the pedestrian access ramp at the southwestern corner of property.
 21. Property adjacent to the pedestrian access ramp at the southwestern corner of the property and the proposed driveway approach on Elder Avenue shall be dedicated to the City/public right-of-way. The property owner shall provide all necessary documentation and associated materials to process the dedication.
 22. For alley, sidewalk or curb & gutter replacement ensure compliance with San Diego Regional Standard Drawing G-11 in that, the "Area to be removed [must be] 5' or from joint to joint in panel, whichever is less." The distance between joints or score marks must be a minimum of 5-feet. Where the distance from "Area to be removed", to existing joint, edge or score mark is less than the minimum shown, "Area to be removed" shall be extended to that joint, edge or score mark.
 23. If it is necessary to cut into the alley pavement as part of this project, all concrete cuts in the alley must be replaced with #4 rebar dowels positioned every 1 foot on center, secured with epoxy adhesive. Concrete specification must be 560-C-3250 poured at thickness of at least 6-inches. Concrete cuts must also comply with item 8 above and cuts parallel to the alley drainage must be at least 1-foot from the alley drain line.
 24. For any work to be performed in the street or alley, submit a traffic control plan for approval by Public Works Director a minimum of 5 working days in advance of street work. Traffic control plan is to be per Regional Standard Drawings or CALTRANS Traffic Control Manual.
 25. Seacoast Drive is under a street-cut moratorium, absolutely no cutting of the asphalt pavement is allowed unless approved with conditions by the Public Works Director.
 26. For any project that proposes work within the public right-of-way (i.e., driveway removal/construction, sidewalk removal/construction, street or alley demolition/reconstruction, landscaping and irrigation, fences, walls within the public right-of-way, etc.), a Temporary Encroachment Permit (TEP) shall be applied for and approved either prior to or concurrent with issuance of the building permit required for the project. Application for a Temporary Encroachment Permit shall be made on forms available at the Community Development Department Counter.
 27. All street work construction requires a Class A contractor to perform the work. All pavement transitions shall be free of tripping hazards.

28. Construct trash/refuse enclosure and a recycling enclosure consistent with IBMC Section 19.74.090. Trash and recycling enclosures are to be enclosed by a 6'-0" high masonry wall and locking gate. The enclosure doors/gates must not be designed to swing into the street or alley.
29. Any disposal/transportation of solid waste / construction waste in roll off containers must be contracted through the City's waste management provider unless the hauling capability exists integral to the prime contractor performing the work.
30. Impervious surfaces should not increase beyond the impervious services provided on the approved plan as a post-conversion condition in order to maximize the water runoff infiltration area on the parcel in compliance with Municipal Storm Water Permit – Order R9-2013-0001.
31. All landscape areas, including grass and mulch areas, must be improved to consist of at least 12-inches of loamy soil in order to maximize the water absorption during wet weather condition and minimize irrigation runoff.
32. Install survey monuments on northwest, southwest, and southeast property lines in or adjacent to sidewalk, and install survey monuments on northeast property line in alley. Record same with County Office of Records.
33. In accordance with IBMC Section 12.32.120, applicant must place and maintain warning lights and barriers at each end of the work, and at no more than 50 feet apart along the side thereof from sunset of each day until sunrise of the following day, until the work is entirely completed. Barriers shall be placed and maintained not less than three feet high.
34. Require applicant to provide verification of post construction Best Management Practice (BMP) maintenance provisions through a legal agreement, covenant, CEQA mitigation requirement, and / or Conditional Use Permit. Agreement is provided through the Community Development Department.
35. The owner shall institute "Best Management Practices" to prevent contamination of storm drains, ground water and receiving waters during both construction and post construction. The property owner or applicant BMP practices shall include but are not limited to:
 - Contain all construction water used in conjunction with the construction. Contained construction water is to be properly disposed in accordance with Federal, State, and City statutes, regulations and ordinances.
 - All recyclable construction waste must be properly recycled and not disposed in the landfill.
 - Water used on site must be prevented from entering the storm drain conveyance system (i.e. streets, gutters, alley, storm drain ditches, storm drain pipes).
 - All wastewater resulting from cleaning construction tools and equipment must be contained on site and properly disposed in accordance with Federal, State, and City statutes, regulations, and ordinances.
 - Erosion control - All sediment on the construction site must be contained on the construction site and not permitted to enter the storm drain conveyance system. Applicant is to cover disturbed and exposed soil areas of the project with plastic-like material (or equivalent product) to prevent sediment removal into the storm drain system.

