



REGULAR CITY COUNCIL CLOSED SESSION MEETING AGENDA

**South Pasadena City Council / Redevelopment Successor Agency /
Public Financing Authority / Housing Authority
City Manager's Conference Room, Second Floor, 1414 Mission Street
Wednesday, March 5, 2014 6:00 p.m.**

City Council

Marina Khubesrian, M.D., Mayor / Agency Chair / Authority Chair
Robert S. Joe, Mayor Pro Tem / Agency Vice Chair / Authority Vice Chair

Councilmembers / Agency Members / Authority Members
Michael A. Cacciotti; Diana Mahmud; Richard D. Schneider, M.D.

Sergio Gonzalez, City Manager / Agency Executive Director / Authority Executive Director
Evelyn G. Zneimer, City Clerk / Agency Secretary / Authority Secretary
Yvette Hall, Chief Deputy City Clerk / Chief Deputy Agency Secretary / Chief Deputy Authority Secretary
Richard L. Adams II, City Attorney / Agency Counsel / Authority Counsel

Council will convene in open session at 6:00 p.m.

The public may comment on closed session items prior to the Council recessing to closed session.

Closed Session Agenda	Description
1. Roll call	Mayor Khubesrian, Councilmembers Cacciotti, Joe, Mahmud, Schneider
2. Public comments	Public comments on Closed Session item only
3. Personnel Item	Pursuant to Government Code Section 54957 (b) (1) Performance Evaluation of City Attorney

Accommodations



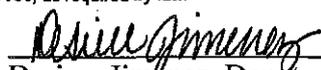
Meeting facilities are accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 403-7230. Hearing assistive devices are available in the Council Chambers. Notification at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

For those submitting letters or other documents relating to items on the agenda: materials received after 4:00 p.m. on the day prior to the Council meeting may not be reviewed by the City Council.

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of the City Hall at 1414 Mission Street, South Pasadena, CA 91030, as required by law.

02/27/2014

Date


Desiree Jimenez, Deputy City Clerk

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SPECIAL MEETING AGENDA (STUDY SESSION)

South Pasadena City Council
Amedee O. "Dick" Richards, Jr., Council Chambers, 1424 Mission Street
Wednesday, March 5, 2014 6:30 p.m.

City Council

Marina Khubesrian, M.D., Mayor
Robert S. Joe, Mayor Pro Tem

Councilmembers

Michael A. Cacciotti; Diana Mahmud; Richard D. Schneider, M.D.

Sergio Gonzalez, City Manager
Evelyn G. Zneimer, City Clerk
Yvette Hall, Chief Deputy City Clerk
Richard L. Adams II, City Attorney

Special Meeting Agenda

1. Roll Call
2. Public Comment: Pursuant to Government Code Section 54954.3(a), members of the public will be provided with an opportunity to address any item described on the agenda only, at the time the matter is considered by the City Council.
3. Discussion and consideration of whether to initiate an update of the City of South Pasadena's General Plan and Mission Street Specific Plan

Adjournment

PUBLIC ACCESS TO CITY COUNCIL MEETING AGENDA PACKETS, DOCUMENTS DISTRIBUTED BEFORE A MEETING, AND BROADCASTING OF CITY COUNCIL MEETINGS

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REGULAR CITY COUNCIL MEETING AGENDA

**South Pasadena City Council / Redevelopment Successor Agency /
Public Financing Authority / Housing Authority
Amedee O. "Dick" Richards, Jr., Council Chambers, 1424 Mission Street
Wednesday, March 5, 2014 7:30 p.m.**

City Council

Marina Khubesrian, M.D., Mayor / Agency Chair / Authority Chair
Robert S. Joe, Mayor Pro Tem / Agency Vice Chair / Authority Vice Chair

Councilmembers / Agency Members / Authority Members
Michael A. Cacciotti; Diana Mahmud; Richard D. Schneider, M.D.

Sergio Gonzalez, City Manager / Agency Executive Director / Authority Executive Director
Evelyn G. Zneimer, City Clerk / Agency Secretary / Authority Secretary
Yvette Hall, Chief Deputy City Clerk / Chief Deputy Agency Secretary / Chief Deputy Authority Secretary
Richard L. Adams II, City Attorney / Agency Counsel / Authority Counsel

*In order to address the Council, please complete a Public Comment Card.
Time allotted per speaker: 3 minutes.
No agenda item may be taken after 11:00 p.m.*

Presentations and Announcements

Roll call, Invocation* (Mayor Khubesrian)

Pledge of Allegiance – Boy Scout Troop #366

**In permitting a nonsectarian invocation, the City does not intend to proselytize, advance, or disparage any faith or belief. Neither the City nor the City Council endorses any particular belief or form of invocation.*

1. Closed Session announcements — a Closed Session agenda has been posted separately
2. Presentation of a Certificate of Recognition to Michael Ruan for being named as a candidate in the 2014 U.S. Presidential Scholars Program
3. Presentation of a Proclamation declaring March 7, 2014, as "Arbor Day 2014" in the City of South Pasadena
4. Councilmembers' comments (3 minutes each)
5. City Manager communications
6. Reordering of and Additions to the Agenda

Opportunity to Comment on Consent Calendar

In order to address the Council, please complete a Public Comment Card. Time allotted per speaker: 3 minutes. Items listed under the consent calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless an audience member or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an ordinance or a resolution shall also waive the reading of the ordinance or resolution and include its introduction or adoption as appropriate.

Consent Calendar

7. Approval of the minutes of the regular City Council meeting of February 19, 2014
8. Approval of prepaid warrants in the amount of \$327,925.13, General City Warrants in the amount of \$665,758.95 and payroll in the amount of \$386,805.56
9. Resolution approving a Contingent Agreement for the Purchase and Sale of Property identified by APN 5315-003-901, commonly known as 1500 El Centro Street, South Pasadena, California, from the South Pasadena Successor Agency to Genton Property Group, LLC, pursuant to the approved Long Range Property Management Plan
10. Approval to co-sponsor the Garden Tour and waive banner installation fees

Public Comments and Suggestions

Time reserved for those in the audience who wish to address the City Council. The audience should be aware that the Council may not discuss details or vote on non-agenda items. Your concerns may be referred to staff or placed on a future agenda. Please note: Public input will also be taken during all agenda items. In order to address the Council, please complete a Public Comment Card. Time allotted per speaker: 3 minutes

Public Hearing

11. Adoption of an interim urgency ordinance imposing a 45-Day Moratorium temporarily prohibiting the establishment or expansion of massage establishments in the City of South Pasadena

Action/Discussion

12. Approval of a Cooperative Agreement between the Cities of San Gabriel, San Marino, and South Pasadena for sharing of Fire Department Command Staff, and amendment to the existing Fire Services Agreement with the City of San Gabriel

Adjournment

FUTURE CITY COUNCIL MEETINGS (OPEN SESSION)

Wednesday, March 19, 2014	Regular City Council Meeting	Council Chambers	7:30 p.m.
Wednesday, April 9, 2014	Special City Council Meeting	Council Chambers	7:30 p.m.
Wednesday, April 23, 2014	Special City Council Meeting	Council Chambers	7:30 p.m.

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Regular meetings are broadcast live on Time-Warner Cable Channel 19 and AT&T Channel 99 and are replayed for at least 24 hours following the meeting. Meetings are also streamed live via the Internet from the City website at www.southpasadenaca.gov. Six months of archived meetings, indexed by agenda item, are also available. A DVD of regularly scheduled meetings is available for checkout at the South Pasadena Public Library. DVD and audio CD copies of meetings can be purchased from the City Clerk's Office.

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Desiree Jimenez, Deputy City Clerk

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CITY OF SOUTH PASADENA

CERTIFICATE OF RECOGNITION



Michael Ruan

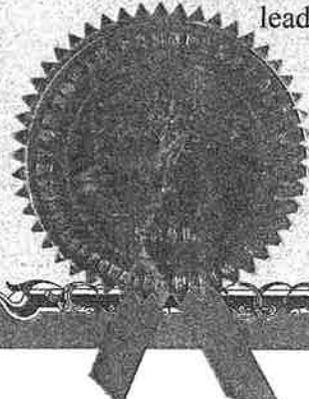
Candidate, 2014 U.S. Presidential Scholars Program

In recognition of being named as a candidate in the 2014 U.S. Presidential Scholars Program, which is one of the highest honors bestowed upon graduating high school seniors selected on the basis of superior academic and artistic achievements, leadership qualities, strong character and involvement in community and school activities

Dated this 5th day of March, 2014

Marina Khubesrian, M.D., Mayor

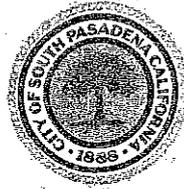
Evelyn G. Zneimer, City Clerk



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CITY OF SOUTH PASADENA

PROCLAMATION



Declaring March 7, 2014
as "Arbor Day"
in the City of South Pasadena

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees reduce the erosion of our precious topsoil by wind and water, cutting heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife;

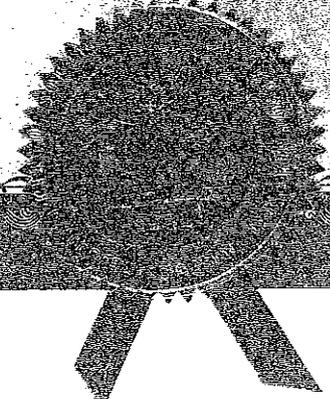
WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas and beautify our community; and

WHEREAS, the City of South Pasadena has been recognized as a Tree City USA by The National Arbor Day Foundation and desires to continue its tree-planting practices.

NOW, THEREFORE, I, Marina Khubesian, M.D., Mayor of the City of South Pasadena, on behalf of the City Council, do hereby proclaim the week of March 7-14, 2014 as a celebration of Arbor Day and urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands.

Marina Khubesian, M.D., Mayor March 5, 2014
Date



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**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY
PUBLIC FINANCING AUTHORITY/HOUSING AUTHORITY
OF THE CITY OF SOUTH PASADENA CONVENED
THIS 19TH DAY OF FEBRUARY, 2014 AT 7:30 P.M.
AMEDEE O. "DICK" RICHARDS, JR., COUNCIL CHAMBERS
1424 MISSION STREET**

ROLL CALL

Mayor Khubesrian convened the Regular Meeting of the South Pasadena City Council/Redevelopment Successor Agency (Agency)/Public Financing Authority (Authority)/Housing Authority (Authority) at 7:48 p.m.

Chief Deputy City Clerk Hall called the roll. Present were City Councilmembers/Agency/Authority Members Cacciotti, Mahmud, and Schneider; Mayor Pro Tem/Agency/Authority Vice Chair Joe; and Mayor/Agency/Authority Chair Khubesrian.

Absent: None.

Other Officials and Staff present: City Clerk Zneimer; City Manager/Agency/Authority Executive Director Gonzalez; City Attorney/Agency/Authority Counsel Adams; Assistant City Manager Straus; Police Chief Miller; Fire Chief Frawley; Assistant Finance Director Lieu; City Librarian Fjeldsted; Community Services Director Pautsch; Public Works Director Toor; Planning and Building Director Watkins; Deputy City Clerk Jimenez, and Management Aide Sanchez.

INVOCATION

Councilmember Schneider presented the invocation.

PLEDGE OF ALLEGIANCE

Councilmember Schneider led the Pledge of Allegiance.

AGENDA ITEM 7

1. CLOSED SESSION ANNOUNCEMENTS

City Attorney Adams reported that at approximately 6:30 p.m., Mayor Khubesrian called to order the Closed Session Meeting of the City Council of February 19, 2014. He stated Councilmember Cacciotti was absent. He stated there was no one from the public wishing to speak on the Closed Session agenda items. He stated Mayor Khubesrian recessed the meeting into Closed Session to discuss the following items as listed on the Closed Session Agenda: 3) Conference with Real Property Negotiators, Pursuant to Government Code Section 54956.8, Property: Northeast corner of El Centro Street and Mound Avenue (APN 5315-003-901), City/Agency Negotiators: City Manager Sergio Gonzalez, Assistant City Manager Hilary Straus, Assistant City Attorney Kimberly Hall Barlow, and Ken Hira, Consultant; Negotiating Parties: Jonathan Genton, Genton Property Group; Under Negotiation: Price and Terms of Payment; 4) Anticipated Litigation, Pursuant to Government Code Section 54956.9(d)(2) & (e)(3), Significant Exposure to Litigation: One Potential Case; and 5) Public Employee Appointment, Pursuant to Government Code Section 54957, Title: City Attorney. City Attorney Adams announced that there was no reportable action regarding Closed Session Item Nos. 3 and 5. City Attorney Adams reported on Closed Session Item No. 4. He stated that the City of South Pasadena (City) received a letter from the California Reform Sex Offender Laws organization demanding that the City repeal South Pasadena Municipal Code Chapter 20E, which regulates sex offender residency and other regulations concerning sex offenders. He explained that this demand was made based on the recent Court of Appeals ruling that finds that such local laws are preempted by State law. He stated the letter indicated that if the City did not repeal the ordinance, a lawsuit would be brought against the ordinance. City Attorney Adams indicated this issue is currently before the California Supreme Court and that the City Council directed that the City enforce Jessica's Law and all other State laws regarding sex offender regulations; however, for the present, the City has directed the enforcement of Chapter 20E be suspended until the California Supreme Court has made a final ruling on this issue. He indicated the City Council has also authorized the City Manager to send a letter to the California Reform Sex Offender Laws organization indicating the City's position on this matter.

2. PRESENTATION OF A PROCLAMATION DECLARING MARCH 21, 2014, AS "LIBRARY VOLUNTEER RECOGNITION DAY" IN THE CITY OF SOUTH PASADENA

Mayor Khubesrian presented a Proclamation declaring March 21, 2014, as "Library Volunteer Recognition Day" in the City of South Pasadena to Brendan Durrett, President, Library Board of Trustees.

3. PRESENTATION OF CERTIFICATE OF RECOGNITION TO RHIANNON MOORE FOR BEING NAMED AS A CANDIDATE IN THE 2014 U.S. PRESIDENTIAL SCHOLARS PROGRAM

Mayor Khubesrian presented a Certificate of Recognition to Rhiannon Moore, a graduating senior at South Pasadena High School, for being named as a candidate in the 2014 U.S. Presidential Scholars Program.

4. COUNCILMEMBERS' COMMENTS (3 MINUTES EACH)

Councilmember Schneider reported that he and Grants Analyst Perkosky attended the California Active Transportation Program Workshop and received information on how to apply for grants due May 21, 2014.

Councilmember Mahmud encouraged residents to conserve water as much as they can due to the current water drought. She reported that she attended the Los Angeles County Division of the League of California Cities Legislative Committee meeting on February 18, 2014. She was informed of a public hearing on Monday, March 10, 2014, regarding the existing massage establishment law at the State legislature.

Mayor Pro Tem Joe spoke regarding the South Pasadena's Children's Memorial and Healing Garden and stated it is a serene place to honor children of all ages from South Pasadena who have passed away. He indicated the garden is located in the north section of Garfield Park by the Youth House. He stated that Doug and Trang Beteta submitted a request to the Parks and Recreation Commission to add their daughter's name, Emma, to the Healing Garden who passed away on January 2, 2014. Mayor Pro Tem Joe requested this evening's City Council meeting be adjourned in memory of Emma Beteta.

Councilmember Cacciotti requested that a permit fee waiver for the June 7, 2014 Celebration of Families event at Oneonta Church be added to a future agenda, seconded by Councilmember Schneider. He requested discretionary funds in the amount of \$1,000 be set aside to establish a new reserve fund for the planning and development of a dog park, tentatively located near the skateboard park in the Arroyo Seco, seconded by Mayor Khubesrian. He requested installation of City monument signs for various locations, recommended by City Clerk Zneimer at the Strategic Planning Update meeting, seconded by Councilmember Schneider. Councilmember Cacciotti thanked the citizens at Garfield Park for informing him of a hazardous condition on a light post at the park. He requested a report on the long term impacts of CALPERS' contribution for employees over the next five years, seconded by Councilmember Mahmud. Councilmember Cacciotti thanked City Manager Gonzalez for contacting the City Managers of San Gabriel and San Marino. He reported that he attended the San Marino City Council Meeting where the Open Streets event with the Gold Line Foothill Extension Project was discussed. He and Chief Miller attended Cub Scout Pack 333's Blue and Gold Awards ceremony at Holy Family Church. He thanked Chief Miller for attending. Councilmember Cacciotti requested a list of the Business and Professions Committee members for strategic planning regarding massage establishments, which was supported by the Mayor.

Mayor Khubesrian commended Chief Deputy City Clerk Hall for her detail and accuracy with the February 5, 2014 City Council Meeting minutes. Mayor Khubesrian reported that the Strategic Plan Update Meeting was successful and identified goals for the City. She indicated that the City had accomplished many of the goals set within the last year. Mayor Khubesrian played a news video and press conference of an incident in which a three year old South Pasadena resident, Yaleona Santos, choked on a grape. Mayor Khubesrian commended the victim's nine year old brother, Jaequon Santos, for calling 911 to help save her life. She also thanked Chief Miller for organizing the press conference and the City's first responders for their assistance.

5. CITY MANAGER COMMUNICATIONS

City Manager Gonzalez reported that the Business and Professions Committee will hold a public hearing regarding Senate Bill 731, Massage Establishments, on March 10, 2014. He stated Mayor Khubesrian has expressed an interest in attending to voice the City's concerns. City Manager Gonzalez provided an update on the status of the Tri-City Agreement for Fire Command Services. He stated the agreement is nearly complete and anticipates bringing it back to the City Council Meeting on March 5, 2014. City Manager Gonzalez reported attending the SR-710 Technical Advisory Committee Meeting on the update of the Environmental Impact Report/Environmental Impact Statement (EIR/EIS) estimated to be released in the spring of 2014. He explained that the 5-Cities Alliance (Alliance) was comprised of the Cities of La Cañada Flintridge, Pasadena, Glendale, Sierra Madre, and South Pasadena. He noted the Alliance has released its request for proposals seeking an EIR/EIS consultant; the deadline for submission of proposals is February 28, 2014.

6. REORDERING OF AND ADDITIONS TO THE AGENDA

None.

CONSENT CALENDAR

Councilmember Mahmud requested that Item Nos. 7, 10, and 11 be removed from the Consent Calendar for separate consideration.

Councilmember Schneider requested that Item No. 12 be removed from the Consent Calendar for separate consideration.

MOTION: M/S Cacciotti/Mahmud to approve Consent Calendar Item Nos. 8, 9, 13, and 14; and including Prepaid Warrants #182028-182076 in the amount of \$477,814.94, General City Warrants #182077-182257 in the amount of \$823,354.95, and Payroll 02-14-14 in the amount of \$391,213.04 totaling \$1,692,382.93; and Sitting as the Successor Agency to the Community Redevelopment Agency, approve Redevelopment Successor

Agency warrants for \$10,536.70 (included in above total). By roll call vote, the motion passed unanimously. Absent: None.

The Consent Calendar consisted of the following items:

8. **APPROVAL OF PREPAID WARRANTS IN THE AMOUNT OF \$477,814.94, GENERAL CITY WARRANTS IN THE AMOUNT OF \$823,354.95 AND PAYROLL IN THE AMOUNT OF \$391,213.04**
9. **SECOND READING AND ADOPTION OF ORDINANCE NO. 2265 AMENDING CHAPTER 19 OF THE SOUTH PASADENA MUNICIPAL CODE, ADDING SECTIONS 19.55-3 AND 19.55-4, WHICH RESTRICT THE HOURS OF PARKING AND PARKING WITHOUT A PERMIT AT THE MISSION-MERIDIAN VILLAGE PARKING GARAGE**
13. **ACCEPTANCE OF PROJECT COMPLETION AND AUTHORIZATION TO FILE A NOTICE OF COMPLETION FOR MISSION STREET, OXLEY STREET AND PARK AVENUE STREET IMPROVEMENT PROJECT, AND AUTHORIZATION TO RELEASE RETENTION PAYMENT IN THE AMOUNT OF \$28,882 TO E.C. CONSTRUCTION**
14. **AUTHORIZE THE PURCHASE OF VARIOUS PERSONAL PROTECTIVE EQUIPMENT FOR POLICE DEPARTMENT USING HOMELAND SECURITY GRANT FUNDS FROM MALLORY SAFETY & SUPPLY, LLC IN THE AMOUNT OF \$86,486.21**

ITEMS PULLED FROM THE CONSENT CALENDAR FOR SEPARATE CONSIDERATION

7. **APPROVAL OF THE MINUTES OF THE SPECIAL AND REGULAR CITY COUNCIL MEETING OF FEBRUARY 5, 2014**

Councilmember Mahmud requested that the minutes of the Regular and Special City Council Meeting of February 5, 2014 be revised to add the word "native" to Agenda Item No. 29, page 11, as follows: "Councilmember Mahmud requested that the tree resolution be updated and native tree list revised."

MOTION: M/S Mahmud/Cacciotti to approve the minutes of the special and regular City Council Meeting of February 5, 2014. By roll call vote, the motion passed unanimously. Absent: None.

10. MONTHLY INVESTMENT REPORTS FOR DECEMBER 2013

In response to Councilmember Mahmud's question, City Manager Gonzalez stated that the Finance Committee had been previously requested to review investment opportunities. Councilmember requested that the Finance Committee review investment alternatives at their next meeting.

MOTION: M/S Mahmud/Cacciotti to approve the monthly investment reports for December 2013 and request the Finance Committee to review investment alternatives at their next meeting. By roll call vote, the motion passed unanimously. Absent: None.

11. APPROVAL OF RESOLUTION TO DESTROY CERTAIN RECORDS IN THE PUBLIC WORKS DEPARTMENT IN ACCORDANCE WITH THE CITY OF SOUTH PASADENA RECORDS RETENTION SCHEDULE

In response to Councilmember Mahmud's question, Public Works Director Toor stated the department maintains the history electronically of all forestry related matters; therefore, hardcopy tree permits are not necessary.

MOTION: M/S Mahmud/Cacciotti to approve **Resolution No. 7337** to Destroy Certain Records in the Public Works Department in Accordance with the City of South Pasadena Records Retention Schedule. By roll call vote, the motion passed unanimously. Absent: None.

12. RESOLUTION ADOPTING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SOUTH PASADENA AND THE SOUTH PASADENA POLICE OFFICERS' ASSOCIATION

Sergeant Mike Neff, President, South Pasadena Police Officers' Association (POA), and Sergeant Robert Bartl, Vice President, POA, thanked the City Council for their consideration of the Memorandum of Understanding.

In response to Councilmember Cacciotti's question, City Manager Gonzalez explained the accrual of vacation time had been capped at two years; however, the accrual of vacation is an unfunded liability. He stated the unfunded vacation time liability would be brought back during the budget review.

MOTION: M/S Schneider/Cacciotti to adopt **Resolution No. 7338** approving a Memorandum of Agreement between the City of South Pasadena and the South Pasadena Police Officers' Association. By roll call vote, the motion passed unanimously. Absent: None.

PUBLIC COMMENTS

Mayor Khubesrian opened the public comment section of the meeting.

James Steele, M.D., Reverend, and CEO of Mosaic, Inc., invited the City Council to attend the "Celebration of Families" event to be held on June 7 and 8, 2014.

There being no additional speakers, Mayor Khubesrian closed the public comment section.

PUBLIC HEARING

15. PUBLIC HEARING TO RECEIVE OBJECTIONS OR PROTESTS TO THE VEGETATION MANAGEMENT PROGRAM REGARDING THE ABATEMENT OF WEEDS, BRUSH, RUBBISH AND REFUSE UPON OR IN FRONT OF SPECIFIED PROPERTY IN THE CITY AND AUTHORIZING BY MINUTE ORDER THE ABATEMENT OF VEGETATION FIRE HAZARDS

Fire Chief Frawley presented the staff report and responded to Councilmembers' questions.

Liza Chang, Inspector, County of Los Angeles Department of Agricultural Commissioner/Weights and Measures (ACWM), responded to Councilmembers' questions.

Mayor Khubesrian opened the public hearing. There being no speakers, Mayor Khubesrian closed the public hearing.

In response to Councilmember Mahmud's question, Fire Chief Frawley stated he would contact the ACWM regarding acceleration of the brush clearance dates and report back to City Council.

MOTION: M/S Cacciotti/Mahmud to approve public hearing. By roll call vote, the motion passed unanimously. Absent: None.

ACTION/DISCUSSION

16. CANCEL THE REGULARLY SCHEDULED CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCING AUTHORITY MEETINGS OF APRIL 2, 2014 AND APRIL 16, 2014, AND SCHEDULE SPECIAL CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCING AUTHORITY MEETINGS FOR APRIL 9, 2014 AND APRIL 23, 2014

Chief Deputy City Clerk Hall presented the staff report.

MOTION: M/S Mahmud/Joe to cancel the regularly scheduled City Council/Successor Agency/Public Financing Authority Meetings of April 2, 2014 and April 16, 2014, and schedule Special City Council/Successor Agency/Public Financing Authority Meetings for April 9, 2014 and April 23, 2014. By roll call vote, the motion passed unanimously. Absent: None.

By City Council consensus, Agenda Item Nos. 17 and 18 were discussed concurrently.

17. RESOLUTION APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1 – DECEMBER 31, 2014

18. RESOLUTION APPROVING THE FISCAL YEAR 2014-15 ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY

Executive Assistant Kbjian presented the staff reports and responded to Councilmembers' questions.

MOTION: M/S Mahmud/Joe to adopt, seated as the Successor Agency to the South Pasadena Community Redevelopment Agency (Successor Agency), **Resolution No. 2014-03 SA** approving the Recognized Obligation Payment Schedule for the period of July 1, 2014 – December 31, 2014 ("ROPS 14-15A"); and adopt by **Resolution No. 2014-04 SA**, the Successor Agency's administrative budget for the period of July 1, 2014 – June 30, 2015. By roll call vote, the motion passed unanimously. Absent: None.

19. WATER UTILITY RATE ASSISTANCE PROGRAM

Assistant Finance Director Lieu presented the staff report and responded to Councilmembers' questions.

Discussion followed regarding the Housing and Urban Development's income limit guidelines, Rubbish Reduction Rate Program, and discount percentages.

By consensus, the City Council requested that the Water Utility Rate Assistance Program, and the Rubbish Reduction Rate Program, be brought back at a future City Council Meeting for joint consideration.

20. CONSIDERATION OF ADDITIONAL STUDIES ON FAIR OAKS AVENUE BULBOUTS AND RESOLUTION TO LIMIT NUMBER OF LANES ON FAIR OAKS AVENUE

Public Works Director Toor summarized the staff report as part of a PowerPoint

SUBJECT TO REVISION: UNAPPROVED UNTIL RATIFIED BY COUNCIL

presentation and responded to Councilmembers' questions.

By consensus, the City Council requested that a study session be conducted to review the implications of the alternative recommendations of Metro's Transportation System Management/Transportation Demand Management (TSM/TDM) Alternative Report. There were no objections from the City Council.

Mayor Khubesrian indicated that she received interest from the Public Works Commission (Commission) on this project. She stated the Commission is interested in reviewing and providing input on the project.

By consensus, the City Council requested that the Public Works Commission review the AECOM study and provide recommendations. There were no objections from the City Council.

Councilmember Schneider stated most of the residents' concerns were regarding the east/west traffic flow. He asked if something can be done to ease the east/west side streets traffic flow without removing the bulbouts on Fair Oaks Avenue.

Councilmember Cacciotti suggested half sized bulbouts for right turns onto southbound Fair Oaks Avenue.

Public Works Director Toor indicated that staff would review traffic poles and each individual intersection.

Councilmember Schneider recommended that the traffic signal timing be adjusted.

Mayor Khubesrian recommended that Public Works staff review "in house" the bulbout intersections, along with the AECOM report and recommendations, in conjunction with the Public Works Commission's input.

Mayor Khubesrian recommended that staff review diagonal crosswalks on Fair Oaks Avenue, smart lights, and roundabouts.

Mayor Khubesrian requested that a study session be scheduled to review the TSM/TDM Alternative Report's impacts on the City, and to allow time to comment on the TSM/TDM Alternative Report. There was City Council consensus to schedule a study session on this matter.

REPORTS

21. RECEIVE AND FILE THE MID YEAR FINANCIAL REPORT FOR THE ARROYO SECO GOLF COURSE

Community Services Director Pautsch presented the staff report and responded to Councilmembers' questions.

Councilmember Cacciotti requested that the City Attorney review the employee settlement issue with the contractor and that future agreements be modified to include appropriate language regarding employee personnel matters.

Discussion followed regarding purchasing, billing, and revenue for the Arroyo Seco Golf Course.

By consensus, the City Council received and filed the Mid-Year Financial Report for the Arroyo Seco Golf Course.

Mayor Khubesrian announced a film screening of Missrepresentation to be held on February 24, 2014, at 5:30 p.m., at the South Pasadena Public Library, and displayed a flyer on the overhead projector.

ADJOURNMENT

At 10:12 p.m., Mayor Khubesrian adjourned the Regular Meeting in memory of Emma Beteta, daughter of Doug and Trang Beteta.

Evelyn G. Zneimer, City Clerk

Minutes Approved by the City Council on _____.

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: March 5, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager *SG*
FROM: David Batt, Finance Director *DB*
SUBJECT: **Approval of Prepaid Warrants in the Amount of \$327,925.13,
General City Warrants in the Amount of \$665,758.95 and Payroll
in the Amount of \$386,805.56**

Recommendation

It is recommended that the City Council approve the Warrants as presented.

Fiscal Impact

Prepaid Warrants:

Warrant # 182258 – 182310 \$ 327,925.13

General City Warrants:

Warrant # 182311 – 182421 \$ 665,758.95

Payroll 02-28-14 \$ 386,805.56

Total \$ 1,380,489.64

Commission Review and Recommendation

This matter was not reviewed by a Commission.

Legal Review

The City Attorney has not reviewed this item.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.

Approval of Warrants
March 5, 2014
Page 2 of 2

Attachments:

1. Warrant Summary
2. Prepaid Warrant List
3. General City Warrant List
4. Payroll 02-28-14
5. Redevelopment Successor Agency Check Summary Total

ATTACHMENT 1
Warrant Summary

City of South Pasadena
Demand/Warrant Register
Recap by fund

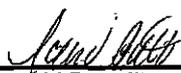
Fund No.	Date 03.05.14 Amounts		
	Prepaid	Written	Payroll
General Fund 101	55,252.93	238,816.59	213,985.73
Facilities & Equip.Cap. Fund 105			
MTA Pedestrian Improvement 201			
Local Transit Return "A" 205	4,654.21	123.90	7,335.55
Local Transit Return "C" 207	2,309.63	7,573.50	5,423.08
Blue Line Betterments Grant/Metro 209			
Sewer Fund 210	2,991.17	3,564.48	13,110.11
CTCTraffic Improvement 211			
Street Lighting Fund 215	2,141.27	3,467.31	5,802.80
Public, Education & Govt Fund 217			
Clean Air Act Fund 218			
Business Improvement Tax 220			
Gold Line Mitigation Fund 223			
Mission Meridian Public Garage 226	2,274.81		
Housing Authority Fund 228			
State Gas Tax 230	1,348.21	1,410.36	16,343.57
County Park Bond Fund 232		740.87	
Measure R 233		3,807.00	
MSRC Grant Fund 238			
Bike & Pedestrian Paths 245			
SGVCOG Grant Fund 247			
ARRA Grant Fund 250			
Capital Growth Fund 255			
CDBG 260			
Asset Forfeiture 270			
Police Grants - State 272			
Police Subventions-CLEEP 273			
Homeland Security Grant 274			
Park Impact Fees 275			
Public Library Fund Grant 280			
99 Pasadena Ave. 290			
Arroyo Seco Golf Course 295			
Sewer Capital Projects Fund 310		86,627.00	
Water Fund 500	10,764.32	319,627.94	54,517.48
Public Financing Authority 550			
Payroll Clearing Fund 700	244,186.34		63,682.65
Employee Special Event Fund 900			
Redev.Oblig.Retirement Fund 927			
Column Totals	325,922.89	665,758.95	380,200.97
City Report Totals		1,371,882.81	

Recap by fund

Fund No.	Amounts		
	Prepaid	Written	Payroll
RSA 227	2,002.24		6,604.59
Column Totals	2,002.24	-	6,604.59
RSA Report Totals		8,606.83	

Amounts		
Prepaid	Written	Payroll
327,925.13	665,758.95	386,805.56
Grand Report Total	1,380,489.64	

Marina Khubesrian, M.D., Mayor


David Batt, Finance Director

ATTACHMENT 2
Prepaid Warrant List

Voided Checks		
171037	\$	40.00
181904	\$	395.61

Ameritas			
Inv. P/R/E 2/23/14			
02/24/14	Vision Ins Mar-14	700-0000-0000-2268-000	2,741.20
Ck. 02/27/14 182294	Total		2,741.20
Ankri, Michael			
Inv. P/R/E 2/23/14			
02/25/14	Coverage 2/16/14	101-4010-4011-7000-000	184.08
Ck. 02/27/14 182295	Total		184.08
Arecano Inc.			
Inv. 021614-1			
02/16/14	Finance Director Svcs 2/1-15/1	210-6010-6501-8170-000	562.10
02/16/14	Finance Director Svcs 2/1-15/1	500-3010-3012-8170-000	1,405.25
02/16/14	Finance Director Svcs 2/1-15/1	227-7200-7210-8170-000	1,686.30
02/16/14	Finance Director Svcs 2/1-15/1	101-3010-3011-8170-000	1,967.35
Ck. 02/20/14 182279	Total		5,621.00
CA JPIA			
Inv. CJP033622SP			
02/06/14	Overpayment Temporary Disabili	101-0000-0000-5420-000	38.60
Ck. 02/20/14 182280	Total		38.60
CA Franchise Tax Board			
Inv. P/R/E 2/23/14			
02/25/14	Garnishment	700-0000-0000-2264-000	51.68
Ck. 02/27/14 182296	Total		51.68
CA Police Chiefs Ass'n			
Inv. 2/11/14			
02/11/14	PD Registration-Chief Arthur M	101-4010-4011-8090-000	600.00
Ck. 02/13/14 182258	Total		600.00
CA Science Center Foundation			
Inv. 304588			
02/12/14	Camp Med Field Trip 2014 Depos	101-8030-8032-8020-000	25.00
Ck. 02/13/14 182259	Total		25.00
Ca. State Disbursement Unit			
Inv. P/R/E 2/23/14			
02/25/14	Garnishment	700-0000-0000-2264-000	400.50
Ck. 02/27/14 182297	Total		400.50
CAL PERS 457 PLAN			
Inv. P/R/E 2/23/14			
02/25/14	Deferred Comp	700-0000-0000-2260-000	2,270.60
Ck. 02/27/14 182298	Total		2,270.60
CAPIO			
Inv. 4/8-11/14			
02/19/14	Conference Registration-Chris	101-2010-2011-8090-000	450.00
Ck. 02/20/14 182281	Total		450.00
Chan, Anthony			
Inv. P/R/E 2/23/14			
02/25/14	Coverage 2/12/14	101-4010-4011-7000-000	368.16
Inv. P/R/E 2/23/14A			
02/25/14	Coverage 2/14/14	101-4010-4011-7000-000	368.16
Ck. 02/27/14 182299	Total		736.32

City of South Pasadena PD Pett			
Inv. 02/12/14			
02/12/14	Reimb. Petty Cash	101-4010-4011-8020-000	54.00
02/12/14	Reimb. Petty Cash	101-4010-4011-8090-000	124.57
Ck. 02/13/14 182260	Total		178.57
City of South Pasadena-Yard			
Inv. 1/27/14			
01/27/14	Reimb. Petty Cash	500-6010-6710-8020-000	12.88
01/27/14	Reimb. Petty Cash	230-6010-6116-8020-000	22.14
01/27/14	Reimb. Petty Cash	500-6010-6711-8070-000	38.75
01/27/14	Reimb. Petty Cash	101-6010-6601-8020-000	40.90
01/27/14	Reimb. Petty Cash	500-6010-6710-8070-000	75.90
Ck. 02/13/14 182261	Total		190.57
City of South Pasadena/CASH			
Inv. 2/19/14			
02/19/14	Reimb. Parking Permit Machine	101-0000-0000-4460-000	2,500.00
Ck. 02/20/14 182282	Total		2,500.00
Council for Watershed Health			
Inv. 2/12/14			
02/06/14	Registration-Debby Figoni	500-6010-6710-8020-000	90.00
Ck. 02/13/14 182262	Total		90.00
Creek, Michael			
Inv. P/R/E 2/23/14			
02/25/14	Movie Detail 2/12/14	101-0000-0000-2910-200	1,190.00
Inv. P/R/E 2/23/14A			
02/25/14	Movie Detail 2/20/14	101-0000-0000-2910-200	980.00
Ck. 02/27/14 182300	Total		2,170.00
Delta Dental			
Inv. P/R/E 2/23/14			
02/25/14	Dental Ins Mar-14	700-0000-0000-2267-000	10,965.92
Ck. 02/27/14 182301	Total		10,965.92
Dominguez, Natali			
Inv. 2-14			
02/04/14	Sr. Center Valentines Event Tr	101-8030-8021-8020-000	210.00
Ck. 02/13/14 182263	Total		210.00
E. D. D.			
Inv. P/R/E 2/23/14			
02/25/14	State w/h Tax	700-0000-0000-2220-000	15,837.58
Ck. 02/27/14 182302	Total		15,837.58
Embassy Consulting Svcs			
Inv. 2/14/14			
02/11/14	PD Training-Cpl Lucas & Ofcr W	101-4010-4011-8200-000	75.00
Ck. 02/13/14 182264	Total		75.00
Figoni, Debby			
Inv. 2/8/14			
02/19/14	Reimb. WatershedWiseLandscape	500-6010-6710-8020-000	250.00
Ck. 02/20/14 182283	Total		250.00
Flex Advantage			
Inv. 79745			
02/13/14	Adminstration Cost	101-3010-3041-7131-000	72.00

Inv. P/R/E 2/9/14				
02/19/14	Retiree Health Reimbursement 3	101-3010-3041-7131-000		529.84
Ck. 02/20/14 182284	Total			601.84
Gale Research				
Inv. 50935510				
12/19/13	Electronic Reference	101-8010-8011-8031-000		395.61
Ck. 02/13/14 182265	Total			395.61
Hernandez, Jr., Joseph				
Inv. P/R/E 2/23/14				
02/25/14	Coverage 2/15/14	101-4010-4011-7000-000		337.48
Inv. P/R/E 2/23/14A				
02/25/14	Coverage 2/16/14	101-4010-4011-7000-000		368.16
Inv. P/R/E 2/23/14B				
02/25/14	Coverage 2/17/14	101-4010-4011-7000-000		368.16
Ck. 02/27/14 182303	Total			1,073.80
ICMA				
Inv. P/R/E 2/23/14				
02/25/14	Deferred Comp	700-0000-0000-2260-000		4,184.68
Ck. 02/27/14 182304	Total			4,184.68
ING Life Ins. & Annuity Co.				
Inv. P/R/E 2/23/14				
02/25/14	Deferred Comp	700-0000-0000-2260-000		2,769.33
Ck. 02/27/14 182305	Total			2,769.33
Language Market Place				
Inv. TRAUSA20140121N				
02/11/14	Translation of Civil Rights Co	205-8030-8025-8020-000		3,893.25
Ck. 02/20/14 182285	Total			3,893.25
Los Angeles Newspaper Group				
Inv. 0010477732				
01/31/14	Employment Ads 1/14	101-2010-2013-8040-000		350.00
Ck. 02/20/14 182286	Total			350.00
Lunnon, Joseph				
Inv. P/R/E 2/23/14				
02/25/14	Movie Detail 2/12/14	101-0000-0000-2910-200		560.00
Inv. P/R/E 2/23/14A				
02/25/14	Predictive Policing 2/19/14	101-4010-4011-7010-000		138.06
Ck. 02/27/14 182306	Total			698.06
Magnatag Visible Systems				
Inv. 409005				
12/09/13	Magnetic Organizational Chart	101-0000-0000-2700-000		(62.91)
12/09/13	Magnetic Organizational Chart	101-4010-4011-8020-000		833.00
Ck. 02/13/14 182266	Total			770.09
Melendrez, Linda				
Inv. R44982				
02/19/14	Refund Partial Park Rsvp	101-0000-0000-5270-005		27.50
Ck. 02/20/14 182287	Total			27.50
Miller, Arthur				
Inv. 2/23-27/14				
02/12/14	Reimb. CPCA 2014 Hotel & Expen	101-4010-4011-8090-000		778.29

Ck. 02/13/14 182267	Total		778.29
Mission-Meridian Village			
Inv. 88888-7			
02/07/14	Property Owners Assn Dues-Hosp	226-2010-2029-8060-000	857.56
Inv. 88888-8			
02/07/14	Property Owners Assn Dues-Park	226-2010-2029-8060-000	41.08
02/07/14	Property Owners Assn Dues-Park	207-2010-2260-8061-000	1,700.00
Inv. 88888-9			
02/07/14	Property Owners Assn Dues-Util	226-2010-2029-8060-000	1,376.17
Ck. 02/13/14 182268	Total		3,974.81
MMASC			
Inv. R7219066			
02/11/14	Winter Forum-Samuel Zneimer Ba	101-2010-2011-8090-000	30.00
Ck. 02/13/14 182269	Total		30.00
Neff, Michael			
Inv. 2/18/14			
02/18/14	Reimb. Supplies	101-4010-4011-8020-000	129.04
Ck. 02/20/14 182288	Total		129.04
Pasadena Water & Power			
Inv. 80176-1			
01/22/14	Water Use 60 E.State St.12/12/	500-6010-6711-8231-000	2,789.17
Ck. 02/13/14 182270	Total		2,789.17
Perez, Christopher A.			
Inv. P/R/E 2/23/14			
02/25/14	Movie Detail 2/12/14	101-0000-0000-2910-200	560.00
Ck. 02/27/14 182307	Total		560.00
Pers Health Insurance			
Inv. P/R/E 2/23/14			
02/25/14	Health Ins Mar-14	227-7200-7210-7131-000	315.94
02/25/14	Health Ins Mar-14	207-2010-2260-7131-000	609.63
02/25/14	Health Ins Mar-14	205-2010-2210-7131-000	760.96
02/25/14	Health Ins Mar-14	210-6010-6501-7131-000	885.53
02/25/14	Health Ins Mar-14	215-6010-6310-7131-000	1,210.37
02/25/14	Health Ins Mar-14	230-6010-6116-7131-000	1,326.07
02/25/14	Health Ins Mar-14	500-6010-6710-7131-000	2,149.31
02/25/14	Health Ins Mar-14	500-6010-6711-7131-000	2,149.31
02/25/14	Health Ins Mar-14	101-3010-3041-7131-000	35,092.01
02/25/14	Health Ins Mar-14	700-0000-0000-2262-000	101,425.83
Ck. 02/27/14 182308	Total		145,924.96
Pers Retirement			
Inv. P/R/E 2/23/14			
02/25/14	Retirement Svc Period 2/10-2/2	700-0000-0000-2240-000	103,533.02
Ck. 02/27/14 182309	Total		103,533.02
Platinum Plus Busn. Card			
Inv. 5088			
01/06/14	CM Lunch w/ Councilmember-Gus'	101-1010-1011-8090-000	73.82
Inv. 5088 A			
01/22/14	Airport Taxi SMF CM & Mayor-SI	101-2010-2011-8090-000	19.80
01/22/14	Airport Taxi SMF CM & Mayor-SI	101-1010-1011-8090-000	19.80
Inv. 5088 B			
01/22/14	IPAD Keyboard Covers CM & Coun	101-1010-1011-8020-000	212.53
01/22/14	IPAD Keyboard Covers CM & Coun	101-2010-2011-8020-000	212.54

Inv. 5088 C				
01/22/14	Airport Taxi SMF CM & Mayor-Sa	101-2010-2011-8090-000		23.82
01/22/14	Airport Taxi SMF CM & Mayor-Sa	101-1010-1011-8090-000		23.82
Inv. 5088 D				
01/24/14	League Conf Hotel-Sheraton (to	101-1010-1011-8090-000		178.39
01/24/14	League Conf Hotel CM-Sheraton	101-2010-2011-8090-000		535.17
01/24/14	League Conf Hotel Mayor/Counci	101-1010-1011-8090-000		717.05
Inv. 5088 E				
01/24/14	League Conf. CM & Mayor Meal-L	101-1010-1011-8090-000		39.50
01/24/14	League Conf. CM & Mayor Meal-L	101-2010-2011-8090-000		39.50
Inv. 5088 F				
01/24/14	League Conf. CM & Mayor Parkin	101-2010-2011-8090-000		69.00
Inv. 5088 G				
02/04/14	Finance Fee	101-3010-3011-8020-000		26.00
Ck. 02/20/14 182289	Total			2,190.74
Prothero, Dr. Donald R.				
Inv. 2/10/14				
02/10/14	Sr. Center Lecture 2/10/14	101-8030-8021-8020-000		100.00
Ck. 02/13/14 182271	Total			100.00
Robledo, Shannon				
Inv. 2/19/14				
02/19/14	Reimb. Purchase of Dog Food	101-4010-4011-8020-000		68.60
Ck. 02/20/14 182290	Total			68.60
S.P.Police Reserves				
Inv. 10661				
02/14/14	SPHS Ice Breaker 8/30/13	101-0000-0000-5230-001		200.00
Inv. 10662				
02/14/14	SPHS Football Game 9/13/13	101-0000-0000-5230-001		125.00
Inv. 10663				
02/14/14	SPHS Football Game 10/4/13	101-0000-0000-5230-001		125.00
Inv. 10664				
02/14/14	SPHS Football Game 10/11/13	101-0000-0000-5230-001		125.00
Ck. 02/20/14 182291	Total			575.00
So. CA Edison Co.				
Inv. 3-008-8091-16				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		134.71
Inv. 3-008-8091-17				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		62.11
Inv. 3-008-8091-18				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		54.55
Inv. 3-008-8091-19				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		45.36
Inv. 3-008-8091-20				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		69.34
Inv. 3-008-8091-21				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		76.38
Inv. 3-008-8091-22				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		48.65
Inv. 3-008-8091-23				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		76.63
Inv. 3-008-8091-24				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		71.30
Inv. 3-008-8436-55				
02/06/14	1/6-2/4/14	215-6010-6201-8140-000		131.23
Inv. 3-025-4910-19				
02/06/14	1/6-2/4/14	215-6010-6115-8140-000		124.13

Inv. 3-026-6343-40				
02/06/14	1/6-2/4/14		215-6010-6115-8140-000	36.51
Ck. 02/20/14 182292	Total			930.90
So. Cal. Gas Co.				
Inv. 196-493-8529 I				
01/07/14	Natural Gas12/1/13-1/1/14		500-6010-6710-8020-000	20.87
01/07/14	Natural Gas12/1/13-1/1/14		210-6010-6501-8020-000	347.54
Ck. 02/13/14 182272	Total			368.41
Studio Spectrum				
Inv. 17783				
01/28/14	AV Services 1/14		101-1020-1021-8170-000	1,975.00
Ck. 02/13/14 182273	Total			1,975.00
Tesfaye, Anteneh				
Inv. 2/5/14				
02/05/14	Reimb. Backflow Device Tester		500-6010-6711-8200-000	180.00
Inv. 2/6/14				
02/06/14	Reimb. Work Boots		500-6010-6711-8200-000	152.99
Inv. 2/6/14 A				
02/06/14	Reimb. Backflow Tester Course		500-6010-6711-8200-000	750.00
Ck. 02/13/14 182274	Total			1,082.99
Time Warner Cable				
Inv. 008 0224964				
02/08/14	Internet Upgrade 2/8-3/7/14		101-3010-3032-8170-000	336.80
Ck. 02/13/14 182275	Total			336.80
Inv. 008 0012179				
02/16/14	PD Cable 2/16-3/15/14		101-4010-4011-8110-000	17.76
Inv. 008 0251967				
02/22/14	1102 Oxley St. 2/22-3/21/14		101-8030-8021-8110-000	153.01
Inv. 008 0269985				
02/17/14	City Hall - 2nd Modem 2/17-3/1		101-3010-3032-8150-000	142.93
Ck. 02/20/14 182293	Total			313.70
United Way				
Inv. P/R/E 2/23/14				
02/25/14	Payroll Deduction		700-0000-0000-2258-000	6.00
Ck. 02/27/14 182310	Total			6.00
Verizon Wireless				
Inv. 9718651866				
01/19/14	PW Scada System 12/20/13-1/19/		500-6010-6711-8020-000	35.13
Inv. 9718943569				
01/23/14	Mobile Broadband 8351 12/24/13		101-3010-3032-8150-000	11.03
Ck. 02/13/14 182276	Total			46.16
Water Environment Federation				
Inv. 2014				
02/05/14	Membership-Gerald Gomez		210-6010-6501-8200-000	299.00
Inv. 2014A				
02/05/14	Membership-Eddie Munoz		210-6010-6501-8200-000	299.00
Inv. 2014B				
02/05/14	Membership-Christopher Camacho		210-6010-6501-8200-000	299.00
Inv. 2014C				
02/05/14	Membership-Richard Arriola		210-6010-6501-8200-000	299.00
Ck. 02/13/14 182277	Total			1,196.00

WF Construction

Inv. 02773			
02/05/14	Refund Deposit Hydrant Meter F	500-0000-0000-2984-000	664.76
Ck. 02/13/14 182278	Total		664.76
Total			327,925.13

ATTACHMENT 3
General City Warrant List

Adamson Police Products			
Inv. 127739			
01/28/14	PD 20 Drug Testing Kits	101-4010-4011-8020-000	490.50
Ck. 03/05/14 182311	Total		490.50
AGI Academy			
Inv. 1/11-3/15/14			
02/19/14	Instructor Computer Adventure	101-8030-8032-8267-000	61.75
Ck. 03/05/14 182312	Total		61.75
AKD Consulting			
Inv. CSP2014-2			
02/21/14	Water Facilities Mgmt Svcs 1/2	500-6010-6711-8170-000	10,640.00
Ck. 03/05/14 182313	Total		10,640.00
Alhambra Car Wash			
Inv. 1/14			
02/18/14	PD Car Washes 1/14	101-4010-4011-8100-000	182.00
Ck. 03/05/14 182314	Total		182.00
Alvarado, Glenda P.			
Inv. R05369			
02/11/14	Refund Lost & Paid Library Mat	101-0000-0000-5260-003	22.00
Ck. 03/05/14 182315	Total		22.00
Alzheimer's Association			
Inv. 2014			
02/20/14	Speaker Donations 4/25, 5/16 &	101-8030-8021-8267-000	75.00
Ck. 03/05/14 182316	Total		75.00
Aramark Uniform Services			
Inv. 528525512			
02/13/14	Uniform Svc w/ 2/13/14	500-6010-6711-8132-000	14.86
02/13/14	Uniform Svc w/ 2/13/14	230-6010-6116-8132-000	14.86
02/13/14	Uniform Svc w/ 2/13/14	101-6010-6601-8132-000	14.86
02/13/14	Uniform Svc w/ 2/13/14	215-6010-6201-8132-000	14.86
02/13/14	Uniform Svc w/ 2/13/14	215-6010-6310-8132-000	14.86
02/13/14	Uniform Svc w/ 2/13/14	500-6010-6710-8132-000	14.87
02/13/14	Uniform Svc w/ 2/13/14	210-6010-6501-8132-000	14.87
Inv. 528542371			
02/20/14	Uniform Svc w/2/20/14	500-6010-6711-8132-000	14.86
02/20/14	Uniform Svc w/2/20/14	215-6010-6201-8132-000	14.86
02/20/14	Uniform Svc w/2/20/14	215-6010-6310-8132-000	14.86
02/20/14	Uniform Svc w/2/20/14	500-6010-6710-8132-000	14.87
02/20/14	Uniform Svc w/2/20/14	210-6010-6501-8132-000	14.87
02/20/14	Uniform Svc w/2/20/14	101-6010-6601-8132-000	97.86
02/20/14	Uniform Svc w/2/20/14	230-6010-6116-8132-000	140.55
Ck. 03/05/14 182317	Total		416.77
ARC			
Inv. 7343042			
01/31/14	Sewer Map Copies	210-6010-6501-8020-000	812.60
Ck. 03/05/14 182318	Total		812.60
Armstrong Lock & Safe Co.			
Inv. 64202			
02/11/14	City Wide Facility Keys	101-6010-6601-8020-000	67.85
Ck. 03/05/14 182319	Total		67.85

Arroyo Vista Inn

Inv. 2/7-8/14				
02/24/14	Strategic Plan Mtg Facilitator		101-1010-1011-8090-000	200.00
Ck. 03/05/14 182320	Total			200.00

Artic Mechanical Inc.