36. Applicant must underground all utilities in accordance with IBMC Section 13.08.060(C) as noted below: "Applicability to new structures"
- A. For any development which requires a building permit but is of a valuation of fifty thousand dollars or less, the applicant will not be required either to underground the utilities or to sign a deferral agreement pertaining thereto.
 - B. For any development of single-family residence(s) or duplex(es) which exceeds a valuation of fifty thousand dollars, the applicant will be required to sign a deferral agreement with, and pay a recording fee to, the City.
 - C. Any development of property other than as described in subsection A or B of this section in excess of fifty thousand dollars valuation will be required to underground all utilities. This project is within the Seacoast Drive Utility Underground District. Thus the existing communications aerial services must be relocated underground.
37. Applicant shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees and costs incurred by the City and any claim for private attorney general fees and costs claimed by or awarded to any party against the City or its agents officers or employees against the City or its agents, officers, or employees, relating to the approval of the project (MF1149) including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision (including the Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), Site Plan Review (SPR 140026), and Tentative Parcel Map (TPM 140027)), including any claims for violation of the Public Records Act or discovery law arising from and with respect to litigation involving these approvals (collectively "Development Approvals"). The City will promptly notify applicant of any claim, action or proceeding concerning the Development Approvals. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, applicant shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of such election applicant shall pay all of the costs related thereto including without limitation attorney's fees and costs incurred by the City. In the event of a disagreement between the City and applicant regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the applicant shall not be required to pay or perform any settlement unless such settlement is first approved by applicant.
38. The Developer or Developer's representative shall read, understand, and accept the conditions listed herein and shall, within 30 days, return a signed statement to the Community Development Department accepting said conditions.
39. The Developer shall pay off any deficits in his project account (140023) prior to building permit issuance and prior to final inspection.

Appeal Process under the California Code of Civil Procedure (CCP): The time within which judicial review of a City Council decision must be sought is governed by Section 1094.6 of the CCP. A right to appeal a City Council decision is governed by CCP Section 1094.5 and Chapter 1.18 of the Imperial Beach Municipal Code.

PROTEST PROVISION: The 90-day period in which any party may file a protest, pursuant to Government Code Section 66020, of the fees, dedications or exactions imposed on this development project begins on the date of the final decision.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. That the foregoing recitals are true and correct.
2. That Resolution 2015-7577 is hereby rescinded.
3. That Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), Site Plan Review (SPR 140026), and Tentative Parcel Map (TPM 140027) are approved for the demolition of one existing residential unit and the construction of a new mixed-use development with three residential condominium units above approximately 2,118 square feet of commercial/retail space at 951 Seacoast Drive (APN 625-352-23-00), subject to the conditions set forth in this Resolution.
4. The City Manager or his designee shall provide notice to the California Coastal Commission of the City Council's approval of the Coastal Permit pursuant to IBMC Section 19.87.160(A)(2).

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 15th day of July 2015, by the following vote:

AYES: COUNCILMEMBERS: BRAGG, SPRIGGS, BILBRAY
NOES: COUNCILMEMBERS: PATTON
ABSENT: COUNCILMEMBERS: DEDINA

Signature on file

BRIAN P. BILBRAY,
MAYOR PRO TEM

ATTEST:

Signature on file

JACQUELINE M. HALD, MMC
CITY CLERK



AGENDA ITEM NO. 4.1

**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: JULY 15, 2015

ORIGINATING DEPT.: COMMUNITY DEVELOPMENT DEPARTMENT *ST TF*

SUBJECT: PUBLIC HEARING: KEGEL (APPLICANT); CONSIDERATION OF REGULAR COASTAL PERMIT (CP 140023), CONDITIONAL USE PERMIT (CUP 140024), DESIGN REVIEW CASE (DRC 140025), SITE PLAN REVIEW (SPR 140026), AND TENTATIVE PARCEL MAP (TPM 140027), AND CATEGORICAL EXEMPTION PURSUANT TO CEQA GUIDELINES 15332 (IN FILL DEVELOPMENT) FOR THE DEMOLITION OF ONE EXISTING RESIDENTIAL UNIT AND CONSTRUCTION OF A NEW MIXED-USE DEVELOPMENT WITH THREE RESIDENTIAL CONDOMINIUM UNITS ABOVE COMMERCIAL SPACE AT 951 SEACOAST DRIVE (APN 625-352-23-00). MF 1149.