Inv. 140128-005				
02/03/14	PD Svc Call Computer Room Over		101-6010-6601-8120-000	552.08
Inv. 140206-134				
02/10/14	PD Svc Call Computer Room Over		101-6010-6601-8120-000	522.68
Ck. 03/05/14 182321	Total			1,074.76

AT&T --Cingular Wireless

Inv. 829350178X02162				
02/08/14	PD Cell Phones 1/9-2/8/14		101-4010-4011-8150-000	405.63
Inv. 879338213X02232				
02/15/14	FD Cell Phones 1/16-2/15/14		101-5010-5011-8150-000	88.16
Ck. 03/05/14 182322	Total			493.79

Baker & Taylor Books

Inv. 4010760080				
01/15/14	Library Books & Materials		101-8010-8011-8080-000	1,219.97
Inv. 4010761200				
01/15/14	Library Books & Materials		101-8010-8011-8080-000	187.76
Inv. 4010768220				
01/23/14	Library Books & Materials		101-8010-8011-8080-000	656.40
Inv. 4010769057				
01/24/14	Library Books & Materials		101-8010-8011-8080-000	1,612.84
Inv. 4010769823				
01/22/14	Library Books & Materials		101-8010-8011-8080-000	130.14
Inv. 4010771594				
01/27/14	Library Books & Materials		101-8010-8011-8080-000	247.25
Inv. 4010774574				
01/29/14	Library Books & Materials		101-8010-8011-8080-000	2,194.22
Inv. 4010776988				
01/29/14	Library Books & Materials		101-8010-8011-8080-000	246.34
Inv. 4010781468				
02/03/14	Library Books & Materials		101-8010-8011-8080-000	162.80
Inv. 4010782199				
02/04/14	Library Books & Materials		101-8010-8011-8080-000	25.41
Ck. 03/05/14 182323	Total			6,683.13

Baker & Taylor Entertainment

Inv. M35105570				
01/22/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	36.11
Inv. T01047590				
01/07/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	98.16
Inv. T01889600				
01/31/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	37.35
Inv. T01889610				
01/28/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	69.82
Inv. T01922010				
01/24/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	8.86
Inv. T01981780				
01/27/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	12.09
Inv. T02059500				
02/04/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	443.65
Inv. T02185240				
02/03/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	12.90
Inv. T02228470				
02/04/14	Library CD's, DVD's & Material		101-8010-8011-8080-000	14.51

Ck. 03/05/14 182324	Total		733.45
CA Linen Services			
Inv. 952846			
10/14/13	FD Dept Supplies	101-5010-5011-8020-000	52.12
Inv. 992143			
02/10/14	FD Dept. Supplies	101-5010-5011-8020-000	108.76
Inv. 994358			
02/17/14	FD Dept. Supplies	101-5010-5011-8020-000	107.01
Inv. 996550			
02/24/14	FD Dept Supplies	101-5010-5011-8020-000	112.74
Ck. 03/05/14 182325	Total		380.63
CA Narc. Officers' Ass'n.			
Inv. 4/1-3/14			
02/24/14	PD Registration-Ofcr. Craig Ph	101-4010-4011-8210-000	225.00
Ck. 03/05/14 182326	Total		225.00
Canon, Michele			
Inv. 1/7-3/11/14			
02/11/14	Instructor Team Fit Class	101-8030-8032-8267-000	252.00
Ck. 03/05/14 182327	Total		252.00
Catering Systems Inc.			
Inv. 3006			
02/09/14	Sr. Center Meals w/ 2/3-7/14	101-8030-8021-8180-000	1,216.38
Inv. 3014			
02/17/14	Sr. Center Meals w/ 2/10-14/14	101-8030-8021-8180-000	1,692.90
Ck. 03/05/14 182328	Total		2,909.28
CBE Los Angeles			
Inv. 1566230			
01/22/14	Toner Shipping	101-6010-6011-8020-000	18.30
Inv. 1568965			
02/05/14	Copier Overage Charges 1/5-2/4	500-3010-3012-8110-000	7.14
02/05/14	Copier Overage Charges 1/5-2/4	101-3010-3011-8110-000	7.14
02/05/14	Copier Overage Charges 1/5-2/4	101-7010-7101-8110-000	14.28
Ck. 03/05/14 182329	Total		46.86
Chan, Anthony			
Inv. 2/10/14			
02/11/14	Reimb. PD Training Expense	101-4010-4011-8200-000	20.32
Ck. 03/05/14 182330	Total		20.32
Cities Digital			
Inv. 33120			
01/31/14	LaserFicheUpgrade & Maint4/26/	101-1020-1021-8110-000	3,120.00
Ck. 03/05/14 182331	Total		3,120.00
City Clerk's Assn of CA			
Inv. 383			
02/14/14	Membership CDCC & DCC-D. Jimen	101-1020-1021-8060-000	185.00
Ck. 03/05/14 182332	Total		185.00
City of Los Angeles			
Inv. 74SP140000042			
02/07/14	Upper LA River Watershed Mgmt	101-6010-2015-8020-000	5,076.53
Ck. 03/05/14 182333	Total		5,076.53

Clean Energy			
Inv. Ce11557493			
01/31/14	PD CNG Transportation Fuel	101-4010-4011-8100-000	401.51
Ck. 03/05/14 182334	Total		401.51
Clean Source Inc.			
Inv. 2812012-00			
02/12/14	PD Janitorial Supplies	101-4010-4011-8120-000	407.60
Inv. 2812015-00			
02/12/14	Janitorial Supplies	232-6010-6417-8020-000	407.60
Inv. 2812016-00			
02/12/14	PD Janitorial Supplies	101-4010-4011-8120-000	333.27
Inv. 2812017-00			
02/12/14	Janitorial Supplies	101-6010-6601-8020-000	407.60
Inv. 2812019-00			
02/12/14	Janitorial Supplies	101-6010-6601-8020-000	333.27
Inv. 2812020-00			
02/12/14	Janitorial Supplies	232-6010-6417-8020-000	333.27
Ck. 03/05/14 182335	Total		2,222.61
COM Consultants			
Inv. 1311CSP			
12/01/13	Telephone Consultant 11/13	101-2010-2011-8170-000	997.50
Ck. 03/05/14 182336	Total		997.50
Cone, Richard			
Inv. R44577			
02/11/14	Refund WMB Deposit 2/1/14	101-0000-0000-2920-000	500.00
Ck. 03/05/14 182337	Total		500.00
Conney Safety			
Inv. 04621873			
02/11/14	Bldg Maint. Rain Gear	101-6010-6601-8134-000	87.33
Ck. 03/05/14 182338	Total		87.33
CoreLogic Information Solution			
Inv. 81085329			
01/31/14	Realquest.com Svcs 1/14	101-7010-7101-8020-000	192.17
Ck. 03/05/14 182339	Total		192.17
Courtesy Electric Wholesale			
Inv. S1264180.001			
10/30/13	Electrical Supplies	101-6010-6601-8020-000	448.49
Inv. S1264190.002			
11/15/13	Electrical Supplies	101-6010-6601-8020-000	72.94
Inv. S1271966.001			
01/13/14	Electrical Supplies	215-6010-6201-8110-000	97.61
Inv. S1272433.001			
01/16/14	Electrical Supplies	101-6010-6601-8020-000	150.65
Ck. 03/05/14 182340	Total		769.69
D & S Printing			
Inv. 8360			
02/19/14	PD 100 Sheets Perfed- 11 & 19	101-4010-4011-8020-000	215.00
Ck. 03/05/14 182341	Total		215.00
Dell Marketing L.P.			
Inv. XJ9282CT1			
12/12/13	PD Toner Cartridges	101-4010-4011-8000-000	257.81

Inv. XJC8127P6			
02/20/14	FD Office PC	101-5010-5011-8530-000	148.20
02/20/14	FD Office PC	101-5010-5011-8530-000	930.58
Ck. 03/05/14 182342	Total		1,336.59

Demco

Inv. 5201277			
02/04/14	Technical Svcs Supplies	101-8010-8011-8020-000	237.41
Inv. 5202573			
02/05/14	Technical Svcs Supplies	101-8010-8011-8020-000	250.16
Ck. 03/05/14 182343	Total		487.57

Dept of Justice

Inv. 017542			
02/05/14	Applicant Fingerprinting 1/14	101-4010-4011-8020-000	160.00
Ck. 03/05/14 182344	Total		160.00

Desktop Publishing Supplies In

Inv. 308471			
02/05/14	Postcard Paper for Public Noti	101-0000-0000-2700-000	(24.60)
02/05/14	Postcard Paper for Public Noti	101-7010-7101-8050-000	342.17
Ck. 03/05/14 182345	Total		317.57

Dudek

Inv. 20140473			
02/20/14	Engineering Design Svcs 12/28/	310-6010-6712-8333-000	86,627.00
Ck. 03/05/14 182346	Total		86,627.00

E.C.Construction

Inv. 15567			
12/31/13	Street Improvement Project	101-9000-9391-9391-000	337.30
12/31/13	Street Improvement Project	101-9000-9392-9392-000	18,783.53
12/31/13	Street Improvement Project	101-9000-9394-9394-000	37,862.85
Inv. 15578REV			
01/31/14	Street Improvement Projects	101-9000-9393-9393-000	3,140.56
01/31/14	Street Improvement Projects	101-9000-9374-9374-000	49,692.96
Ck. 03/05/14 182347	Total		109,817.20

El Nativo Growers Inc.

Inv. SI-55186			
01/31/14	Nature Park Plants	500-6010-6710-8020-000	2.49
01/31/14	Nature Park Plants	101-1010-1011-8021-000	500.00
Ck. 03/05/14 182348	Total		502.49

Empire Cleaning Supply

Inv. 715440			
02/11/14	FD Dept Supplies	101-5010-5011-8020-000	380.40
Ck. 03/05/14 182349	Total		380.40

Eurofins Eaton Analytical

Inv. L0153535			
02/04/14	Water Quality Testing	500-6010-6711-8170-000	230.00
Inv. L0153856			
02/04/14	Water Quality Testing	500-6010-6711-8170-000	230.00
Inv. L0154481			
02/11/14	Water Quality Testing	500-6010-6711-8170-000	250.00
Inv. L0154486			
02/11/14	Water Quality Testing	500-6010-6711-8170-000	230.00
Inv. L0155051			
02/13/14	Water Quality Testing	500-6010-6711-8170-000	250.00

Inv. L0155059			
02/13/14	Water Quality Testing	500-6010-6711-8170-000	33.00
Ck. 03/05/14 182350	Total		1,223.00
Federal Express			
Inv. 2-551-97020			
02/07/14	Overnight Shipping-Owen Harris	101-3010-3011-8050-000	26.71
02/07/14	PD Overnight Shipping-Frank Ba	101-4010-4011-8010-000	46.21
Inv. 2-559-21567			
02/14/14	CMO Overnight Shipping-Mountai	101-2010-2011-8010-000	30.91
Ck. 03/05/14 182351	Total		103.83
Garda CL West Inc.			
Inv. 196-687314			
02/01/14	Armored Car Svc 2/14	500-3010-3012-8020-000	775.67
02/01/14	Armored Car Svc 2/14	101-3010-3011-8020-000	775.68
Ck. 03/05/14 182352	Total		1,551.35
Gaylord Bros., Inc.			
Inv. 2245318			
01/31/14	Compact Bookcase	101-0000-0000-2700-000	(45.90)
01/31/14	Compact Bookcase	101-8010-8011-8020-000	734.40
Ck. 03/05/14 182353	Total		688.50
GE Capital			
Inv. 60245482			
02/09/14	Copier Lease	101-8030-8021-8300-000	99.19
02/09/14	Copier Lease	101-8030-8031-8300-000	99.19
02/09/14	Copier Lease	101-8030-8032-8300-000	99.19
02/09/14	Copier Lease	205-8030-8025-8300-000	99.19
Ck. 03/05/14 182354	Total		396.76
George L.Throop Co.			
Inv. 175985			
02/06/14	Street Division Supplies	230-6010-6116-8020-000	521.13
Inv. 176020			
02/10/14	Concrete	230-6010-6116-8020-000	337.36
Inv. 176031			
02/11/14	Concrete	230-6010-6116-8020-000	145.79
Inv. 176034			
02/11/14	Concrete	230-6010-6116-8020-000	217.73
Inv. 176070			
02/14/14	Slurry for Arroyo Drive	500-6010-6710-8020-000	117.65
Ck. 03/05/14 182355	Total		1,339.66
GK & Associates			
Inv. 14-002			
01/31/14	Hanscom Dr.St Improvement Proj	101-9000-9386-9386-000	5,895.00
Ck. 03/05/14 182356	Total		5,895.00
Golden State Overnight			
Inv. 2535124			
02/15/14	PW Overnight Shippings	101-6010-6011-8010-000	31.93
Ck. 03/05/14 182357	Total		31.93
Grainger			
Inv. 9357840306			
02/05/14	Steel Toe Hip Rubber Boots	500-6010-6710-8132-000	138.70
Ck. 03/05/14 182358	Total		138.70

Great Match Consulting

Inv. 1690002721			
02/04/14	Temp Worker w/e 2/2/14	101-9000-9287-9287-000	2,469.60
Inv. 1690002722			
02/04/14	Temp Worker w/e 2/2/14	101-6010-6601-8180-000	940.80
Inv. 1690002730			
02/12/14	Temp Worker w/e 2/9/14	101-9000-9287-9287-000	1,034.88
Ck. 03/05/14 182359	Total		4,445.28

HD Supply Waterworks

Inv. B743863			
11/15/13	Water Dept. Supplies	500-0000-0000-1400-000	370.75
Ck. 03/05/14 182360	Total		370.75

HdL Hinderliter,deLlamas & Ass

Inv. 0020143			
02/04/14	Contract Svcs Prop Tax Jan-Mar	101-3010-3011-8170-000	2,400.00
Ck. 03/05/14 182361	Total		2,400.00

HPC Computers Inc.

Inv. 22644			
01/30/14	Planning New Printer	101-7010-7101-8530-000	457.95
Ck. 03/05/14 182362	Total		457.95

Inloes, Daniel

Inv. 6			
02/24/14	Water GIS System Svcs	500-6010-6711-8170-000	1,125.00
Ck. 03/05/14 182363	Total		1,125.00

Inter-Con Security Systems Inc

Inv. 418265			
02/11/14	PD Parking Enforcement Svcs 1/	101-4010-4011-8180-000	6,810.08
Ck. 03/05/14 182364	Total		6,810.08

Jack's Auto Repair

Inv. 13736			
02/10/14	PD Unit#0906 Remove & Replace	101-4010-4011-8100-000	221.30
Inv. 13737			
02/10/14	PD Unit#1198 Oil Change & Repl	101-4010-4011-8100-000	160.40
Ck. 03/05/14 182365	Total		381.70

JHM Supply

Inv. 405339			
01/15/14	Irrigation Supplies	101-6010-6410-8020-000	308.20
Inv. 406698			
01/28/14	Valve Replacement Parts	101-6010-6410-8020-000	370.85
Inv. 406731			
01/28/14	PVC Parts	101-6010-6410-8020-000	292.11
Inv. 407076			
01/30/14	Irrigation Supplies	101-6010-6410-8020-000	145.00
Inv. 408442			
02/14/14	Irrigation Supplies	101-6010-6410-8020-000	163.18
Inv. 408795			
02/18/14	Irrigation Supplies	101-6010-6410-8020-000	125.32
Ck. 03/05/14 182366	Total		1,404.66

JT Engineering Inc.

Inv. 5223			
10/19/13	Construction Mgmt & Inspection	210-9000-9390-9390-000	2,689.20
10/19/13	Construction Mgmt & Inspection	233-9000-9390-9390-000	3,807.00

10/19/13	Construction Mgmt & Inspection	207-9000-9390-9390-000	7,573.50
10/19/13	Construction Mgmt & Inspection	500-6010-6710-8020-000	7,938.00
10/19/13	Construction Mgmt & Inspection	101-9000-9374-9374-000	12,433.50
10/19/13	Construction Mgmt & Inspection	101-9000-9393-9393-000	15,090.30
Ck. 03/05/14 182367	Total		49,531.50
Kage, Hidenori			
Inv. R44579			
02/11/14	Refund Youth House Deposit 2/1	101-0000-0000-2920-000	250.00
Ck. 03/05/14 182368	Total		250.00
L.A. Times			
Inv. 010004495887			
02/19/14	Renewal Subscription	101-8010-8011-8030-000	15.20
Ck. 03/05/14 182369	Total		15.20
Lawn Mower Corner			
Inv. 90119			
01/21/14	Garfield Park Roses (Flower Be	101-6010-6410-8020-000	71.81
Inv. 90215			
01/28/14	Arroyo Park Gopher Bait	101-6010-6410-8020-000	65.35
Inv. 92600			
01/08/14	Park Stock Supplies	101-6010-6410-8020-000	106.71
Ck. 03/05/14 182370	Total		243.87
Life-Assist Inc.			
Inv. 666044			
02/10/14	FD Medical Supplies	101-5010-5011-8025-000	1,800.87
Ck. 03/05/14 182371	Total		1,800.87
Liou, Jonathan			
Inv. R05497			
02/19/14	Refund Lost & Paid Library Mate	101-0000-0000-5260-003	20.00
Ck. 03/05/14 182372	Total		20.00
Litwin, Louis			
Inv. 2/10/14			
02/11/14	PD Administrative Hearings	101-4010-4011-8180-000	315.00
Ck. 03/05/14 182373	Total		315.00
Lucas, Jason			
Inv. 2/14/14			
02/18/14	Reimb. PD Training Expense	101-4010-4011-8200-000	44.80
Ck. 03/05/14 182374	Total		44.80
Macedo, Benjamin			
Inv. Jan 2014			
02/14/14	Water Facilities Landscape Mai	500-6010-6711-8020-000	1,025.00
Ck. 03/05/14 182375	Total		1,025.00
Mack, Johnny			
Inv. 1/7-2/27/14			
02/19/14	Instructor Get Fit Classes	101-8030-8032-8267-000	637.00
Ck. 03/05/14 182376	Total		637.00
Matt Chlor Inc			
Inv. 13086			
02/05/14	Sodium Hypochlorite	500-6010-6711-8020-000	319.74
Inv. 13094			
01/31/14	Sodium Hypochlorite	500-9000-9265-9265-000	472.61

Ck. 03/05/14 182377	Total		792.35
Melchiorre, Mark			
Inv. 1/11-3/29/14			
02/19/14	Instructor Qigong Class	101-8030-8032-8267-000	72.00
Ck. 03/05/14 182378	Total		72.00
Menendez, Claudia			
Inv. R44821			
02/12/14	Refund Eddie Park House Deposi	101-0000-0000-2920-001	250.00
Ck. 03/05/14 182379	Total		250.00
Miller, Monifa			
Inv. 1/11-3/15/14			
02/18/14	Instructor Zumba Class	101-8030-8032-8267-000	104.00
Ck. 03/05/14 182380	Total		104.00
National Construction Rentals			
Inv. 3828817			
01/29/14	Temp Fence for Wilson Well #2	500-6010-6711-8020-000	29.70
Ck. 03/05/14 182381	Total		29.70
Office Solutions			
Inv. I-00572542			
01/31/14	PD Office Supplies	101-4010-4011-8000-000	229.75
Inv. I-00573003			
02/03/14	PD Office Supplies	101-4010-4011-8000-000	147.14
Inv. I-00574334			
02/05/14	PD Office Supplies	101-4010-4011-8000-000	226.29
Inv. I-00575208			
02/06/14	PD Office Supplies	101-4010-4011-8000-000	43.62
Inv. I-00575751			
02/07/14	PD Office Supplies	101-4010-4011-8000-000	48.49
Inv. I-00575756			
02/07/14	PD Office Supplies	101-4010-4011-8000-000	48.49
Inv. I-00577017			
02/11/14	PD Office Supplies	101-4010-4011-8000-000	403.19
Ck. 03/05/14 182382	Total		1,146.97
Olympic Staffing Services			
Inv. 176359			
02/05/14	Temp Employee w/e 2/2/14	101-3010-3011-8170-000	243.00
02/05/14	Temp Employee w/e 2/2/14	500-3010-3012-8170-000	729.00
Inv. 176472			
02/12/14	Temp Employee w/e 2/9/14	101-3010-3011-8170-000	243.00
02/12/14	Temp Employee w/e 2/9/14	500-3010-3012-8170-000	729.00
Inv. 176580			
02/19/14	Temp Employee w/e 2/16/14	101-3010-3011-8170-000	236.25
02/19/14	Temp Employee w/e 2/16/14	500-3010-3012-8170-000	708.75
Ck. 03/05/14 182383	Total		2,889.00
Orvac Electronics			
Inv. 40046517			
02/05/14	Supplies	101-6010-6601-8120-000	212.69
Ck. 03/05/14 182384	Total		212.69
Pacific Hydrotech Corp.			
Inv. #12			
12/31/13	Wilson Reservoir Replacement 1	500-9000-9265-9265-000	266,549.40

Ck. 03/05/14 182385	Total		266,549.40
Park, Janet			
Inv. R44601			
02/20/14	Refund Inter Computer Class	101-0000-0000-5265-003	18.00
Inv. R44602			
02/20/14	Refund Inter Computer Class	101-0000-0000-5265-002	25.00
Ck. 03/05/14 182386	Total		43.00
Performance Star Smog			
Inv. 007490			
02/03/14	PD Smog Tests on Unit#0432	101-4010-4011-8100-000	40.00
Inv. 007491			
02/03/14	PD Smog Tests on Unit#0218	101-4010-4011-8100-000	40.00
Inv. 007492			
02/03/14	PD Smog Tests on Unit#0201	101-4010-4011-8100-000	40.00
Inv. 007493			
02/03/14	PD Smog Tests on Unit#9320	101-4010-4011-8100-000	40.00
Inv. 007494			
02/03/14	PD Smog Tests on Unit#0133	101-4010-4011-8100-000	40.00
Ck. 03/05/14 182387	Total		200.00
Personal Court Reporters Inc.			
Inv. 30573			
02/12/14	Transcribing Svcs SP CC Mtg 2/	101-7010-7101-8170-000	459.50
Ck. 03/05/14 182388	Total		459.50
Pitney Bowes Reserve Account			
Inv. 21706007			
02/11/14	Reimb. Postage Meter	101-8010-8011-8010-000	1,500.00
Ck. 03/05/14 182389	Total		1,500.00
Pitney Bowes-Reserve Account			
Inv. 34133033			
02/24/14	Reimb. Postage Meter	101-1010-1011-8010-000	1.17
02/24/14	Reimb. Postage Meter	101-2010-2013-8010-000	1.19
02/24/14	Reimb. Postage Meter	101-2010-2011-8010-000	5.01
02/24/14	Reimb. Postage Meter	101-5010-5011-8010-000	12.31
02/24/14	Reimb. Postage Meter	101-6010-6011-8010-000	29.16
02/24/14	Reimb. Postage Meter	101-1020-1021-8010-000	33.87
02/24/14	Reimb. Postage Meter	101-2010-2021-8010-000	41.16
02/24/14	Reimb. Postage Meter	101-4010-4011-8010-000	195.46
02/24/14	Reimb. Postage Meter	101-3010-3011-8010-000	269.72
02/24/14	Reimb. Postage Meter	101-7010-7101-8010-000	667.68
Ck. 03/05/14 182390	Total		1,256.73
Post Alarm Systems			
Inv. 673887			
02/06/14	Monitoring WMB 3/14	101-8030-8031-8180-000	42.95
Ck. 03/05/14 182391	Total		42.95
Ramirez, Erika			
Inv. R44846			
02/18/14	Refund Dropped Class	101-0000-0000-5270-002	80.00
Ck. 03/05/14 182392	Total		80.00
Right of Way & Survey Associat			
Inv. 4664			
12/23/13	On-Call Map Checking Svcs 12/1	101-0000-0000-5220-001	450.00

Ck. 03/05/14 182393	Total		450.00
S.G.V. Medical Center			
Inv. 723304			
01/25/14	Blood Alcohol w/Drawal-Joann E	101-4010-4011-8170-000	48.00
Inv. 723382			
01/26/14	Blood Alcohol w/Drawal-Samuel	101-4010-4011-8170-000	48.00
Ck. 03/05/14 182394	Total		96.00
S.P. Middle School			
Inv. R44578			
02/11/14	Refund WMB Deposit 1/25/14	101-0000-0000-2920-000	500.00
Ck. 03/05/14 182395	Total		500.00
S.P. Police Reserves			
Inv. 10665			
02/24/14	SPHS Football & Homecoming Dan	101-0000-0000-5230-001	375.00
Ck. 03/05/14 182396	Total		375.00
S.P. Review			
Inv. 1912			
02/06/14	Public Notice-1605 Hill Drive	101-7010-7101-8040-000	64.00
Inv. 1912 A			
02/06/14	Public Notice-4931 Harriman Av	101-7010-7101-8040-000	64.00
Inv. 1927			
02/12/14	Public Notice-2009 Hansom	101-7010-7101-8040-000	64.00
Inv. 1927 A			
02/12/14	Public Notice-Setback	101-7010-7101-8040-000	56.00
Inv. 1927 B			
02/12/14	Public Notice-1009 1/2 Fair Oa	101-7010-7101-8040-000	64.00
Inv. 1927 C			
02/12/14	Public Notice-803 Fremont	101-7010-7101-8040-000	56.00
Ck. 03/05/14 182397	Total		368.00
San Gabriel Valley Medical Cen			
Inv. 712915			
08/11/13	Blood Alcohol w/Drawal-Chu, Da	101-4010-4011-8170-000	48.00
Inv. 719543			
11/27/13	Blood Alcohol w/Drawal-Richard	101-4010-4011-8170-000	48.00
Ck. 03/05/14 182398	Total		96.00
Sandler Bros.			
Inv. 0179253			
02/03/14	Rags	101-6010-6410-8020-000	35.08
02/03/14	Rags	101-6010-6601-8000-000	113.95
Ck. 03/05/14 182399	Total		149.03
Saxon, Kris			
Inv. 2/11/14			
02/11/14	Reimb. Sleeping Bags for Strik	101-5010-5011-8110-000	239.92
Ck. 03/05/14 182400	Total		239.92
SC Fuels			
Inv. 0055850			
02/06/14	Yard Unleaded Fuel	101-0000-0000-1400-000	5,120.70
Ck. 03/05/14 182401	Total		5,120.70
Security Design Systems, Inc.			
Inv. 190900			
02/01/14	PD Maint Camera & Access Cont	101-4010-4011-8110-000	195.54

Ck. 03/05/14 182402	Total		195.54
Siemens Industry Inc.			
Inv. 400119051		215-6010-6115-8180-000	2,096.72
01/28/14	Traffic Signal Maint. 1/14		
Inv. 400119164		215-6010-6115-8180-000	1,213.54
02/04/14	Traffic Signal Call Outs 1/14		
Ck. 03/05/14 182403	Total		3,310.26
Solinsky, Brian			
Inv. 2/18-20/14		101-4010-4011-8200-000	52.00
02/24/14	Reimb. PD Training Expense		52.00
Ck. 03/05/14 182404	Total		
Specialized & Laing Constructi			
Inv. 6061		101-8010-8011-8020-000	500.00
02/18/14	Installation of Brick Pedestal		
Ck. 03/05/14 182405	Total		500.00
Staples Business Advantage			
Inv. 3221444099		101-1020-1021-8000-000	58.99
01/31/14	CMO & CCO Office Supplies	101-2010-2011-8000-000	446.82
01/31/14	CMO & CCO Office Supplies		
Inv. 3221444110		101-2010-2011-8000-000	76.29
01/31/14	CMO & CCO Office Supplies		
Inv. 3222221064		101-2010-2011-8000-000	40.09
02/04/14	CMO Office Supplies		
Inv. 3222269680		101-3010-3011-8000-000	12.06
02/05/14	Finance Office Supplies		
Inv. 3222269683		101-5010-5011-8020-000	512.25
02/05/14	FD Office Supplies		
Inv. 3222269684		500-6010-6710-8000-000	11.26
02/05/14	Yard Office Supplies	210-6010-6501-8000-000	11.26
02/05/14	Yard Office Supplies	230-6010-6116-8020-000	11.26
02/05/14	Yard Office Supplies	500-6010-6711-8000-000	11.27
02/05/14	Yard Office Supplies	101-6010-6410-8000-000	11.27
02/05/14	Yard Office Supplies	101-6010-6601-8000-000	11.27
02/05/14	Yard Office Supplies	101-6010-6011-8020-000	21.69
Inv. 3222333071		101-5010-5011-8020-000	512.25
02/06/14	FD Office Supplies		
Inv. 3222401531		500-6010-6711-8000-000	21.67
02/07/14	Yard Office Supplies	500-6010-6710-8000-000	21.68
02/07/14	Yard Office Supplies	101-6010-6410-8000-000	21.68
02/07/14	Yard Office Supplies	210-6010-6501-8000-000	21.68
02/07/14	Yard Office Supplies	230-6010-6116-8020-000	21.68
02/07/14	Yard Office Supplies	101-6010-6601-8000-000	21.68
02/07/14	Yard Office Supplies		
Inv. 3222677674		205-8030-8025-8000-000	24.71
02/08/14	Comm. Svcs Office Supplies	101-8030-8031-8000-000	24.71
02/08/14	Comm. Svcs Office Supplies	101-8030-8021-8000-000	155.73
Inv. 3222788603		101-5010-5011-8020-000	621.29
02/12/14	FD File Cabinets for Front Off		
Inv. 3222824483		101-8010-8011-8000-000	28.77
02/13/14	Library Office Supplies		
Ck. 03/05/14 182406	Total		2,733.31
The Center			
Inv. 2/6/14		101-4010-4011-8200-000	66.00
02/11/14	PD Registration-Officers Acost		

Inv. 2/6/14 A				
02/11/14	PD Registration-Officers Lee,L	101-4010-4011-8200-000		99.00
Inv. 2/6/14 B				
02/11/14	PD Registration-OfficersPhilli	101-4010-4011-8200-000		66.00
Inv. 2/6/14 C				
02/11/14	PD Registration-OfficersSanche	101-4010-4011-8200-000		66.00
Inv. 2/6/14 D				
02/11/14	PD Registration-Officers Wise	101-4010-4011-8200-000		66.00
Ck. 03/05/14 182407	Total			363.00
Transtech Engineers Inc.				
Inv. 14021273				
02/03/14	Bldg & Safety Svcs 1/14	101-7010-7101-8180-000		20,581.35
Ck. 03/05/14 182408	Total			20,581.35
Turnout Maintenance Company LL				
Inv. 10234				
02/14/14	FD Turnout Coats Repairs	101-5010-5011-8134-000		106.00
Ck. 03/05/14 182409	Total			106.00
UCLA Center for Prehospital Ca				
Inv. 862				
02/01/14	Paramedic Training	101-5010-5011-8170-000		1,845.73
Ck. 03/05/14 182410	Total			1,845.73
UCLA Longevity Center				
Inv. 2014-01-0536				
02/18/14	Memory Training Classes 2/7-28	101-8030-8021-8267-000		250.00
Ck. 03/05/14 182411	Total			250.00
Underground Service Alert				
Inv. 120140659				
02/01/14	Underground Service Alerts 1/1	500-6010-6710-8020-000		181.50
Ck. 03/05/14 182412	Total			181.50
Unique Mgmt Svcs Inc.				
Inv. 252011				
02/01/14	Recovering Agency Svcs 1/14	101-8010-8011-8180-000		366.95
Ck. 03/05/14 182413	Total			366.95
Upper S.G.Mun. Water Dist.				
Inv. 2/11-13				
12/19/13	Water Supply KolleAve./Montere	500-6010-6711-8231-000		26,419.50
Ck. 03/05/14 182414	Total			26,419.50
Verizon Business Svcs				
Inv. 63644734				
02/10/14	Phone Conferencing Svcs 1/14	101-2010-2011-8090-000		34.94
Ck. 03/05/14 182415	Total			34.94
Verizon Wireless				
Inv. 9719098520				
01/26/14	PD Air Cards 12/27-13-1/26/14	101-4010-4011-8150-000		409.43
Ck. 03/05/14 182416	Total			409.43
VR Auto Repair				
Inv. 956881				
02/18/14	Tire Change Unit#0807	101-4010-4011-8100-000		25.00
Ck. 03/05/14 182417	Total			25.00

Wittman Enterprises LLC			
Inv. 1401059			
02/14/14	Paramedic Payment 1/14	101-0000-0000-5290-001	2,954.10
Ck. 03/05/14 182418	Total		2,954.10
Wong, Daren			
Inv. 2/14/14			
02/18/14	Reimb. PD Training Expense	101-4010-4011-8200-000	44.80
Ck. 03/05/14 182419	Total		44.80
Wong, Maida			
Inv. 2/19/14			
02/20/14	Reimb. Mileage Expense	101-8010-8011-8070-000	31.36
Ck. 03/05/14 182420	Total		31.36
Woodsmall Law Group			
Inv. R44820			
02/12/14	Refund WMB Deposit 2/8/14	101-0000-0000-2920-000	500.00
Ck. 03/05/14 182421	Total		500.00
Total			665,758.95

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ATTACHMENT 4
Payroll 02-28-14

PAYROLL ACCOUNT RECONCILIATION
City of South Pasadena
for Payroll 02.28.14

Account Number	Account Name	03.05.14
101-0000-0000-1010-000	General Fund - Payroll cash	539,269.76
	Other Withholding Payables	\$ 325,284.03
101-0000-0000-1010-000	Net General Fund - Payroll Cash	213,985.73
	Insurance Adjustment	-
204-0000-0000-1010-000	Traffic Improvement	
205-0000-0000-1010-000	Prop A - Payroll Cash	7,335.55
207-0000-0000-1010-000	Prop C - Payroll Cash	5,423.08
210-0000-0000-1010-000	Sewer Fund - Payroll Cash	13,110.11
211-0000-0000-1010-000	CTC Traffic Improvement	-
215-0000-0000-1010-000	Street Lighting & Landscape Assessment - PR C:	5,802.80
227-0000-0000-1010-000	CRA - Payroll Cash	6,604.59
229-0000-0000-1010-000	CRA Housing - Payroll Cash	
230-0000-0000-1010-000	State Gas Tax Fund - Payroll Cash	16,343.57
247-0000-0000-1010-000	SGVCOG Grant Fund	
260-0000-0000-1010-000	CDBG - Payroll Cash	
274-0000-0000-1010-000	Homeland Security Grant	
500-0000-0000-1010-000	Water Fund - Payroll Cash	54,517.48
700-0000-0000-2210-000	Internal Revenue Service	49,865.73
700-0000-0000-2230-000	Internal Revenue Service	13,816.92
Total Checks & Direct Deposits		386,805.56
Checks		21,710.07
Direct Deposits		301,412.84
I.R.S Payments		63,682.65
		<u>386,805.56</u>
To 700		626,696.87
Other PR Payable		325,284.03
ACH Payable		<u>301,412.84</u>

ATTACHMENT 5
Redevelopment Successor Agency Check Summary Total

Redevelopment Successor Agency Check Summary Total

Agency Warrants 03.05.14

<u>Vendor</u>	<u>Invoice #</u>	<u>Check #</u>	<u>Department</u>	<u>Description</u>	<u>Amount</u>
City of South Pasadena	P/R/E 2/23/14	ACH	227.0000.0000.1010.000	Payroll PE 2.23.14	\$ 6,604.59
Arecano Inc.	021614-1	182279	227.7200.7210.8170.000	Finance Director Svcs 2/1-15/14	\$ 1,686.30
Pers Health Insurance	P/R/E 2/23/14	182308	227.7200.7210.7131.000	Health Ins Mar-14	\$ 315.94

RSA Report Total \$ 8,606.83

Marina Khubesian, M.D., Agency Chair

Evelyn G. Zneimer, Agency Secretary



David Batt, Agency Treasurer

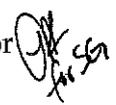
City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: March 5, 2014

TO: Honorable Mayor/Chair and City Council/Agency Members

VIA: Sergio Gonzalez, City Manager/Executive Director 

FROM: Hilary Straus, Assistant City Manager 
Kimberly Hall Barlow, Assistant City Attorney

SUBJECT: **Resolution approving a Contingent Agreement for the Purchase and Sale of Property Identified by APN 5315-003-901, Commonly Known as 1500 El Centro Street, South Pasadena, California, from the South Pasadena Successor Agency to Genton Property Group, LLC, Pursuant to the Approved Long Range Property Management Plan**

Recommendation

It is recommended that the Board of the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena ("Successor Agency"), adopt the accompanying resolution approving the contingent Agreement for the Purchase and Sale of the property at 1500 El Centro Street ("property"), South Pasadena between the Successor Agency and Genton Property Group, LLC ("Genton"), in accordance with the Successor Agency's previously approved Long Range Property Management Plan ("LRPMP").

Fiscal Impact

There would be a slight positive impact to the General Fund of the City. The sale proceeds, would be required to be either held by the Successor Agency to be applied to future obligations or turned over to the County Auditor/Controller to be distributed to the statutory taxing entities, which includes the City of South Pasadena ("City"). Which action is taken will depend upon the timing of the close of escrow in relation to the Successor Agency's Recognized Obligation Payment Schedules ("ROPS").

Commission Review and Recommendation

This matter was not reviewed by a Commission.

Background

The Property was acquired by the former redevelopment agency many years ago specifically for use in the Downtown Revitalization Project ("Project"). In an effort to conform to the original purpose of the acquisition and long-time use of the Property and lower the cost of the overall project, the Successor Agency attempted to transfer the former redevelopment agency-owned

parcel at the northeast corner of Mound Avenue and El Centro Street as a housing asset to the City's Housing Authority and later, as a governmental asset (due to its use as a public parking lot) to the City. The State Department of Finance, the State agency overseeing the dissolution of redevelopment ("DOF"), denied both transfers from the Successor Agency. Therefore, in August 2013, the Successor Agency submitted a State-required LRPMP describing how the Agency intends to dispose of the Property to Genton Property Group via a sale determined by an appraisal of the property's fair market value, for use consistent with the approved Redevelopment Plan and the approved Downtown Project. After an approximately five month delay, the LRPMP was approved by the DOF on January 14, 2014. The DOF has also taken the position that they have the right to review all agreements entered into for property disposition for conformity with the approved LRPMP.

Analysis

The attached Purchase and Sale Agreement is conditioned on a number of events happening. First, the agreement will not become effective at all if it is not approved by the DOF. Second, developer Genton Property Group will have to provide evidence to the Successor Agency Board by June 30, 2014, as such date may be extended with Board approval, that it has secured commitments from the property owners of certain private property within the proposed Project footprint to negotiate sale to Genton of those properties which are necessary for the Project to be built.

Once the Agreement becomes effective, additional contingencies will have to be met by Genton before the property sale would close escrow. Those include approval of any modified (reduced) design, including permits, for the Project and approval of Disposition and Development Agreements with the City of South Pasadena and the South Pasadena Housing Authority for sale and use of properties they own for the Project. If those agreements are not reached, then the proposed sale would not occur.

Environmental Review

Review under the California Environmental Quality Act ("CEQA") of the currently entitled Project of which the Property is part occurred when the Project was originally entitled. The City Council certified the Environmental Impact Report ("EIR") and adopted a Statement of Overriding Considerations for the Project on May 21, 2008. The proposed Project revisions would reduce the size of the Project and reduce environmental impacts resulting from it. Therefore, no additional environmental review is required at this time.

Legal Review

The City Attorney has prepared and approved this item.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its

Contingent Purchase and Sale Agreement, 1500 El Centro Street, South Pasadena
March 5, 2014
Page 3 of 3

inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. Resolution Approving the Contingent Purchase and Sale Agreement of Property Identified by APN 5315-003-901
2. Appraisal of Property Identified by APN 5315-003-901

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ATTACHMENT 1

Resolution Approving the Contingent Purchase and Sale of Property Identified by APN 5315-003-901

RESOLUTION NO. _____ SA

**A RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF SOUTH PASADENA, CALIFORNIA,
APPROVING A CONTINGENT AGREEMENT FOR
THE PURCHASE AND SALE OF PROPERTY
IDENTIFIED BY APN 5315-003-901**

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of South Pasadena elected to become the Successor Agency to the South Pasadena Redevelopment Agency ("Successor Agency") on January 4, 2012, and the Successor Agency is a separate legal entity from the City of South Pasadena; and

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld ABX1 26; and

WHEREAS, pursuant to ABX1 26, all California redevelopment agencies were dissolved effective February 1, 2012; and

WHEREAS, on June 27, 2012, the Governor signed into law budget trailer bill Assembly Bill 1484 ("AB 1484"). Section 34191.1 of AB 1484 requires a successor agency to receive of a finding of completion ("Finding") by the California State Department of Finance ("DOF") pursuant to Section 34179.7 before a successor agency submits its Long Range Property Management Plan ("LRPMP") for consideration; and

WHEREAS, Section 34179.7 of AB 1484 requires a successor agency to make full payment of the amount owed as reported by the County Auditor-Controller and when the demanded amount is satisfied, the DOF will issue a Finding of Completion; and

WHEREAS, Section 34191.5 of AB 1484 requires a successor agency to prepare a LRPMP that addresses the disposition and use of the real properties of the former redevelopment agency; and

WHEREAS, the Successor Agency prepared, approved, and submitted an LRPMP which identifies each of the real property assets of the former South Pasadena Community Redevelopment Agency, including the Agency's preferred method of disposing of those assets pursuant to AB 1484 Section 34191.5; and

WHEREAS, review under the California Environmental Quality Act ("CEQA") of the currently entitled Project of which the Property is part occurred when the Project was originally entitled. The City Council certified the Environmental Impact Report ("EIR") and adopted a Statement of Overriding Considerations for the Project on May 21,

2008. At or before close of escrow for the sale, proposed project revisions will be reviewed which would reduce the size of the project and reduce environmental impacts resulting from it. Therefore, no additional environmental review is required at this time; and

WHEREAS, the LRPMP was approved by the Oversight Board, and subsequently approved by the Department of Finance on or about January 14, 2014; and

WHEREAS, the proposed Contingent Agreement for the Purchase and Sale of Property Identified by APN 5315-003-901 ("Property") is consistent with the LRPMP as previously approved.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. All the recitals above are true and correct and incorporated herein.

SECTION 2. The sale of the Property for use in the Downtown Revitalization Project ("Project") has been reviewed under CEQA, and an EIR was certified and statement of overriding considerations adopted by the City Council of the City of South Pasadena on May 21, 2008.

SECTION 3. The Contingent Agreement for the Purchase and Sale of Property Identified by APN 5315-003-901 ("Agreement"), consistent with the approved LRPMP is hereby approved in the form set forth in Exhibit "1" attached hereto and incorporated herein by reference.

SECTION 4. The Executive Director or his designee is hereby authorized to submit the Agreement to the Oversight Board for its approval, and if so approved, to the DOF for its approval.

SECTION 5. The Executive Director or his designee is hereby authorized to take such steps as may be necessary to execute the Agreement if approved by the DOF, and pending its review to negotiate and draft an Escrow Agreement to be implemented to carry out the terms of the Agreement within ten (10) days of approval by the DOF as provided in the Agreement.

SECTION 6. The Executive Director is hereby authorized to take such further actions as may be necessary or appropriate to carry out the Successor Agency's obligations pursuant to this Resolution.

SECTION 7. The Agency Secretary shall certify to the passage and adoption of this resolution and its approval by the Successor Agency and shall cause the same to be listed in the records of the Successor Agency.

PASSED, APPROVED AND ADOPTED ON this 5th day of March, 2014.

Marina Khubesrian, M.D., Agency Chair

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, Agency Secretary
(seal)

Richard L. Adams II, Agency Counsel

I HEREBY CERTIFY the foregoing resolution was duly adopted by the Successor Agency to the Community Redevelopment Agency of the City of South Pasadena, California, at a special meeting held on the 5th day of March, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, Agency Secretary
(seal)

CONTINGENT AGREEMENT FOR
THE PURCHASE AND SALE OF PROPERTY
IDENTIFIED BY ASSESSOR'S PARCEL # 5315-003-901

THIS CONTINGENT AGREEMENT FOR THE PURCHASE AND SALE OF PROPERTY (the "Agreement") is dated _____, 2014, for reference, and is hereby entered into by and between SOUTH PASADENA SUCCESSION AGENCY, a public body, corporate and politic ("Successor Agency" or "Seller"), and GENTON PROPERTY GROUP LLC, a California Limited Liability Corporation ("Genton" or "Buyer") as follows:

RECITALS

A. The City of South Pasadena approved the Downtown Revitalization Project ("the Project") following complete environmental review under the California Environmental Quality Act and certification of the Environmental Impact Report (EIR) and adoption of a Statement of Overriding Considerations for the Project on May 21, 2008. The Project involves the development of five building sites within a three-block area resulting in approximately 41,000 square feet of retail, restaurant, bank office and dwelling units. Buyer proposes to develop the Project within a somewhat smaller footprint of the redevelopment project area, with the same or lesser environmental impacts than the original approved Project.