EXECUTIVE SUMMARY:

Staff is recommending that the City Council conduct a public hearing to review and consider approval of a project proposing the demolition of one existing residential unit and the construction of a new, mixed-use development with three residential condominium units above approximately 2,118 square feet of commercial/retail space at 951 Seacoast Drive (APN 625-352-23-00). The project site is located in the C/MU-2 (Seacoast Commercial & Mixed-Use) Zone, which allows mixed-use development.

RECOMMENDATION:

That the City Council rescind Resolution No. 2015-7577 and adopt Resolution No. 2015-7606, approving Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), Site Plan Review (SPR 140026), and Tentative Parcel Map (TPM 140027) for the demolition of one existing residential unit and the construction of a new, mixed-use development with three residential condominium units above approximately 2,118 square feet of commercial/retail space at 951 Seacoast Drive (APN 625-352-23-00).

RATIONALE:

The project should benefit the City of Imperial Beach by providing residential units to assist in meeting housing demand, providing visitor-serving ground-floor commercial/retail space, and

providing an economic benefit for the neighborhood and community. In addition, the Design Review Board recommended approval of the project's design with a vote of 3-0.

OPTIONS:

In addition to receiving this report and adopting staff's recommendation, the City Council can:

- Approve the project with modifications requested by the City Council; or
- Disapprove the project and deny the requested permits by making specific findings for denial; or
- Continue the Public Hearing to a specific future meeting to allow staff to provide additional information upon which a decision can be rendered.

BACKGROUND:

The project was originally reviewed by the Design Review Board on March 19 and March 26, 2015 and the City Council on May 20 and June 3, 2015. The project was approved by the Council upon adoption of Resolution 2015-7577. Following these meetings, it was discovered that



notice of these meetings was not sent to some occupants within the vicinity. It was not the intent of the applicant or City to omit any member of the public from the review process. Therefore, the project was renoticed and returned to the Design Review Board on June 30, 2015 and the public hearing for the project is scheduled for the July 15, 2015 City Council meeting. The Council is to receive all evidence presented at this hearing as though the project had never been approved. The Council is not bound by its decision in Resolution 2015-7577, and that resolution should be rescinded.

The application, originally submitted to the City on April 8, 2014, proposes a Regular Coastal Permit (CP 140023), Conditional Use Permit (CUP 140024), Design Review Case (DRC 140025), Site Plan Review (SPR 140026), Tentative Parcel Map (TPM 140027), and Categorical Exemption pursuant to CEQA Guidelines 15332 (In-fill Development) for the demolition of one existing residential unit and the construction of a new, mixed-use development with three residential condominium units above approximately 2,118 square feet of commercial/retail space at 951 Seacoast Drive (APN 625-352-23-00), which is located in the C/MU-2 (Seacoast Commercial & Mixed-Use) Zone (Attachments 2 & 3).



ANALYSIS:

The project site includes one lot measuring 4,765 square feet fronting Seacoast Drive at the northeast corner of Seacoast Drive and Elder Avenue in the C/MU-2 Zone. The property to the north of the site is mixed-use, the property to the west is Pier Plaza, and the properties to the south and east are comprised of residential uses on commercially zoned land.

Off-Street Parking

The three-story project proposes approximately 2,118 square feet of commercial space on the ground floor and three residential dwelling units located above the first floor each providing a roof deck. The building would provide pedestrian access to the commercial space from Seacoast Drive. Pedestrian access to the residential units would be provided from Seacoast Drive and also from the parking spaces off the alley to the north of the site on the ground floor. The Municipal Code requires 1.5 parking spaces per dwelling unit, though mixed-use projects may receive a 25% reduction in parking (IBMC Section 19.48.035). As such, a minimum of three parking spaces are required for the residential units. However, the applicant is proposing five enclosed parking spaces that would be accessed off the alley to serve the residential units.

For the ground-floor commercial space, the C/MU-2 Zone requires one (1) parking space per 1,000 gross square feet of commercial space, though the Municipal Code allows for commercial uses less than 1,000 square feet to be eligible for parking waivers (IBMC Section 19.48.035). Although no tenants have been confirmed for the commercial space, the applicant is anticipating a maximum of two commercial units, one of which measuring approximately 908 square feet would be eligible for a parking waiver with the second unit measuring approximately 1,210 square feet. One parking space would be required for the second unit, though it would have to

be designed to meet Americans with Disability Act (ADA) standards. As such, one parking space designed to meet ADA standards would be provided and would be accessed from a proposed curb cut on Elder Avenue. The proposed curb cut would require the elimination of one on-street parking space, however there are no alternative locations for a curb cut or van-accessible ADA stall due to the limited site constraints.

If a future tenant is interested in occupying the entire 2,118 square feet of commercial/retail space, off-site parking within one thousand feet of the project site may be used to satisfy the parking requirements with approval of a conditional use permit and implementation of transportation demand management (TDM) strategies (IBMC Section 19.48.050). Two parking lots are located within one thousand feet of the project site and the TDM strategy proposed by the applicant includes the provision of bicycle parking. In addition, the commercial tenants would be required to encourage employees to use transit and other forms of active transportation such as bicycling and walking to commute to and from work.

Building Height

The maximum allowable building height in the C/MU-2 Zone is typically 30 feet; however, the Municipal Code allows properties east of Seacoast Drive to have a height limit of up to three stories and 35 feet with approval of a conditional use permit that demonstrates compliance with side yard setbacks and/or stepbacks that protect street-end public views towards the ocean, and provided the project meets two or more specified development incentives (IBMC Section 19.27.070). As such, the project applicant is requesting a conditional use permit for a building height of 35 feet. The project would not impact street-end public views toward the ocean by incorporating the required setbacks and stepbacks, and the applicant is proposing to meet the following two development incentives specified in IBMC Section 19.27.020(A)(5):

1. At least 25% of the proposed residential units would be three-bedroom units (100% proposed); and
2. The project would provide a minimum of seventy-five percent "active commercial uses" on the ground floor.

As defined in the IBMC Section 19.40.020, the building heights specified in the C/MU-2 Zone, either the base height limit of 30 feet or of 35 feet on the east side of Seacoast Drive with approval of a Conditional Use Permit, do not include the following structural elements of a building:

- Roof structures for the housing of elevators, stairways, tanks, ventilating fans, air conditioning equipment or similar equipment required to maintain and operate the building;
- Fire or parapet walls required by law;
- Skylights chimneys, smokestacks or utility towers;
- Flagpoles, antennas, radio masts, risers and similar structures.

As allowed under the IBMC, portions of the project are proposing to extend above the height limit. A roof structure housing mechanical equipment proposed for the northwest corner of the roof would measure approximately 43 feet in height. In addition, elevator and stairwell enclosures providing access to the upper stories and the roof decks measure approximately 44 feet in height. Finally, parapet walls extend 42 inches above the roof deck for safety purposes. Due to these height exceptions, the proposed parapet walls and mechanical, elevator, and stairwell enclosures may extend above the height limit. It should be noted that the City does not

have a view protection ordinance and the property is not burdened by a covenant or restriction that would prohibit the development or height of this project in any way.

Roof Projections

Portions of the roof eave for the proposed mechanical equipment enclosure on the northwest corner of the roof are proposed to extend approximately one foot over the public right-of-way at an elevation of approximately 37 feet. Buildings are typically required to remain within the confines of private property; however, this design proposal may be considered because the City would be requiring dedication of portions of the property for pedestrian access (accessible sidewalk on Elder Avenue and pedestrian ramp at Elder Avenue and Seacoast Drive). Typically roof extensions and similar architectural features may extend into required setbacks. However, the C/MU-2 Zone does not provide a required front yard setback, and encourages buildings to locate on the front property line. The northwest portion of the building is located on the property line and the proposed roof overhang of one foot is requested for aesthetic purposes. The proposed roof extension should not provide any significant impacts to the public.

Ground-Floor Retail Floor-to-Ceiling Dimension

The applicant is requesting approval of an administrative adjustment of 10% to reduce the commercial/retail vertical floor-to-ceiling dimension from 15 feet to 13.5 feet, as provided for in IBMC Section 19.84.150, which allows for an adjustment of up to 10% for certain development standards listed in the Municipal Code. The applicant is requesting the administrative adjustment to allow for more desirable/livable vertical floor-to-ceiling dimensions above the first floor. A vertical floor-to-ceiling dimension of 13.5 feet at the first level allows for a vertical floor-to-ceiling dimension of approximately nine feet for both the second and third floors of the residential units.