B. The South Pasadena Redevelopment Agency (hereinafter "Redevelopment Agency") was authorized under the Community Redevelopment Law to enter into agreements for the acquisition, disposition and development of real property and otherwise to assist in the redevelopment of real property within the redevelopment project area in conformity with a redevelopment plan adopted for such area.

C. The City Council of the City of South Pasadena adopted the Redevelopment Plan herein referred to as the Downtown Revitalization Project more particularly described in Attachment "B."

D. Pursuant to Assembly Bill 1484 (hereinafter "Dissolution Bill") as set forth in California Health and Safety Code Section 34163, *et seq.*, the South Pasadena Redevelopment Agency was dissolved and the South Pasadena Successor Agency was created for the purpose of carrying out the functions of the South Pasadena Redevelopment Agency.

E. Successor Agency is the record owner of the Property more particularly described in Attachment A, the purchase and sale of which is the subject of this Agreement. The Successor Agency has approved a Long Range Property Management Plan (LRPMP) for the Property, which has been approved by the South Pasadena Oversight Board and the Department of Finance. That LRPMP provides for the sale of the property to Genton for fair market value contingent upon approval of the other DDAs necessary for completion of the Project as it may hereafter be modified.

F. On or about December 19, 2012, the City of South Pasadena, the South Pasadena Housing Authority and Genton Properties Group LLC entered into an Exclusive Negotiation Agreement (“ENA”) for the purpose of negotiating one or more Disposition and Development Agreements for the Downtown Revitalization Project. On or about September 4, 2013, the ENA was extended by mutual agreement of the parties to at least June 30, 2014, with the possibility of an additional extension if all required steps cannot be completed by that date. The ENA and extension are attached hereto as Attachment “C.”

G. Successor Agency desires to sell the Property to Genton contingent upon Genton entering into one or more DDA with the City of South Pasadena and the South Pasadena Housing Authority and obtaining issuance of an amended planned development permit and other terms and conditions more particularly set forth in this Agreement.

DEFINITIONS

Buyer. Genton Property Group, a California Limited Liability Corporation.

Downtown Revitalization Project. Shall mean the redevelopment plan approved by the City Council of the City of Pasadena on May 21, 2008 involving the development of five building sites within a three-block area including the demolition of 11,951 square feet of building area and the development of 41,000 square feet of retail, restaurant, bank and office uses and up to 60 dwelling units including a minimum of twelve (12) low-to-moderate income Senior Housing units, as the project may be amended from time to time.

Effective Date. Shall mean the date by which this Agreement has been approved and executed by both the Seller’s Agency Board and Buyer following approval of this Agreement by the Department of Finance of the State of California.

Housing Authority. Shall mean the South Pasadena Housing Authority created by the City of South Pasadena pursuant to Health and Safety Code Section 34176.

Property. Shall mean that parcel of real in the City of South Pasadena, County of Los Angeles, State of California, commonly known as Assessor’s Parcel Number 5315-003-901, as more particularly described in the legal description attached and incorporated herein by reference as Attachment “A.”

Property Conditions. Shall mean all of the existing physical and economic conditions affecting the Property and its use, including, but not limited to, the physical configuration of the Property, any trees, stumps, brush, or other vegetation on the Property, the condition of its soils, the presence or impact of any geologic or hydrologic features and faults, the nature of its lateral and subjacent support, the presence of Hazardous Substances, waste, garbage, rubbish, or refuse on, in, under, or adjacent to the Property, the location of the Property within any flood plain or high risk fire area, the location of public utilities and public improvements on, in, under, or over the Property, the presence, soundness, and habitability of any structures, fixtures, or improvements on or in the Property, the existence of any faults or defects (whether known or unknown, patent or latent), the economic and legal suitability of the Property for the intended

use, all market conditions that may affect development and use of the Property, and all actions, orders, and judgments affecting the Property.

Redevelopment Agency. Shall mean the South Pasadena Redevelopment Agency, a public body, corporate and politic created pursuant to Chapter 2 of the Community Redevelopment Law.

Successor Agency. Shall mean the South Pasadena Successor Agency, a public body organized and existing, and exercising those governmental functions and powers, as authorized under the Health and Safety Code Section 34173, *et seq.* of the State of California. The term “Successor Agency” shall also include any assignee of, or successor to, the rights and responsibilities of the Successor Agency under this Agreement.

Seller. Shall mean the South Pasadena Successor Agency.

AGREEMENT

NOW THEREFORE, for consideration, the value and adequacy of which is hereby acknowledged, the parties enter into this Agreement on the following terms and conditions and subject to the contingencies set forth herein:

ARTICLE I PURCHASE AND SALE OF PROPERTY.

Transaction. Genton hereby agrees to purchase from Successor Agency, and Successor Agency agrees to sell to Genton, the Property, AS-IS and subject to the terms and conditions set forth herein.

1.1. Genton’s Obligations & Rights.

1.1.1. Development and Disposition Agreement. As a contingency and condition precedent to the close of escrow for the Property, Genton shall first enter into one or more Disposition and Development Agreements with the City of South Pasadena and the South Pasadena Housing Authority as required in Attachment C for all of the properties/parcels owned by the City and the Housing Authority in the Downtown Revitalization Project area.

1.1.2. Due Diligence. Genton shall pursue approval of Development & Disposition Agreements between the City of South Pasadena and the South Pasadena Housing Authority with due diligence.

- 1.1.3. Acquisition of Properties from Third Parties.** As a contingency and condition precedent to the close of escrow for the Property, in addition to the required approval of the South Pasadena Oversight Board and the State of California Department of Finance, and no later than June 30, 2014, except as such date may be extended by written Agreement of the parties hereto, Genton shall provide to the Successor Agency one or more Letters of Intent, signed by each of the owners of the real properties located at 923 Fair Oaks Avenue, the adjacent parking lot identified as APN No. 5315-003-0, and 901 Fair Oaks Avenue, all in the City of South Pasadena, California, and all necessary for the completion of the Project. Each Letter of Intent shall be approved by the Successor Agency Board, acting in its sole and exclusive discretion, and shall evidence the commitment of the third party property owner to negotiate with Genton a Purchase Agreement for Genton's acquisition of the property from the third party property owner. Each Letter of Intent or comparable document shall further address the parties' intent to deal exclusively with one another for the sale/purchase of the third party property, provide for a closing date no later than the date of closing of Genton's purchase of the Property and the other parcels subject to DDAs with the City and the Housing Authority (which shall be no later than 45 days after the final action of City Council to approve the required DDAs and any revised Project Planned Unit Development Permit, and expiration of all appeal periods, except as may be extended in writing with the approval of the Successor Agency), provide for a purchase price or a methodology for determining the purchase price, provide for a deposit and escrow agreement, a due diligence period for inspection of the property and documents relating to the property, the conditions necessary to be met for closing of the sale under the Purchase Agreement(s), title insurance, and commissions, if any.
- 1.1.4. Authority.** Genton, and the agent or representative acting on behalf of Genton, has the authority to undertake the actions and to make the promises, agreements, and commitments set forth in this Agreement.
- 1.1.5. Contracts.** There are no legal impediments, contracts or other agreements that would prohibit Genton from entering into this Agreement.
- 1.1.6. Financial Feasibility.** Genton shall provide evidence demonstrating the financial ability to purchase the Property within sixty (60) days of written notice by Successor Agency. Genton shall provide any reasonable additional documents, information and/or agreements requested by Successor Agency necessary to demonstrate Genton's financial ability to purchase the Property.
- 1.1.7. Purchase Price.** The total purchase price of the Property is \$635,000. There shall be no deductions from the purchase price for any reason, whether as a result of any Property Conditions or otherwise. The escrow

agreement to be entered into by the parties following Department of Finance approval of this Agreement shall provide for a deposit into escrow of the entire purchase price and all costs prior to close of escrow.

1.2. Successor Agency's Obligations & Rights.

1.2.1. Authority of Successor Agency. Successor Agency has the power and authority, subject to California Department of Finance approval, to execute, deliver and perform Successor Agency's obligations under this Agreement and the documents to be executed and delivered by Successor Agency pursuant hereto.

1.2.2. Appraisal. Successor Agency has obtained an appraisal for the Property from a person or business that does not have a pre-existing personal or financial relationship that could have potentially influenced the appraiser's valuation of the Property. A complete copy of the appraisal has been provided to Buyer.

1.2.3. Possession of the Property. Successor Agency shall obtain approval by the South Pasadena Oversight Board and the California Department of Finance prior to the sale of the Property to Genton.

1.2.4. Escrow. Within ten (10) days of approval of the sale of the Property to Genton by the California Department of Finance, Successor Agency and Genton shall enter into an Escrow Agreement, which shall include provisions governing deposit, length of escrow, closing instructions and all other conditions necessary to complete the sale of the Property. Notwithstanding the foregoing, the Successor Agency shall not be liable for any real estate commission, closing costs or brokerage fees that may arise in connection with the sale of the Property. The closing instructions shall require evidence of satisfaction of the contingency conditions identified in Sections 1.1.1, 1.1.3, and 1.1.6, as well as deposit of the entire purchase price for the Property by Genton.

1.2.5. Hazardous Materials. Successor Agency shall not be responsible for conducting or financing any testing of the Property for hazardous materials pursuant to any applicable laws, statutes, rules and regulations.

ARTICLE II MISCELLANEOUS.

2.1. No Conflict of Interest. No officer or employee of the Successor Agency shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership, or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation.

2.2. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement. The parties consent to the jurisdiction of the California Courts with venue in Los Angeles County, except as may be required by the provisions of the Dissolution Bill.

2.3. Indemnity. Genton agrees to defend (with legal counsel approved by Successor Agency), hold harmless, and indemnify Successor Agency and each of its officers, agents and employees from and against any and all claims, causes of action, liabilities, damages, judgments, losses, costs or expenses including without limitation attorneys' fees actually caused or claimed to be caused by or resulting from Genton's acts or omissions pursuant to this Agreement; provided that the obligation to defend does not apply to actions arising solely from Successor Agency's acts of willful misconduct. Notwithstanding this limitation, Genton agrees to defend or pay the cost of defense of any action brought by any third party challenging the terms of this Agreement or Successor Agency's ability to sell the Property to Genton on any grounds whatsoever.

2.4. Recitals and Definitions. The Recitals and Definitions set forth at the beginning of this Agreement are a substantive and integral part of this Agreement and are incorporated by reference in the Operative Provisions portion of this Agreement.

2.5. Severability. Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant, and/or restriction, of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

2.6. Entire Agreement, Waiver and Amendments. This Agreement is the entire Agreement between the parties with respect to the subject matter of this Agreement. It supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the Property. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or on behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

2.7. Administration. After the approval of this Agreement by the Successor Agency, Oversight Board of Successor Agency, and the Department of Finance, this Agreement shall be administered, and may be executed, by the Successor Agency's Executive Director and/or his or her designee. The Executive Director shall have the authority to issue interpretations and to make minor amendments to this Agreement, including extensions of time, on behalf of the Successor Agency so long as such actions do not cause a substantial and material change to the Agreement or make a commitment of additional Successor Agency funds. All other changes, modifications, and amendments shall require the prior approval of the Successor Agency Board.

2.8. Notices. Formal notices, demands and communications between the parties shall be given in writing and personally served or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the following addresses:

Seller

Successor Agency Manager
South Pasadena Successor Agency
1414 Mission Street
South Pasadena, CA 91030
Phone: 626/403-7210
Fax: 626/403-7211

Buyer

Jonathan Genton, CEO
Genton Property Group, LLC
3243 S. La Cienega Blvd.
Los Angeles, CA 90016
Phone: 310/802-2800
Fax: 310/802-2801

Any such notice shall be deemed to have been received upon the date personal service is effected, if given by personal service, or upon the expiration of two (2) business days after mailing, if given by certified mail, return receipt requested, postage prepaid or by facsimile transmission.

2.9. Assignment. Genton understands and agrees that Successor Agency is entering into this Agreement based on Genton's anticipated development of the Downtown Revitalization Project. Therefore, Genton shall not assign, sell or otherwise transfer any or all of its rights under this Agreement to any party without the prior written approval of Successor Agency.

2.10. Cooperation. Each party agrees to cooperate with the other in the closing of this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purpose and intent of this Agreement.

IN WITNESS WHEREOF, the Successor Agency and Genton have executed this Agreement on the date and year first-above written.

"BUYER"

Genton Property Group LLC

“SELLER”

SOUTH PASADENA SUCCESSOR AGENCY

Sergio Gonzalez, Successor Agency Executive Director

ATTEST:

Evelyn G. Zneimer, Agency Secretary

APPROVED AS TO FORM:

Kimberly Hall Barlow, Successor Agency General Counsel

ATTACHMENT "A"

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of South Pasadena, County of Los Angeles, State of California, described as follows:

THE WESTERLY 56 FEET, BETWEEN PARALLEL LINES OF LOTS 1,2 AND 3 IN BLOCK "G" OF THE RAYMOND VILLA TRACT NO.1, IN THE CITY OF SOUTH PASADENA, AS PER MAP RECORDED IN BOOK 1, PAGE 91 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Attachment B

- 1) The Project shall consist of the following:
 - a) Development of Building Site A, which requires the demolition of the Citizens Bank Building for the construction of a new 34,176 s.f., two-story structure that includes: 10,019 s.f. of commercial space on ground level, 12 studio lofts on the second level, 3 retail storefronts on Mission Street; café facing the town plaza, and Citizens Bank relocated on Fair Oaks.
 - b) Development of Building Site A1, which involves the construction of a new 10,917 s.f, 2-story structure including: 4,790 s.f. of commercial space on the ground level, and 3,593 s.f. of office uses on the second level.
 - c) Development of Building Site B, which involves the construction of a new 58,134, one and a half story structure including: a public/private parking structure containing: 30 spaces underground for residents, 59 spaces at split-level above ground for public use, and 14 residential units above.
 - d) Development of Building Site C, which requires the demolition of a former plant nursery, and the construction of a new 24,796 s.f. building to include: 5,741 s.f. of retail uses, 12 residential units for affordable senior housing, and 3 residential units, or office spaces.
 - e) Development of Building Site D, which involves the construction of a new 54,159 s.f. structure including: 5,928 s.f. of retail space, a 5,100 s.f. bowling alley, 4,350 s.f. of restaurant space, and 19 housing units.
 - f) Development of a subterranean parking structure which spans Building Sites C, D, and El Centro Street, and provides 230 parking spaces.
 - g) Development of the five building sites within the three-block area will be connected by pedestrian paths, gathering spaces and a town plaza. The Town Plaza consists of 6,200 s.f. including the main area (4,200 s.f.), and a sub area (2,000 s.f.).
 - h) Construction of surface parking areas improved with new pavement and landscaping.
- 2) The Project shall be constructed in three phases as follows:
 - a) Phase IA is primarily for the construction of the main underground parking structure, which spans Building Sites C, D, and El Centro Street. The Citizen's Bank site at the corner of Mission and Fair Oaks would be demolished and will supply 73 temporary parking spaces during construction of the underground parking structure.
 - b) Phase IB would begin after the underground parking structure is complete, and parking for 230 vehicles are made available. Construction would begin on building sites A, A1, C, and D.
 - c) Phase II, which is the final phase will be constructed concurrently towards the end of Phase 1B, and involves construction on Building Site B. Surface parking lots behind the Bank of America (BoFA) building and the East-West bank building on Fair Oaks Avenue would be repaved and landscaped.
- 3) The following development standards shall apply to the Project Area:
 - a) The parking ratio shall be 3 spaces per 1,000 square feet of floor area for all non-

Attachment B

residential uses within the project area. The non-residential uses include: Retail, Restaurant, Office, Banking, and a Bowling Alley. This mix of uses have various peak hours allowing greater efficiency and use of the parking areas throughout the day. The non-residential components of all structures within in the PDP boundaries shall have a parking ratio of 3:1,000 and will be acknowledged as a “multi-tenant retail center” as defined by the Zoning Code for current and future land uses within the project area. Parking spaces within the parking structure which are not assigned for residential use shall be allowed for code required off-street parking requirements for all existing uses and uses contemplated and approved by this Planned Development Permit within the Project Area. All existing uses and uses contemplated or approved by this Planned Development Permit are deemed to have sufficient code required off-street parking. New uses and changes in uses within the Project Area not contemplated or approved by this Planned Development Permit may be allowed to use parking spaces within the parking structure to meet code required off-street parking pursuant to a discretionary Parking Use Permit (South Pasadena Municipal Code Sec. 36.310.050).

- b) For existing lots within the Project Area the minimum parcel size within the Project Area shall not be less than 1,553 square feet and the minimum parcel width shall not be less than 20 feet wide or as may be needed to approve a Tract Map that accommodates the pedestrian walkways between existing and new buildings, and the 6,200 square foot town plaza.
- c) The maximum height limit shall be 40’-0” for new buildings for Building Sites C and D within the Project Area to accommodate the construction and appurtenances of the underground parking structures.
- d) All other ordinances and provisions of the Zoning Code shall apply to the Project Area, unless otherwise amended by this Plan Development Permit.

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT (the “Agreement”) is entered into by and between (i) the CITY OF SOUTH PASADENA, a public body, corporate and politic (“City”), and (ii), the SOUTH PASADENA HOUSING AUTHORITY, a public body, corporate and politic (“Authority”), on the one hand, and (iii) GENTON PROPERTY GROUP, LLC a Delaware limited liability company, on the other hand (City, Authority and Developer may be referred to herein individually as a “Party” or collectively as the “ Parties).”

RECITALS

WHEREAS, on May 21, 2008, the City Council approved the Downtown Revitalization Project which involves the development of five building sites within a three-block area, (the “Downtown Revitalization Project”). Overall, the Downtown Revitalization Project as approved would involve the demolition of 11,950 square feet of building area (Citizen's Business Bank building and the former South Pasadena Nursery site). The proposed project would result in approximately 41,000 square feet of retail uses, restaurant uses, bank uses, office uses, and up to 60 dwelling units, including a minimum of twelve (12) low- to moderate-income Senior Housing units. A total of 397 parking spaces will be provided throughout the project area; this includes 59 spaces at the southeast corner of Hope Street and Mound Avenue (this parcel will no longer have housing units planned), and 338 spaces on various surface lots and in a multi-level garage; and

WHEREAS, on November 2, 2008, the residents of South Pasadena voted overwhelmingly in support of the Downtown Revitalization Project by passing Measure SP. The passage of Measure SP clarified that residential uses are permitted within the City’s Redevelopment Plan to the extent it is permitted by the General Plan and Zoning Code; and

WHEREAS, on August 19, 2009, the City Council entered into an agreement whereby the City retained all pertinent entitlements and documents (collectively, “the Entitlements”) and purchased key properties for the Downtown Revitalization Project at 1503 and 1507 El Centro Street; and

WHEREAS, in January 2010, the City Council reconvened the Community Redevelopment Commission with the purpose of moving the project forward; and

WHEREAS, in November 2010, the Community Redevelopment Commission released the Request for Qualifications for developers to complete the Downtown Revitalization Project; and

WHEREAS, On February 23, 2011, the Community Redevelopment Commission hosted a special meeting to hear presentations from the top three developers; and

WHEREAS, On March 1, 2011, the Community Redevelopment Commission unanimously recommended Developer to the Community Redevelopment Agency (“Agency”) as the developer to move the Downtown Revitalization Project forward; and

WHEREAS, On March 16, 2011, the Agency directed City Staff and Agency Counsel to commence negotiations with Developer in an effort to secure an Exclusive Negotiation Agreement; and

WHEREAS, Developer represents that it has thoroughly educated itself regarding and evaluated the existing entitlements for the Downtown Revitalization Project, its conditions of approval and required mitigation measures, and understands that City contemplates that any DDA and/or OPA which may be entered into will require the Developer to implement all conditions and mitigation measures as the Project is presently or ultimately entitled; and

WHEREAS, the City and Developer entered into an Exclusive Negotiating Agreement on September 7, 2011 for the purposing of negotiating a DDA for the Project, City-owned properties within the Project site and the Entitlements, which expired without completion of a DDA between the parties; and

[add provision about passage of AB 1x26 and AB 1484 as cause of delay]

WHEREAS, due to the statutory elimination of Redevelopment Agencies by the State of California, various publically owned parcels within the Project site, were to be transferred to either the Successor Agency of the Redevelopment Agency of the City of South Pasadena or to the South Pasadena Housing Authority; and

WHEREAS, the Department of Finance has contested the transfer of the Property known as 1500 El Centro, South Pasadena, CA (APN # 5315-003-901), a lot consisting of 8455 square feet, transferred from the Successor Agency of the Redevelopment Agency of the City of South Pasadena to the South Pasadena Housing Authority on or about February 1, 2012 to be used for development of low- and moderate-income housing on the Project site as shown in the Entitlements (the “contested parcel”), and the Authority has filed a request to meet and confer with the Department of Finance regarding the contested parcel; and

WHEREAS, until the legality of the transfer of the contested parcel to the Authority has been fully and finally resolved, the City and Authority are unable to commit contractually to negotiate exclusively with any party for acquisition of the contested parcel;

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, City, Authority and Developer mutually agree as follows:

1. PURPOSE

The purpose of this Agreement is to provide for the negotiation by the parties of a Disposition and Development Agreement (DDA) and/or or an Owner Participation Agreement (OPA) providing for, among other things, the following:

- A. Acquisition by Developer of all or portions of the Downtown Revitalization Project Area ("Revitalization Area") for redevelopment in accordance with the Redevelopment Plan and the General Plan, and for the development and construction of commercial, retail, restaurant, office, residential, entertainment, open space and/or parking uses (the "Project"). The Project shall be subject to and consistent with the requirements of the California Environmental Quality Act, related State Guidelines and related local ordinances (collectively, "CEQA").

The Revitalization Area is proposed to consist of property primarily located within the boundaries of Mission Street, Fair Oaks Avenue, Oxley Street, and Mound Avenue, as well as the surface parking lot at the southeast corner of Hope and Mound Streets (the "Hope Lot"):

- 1) Approximately 1.08 acres (comprising the Hope Lot, two undeveloped parcels on each side of El Centro owned by the Authority totaling .31 acres and two developed parcels at the corner of El Centro and Mound owned by the Authority totaling .3 acres) currently owned by the City or the Authority in fee simple;
- 2) Approximately 0.60 acres comprised of streets, alleys and lanes to which City has a dedicated public right-of-way easement;
- 3) Approximately 1.89 acres of property south of Mission Street and East of Fair Oaks Avenue; and,
- 4) Approximately 0.717 acres generally located adjacent to the areas described above, which are currently owned by various third parties.

- B. Coordination of the planning, design and construction of the Project. The parties intend at this time that the project be built as it was approved in May 2008 or a similar but less intensive project. However, City and Developer recognize that some changes may be required in the Project as previously approved due to marketability, feasibility, ability to acquire property or agreements with existing property owners, etc. Developer shall advise City of any changes it wishes to make in the Project design or phasing as approved, and shall be responsible for public outreach, seeking community input, and securing all necessary land use approvals which may be required.

- C. Potential City and Authority assistance in the form of financial contributions, development fees, and/or improvements, in accordance with all applicable legal requirements, for the development of public improvements including, but not limited to, public parking, infrastructure and open space within the Revitalization Area.

- D. The respective participation and responsibilities of Developer and City necessary to further the purpose of developing the Project, including, but not limited to, processing relevant fees, approvals and permits.

2. EXCLUSIVE RIGHT TO NEGOTIATE

- A. City and Authority hereby grants to Developer, and Developer hereby accepts, an exclusive right to negotiate in accordance with the terms of this Agreement, for a period of two hundred seventy (270) calendar days (9 months), commencing on the effective date of this Agreement and continuing in full force and effect until expiration or earlier termination pursuant to Paragraph 2C and Paragraph 5 below. In the event that, and to the extent that, the City owned real property identified in Paragraph 1A hereof is transferred to the Authority, all rights and obligations of the City under this Agreement shall automatically be transferred to Authority, which shall be a signatory to this Agreement to accept and approve of such transfer. In the event that, and to the extent that, any of the Authority owned real property identified in Paragraph 1A hereof is transferred to the City, all rights and obligations of the Authority under this Agreement shall automatically be transferred to City, which shall be a signatory to this Agreement to accept and approve of such transfer. In the event that City's or Authority's ownership of any of the real property identified in Paragraph 1A 1) is invalidated by a court of competent jurisdiction, Department of Finance or the State Controller pursuant to the terms of AB X1 26 (2011) or AB 1484 (2012), or otherwise required by operation of law to be transferred to another entity, this Agreement shall not terminate, but the Parties will follow all applicable legal requirements to negotiate a separate transaction for the purchase or acquisition of the affected property by Developer.
- B. City, Authority and Developer agree, for the period set forth in this Paragraph 2, to negotiate diligently and in good faith to prepare a DDA or OPA to be entered into by City, Authority and Developer with regard to the purposes described above. During the term of this Agreement, City and Authority agree not to negotiate for the development of the Revitalization Area, or any portion thereof, with any party other than Developer, or to initiate any other development of the Revitalization Area or any portion thereof.
- C. In the event that Developer determines, in its sole and absolute discretion, that the Project is not feasible, or that the parties are not likely to finalize and execute a mutually agreeable DDA and or OPA, Developer may terminate this Agreement by delivering written notice thereof to City and Authority. Upon such termination, the Good Faith Deposit (as hereinafter defined) shall be refunded in full to Developer and all other obligations under this Agreement shall terminate.

3. TERMS AND CONDITIONS OF THE EXCLUSIVE NEGOTIATION AGREEMENT

City, Authority and Developer hereby agree to the following terms and conditions:

- A. Good Faith Deposit. At the time of execution of the Agreement, Developer shall have already paid into an escrow account a "Good Faith Deposit" in the amount of One Hundred Thousand Dollars (\$100,000).

The Good Faith Deposit shall continue to be held in an interest-bearing, insured escrow account, with Stewart Title of California, located at 525 N. Brand Blvd., Glendale, California 91203. Interest shall be for the benefit of Developer. In the event that City, Authority and Developer fail to enter into a DDS and/or OPA for the Project, or this Agreement terminates, or the exclusive negotiation period expires, for any reason whatsoever, all of the Good Faith Deposit, with interest, shall be refunded to Developer within ten (10) business days after the termination or expiration of this Agreement, except as may otherwise be agreed in writing by the Parties.

- B. Financial Investment. City, Authority and Developer, in entering into this Agreement, have directed their respective representatives to undertake negotiations regarding the public and private investment required to accomplish the objectives intended by a proposed DDA or OPA. During the first one hundred twenty (120) day period of this Agreement, Developer shall submit to City and Authority evidence reasonably satisfactory to City and/or Authority demonstrating that Developer will obtain the necessary debt and equity financing in an amount sufficient to pay for acquisition and development of the Revitalization Area.
- C. City's Right to Additional Information. City and Authority reserve the right, during the term of this Agreement, to request reasonable additional information and data from Developer necessary for review and evaluation of the proposed Project, related agreements, financing, etc. Developer agrees to provide such additional information or data as requested in a timely manner. All proprietary information provided by Developer to City or Authority shall remain confidential to the extent permissible by law.
- D. Hazardous Materials. City and Authority shall not be responsible for conducting or financing any testing of the Revitalization Area for hazardous materials pursuant to any applicable laws, statutes, rules and regulations.
- E. Schedule of Performance. City, Authority and Developer shall negotiate during the Agreement period a schedule of performance consistent with the goals and milestone dates and actions as set forth on Exhibit B hereto. The dates set forth in the Schedule of Performance are estimates and the parties agree that so long as

Developer is proceeding in good faith, additional time for completion of one or more steps shall be provided as reasonably agreed by the parties.

- F. Owner Participation Procedures. Notwithstanding this Agreement, the proposed development of the Revitalization Area remains subject to any applicable owner participation procedures established by state law or local ordinance.
- G. Public Outreach and Stakeholder Contact. To ensure that redevelopment of the Revitalization Area reflects reasonable community interests and desires, and if Developer has requested or initiates any change in the Project from the project approved in May 2008, Developer shall conduct various outreach efforts, including public meetings and individual contacts, to communicate with and receive input from stakeholders in the Revitalization Area. Such outreach process shall be consistent with the *Framework For Downtown Development*, which was prepared by the South Pasadena Community Redevelopment Commission in 2004 and included an outreach plan for community involvement in the Revitalization Area. Those Stakeholders include, but are not limited to, residents, business and property owners within and adjacent to the Revitalization Area, as well as those who may be affected by impacts from the proposed Project.
- H. Project Feasibility. During negotiations, Developer shall undertake and complete its responsibilities and tasks necessary to define the scope of development if different from the approved Project, identify the Project's development feasibility, and delineate each party's role and obligations necessary to formulate a DDA or OPA. Project feasibility shall be supported by an economic pro-forma analysis, which should contain site acquisition costs, hard costs, soft costs, financing costs, and other appropriate financial information. Developer shall also include a market analysis to validate that the Project (as existing and/or as modified) would engender a reasonable level of income for Developer. Project feasibility documents described above shall be submitted to City and Authority by Developer within sixty (60) days of the effective date of this Exclusive Negotiation Agreement. City, Authority and Developer each acknowledge that the task of developing a detailed timeline for development of the Project and proposed Project financing plan is a deliberate process requiring consideration of numerous elements. City, Authority and Developer further acknowledge that the completion of this process may require the City, Authority and Developer to consider various alternate structures for any future DDA or OPA between them for acquisition and redevelopment of the Site, including but not limited to public/private financing programs, with the potential for public agency financial and/or land contributions to the Project, as well as site acquisition and preparation, in order to promote the redevelopment goals of the Project on terms that are economically feasible and mutually satisfactory to both City and Authority on the one hand and Developer on the other hand.
- I. No Obligation by City or Authority. It is understood by Developer and City that nothing herein shall obligate or be deemed to obligate City or Authority to approve or execute a DDA or OPA, to commence any actions for voluntary or involuntary

acquisition of real or personal property, or any interest therein, or convey any interest in any portion of the Revitalization Area to Developer. The parties understand and agree that neither City nor Authority can be obligated to approve or execute a DDA or OPA, commence any action for acquisition or convey any interest in any portion of the Revitalization Area to Developer unless and until, among other legal requirements and as applicable, (i) CEQA requirements are met, (ii) all necessary steps for acquisition are met, including but not limited to, offers to purchase, good faith negotiations and public meetings and exercise of eminent domain, if applicable, and (iii) a DDA or OPA satisfactory to City is first negotiated, executed by Developer, approved by Authority's Board and the City Council of City, in the sole discretion of each, after duly noticed public hearing, and executed by City and Authority, as appropriate. Developer acknowledges and agrees that the Successor Agency to the Redevelopment Agency of the City of South Pasadena ("Successor Agency") is not a party to this Agreement. The parties all agree to negotiate in good faith to accomplish the objectives described in this Agreement.

- J. **Planning Costs and Expenses.** If the parties are unable to reach agreements on a DDA and/or OPA, City, Authority and Developer each shall bear their own costs and expenses in connection with negotiating and finalizing this Agreement. Should the parties reach agreement on a DDA and/or OPA, that agreement shall provide for all costs and expenses of the City and/or Authority to be reimbursed by Developer, to include costs and expenses of negotiating and finalizing this Agreement and the DDA or OPA.
- K. **Forty-Five Day Time Extension.** If the proposed DDA or OPA contemplated by this Agreement is timely executed by Developer and delivered to City and Authority by the expiration date of this Agreement, then this Agreement shall, without the payment of any additional negotiating fees or penalties, be further extended for forty-five (45) days from the date of such submission. This extension shall be for the sole purpose of enabling Authority's Board and the City Council to publish notices, make documents available for public review, hold public hearings, consider statutorily required findings, and consider all other discretionary or legally required actions necessary or appropriate in order to decide whether or not to approve the proposed DDA or OPA. If either City or Authority has not executed the proposed DDA or OPA by such forty-fifth (45th) day, then this Agreement shall automatically terminate without further notice unless the forty-five (45) day period has been extended by prior written agreement of City, Authority and Developer.
- L. **Other Time Extensions.** Prior to the expiration or termination of this Agreement, the term of this Agreement may be extended by the written agreement of City, Authority and Developer.

- M. DDA or OPA to Supersede this Agreement. This Agreement will be superseded by the DDA or OPA, if and when the proposed DDA or OPA is executed by Developer, approved by the City and Authority in the manner required by law, and executed by City and/or Authority.
- N. City Responsible for CEQA Compliance. City has already completed CEQA review and approval for the project as approved in May 2008. Should Developer make any significant changes to the Project which require additional or new CEQA analysis, City, at Developer's cost, shall be responsible for complying with CEQA in connection with the changed Project and the development of the Revitalization Area. Developer shall pay for the services of all necessary consultants to comply with CEQA requirements (including, but not limited to, the preparation and issuance of any required environmental impact report, supplemental impact report, negative declaration or mitigated negative declaration). Developer shall respond fully and in a timely manner to any and all reasonable requests for information from City's consultants.
- O. Real Estate Commissions. Neither City nor Authority shall be liable for any real estate commissions or brokerage fees which may arise in connection with purchase or sale of real or personal property in the course of implementation of this Agreement and the OPA or DDA. City, Authority and Developer each represents it has not engaged a broker, agent or finder in connection with such purposes. Each party agrees to hold harmless the other party from any claim by any broker, agent or finder retained, or claimed to have been retained, by that first party.
- P. Conflicts of Interest. For the term of this Agreement, no elected official or employee of City or Authority, during the term of his or her office or service with City or Authority, shall have any direct or indirect interest in this Agreement or obtain any present or anticipated material benefit arising therefrom.
- Q. Assignment. Developer understands that City and Authority are entering into this Agreement based on the prior experience and qualifications of Developer. Therefore, Developer shall not assign, sell or otherwise transfer any or all of its rights under this Agreement to any party without the prior written approval of the City and Authority. Approval of reasonable assignment is at the sole discretion of the City and Authority. City and Authority understand and acknowledge that in connection with finalizing and executing a DDA and/or OPA, Developer intends to partner with additional development, equity and debt persons and entities, will create new affiliate entities to be the developer thereafter, and expects to continue as the manager of such entities.
- R. Indemnity. Developer agrees to defend (with counsel approved by City), hold harmless and indemnify the Agency, Successor Agency, City, Authority and each of their officers, agents and employees (the "Indemnified Parties") from and against any and all claims, causes of action, liabilities, damages, judgments, losses, costs or expenses (including, without limitation, attorneys' fees) actually caused by or

resulting from Developer's acts or omissions pursuant to this Agreement; provided that the obligation to defend does not apply to actions arising solely from Indemnified Parties' acts or omissions; and provided, further, that the obligation to hold harmless applies only to the extent damages are the result of negligent acts or omissions or willful misconduct of Developer or Developer's agents, officers, owners or employees. Notwithstanding this limitation, Developer agrees to defend or pay the cost of defense of any action brought by any third party challenging the City's or Authority's ability to enter into this Exclusive Negotiation Agreement on any grounds whatsoever.

- S. Governing Law. This Agreement shall be interpreted and enforced in accordance with the provisions of California law in effect at the time it is executed, without regard to conflicts of laws provisions.
- T. No Third Party Beneficiaries. City, Authority and Developer expressly acknowledge and agree that they do not intend, by their execution of this Agreement, to benefit any persons or entities not signatory to this Agreement, including, without limitation, any brokers representing the parties to this transaction. No person or entity not a signatory to this Agreement shall have any rights or causes of action against either City, Authority or Developer arising out of or due to City's, Authority's or Developer's entry into this Agreement, excepting only the Agency and Successor Agency and their officers and employees' right to defense and indemnification set out in Section 3R above.
- U. Attorneys' Fees. In the event any action is taken by either party to this Agreement to enforce this Agreement, the prevailing party shall be entitled to recover from the other party its actual attorneys' fees and costs.

4. TERMS TO BE NEGOTIATED

City, Authority and Developer shall meet regularly with each other in order to negotiate a proposed DDA or OPA to include, without limitation, the following provisions:

- A. A single master development plan comprised of multiple phases (Scope of Development), whether it is the previously approved project or a revised project that is functional, aesthetic, and minimizes conflicts with and is sensitive to adjacent and nearby properties. Architectural and site design issues to be resolved shall include, but are not limited to, architectural and landscape quality, recreation and open space areas, access and circulation, determination of parcel boundaries, on-site and off-site improvements, Revitalization Area-perimeter treatment, landscape buffers, parking, signage, lighting, and easements, as applicable.
- B. Implementation of the Project design to maximize compatibility with the abutting and adjacent uses and to minimize negative impacts such as noise, light and traffic intrusion.

- C. Land acquisition procedures, which may include use of eminent domain, the time schedule for conveyance, if any, of portions of the Revitalization Area from City and Authority, the financing plan, and the cost of the Revitalization Area.
- D. The timing and conditions precedent for the conveyance, if any, of the Revitalization Area or any portion thereof to Developer, including low- and moderate-income housing covenants.
- E. The performance guarantees, amount of liquidated damages and good faith deposit to be required, if any. The proposed DDA or OPA shall require Developer to pay when due, on all those parcels owned by Developer, all taxes, assessments, and special taxes levied on the Revitalization Area and all debt service on all bonds outstanding from time to time which have a lien or encumbrance on the Revitalization Area. Any unused deposit shall be returned to Developer upon completion of the Project as evidenced by a Certificate of Completion issued by City.
- F. A schedule of performance encompassing appropriate and necessary legal, administrative, financial and construction benchmarks to be met by the appropriate party.
- G. Preparation by the Developer of a tract map subdividing the Revitalization Area into parcels as appropriate and necessary for the Project.
- H. The responsible party for all cost associated with the removal or remediation of any potentially hazardous materials from the Revitalization Area and demolition of all improvements on the Revitalization Area.
- I. Ownership of all plans, drawings and specifications prepared by Developer in the event of termination of the DDA or OPA.
- J. Operational and maintenance plans for the Project, including the parking and common/open space areas.
- K. A financing plan to address any financial participation by the City, Housing Authority and any other public agency.
- L. Remedies for any default and repurchase of property transferred as part of any DDA or OPA to Developer.

5 TERMINATION

Prior to expiration or termination of this Agreement, either party may terminate this Agreement upon occurrence of a material default, and the failure to cure such default after a thirty (30) day notice to the other Party and opportunity to cure said default. Default shall be evidenced by failure to timely perform any obligations under this Agreement.

6. NOTICES

Any notice or other communication given or made pursuant to this Agreement shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) telecopied, (iii) sent by confirmed e-mail delivery, (iv) sent by overnight express delivery, or (v) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

A. To City:

City Manager
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Tel: (626) 403-7210
FAX: (626) 403-7211

With copy to: Assistant City Manager

B. To Authority:

Executive Director
South Pasadena Housing Authority
1414 Mission Street
South Pasadena, CA 91030
Tel: (626) 403-7210
Fax: (626) 403-7211

C. To Developer:

Jonathan Genton, CEO
Genton Property Group, LLC
3243 S. La Cienega Blvd.
Los Angeles, CA 90016
Tel: (310) 802-2800
Fax: (310) 802-2801

7. ENTIRE AGREEMENT

This Agreement represents the entire agreement of the Parties and supersedes all negotiations or previous agreements between the Parties with respect to any of the subject matter hereof. This Agreement may not be amended unless agreed to in writing and certified by the signatures of the Parties hereunder.

(BALANCE OF PAGE INTENTIONALLY LEFT BLANK.)

8. EFFECTIVE DATE

The effective date of this Agreement shall be _____, 2012

CITY OF SOUTH PASADENA

By: _____
City Manager

Dated: _____

APPROVED AS TO FORM:

Jones & Mayer Attorneys at Law

By: _____
Richard L. Adams II, City Attorney

Dated: _____

DEVELOPER

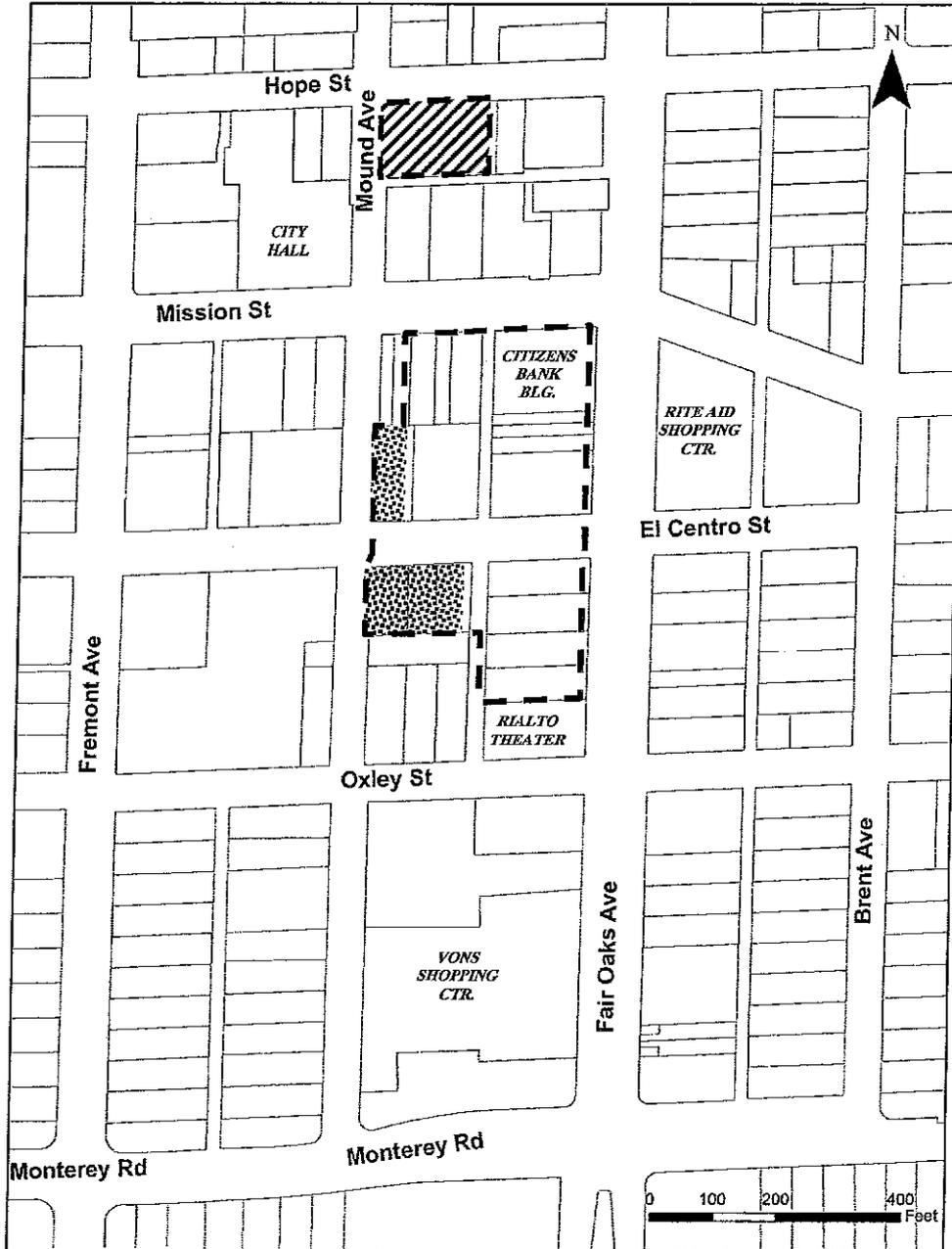
GENTON PROPERTY GROUP, LLC
A Delaware Limited Liability Company

By: _____
Jonathan Genton, CEO

Dated: _____

EXHIBIT A

Downtown Project Area
South Pasadena, CA



LEGEND

-  Downtown Project Area of Existing Entitlements
-  City of South Pasadena Owned Parcel
-  South Pasadena Housing Authority Owned Parcels

EXHIBIT B

SCHEDULE OF PERFORMANCE Milestone Dates and Complete List of Required/Action Steps To Be Determined and Arrived to Mutually Between City and Developer

Actions	Estimated Completion Dates	Council Meeting Dates
1. Execute Exclusive Negotiation Agreement	12-19-12	12-19-12
2. Establish Developer/City working Team	12-19-12	12-19-12
3. Complete Community Outreach Program, including meetings with business and property owners, community meetings as needed, opening Development Office and launching a project website	5-31-13	
4. Develop additional initial conceptual plans based on results of Outreach program and feasibility analysis and/or specific development plans	6-30-13	
5. Review additional initial concepts and feasibility with stakeholders	7-31-13	
6. Finalize DDA/OPA	8-19-13	

Note: Regularly scheduled meetings with the City, Authority, Working Team, business owners, and property owners will continue throughout the negotiation process.

FIRST AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT

THIS FIRST AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT (the “Agreement”) is entered into by and between (i) the CITY OF SOUTH PASADENA, a public body, corporate and politic (“City”), and (ii), the SOUTH PASADENA HOUSING AUTHORITY, a public body, corporate and politic (“Authority”), on the one hand, and (iii) GENTON PROPERTY GROUP, LLC a Delaware limited liability company, on the other hand (City, Authority and Developer may be referred to herein individually as a “Party” or collectively as the “ Parties).”

RECITALS

WHEREAS, on May 21, 2008, the City Council approved the Downtown Revitalization Project which involves the development of five building sites within a three-block area, (the “Downtown Revitalization Project” or “Project”). Overall, the Downtown Revitalization Project as approved would involve the demolition of 11,950 square feet of building area (Citizen's Business Bank building and the former South Pasadena Nursery site). The proposed project would result in approximately 41,000 square feet of retail uses, restaurant uses, bank uses, office uses, and up to 60 dwelling units, including a minimum of twelve (12) low- to moderate-income Senior Housing units. A total of 397 parking spaces will be provided throughout the project area; this includes 59 spaces at the southeast corner of Hope Street and Mound Avenue (this parcel will no longer have housing units planned), and 338 spaces on various surface lots and in a multi-level garage; and

WHEREAS, the City, Authority and Developer entered into an Exclusive Negotiation Agreement (ENA) on December 19, 2012 for the purposing of negotiating one or more Disposition and Development Agreements (DDA) for the Project, City-owned and Authority-owned properties within the Project site and the Entitlements; and

WHEREAS, despite substantial progress in negotiations, due to the statutory elimination of Redevelopment Agencies by the State of California, and related delays associated with the ability of Developer to purchase the real property located at 1500 El Centro, South Pasadena, CA (APN # 5315-003-901) (“the Successor Agency Parcel”), a lot consisting of 8455 square feet, an integral parcel of property currently held by the Successor Agency to the City of South Pasadena Redevelopment Agency (“the Successor Agency”) which is part of the Project site, the parties desire to extend the term of the Exclusive Negotiating Period and modify it in certain respects; and

WHEREAS, the Successor Agency submitted a proposed Long Range Property Management Plan or about August 16, 2013 to the Department of Finance to allow the Successor Agency Parcel to be sold pursuant to the approved Redevelopment Plan and approved Project, due to statutory periods in which the Department of Finance is allowed to review that plan and the subsequent sale document, final sale of the Successor Agency Parcel will be delayed for several more months; and

WHEREAS, since the ENA was approved, the Council has formed the Ad Hoc Downtown Project Advisory Committee, which is in the process of holding public meetings to provide input on revised Project features, design, style and amenities, all of which are necessary to complete the process of negotiating the DDAs for the real property for the Project; and

WHEREAS, the City and Authority have contracted for appraisals of the Project parcels owned by them in order to assist them in negotiating appropriate terms for the DDAs, but those appraisals have not yet been completed; and

WHEREAS, in addition to engaging in good faith negotiations with the City and Authority, the Developer has entered into a reimbursement agreement to pay City's and Authority's out of pocket costs associated with financial evaluation, real estate appraisal and legal services relating to the negotiations;

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, City, Authority and Developer mutually agree as follows:

1. This First Amendment to Exclusive Negotiation Agreement ("First Amendment") is intended to extend the term of the ENA as provided herein. All provisions of the ENA between the City, Authority and Developer entered into on December 19, 2012 shall remain in full force and effect, except as modified herein.

2. Paragraph 1 of the ENA is hereby modified to read as follows:

1. PURPOSE

The purpose of this Agreement is to provide for the negotiation by the parties of one or more Disposition and Development Agreements (DDA) providing for, among other things, the following:

A. Acquisition by Developer of all or portions of the Downtown Revitalization Project Area ("Revitalization Area") for redevelopment in accordance with the Redevelopment Plan and the General Plan, and for the development and construction of commercial, retail, restaurant, office, residential, entertainment, open space and/or parking uses (the "Project"). The Project shall be subject to and consistent with the requirements of the California Environmental Quality Act, related State Guidelines and related local ordinances (collectively, "CEQA").