Safety

The City has received inquiries regarding the safety of the building due to its proximity to the property line. Public Safety staff has reviewed the plans and have determined that the project would not create any undue safety hazards. The project would not encroach upon any required roadway dimensions and would not obstruct the line of sight of emergency vehicles. With regard to pedestrian safety, vehicles traveling westbound on the alley would be driving on the right-hand side of the road and should be able to observe pedestrians entering the alley from the southern pedestrian ramp. Vehicles heading northbound on Seacoast Drive that turn into the alley would have a clear view of any pedestrians on Seacoast Drive. As such, the proposed project would not create any safety concerns.

The proposed project design would contribute positively in making an architectural statement along this mixed-use, commercial corridor, which incorporates both natural stone and modern elements along with a signature "lighthouse" design element. It is staff's opinion that the proposed design conforms with the intent and purpose of the design standards outlined in IBMC Section 19.83.010 and the City's Design Guidelines for Commercial/Mixed-Use Zones. The applicant's design provides varied rooflines and architectural relief through the incorporation of building pop-outs, vertical articulation, and façade variation. In addition, the project would provide architectural interest on all elevations with varied building materials such as glass, copper, board siding, and stone elements.

Due to the narrow lot size and required parking and pedestrian accessibility requirements, there are limited areas to provide on-site landscaping. In order to comply with the landscaping and

drainage requirements, the applicant is proposing a ground floor landscape basin near the eastern property line and landscaped roof decks. Street trees are proposed on the Seacoast Drive and Elder Avenue public rights-of-way, though the final design would depend on the eventual Seacoast Drive Aesthetic Improvement plan approved by the City.

General Plan Consistency:

C/MU-2 (Seacoast Commercial and Mixed-use) Zone: The purpose of the C/MU-2 Zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in the C/MU-2 Zone will be visitor-serving retail such as specialty stores, surf shops, restaurants, and hotels and motels. Mixed-use and multiple family residences are also permitted in the C/MU-2 Zone and in the Seacoast Mixed Use/Residential Overlay Zone. The development standards of the C/MU-2 Zone encourage pedestrian activity through the design and location of building frontages and parking provisions (IBMC Section 19.27.010). The proposed mixed-use project meets the purpose and intent of the C/MU-2 land use designation because mixed-use buildings are permitted in the C/MU-2 Zone and the project would encourage pedestrian activity through the design, location, and use of the building frontage and would provide commercial goods and services required by the tourist population and local residents.

C/MU-2 STANDARDS	PROVIDED/PROPOSED
Maximum density of one dwelling unit for every one thousand five square feet of lot area, or if located on the east side of Seacoast Drive or Palm Avenue, east of Seacoast Drive, one dwelling unit for each one thousand two hundred and ten gross square feet of lot area with approval of a conditional use permit by the City Council that demonstrates compliance with two or more development incentives (Section 19.27.020(A)(5)).	The property measures 4,765 square feet and proposes three units at a density of one unit for each 1,500 sq. ft. of lot area. A density bonus is not being requested for the project.
Yard requirements for the C/MU-2 zone are as follows (Section 19.27.040): A. On property fronting on Seacoast Drive, the front of each building shall be set on the front property line. For purposes of this requirement an arcade is considered a part of the building.	A. The project fronts Seacoast Drive with the building and arcade/patio.
Stepback requirements for the C/MU-2 Zone are as follows (Section 19.27.041): A. On property with a side or rear yard abutting a residential zone, the second-floor stepback shall be a minimum of five feet from the abutting residential property line and the third-floor stepback shall be a minimum of ten feet from the abutting residential property line. B. Stepbacks are not required where the ten-foot setback is required or observed for at least fifty percent of the property line abutting residential property.	A. The property abuts commercially zoned properties. As such, stepbacks are not required. Though a majority of the building is located on the property lines, various stepbacks are provided on the east and west elevations. B. The property abuts commercially zoned properties. As such, stepbacks are not required. Though a majority of the building is located on the property

<p>C. On properties fronting Seacoast Drive, an upper-story setback of five to ten feet is required for a minimum of fifty percent of street-facing facades along Seacoast Drive.</p>	<p>lines, various setbacks are provided on the east and west elevations.</p> <p>C. The property fronts Seacoast Drive and the building provides an upper-story setback of five to ten feet for at least fifty percent of the Seacoast Drive street-facing facade.</p>
<p>Minimum lot size of 3,000 square-feet (Section 19.27.050).</p>	<p>The lot size measures 4,765 square feet.</p>
<p>Minimum street frontage of 30 feet (Section 19.27.060).</p>	<p>The Seacoast Drive frontage is approximately 95 feet and the Elder Avenue frontage is approximately 50 feet.</p>
<p>Maximum height of three stories or thirty feet, whichever is less, except as follows (Section 19.27.070(A)):</p> <p>Properties east of Seacoast Drive shall have a height limit not to exceed three stories and thirty-five feet with approval of a conditional use permit that demonstrates compliance with the following:</p> <p style="padding-left: 40px;">a. Side yard setbacks and/or setbacks have been incorporated into the project to protect street-end public views towards the ocean;</p> <p style="padding-left: 40px;">b. Two or more of the development incentives listed in Section 19.27.020(A)(5).</p> <p>Exceptions to the height limit as follows (Section 19.40.020):</p> <p>A. Roof structures for the housing of elevators, stairways, tanks, ventilating fans, air conditioning equipment or similar equipment required to maintain and operate the building;</p> <p>B. Fire or parapet walls required by law;</p> <p>C. Skylights chimneys, smokestacks or utility towers;</p> <p>D. Flagpoles, antennas, radio masts, risers and similar structures.</p>	<p>The project proposes a building height of 35 feet and is requesting a conditional use permit.</p> <p>a. The project incorporates the required setbacks and setbacks and would not impact street-end public views.</p> <p>b. The project is proposing the following development incentives: 1) At least 25% of the proposed residential units will be three-bedroom units (100% proposed); 2) The project would provide a minimum of seventy-five percent "active commercial uses" on the ground floor.</p> <p>The project is proposing a roof structure that would house mechanical equipment that would measure approximately 43 feet in height. In addition, elevator and stairwell enclosures measure approximately 44 feet in height. Also, parapet walls that would also serve as guard rails extend 42" above the roof deck. Due to the height exceptions, the proposed parapet walls and mechanical, elevator, and stairwell</p>

	enclosures may extend above the height limit.
All commercial spaces on the ground floor shall have a minimum fifteen-foot vertical floor-to-ceiling dimension; and single-story commercial buildings shall have a minimum building height of twenty feet (Section 19.27.070(B)).	The project is requesting an administrative adjustment of 10% to deviate from the typical 15 foot ground floor vertical floor-to-ceiling dimension (Section 19.84.150). As such, the project is proposing a vertical floor-to-ceiling dimension of 13.5 feet for the ground floor commercial space.
No buildings shall be located less than five feet from any other building on the same lot. (Section 19.27.080)	Only one building is located on the lot.
Commercial landscaping: not less than 15% of total site shall be landscaped and maintained (Section 19.50.030(A)).	The 4,765 square foot lot requires a minimum of 714.75 square feet of landscaping (4,765 x .15 = 714.75). Approximately 1311 square feet of landscaping is proposed.
<p>Required parking spaces for multiple-family residential in the C/MU-2 Zone: 1.5 spaces per dwelling unit. A 25% reduction may be allowed for vertical mixed-use (Section 19.48.035).</p> <p>The C/MU-2 Zone requires 1 space per 1,000 gross square feet of commercial space. A 25% reduction may be allowed for vertical mixed-use. In addition, commercial uses measuring less than 1,000 square feet are eligible for a parking waiver (Section 19.48.035).</p> <p>In the C/MU-1, C/MU-2, and C/MU-3 zones, shared parking or off-site parking within one thousand feet of the project site may be used to satisfy the parking requirements with the approval of a conditional use</p>	<p>Three residential units are proposed for the project in total, which would require 4.5 parking spaces. A 25% reduction would allow for a minimum of three parking spaces (4.5 x .25 = 1.125; 4.5 - 1.125 = 3.375 required spaces). However, five parking spaces are proposed for the residential units.</p> <p>The project proposes 2,118 square feet of commercial space, which would typically require two parking spaces. A 25% reduction would still require two commercial parking spaces (2 x .25 = .50; 2 - .50 = 1.5 required spaces; the Municipal code requires parking fractions of .5 or greater to be rounded up to one space). However, one commercial unit would be proposed to measure approximately 908 square feet, which would be eligible for a waiver in parking. The second unit would measure approximately 1,210 square feet, which would require one parking space. As such, one parking space is proposed.</p> <p>If a commercial tenant utilizes the entire 2,118 square feet of commercial space, two parking lots are located within one thousand feet</p>