The Revitalization Area consists of property primarily located within the boundaries of Mission Street, Fair Oaks Avenue, Oxley Street, and Mound Avenue (as depicted in Exhibit "A"), including:

1) Approximately 0.6 acres (comprised of three parcels owned by the Authority totaling 0.41 acres on the south side of El Centro Street and one parcel owned by the Successor Agency to the South Pasadena Redevelopment Agency totaling 0.19 acre on the north side of El Centro Street) currently owned by the Authority and Successor Agency in fee simple;

- 2) Approximately 0.60 acres comprised of streets, alleys and lanes to which City has a dedicated public right-of-way easement;
- 3) Approximately 1.76 acres of property south of Mission Street and West of Fair Oaks Avenue; and,
- 4) Approximately 0.717 acres generally located adjacent to the areas described above, which are currently owned by various third parties.

B. Coordination of the planning, design and construction of the Project. The parties intend at this time that the project be built as it was approved in May 2008 or a similar but less intensive project. However, City and Developer recognize that some changes may be required in the Project as previously approved due to marketability, feasibility, ability to acquire property or agreements with existing property owners, etc. Developer shall advise City of any changes it wishes to make in the Project design or phasing as approved, and shall be responsible for paying for any required environmental review by the City and securing all necessary land use approvals which may be required, following receipt of the Ad Hoc Downtown Project Advisory Committee's recommendation to the Council.

C. Potential City and Authority assistance in the form of property and financial contributions, development fees, and/or improvements, in accordance with all applicable legal requirements, for the development of public improvements and low income housing including, infrastructure and open space within the Revitalization Area.

D. The respective participation and responsibilities of Developer, City and Authority necessary to further the purpose of developing the Project, including, but not limited to, processing, relevant fees, approvals and permits.

3. Paragraph 2 of the ENA is hereby modified to read as follows:

2. EXCLUSIVE RIGHT TO NEGOTIATE

A. City and Authority hereby grant to Developer, and Developer hereby accepts, an exclusive right to negotiate in accordance with the terms of this Agreement, commencing on the effective date of this First Amendment and continuing in full force and effect until expiration as set forth below or earlier termination pursuant to Paragraph 2C and Paragraph 5 hereof.

B. City, Authority and Developer agree, for the period extending at least until June 30, 2014, or such longer time as may be necessary to complete the steps required as set forth in Exhibit "B" hereto, to negotiate diligently and in good faith to prepare one or more DDAs to be entered into by City, Authority and Developer with regard to the purposes described above. During the term of this Agreement, City and Authority agree not to negotiate for the development of the Revitalization Area, or

any portion thereof, with any party other than Developer, or to initiate any other development of the Revitalization Area or any portion thereof.

- C. In the event that Developer determines that the Project is not feasible, or that the parties are not likely to finalize and execute one or more mutually agreeable DDAs, Developer may terminate this Agreement by delivering written notice thereof to City and Authority. Within thirty (30) days after notice of such termination, any funds held by City from the amount deposited pursuant to the Deposit and Reimbursement Agreement which are not necessary to pay costs which have been incurred up to the date of such termination shall be turned over to Developer and all other obligations under this Agreement shall terminate.

4. Paragraph 3A of the ENA is hereby modified to read as follows:

- A. Good Faith Deposit. At the time of execution of the Amendment and Extension of the Agreement, Developer shall pay the City the sum of \$50,000 as an exclusive negotiating extension fee. The parties acknowledge and agree that this payment shall be a non-refundable fee for extending the ENA. The prior Good Faith Deposit in the amount of One Hundred Thousand Dollars (\$100,000) held in escrow shall be refunded to Developer upon payment of the exclusive negotiating extension fee and the escrow shall be terminated.

5. Paragraph 3B of the ENA is hereby modified to read as follows:

- B. Financial Investment. City, Authority and Developer, in entering into this Agreement, have directed their respective representatives to undertake negotiations regarding the public and private investment required to accomplish the objectives intended by a proposed DDA. Within sixty (60) days following execution of the ENA extension, Developer shall submit to City and Authority evidence reasonably satisfactory to City and Authority demonstrating that Developer has or may obtain necessary financing/financial wherewithal in an amount sufficient to pay for a development project of the type and size represented by the Downtown Revitalization Project.

6. Paragraph 3G of the ENA is hereby modified to read as follows:

3. [TERMS AND CONDITIONS OF THE EXCLUSIVE NEGOTIATION AGREEMENT]

....

- G. Project Shaping/Public Outreach and Engagement. To ensure that redevelopment of the Revitalization Area reflects reasonable community interests and desires, and due to Developer's desire to initiate improvements to the Project from the project approved in May 2008, Developer shall participate and provide information to the Ad Hoc Downtown Project Advisory Committee and participate in related public meetings, as well as meetings with individual property owners in and around the

Project area, to communicate with and receive input from stakeholders in the Revitalization Area. Developer shall be obligated to: meet with individual property owners and business owners in the immediate project area; meet with property and business owners elsewhere in the community; attend meetings and provide information as requested to the Ad Hoc Downtown Project Advisory Committee; participate in the preparation and mailing of notices regarding the project and the relevant public meetings.

7. Paragraph 3H of the ENA is hereby modified to read as follows:

H. Project Feasibility. During negotiations, Developer shall undertake and complete its responsibilities and tasks necessary to define the scope of development, identify the Project's development feasibility, and delineate each party's role and obligations necessary to formulate one or more DDAs. Project feasibility shall be supported by an economic pro-forma analysis, which should contain site acquisition costs, hard costs, soft costs, financing costs, Developer's assumptions, and other appropriate financial information. Developer shall also include a market analysis to validate that the Project (as existing and/or as modified) would engender a reasonable level of income and a reasonable return on investment for Developer. Project feasibility documents described above shall be submitted to City and Authority by Developer within ten (10) business days of demand by the City and Authority. City, Authority and Developer each acknowledge that the task of developing a detailed timeline for development of the Project and proposed Project financing plan is a deliberate process requiring consideration of numerous elements. City, Authority and Developer further acknowledge that the completion of this process may require the City, Authority and Developer to consider various alternate structures for any future DDA between them for acquisition and redevelopment of the Site, including but not limited to public/private financing programs, with the potential for public agency financial and/or land contributions to the Project, as well as site acquisition and preparation, in order to promote the adopted Redevelopment Plan and the Project on terms that are economically feasible and mutually satisfactory to both City and Authority on the one hand and Developer on the other hand.

8. Paragraph 3J of the ENA is hereby modified to read as follows:

J. Planning Costs and Expenses. The parties have entered into a Deposit and Reimbursement Agreement to cover City and Authority's out-of-pocket expenses related to the negotiation of the DDA. The final DDA shall provide for all costs and expenses of the City and/or Authority to be reimbursed by Developer, to include any other costs and expenses of negotiating and finalizing this Agreement and the DDA.

9. Paragraph 5 of the ENA is hereby modified to read as follows:

5. TERMINATION

This Agreement shall terminate upon approval by City and Authority of one or more DDAs covering all of the Properties identified in Paragraph 1 A hereof which are owned by City and Authority. Prior to expiration or termination of this Agreement, either party may terminate this Agreement upon occurrence of a material default, and the failure to cure such default after a twenty (20) business day notice to the other Party and opportunity to cure said default. Default shall be evidenced by failure to timely perform any obligations under this Agreement, except as may be mutually extended by written agreement of the parties hereto.

10. Paragraph 7 of the ENA is hereby modified to read as follows:

7. ENTIRE AGREEMENT

This Agreement represents the entire agreement of the Parties and supersedes all negotiations or previous agreements between the Parties with respect to any of the subject matter hereof, excluding the Deposit and Reimbursement Agreement executed on June 19, 2013. This Agreement may not be amended unless agreed to in writing and certified by the signatures of the Parties hereunder.

11. Exhibit B of the ENA is hereby modified as reflected in Exhibit "B" hereto.

12. EFFECTIVE DATE

The effective date of this First Amendment to Agreement shall be _____, 2013.

CITY OF SOUTH PASADENA

By: _____
City Manager

Dated: _____

APPROVED AS TO FORM:

Jones & Mayer Attorneys at Law

By: _____
Richard L. Adams II, City Attorney

Dated: _____

DEVELOPER

GENTON PROPERTY GROUP, LLC
A Delaware Limited Liability Company

By: _____
Jonathan Genton, CEO

Dated: _____

EXHIBIT A

Downtown Project Area
South Pasadena, CA



LEGEND

-  Downtown Project Area of Existing Entitlements
-  City of South Pasadena Owned Land
-  South Pasadena Housing Authority Owned
-  Successor Agency to South Pasadena CRA Owned

EXHIBIT B

SCHEDULE OF PERFORMANCE

Milestone Dates and Complete List of Required/Action Steps
To Be Determined and Arrived to Mutually Between City and Developer

Actions	Estimated Completion Dates	Council Meeting Dates
1. Execute Amendment to Exclusive Negotiation Agreement	9-4-13	9-4-13
2. Developer will provide evidence of equity financing/financial wherewithal in an amount sufficient to pay for acquisition and development of the Revitalization Area	60 days after execution of ENA Amendment	N/A
Project Shaping		
3. Public Information/Public Engagement:		N/A
a) meetings with site property and business owners; offsite property and business owners;	Various	
b) Ad Hoc Downtown Project Advisory Committee;	Various	
c) opening of development website	9-16-13	
4. Submission of Pro Forma to Staff and Consultant for Review and Comment	10 days after execution of ENA Amendment	N/A
Project Entitlement		
5. Preparation and submittal of proposed revised Planned Development Permit	120 days after completion of Shaping Phase	N/A
6. Preparation of required environmental review for proposed Planned Development Permit	60 days after submission of Proposed Revised PDP	N/A
7. Finalize Disposition and Development Agreement	Prior to submission of PDP Application and Environment Review to Ad Hoc Committee and PC	N/A

8. Review of Planned Development Permit, Disposition and Development Agreement and Environmental Review by Ad Hoc Downtown Project Advisory Committee and Planning Commission	90 Days after completion of DDA negotiations and such additional time as may be required for public noticing	N/A
9. Review of Planned Development Permit, Disposition and Development Agreements and Environmental Review by City Council	After Ad Hoc Committee Review and PC Action, following required public hearing notices	June 2014

Note: Regularly scheduled meetings with the City, Authority, Working Team, business owners, and property owners will continue throughout the negotiation process.

ATTACHMENT 2

Appraisal of Property Identified by
APN 5315-003-901

Attachment 2

MARKET VALUE APPRAISAL
CITY OF SOUTH PASADENA
COMMUNITY LOTS
APNS: 5315-003-901, 5315-003-902
5315-003-903, 5315-003-904
MOUND AVENUE AND EL CENTRO STREET
SOUTH PASADENA, CA 91030

PREPARED FOR
MR. JOHN MAYER
SENIOR PLANNER
CITY OF SOUTH PASADENA
1414 MISSION STREET
SOUTH PASADENA, CA 91030

PREPARED BY
NORRIS REALTY ADVISORS
101 EAST GREEN STREET, SUITE 9
PASADENA, CALIFORNIA 91105

SEPTEMBER 2013
FILE NO. 3269

NORRIS REALTY ADVISORS
REAL ESTATE APPRAISERS & CONSULTANTS
101 EAST GREEN STREET, SUITE 9
PASADENA, CA 91105

STEVEN R. NORRIS, MAI, CRE
NANCY KRISTOFFERSON

TELEPHONE: (626) 405-9922
FACSIMILE: (626) 405-0822

September 5, 2013

Mr. John Mayer
Senior Planner
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

Re: Fee Simple Market Value Appraisal
APNS: 5315-003-901, 5315-003-902, 5315-003-903, 5315-003-904
Mound Avenue & El Centro Street
South Pasadena, CA 91030
Our Job No. 3269

Dear Mr. Mayer:

In accordance with your request and authorization, we have appraised the above-referenced properties and have formed our opinions of value. The subject properties consist of four parcels of land and contain approximately 26,276 square feet or 0.603 acres. There are 1,950 square feet of retail improvements on parcel 5315-003-903 & 904 and the remaining parcels are improved with parking.

The purpose of this letter is to set forth the "As-Is" Market Value of the Fee Simple Estate of the above referenced parcels taking into consideration the anticipated development project. Our analysis has also considered the present entitlement approvals for the properties as a whole. Parcel 5315-003-901 will be valued separately and the remaining parcels will be valued as one economic unit.

This appraisal report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). This is an appraisal presented in a self-contained report format. The market values, as estimated herein, are premised upon our Assumptions and Limiting Conditions and our Special Assumptions section of this report that are integral to the valuation of the property.

Based upon a careful inspection of the subject environs and all discoverable factors that influence value, it is our conclusion that the market values of the Fee Simple Interest, as described in this report, according to the Assumptions and Limiting Conditions contained herein, based on conditions as of September 3, 2013, are:

PARCEL 5315-003-901
SIX HUNDRED THIRTY FIVE THOUSAND DOLLARS
(\$635,000)

We appreciate the opportunity to be of service, and we look forward to future consultations at your request.


NORRIS REALTY ADVISORS
Steven R. Norris, MAI, CRE
California Certification No. AG001677


Peter H. Milio, SCREA
California Certification No. AG03225

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CERTIFICATION

The appraisers certify, to the best of their knowledge and belief, that:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- The appraisers have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Receipt of the appraisal assignment was not based upon a requested minimum value, a specific value or approval of a loan.
- The appraisers' analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP).
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of value, Steven R. Norris has completed the requirements of the continuing education program of the Appraisal Institute.
- Steven R. Norris, MAI, CRE personally inspected the exterior of the subject properties on August 26, 2013. Peter Milio Personally inspected the exterior of the subject properties on September 2, 2013.
- The appraiser(s) signing this report have not provided any service relating to the subject property in the period of three years immediately preceding acceptance of this assignment, as an appraiser or in any other capacity.
- Joyce Ma provided professional assistance to the persons signing this report with respect to preliminary analysis, data collection, and report preparation.
- Our firm's analyses, opinions and conclusions were developed and this report is intended to comply with the appraisal related mandates within Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA).
- The appraisers have extensive experience appraising properties similar to the subject.



Steven R. Norris, MAI, CRE
California Certification No. AG001677



Peter H. Milio, SCREA
California Certification No. AG032257

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management
3. All maps and exhibits in this report are intended to be visual aids and should not be construed as surveys or engineering reports.
4. All information in this report has been obtained from reliable sources. The appraisers cannot, however, guarantee or be responsible for the accuracy of information furnished by others.
5. This opinion of value applies to land and improvements only. Unless otherwise stated in this report, the value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
6. Possession of this report or a copy thereof does not imply the right of publication or use for any purpose by any other than the addressee without the written consent of the appraisers.
7. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance relative to such additional employment. This report has been completed for asset monitoring purposes only, and may not be used for any further purposes by the client without our express written permission.
8. The distribution of the total valuation in this report between land and improvements applies only to the existing utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
9. The land, and particularly the soil, of the area under appraisement appears firm and solid. Subsidence in the area is unknown or uncommon, but the appraisers do not warrant against this condition or occurrence.
10. Subsurface rights (minerals and oil) were not considered in making this appraisal.
11. Data relative to both land and improvement areas were obtained from sources considered to be reliable. We reserve the right to amend our value indications should further information regarding land or building dimensions be made available.
12. The comparable sales data relied upon in this appraisal are believed to be from reliable sources; however, it was not possible to inspect the comparables completely and it was necessary to rely on information furnished by other as to said data, therefore, the value conclusions are subject to the correctness and verification of said data.
13. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are connected or any reference to the Appraisal Institute.

14. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation or other hazardous substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, not for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.
15. The appraisers are not considered experts with regard to compliance with the Americans with Disabilities Act (ADA) of 1990. Unless otherwise stated, no responsibility is assumed for any noncompliance with the provision of the ADA. The client is urged to retain an expert in the field of ADA assessment impacts upon real estate if so desired.

Special Assumptions

The subject property consists of four parcels with the following APNs: 5315-003-901, 5315-003-902, 5315-003-903 and 5315-003-904. These parcels are part of a larger proposed development plan called "The Downtown Revitalization Project" that has not yet been approved by the City of South Pasadena. Our appraisal provides one value for parcel 5315-003-901 and a separate value for the remaining three parcels.

As referenced by the client, The City of South Pasadena, the parcels **5315-003-902, 5315-003-903 and 5315-003-904** will be a part of Building Site C under the proposed development plans. Site C contains several other parcels that are not a part of our valuation including: 5315-003-039, 5315-003-040 and 5315-003-041. Parcel **5315-003-901** will be a part of the land area included in Building Site D in the development plans. Site D contains several other parcels that are not a part of our valuation including: 5315-003-044, 5315-003-048, 5315-003-049 and 5315-003-057.

Our valuation of the subject property takes into account the possible future entitlements granted to the land, assuming that the development proposal is approved and proceeds.

The proposal for **Building Site C** would require the demolition of a former plant nursery which is currently leased to the South Pasadena Community Theater, which is located on subject parcels 5315-003-903 and 5315-003-904. Site C would include the construction of a new 24,796 square foot building to include: 5,741 square feet of retail uses, 12 residential units for affordable senior housing, and 3 residential units or office spaces. The proposal for **Building Site D** involves the construction of a new 54,159 square foot structure including: 5,928 square feet of retail space, a 5,100 square foot bowling alley, 4,350 square feet of restaurant space and 19 housing units. Our valuation takes into account these entitlements for the four parcels. See the Project Area Map and Planned Development Permit Conditions in the Addenda for more information on the proposed development.

SUMMARY OF SALIENT FACTS

Client: City of South Pasadena

Owner of Record: The City of South Pasadena Housing Authority; The Community Redevelopment agency of the City of South Pasadena

Property Location: Intersection of Mound Avenue and El Centro Street, South Pasadena.
 APN: 5315-003-901; APNs: 5315-003-902, 5315-003-903, 5315-003-904

Land Area: APN 5315-003-901: 0.194 acres / 8,455 square feet
 APNs 5315-003-902, 903, 904: 0.409 acres / 17,812 square feet

Zoning: CG- Commercial General, City of South Pasadena

Purpose and Intended Use of Appraisal: The intended use of the appraisal is to aid in negotiations for The City of South Pasadena’s Downtown Revitalization Project for the client. The intended user of the appraisal is The City of South Pasadena. The purpose of this report is to estimate the “As-Is” Market Value of the subject parcels, as described herein.

Interest Appraised: Fee Simple Interest

Date of Value: September 3, 2013

Improvements: Site C (as referenced by the client) contains three of the subject parcels, with the following APNs: 5315-003-902, 5315-003-903, and 5315-003-904. Site C is currently developed with a 1,950 square foot building used for performing arts events. Site D (containing the subject parcel: 5315-003-901) is improved as a parking lot.

Highest and Best Use: Existing use as an interim use until the properties can be redeveloped.

VALUE CONCLUSIONS

APN# 5315-003-901

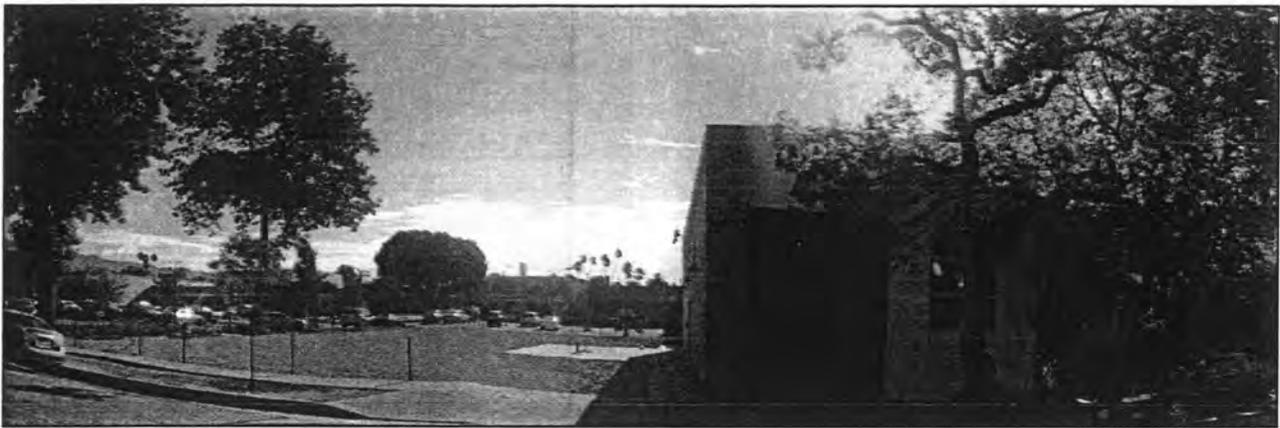
As Is Fee Simple Market Value \$635,000

APN# 5315-003-902, 5315-003-903, 5315-003-904

Subject Photographs



Parcels 5315-003-902, 903 and 904 north elevation.



Parcels 5315-003-902, 903 and 904 west elevation (904 in foreground).

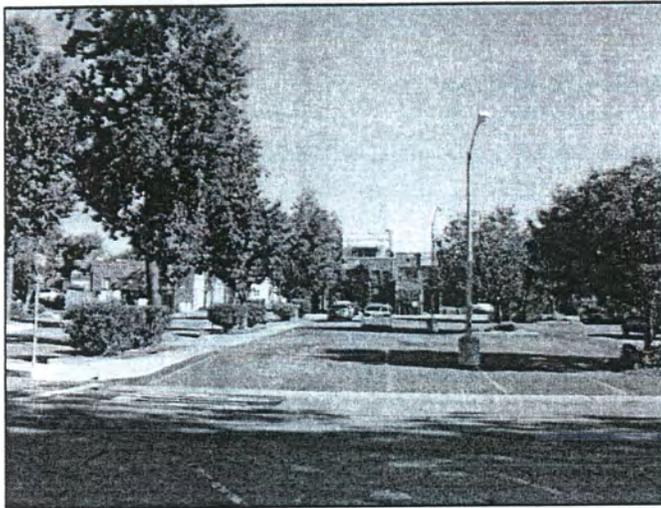


Parcels 5315-003-902, 903 and 904 east elevation (902 in foreground).

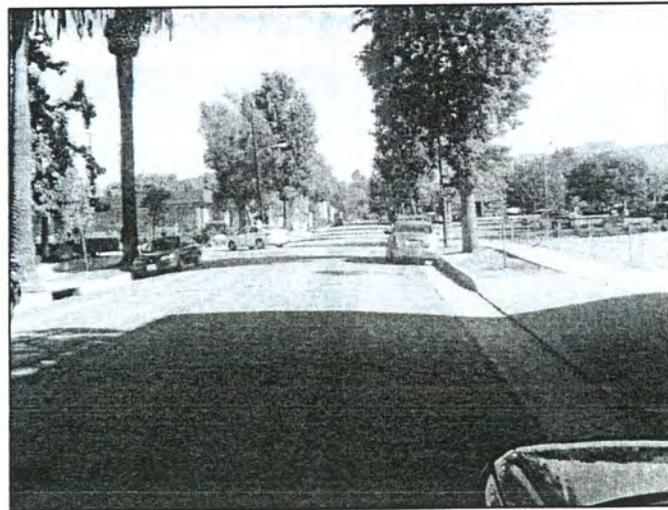
Subject Photographs Continued



Parcels 5315-003-901 west elevation.



Southern elevation of parcel 5315-003-901. El Centro Street looking east parcels on left and right.



Mound Avenue looking north subject parcels on the right.

INTRODUCTION

Identification of the Property

The subject consists of four parcels located at the intersection of Mound Avenue and El Centro Street in South Pasadena, California 91030. The subject is situated approximately one half-mile south of the #110 Pasadena Freeway and approximately 3 miles north of the #10 Santa Ana Freeway and the #710 Long Beach Freeway. The subject property consists of the parcels 5315-003-901, 5315-003-902, 5315-003-903 and 5315-003-904.

Legal Description

A legal description of the subject is presented in the Addenda.

Purpose of the Appraisal

The purpose is to estimate the "As Is" Market Value of the Fee Simple Estate of parcel 5315-003-901 and the "As Is" Market Value of the Fee Simple Estate of parcels 5315-003-902, 5315-003-903, and 5315-003-904 taking into consideration the current entitlements.

Intended Use and User of the Appraisal

The intended use of the appraisal is to serve as an aid for the client in negotiations with the developer for Pasadena's Downtown Revitalization Project. The intended user of the appraisal is The City of South Pasadena.

Definition of Market Value

The term "market value," as used in this report, is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of Title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interest;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Source: Comptroller of Currency Insurance Regulation 563.17-1a(b)(2).

Property Rights Appraised

The property rights valued consist of the Fee Simple Estate in the subject property.

Definition of Fee Simple Estate

According to the Appraisal Institute, Dictionary of Real Estate Appraisal, 5th Edition, 2010, the term "Fee Simple Estate," as used in this report, is defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Market Value As Is

Market Value As Is reflects an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection. The As Is Market Value will reflect the Fee Simple Estate.

Current Ownership

According to the Grant Deed #476614, dated February 19, 2003, ownership of parcel #5315-003-902 is vested in The City of South Pasadena Housing Authority. According to Grant Deed #335840, dated January 30, 2012, ownership of parcels #5315-003-903 and #5315-003-904 are also vested in The City of South Pasadena Housing Authority. Grant Deed #476614, dated March 29, 2013 indicated ownership of parcel #5315-003-901 is vested in the successor agency to the Community Redevelopment agency of the City of South Pasadena. Parcels 5315-003-903 and 5315-003-904 are currently leased by Stephen and Sally Goodwin on a month-to-month basis from the Community Redevelopment Agency of the City of South Pasadena. The lease started on November 5, 2009 and the initial term expired on October 31, 2011 with a lease amount of \$1,500 per month. The property is currently on a month-to-month basis and either party can cancel the lease with 90 days notice.

Date of Value/Date of Report

The date of this report is found in the Transmittal Letter. The date of value is September 3, 2013, corresponding to the date the property was inspected.

Scope of the Appraisal

The scope of the appraisal encompasses the necessary research and analysis to prepare the report in accordance with the intended use, the *Standards of Professional Practice of the Appraisal Institute*, and the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation. Regarding the subject property, this involved the following steps:

1. The exterior of the subject properties was personally inspected by Peter Milio on September 3, 2013.
2. Regional and local information was based on our research of the area and data in the files of Norris Realty Advisors. Data on the retail/commercial market in the area of the subject was obtained from our field research and conversations with numerous commercial real estate brokers and consultants familiar with the subject property type.
3. Physical data pertaining to the subject was based information supplied to us by the client and the owner of the subject.
4. In estimating the Highest and Best Use of the property, an analysis was made of data compiled in the steps noted above. In addition, our study of the commercial real estate marketplace was referenced in order to determine the economic feasibility of the subject property in light of present development requirements.
5. In developing the approaches to value, data from the files of Norris Realty Advisors was referenced, as well as our research into the sales and operation of other commercial properties in the area. Commercial real estate consultants, leasing agents and brokers, and professionals familiar with the subject property type were also contacted.
6. After assembling the market data, final estimates of value were made.

REGIONAL AND AREA ECONOMIC OVERVIEW

The commercial real estate sector of the economy is influenced by factors that are global, national, and regional in nature. In order to understand the local conditions which affect the ever-changing value of individual assets, the larger economic forces which drive those conditions must be considered.

Developments in the Global and National Economy

Calendar year 2012 saw a number of interesting developments in the global economy which have implications for California's future. The health of the European economy continues to weigh heavily on the global economic outlook. The ongoing sovereign debt crisis in Europe is projected to be the most severe global economic threat for 2013. Another major factor in global economic well being is the decreased growth rate of the Chinese economy. China's economy grew at a double digit rate before slowing down to single digit growth in 2012. This slow down has been a major source of concern for the global economy, as China's overall performance is closely linked to the international economy through trade, foreign direct investment and capital flows.

According to CNN Money, all of the above conditions have created a domino effect of sorts, with a threat existing for weaker global trade. Chinese exports are directly affected when the U.S. and European economies are slow. Additionally, in the midst of this global economic insecurity, Chinese authorities have been hesitant to stimulate their economy because of the pressing concerns about rapid credit growth and fears of a property bubble¹.

Businessweek reports in the second quarter of 2013, that sluggish, "global economic recovery, increasing energy production in the U.S. and slightly lower growth in China are putting pressure on oil prices²." The drivers for higher oil prices are simply not there. The US is becoming less foreign energy dependent, due to discoveries of massive oil and natural gas deposits in the Midwest. The stronger dollar has also made it more difficult for oil prices to advance as it makes crude more expensive and a less attractive investment for traders using other currencies. The appreciation of the dollar is due largely in part to the drop in the Yen following the Bank of Japan's announcement of their aggressive monetary easing campaign. Generally, looser monetary policies tend to weaken a country's currency.

The U.S. Energy Information Administration (EIA) confirms the above oil price stagnation by reporting that the average 2012 crude oil price remains near 2011 levels. Brent crude oil averaged \$111.67 per barrel, slightly above the 2011 average of \$111.26. Meanwhile, West Texas intermediate oil averaged \$94.05 per barrel in 2012 and, which was slightly down from \$94.88 in 2011³. It is also reported that in its largest yearly increase to date, U.S. crude oil production rose by an estimated 780,000 barrels per day in 2012. The Los Angeles County Economic Development Corporation (LAEDC) asserts that this increased concentration on energy production within the U.S. will bring the country closer to self-sufficiency in the next 10 years.

¹ http://money.cnn.com/2013/04/23/news/economy/slow-global-economy/index.html?iid=H_E_News

² <http://www.businessweek.com/ap/2013-04-17/oil-prices-slips-but-remains-above-88>

³ <http://www.eia.gov/todayinenergy/detail.cfm?id=9530>

Lower energy prices would have significant ramifications on California’s economy, as port activity and the industrial sector throughout California could benefit from these prices. However, with sluggish global trade and commerce, it remains to be seen whether California will make gains from the energy price changes.

Meanwhile, the European debt crisis continues to threaten the credit stability of other countries around the world. The economies with the highest probability of default are shown in the chart to the right. Argentina is positioned as the riskiest sovereign credit, with a one in two chance of defaulting before the end of the year. A last minute bail out of Cyprus prevented a default; however, default risk remains high at 70% over five years. Tunisia made its debut at number 10, displacing Spain.

Entity Name	Mid Spread	CPD (%)
Argentina	4,088.00	84.50
Cyprus	1,408.00	70.00
Pakistan	933.00	49.90
Venezuela	740.00	41.30
Egypt	690.00	39.10
Ukraine	594.00	34.80
Portugal	409.00	31.20
Iraq	479.00	28.90
Lebanon	418.00	26.30
Tunisia (proxy)	393.00	24.80

In August 2011, S&P downgraded the United States from a debt rating of AAA to AA+. In January of 2013, Congress voted to raise the debt ceiling through mid-May in order to avoid a potential government shutdown in late March. Although still grappling with the downgraded status, the U.S. does appear to be making progress. The trillion dollar budget deficits of the past four years should give way to a deficit of just over \$864 billion in 2013 with an anticipated further decline to \$675 billion in 2014, according to the Congressional Budget Office. The most recent economy stimulus activities include the Fed’s continued purchasing of long-term Treasuries at a rate of \$45 billion per month, helping keep long-term rates historically low. Overall, the economy is projected to grow at a modest pace over the next two years, but the risk of further recession is present. As firms increasingly shift their attention away from cost management to focus more on revenue and profit growth, momentum in the private sector may become more apparent. While the progress may be slow, California stands to benefit from these improvements.

State of California

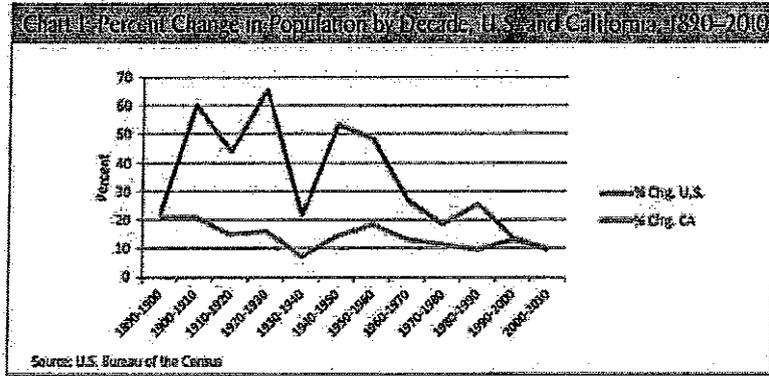
California is the most populous state in the nation, with roughly 38.0 million residents. According to the U.S. Census Bureau, between the 2010 Census and July 2012, California added 787,474 persons, which is attributed to net migration and natural increases in the population. This represents an overall 2.1% increase in total population. This is an increase from the previous year-over-year change, which saw only a 0.73% increase in people added to California’s population between 2010 and the 2011 Census. The table below summarizes California’s population and employment changes from 1990 through the present.

	1990-2000 Growth														2001-2012 Growth			
	1990	2000	#	%	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	#	%
Population (000s)	29,757	33,872	4,115	13.8%	34,501	34,916	35,307	35,629	35,885	36,121	36,378	36,757	36,962	37,254	37,692	38,041	3,540	10.5%
Employment (000s)	14,294	16,024	1,730	12.1%	16,220	16,180	16,200	16,742	16,861	17,029	17,208	17,096	16,164	15,878	16,201	16,871	651	4.1%

Source: Census Department & The Employment Development Department (EDD)

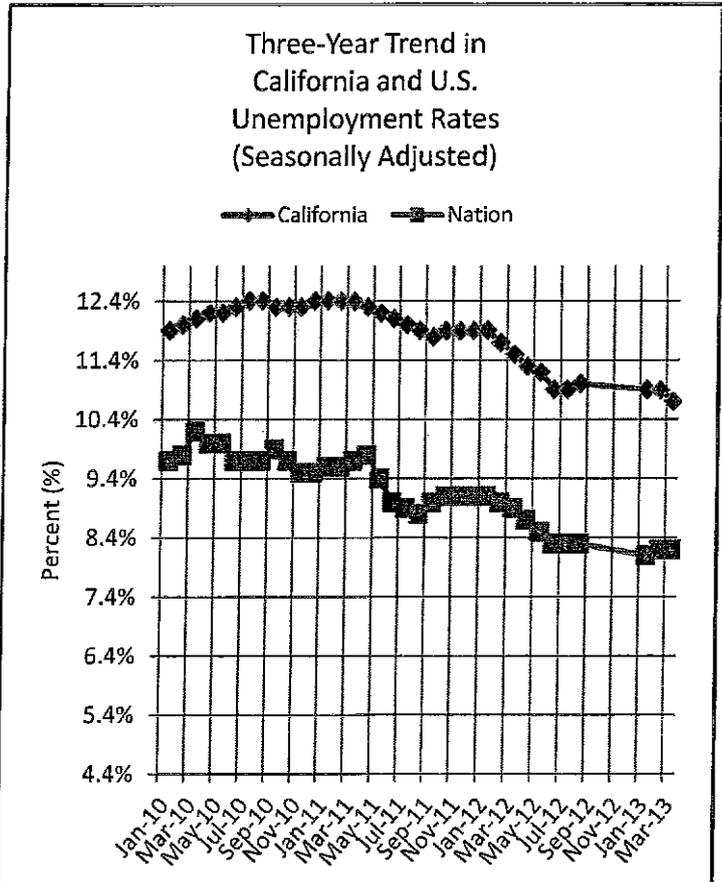
*2000 and 2010 are official figures; the remaining years are Census Bureau estimates of the population in July of that year.

Looking at the Employment and Population chart above, it is evident that employment gains are well behind those of overall population growth in California. Between 1990 and 2000, the population increased by more than 4 million persons, or 13.8%. This compared with employment growth during the same time frame of 12.1%, which is rather significant, given the recession during the mid-1990s. From 2001 through 2010 there was an increase of 2.75 million persons, or 8.1%, but state employment numbers *decreased* by 342,000, or 2.1%.



Between 2003 and 2007, California added more than one million new jobs; however, more than 1.3 million jobs were lost over the rest of the decade due to the recession. California's unemployment rate rose to 12.4% during the recession, nearly 2.4 percentage points higher than the national rate. That condition has been slowly recovering; between 2010 and 2011 roughly 300,000 jobs were added in California. As a positive sign, the most current employment numbers appear to be on par with 2000 levels, indicating a gradual recovery from the recession. While analysts anticipate improvements in the economy and gains in the labor market in 2013, the state's long run normal rate of unemployment is still distant.

In February 2013, the Los Angeles County Economic Development Corporation (LAEDC) reported that the State of California's unemployment rate fell by 1.4% over the course of last year, finishing the year at 9.8%; the first single digit reading since January 2009. Nearly every industry in the statewide economy added workers to their ranks last year, a trend that is expected to continue through 2013. The chart to the right, created with the state of California's Employment Development Department, provides a snapshot of three-year trends in unemployment rates for California and the nation. As of March 2013, the nation posted an unemployment rate of 7.6% (down from 8.3% for the same month last year), while California posted an unemployment rate of 9.4% (down from 11%). National and regional unemployment rates are gradually declining, especially over the last 6 months.



According to the LAEDC, based on 2012 estimates, California surpassed Italy to become

the eighth largest economy in the world. In 2011, California reportedly generated \$1.96 trillion. Just a decade ago, California's GDP ranked 5th in the world.

State of California Outlook

According to the LAEDC, over the next two years, California's overall economy should outpace the U.S., with GSP growth rates of 3.1% in 2013 and 4.6% next year. With improvements in the economy and the passage of the Proposition 30 in November 2012, the California state government, local governments, and other local jurisdictions and districts across the state should face greater fiscal stability than has been the case for many years. Overall, the fundamentals of the state economy stabilized somewhat in 2012, and will continue to support growth and expansion over the next years. Additionally, the state will also improve by attracting the largest pool of venture capital anywhere in the country, by continuing to export high value manufacturing along with a variety of agricultural and food products, and will lead the country in information technology and a range of new energy technologies.

Over the course of 2012, the unemployment rate fell by 1.4%, finishing the year at 9.8%, the first single digit reading since January 2009. Consistent with that decline in unemployment, nonfarm job growth in California picked up, averaging 1.8% with 248,000 new jobs added compared to only 0.9% a year earlier. This progress was slightly higher than the 1.7% growth rate nationally. Regionally, San Jose (Silicon Valley) and San Francisco led the pack throughout the year in terms of job growth. Nearly all of the major metropolitan areas of the state added jobs in 2012. While unemployment rates across the nine-county Bay Area all finished the year with single digit unemployment numbers, the Central Valley lagged (typically) behind with unemployment in the double digits.

The five largest private sector industries (in order, leisure and hospitality; retail trade; health care; professional, scientific and technical services, and administrative and support services) constituted 198,000 or 80% of the total jobs added. All of the private sector industries added jobs last year, except for manufacturing, which lost nearly 3,900 jobs. The government sector, the largest industry with 16.5% of all wage and salary jobs in 2012, lost more than 34,000 jobs, equivalent to a 1.4% decrease.

Southern California

The Southern California region consists of a six-county area including Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura Counties. Combined, this region extends along 36,300 square miles, with San Bernardino accounting for 55% or 20,052 square miles. Southern California represents the nation's second most populous region after the New York metropolitan region⁴, and is a key driver fueling California's economy.

Population

Between 1990 and 2000 Southern California's population increased by approximately 2.177 million persons or 12.7%. Southern California's population grew 1.8 million persons between 2000 and January 2010, according to Census data. The table below summarizes Southern California's population growth trends between 1990 and 2012.

⁴ <http://www.census.gov/prod/cen2010/briefs/c2010br-01.pdf>

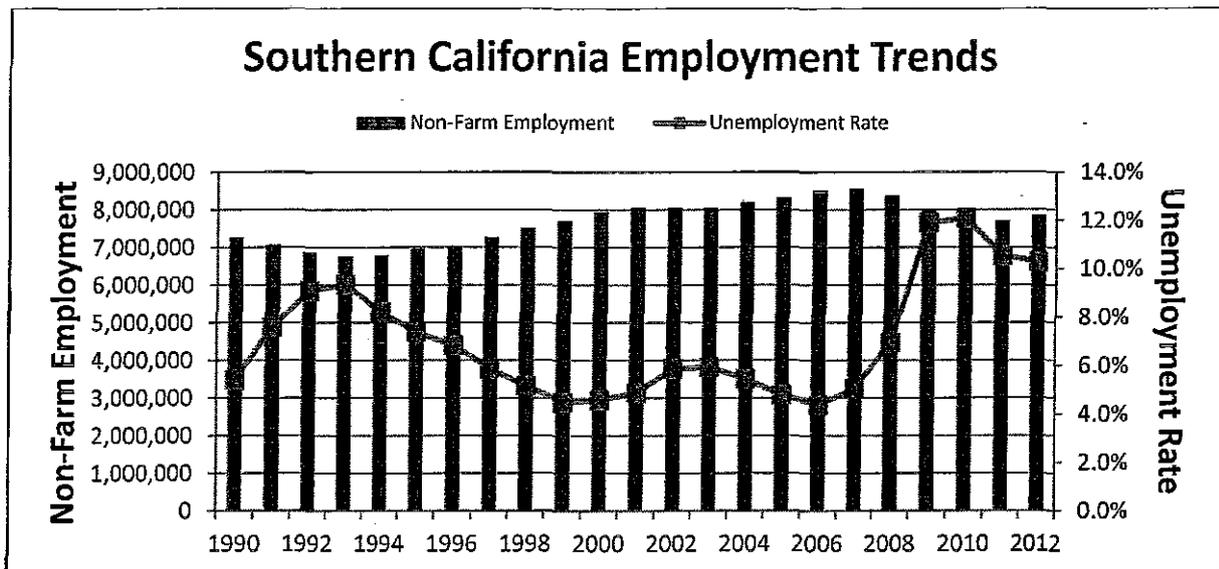
Southern California Population: 1990-2012							
Year	County Population						So-Cal
	Los Angeles	Orange	Riverside	San-Bern.	San Diego	Ventura	Total
1990	8,863,052	2,410,668	1,170,413	1,418,380	2,498,016	669,016	17,029,545
2000	9,519,338	2,846,289	1,545,387	1,709,434	2,813,833	753,197	19,187,478
2001	9,656,730	2,890,318	1,589,950	1,746,732	2,865,208	765,962	19,514,900
2002	9,816,492	2,938,821	1,652,537	1,792,367	2,922,758	779,992	19,902,967
2003	9,961,407	2,980,809	1,723,976	1,839,885	2,975,082	792,361	20,273,520
2004	10,077,865	3,017,390	1,803,742	1,893,154	3,011,770	802,215	20,606,136
2005	10,163,097	3,045,218	1,882,812	1,945,242	3,038,074	809,230	20,883,673
2006	10,226,263	3,066,483	1,962,801	1,990,967	3,065,077	815,758	21,127,349
2007	10,275,914	3,089,707	2,034,840	2,026,325	3,100,132	823,129	21,350,047
2008	10,341,410	3,124,206	2,097,437	2,054,423	3,169,490	832,293	21,619,259
2009	10,355,053	3,134,858	2,109,882	2,057,271	3,185,462	835,298	21,677,824
2010	9,818,605	3,010,232	2,189,641	2,035,210	3,095,212	823,318	20,972,218
2011	9,847,712	3,028,846	2,205,731	2,046,619	3,115,810	827,874	21,072,592
2012	9,884,632	3,055,792	2,227,577	2,063,919	3,143,429	832,970	21,208,319
1990-2000 Growth							
#	656,286	435,621	374,974	291,054	315,817	84,181	2,157,933
%	7.4%	18.1%	32.0%	20.5%	12.6%	12.6%	12.7%
2000-2012 Growth							
#	365,294	209,503	682,190	354,485	329,596	79,773	2,020,841
%	3.8%	7.4%	44.1%	20.7%	11.7%	10.6%	10.5%

Source: 1990, 2000, and 2010 are official Census figures; remaining years are estimates from California Department of Finance

In 1990-2000, Los Angeles was last in terms of percentage population growth, but first in term of absolute population growth. In 2000-2012, Los Angeles remained last in percentage population growth, well behind Riverside and San Bernardino Counties, which also had the highest percentage changes. While Los Angeles County accounted for approximately 30% of Southern California’s population growth from 1990 to 2000, from 2000 to 2012, it only accounted for 18% of Southern California’s growth. The official Census population numbers for each county were below what the California Department of Finance’s (CDF) estimated levels in 2009 (excluding Riverside). Since 2010, Southern California’s total population has grown by only 1.1%, and the CDF’s estimate for 2015 is projected to be 21,790,586, a modest 2.67% increase from 2012 levels.

Employment Trends

Of the 14.35 million non-farm jobs in the State of California, approximately 55% or 7.86 million jobs are located in Southern California. The chart below summarizes Southern California’s employment trends from 1990 through the present.



Throughout 2012, job growth in Southern California was led by Orange County and San Diego. However, these two Counties both still lagged the Bay Area, only coming in with a 1.6% growth rate. All Southern California metropolitan areas added workers last year, with 1.4% gains in both Los Angeles County and the Inland Empire, and a 0.6% increase in Ventura County. Los Angeles County had the most noteworthy job growth, starting the year with a low 0.4% year-over-year gain in January but ending the year with a 1.8% gain in December of 2012.

Residential Real Estate

The number of California homeowners entering the foreclosure process plunged to the lowest level in more than seven years in the first quarter of 2013. The unusually sharp drop in the number of mortgage default notices filed by lenders stems mainly from rising home values, a strengthening economy and government efforts to reduce foreclosures.

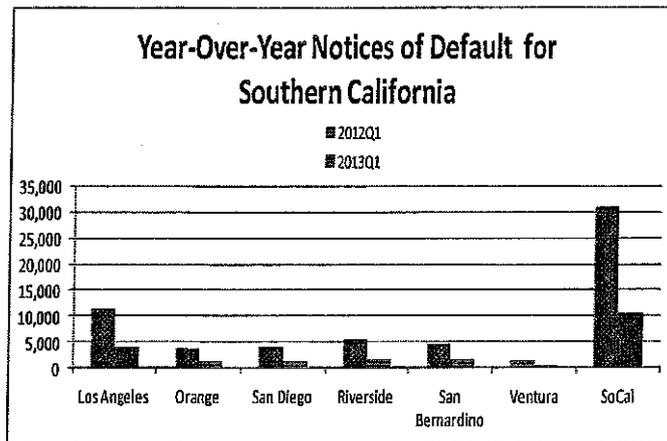
A total of 18,567 Notices of Default (NoDs) were recorded at county recorders offices during the first quarter of 2013. That was down 51.4% from 38,212 during the prior three months, and down 67% from 56,258 in the first quarter of 2012, according to San Diego-based DataQuick.

Last quarter's number was the lowest since 15,337 NoDs were recorded in fourth quarter 2005. NoDs peaked in the first-quarter 2009 at 135,431. DataQuick's NoD statistics go back to 1992. Additionally, the median price paid for a California home last quarter was \$297,000, up 22.7% from a year ago.

"Foreclosure starts were already trending much lower late last year because of rising home prices, a stronger labor market and the settlement agreement between the government and some lenders. But it appears last quarter's drop was especially sharp because of a package of new state foreclosure laws- the 'Homeowner Bill of Rights'- that took effect January 1. Default notices fell off a cliff in January, then edged up. In recent years we've seen temporary lulls in foreclosure activity after new laws kick in and lenders adjust," said John Walsh, DataQuick president.

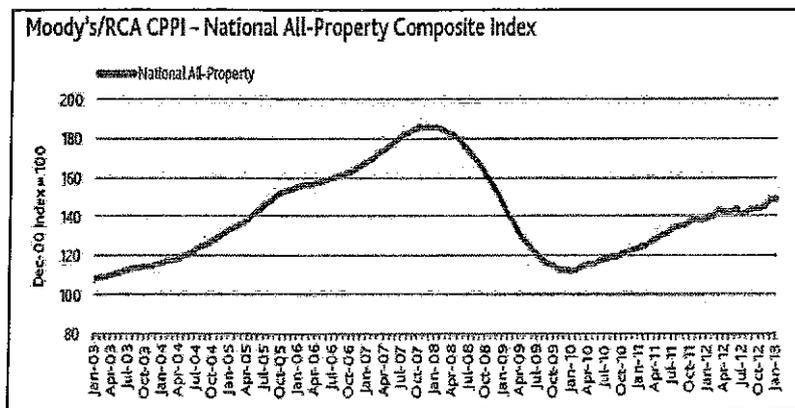
“Rising home prices will be key to the final mop-up of the foreclosure mess. As values rise, fewer people owe more than their homes are worth, and more people can refinance into a more favorable loan. It also means more who fall on hard times can sell their homes for enough to pay off the loan,” Mr. Walsh said.