<p>permit. Projects in these zones shall be reviewed to determine the suitability and feasibility of implementing one or more transportation demand management strategies that may be approved through a development agreement (Section 19.48.050).</p>	<p>of the project site and the transportation demand management strategy proposed by the applicant includes bicycle parking. In addition, the commercial tenants would be required to encourage employees to use bicycling, walking, and other forms of active transportation. These transportation demand management strategies would be a condition of approval for the project.</p>
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Surrounding Land Use and Zoning:

Surrounding Areas	Surrounding Zoning	Surrounding Land Use
North	C/MU-2 (Seacoast Comm. & Mixed-Use)	Mixed-Use
South	C/MU-2 (Seacoast Comm. & Mixed-Use)	Residential
East	C/MU-2 (Seacoast Comm. & Mixed-Use)	Residential
West	PF (Public Facility)	Pier Plaza

Design Review Board: The Design Review Board has reviewed the project three times. At the March 19, 2015 meeting, the Board recommended minor design modifications that were incorporated into the plans that were then recommended for approval by the Board at the March 26, 2015 meeting. As previously discussed, the project was re-noticed and a new review by the Design Review Board took place on June 30, 2015 where the Board recommended approval of the project with a 3-0 vote (1 absent) (Attachment 4).

ENVIRONMENTAL IMPACT:

The project is categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15332 (In-Fill Development Projects).

COASTAL JURISDICTION:

The project is located in the Appeal Jurisdiction of the California Coastal Commission as indicated on the Local Coastal Program Post Certification and Appeal Jurisdiction Map and, as such, is appealable to the California Coastal Commission under Section 30603(a) of the California Public Resources Code and IBMC Section 19.87.160.

FISCAL ANALYSIS:

The Applicant has deposited \$11,000.00 to fund processing of the application.

Attachments:

1. Resolution 2015-7606
2. Photosimulations
3. Plans
4. Draft June 30, 2015 Design Review Board Minutes
5. Public Comment/Correspondence

c: file MF 1149

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: AUGUST 19, 2015
ORIGINATING DEPT.: PUBLIC WORKS *AH*
SUBJECT: 13TH STREET CLASS 2 BIKEWAY PROJECT (S13-202)

EXECUTIVE SUMMARY:

Resolution No. 2013-7377, adopted August 21, 2013, accepted the Bicycle Transportation Account (BTA) grant funds (\$67,500) (requiring a \$7500 City match) and authorized an amendment to the City's 5-year Capital Improvement Program (CIP) for the 13th Street Bikeway Project. Resolution No. 2015-7567, adopted April 15, 2015, authorized the City Manager to accept a \$1,800,000 SANDAG Active Transportation Program (ATP) grant for the Bikeway Village Project which included \$420,000 for the 13th Street Class 2 Bikeway Project. On June 25, 2015, staff advertised for bids for the construction of this project with the bids due not later than 2:00 p.m., Thursday, July 16, 2015. No eligible bids were received as of the bid due date/time. Thus staff is requesting City Council approval to negotiate with a suitable General Construction Contractor to construct this project. If a contract is successfully negotiated, staff will propose City Council award a contract to that contractor.

RECOMMENDATION:

This report recommends City Council authorize staff to negotiate a construction agreement with a Class A contractor for the construction of the 13th Street Class 2 Bikeway Project (S13-202).

RATIONALE:

The 13th Street Class 2 Bikeway Project includes a slurry seal with new striping and signage to convert the street to two lanes of traffic, a center turn lane, parking on both sides of the street and class 2 bike lanes. This project also includes a new ADA compliant pedestrian crosswalk on all four sides of the Grove Avenue and 13th Street intersection to accommodate school children transiting to opposite sides of 13th Street enroute to either Mar Vista Middle School or Oneonta Elementary School. The construction of this work is necessary to improve bicycle safety and pedestrian safety while maintaining a suitable level of service for vehicle traffic on 13th Street.

OPTIONS:

When a project is advertised for a competitive bid and no bids are received, there are three possible approaches to proceed with awarding a contract. These are, in order of priority:

- Reformat the bid advertisement and rebid the project;
- Negotiate a contract with a qualified contractor of the City's choice; or

- Open the late bid and determine if the late bid is acceptable. (Note: there was one bid received 7-minutes after the bid closing time.)