On primary mortgages, California homeowners were a median 8.6 months behind on their payments when the lender filed the Notice of Default. The borrowers owed a median \$14,380 on a median \$310,000 mortgage. On home equity loans and lines of credit in default, borrowers owed a median \$4,971 on a median \$68,099 credit line. The amount of the credit line that was actually in use cannot be determined from public records.



Commercial Real Estate

The Moodys/RCA commercial property price index is a periodic same-property round-trip investment price change index of the U.S. commercial investment property market, based on data from Real Capital Analytics. The index is designed to track same-property realized price changes based purely on the documented prices in completed, contemporary property transactions.



The Moody's RCA Commercial Property Price Index national all-property composite measured an effectively flat rate in January, incorporating activities that occurred during the boom of transaction activity that occurred during the fourth quarter of 2012. The national composite index and its two components, apartments and core commercial, all decreased by 0.1% in January. The strong recovery

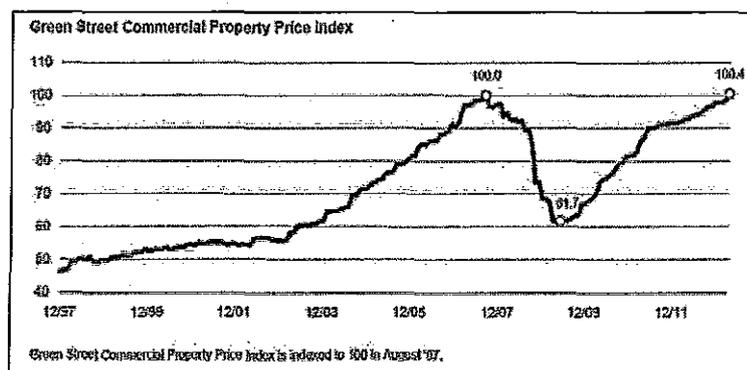
in US commercial real estate prices that commenced in early 2010 has lost steam between the first quarter of 2012 and the first quarter of 2013. One of the main drivers of value growth, capitalization rate compression driven by historically low financing costs, has largely played out over the traditional main driver, income growth, which has been more ineffective because of the persistently weak economic recovery.

Among the four commercial property types, apartments, in keeping with their generally strong fundamentals and liquidity, have been the best performing property sector. Apartment prices have increased 9.6% over the last 12 months, nearly double the 5.3% year-over-year gain by Core Commercial. Apartments have reversed approximately 80% of their peak trough price decline, while hotels only managed 19% and homes, 17%. Industrial was the only core commercial sector to decline over the past three months, dropping by 1.3%.

Home prices have been trending upward; however they are being outpaced by apartments and hotels. Following its slump from March 2012, home prices have increased by 9%. While positive, home price gains fall behind the 13.9% for hotel from its March 2010 slump and 50.3% for apartments from its December 2009 depression. Due to price declines and historically low interest rates, homes have generally become more affordable. However, borrowers also find themselves facing tighter lending standards and consequently overall home ownership has declined.

In general, most commercial real estate sectors appear to have been recovering for the past two to three years. However, the recovery for the suburban office sector began less than one year ago and has yet to fully take hold.

The Moody's result is corroborated by the results of the Green Street CPPI, an index that measures value performance for institutional quality assets in Real Estate Investment Trust (REIT) portfolios nationwide. A copy of the most recent publicly available index from Green Street is presented below, and illustrates the aggressive pricing found in top-tier commercial property markets.



Review of this index in comparison with the Moody's results appears to be somewhat consistent. The results of both indices show a slow and prolonged recovery from the worst commercial and real estate recession in recent history. While both indices show the same general upward trend, the Green Street index appears to be more optimistic than Moody's. The Green Street CPPI increased by 2% in March of 2013. This is a sign on continuing progress as property values have fully recovered the ground that

was lost during the last downturn as values are now, on average, back to their 2007 highs. The Green Street Index measures more top tier properties, and suggests pricing in these sectors is once again quite aggressive.

Conclusion

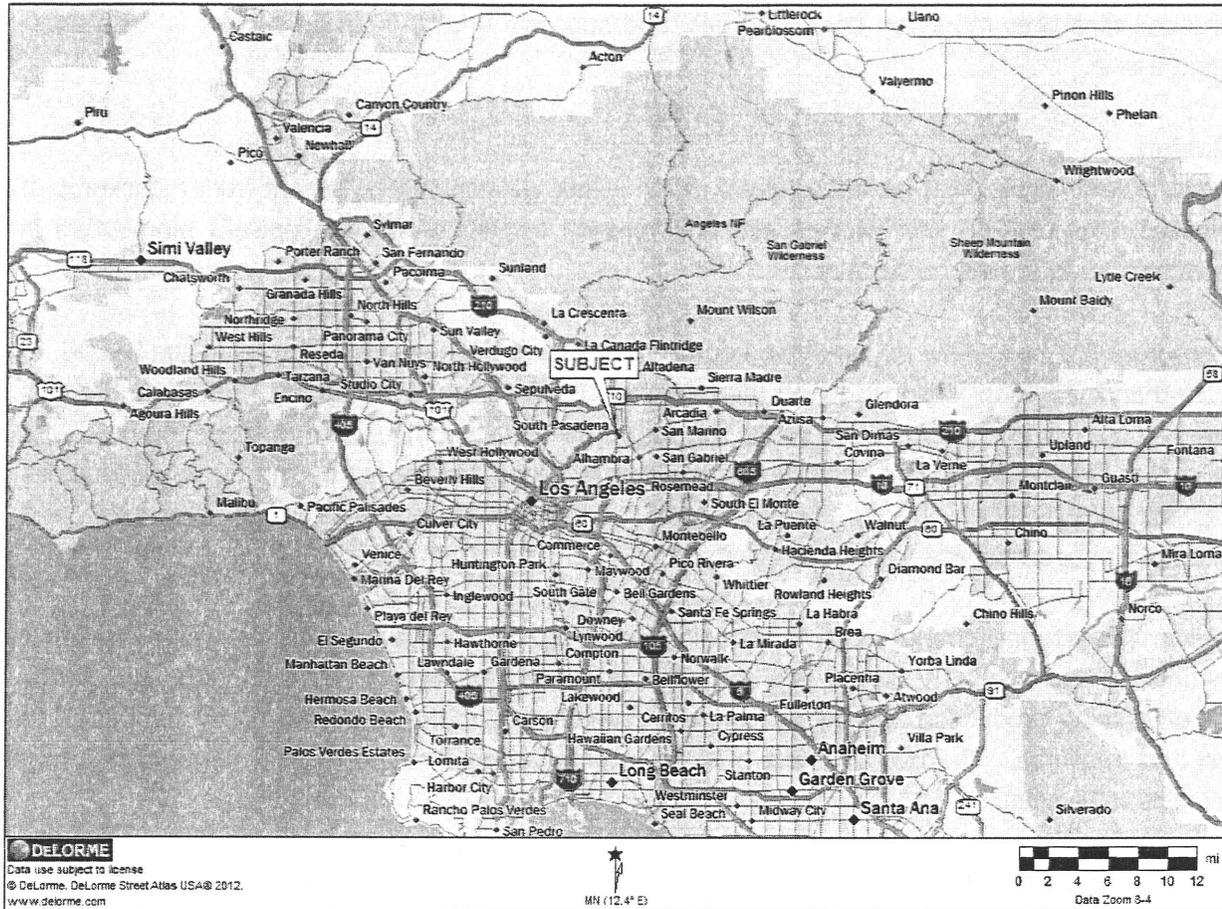
It is reasonable to expect that commercial real estate values will continue to benefit from a backdrop of low interest rates coupled with modest economic growth and it is likely the upward momentum in values witnessed so far will be sustained.

While progress has been slow in California, improvements have been steady. According the LAEDC, of the more than 1.2 million jobs lost during the recession, California regained nearly 380,000 in the past two years. Looking over the next two years, the state's overall economy should outpace the U.S. It is expected that virtually all private sector industries will add jobs, largely led by the top five industries (leisure/hospitality, retail trade, health care, professional/scientific/technical services and administrative/support services) over both years.

However, manufacturing employment will remain weak over the next two years; the value of output will continue to increase. The sector will be in flux over the next several years as long-term trends such as off-shoring production and outsourcing are countered by more recent moves by companies to re-short and in-source. The overall effect of these countervailing forces on California manufacturing jobs remains to be seen.

As stated earlier, California's economy is expected to outpace the U.S., with GSP growth rates of 3.1% this year and 4.6% next year. Nonfarm employment gains this year should match the 1.8% increase of 2012, with another 1.7% increase coming in 2014.

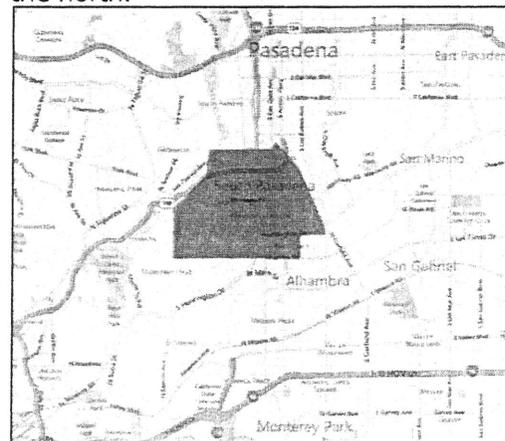
Subject Regional Map



City of South Pasadena

The subject property is within the city limits of South Pasadena, which is located approximately 10 miles northeast of downtown Los Angeles. Incorporated in March 1888, South Pasadena operates under a general law, Council-Manager form of government. The city encompasses approximately 3.44 square miles and is bounded by the communities of Highland Park and Monterey Hills to the west, Alhambra to the south, San Marino to the east and Pasadena to the north.

In order to provide insights into the subject’s neighborhood, we have relied on demographic data collected by STDBonline. According to the 2010 Census, the city’s population was 25,619, a 5.74% increase from the 2000 Census, reporting 24,277. It is estimated that the city’s 2012 population was 25,831, reflecting only a 0.8275% increase over those two years. There are 11,171 housing units in the city with an average household size of 2.44. Approximately 41.2% were owner occupied, 52.9% were renter occupied and 5.9% were vacant.

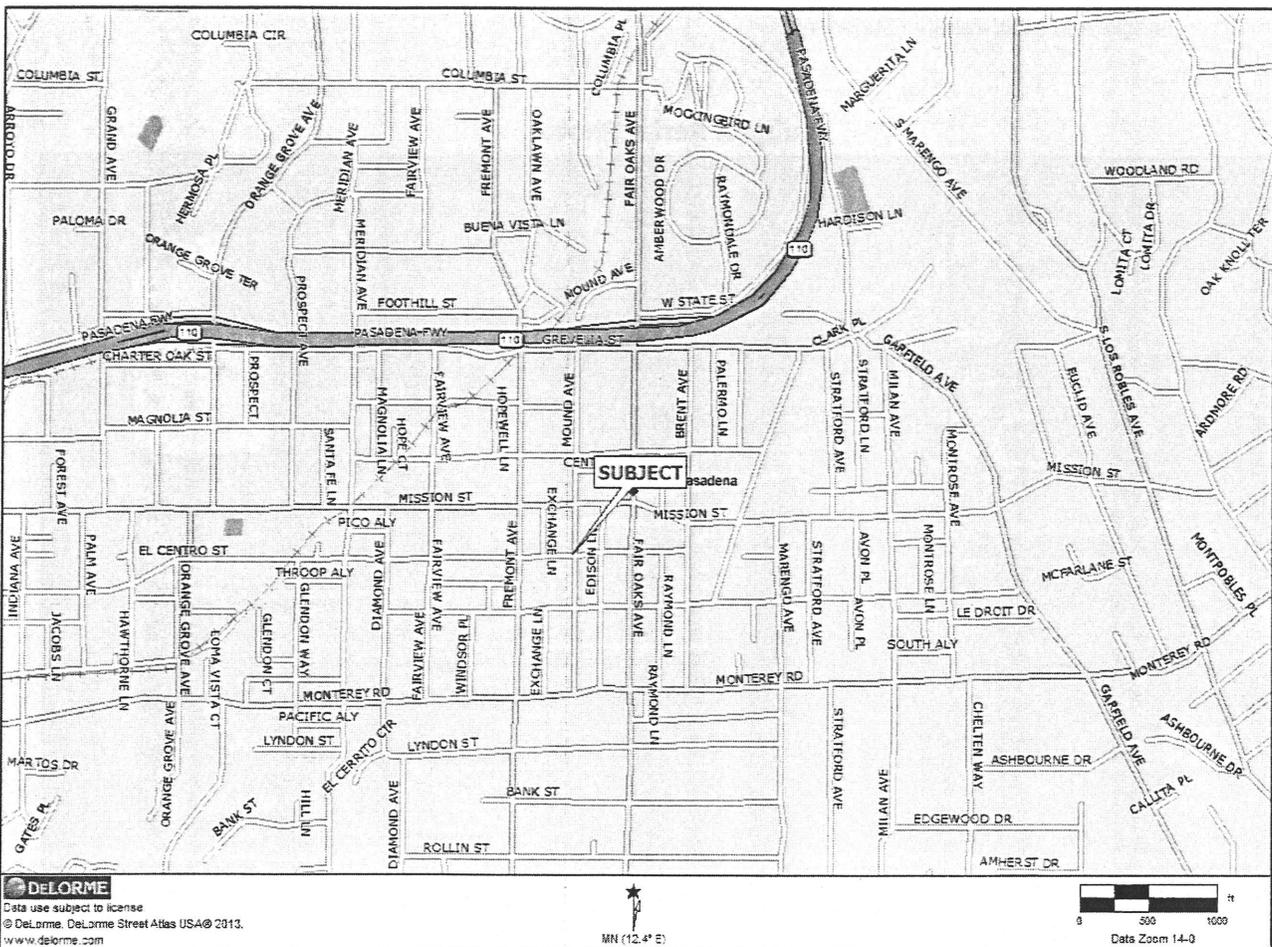


The average, median and per capita incomes for South Pasadena are as follows: \$96,002, \$70,357 and \$39,280, while for comparison purposes the average, median and per capita incomes for the neighboring City of Los Angeles are \$70,655, \$48,331, and \$24,313 respectively.

The higher incomes are a result of a well-educated populace. Of the population over the age of 25, 63.4% hold Bachelor's degrees or higher, as compared to the City of Los Angeles, where only 29.4% hold Bachelor's degrees or higher.

The City of South Pasadena is an established community with limited available land for development; historically South Pasadena's political climate has resisted and obstructed redevelopment. The city is known for its tree lined streets and historic Craftsman-style homes, and benefits from nearby employment centers in the Pasadena, Glendale, and Burbank, as well as downtown Los Angeles markets.

Subject Neighborhood Map



Subject Neighborhood

The subject properties are located one mile south of 110 Pasadena Freeway at the intersection of Mound Avenue and El Centro Street, two smaller commercial/residential streets. Improvements in the vicinity of the subject neighborhood include:

- North** Directly north of the subject along Mound Avenue are small one-story retailers. One block northwest of the subject is the South Pasadena City Hall. The 110 Freeway is less than one-mile north of the subject. Further northwest of the subject is a neighborhood of single-family residences and apartments. Approximately one-mile northeast of the subject is a public park.
- South** Directly south of the subject are small retailers including a theater and apartment buildings. Further south, along Fair Oaks Avenue is a major neighborhood shopping center, containing smaller retailers along with a Vons super market as the anchor tenant. One block further south is a related major grocery chain, Pavillions. For about 5 blocks south of the subject is a stretch of small retailers and businesses. At the end of this stretch begins a cluster of single-family residences.
- East** Directly east of the subject are additional small retailers, and a Bank of America and a Rite Aid branch beyond which begins a community of single-family residences, townhomes and apartments.
- West** West of the subject is a retail/office building and the Fremont Centre Theatre. Further west are single and multi-family residences.

Subject Aerial Photo



Demographics

In order to provide insights into the subject's surrounding neighborhood, we have relied on demographic data collected by STDB On-Line. The table included provides a snapshot of the subject's demographic information for radii of one-half, one, and three miles from the subject property as indicated by the map shown below.

The immediate area surrounding the subject consists of single-family residential and commercial uses. Demographic reporting reflects a moderate local density with approximately 7,623 persons residing in a half-mile radius and 23,017 persons residing in a one-mile radius. The population within the three-mile radius increases to 246,899 persons. Over the next 5 years, the population is projected to increase by 0.36% within the half-mile radius, 0.13% within the one-mile radius, and 0.25% within the three-mile radius. Residents within all three radii have a median age between 37.3 and 40.8 years.

Average household incomes in the designated concentric circles are between \$79,904 and \$99,441, with the upper end of the range found in the one-mile radius. In the one-mile radius the average, median, and per capita incomes are \$99,441, \$73,762, and \$41,336, respectively. For comparison, the average, median and per capita incomes across Los Angeles County are \$72,816, \$51,329 and \$24,599, respectively.

Of the 10,326 households in the one-mile radius, 40.5% the housing stock was owner occupied, and 52.6% was renter occupied. The remaining 7% is listed as vacant.

Approximately 60.5% of the population over the age of 25, within a half-mile radius has attained a bachelors degree or higher, while 63.6% have attained a bachelors degree or higher within a one-mile radius and 40% in the three-mile

DEMOGRAPHIC PROFILE: SELECTED RADIUS South Pasadena Community Lots			
	.5-Mile	1-Mile	3-Mile
Population			
2000 Census	7,078	21,696	243,287
2010 Census	7,545	22,989	245,455
2012 Estimate	7,623	23,017	246,899
2017 Projection	7,762	23,168	249,998
Households			
2012 Households	3,230	9,606	92,241
Population Breakdown by Age			
Total	7,622	23,016	246,900
Age 0-4	5.3%	5.2%	5.9%
Age 5-9	6.2%	6.2%	5.5%
Age 10-14	6.5%	6.5%	5.7%
Age 15-24	10.6%	10.6%	13.0%
Age 25-34	14.4%	12.9%	17.0%
Age 35-44	16.9%	15.7%	14.8%
Age 45-54	16.2%	16.5%	13.6%
Age 55-64	11.9%	13.1%	11.6%
Age 65-74	6.8%	7.2%	6.9%
Age 75-84	3.6%	4.1%	4.1%
Age 85+	1.6%	2.0%	2.1%
Median Age	39.5	40.8	37.3
2012 Housing Units			
Total Housing Units	3,493	10,326	98,929
Owner-Occupied	31.4%	40.5%	38.0%
Renter-Occupied	61.0%	52.6%	55.2%
Vacant	7.5%	7.0%	6.8%
Educational Attainment			
Total	4,263	15,489	173,816
Less than 9th Grade	1.6%	1.9%	11.8%
9th - 12th Grade, No Diploma	2.5%	2.5%	7.9%
High School Graduate	9.1%	8.9%	17.3%
Some College, No Degree	20.0%	17.5%	16.6%
Associate Degree	6.1%	5.5%	6.4%
Bachelor's Degree	37.2%	35.5%	23.6%
Master's/Prof/Doctorate Degree	23.3%	28.1%	16.4%
2012 Household Income			
Median Household Income	\$61,745	\$73,762	\$51,909
Per Capita Income	\$36,048	\$41,336	\$28,733
Average Household Income	\$84,116	\$99,441	\$75,904
Source: STDBonline			



radius. The percentage of the population over the age of 25 who has less than a high school diploma for the half-, one-, and three-mile radii are approximately 4.1%, 4.4%, and 19.7%, respectively.

Summary

South Pasadena is generally considered to be an upper-middle class area. The local economy is relatively stable, but has struggled along with the regional and national economies. According to the Bureau of Labor Statistics, the State of California has an unemployment rate of 8.6% as of May 2013. Los Angeles County has an unemployment rate of 9.2%, while South Pasadena has a relatively low rate of 4.6% unemployment. South Pasadena is essentially fully developed, and while there is some room for redevelopment in commercial areas, such activity seldom occurs. The subject site benefits by being situated in a good quality retail/commercial area with an ample surrounding of residential homes and a relatively well-educated population. Overall, the subject neighborhood is considered to be well above average for the region while the location is a secondary commercial area. Fair Oaks Avenue, the prime commercial corridor of South Pasadena is located one block east of the subject.

RETAIL MARKET OVERVIEW

The following overview pertains to office market trends in both the regional area of Los Angeles County and the City of South Pasadena in particular. Information regarding economic trends for the general area was taken from CBRE’s Second Quarter 2013 Los Angeles County Retail Market Overview, while data for the local market was gathered from CoStar.

Los Angeles County Area

In providing an overview of the subject’s broader market area, we have relied on the CBRE’s 2nd Quarter 2013 Greater Los Angeles Retail Market View. The discussion below pertains to the greater Los Angeles market.

According to CBRE, national retail sales rose in May, increasing by 0.6% over the previous month, boosted mainly by auto and auto parts sales. According to the U.S. Census Bureau, retail and food services sales are also up annually by 4.3%. Advanced May sales data shows the largest month-over-month growth was concentrated in three retail segments—motor vehicle & parts dealers (up 1.8%), building material & garden suppliers (up 0.7%), and miscellaneous store retailers (up 1.2%). When auto and gas sales are taken out of the equation, sales were up only slightly by 0.7% from the previous month. Sales at stores in the discretionary retail categories such as electronics and appliance, furniture stores, and department stores all declined in May, demonstrating that consumer spending continues to be influenced by national political uncertainties. Sales at non-store retailers, however, are up 0.7% from last month and 11.3% since last year.

As retail sales continue to trend positive, the commercial real estate market is following a similar trajectory. In Greater Los Angeles as a whole, the overall vacancy rate for retail space actually ticked upward, ending the second quarter of 2013 at 6.2%, but this was an increase of only 10 basis points, and likely in large part due to new deliveries. The region’s average asking lease rate continues to fluctuate and is now tracking at \$2.06 per square foot, denoting a \$0.10 increase from the previous quarter.

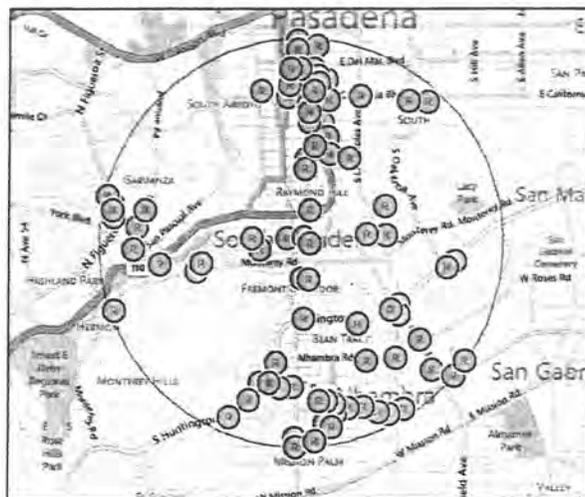
Submarket	SF GLA	Overall Vacancy %	Current Net Absorption	YTD Net Absorption	Under Construction	Construction Deliveries	Avg Asking Lease Rate
Antelope Valley	7,775,229	10.7%	33,276	7,381	0	0	\$1.24
Greater Downtown	2,387,100	6.0%	(1,152)	29,540	0	0	\$2.14
Mid-Cities	11,959,393	6.2%	25,267	(24,414)	77,095	0	\$1.91
Mid-Willow	3,925,029	2.0%	23,790	28,499	0	0	\$2.93
San Fernando Valley	14,634,035	6.5%	7,862	10,030	0	0	\$1.72
San Gabriel Valley	20,494,494	8.6%	(63,449)	(109,970)	0	0	\$1.72
Santa Clarita Valley	6,072,883	7.2%	32,474	424	0	0	\$2.06
South Bay	19,312,547	3.4%	53,351	34,879	0	0	\$2.26
Southeast Los Angeles	7,145,068	4.0%	(23,149)	(20,846)	0	0	\$1.75
Tri-Cities	9,202,363	4.2%	28,355	19,817	0	0	\$2.68
Ventura	23,264,746	7.2%	329,139	314,824	240,000	535,490	\$2.45
West Los Angeles	4,516,731	3.7%	5,367	(7,944)	200,000	0	\$4.79
Greater Los Angeles	131,289,608	6.2%	459,711	293,228	517,895	535,490	\$2.06

The chart above details market statistics for each of Greater Los Angeles' submarkets; the subject is located in the San Gabriel Valley submarket. The total space in the subject's submarket is 20.5 million square feet, which stands at 8.6% vacancy, the second highest rate of Los Angeles' 12 submarkets as divided by CBRE. The average asking lease rate is \$1.72, which is the second lowest rate behind the Antelope Valley.

Retail development is beginning to show activity in Greater Los Angeles. The Collection at River Park in Oxnard completed construction this quarter, while 517,000 square feet of new construction broke ground. The subject submarket has no new space under construction.

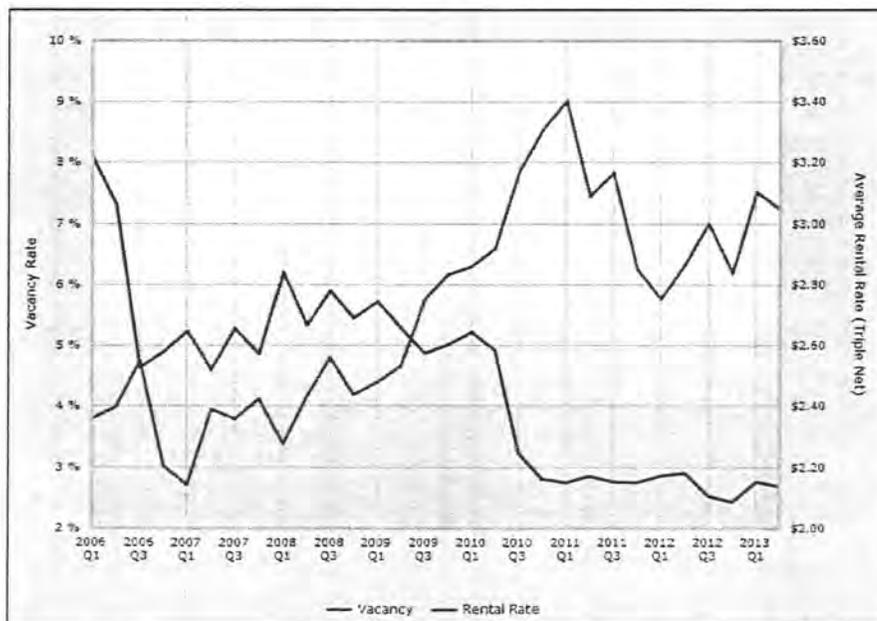
Local Retail Market

To gain a better understanding of the subject's immediate market area, we queried CoStar for retail buildings between 1,500 and 50,000 square feet within a two-mile radius. There are 413 such properties, comprising of approximately 3.06 million square feet of space. As shown in the map to the right, much of that space is clustered along Fair Oaks Avenue, Fremont Avenue, Mission Street, Huntington Drive, and Main Street.



Vacancy

The current vacancy within the surveyed area is 7.2%, reflecting a recent slight decline in vacancy. Over the past 10 years, vacancy peaked at 9% in 1st Quarter 2011, rising steadily since a historic low of 2.7% in 1st Quarter 2007. After peaking in 2010, rates dropped precipitously in 2011, and began to level off into the 1st Quarter of 2012, when vacancy enjoyed its recent low of 5.8%. However, the next quarter saw rates rise once again, reaching 7% in 3rd Quarter 2012, only to drop again to 6.2% in the 4th Quarter 2012.

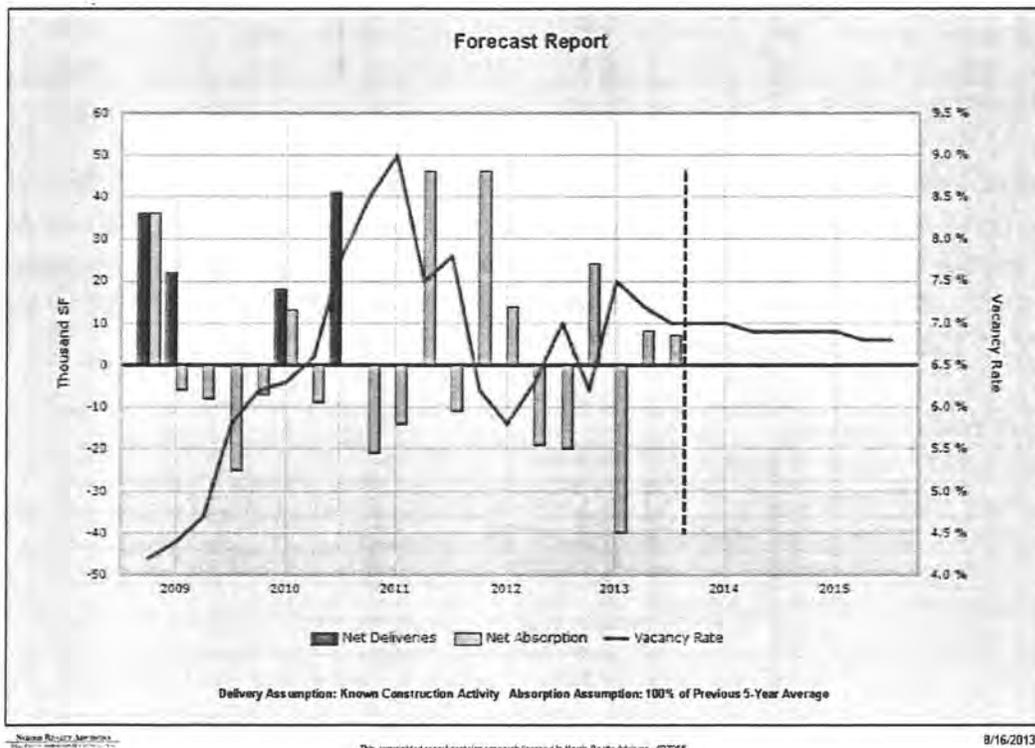


Average Rental Rates

Rental rates have not directly reflected vacancy conditions, but they are ostensibly connected. In 1st Quarter 2006, rates peaked at \$3.22 per square foot per month, where the rate fluctuated for several years before dropping dramatically beginning 1st Quarter 2010 to a historic low of \$2.09 per square foot per month in the 4th Quarter of 2012. However, persistent, rising vacancy rates apparently took their toll, and rental rates began to drop, even as vacancy started to recover. Currently, the average rental rate is \$2.13 per square foot per month, and the range of asking rent varies between \$1.10 and \$3.75 per square foot per month.

Retail Forecast

Presented below is a chart detailing historic and forecasted absorption, delivery, and vacancy statistics for the subject’s retail market. As indicated by the graph, there have been limited deliveries since mid-2010, within our defined criteria and there appears to be no positive projected deliveries through 2013. Direct vacancy is expected, under the best possible scenarios, to decrease slightly to 6.7% through 2013, with the probability that vacancy will either rise or stagnate over the next two years. At present, there is insufficient evidence for a more rapid recovery for retail vacancy.



Local Retail Marketplace

The California Retail Survey is an independent market research advisory publication that focuses on County and City statistics. As emphasized by the California Retail Survey publishers, figures posted for 2012 are forecasts and are subject to change in the future.

Retail sales in the City of South Pasadena during 2012 totaled \$140,135,000, reflecting a 3.2% increase over the past five years (A calculation of the annual compound rate of growth of retail sales during the

past five years) and a higher volume than 2008. Since 2002, retail sales have increased by 36.8%, but the number of outlets increased by 67.3%, which results in a *-18.2% change in sale per outlet over the past ten years*. The table below provides historic taxable retail sales for the County of Los Angeles and City of South Pasadena. Please note that in 2010 the California Retail Survey changed the way it calculated retail outlets leading to a large rise in the number of retail outlets. The increase was caused by the counting method and not the opening of new retail stores.

TAXABLE RETAIL SALES & NUMBER OF RETAIL OUTLETS												
Year	Los Angeles County						City of South Pasadena					
	Retail Sales (000)	% Chg.	# of Outlets	% Chg.	Sale/Outlet(000)	% Chg.	Retail Sales (000)	% Chg.	# of Outlets	% Chg.	Sale/Outlet(000)	% Chg.
2002	\$74,547,977	-	120,420	-	\$619	-	\$102,424	-	272	-	\$377	-
2003	\$79,426,726	6.5%	128,313	6.6%	\$619	0.0%	\$109,317	6.7%	283	4.0%	\$386	2.6%
2004	\$86,496,685	8.9%	134,717	5.0%	\$642	3.7%	\$115,349	5.5%	316	11.7%	\$365	-5.5%
2005	\$92,271,155	6.7%	139,641	3.7%	\$661	2.9%	\$128,268	11.2%	326	3.2%	\$393	7.8%
2006	\$95,554,193	3.6%	142,512	2.1%	\$670	1.5%	\$132,450	3.3%	345	5.8%	\$384	-2.4%
2007	\$96,095,711	0.6%	142,380	-0.1%	\$675	0.7%	\$135,370	2.2%	352	2.0%	\$385	0.2%
2008	\$89,810,309	-6.5%	146,999	3.2%	\$611	-9.5%	\$135,834	0.3%	371	5.4%	\$366	-4.8%
2009	\$88,126,209	-1.9%	148,746	1.2%	\$592	-3.0%	\$121,936	-10.2%	442	19.1%	\$276	-24.7%
2010	\$80,674,209	-8.5%	176,935	19.0%	\$456	-23.0%	\$126,300	3.6%	439	-0.7%	\$288	4.3%
2011	\$87,188,116	8.1%	184,024	4.0%	\$474	3.9%	\$134,467	6.5%	449	2.3%	\$299	4.1%
2012	\$94,695,785	8.6%	181,024	-1.6%	\$523	10.4%	\$140,135	4.2%	455	1.3%	\$308	2.8%

Source: California Retail Survey, 2013 Edition

Los Angeles County has shown a steady growth in retail sales from 2002 until 2007 when the subprime mortgage crisis first hit the economy. The effects of the Great Recession are fading and Los Angeles appears to be making strong progress as 2012 retail sales have almost matched the ten-year retail sales peak of 2007. The table below provides performance ratings for the City of South Pasadena based on the "2013 California Retail Survey".

Star Rating (1 lowest; 5 highest)	4
Performance Rank (1 highest, 5 lowest)	4
Relative Strength (state norm is 1.0)	1.11
Growth Persistence (100% highest) to 0% (lowest)	47.2%
Sales Rank (1 highest, 473 lowest)	315
Per Capita Sales Rank (1 highest, 473 lowest)	363
Per Capita Income Rank (1 to 58)	19

A local market with a Growth Persistence Index of 70% or above is performing extremely well. Markets with an index between 20% and 34% are considered "below average", while markets with indexes below 20% are termed "weak". The Relative Strength Index of 1.11 indicates that the city's five year growth trend was 11% above the statewide average. It should be noted that total retail sales have been increasing over the past three years, indication that the retail economy in South Pasadena is recovering from the recession.

Conclusion

The information noted above indicates the negative pressure of the recession is letting up as retail sales make notable progress.

Estimate of Exposure and Marketing Times

Exposure time is the estimated length of time the property being appraised would have been offered on the market prior to the hypothetical sale, at market value on the effective date of the appraisal. The marketing period is the time it takes a property to sell on the market subsequent to the date of an appraisal.

According to the 2nd Quarter 2013 PwC Real Estate Investor Survey, the average marketing time for retail strip shopping centers (the closest to the subjects planned development) has a range of 3 to 18 months with an average of 7.4 months. The subject's favorable physical condition and leasing situation suggest that such a timeframe would be accurate. Considering all of these factors, a marketing timeframe of 6 to 12 months would be considered reasonable.

Traffic Counts

Traffic counts surrounding the subject are consistent with a commercial corner location in a retail district of South Pasadena. According to STDB Online, traffic counts are approximately 57,000 cars per day along the 110 Pasadena Freeway and approximately 32,341 cars per day along Fair Oaks Avenue. A traffic count map is included in the Addenda. The subject is located on two secondary commercial streets and the two streets have smaller traffic counts than the larger arterial streets of Fair Oaks and Mission Street but are not tracked as they are not arterial streets.

Summary

As in the information above outlines, the subject enjoys a favorable retail location and is just south of the 110 Pasadena Freeway. The current improvements are fairly minimal and the subject would be best used as a commercial or retail development, assuming sufficient community interest, support and approval.

GREATER LOS ANGELES OFFICE MARKET OVERVIEW

In providing an overview of the subject's competitive market, we have relied on office data compiled by CB Richard Ellis' First Quarter 2013 Los Angeles County Office Market View (the most recent available).

Los Angeles County

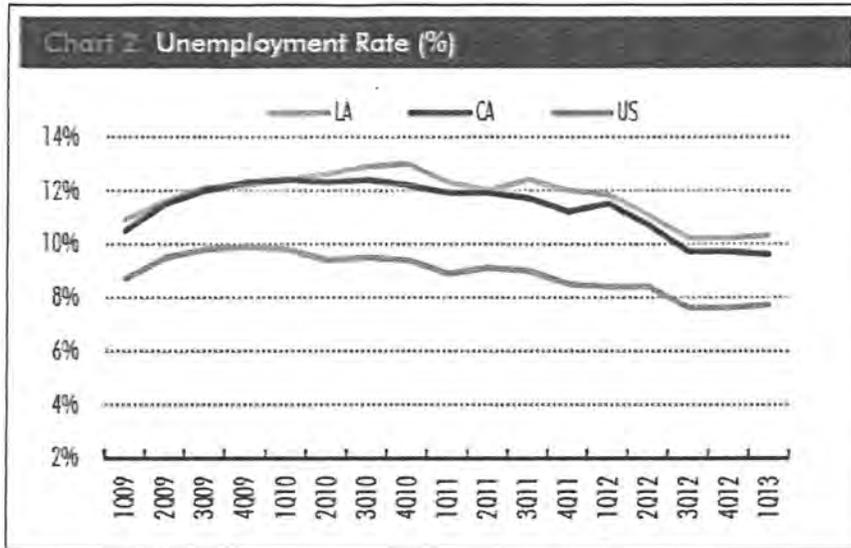
According to CB Richard Ellis, the Los Angeles County total market consists of approximately 196 million square feet. This inventory is spread across nine major submarkets. The subject property is located within the San Gabriel Valley submarket, which has approximately 13.5 million square feet of office space and is the second smallest sub-market in Los Angeles County. The table below provides a snapshot of the County's performance as of First Quarter 2013.

Submarket	Building SF	Direct Vacancy %	Overall Vacancy %	Current Net Absorption	YTD Net Absorption	Under Construction	Construction Deliveries	Avg Asking Lease Rate
Tri-Cities/Glendale	26,609,945	15.4%	16.1%	(23,417)	(23,417)	0	0	\$2.74
Los Angeles Downtown	31,125,339	18.2%	18.6%	29,847	29,847	0	0	\$2.87
Hollywood/Wishtare Corridor	19,004,547	17.2%	17.6%	(31,171)	(31,171)	0	0	\$2.01
San Fernando Valley	20,664,273	15.8%	16.1%	93,374	93,374	0	0	\$2.18
San Gabriel Valley	13,490,828	11.6%	11.9%	(53,742)	(53,742)	0	0	\$1.90
Mid-Counities	5,990,135	9.9%	10.0%	108,039	108,039	0	0	\$1.82
South Bay	31,127,476	21.4%	21.7%	(485,841)	(485,841)	0	0	\$2.02
West Los Angeles	48,557,715	13.2%	14.8%	213,405	213,405	415,084	0	\$3.44
Los Angeles County	196,570,058	16.1%	16.8%	(149,506)	(149,506)	415,084	0	\$2.58
Ventura County	18,517,523	22.7%	24.7%	(239,951)	(239,951)	0	0	\$2.14
Greater Los Angeles Area	215,087,581	16.6%	17.4%	(389,457)	(389,457)	415,084	0	\$2.48

After eight straight quarters of positive year-to-date net absorption, the Greater Los Angeles office market experienced an increase in vacancy and negative net absorption during the 1st Quarter of 2013. While this sluggish start might be seen as a hiccup by some, it is merely part of the slow recovery process as conditions improve.

Market fundamentals, while still a bit soft, are projected to rebound as the economy continues to strengthen. During the past few months, jobless claims have decreased, consumer confidence has strengthened and overall employment has grown. The overall consensus is that the commercial real estate industry has rebounded past its low point and is growing consistently with the economy.

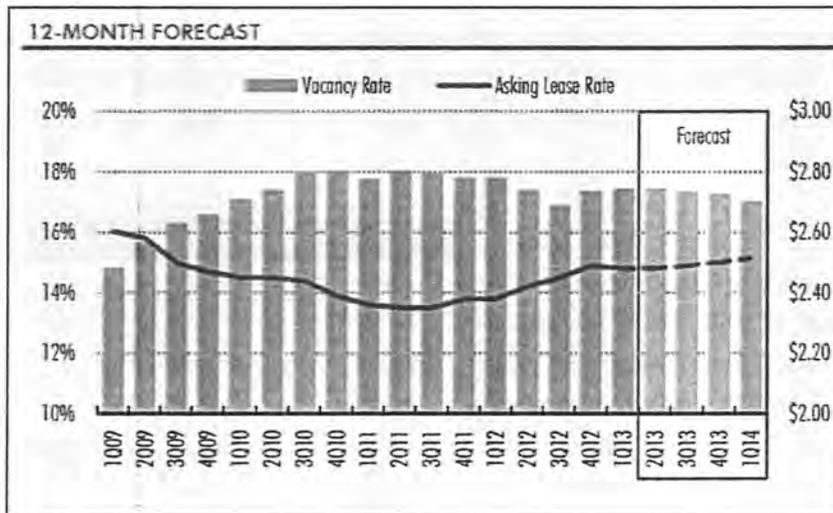
Forecasts call for an increase in employment at a 1.2% growth rate in 2013 followed by a healthier 2.3% growth rate in 2014. The largest employment gains are expected to be found in Health Care, Education and Technology, historically strong industries in the Los Angeles market. Submarkets that hold strong demand from these sectors have already shown the greatest economic rebound.



Vacancy

The overall vacancy rate in Greater Los Angeles was 17.4% at the end of first quarter 2013. This rate was relatively flat compared to last quarter, but has decreased by 40 basis points compared to the 1st Quarter 2012 rate of 17.8%. The direct vacancy rate ended the first quarter at 16.6% and has hovered between 16% and 17% for the past 12 quarters. Although the market is continuing to recover at a slow and measured pace, the direct vacancy rate is still well above the pre-recession low of 8.9% in 2006/2007. In the subject sub-market the vacancy rate was only 11.9%, the second lowest in the Los Angeles area.

Presented below is an overview of the relationship between vacancy and lease rates for the region.

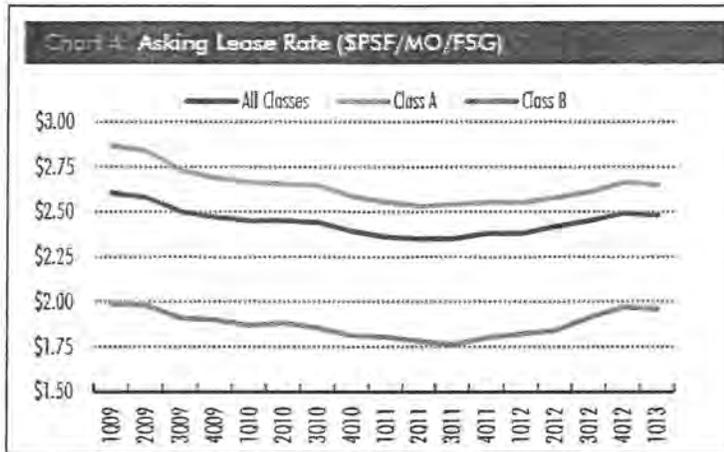


Asking Lease Rates

Overall asking lease rates in Greater Los Angeles flattened out in the 1st Quarter of 2013 after slowly rising continually during the past eight quarters. The average asking lease rate was \$2.48 full service gross (FSG) per square foot at the end of the first quarter, up 100 basis points from the same time last year. This represented an annual growth rate of 4.2%. The rate has climbed approximately 5.5% from its lowest point post-recession. However, it is still considerably lower than the pre-recession high

of \$2.84 FSG per square foot and 14.0% higher than the current rate. The CBRE Econometric Advisors rent forecast calls for additional increases in 2013 and 2014, averaging between 2% and 3% per year. In the subject sub-market the asking rate is \$1.90 per square foot which is second lowest in Los Angeles County.

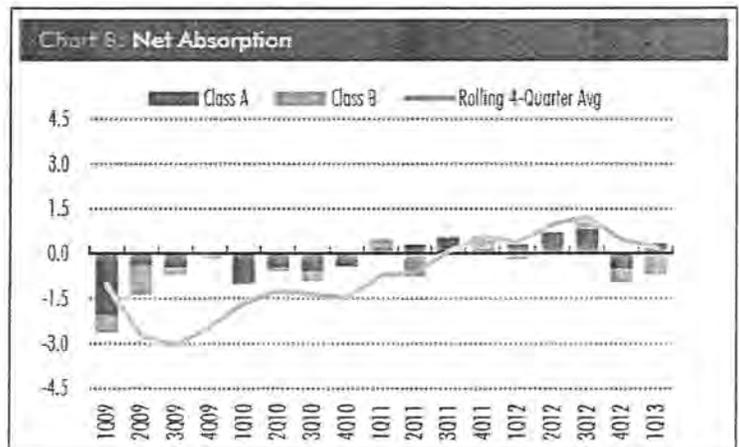
The Class A asking lease rate has been hovering between \$2.80 and \$2.90 FSG per square foot per month for the past three years. As the market continues to develop in 2013, one potential impact on asking lease rates downtown is that MPG Office Trust, the largest owner in downtown, has listed their portfolio for sale; this could have a strong effect on lease rates if purchased by multiple entities.



Absorption/Deliveries

First quarter net absorption levels in Greater Los Angeles, while negative, were fairly solid as the majority of the negative activity came from the South Bay region. Greater Los Angeles recorded 389,457 square feet of negative absorption during the quarter, down compared to the 110,770 square feet of positive net absorption recorded during the same period last year. However, first quarter net absorption was slightly better than the 987,896 square feet of negative activity recorded in 4th Quarter 2012, which posted its first negative figure since early 2011. In the subject sub-market net absorption was a negative 53,742 square feet.

Office projects under construction total approximately 415,000 square feet in Greater Los Angeles, similar to that of the 2012 year-end. This is considerably lower than 2008 when the market witnessed 4.7 million square feet of development activity. All of the new construction is occurring in West Los Angeles as the only project under construction is located in West Hollywood and includes two Class A office buildings totaling 415,000 square feet.



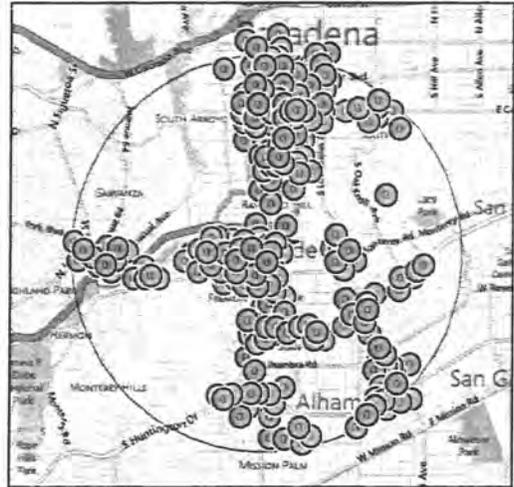
Conclusion

Los Angeles is a dynamic market with a diverse tenant mix; the convergence of entertainment, technology and media; and the quality of life will continue to make Los Angeles an attractive place for companies to located and investors to invest. The projection calls for steady growth, during the next

12 months. The Los Angeles forecast is for rents to grow moderately in the region as a result of elevated vacancy and weak demand trends. However, there are selective submarkets, such as Santa Monica and Beverly Hills that are expected to perform better than others.

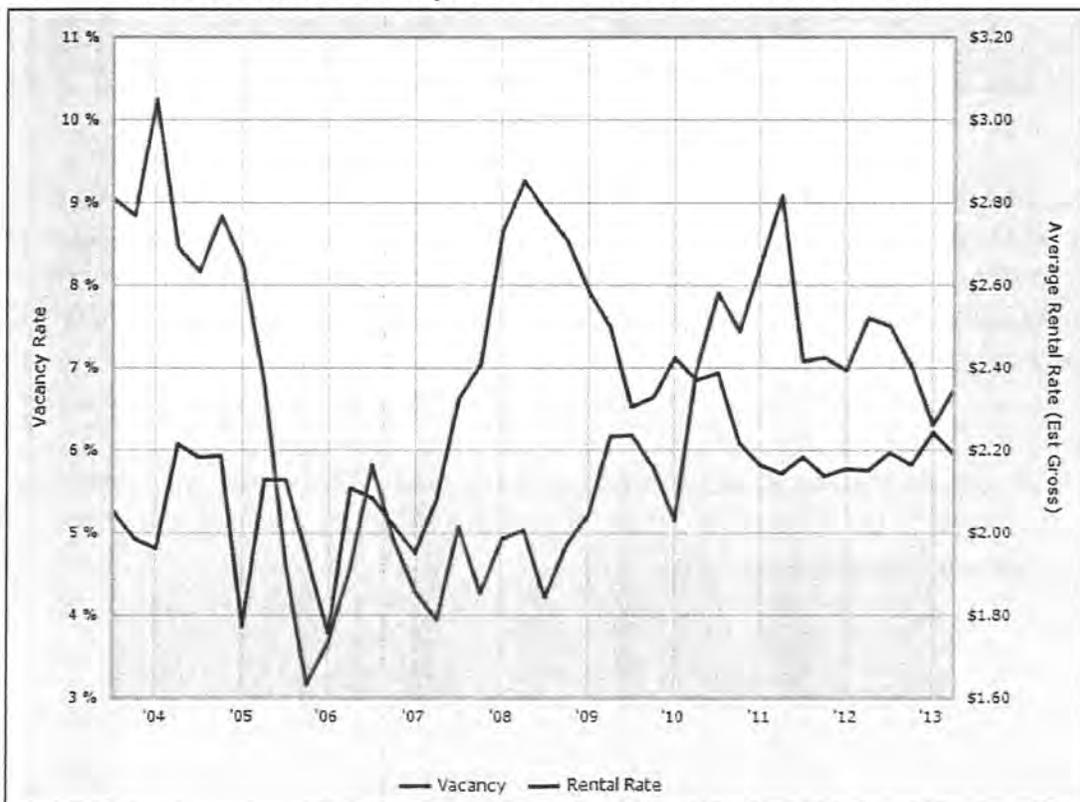
Subject Local Office Market

According to CoStar there are 263 office buildings containing between 1,000 and 50,000 square feet within a two-mile radius of the subject. The total vacancy rate, for the above specified criteria, is currently at 6.7%, with approximately 180,295 square feet available. There have been no deliveries within the past four years, with the last addition of 34,704 square feet in the 1st Quarter of 2009.



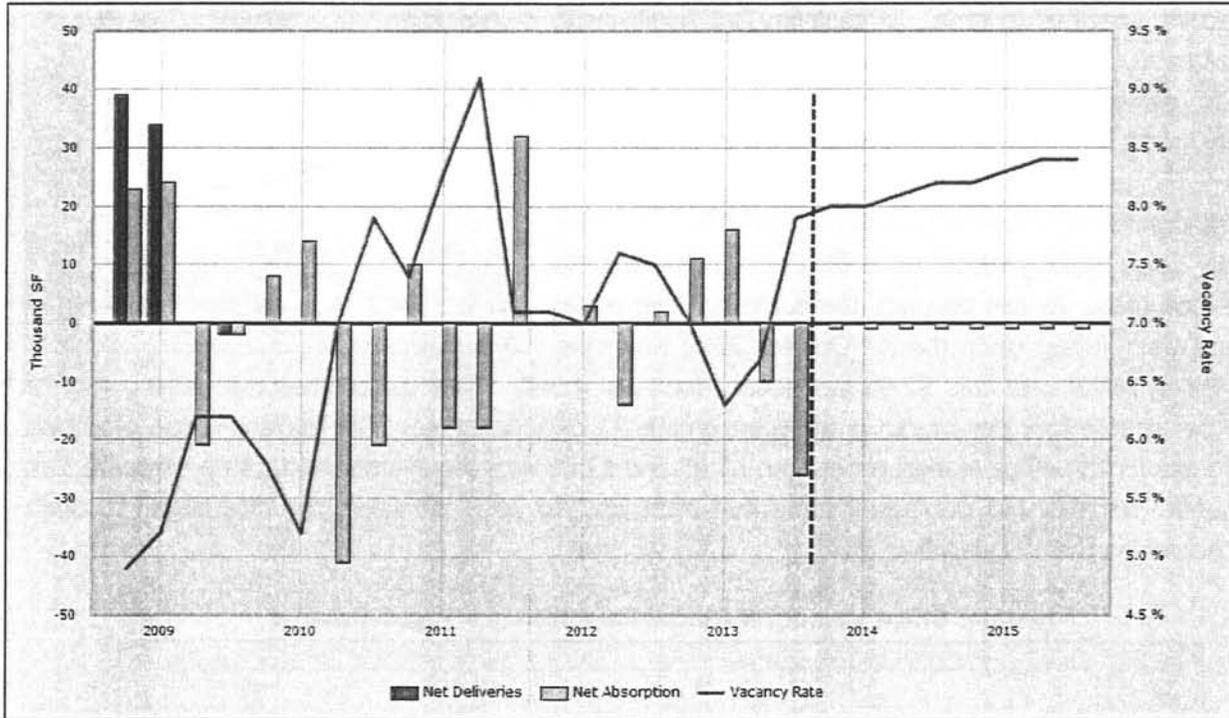
Presented below is a summary of the 10-year trend in office vacancy versus asking rental rates for the specified criteria in the local area. As can be seen, the current asking rental rate has been falling since the 2nd Quarter 2008 when the local asking rental rate was \$2.85 per square foot per month. The current reported asking rate of \$2.19 per square foot per month is an approximate 23.15% decrease. The current range of asking rental rates for the office market is between \$1.25 and \$3.69 with the average at \$2.19 per square foot per month. Vacancy has decreased somewhat from 2012 to 2013, however, the rate began to climb again beginning the 1st Quarter of 2013.

Historic Office Vacancy & Rental Rate Trends – Pasadena Area



Presented below is a chart detailing historic and forecasted absorption, delivery, and vacancy statistics for the subject's office market. As indicated by the graph, there have been limited deliveries for the past four years since 2009, within our defined criteria and there appears to be no projected deliveries through 2013. Direct vacancy is expected, under the best possible scenarios, to increase substantially to 8.4% through 2013, with the probability that vacancy will either rise or stagnate over the next two years. At present, there is insufficient evidence for a more rapid recovery to office vacancy.

Pasadena Area Office Market Forecast



Conclusion

The Pasadena area office market appears to be recovering after struggling for several years. After years of very high vacancy the rate is 6.7%, which is considered favorable compared to other areas of Los Angeles County. While not out of the woods, Pasadena has seen some larger vacant office properties finally leased after years of sitting empty. This bodes well for the immediate future, if the current recovery can continue.

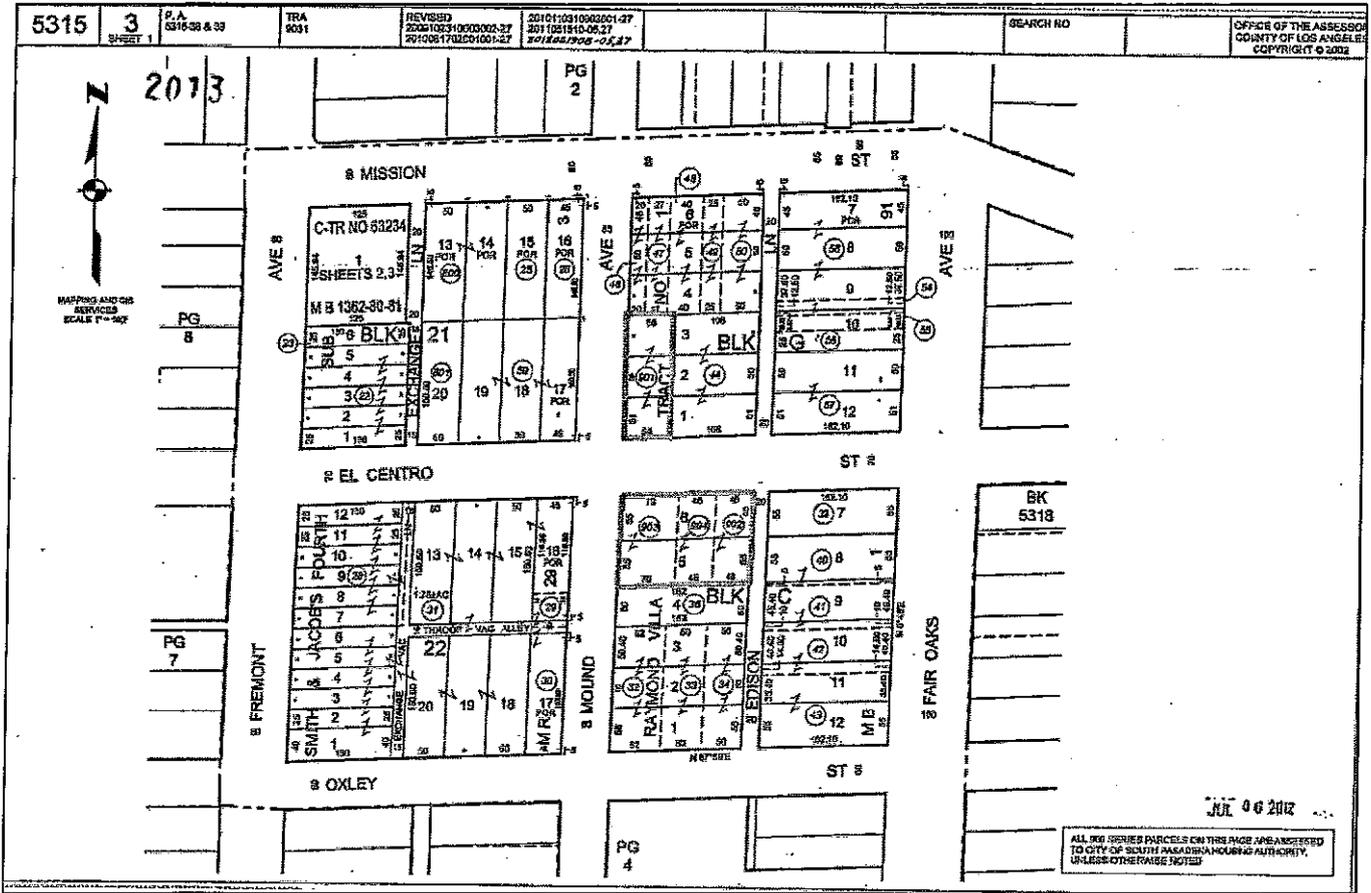
Conclusions

The subject is an appropriate and attractive addition to the area. The appeal and location of the property are considered to be favorable in relation to the broad spectrum of assets available in the surrounding market and throughout the region.

Subject Assessor's Map

APNs: 5315-003-901, 5315-003-902, 5315-003-903 and 5315-003-904

(Subject sites outlined in yellow)



DESCRIPTION OF THE SITE

Location

The subject property consists of the four parcels with the following APNs: 5315-003-901, 5315-003-902, 5315-003-903 and 5315-003-904. The subject properties are located at the intersection of Mound Avenue and El Centro Street in South Pasadena, CA 91030. Based on the request of the client we are valuing parcel 5315-003-901 as one entity and parcels 5315-003-902, 5315-003-903 and 5315-003-904 as a second entity.

Shape and Size

The subject property consists of parcel 5315-003-901 which is rectangular shaped with a total area of 0.194 acres or 8,455 square feet. Parcel numbers 5315-003-902, 5315-003-903 and 5315-003-904 are rectangular shaped with a total area of 0.409 acres or 17,812 square feet. Reference should be made to the Assessor's Parcel Map presented on the preceding page.

Topography and Drainage

The majority of the subject site is relatively level and at street grade with Fair Oaks Avenue. Drainage to the surrounding streets is assumed to be adequate.

Soil

We have not reviewed a soils report for the subject property. Based upon the surrounding development and the lack of physical evidence suggesting otherwise, it appears that the soils are of adequate load-bearing capacity to accommodate the retail development.

Streets

Mound Avenue is a 60 foot dedicated right-of-way with one lane of traffic in each north/south direction along with on-street parking available on both sides of the street. Mound Avenue is fully improved with asphalt/concrete paving and features concrete curbs and gutters and street lighting.

El Centro Street is a 70 foot dedicated right-of-way with one lane of traffic in both east/west direction along with on-street parking available on both sides of the street. El Centro Street is fully improved with asphalt/concrete paving and features concrete curbs and gutters and street lighting.

Access

Parcel 5315-003-901 has two curb cuts on Mound Avenue and no curb on El Centro Street that provide access to the parking on this parcel. There is also access from parcel 5315-003-044 that is also used as a parking lot. There is one curb cut on Mound Avenue that provides access to the gravel parking area on parcels 5315-003-903 and 5315-003-904. There is an alley way that provides access to parcel 5315-003-902 for parking. There is good access to the subject sites.

Visibility

The subject properties have good visibility from surface streets.

Utilities

All the necessary public utilities including water, electricity, gas, and sewers are available to the site.

Hazards

Flood

According to information obtained by Flood Source data, the subject parcels are located in flood zone X as determined by Map Number 06037C1635F, dated September 26, 2008. The Zone X is defines areas of 500-year flood; areas of 100-year flood with average depths of less than one foot or width drainage areas less than one square mile and areas protected by levees from 100-year flood. Flood insurance is not required. A copy of the flood map is included in the Addenda.

Earthquake

According to the State of California Department of Conservation, the subject is located in a fault zone/ landslide and liquefaction zone. A copy of the subject's fault zone map is included in the Addenda.

Environmental

We have not reviewed an environmental assessment report for the subject site. Our inspection of the site did not reveal any obvious indications of environmental problems. It is a specific assumption of this appraisal that the subject site is free of any toxic contaminants.

Assessments and Taxes

The subject ownership is referenced under parcels numbers 5315-003-901, 5315-003-902, 5315-003-903 and 5315-003-904. Parcel 5315-003-901 is owned by successor agency to the Community Redevelopment Agency of the City of South Pasadena and parcels 5315-003-902, 5315-003-903 and 5315-003-904 are owned by the City of South Pasadena Housing Authority. Both of these agencies are government entities and government owned properties are not subject to real estate taxes. The properties are located in tax rate area 9031 and the current property tax rate in the area is 1.125171%.

Easements

Based on our inspection of the Assessor's map combined with a field inspection of the subject site, it appears there are no readily apparent easements or encumbrances that would negatively impact the marketability of the subject property. We assume no liability for clear title to the subject.

Zoning

The subject property is zoned CG- Commercial General in the City of South Pasadena. According to the City of South Pasadena Municipal code, the CG Commercial General zone's permitted uses include general retail, multi-tenant retail, restaurants, offices- professional/administrative/production/research, medical offices and department stores.

Development Standards for CG- Commercial General include:

Minimum Lot Size:

- Area: 10,000 Square feet
- Width: 50 feet

Setbacks:

- Front: None required
- Sides, each: 15 feet adjacent to an RS (residential) district; none required otherwise
- Street side: None required
- Rear: None, except if adjacent to an alley 5 feet, or if adjacent to an RS district 25 feet
(The subject is not adjacent to an RS district)

Maximum Lot Coverage:

- No maximum, no floor area ratio, only restricted by building height.

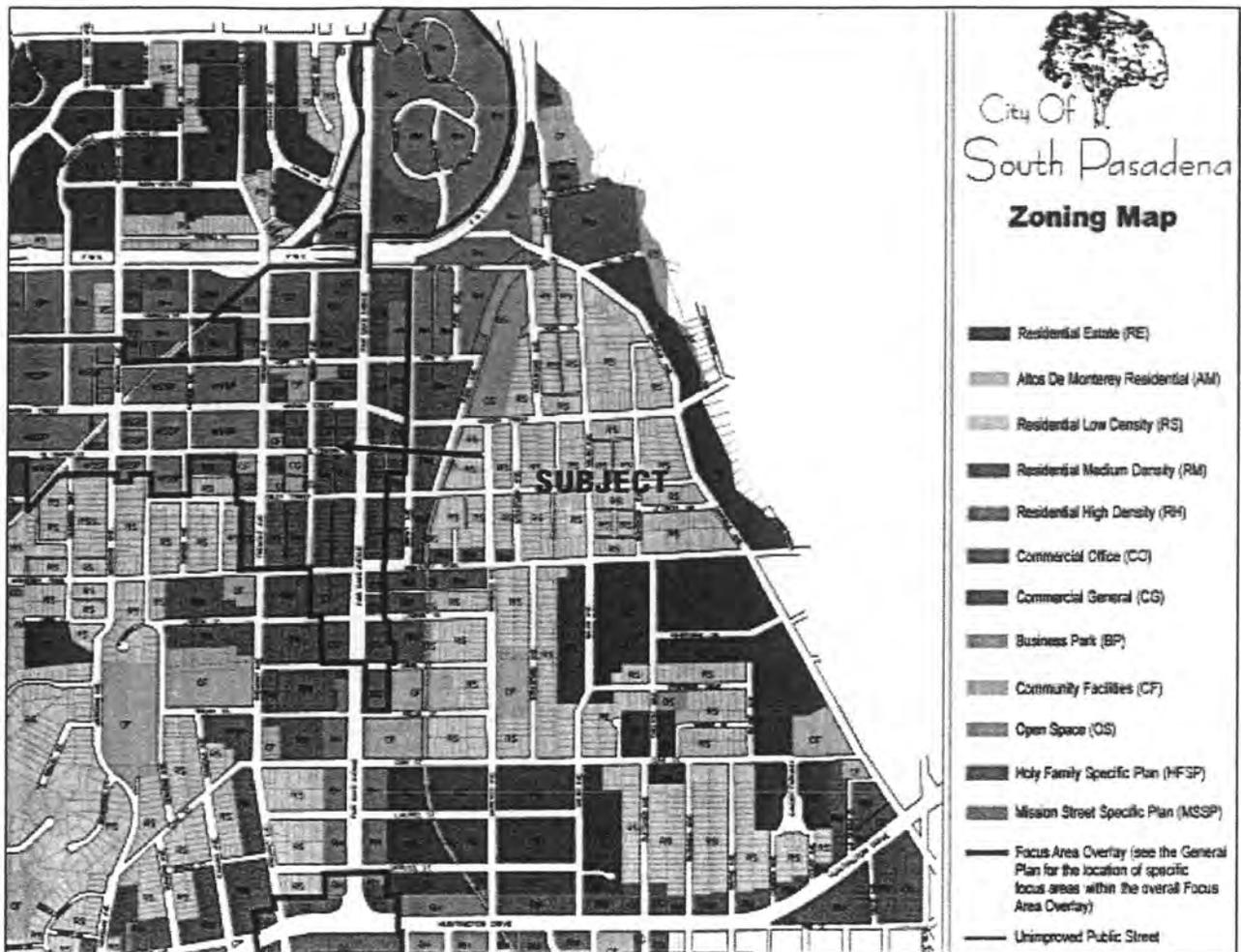
Maximum Height Limit:

- 35 feet

Landscaping requirements

- Curbing. Areas containing plant materials shall be bordered by a concrete curb at least six inches high and six inches wide.
- All set back and open space areas and easements for utilities, and drainage courses shall be landscaped, except where a required setback is screened from public view, landscaping would adversely affect existing drainage or erosion control plans.
- Unused areas. All areas of a project site not intended for a specific use, including pad sites in shopping centers help for future development, shall be landscaped unless it is determined by the Director of Landscaping is not necessary to fulfill the purposes of this Division.
- Adjacent to structures. When parking areas are located adjacent to nonresidential structures, a minimum five-foot wide landscaping strip (inside dimension) shall be provided adjacent to the structure and shall include trees planted at the rate of one for each 30 feet of landscape area.
- Minimum area of landscaping. A minimum of 10% of the total off-street parking area shall be landscaped with trees, shrubs and groundcover.

Zoning Map



Aerial Map with Parcel Lines in White



DESCRIPTION OF THE IMPROVEMENTS

The improvements on the site are minimal and the subject largely consists of land. There is a 1,950 square foot building located on parcels 5315-003-903 and 5315-003-904 that is used for performance events and is leased on a month-to-month basis. There is also a small mobile trailer parked on the eastern side of the building on Parcel 9315-003-903. It appears that a portion of the trailer and a portion of the gravel covered parking area are on parcel 5315-003-902. (See Aerial View on previous page) Our valuation of the property does not take into account the improvements as they are an interim use until the parcels can be redeveloped. We did not inspect the interior of the building as we are not appraising the improvements. Below is a summary of the improvements based on our exterior inspection.

Construction Summary

Construction

- Type: Masonry Construction with concrete supports.
- Foundation: Concrete slab on grade with assumed reinforced spread concrete footings.
- Exterior Walls: Exterior walls consist of painted concrete blocks with plate glass insets.
- Roof Structure and Covering: We did not inspect the roof, but assume it is built-up composition sheathing.
- Interior Finish: The property improvements (APNs 5315-003-903 and 5315-003-904) is leased to a theatre group on a short term basis until the property can be developed. We did not inspect the interior of the building and do not have any knowledge of the interior finishes.
- Heating and Air Conditioning: It is our understanding that the air system consists of a package HVAC system, mounted on the roof.
- Parking: Parking is available on a gravel covered area on the north side of the improvements on parcels 5315-003-903 & 5315-003-904. The parking area was not striped and it is unknown how many vehicles can park on the gravel surface. Parcel 5315-003-901 has striped parking for 30 vehicles. Parcel 5315-003-902 has striped parking for 13 vehicles on an asphalt surface.

Conclusion

Based on our review of the improvements, the overall shell design appears adequate and typical for other small retail properties. The improvements are scheduled to be removed once construction of the proposed development begins.

HIGHEST AND BEST USE

Definition of Highest and Best Use

The term "Highest and Best Use," as used in this report, is defined as: "The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

There are two distinct types of Highest and Best Use. The first is the Highest and Best Use of the site as though vacant. The second is the Highest and Best Use As Improved.

As Vacant

In the analysis of Highest and Best Use As Vacant, the probable uses must meet four criteria. Each use must be: physically possible, legally permissible, financially feasible, and maximally productive.

Physically Possible

The subject property consists of a 0.194-acre site and a 0.409 acre site. There were no apparent drainage problems evident during our inspection. All utilities are available to the sites. Further, it is assumed that the existing soil is of adequate capacity to support the improvements. As a result, any structure that meets the other criteria outlined below and will fit the physical attributes of the site, can theoretically be built.

Legally Permissible

To be legally permissible, the use must meet the test of private restrictions, including zoning and building codes. The subject properties are zoned CG, Commercial General in the City of South Pasadena which provides for a variety of commercial uses including office and retail as well as residential.

Financially Feasible and Maximally Productive

Given the current market conditions for retail and office in the area, the highest and best use of the site, as if vacant, would be for neighborhood retail/mixed use development once market conditions improve; which very likely could be a time period in excess of two years.

Highest and Best Use As Improved

The existing improvements consist of a 1,950 square foot building used for performance events on parcels 5315-003-903 and 5315-003-904. There is off-street parking available on the sites. The improvements do not add to the overall value of the land and are an interim use until the properties can be redeveloped. Based on our understanding of the present condition of the properties, the Highest and Best Use of the subject property would be for a neighborhood retail/mixed-use development.

METHODOLOGY

Three approaches to value form the foundation for current appraisal theory. These approaches are the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

The Cost Approach is based upon the proposition that the informed purchaser would pay no more than the cost to produce a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist no comparable properties on the market.

The Sales Comparison Approach utilizes prices paid in actual market transactions of similar properties to estimate the market value of the subject. This appraisal technique is dependent upon utilizing truly comparable sales data that have occurred near enough in time to reflect market conditions relative to the time period of the subject appraisal. In essence, all approaches to value are market data approaches, since the data input is from current conditions.

The Income Capitalization Approach is widely applied in appraising income-producing properties. Anticipated present and future incomes, as well as any future reversions, are discounted to the present worth figure through the capitalization process. This approach also relies upon market data to establish current economic rents and expense levels to arrive at an expected net income.

Summary

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject. This report was prepared in conformance with the requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP). The improvements consist of a small masonry retail building and do not add to the overall value of the subject property. Our valuation is of the 0.194 acre land parcel and the 0.409 acre parcel that contains three APNs. The Cost Approach is not considered a useful approach to the valuation of the land.

The value of the underlying land will be estimated using the Sales Comparison Approach, sales and/or listings of commercial land will be examined to determine the fee simple value of the land. The Income Approach is typically not used when valuing land and is not utilized in this report. Additional information regarding the methodology and analysis utilized can be found in the individual sections of this report, as set forth below.

LAND VALUATION

Site Valuation

In estimating land value, it is typical to employ a Sales Comparison Approach. This approach entails analyzing land sales having similar utility and use characteristics as the subject and adjusting them for individual differences such as financing, conditions of sale, market conditions (time), location, size, physical configuration and zoning/land use potential. We have also considered the development density of the projects proposed for the land sale sites. The primary unit of comparison used in this analysis was price per square foot; this is the common unit of comparison in the local marketplace.

The data presented below consists of the best available land transaction information, given the location of the subject property. While we searched for commercial land sales in South Pasadena there have been few in the last two years. We expanded our search to other parts of the San Gabriel Valley. Details pertaining to the land sales are outlined below. The table below summarizes comparable commercial land sale activity deemed most appropriate for valuation of the subject. The same land comparables will be used in valuing both the 0.194 acre parcel and the 0.409 acre parcel.

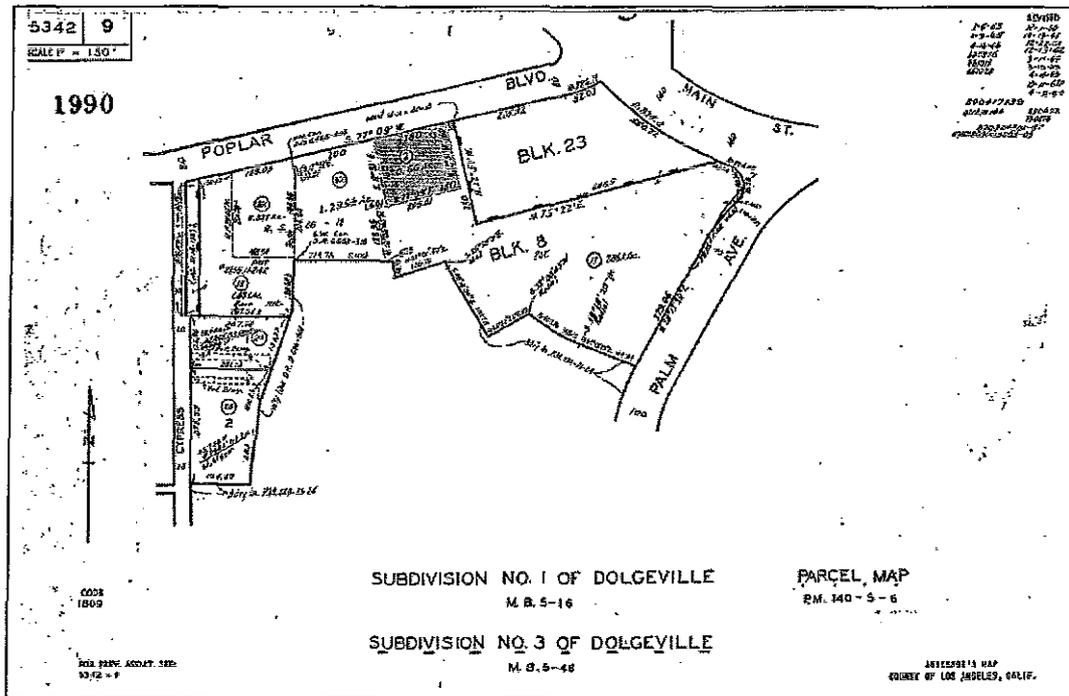
Comparable Land Sales

Survey – September 2013

Commercial Land Comparable Sales						
No.	Project	Land (sf) Acre	Sale Date	Zoning	Total	\$ PSF
1	1435 West Kenneth Road Glendale, 91201 <i>APN# 5522-023-020, 021, 022 & 023</i>	12,249 0.28	Apr-13	C1 Glendale	\$865,000	\$70.62
2	2300 Poplar Boulevard Alhambra, CA 91801 <i>APN# 5342-009-002</i>	28,750 0.66	Aug-12	CPD Alhambra	\$2,395,000	\$83.30
3	100 East California Boulevard Pasadena, CA 91105 <i>APN# 5720-012-001</i>	23,392 0.54	Jun-12	IG SP-2 HL-56 Pasadena	\$1,970,800	\$84.25
4	5 Pasadena Avenue South Pasadena, 91030 <i>APN# 5311-001-018</i>	15,246 0.35	Jan-11	CG South Pasadena	\$650,000	\$42.63
5	1787 East Walnut Street Pasadena, 91106 <i>APN# 5737-016-023, 024, 038 & 039</i>	58,370 1.34	Active Listing (In escrow)	ECSP-CG-3 Pasadena	\$4,200,000	\$71.95
6	700-730 South Raymond Avenue Pasadena, CA 91105 <i>APN# 5720-010-008</i>	61,419 1.41	Active Listing (In escrow)	IG SP-2 HL-56 Pasadena	\$6,250,000	\$101.76
Subj	Mound Avenue and El Centro Street South Pasadena, CA 91030 <i>APN# 5315-003-901, 902, 903 & 904</i>	26,276 0.603		CG South Pasadena		

LAND COMPARABLE NO. 2

**2300 Poplar Boulevard
Alhambra, CA 91801**



APN: 5342-009-002

PHYSICAL DATA

Sale Date:	August 2012	Lot Size (SF):	28,750 SF
Sale Price:	\$2,395,000	Lot Size (AC):	.66 acres
Price/SF:	\$83.30	Zoning:	CPD Alhambra
Financing Terms:	Cash to New Loan	Shape/Topography:	Square/Level
Intended Use:	Self-Storage Facility	Access:	Average
Seller:	Stephen A. Claro	Entitlements:	4-Story Self Storage
Buyer:	Caster Alhambra Storage LP	Corner Lot:	No

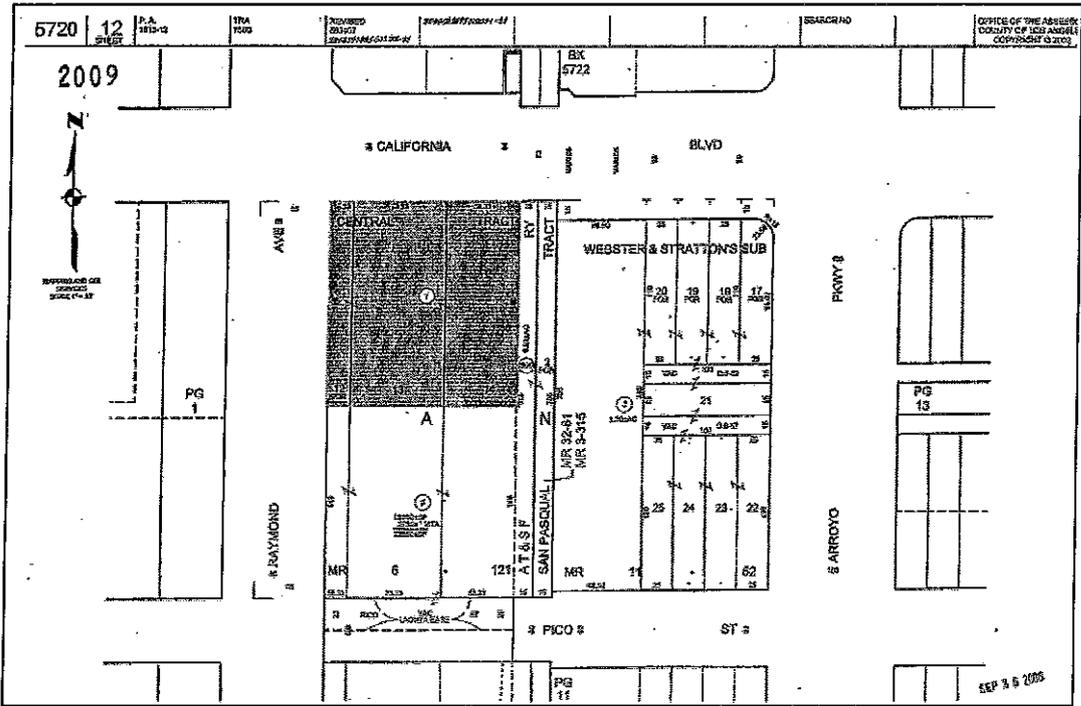
COMMENTS

This land sale is approximately 1.5 miles south of the subject in an inferior submarket. The financing terms were cash to a new loan. Sources indicate that the buyer purchased the property to develop a 104,000 square foot self-storage facility. The entitlement to build the storage facility was already in place at the time of purchase. Sources also indicate that the original plan was for a 108,000 square foot self-storage center with 4,000 square feet devoted to retail usage, however the buyer and now current owner objected to the retail space and had that plan removed to only involve storage space. The transaction's duration lasted 4 months in escrow. The land is zoned CPD, Commercial Planned Development, with a Regional Commercial overlay district. The zoning calls for general commercial uses, with an FAR of 1.25 and a height limit of 10 stories or 115 feet. Residential uses are allowed at the R-3 level which permits 24 units per acre.

Data Source: Broker, Grant Deed, Fast Web, Costar, NDC Data

LAND COMPARABLE NO. 3

**100 East California Street
Pasadena, CA 91105**



APN: 5720-012-001

PHYSICAL DATA

Sale Date:	June 2012	Lot Size:	23,392 SF / 0.54 Acres
Sale Price:	\$1,970,800	Zoning:	IG SP-2 HL-56, Pasadena
Price/SF:	\$84.25	Shape/Topography:	Rectangular/Level
Financing Terms:	\$1,462,680 from seller	Corner Lot:	Yes
Intended Use:	Retail, medical	Access:	Similar
Seller:	Michael Blaine	Entitlements:	N/A
Buyer:	Happy Families Vitamin Investments, LLC		

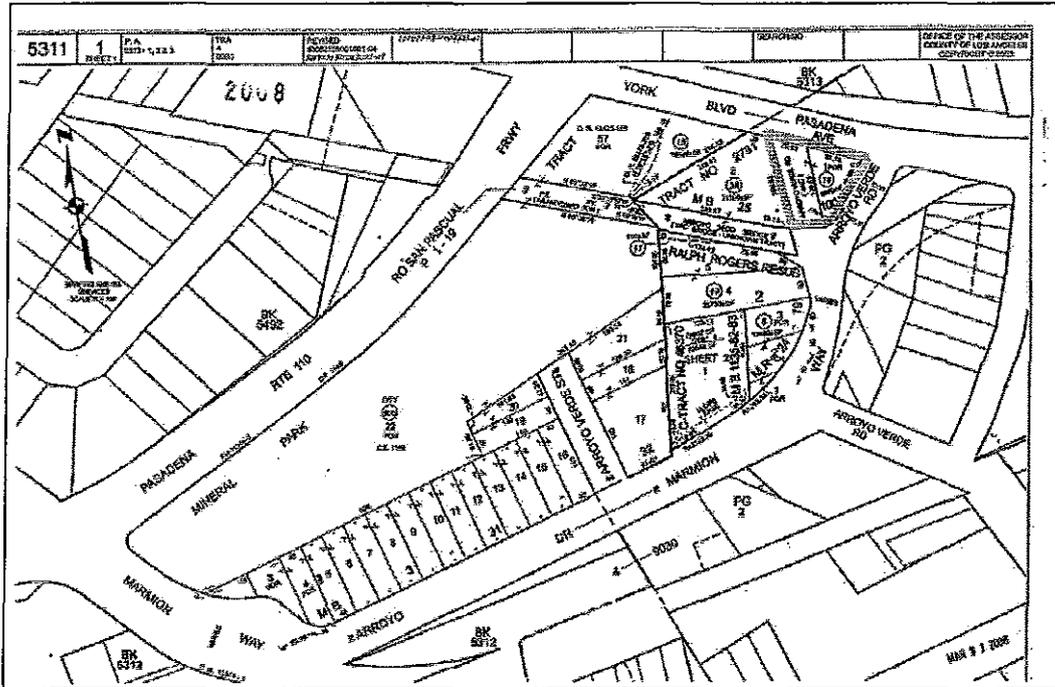
COMMENTS

This sale comparable is approximately 1.5 miles northeast of the subject, in a somewhat superior location, one block from Huntington Hospital. The property is zoned IG SP-2 HL-56 in Pasadena, which is an industrial zone that also permits medical services and care, multi-family residential, and residential care uses as well as retail, wholesaling, and vehicle services with a conditional permit, at an FAR of 0.9 with a height limit of 56 feet. Sources indicated that there were environmental issues with the land, but this would not be considered to be a serious issue, as redevelopment is already underway. The sale price of the property was \$1,720,800 and the buyer was credited \$250,000 for underground tank removal costs; resulting in a total cost to the buyer of \$1,970,800. There were no entitlements on the land. There are a number of medical facilities in the area. This property is being redeveloped to specialized plastic surgery outpatient facilities. The SP-2 zoning allows for multi-family uses with a density of 32 units per acre.

Data Source: Broker, Grant Deed, Fast Web, CoStar

LAND COMPARABLE NO. 4

**5 Pasadena Avenue
South Pasadena, 91030**



APN: 5311-001-018

PHYSICAL DATA

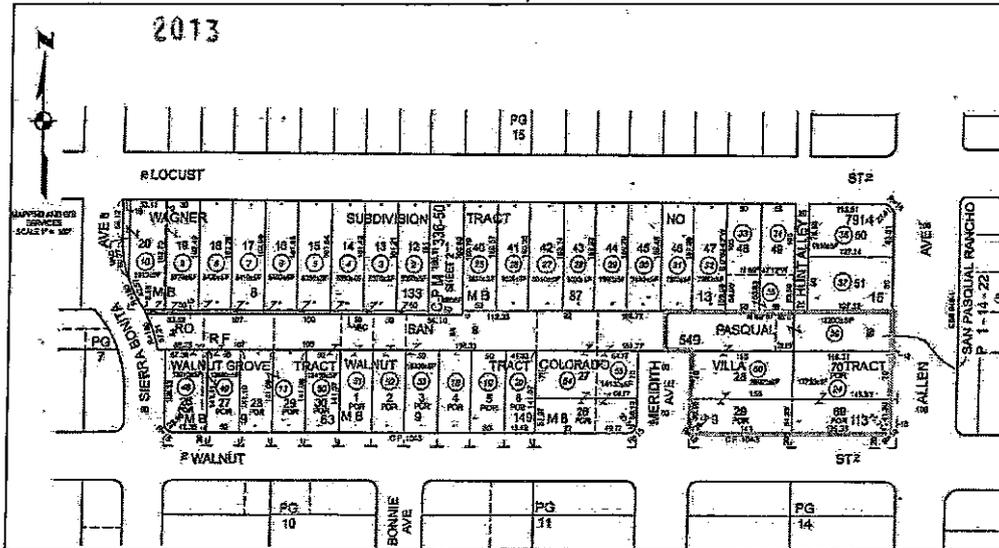
Sale Date:	January 2011	Lot Size	15,246 SF / 0.35 Acres
Sale Price:	\$650,000	Zoning:	CG
Price/SF:	\$42.63		South Pasadena
Financing Terms:	Cash to New Loan	Shape/Topography:	Irregular/Slope
Intended Use:	Restaurant	Corner Lot:	Yes
		Access:	Good
		Entitlements:	No
Seller:	The Finn Family LP		
Buyer:	99 Pasadena Ave.		

COMMENTS

This parcel was the site of the former Gino's restaurant, on the western edge of South Pasadena; a commercial location considered inferior to that of the subject. The site has been vacant for a period of years. This property was on the market for a considerable amount of time (over 2 years) before it was purchased. The site's western perimeter is sloped, and the site was used as a gas station in the 1960s; both factors the purchaser indicated as being detrimental. The planned intention of the buyer is to develop a restaurant on this property and is approximately 1.5 miles west of the subject.
 Data Source: Buyer, Grant Deed, CoStar, Fast Web

LAND LISTING COMPARABLE NO. 5

**1787 East Walnut Street
Pasadena, 91106**



APN: 5737-016-023, 024, 038 and 039

SALE DATA		PHYSICAL DATA	
Sale Date:	Escrow	Lot Size (SF):	58,370 SF
Sale Price:	\$4,200,000	Lot Size (AC):	1.34 AC
Price/SF:	\$71.95	Zoning:	ECSP-CG-3
Financing Terms:	TBD	FAR:	0.80
Intended Use:	Lumber Yard	Shape/Topography:	Irregular / Level
Seller:	Davis J.E. Jr. and L H 2007 Trust	Access:	Good
Buyer:	TBD	Entitlements:	Yes
		Corner:	Yes

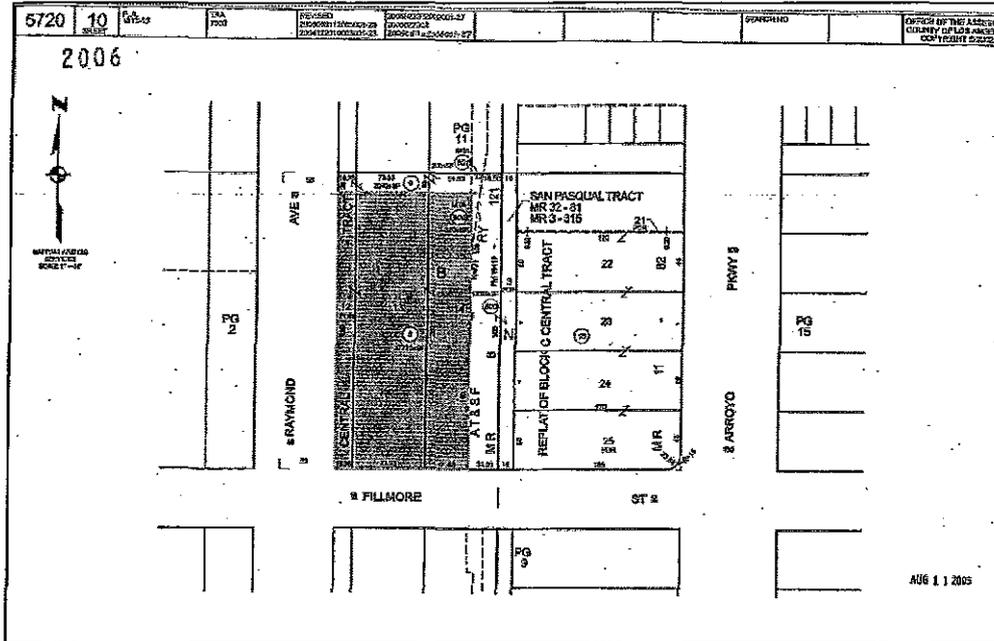
COMMENTS

This property is located approximately 3 miles northeast of the subject in a inferior location. Per the selling broker, this site is currently in escrow for \$4,200,000. The site was formerly improved with a lumber yard, and was entitled for future development at the time of sale. It is located in a Transit Oriented Development area, and the buyer had previously purchased a site adjacent to the property. The selling broker indicated that the property had been in escrow since 2011, pending approval of entitlements, and is set to close in the next few months. Residential uses are allowed in a mixed-use project with up to 60 units per acre for properties near the gold line.

Data Source: Broker, Costar, Public Records

LAND LISTING COMPARABLE NO. 6

**700-730 South Raymond Avenue
Pasadena, CA 91105**



APN: 5720-010-008

SALE DATA **PHYSICAL DATA**

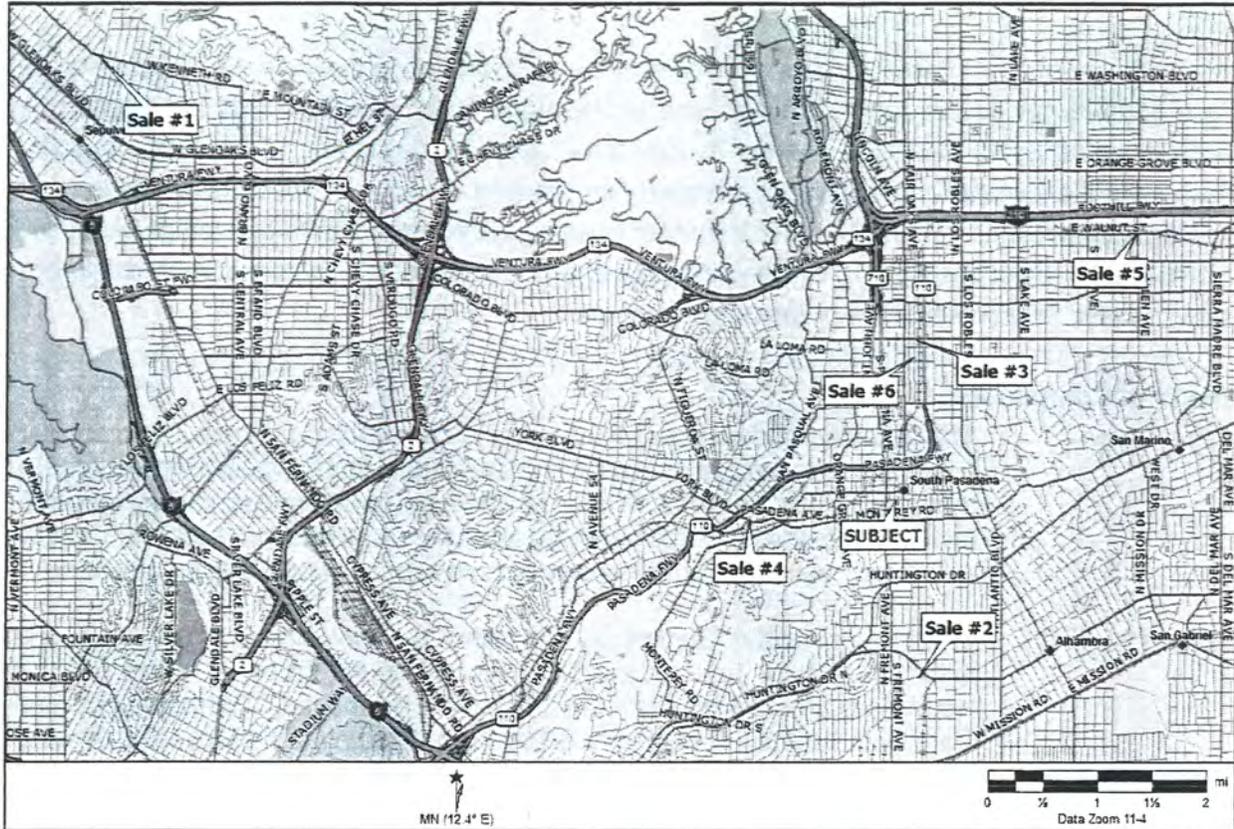
Sale Date:	Active Listing (in escrow)	Lot Size (SF):	64,419 SF
Sale Price:	\$6,250,000 Million	Lot Size (AC):	1.41 AC
Price/SF:	\$101.76	Zoning:	IG SP-2 HL-56, Pasadena
Financing Terms:	TBD	Shape/Topo:	Rectangular / Level
Intended Use:	TBD	Access:	Similar
Seller:	ARE 700/730 South Raymond, LLC	Entitlements:	None
Buyer:	N/A		

COMMENTS

This comparable represents an active listing approximately 1.3 miles northeast of the subject. The property is currently in escrow and escrow closure has not yet been confirmed. The prospective buyer is a residential developer interested in converting the property to residential use. The property is zoned IG SP-2 HL-56 in Pasadena, which is an industrial zone that also permits medical services and care, multi-family residential, and residential care uses as well as retail, wholesaling, and vehicle services with a conditional permit, at an FAR of 0.9 with a height limit of 56 feet.

Data Source: Broker, Costar, Public Records

Land Sale Map



Commercial Land Comparable Sales						
APN: 5315-003-901						
No.	Project	Land (sf) Acre	Sale Date	Zoning	Total	\$ PSF
1	1435 West Kenneth Road Glendale, 91201 APN# 5522-023-020, 021, 022 & 023	12,249 0.28	Apr-13	C1 Glendale	\$865,000	\$70.62
2	2300 Poplar Boulevard Alhambra, CA 91801 APN# 5342-009-002	28,750 0.66	Aug-12	CPD Alhambra	\$2,395,000	\$83.30
3	100 East California Boulevard Pasadena, CA 91105 APN# 5720-012-001	23,392 0.54	Jun-12	IG SP-2 HL-56 Pasadena	\$1,970,800	\$84.25
4	5 Pasadena Avenue South Pasadena, 91030 APN# 5311-001-018	15,246 0.35	Jan-11	CG South Pasadena	\$650,000	\$42.63
5	1787 East Walnut Street Pasadena, 91106 APN# 5737-016-023, 024, 038 & 039	58,370 1.34	Active Listing (In escrow)	ECSP-CG-3 Pasadena	\$4,200,000	\$71.95
6	700-730 South Raymond Avenue Pasadena, CA 91105 APN# 5720-010-008	61,419 1.41	Active Listing (In escrow)	IG SP-2 HL-56 Pasadena	\$6,250,000	\$101.76
Subj	Mound Avenue and El Centro Street South Pasadena, CA 91030 APN# 5315-003-901	8,455 0.194		CG South Pasadena		

As Is Market Value of Parcel 5315-003-901:

Analysis

Review of the sales data presented above indicates an *unadjusted* range between \$42.63 per square foot and \$101.76 per square foot. The high end of the range on a per-square foot basis reflects a listed property on South Raymond Avenue in Pasadena, which is considered a somewhat superior location, while the low end of the range is a property on the western edge of South Pasadena in what is considered an inferior location. In order to further quantify the adjustments to the comparables, we have prepared an adjustment grid. Presented below is a discussion of the factors considered in our analysis, followed by a presentation of the adjustment grid.