BACKGROUND:

The City's Bicycle Transportation Plan (BTP) adopted in 2008 shows 13th Street as a Class 2 bike lane from Iris Ave to the Bayshore Bikeway. At the April 4, 2012 City Council meeting, staff reported that CALTRANS had announced a call for projects for the Bicycle Transportation Account (BTA) grant and discussed the merits of a possible project for converting 13th Street from a four lane road to a three vehicle lane street with an accompanying Class 2 bike lane. At the April 18, 2012 City Council meeting, direction was given through Resolution 2012-7186 to submit a grant application and authorize the Public Works Director to sign and execute all documents related to the BTA grant for the design and construction of a Class 2 bike lane on 13th Street. The City Council also authorized a 10% match up to \$7,500 from the Gas Tax account towards the project.

The City received notification from CALTRANS on October 18, 2012 that the 13th Street Bikeway project was approved for funding in the requested amount of \$67,500. An agreement with CALTRANS for the expenditure of the BTA grant funds was subsequently signed by the Public Works Director on November 8, 2012 as previously authorized by Resolution 2012-7186. The 13th Street construction drawings and specifications were completed using the BTA grant funds.

On April 16, 2014, the City Council authorized the submittal of an application to the California State Department of Transportation (Caltrans) for a 2014 Active Transportation Program (ATP) Grant for the Bikeway Village Bayshore Bikeway Access Enhancement Project which included funding for the construction of the 13th Street Class 2 Bike Lane project. On September 26, 2014, the project was recommended for full funding in the local MPO competition. On November 21, 2014, the SANDAG Board of Directors approved the Project funding and the exchange of funds to local TransNet Funds to be administered by SANDAG. On December 10, 2014, the California Transportation Commission (CTC) also approved the Project for funding and the exchange of funds.

The construction of the 13th Street Class 2 Bike Lane project was authorized to proceed independently from the Bikeway Village Bayshore Bikeway Access Enhancements although funded through the same grant. The 13th Street Class 2 Bikeway Project includes a slurry seal with new striping and signage to convert the street to two lanes of vehicle traffic, a center vehicle turn lane, parking on both sides of the street and class 2 bike lanes. This project also includes a new ADA compliant pedestrian crosswalk on all four sides of the Grove Avenue and 13th Street intersection to accommodate school children transiting to opposite sides of 13th Street enroute to either Mar Vista Middle School or Oneonta Elementary School. The construction of this work is necessary to improve traffic calming, bicycle safety and pedestrian safety while maintaining a suitable level of service for vehicle traffic on 13th Street. (LOS C).

ANALYSIS:

Given that the City appropriately advertised the 13th Street Class 2 Bikeway project and received no qualified bids for the construction of the project by the date and time announced in the public advertisement, City Council has three options for proceeding with the award of a contract for this work. These are:

- Reformat the bid advertisement and rebid the project;

- Negotiate a contract with a qualified contractor of the City's choice; or
- Open the late bid and determine if the late bid is acceptable. (Note: there was one bid received 7-minutes after the bid closing time.)

The Engineer's estimated cost for the project construction was \$573,900. The estimated cost for the slurry and striping was \$240,358. The estimated cost for the electrical was approximately \$51,200 and the cost for the ADA compliant cross walk was \$282,342. By law, the prime contractor must perform a minimum of 50% of the scheduled work, and neither one of these three categories constitute 50% of the work, thus the difficulty in receiving a bid from the General Contractors for this advertised project. By negotiating with a qualified contractor, the bid may be able to be successfully designed to meet the 50% requirement for the work performed by the prime contractor. If staff fails to successfully negotiate an appropriate bid, staff will revisit the best approach to continue this project's construction.

ENVIRONMENTAL DETERMINATION:

The BTP and associated CEQA adopted in 2008 analyzed and accepted the installation of a Class 2 bikeway on 13th Street. Thus there is no further environmental review necessary.

FISCAL IMPACT:

The fiscal impact is dependent upon the negotiated contract price. The Engineer's estimate for the project construction is \$573,900. The SANDAG ATP funds available are \$420,000. Other construction funds that could be made available include Unobligated Reserve Gas Tax, 2010 Bond funds saved by the \$1,800,000 ATP grant, or Public Works General Fund Reserve should the negotiated price exceed the \$420,000 SANDAG ATP grant funds.