Elements of Comparison

Financing Terms	The valuation of the subject is based on a cash equivalent basis. Comparable properties are sometimes sold with non-market financing arrangements. In these cases, an adjustment may be required to attain the cash equivalent price. To the best of our knowledge, all of the properties represented "cash to seller" transactions. For this analysis no adjustment was made for financing.
Conditions of Sale	Adjustments for this element usually reflect the motivations of the buyer and seller. If a party to a transaction was under duress, or if other atypical motivations affected the price, an adjustment is required. Comparables 5 and 6 are both listings; Comparable 5 has been listed almost two years, pending the completion of entitlements. We have adjusted this property downward by 10%. Comparable 6 has been on the market for a little over a year and is given a 15% downward adjustment to account for listing and selling pricing in the current market. To the best of our knowledge, none of the other comparable properties needed adjustment for conditions of sale.
Market Conditions	The properties were acquired between January 2011 and April 2013, with two current listings. We searched for sales of commercial land in Los Angeles County that occurred since January 2011. We found 193 sales containing between 10,000 and 60,000 square feet. The number of sales per quarter was small, ranging between 12 and 29 sales per quarter. The price per square foot varied considerably from quarter to quarter but overall the sales showed a small downward trend. We have adjusted the sales downward by 6% a year compounded monthly to reflect the decrease in the market.
Location	The desirability of each improvement's location was compared to that of the subject. The subject property is located one block south of an arterial street and one block west of a second arterial street South Pasadena, what is considered an average location. Comparable 1 is located on an arterial street in Glendale, a somewhat inferior commercial market, and is given a 10% upward adjustment. Comparable 2 is located on a secondary street in Alhambra in an inferior market area and is given a 5% upward adjustment. Comparables 3 and 6 are located on arterial streets in Pasadena near a METRO station and are given 5% downward adjustments. Comparable 4 is located in South Pasadena on a secondary arterial street in a more residential area and is given a 10% upward adjustment. Comparable 5 is located in Pasadena in an inferior commercial area and is given a 5% upward adjustment.

- Access** The subject has relatively good access to the #110 Freeway. Comparables 3, 5 and 6 are all located close to Freeway on/off ramps and given 5% downward adjustments. Comparable 4 is located similar to a Freeway as the subject but is in a secondary location and given a small upward adjustment. The remaining comparables have generally similarly access and require no adjustment.
- Zoning** The subject is zoned CG which allows for a range of commercial uses with a height maximum of 35 feet and a lot coverage maximum of 100%. The Comparable sales were all zoned similarly, with varying FARs and height limits. Based on the entitlements for the subject parcel, a residential density of 16 units per acre will be built on the Development Parcel D. Development Area D is entitled for 16 units per acre. Development Parcel D contains 50,247 square feet and is entitled by the city for 19 housing units, leaving 16 units per acre. The comparables have allowable residential densities ranging between 24 and 60 units per acre and those with significantly higher densities have been adjusted as shown in the chart below. The residential density for comparable 4 could not be calculated and no adjustment was made.
- Utilities** All of the sales are situated within developed areas with utilities available to the site. No adjustment was necessary for utilities for the Comparables.
- Entitlements:** As noted previously in this report the subject parcels are entitled for two different Development Areas based on information from the Planned Development Permit Conditions (copy located in Addenda). Comparables 2 and 5 were also entitled at the time of the sale and not adjusted. In the current commercial market, buyers are giving consideration to properties that are entitled and are willing to pay a slight higher price for land that is entitled. We have given comparables 1, 3, 4 and 6 upward adjustments of 5% for their inferior status as un-entitled.
- Parcel Size** Typically, the price per square foot is skewed downward when the land size is significantly larger than the subject. Conversely, smaller parcels typically skew the price per square foot upward. Adjustments were made to properties that were either significantly smaller or larger than the subject's size.

The adjustment grid for the comparables is presented below:

Comparable Land Sale Adjustment Grid							
Parcel 5315-003-901							
Sale No.	1	2	3	4	5	6	Subject
Date of Sale	Apr-13	Aug-12	Jun-12	Jan-11	Active Listing	Active Listing	Sep-13
Lot Size	12,249	28,750	23,392	15,246	58,370	61,419	8,455
Price Per SF	\$70.62	\$83.30	\$84.25	\$42.63	\$71.95	\$101.76	
Adjustments:							
Financing Terms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Adjusted Price	\$70.62	\$83.30	\$84.25	\$42.63	\$71.95	\$101.76	
Conditions of Sale	0.0%	0.0%	0.0%	0.0%	-10.0%	-15.0%	
Adjusted Price	\$70.62	\$83.30	\$84.25	\$42.63	\$64.76	\$86.50	
Market Conditions	-2.5%	-6.4%	-7.1%	-15.0%	0.0%	0.0%	
Adjusted Price	\$68.84	\$77.97	\$78.29	\$36.22	\$64.76	\$86.50	
Location	10.0%	5.0%	-5.0%	10.0%	5.0%	-5.0%	
Access	0.0%	0.0%	-5.0%	5.0%	-5.0%	-5.0%	
Zoning	-5.0%	-5.0%	-5.0%	0.0%	-10.0%	-5.0%	
Utilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Entitlements	5.0%	0.0%	5.0%	5.0%	0.0%	5.0%	
Size	0.0%	10.0%	10.0%	5.0%	15.0%	15.0%	
Total Net Adjustment	10.0%	10.0%	0.0%	25.0%	5.0%	5.0%	
Adjusted Price	\$75.72	\$85.77	\$78.29	\$45.27	\$68.00	\$90.82	

Analysis

After adjustment, the prices range between \$45.27 and \$90.82 per square foot. The average adjusted price is \$73.98 per square foot, while the median adjusted price is \$77.01 per square foot. Average and median data is provided for informational purposes only, and not used as a primary form of valuation.

Comparable Sales 1 and 2 have been given the most weight in our value estimate as they required the fewest adjustments. These two comparables suggest an adjusted range of value for the subject from \$76 to \$86 per square foot. Given the secondary location of the subject on two collector streets, we would anticipate the fee simple market value of the land to fall within the lower portion of this adjusted range.

Fee Simple Land Value Conclusion

Based on the preceding analysis, we are concluding with the following land value:

8,455 x \$75.00 per square foot	\$634,125
Indicated Fee Simple Land Value (rounded)	\$635,000

ADDENDA

Exhibit I - Legal Descriptions

APN: 5315-003-901

County	of LOS ANGELES	:
[Type of Recording Jurisdiction]	[Name of Recording Jurisdiction]	
THE WEST 53.33 FEET OF LOT 95 OF TRACT 2542, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 26 PAGE 73 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.		

APN: 5315-003-902

EXHIBIT "A"

LEGAL DESCRIPTION

Parcel No. 2: 5315-003-902 (Southwest Corner of El Centro and Edison Lane)

THE EASTERLY 46 FEET, BETWEEN PARALLEL LINES OF LOTS 5 AND 6 IN BLOCK "C" OF THE RAYMOND VILLA TRACT NO. 1, IN THE CITY OF SOUTH PASADENA, AS PER MAP RECORDED IN BOOK 1, PAGE 91 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APNs: 5315-003-903 and 5315-003-904

EXHIBIT "A"

LEGAL DESCRIPTION

Parcel No. 1: 5315-003-904 (Nursery Lot: 1507 El Centro)

The West 46 feet of the East 92 feet of Lots 5 and 6, in Block "C" of Raymond Villa Tract No. 1, in the City of South Pasadena, County of Los Angeles, State of California, as per map recorded in Book 1, Page(s) 91 of Maps, in the Office of the County Recorder of said County.

Parcel No. 2: 5315-003-903 (Nursery Lot: 1503 El Centro)

The West 70 feet of Lots 5 and 6 in Block "C" of Raymond Villa Tract No. 1, in the City of South Pasadena, County of Los Angeles, State of California, as per map recorded in Book 1, Page(s) 91 of Maps, in the Office of the County Recorder of said County.

Exhibit II – Traffic Count Map

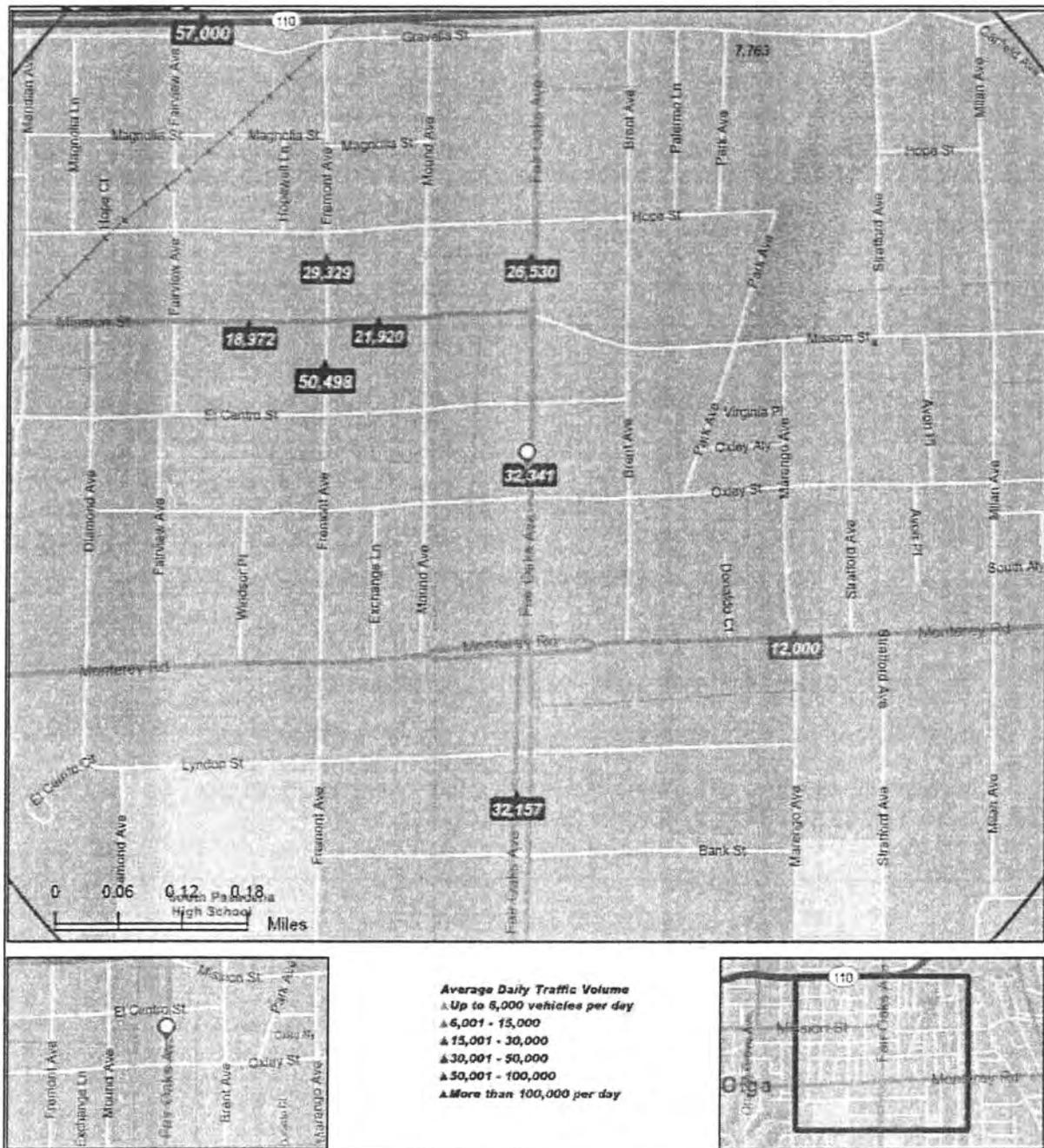


Exhibit III – Subject Floodmap

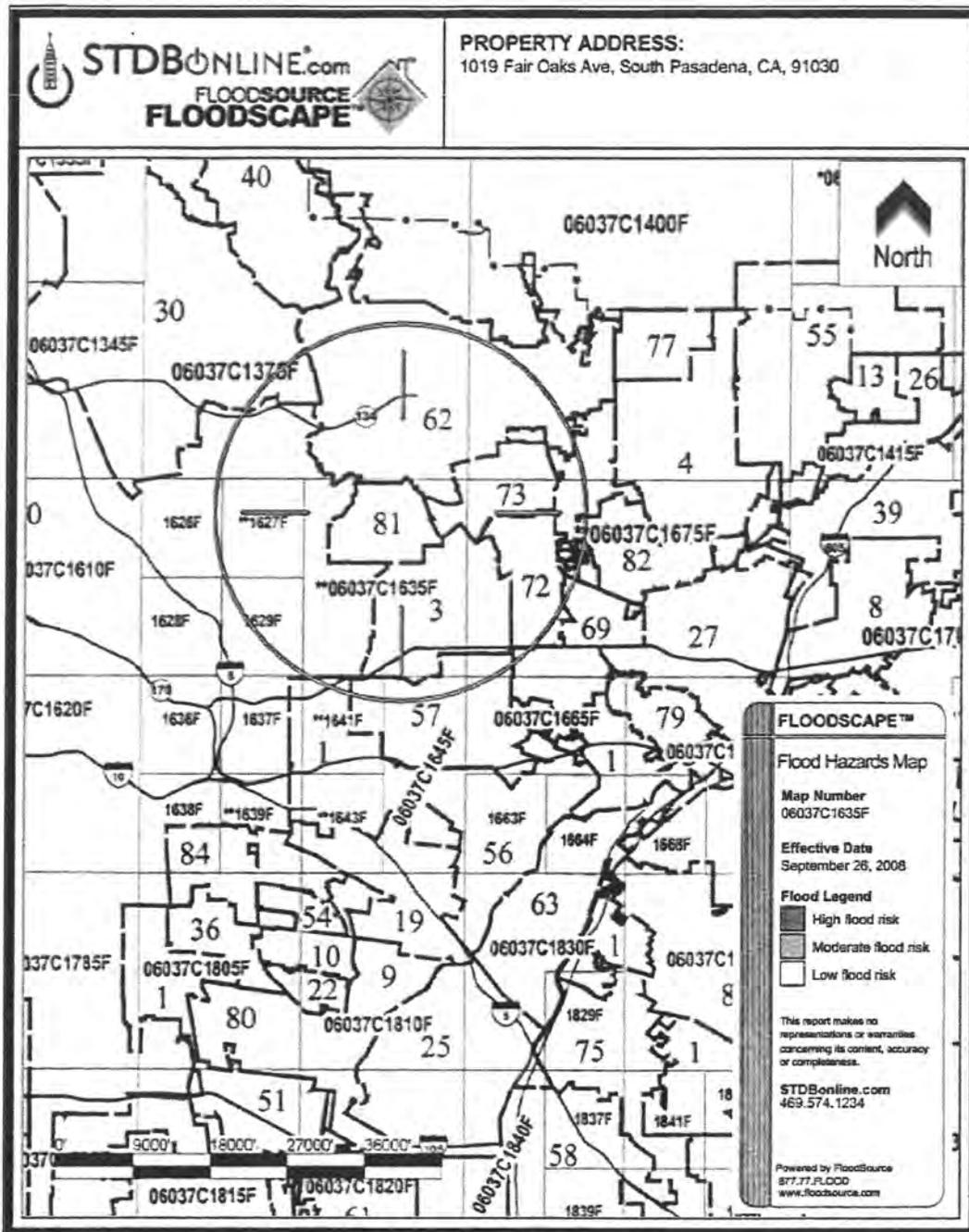


Exhibit IV Subject Fault Zone Map



Legend

-  Earthquake Fault Zones
-  Landslide and Liquefaction Zones
-  Fault zones, Landslide and Liquefaction Zones

Exhibit V
Planned Development Project Area Map

RES. VOL. 43

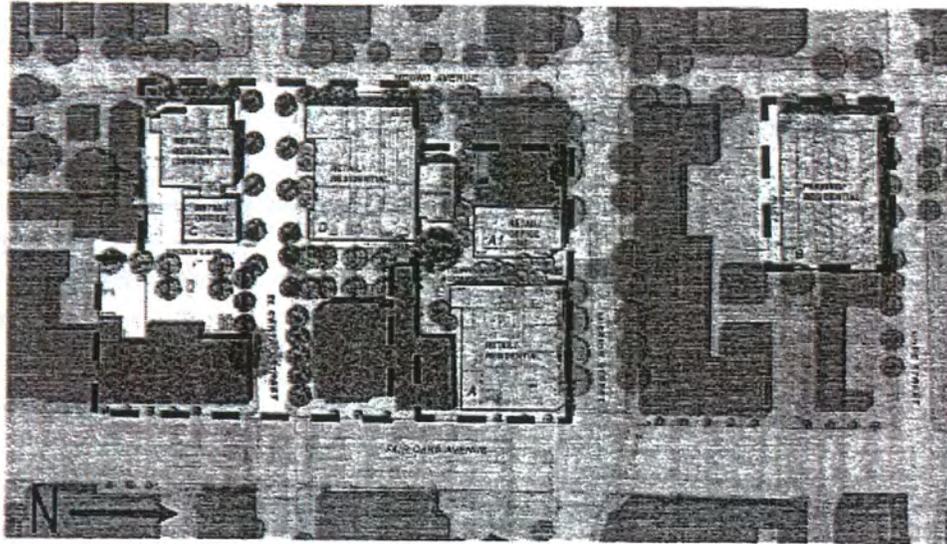
PAGE 357

05/21/08

EXHIBIT "B"
PLANNED DEVELOPMENT PERMIT
PROJECT AREA MAP

RESOLUTION NO. 6986
 Page 32

Downtown Revitalization Project



The land use regulations and development standards included in this Planned Development Permit (PDP) shall apply to the Project Area as illustrated on the map above. The subject properties are located within the boundaries of the dotted lines, and listed in the table below.

Building Site A Pedestrian Walk Town Plaza	Building Site A1 Pedestrian Walk Town Plaza	Building Site B	Building Site C Surface Parking	Building Site D Surface Parking
901 Fair Oaks Ave. 5315-003-058	1511 Mission St. 5315-003-050	Parking Area 5315-002-901	1503 -07 El Centro 5315-003-036 5315-003-037	1509 Mission St. 5315-003-049
917 Fair Oaks Ave. 5315-003-054			Parking Areas: 5315-003-039 5315-003-040 5315-003-041 5315-003-902	1503 - 05 Mission St. 5315-003-048
919 Fair Oaks Ave. 5315-003-055				923 Fair Oaks Ave. 5315-003-057
				Parking Areas: 5315-003-044 5315-003-901

Exhibit VI
Planned Development Permit Conditions

RES. VOL. 43

PAGE 337

05/21/08

RESOLUTION NO. 6986

Page 12

EXHIBIT "A"
CONDITIONS OF APPROVAL
Planned Development Permit

PLANNED DEVELOPMENT PERMIT CONDITIONS

- 1) The development standards included in this Planned Development Permit (PDP) shall apply to the Project Area as shown on Exhibit "B" attached hereto and incorporated herein by this reference.
- 2) The term "Project" shall mean the Downtown Revitalization Project as used in these conditions of approval, and as shown on Exhibit "B".
- 3) The Project shall consist of the following:
 - a) Development of Building Site A, which requires the demolition of the Citizens Bank Building for the construction of a new 34,176 s.f., two-story structure that includes: 10,019 s.f. of commercial space on ground level, 12 studio lofts on the second level, 3 retail storefronts on Mission Street; café facing the town plaza, and Citizens Bank relocated on Fair Oaks.
 - b) Development of Building Site A1, which involves the construction of a new 10,917 s.f., 2-story structure including: 4,790 s.f. of commercial space on the ground level, and 3,593 s.f. of office uses on the second level.
 - c) Development of Building Site B, which involves the construction of a new 58,154, one and a half story structure including: a public/private parking structure containing: 30 spaces underground for residents, 59 spaces at split-level above ground for public use, and 14 residential units above.
 - d) Development of Building Site C, which requires the demolition of a former plant nursery, and the construction of a new 24,796 s.f. building to include: 5,741 s.f. of retail uses, 12 residential units for affordable senior housing, and 3 residential units, or office spaces.
 - e) Development of Building Site D, which involves the construction of a new 54,159 s.f. structure including: 5,928 s.f. of retail space, a 5,100 s.f. bowling alley, 4,320 s.f. of restaurant space, and 19 housing units.
 - f) Development of a subterranean parking structure which spans Building Sites C, D, and El Centro Street, and provides 230 parking spaces.
 - g) Development of the five building sites within the three-block area will be connected by pedestrian paths, gathering spaces and a town plaza. The Town Plaza consists of 6,200 s.f. including the main area (4,200 s.f.), and a sub area (2,000 s.f.).
 - h) Construction of surface parking areas improved with new pavement and landscaping.

Downtown Revitalization Project Planned Development Permit
Page 1 of 20

- 4) The Project shall be constructed in three phases as follows:
 - a) Phase IA is primarily for the construction of the main underground parking structure, which spans Building Sites C, D, and El Centro Street. The Citizen's Bank site at the corner of Mission and Fair Oaks would be demolished and will supply 73 temporary parking spaces during construction of the underground parking structure.
 - b) Phase IB would begin after the underground parking structure is complete, and parking for 230 vehicles are made available. Construction would begin on building sites A, A₁, C, and D.
 - c) Phase II, which is the final phase will be constructed concurrently towards the end of Phase IB, and involves construction on Building Site B. Surface parking lots behind the Bank of America (BoFA) building and the East-West bank building on Fair Oaks Avenue would be repaved and landscaped.

- 5) The following development standards shall apply to the Project Area:
 - a) The parking ratio shall be 3 spaces per 1,000 square feet of floor area for all non-residential uses within the project area. The non-residential uses include: Retail, Restaurant, Office, Banking, and a Bowling Alley. This mix of uses have various peak hours allowing greater efficiency and use of the parking areas throughout the day. The non-residential components of all structures within in the PDP boundaries shall have a parking ratio of 3:1,000 and will be acknowledged as a "multi-tenant retail center" as defined by the Zoning Code for current and future land uses within the project area. Parking spaces within the parking structure which are not assigned for residential use shall be allowed for code required off-street parking requirements for all existing uses and uses contemplated and approved by this Planned Development Permit within the Project Area. All existing uses and uses contemplated or approved by this Planned Development Permit are deemed to have sufficient code required off-street parking. New uses and changes in uses within the Project Area not contemplated or approved by this Planned Development Permit may be allowed to use parking spaces within the parking structure to meet code required off-street parking pursuant to a discretionary Parking Use Permit (South Pasadena Municipal Code Sec. 36.310.050).
 - b) For existing lots within the Project Area the minimum parcel size within the Project Area shall not be less than 1,533 square feet and the minimum parcel width shall not be less than 20 feet wide or as may be needed to approve a Tract Map that accommodates the pedestrian walkways between existing and new buildings, and the 6,200 square foot town plaza.
 - c) The maximum height limit shall be 40'-0" for new buildings for Building Sites C and D within the Project Area to accommodate the construction and appurtenances of the underground parking structures.
 - d) All other ordinances and provisions of the Zoning Code shall apply to the Project Area, unless otherwise amended by this Plan Development Permit.

DEPARTMENT OF PLANNING & BUILDING CONDITIONS

- 6) Approval by the City Council does not constitute a building permit or authorization to begin any construction. An appropriate permit issued by the South Pasadena Building Division must be obtained prior to construction, enlargement, relocation, conversion or demolition of any building or structure on any of the properties involved with the Planned Development Permit.
- 7) All other requirements of any law, ordinance, or regulation of the State of California, City of South Pasadena, and any other government entity shall be complied with.
- 8) This Planned Development Permit is granted for the land and land use as described in the application and any attachments thereto, as shown on the development plans submitted to and approved by the City Council.
- 9) The project shall be constructed so as to substantially conform with the development plans submitted to and approved by the City Council, and the conditions established by this resolution.
- 10) This Planned Development Permit and all rights hereunder shall terminate within twelve (12) months of the effective date of the Planned Development Permit, unless plans are submitted for "plan check" within that time. Planning approvals for the project shall remain valid provided that the plan check and/or building permit applications remain active.
- 11) Compliance with and execution of all conditions listed herein shall be necessary prior to obtaining any occupancy inspection clearance and/or prior to obtaining any occupancy clearance.
- 12) The Developer and each successor in interest to the property which is the subject of this project approval, shall defend, indemnify and hold harmless the City of South Pasadena and its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul any approval of the City, City Council or City Planning Commission concerning this use.
- 13) The construction shall be kept free of all loose materials resembling trash and debris in excess of that material used for immediate construction purposes. Such excess may include, but is not limited to: the accumulation of debris, garbage, lumber, scrap metal, concrete, asphalt, piles of earth, salvage materials, abandoned or discarded furniture, appliances or other household fixtures.
- 14) The hours of construction shall be limited to 8:00 a.m. to 7:00 p.m., Monday through Saturday and 10:00 a.m. to 7:00 p.m. on Sunday.

QUALIFICATIONS OF STEVEN R. NORRIS, MAI, CRE

Norris Realty Advisors
101 E. Green Street, Suite 9
Pasadena, California 91105
(626) 405-9922

EDUCATION

University of California at Los Angeles - Bachelor of Arts, Majoring in Economics 1980

PROFESSIONAL DESIGNATIONS

Member - Appraisal Institute (No. 7716)
Counselor of Real Estate – CRE
Fellow, Royal Institution of Chartered Surveyors – June 2005
State of California General Certification No. AG001677

EXPERIENCE

Thomas W. Erickson, MAI – Santa Monica, California	1980 – 1985
CB Richard Ellis Appraisal and Consultation – Los Angeles, California	1985 – 1991
CRW Associates – Pasadena, California	1991 – 1999
Principal, Norris Realty Advisors	2000-Present

SIGNIFICANT ASSIGNMENTS

Commercial

Commercial assignments completed over the last 23 years include the valuation of an extensive variety of major mid and high-rise office towers (ranging in size from 100,000 to over 2,800,000 square feet); the appraisal of a new 100,000+ square-foot health club facility; and the valuation of a variety of major medical office buildings. Appraisal and consultation on numerous larger sized neighborhood, subregional and regional shopping centers involving detailed cash flow analysis for lending, securitization, and public finance. The completion of numerous absorption, market demand, highest and best use, and computer cash flow studies relating to commercial development, portfolio analysis, and asset review. Thorough experience with Argus lease-by-lease cash flow program.

Industrial

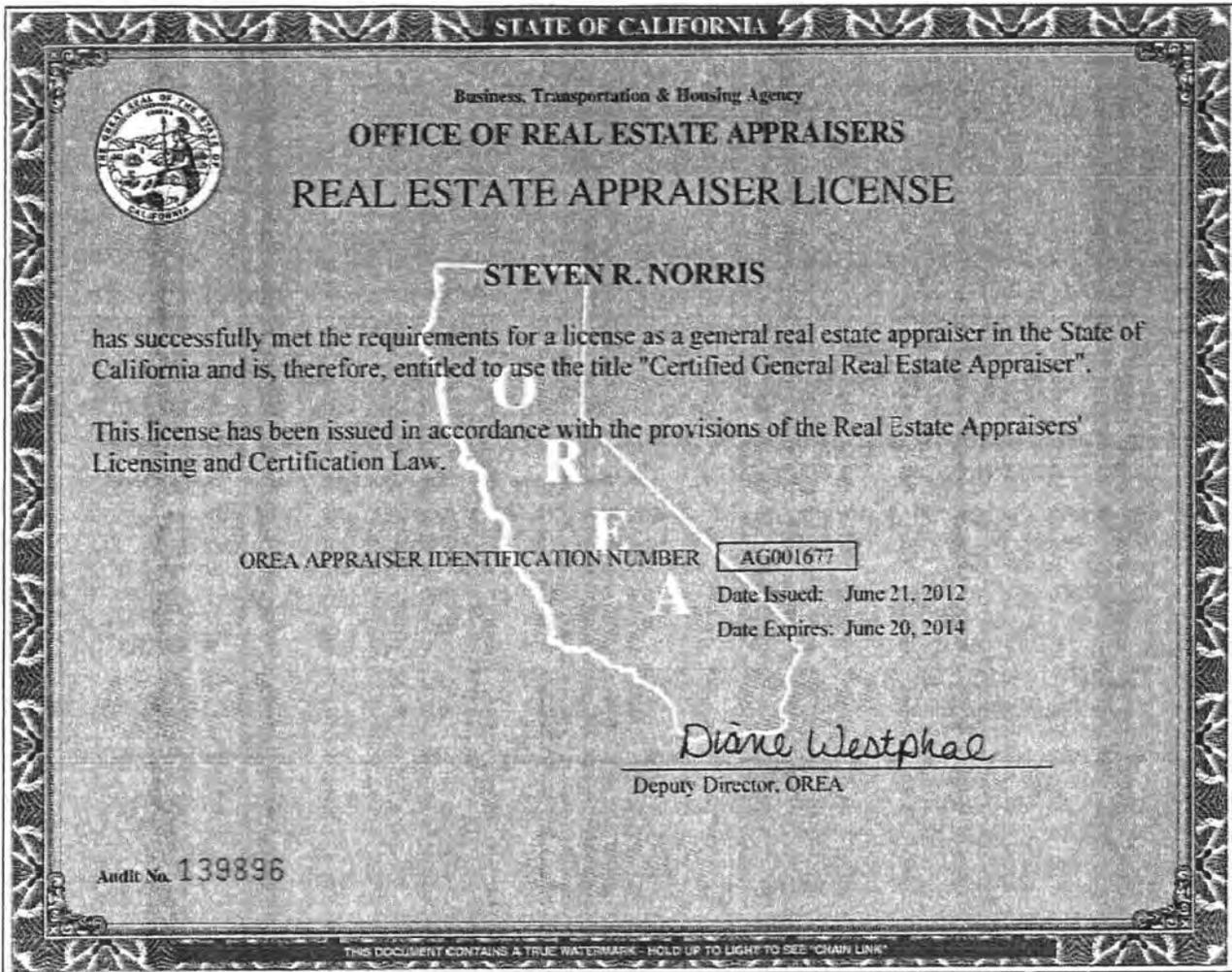
Industrial assignments include valuation and consultation on a 51 acre major manufacturing facility in urban Los Angeles, improved with 1,100,000 square feet of improvements; the appraisal of 195 acres for potential industrial development in Riverside County, California; valuation of a number of highly specialized aerospace research and development facilities (500,000 to over 1,000,000 square feet) in several states; the appraisal of a wide variety of mid- and larger-sized freestanding industrial and manufacturing facilities; valuation of numerous master planned business parks, and participation in numerous land-use and development studies.

Residential

The valuation of a number of larger (300+ units) luxury apartment complexes in the western United States; and the appraisal of a number of single-family housing developments. The valuation of a variety of congregate care and life care senior housing facilities throughout the western U.S.

Other

Assignments also include a wide variety of "specialized use" properties, including; numerous specialized use government and military facilities including realigned air force bases; a 1,300 acre Air Force weapons plant; consultation on the master planned redevelopment of the 3,700 acre El Toro military facility in Orange County, California; specialized consultation involving military property redevelopment and reuse, extensive experience in national pension fund portfolio advising. Experience in California, Arizona, Texas, Idaho, Montana, Utah, Colorado, Connecticut, Pennsylvania, and Illinois. Qualified as an expert witness in numerous depositions, and in US Bankruptcy Court. Vice Chair of the Appraisal Institute National Communications Committee. Prior service in Regional Ethics Administration for the Appraisal Institute.



QUALIFICATIONS OF PETER H. MILIO, SCREA

Norris Realty Advisors
101 East Green Street, Suite 9
Pasadena, California 91105
(626) 405-9922

EDUCATION

University of Illinois - Bachelor of Arts, Majoring in Marketing 1980

PROFESSIONAL DESIGNATIONS

State of California General Appraisal Certification No. AG032257

EXPERIENCE

Norris Realty Advisors	2005-Present
R. F. Crowell Appraisal— Santa Clarita, California	2003 – 2006
Franklin Appraisal – Arcadia, California	2003 - 2006
Harte-Hanks Shoppers – Brea, California	1993 - 2003
St. Luke Medical Center – Pasadena, California	1990 - 1993

SIGNIFICANT ASSIGNMENTS

Commercial

Commercial assignments completed over the last six years include the valuation of an extensive variety of assets including a portfolio of retail banks, mid- and high-rise office towers ranging between 80,000 and 350,000 square feet. The appraisal of a variety of proposed, new and existing medical office buildings; and the valuation of a wide variety of retail properties including large shopping centers and retail centers containing up to 500,000 square feet and as many as 600 tenants. Also a specialty in valuing charter school, private school and college developments in Southern California including acquisitions, conversions and new developments. Appraisal of various properties involving eminent domain for redevelopment agencies in the Southern California Region. The completion of absorption, market demand, fair rent studies, highest and best use analyses, and computer cash flow studies relating to commercial development, portfolio analysis, and asset review.

Industrial

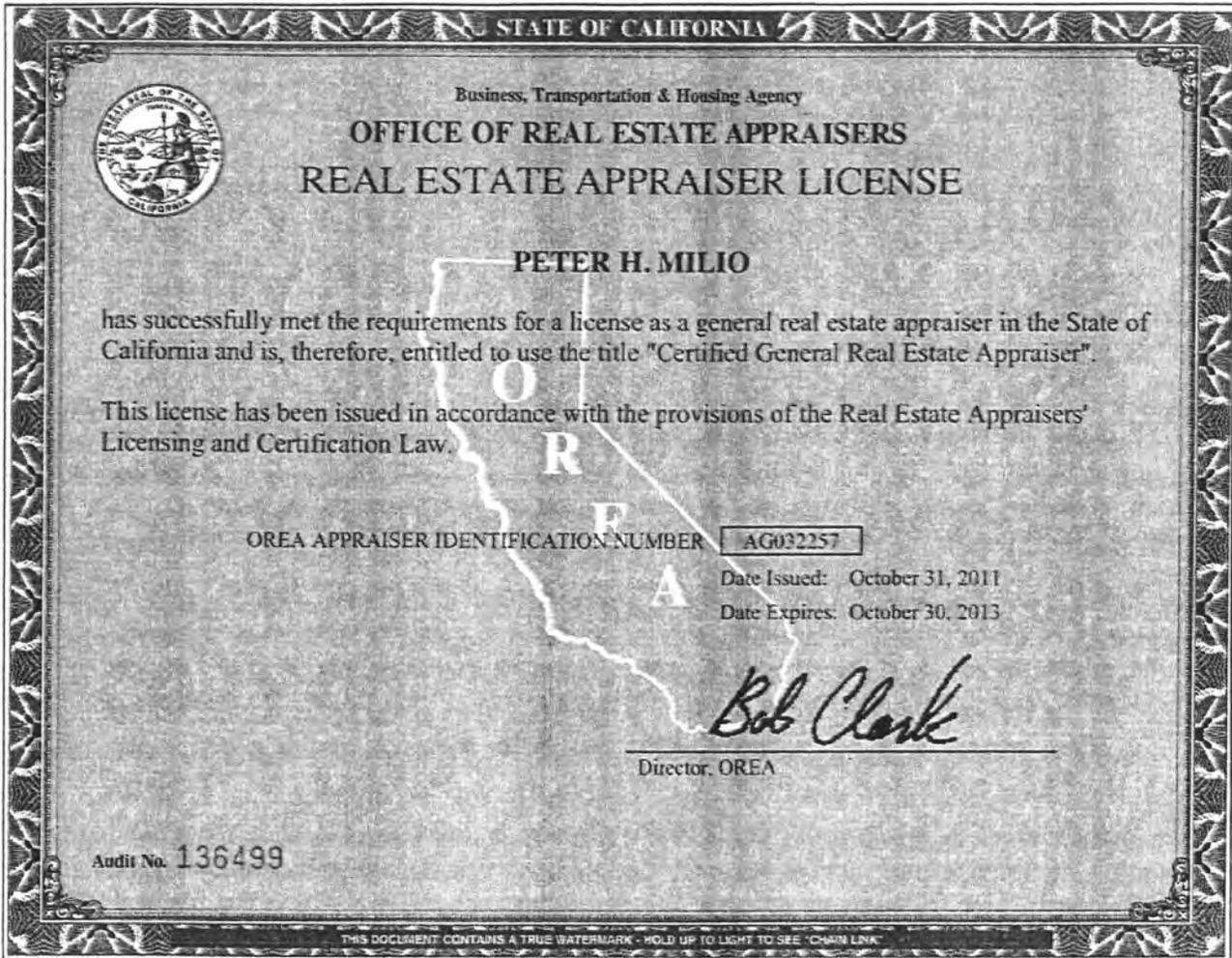
Industrial assignments include the appraisal of a wide variety of mid- and large-sized freestanding industrial and manufacturing facilities; valuation of master planned business parks, cold storage facilities and participation in numerous land-use and development studies.

Residential

The valuation of completed and proposed housing developments, both for-sale and for-rent units including mixed-use properties throughout Southern California. The valuation of affordable housing projects containing up to 100+ units. The valuation of a number single-family, duplex, 1-4 unit residential and mid- and large-size apartment complexes in the Southern California area. Appraisal of high-value single-family residential properties in Los Angeles County with values up to \$10,000,000.

Other

Assignments completed throughout California, with concentration in Los Angeles, Orange, San Bernardino and Riverside Counties. Also significant pension fund and triple net investment portfolio work throughout the greater San Francisco Bay Area and the greater San Diego Area.



**City of South Pasadena/
Redevelopment Successor Agency/
Public Financing Authority
Agenda Report**

*Marina Khubesian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member

Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: March 5, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager *JK*
Paul Toor, Director of Public Works *PT*
FROM: Leaonna DeWitt, Public Works Assistant *LD*
SUBJECT: **Approval to Co-Sponsor the Garden Tour and Waive Banner
Installation Fees**

Recommendation

It is recommended that the City Council approve the request from South Pasadena Beautiful for co-sponsorship of the Garden Tour and waive fees associated with the installation of a banner on Fair Oaks.

Fiscal Impact

Per Resolution No. 7105, Master Schedule of Fees for Services, the initial installation fee is \$625 and \$245 to hang the banner.

Commission Review and Recommendation

This matter has not been reviewed by a Commission.

Background

South Pasadena Beautiful has requested permission to hang a banner over Fair Oaks Avenue to advertise their Garden Tour to be held on Sunday, April 27, 2014. Stephanie Payne-Campbell, Secretary of South Pasadena Beautiful, has submitted the attached letter with further details regarding their event. This event has been held in South Pasadena since 1969. The Garden Tour also highlights the importance of using sustainable and water-wise gardening and landscaping practices. The event is offered free of charge.

The City's co-sponsorship would be limited to the hanging of a banner over Fair Oaks Avenue to promote the event. South Pasadena Beautiful will provide the banner at its sole expense. There are no other commitments, financial or otherwise, that are made by the City in co-sponsoring this event. South Pasadena Beautiful has been a partner with the City for many years, helping to promote our Urban Forestry through numerous donations.

Analysis

Resolution No. 6093 specifies terms and conditions for the hanging of banners over City streets. The

South Pasadena Beautiful Banner Request

March 5, 2014

Page 2 of 2

primary condition requires that the event be either wholly sponsored or co-sponsored by the City. Co-sponsorship of the City is limited to civic events which are defined in the resolution as those events of, concerning, and affecting the community or the people of the City of South Pasadena.

Legal Review

The City Attorney has reviewed this item.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. Request from South Pasadena Beautiful
2. Resolution No. 6093

ATTACHMENT 1
Request from South Pasadena Beautiful



February 13, 2014

Dear Council Members,

My name is Stephanie Payne-Campbell and I am a board member of South Pasadena Beautiful writing to request co-sponsorship of the South Pasadena Beautiful Garden Tour.

South Pasadena Beautiful is a non-profit, all volunteer organization that was founded in 1965 for the purpose of organizing and pursuing projects for the improvement of the city of South Pasadena, encouraging pride of community, recognizing and preserving existing beauty and promoting the improvement of unsightly areas. To achieve these goals SPB works in cooperation with all City of South Pasadena departments as well as volunteer and philanthropic agencies.

South Pasadena Beautiful has sponsored a garden tour in South Pasadena since 1969. The South Pasadena Garden Tour is one many garden tours occurring throughout Southern California in the springtime. While most tours charge admission to raise money for the sponsoring organization, SPB offers the tour free of charge seeing it as a central component of our effort to cultivate pride of community. Our garden tour has the added benefit of helping to highlight the importance of using sustainable and water-wise gardening and landscaping practices, as the gardens on tour are examples of these practices. For the second year in a row the City's Water Conservation Analyst will be participating in the tour providing important water conservation information to South Pasadena residents.



SOUTH PASADENA
BEAUTIFUL

On behalf of South Pasadena Beautiful I appreciate the opportunity to apply for co-sponsorship of our Garden Tour with the City. We would greatly appreciate the City sponsoring our banner thereby waiving all the banner fees.

Thank you for your consideration.

Sincerely yours,

Stephanie Payne-Campbell

Secretary, South Pasadena
Beautiful Board of
Directors

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ATTACHMENT 2
Resolution No. 6093

RESOLUTION NO. 6093A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF SOUTH PASADENA
ESTABLISHING A POLICY FOR THE
ISSUANCE OF A PERMIT FOR PUBLIC
BANNER SIGNS

WHEREAS, the City of South Pasadena ("City") is concerned with the safety and aesthetic appearance of the community; and

WHEREAS, banner signs over public rights-of-way pose a potential safety problem and detract from the appearance of the community; and

WHEREAS, the City is also concerned with the appropriate announcement and notice of civic events which are of interest and benefit to the community at large; and

WHEREAS, the City Municipal Code, §31.1, authorizes the City Manager to issue written permission for certain obstructions within the public rights-of-way.

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

Section 1. The policy and procedure for the issuance of a City permit for banner signs over public rights-of-way shall be as follows:

a. The City Manager or his designee shall only allow banner signs to be displayed on or over public rights-of-way for events either wholly sponsored by the City or for such events which are co-sponsored by the City.

b. A bona fide co-sponsor of an event with the City shall be determined by approval of the City Council of the event upon timely written request for such sponsorship. Co-sponsorship of the City shall be limited to civic events. "Civic events" for these purposes shall mean "of, concerning and affecting the community or the people of the City of South Pasadena."

c. The City Manager or his designee shall establish specific specifications for size, weight and materials for such authorized banner signs. Banner signs which contain obscene language or language which would likely incite a breach of the peace are expressly prohibited.

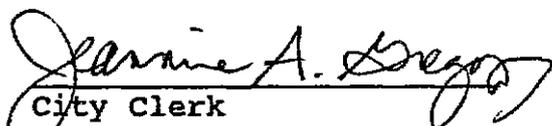
d. The bona fide co-sponsor shall obtain a permit for such banner signs from the City Manager or his designee. The City reserves the right to establish a reasonable fee for the issuance of such permits. Permits shall not be required for wholly-sponsored City events.

Section 2. That the City Clerk shall certify to the adoption of this Resolution establishing a policy for the issuance of public banner signs.

PASSED, APPROVED AND ADOPTED this 20th day of May, 1992.


Mayor of the City of
South Pasadena

ATTEST:


City Clerk

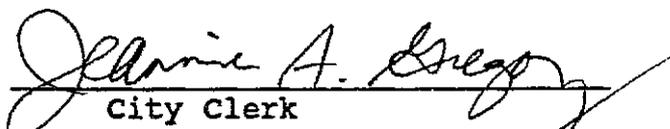
I hereby certify that the foregoing resolution was adopted by the City Council of the City of South Pasadena at a regular meeting held on the 20th, day of May, 1992, by the following vote:

AYES: Councilmembers Richards, Woollacott, Zee, Mayor Knapp, Hodge

NOES: None

ABSENT: None

ABSTAIN: None


City Clerk

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**City of South Pasadena/
Redevelopment Successor Agency/
Public Financing Authority
Agenda Report**

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: March 5, 2014
TO: Honorable Mayor and City Council
VIA: Sergio Gonzalez, City Manager 
FROM: Richard L. Adams II, City Attorney
Elena Q. Gerli, Deputy City Attorney
SUBJECT: **Adoption of an Interim Urgency Ordinance Imposing a 45-Day Moratorium Temporarily Prohibiting the Establishment or Expansion of Massage Establishments in the City of South Pasadena**

Recommendation

It is recommended that the City Council review and consider the adoption of the attached interim urgency ordinance that imposes a 45-day moratorium on the establishment or expansion of massage establishments in the City of South Pasadena (City).

Fiscal Impact

There is no fiscal impact associated with the adoption of this ordinance.

Commission Review and Recommendation

This item was reviewed by the Council Ad Hoc massage establishment committee.

Background

Effective September 2009, Senate Bill 731 (SB 731) codified Section 4600 et seq. of the Business and Professions Code. These statutes provided for the establishment of a nonprofit agency, the California Massage Therapy Council (CAMTC), for the issuance of certifications to massage therapists and practitioners (collectively, massage therapists) that are valid throughout the state, thus preempting local governments' massage technician certificates.

State law, however, also significantly limits the ability of local governments to regulate and restrict massage businesses. This has resulted in the proliferation of massage businesses, some of which are legitimate and welcome in the City, but a number of which are fronts for prostitution and human trafficking. Unfortunately, while legitimate massage businesses provide a benefit to the City, the illicit massage businesses operate in violation of state and local law, as well as contrary to the goals of the City's General Plan, and are a threat to the health and safety of the citizens of South Pasadena. The City's inability to impose stringent regulations to limit the establishment of illicit massage businesses has led to a proliferation of such businesses, which

Interim Urgency Ordinance Imposing 45-Day Moratorium on Massage Establishments

March 5, 2014

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shows no sign of slowing down.

Following an undercover operation in February 2008, during which an offer of prostitution was made, the City Council voted unanimously to revoke the business license for UTI Acupuncture (630-B Mission Street) in April 2008.

In January 2012, a police investigation led to the arrest of employees and operators of 2 establishments, King Spa, Inc. (1318 Huntington Drive), and Massage Villa (1437 Huntington Drive). Massage Villa entered into a settlement agreement and received a 5-day suspension of the license and operation of the business. A revocation hearing was held for King Spa in October 2012, and the Council voted to suspend the business license for 15 days.

Analysis

State law allows for the City Council to adopt, with a four-fifths majority vote, a moratorium, or “interim urgency ordinance,” to allow time for drafting and processing a zoning code amendment. The initial moratorium can be no longer than 45 days, and may be extended once for a period of up to 22 months and 15 days because the public hearing was noticed pursuant to Section 65090 of the Government Code. The law will require the City Council to find:

- That there is a “current and immediate” threat to the public health, safety, or welfare, and;
- That any approval of additional subdivisions, use permits, variances, building permits, or any other applicable entitlement for a use which is required to comply with the zoning ordinance would result in a “current and immediate” threat.

There are currently 17 massage establishments operating in the City, 12 of which have opened since early 2010. Planning staff continues to receive about 2-3 inquiries per week.

It is clear that the State’s attempt to standardize the regulatory and financial burden on legitimate massage businesses has not succeeded in stemming the tide of illegitimate massage establishments and workers. According to the South Pasadena Police Department, massage establishments require a higher level of scrutiny and enforcement, including quarterly inspections, to ensure compliance with state and local laws. Notwithstanding these efforts, massage establishments remain a difficult business to monitor; advertisements in various weekly newspapers, and on the web, indicate illegal activities may still be present.

The proliferation of illicit massage businesses is occurring in many other municipalities across California. The County of Sacramento currently has approximately 280 massage establishments, a significant number of which are suspected to be involved in sex trafficking and prostitution; the City of Thousand Oaks, with a population of 128,000, has experienced a quadrupling of massage establishments in its main street area since 2009, and currently has 47 establishments in a 4-square-mile area; prior to 2009, the City of Huntington Beach had 9 massage establishments (capped at 10 in the municipal code), and currently has 74, where inspections have yielded violations at 90% of the establishments, and enforcement efforts in 2012 and 2013 have resulted

Interim Urgency Ordinance Imposing 45-Day Moratorium on Massage Establishments

March 5, 2014

Page 3 of 3

in increasing arrests for prostitution; and the City of San Gabriel, with a population of 40,000, had 32 massage establishments prior to the adoption of SB 731, and currently has 56 such establishments, with an estimated growth rate of one per month, making massage establishments 15% of the businesses in the municipality.

Staff is recommending this moratorium so that the City Council will have an opportunity to study this issue in greater detail and determine what zoning regulations or enforcement options the City of South Pasadena can avail itself, and to investigate what measures neighboring municipalities have taken to mitigate this problem.

Additionally, it is anticipated that a change in the state law will occur in 2014. SB 731 is set to sunset and expire on December 31, 2014. While this is not very likely to happen, some change in the law may occur. At this time, it is unclear what those changes will be. A sticking point in the state law, predictably, is the extent of local control over massage businesses.

If the City Council adopts a moratorium tonight, it is anticipated that an extension will be required at the April 9, 2014 City Council meeting, to allow for time needed to complete the drafting of a zoning code amendment to introduce new regulations relating to massage establishments.

Legal Review

The City Attorney has reviewed this item and assisted with the preparation of the ordinance.

In 2011, the City considered adopting a moratorium on massage establishments. At that time, a representative of the CAMTC contacted both the Planning Department and the City Attorney's office and advised the City that the CAMTC's position is that a City may not adopt a moratorium that impacts massage establishments that are fully state certified. The basis for this position was Business and Professions Code Section 4612. However, a reading of that section reveals that the City is only allowed to adopt "land use and zoning requirements" for massage establishment that are "uniformly applied to other professional or personal services businesses." The City has the authority to adopt a moratorium on any land use that does not conform with the General Plan.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. Interim urgency ordinance imposing a 45-day moratorium on massage establishments
2. List of business licenses issued for massage establishments

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ATTACHMENT 1
Interim urgency ordinance
imposing a 45-day moratorium
on massage establishments

ORDINANCE NO. _____

**AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ADOPTED PURSUANT TO GOVERNMENT CODE
SECTION 65858 TEMPORARILY PROHIBITING
THE ESTABLISHMENT OR EXPANSION OF
MESSAGE ESTABLISHMENTS**

WHEREAS, the City of South Pasadena ("City") has adopted a General Plan, including a Land Use and Community Design Element; and

WHEREAS, state law requires that the City's Zoning Code (Chapter 36 of the South Pasadena Municipal Code) conform with the General Plan's goals and policies; and

WHEREAS, the public health, safety and welfare is fully articulated in the City's General Plan; and

WHEREAS, in 2009 Senate Bill 731 ("SB 731") enacted Section 4600 et seq. of the Business and Professions Code, relating to voluntary statewide certification of massage practitioners and therapists, and restricting local control of massage establishments; and

WHEREAS, Section 4600 et seq. of the California Business and Professions Code provides for the certification of massage practitioners and massage therapists by a newly created entity known as the Massage Therapy Organization ("MTO"); and

WHEREAS, as the MTO board was selected, board members officially named the organization the California Massage Therapy Council ("CAMTC"); and

WHEREAS, the certificates issued by the CAMTC to qualified applicants entitle the holder to practice massage therapy throughout the State of California without the necessity of complying with certain ordinances regulating the practice of massage by city or county government; and

WHEREAS, in 2011, Assembly Bill 619 amended Section 4612 of the California Business and Professions Code, further restricting the City's ability to regulate and restrict massage establishments; and

WHEREAS, the City Council of the City of South Pasadena finds that the enactment of SB 731, as later amended, has had as an unintended consequence the

proliferation of illicit massage parlors that are fronts for prostitution and may also be involved in sex trafficking; and

WHEREAS, state law prevents cities from regulating massage businesses that only employ state certified massage therapists, but does not regulate such businesses in any way, thus leaving such businesses largely unregulated; and

WHEREAS, the City Council finds that the City of South Pasadena is not the only city to have experienced a spike in illicit massage establishments; and

WHEREAS, the City Council finds that prior to 2009, the City was home to five massage establishments, and currently has 18 operating, and one pending; and

WHEREAS, in 2012, the City initiated business license revocation proceedings against two illicit massage establishments where prostitution was occurring, and a number of other establishments are suspected of such illicit activities; and

WHEREAS, the County of Sacramento currently has approximately 280 massage establishments, a significant number of which is suspected to be involved in sex trafficking and prostitution; and

WHEREAS, the City of Thousand Oaks, with a population of 128,000, has experienced a quadrupling of massage establishments in its main street area, and currently has 47 establishments in a 4-square-mile area; and

WHEREAS, prior to 2009, the City of Huntington Beach had 9 massage establishments (capped at 10 in the municipal code), and currently has 74, where inspections have yielded violations at 90% of the establishments, and enforcement efforts in 2012 and 2013 have resulted in increasing arrests for prostitution; and

WHEREAS, the City of San Gabriel, with a population of 40,000, had 32 massage establishments prior to the adoption of SB 731, and currently has 56 such establishments, with an estimated growth rate of one per month, making massage establishments 15% of the businesses in the municipality; and

WHEREAS, state law provides that cities must treat massage establishments like other professional businesses, such as medical offices, dentists and law offices, but these businesses often do not conduct themselves like other professional businesses, but rather look and operate like red-light district businesses, despite all their massage therapists being CAMTC certified; and

WHEREAS, illicit massage establishments hire CAMTC certified massage therapists to bypass local regulation, and commonly advertise their services on www.craigslist.com or other online advertising sites in the adult entertainment section,

and/or advertise their services with provocative photographs of scantily-clad young women; and

WHEREAS, illicit massage establishments that hire only CAMTC certified massage therapists to bypass local regulation generate reviews on subscription websites such as www.backpage.com, www.rubmaps.com, and www.mpreviews.com, where patrons can leave reviews and information regarding the sexual services provided by these illicit establishment; and

WHEREAS, the City Council finds that oversaturation of illicit massage establishments changes the character of neighborhoods, causes blight, and impacts the local economy by amplifying the public's distrust; and

WHEREAS, the City Council finds that oversaturation of illicit massage establishments further impacts the local economy as legitimate businesses refuse to locate next door to such uses; and

WHEREAS, the City Council finds that illicit massage establishments also threaten the public health, safety and welfare as they may be fronts for prostitution and human trafficking operations; and

WHEREAS, the City Council finds that the City's inability to limit the number of massage businesses leads to too great a number of businesses for the City to monitor and ensure compliance; and

WHEREAS, the City Council finds that the City's limited ability to regulate massage establishments results in illicit businesses closing and then immediately reopening at the same location with different ownership and continuing to operate in violation of state and local law, thereby frustrating the City's enforcement efforts; and

WHEREAS, the City Council seeks to protect the public health, safety and welfare of the citizens of South Pasadena from the negative secondary effects associated with massage establishments operating in violation of state and local law; and

WHEREAS, Ordinance No. 1559 was adopted on February 4, 1970, imposing a moratorium on health clubs, massage parlors and bathhouses. Section 65858(f) of the California Government Code permits additional moratoria relating to the same matter only pursuant to an event, occurrence or set of circumstances different from the event, occurrence or set of circumstances that necessitated the prior moratorium. A different event, occurrence or set of circumstances is present here: since 1970, the City has experienced a significant amount of growth and development, the state law relating to massage therapists and establishments was enacted, and illicit massage establishments have proliferated at an unprecedented rate, putting a strain on City resources; and

WHEREAS, pursuant to Section 65858 of the California Government Code, the City Council may, in order to protect the public health, safety and welfare, adopt as an urgency measure an interim ordinance prohibiting any use that may be in conflict with a contemplated specific plan, general plan amendment, or zoning proposal that the legislative body, planning commission or the planning department is considering or studying or intends to study within a reasonable time; and

WHEREAS, the City Council of the City of South Pasadena has directed staff to develop a zoning code amendment to develop regulations applicable to massage establishments.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.

- A. In accordance with the authority granted to the City of South Pasadena under Government Code Section 65858, subdivision (b), the City Council hereby imposes a moratorium on the approval of use permits, variances, building permits, business licenses or other applicable approvals, licenses, permits or other entitlements for the establishment, expansion and/or relocation of any massage establishment for a period of forty-five (45) days from the date of enactment.
- B. For the purposes of this ordinance, the term “massage establishment” shall have the same meaning as Section 17.14 of the South Pasadena Municipal Code.
- C. For the pendency of this moratorium, all sections of Article II of Chapter 17, relating to operating requirements for massage establishments, inspections, certification requirements for massage therapists, etc., for existing massage establishments remain in full force and effect.
- D. This ordinance is an urgency ordinance adopted pursuant to the authority granted to the City by California Government Code Section 65858 and is for the immediate preservation of the public health, safety and welfare. The facts constituting the urgency of this ordinance are as follows:
 - 1. In 2009 Senate Bill 731 (“SB 731”) enacted Section 4600 et seq. of the California Business and Professions Code, relating to voluntary statewide certification of massage practitioners and therapists, and restricting local control of massage establishments.
 - 2. In 2011, Assembly Bill 619 amended Section 4612 of the California Business and Professions Code, further restricting the City’s ability to regulate and restrict massage establishments.

3. The enactment of SB 731 and its later amendment has had as an unintended consequence the proliferation of illicit massage parlors that are fronts for prostitution and may also be involved in sex trafficking.
4. State law prevents cities from regulating massage businesses that only employ state certified massage therapists, but does not regulate such businesses in any way, thus leaving these businesses largely unregulated.
5. Like other cities in California, South Pasadena has experienced a sharp rise in illicit massage establishments, with more applying for business licenses on a regular basis, and the City has no effective way to shut down such illicit businesses because state law provides that cities must treat massage establishments like other professional businesses, such as medical, dental, and law offices.
6. Illicit massage establishments hire state certified massage therapists to bypass local regulation, and commonly advertise their services on www.craigslist.com or other online advertising sites in the adult entertainment section, and/or advertise their services with provocative photographs of scantily-clad young women.
7. Illicit massage establishments that hire only state certified massage therapists to bypass local regulation generate reviews on subscription websites such as www.backpage.com, www.rubmaps.com, and www.mpreviews.com, where patrons can leave reviews and information regarding the sexual services provided by these illicit establishments.
8. Examples of the continuing problems created by illicit massage establishments in the City include: (a) Following an undercover operation in February 2008, during which an offer of prostitution was made, the City Council voted unanimously to revoke the business license for UTI Acupuncture (630-B Mission Street) in April 2008. (b) In January 2012, a police investigation led to the arrest of employees and operators of 2 establishments, King Spa, Inc. (1318 Huntington Drive), and Massage Villa (1437 Huntington Drive). Massage Villa entered into a settlement agreement and received a 5-day suspension of the license and operation of the business. A revocation hearing was held for King Spa in October 2012, and the Council voted to suspend the business license for 15 days. These types of violations have been an ongoing problem within the City, and have increased since the passage of SB 731 in 2009.
9. Oversaturation of illicit massage establishments is changing the character of certain neighborhoods, causes blight, and is impacting the local economy by amplifying the public's distrust.

10. Oversaturation of illicit massage establishments further impacts the local economy as legitimate businesses refuse to locate next door to such uses.
 11. Illicit massage establishments also threaten the public health, safety and welfare as they may be fronts for houses of prostitution and/or human trafficking operations.
 12. Because of the quickly growing numbers of illicit massage establishments, the City is unable to effectively monitor these businesses and ensure compliance.
 13. The City's limited ability to regulate massage businesses results in illicit businesses closing and then immediately reopening at the same location with different ownership and continuing to operate in violation of state and local law, thereby frustrating the City's enforcement efforts. Enforcement is often futile and wastes public resources.
 14. There is a current and immediate threat to the public health, safety and welfare, because approval of additional business license applications for massage establishment uses will exacerbate proliferation of such uses, which could lead to health and safety problems including, but not limited to prostitution, human trafficking, blight, businesses operating in violation of state and local law, and other adverse secondary effects such as public nuisances, City Code violations, increase in police calls for service, and a decrease in property values.
- E. The interim urgency ordinance is necessary to mitigate or avoid the specific, adverse impacts identified pursuant to paragraph D as follows:
1. A moratorium will provide the City with time to study, draft and/or adopt regulations, consistent with state laws, to regulate the location and operation of, massage establishments; and to ensure that its regulations are in compliance with any upcoming amendments to California Business and Professions Code Section 4600 et seq.
 2. A moratorium will provide the City with the ability to prevent or enjoin any unpermitted massage businesses while the City studies, drafts and/or adopts new regulations, if applicable.
 3. A moratorium will provide the City with the ability to consider and evaluate the application of upcoming changes in state law and how such changes will affect the City's regulatory powers. Section 4600 et seq. of the California Business and Professions Code is set to sunset at the end of 2014, and may be amended instead of the sunset provision taking effect.

- F. There is no feasible alternative to satisfactorily mitigate or avoid the specific, adverse impacts identified pursuant to paragraph D as well or better, with a less burdensome or restrictive effect, than the adoption of the proposed interim urgency ordinance, as illicit massage establishments can easily begin operation under the current regulations, and their enforcement, by itself, may not be sufficient to ensure that no additional illicit massage establishments open in the City. Additionally, amendments to the state law may be pending.
- G. The immediate preservation of the public peace, health, safety and welfare necessitates the enactment of this ordinance as an urgency ordinance. The City Council intends to conduct studies forthwith as to the appropriate modifications of the South Pasadena Municipal Code and Zoning Code and other regulatory ordinances which will reduce and/or mitigate the potential negative impacts of illicit massage establishment uses. Pending the completion of such studies and the adoption of an ordinance to establish appropriate zoning and operational regulations, it is necessary for the immediate preservation for the public health, safety and welfare that this ordinance takes effect immediately. In the absence of immediate effectiveness, massage establishment uses in the City may be in conflict with regulations or requirements established with respect thereto, and this ordinance is therefore necessary to prevent a current and immediate threat to the public health, safety and welfare.

SECTION 2. The City Council, on the basis of the whole record and exercising independent judgment, finds that this interim urgency ordinance is not subject to environmental review pursuant to Sections 15060(c)(2) and 15060(c)(3) of Title 14 of the California Code of Regulations, the State Guidelines for Implementation of the California Environmental Quality Act (CEQA). 14 C.C.R. Sections 15060(c)(2) and 15060(c)(3) pertain to activities that will not result in a direct or reasonably foreseeable indirect change to the environment and that are not defined as a project under 14 C.C.R. Section 15378. This ordinance has no potential for resulting in physical change to the environment, directly or indirectly, in that it prevents change to the environment pending the completion of the contemplated research and studies.

SECTION 3. This ordinance is adopted under the authority of Sections 36934 and 65858(a) of the Government Code of the State of California, and in accordance therewith, shall take effect immediately and be in effect for forty-five (45) days after the adoption of this ordinance (expiration to be April 19, 2014), unless after notice pursuant to Government Code Section 65090 and public hearing, the City Council shall extend this ordinance as prescribed by state law.

SECTION 4. This ordinance shall not preclude the continued operation of any lawfully existing massage establishment uses which are not seeking to expand, convert, relocate or otherwise change their use, or the opening or commencement of any massage

establishment uses as a new business for which all discretionary and non-discretionary approvals have been made prior to the effective date of this ordinance.

SECTION 5. The moratorium established herein shall not be applicable if a request for exception due to hardship, or other unique circumstances that have arisen as a result of this ordinance is approved by the City Council of the City of South Pasadena. Any request for exception shall be outlined in a letter accompanied by the City's application for appeal and filing fee, as determined in the City's adopted fee schedule with the City Clerk's Office. The matter shall be heard through a public hearing and processed under the provisions of the South Pasadena Municipal Code.

SECTION 6. If any section, subsection, sentence, clause, phrase or word of this interim urgency ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted by state legislation, such decision or legislation shall not affect the validity of the remaining portions of this interim urgency ordinance. The City Council of the City of South Pasadena hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

SECTION 7. Within fifteen (15) days after its passage, the City Clerk of the City of South Pasadena shall certify to the passage and adoption of this ordinance and to its approval by the City Council and shall cause the same to be published in a newspaper in the manner required by law. This ordinance shall become effective immediately from and after its passage.

PASSED, APPROVED, AND ADOPTED ON this 5th day of March, 2014.

Marina Khubesrian, M.D., Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Richard L. Adams II, City Attorney

Date: _____

I HEREBY CERTIFY the foregoing ordinance was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 5th day of March, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)

ATTACHMENT 2
List of business licenses issued
for massage establishments

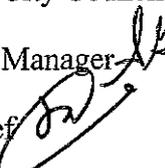
South Pasadena Massage Establishments

	Firm Name	Firm Address	Start Date	Close Date	Notes
1	Center For Balance And Wellbeing	1000 Fremont Ave C	8/15/2002		
2	American Natural Herbs Inc.	712 Fair Oaks Ave #209	3/10/2004	1/26/2011	
3	U. T. I Chinese Acupuncture	630 Mission St B	1/21/2005	4/29/2008	license revoked April 2008
4	Best Treatment	1012 Fair Oaks Ave	7/25/2007	7/28/2011	
5	Nicole M. Novoa Quijada	1000 Fremont Ave Annex Hallway C	5/6/2008		
6	Elements Total Health Center	1605 Hope St Ste 350	6/15/2008		
7	The Massage Place	700 Fair Oaks Ave #F	12/2/2008		
8	Comfort & Joy	1910 Huntington Dr #1	4/1/2008		
9	Happy Feet Massage & Skin Care	1118 Fair Oaks Ave	3/8/2010		
10	Gifted Hands	1502 A Huntington Dr	6/8/2010		
11	King Spa	1318 Huntington #C	8/13/2010		license suspended for 15 days in Oct 2012; reopened
12	Sp Asian Therapy & Spa	1008 1/2 Fair Oaks Ave	12/13/2010		
13	Massage Works	2130 Huntington Blvd #203	6/27/2012	4/1/2013	
14	Massage Villa	1437 Huntington Dr	5/9/2011		license suspended for 5 days in July 2012; reopened
15	Transformational Bodyworks	1000 Fremont Ave Suite A	5/27/2011	9/21/2012	
16	Shan Xiao	2130 Huntington Dr #214	7/12/2011		
17	Best Treatment	1012 Fair Oaks Ave	8/11/2011	8/1/2012	
18	Sun Massage	266 Monterey Rd #D	11/9/2011		
19	Sit 4 Massage	1119 Fair Oaks Ave	1/24/2012	9/1/2012	
20	Shiatsu Of Zen & Beauty	1401 Mission St C-5	6/13/2012	1/18/2013	
21	Sp Asian Therapy & Spa	1012 Fair Oaks Ave	9/13/2012	8/1/2013	
22	Shiatsu Of Zen And Beauty	1401 Mission St #C5	1/17/2013		
23	Kneading Jen	1512 Rollin St	5/20/2013		
24	A Moment Of Peace	1000 Fremont Ave #206	7/25/2013		
25	Resonating Touch/Cami Zappaterra, Cmp	1015 Hope St Ste C	9/25/2013		
26	Hands Of Light Massage & Reiki	1015 Hope St Ste C	12/23/2013		
27	Marcie	1499 Huntington Dr #301	2/10/2014		
28	Massage Envy	1136 Fair Oaks	pending		

City of South Pasadena/ Redevelopment Successor Agency/ Public Financing Authority Agenda Report

*Marina Khubesrian, M.D., Mayor/Authority Chair
Robert S. Joe, Mayor Pro Tem/Authority Vice Chair
Michael A. Cacciotti, Council/Authority Member
Diana Mahmud, Council/Authority Member
Richard D. Schneider, M.D., Council/Authority Member*

*Evelyn G. Zneimer, City Clerk/Authority Secretary
Gary E. Pia, City Treasurer*

COUNCIL AGENDA: March 5, 2014
 TO: Honorable Mayor and City Council
 VIA: Sergio Gonzalez, City Manager 
 FROM: Jim Frawley, Fire Chief 
 SUBJECT: **Approval of a Cooperative Agreement between the Cities of San Gabriel, San Marino, and South Pasadena for Sharing of Fire Department Command Staff, and Amendment to the Existing Fire Services Agreement with the City of San Gabriel**

Recommendation

It is recommended that the City Council:

1. Approve the Cooperative Agreement between the cities of San Gabriel, San Marino, and South Pasadena for Sharing of Fire Department Command Staff, and authorize the City Manager to execute the Agreement; and
2. Approve an amendment to the existing Fire Services Agreement with the City of San Gabriel, to terminate this agreement when the Cooperative Agreement takes effect, and authorize the City Manager to execute the amendment.

Fiscal Impact

An overall annual projected savings of \$715,974 will be realized once the Cooperative Agreement is adopted. Based on Section F (Shared Costs of Services) within the Agreement, the projected savings for each City is shown in Table 2. This projected savings can be determined when the projected FY 2014-15 Command Staff costs are compared to the budgeted FY 2012-13 costs as displayed in Table 1. The savings are a direct result of personnel retirements which in turn will reduce the Command Staff positions from eleven in FY 2012-13 to seven in FY 2014-15.

Table 1: Command Staff Cost Comparison between FY 2012-13 (budgeted) and FY 2014-15 (projected)

City	2012-13 Command Staff (budgeted)	2014-15 Command Staff (projected)
San Gabriel	\$959,197	\$737,196
San Marino	\$729,238	\$763,243
South Pasadena	\$726,538	\$198,560
Total	\$2,414,973	\$1,698,999
Total Projected Savings	193	\$715,974

Table 2: Projected Savings for Each City when FY 2014-15 (projected cost) is Compared to FY 2012-13 (budgeted cost)

City	Projected Savings
San Gabriel	\$279,598
San Marino	\$219,538
South Pasadena	\$216,838
Total	\$715,974

The Finance sub-group conducted several meetings to determine the best way in which to allocate the costs of the Shared Fire Command Staff as outlined in Section F.1 of the Agreement. Several options and factors were weighed and it was unanimously agreed that Population (as reported from the California Department of Finance) and Assessed Value (as reported from the Los Angeles County Auditor-Controller SV-13) were the best parameters to use (see Table 3). The rationale behind that decision was based on the fundamental reason why fire departments exist - Fire Departments provide service to people and protection to property. All other potential measures are predicated on population and assessed value. Assessed value was weighted higher because the cost of providing fire protection to property is significantly greater than providing paramedic and other services to people. A simple comparison of the cost of a fire engine to that of an ambulance clearly shows the difference in the costs.

Table 3: Cost Allocation Based on Population and Assessed Value

City	Population	Wt %	Assessed Value	Wt %	Total Wgtd %	Section F.1 Agreement
		40		60	100	
San Gabriel	40,153	20.26	\$4,089,297,310	19.32	39.58	40%
San Marino	13,246	6.69	\$4,920,190,357	23.24	29.93	30%
South Pasadena	25,857	13.05	\$3,691,036,598	17.44	30.49	30%
Total	79,256		\$12,700,524,265			100%

Commission Review and Recommendation

This matter was not reviewed by any commission because it pertains to a matter solely within the City Council's authority.

Background

Since the 1940's, the fire departments in the west San Gabriel Valley have discussed various forms of collaboration, consolidation, and cooperation. In particular, the San Gabriel, San Marino, and South Pasadena Fire Departments have enjoyed a unique and close relationship because of these regular discussions. They have relied on each other on a daily basis and most especially when a major incident has occurred. A few areas where the three fire departments have enjoyed this unique relationship have included the sharing of command staff for emergency responses, the seamless coverage by paramedic ambulances for medical emergencies, and the exchange of best practices in disaster preparedness planning and education.

For the past four years, through a process initiated by the Fire Chiefs and supported by the City Managers, the cities of San Gabriel, San Marino, and South Pasadena have discussed how we might take the "next step" towards better collaboration while maintaining our own strong, vital, and independent fire departments. For a brief period of time, these discussions included the cities of Alhambra and Monterey Park but have since been re-focused to include just San Gabriel, San Marino, and South Pasadena.

With the retirements of the San Gabriel Fire Chief and the South Pasadena Battalion Chiefs, the opportunity to share fire management and command staff is ideal. This sharing would reduce duplicative services, allowing for more efficient use of command resources.

The main goals of the Cooperative Agreement between the three cities for sharing of fire department command staff would be to:

- Maintain local control and preserve community specific identity and responsiveness;
- Develop a consistent and effective management structure that creates a positive synergy at all levels of the organization;
- Enhance fire and paramedic service delivery while reducing costs;
- Create a sustainable funding model that maximizes savings while being responsive to the needs of the community and organization;
- Foster an attitude of teamwork and camaraderie through mutual training, hiring, and other opportunities;
- Maximize efficiency in the procurement of goods and services;
- Eliminate many redundancies and streamlines work flow;
- Increase bargaining power with vendors and for grant opportunities; and
- Showcase good government to the community.

Several meetings were conducted over the course of five months in order to find common ground and negotiate the details of the Cooperative Agreement. The City Managers, Assistant City Managers, Human Resource Directors, City Attorneys, Finance Directors, Fire Command Staff, and Risk Management Staff from each city participated in the meetings. Three sub-groups were formed to intimately discuss Human Resource, Legal, and Financial aspects of the Cooperative Agreement.

Analysis

The San Gabriel, San Marino, and South Pasadena Fire Departments operate under a joint response agreement facilitated by the Verdugo Fire Communications Center, known as Unified Response. There are thirteen agencies that participate in Unified Response, including Glendale, Burbank, Pasadena, Alhambra, and Monterey Park, to name a few. Unified Response allows for participating agencies to receive automatic aid from neighboring jurisdictions should an incident exceed the capabilities of the home agency. It has become the community standard for all fire agencies in the west San Gabriel Valley.

As part of the Cooperative Agreement between San Gabriel, San Marino, and South Pasadena, there would be a Fire Chief and six subordinate Chief Officers. Those six Chief Officers would be divided into three Deputy Chiefs and three Division Chiefs as assigned by the Fire Chief. The current composition of Command Staff includes a Fire Chief from San Marino who is also serving as an Interim Fire Chief for San Gabriel and South Pasadena, three Division Chiefs from San Gabriel assigned to a 24-hour shift, two Division Chiefs from San Marino assigned to a 40-hour week schedule, and a Deputy Chief from South Pasadena to be assigned to a 40-hour week upon the effective date of the Agreement. This composition of personnel and their assigned position and schedule may be subject to change in the future as determined by the Fire Chief in consultation with the City Managers.

The primary responsibilities of both the Deputy and Division Chiefs are described below:

Deputy Chief

The position of Deputy Fire Chief will work under the general direction of the Fire Chief. This position will have oversight and management responsibility over one of three primary programs: (1) Operations / Administration; (2) Fire Prevention / Public Relations; and (3) Training / EMS / Disaster Preparedness. The responsibilities include personnel management and administration, fire prevention, public relations, capital improvement projects, fire training, emergency preparedness, and administrative activities, and performing related duties as required. This position will be assigned to a 40-hour per week schedule.

The Deputy Chief is distinguished from the Fire Chief in that he or she is not responsible for managing the entire Fire Department. It is distinguished from the Division Chief in that the Deputy Chief is responsible for the coordination and direction of the activities within the three program areas, rather than on-scene fire suppression or incident command. Work is performed within a broad framework of general policy and requires creativity and resourcefulness to accomplish goals and objectives and to apply concepts, plans and strategies that may require non-traditional methods to achieve established goals and objectives. The Deputy Chief exercises broad judgment in defining work objectives and determining methods and systems to meet objectives. Work is reviewed for overall results.

The Deputy Chief is responsible to represent the Department in matters of policy, rules, regulations and law in the absence of the Fire Chief.

Division Chief

The position of Fire Division Chief will work under the general direction of the Fire Chief. This position provides leadership and hands-on management of the daily operations of the emergency response resources, as well as responds to emergency incidents, serves as incident commander, and supervises subordinate employees. Strong supervisory and administrative skills are required to effectively plan, organize, coordinate, execute and evaluate the efforts of emergency response resources and personnel. In addition, a Fire Division Chief prepares and writes reports; directs, motivates, trains and provides leadership for one or more administrative functions; works closely with Deputy Fire Chiefs; and performs related duties as required. This position will be assigned to a 24-hour platoon schedule.

The Fire Division Chief is distinguished from the Deputy Fire Chief position in that the Fire Division Chief is not responsible for the coordination and direction of all the activities within the three primary program areas of (1) Operations/Administration, (2) Fire Prevention/Public Relations, and (3) Training/EMS/Disaster Preparedness. The Fire Division Chief is distinguished from Fire Captains in that he or she is responsible for a major unit of the Fire Department. Work is reviewed for overall results.

This position may serve as Deputy Fire Chief or Acting Fire Chief when assigned by the Fire Chief, or in the Fire Chief's absence.

The proposed management structure will allow the diversification and effective utilization of the seated chief officers from each respective agency, while maintaining the continuity and identity of each individual city. By working together, and minimizing the duplication of efforts, a better, and perhaps more robust opportunity may exist to enhance the service to the communities, while being fiscally responsible. With the Deputy Chief of each agency handling primarily the administrative tasks in an equitable manner and the Division Chiefs handling the daily management of operational assets and programs, a more efficient and logical method of service delivery will be attained for our residents. Some of the benefits from the proposed management structure include, but are certainly not limited to, centralized training, a more comprehensive emergency management program which may include collaborative community programs such as CERT, centralized procurement of vehicles and equipment, enhancement of the Urban Search and Rescue program, additional chief officers to respond to major emergencies, joint recruitment and promotional examinations, and the allocation of grant funds not previously accessible by our agencies.

Amendment to Existing Fire Services Agreement with the City of San Gabriel

On January 21, 2014, the cities of San Gabriel and South Pasadena entered into a Fire Services Agreement for San Gabriel to provide the services of a Fire Division Chief to South Pasadena. The Fire Services Agreement will no longer be needed once the Cooperative Agreement is in effect. The Fire Services Agreement provides for termination only with 60 days' written notice by a party. The City Attorney's office has prepared an amendment that would provide for automatic termination of the Fire Services Agreement on the effective date of the Cooperative Agreement, once it has been executed. The City Attorney's office has confirmed this approach with San Gabriel's City Manager and City Attorney.

Legal Review

The City Attorney's office reviewed the Cooperative Agreement and worked closely with Staff to ensure that the agreement reflects the intent and goals of the City in entering into this collaboration with San Gabriel and San Marino. The City Attorney's office coordinated with the City Attorneys of San Gabriel and San Marino in the finalization of the agreement and assisted with the communication between the City Managers of all the cities to resolve remaining issues prior to seeking City Council approval. The City Attorney's office does not have any concerns with the version of the agreement before the council tonight and is satisfied that it reflects the intent and understanding of South Pasadena staff and all parties involved.

Attachments:

1. Cooperative Agreement among the cities of San Gabriel, San Marino, and South Pasadena for the Sharing of Fire Department Command Staff
2. Amendment to Fire Services Agreement between the cities of San Gabriel and South Pasadena

ATTACHMENT 1

Cooperative Agreement among the Cities of San Gabriel, San Marino and South Pasadena for the Sharing of Fire Department Command Staff

**COOPERATIVE AGREEMENT AMONG THE CITIES OF SAN GABRIEL, SAN MARINO AND
SOUTH PASADENA FOR THE SHARING OF FIRE DEPARTMENT COMMAND STAFF**

THIS AGREEMENT is made and entered into this 10th day of March 2014 (“Effective Date”), by and between the CITY OF SAN GABRIEL, a municipal corporation, hereinafter referred to as "San Gabriel," the CITY OF SAN MARINO, a municipal corporation, hereinafter referred to as "San Marino," and the CITY OF SOUTH PASADENA, a municipal corporation, hereinafter referred to as "South Pasadena.” San Gabriel, San Marino and South Pasadena may be referred to in this Agreement individually as a “City” or “Party” and jointly as “Cities” or “Parties”.

RECITALS:

WHEREAS, the Cities each maintain their own all-risk municipal fire departments; and

WHEREAS, the Cities have been discussing the possibility of combining their respective fire department command structures into a single shared administrative unit in order to take advantage of fiscal and operational efficiencies, while maintaining the existing service levels to all three communities; and

WHEREAS, the Cities now wish to share their fire department command resources to enhance service capabilities, promote efficiency, and preserve seamless response among the three Cities.

NOW, THEREFORE, San Gabriel, San Marino and South Pasadena agree as follows:

A. Terms

1. **Term and Termination:** The term of this Agreement shall commence on the Effective Date set forth above and continue until terminated by the Parties. Any Party may terminate this Agreement without cause by providing not less than six (6) months prior written notice of its intent to terminate. This Agreement may be terminated at any time upon agreement of all Parties.
2. **Periodic Evaluation:** In every third year following the effective date of this Agreement, the City Managers of the respective Cities shall prepare a written evaluation concerning the operation of this

Agreement, which may include any recommendations that the Parties would make to improve operations. Said report shall be provided to the City Council of each City for consideration by February 1st of every third year. A City may update its own City Council more frequently if it so desires.

B. Shared Command Positions

1. The Parties agree to share the following fire department command positions (“Shared Command Positions”) subject to the implementation timeline, terms, and conditions contained in this Agreement:

Position	Total No. of Positions	San Gabriel Positions	San Marino Positions	South Pasadena Positions
Fire Chief	1		1	
Chief Officer Positions	6	3	2	1
Total	7	3	3	1

The Parties desire to accomplish the implementation of the Shared Command Positions without any layoffs, demotions, or loss of pay to the affected employees of the three fire departments.

2. The San Marino Fire Chief will assume command of all three fire departments upon the Effective Date of this Agreement.
3. Currently, there are a total of six (6) Shared Command Positions other than the Fire Chief among the three Cities (“Chief Officer Positions”): Three (3) in San Gabriel, two (2) in San Marino, and one (1) in South Pasadena. Upon the Effective Date of this Agreement, the management, administrative, and command duties of all three fire departments will be distributed amongst these Chief Officer Positions so that a highly efficient and effective team will be created. The resulting organizational structure will include three (3) Deputy Chief positions, one each for Operations / Administration, Fire Prevention / Public Relations, and Training / Emergency Medical Services / Disaster Preparedness; and three (3) Division Chief positions that will be responsible for 24-hour emergency response in addition to their assigned administrative duties.

4. The Fire Chief, in consultation with the City Managers of all three Cities, will have sole discretion in the assignment of positions and responsibilities within the shared command structure of the three fire departments.
5. Nothing in this Agreement shall alter the employment status of those employees serving in the Shared Command Positions ("Shared Command Staff"), in that employees of San Gabriel, San Marino and South Pasadena shall remain solely employed by their respective Cities, and shall not be deemed employees of any other City.
6. In the event that any Shared Command Position becomes permanently vacant during the term of this Agreement, the Fire Chief, in consultation with the City Managers from San Gabriel, San Marino and South Pasadena, unless it is the Fire Chief position that is vacant, will determine how that position will be filled with an effort to ensure representation from all Cities. In the event the position of Fire Chief becomes permanently vacant during the term of this Agreement, the City Managers shall jointly determine how the position will be filled.

C. Governance

1. The San Gabriel, San Marino and South Pasadena City Councils will retain all policy-making authority for their respective cities, including approval of the annual budget for their fire departments.
2. The Fire Chief shall serve as the Fire Chief to each City and shall have all the power and authority that is vested in that position, as defined by each City in its municipal code and/or rules, regulations, and policies.
3. The Fire Chief shall report to his or her respective City Manager, who shall communicate with the other City Managers and meet, as appropriate, to provide direction, supervision and evaluation of the Fire Chief.
4. The Fire Chief and Shared Command Staff shall provide direction and supervision for the San Gabriel, San Marino and South Pasadena Fire Departments and all personnel within said Departments.

D. Policies and Procedures

1. Each City shall retain the current personnel and operational policies and procedures contained in its respective fire department policy manual, memorandums of understanding (MOU's), and personnel rules. The Cities will cooperate in the consolidation of their policies, where feasible, and subject to compliance with any meet-and-confer obligations under the Meyers-Milias-Brown Act (MMBA).
2. Each City shall retain sole discretion over its fire department station and company configurations and deployment strategies. The Fire Chief may recommend operational modifications to each City; however, each City shall have the authority to make its own future budget and deployment decisions during the term of this Agreement, including, but not limited to the use of apprentice firefighters, redeployment of personnel, and the use or non-use of overtime to achieve savings.
3. As part of this Agreement, each City agrees to retain its current contract with the Verdugo Fire Communications Center, which shall continue to dispatch each City's respective fire units using existing policies, protocols, and contracts.
4. The Fire Chief and all Shared Command Staff shall comply with all policies and procedures for all three fire departments under their command.
5. The final authority for determination of merit increases, promotion, and discipline of Shared Command Staff and other employee relation matters incident to the performance of services by the Shared Command Staff shall remain with the employing City.
6. Any and all property acquired under and pursuant to this Agreement by any City, whether by government grant funds or otherwise, shall be and at all times remain the property of that City without any division or distribution thereof upon termination of this Agreement, except as otherwise agreed upon in writing.
7. The Fire Chief and all other Shared Command Staff shall establish and maintain office hours in all three Cities sufficient to maintain an adequate presence and connection to all three fire departments and Cities, as well as to maintain proper communications with and supervision of each City's sworn and civilian staff.
8. The Fire Chief will make every effort to attend the City Council meetings of all three Cities, schedule permitting. In the event that the San Gabriel, San Marino and South Pasadena meeting

dates conflict, the Fire Chief will rotate attendance among the Cities and may assign one or more Chief Officers to provide representation at a City Council meeting that the Fire Chief is not attending.

9. The Fire Chief will make every effort to attend and participate in the weekly staff meetings, and other management staff functions of all three Cities, schedule permitting. In the event of meeting conflicts, the Fire Chief will rotate attendance among the Cities and may assign one or more Chief Officers to attend any meeting that the Fire Chief is not attending.

E. Salaries and Benefits

1. The Cities recognize that the salaries and benefits for the Shared Command Positions differ among the three fire departments. San Gabriel, San Marino, and South Pasadena will retain sole discretion over the salary and benefit schedules for their respective employees during the term of this Agreement.

F. Shared Costs of Services

1. San Gabriel, San Marino and South Pasadena shall proportionately divide the mutually agreed upon shared costs of services for the Shared Command Staff. For the purpose of this Agreement, San Gabriel's proportionate share shall be 40%, San Marino's proportionate share shall be 30%, and South Pasadena's proportionate share shall be 30% for all costs related to the employment of the Fire Chief and the Shared Command Staff.
2. Each City shall pay its own employees in the shared command positions through its normal payroll process. Additionally, each City shall provide benefits and training to its own employees in the shared command positions through its normal processes.
3. Only those costs related to positions that are a part of the shared command structure shall be shared costs for services under this Agreement.
4. On a quarterly basis, commencing July 1st, 2014, each City shall itemize its shared costs as defined in Section F, paragraph 5, below, and shall provide to the other Cities the itemization of costs and

invoices for the appropriate proportionate share of the shared costs of services. Each City shall provide payment of the invoiced amount within thirty (30) calendar days of receipt of the invoice.

5. The shared costs of service shall include the following:

- i) Salary costs including straight time and overtime earned by employees in the Shared Command Positions during the quarter. Salary costs shall include: regular salary, special assignment pay, administrative leave, vacation leave, holiday pay, premium pay, uniform allowance, sick leave, longevity pay, and other personnel costs agreed to by the Cities.
 - ii) Conversion of compensatory time, sick leave, or vacation leave to cash for those hours earned during the term of this Agreement, subject to personnel rules applicable to each Party.
 - iii) Payment to CalPERS and Medicare for service time provided by employees in the shared command positions during the quarter.
 - iv) City cafeteria plan contributions or premium payments for medical insurance, dental insurance, vision insurance, long-term disability insurance, life and accidental death or disability insurance and employee assistance coverage afforded to employees in the shared command positions during the quarter.
 - v) City costs for memberships, conferences, seminars, and training of employees in the shared command positions.
 - vi) Vehicle maintenance and operation costs for city owned vehicles assigned to employees in the Shared Command Positions. Applicable IRS rate will apply with the appropriate conversion factor:
 - (a) Staff vehicles at twice the IRS rate (Fire Chief and Deputy Chiefs)
 - (b) Command vehicles at thrice the IRS rate (24hr Emergency Response)
 - vii) Payments made to employees to reimburse approved education or tuition expenses.
 - viii) General liability and worker's compensation insurance coverage costs.
6. The shared costs of services shall exclude:
- i) City contributions to Retirement Health Savings Plans and wellness programs.
 - ii) Payments made to employees as monthly vehicle allowances.

7. If any shared costs of services are reimbursed from another source, such reimbursement shall be credited to all three Cities based on the agreed proportionate shares set forth in Section F, paragraph 1, above.
8. By March 1st of each year this Agreement is in effect, the Fire Chief will provide to the City Manager of each City a projected budget of the shared costs of services, as set forth in this Agreement, for the next fiscal year. This proposed budget shall be prepared in consultation with the Finance Director of each City.
9. Any City may request a comprehensive year-end audit to verify the validity of all billings for services to be shared by the Cities. The cost for the audit shall be shared equally among the Cities. A copy of the audit shall be provided to each City.
10. The City Managers of each City shall all come together, in person or otherwise, no less than every six months to discuss the performance of this Agreement.

G. Liability and Insurance Provisions

1. Each City shall obtain and maintain workers compensation coverage for all of its own employees serving in the Shared Command Positions. Such coverage shall encompass the entire scope of duties of each employee to be performed hereunder, including shared services to be performed by any employee, as required by this Agreement. It is the intent of the Parties that all three Cities secure workers compensation coverage pursuant to Labor Code Section 3602(d). Each City may self-insure to these limits of coverage. Notwithstanding the provisions of Section G, Paragraph 5, below, each City shall indemnify, defend, and hold harmless each other City regarding any claims or suits by the first City's employees for injuries arising from the performance of services under this Agreement.
2. Each City shall obtain and maintain insurance coverage to replace or repair its own fire department equipment and facilities. Such insurance coverage shall be maintained in accordance with each City's own policies and procedures, and no City shall be responsible for any property loss of another City. Each City may self-insure to satisfy the requirements of this subsection.

3. Each City shall maintain automobile liability coverage and comprehensive general liability insurance, including employment practices coverage, in a mutually acceptable form, covering all services provided pursuant to this Agreement, with applicable single limits of at least \$20,000,000 per occurrence, which policy(ies) shall name the other Cities, and their respective elected officials, officers, employees and volunteers, as additional insureds. Each City may self-insure to satisfy the requirements of this subsection.
4. Upon request, each City shall provide the other with evidence of coverage to fulfill its insurance obligations under this Agreement, and shall promptly notify each other City of any change of coverage, terms, limits or providers. Each City waives the right of subrogation against the other Cities.
5. To the fullest extent permitted by law, each City (“Indemnifying Party”) expressly agrees to defend, indemnify and hold harmless the other Cities and their respective elected officials, officers, agents, employees, and volunteers (“Indemnified Party or Parties”) from any and all liability, loss or damage that the Indemnified Party or Parties may suffer as a result of claims, demands, actions, or damages to any and all persons or property, or costs or judgments against the Indemnified Party or Parties which result from, arise out of, or are in any way connected to the acts or omissions of the Indemnifying Party, its elected officials, officers, employees, or volunteers, in the performance of this Agreement.
6. Each City shall promptly notify the other Cities of any and all claims or actions for which it seeks indemnification, defense and/or liability insurance coverage pursuant to this Agreement. The provisions of Section G, paragraph 5, above, shall survive the termination or expiration of this Agreement.

H. Representatives’ Authority; Notices.

1. Each Party’s representative for purposes of administration of this Agreement, including provision of consent or approval where permitted or required, shall be its City Manager and/or designee thereof. The Parties recognize that from time to time, it may be necessary to amend the operational specifics authorized by this Agreement.

2. Any notice required or permitted to be given or served pursuant to this Agreement, shall be effected by personally delivery of the same, as follows:

To San Gabriel:

City of San Gabriel

425 S. Mission Drive, San Gabriel, CA 91776

Attention: City Manager

To South Pasadena:

City of South Pasadena

1414 Mission Street, South Pasadena, CA 91030

Attention: City Manager

To San Marino:

City of San Marino

2200 Huntington Drive, San Marino, CA 91108

Attention: City Manager

3. Service of the notice shall be effective immediately upon delivery during normal business hours. The foregoing addresses for notice may be modified by any Party giving written notice of such modification to the other Party calling specific attention to this Agreement.

I. Employment Relationship with Parties

1. No officer or employee of any City shall for any purpose be deemed to be an employee of the others, and no officer or employee of any City shall be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided to the other Cities' officers or employees. No officer or employee of any City shall have any power to incur any debt, obligation, or liability on behalf of the other Cities or otherwise act on behalf of the other Cities as an agent, except to the extent expressly provided herein.

J. General Provisions.

1. **No Effect on Mutual Aid/Response Agreements:** It is expressly understood and agreed that all fire departments will also be operating under the State of California's Master Mutual Aid agreement and the Area C Unified Response agreement. This Agreement is not intended to modify the terms of those agreements in any way.
2. **No Waiver:** No delay or omission in exercising any right or remedy pursuant to this Agreement shall impair such right or remedy or be construed as a waiver thereof. All rights and remedies pursuant to this Agreement shall be cumulative, except with respect to any right or remedy expressly stated to be exclusive.
3. **Compliance with All Laws:** All Parties shall comply with all applicable local ordinances, and State and Federal statutes, laws and regulations, including, but not limited to, laws governing conflicts, at all times during their performance of this Agreement.
4. **No Third Party Beneficiary:** It is the Parties' intent that nothing in this Agreement shall create any third party beneficiary rights.
5. **Force Majeure:** No Party shall be considered to be in default in the performance of any material obligation under this Agreement when a failure of performance shall be due to a Force Majeure event. A Force Majeure event shall mean any cause beyond the reasonable control of the affected Party and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which it has been unable to overcome. No Party shall be relieved of its obligation to perform if such failure is due to causes arising out of its own negligence or due to matters under its control which it fails to remedy within a reasonable time period. Any Party rendered unable to fulfill any of its obligations under this Agreement by reason of a Force Majeure event shall give prompt written notice of such fact to the other Parties. During such period, all Parties shall cooperate to ensure that critical services are maintained, while the affected Party shall diligently work to restore its services required by this Agreement.
6. **Severability:** In the event that any clause or provision of this Agreement or any part thereof becomes or shall be declared by a court of competent jurisdiction invalid, illegal, void, or unenforceable, this Agreement shall continue in full force and effect without said provisions,

provided that no such severability shall be effective if it materially changes the benefits or obligations of any Party hereunder.

7. Integrated Agreement: This Agreement, which includes the recitals and all exhibits and attachments, constitutes the entire understanding of the Parties with respect to the subject matter herein. No representation, express or implied, that is not set forth herein, shall be binding or have any force or effect.
8. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed to be original, and all of which together shall constitute one and the same Agreement. A signature delivered by facsimile shall be deemed to be an original signature and shall be effective upon receipt thereof by the other Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date set forth above.

CITY OF SAN GABRIEL

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF SAN MARINO

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF SOUTH PASADENA

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

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ATTACHMENT 2

Amendment to Fire Services Agreement with City of San Gabriel

AMENDMENT TO FIRE SERVICES AGREEMENT

THIS AMENDMENT TO FIRE SERVICES AGREEMENT ("Amendment") is made as of this ____ day of _____, 2014 ("Effective Date") by and between the CITY OF SOUTH PASADENA ("South Pasadena") and the CITY OF SAN GABRIEL ("San Gabriel").

WHEREAS, on January 21, 2014, South Pasadena and San Gabriel entered into the Fire Services Agreement wherein San Gabriel agreed to provide certain fire services to South Pasadena; and

WHEREAS, South Pasadena and San Gabriel are preparing to enter into a cooperative agreement with the City of San Marino ("San Marino") for the sharing of fire department command staff; and

WHEREAS, once the agreement with San Marino is in effect, this Agreement will no longer be needed.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performance contained herein, the parties hereto agree as follows:

1. The Agreement shall automatically terminate without any additional action by the parties upon the Effective Date of the cooperative agreement between South Pasadena, San Gabriel, and San Marino for the sharing of fire department command staff, once such agreement is fully executed.
2. Except as set forth herein, all terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

"SOUTH PASADENA"

By: _____
Sergio Gonzalez, City Manager

ATTEST:

Evelyn G. Zneimer, City Clerk

APPROVED AS TO FORM:

Richard L. Adams II., City Attorney

“SAN GABRIEL”

By: _____
Steven A. Preston, City Manager

ATTEST:

Marcella Marlowe, Assistant City Manager/
Director of City Clerk's Office

APPROVED AS TO FORM:

Robert L. Kress, City Attorney

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