



AGENDA

EL SEGUNDO CITY COUNCIL
REGULAR MEETING
TUESDAY, MARCH 1, 2022

4:00 PM CLOSED SESSION
6:00 PM OPEN SESSION

ZOOM INFORMATION
MEETING ID: 964 5963 7962
PIN: 730770

CITY COUNCIL CHAMBER
350 MAIN STREET, EL SEGUNDO, CA 90245

PUBLIC ADVISORY:
THE CITY COUNCIL CHAMBER WILL BE OPEN TO THE PUBLIC WITH FOLLOWING GUIDELINES;

- ***No face covering required with proof of vaccination and with an ID.***
- ***Face covering required with proof of a negative Antigen (within 24 hours) or PCR (within 48 Hours) test in accordance with Los Angeles County Department of Health Orders and with an ID.***
- ***If you do not meet one of the above requirements, entrance into Chamber will be not allowed.***

Drew Boyles, Mayor
Chris Pimentel, Mayor Pro Tem
Carol Pirsztuk, Councilmember
Scot Nicol, Councilmember
Lance Giroux, Councilmember

Tracy Weaver, City Clerk
Matthew Robinson, City Treasurer

Executive Team

Joe Lillio, Interim City Manager/CFO
Barbara Voss, Deputy City Manager
Jaime Bermudez, Police Chief
Michael Allen, Dev. Services Director
Melissa McCollum, Com. Services Dir.

Mark Hensley, City Attorney
Deena Lee, Fire Chief
Rebecca Redyk, HR Director
Charles Mallory, IT Director
Elias Sassoon, Public Works Dir.

MISSION STATEMENT:

“Provide a great place to live, work, and visit.”

VISION STATEMENT:

“Be a global innovation leader where big ideas take off while maintaining our unique small-town character.”

How Can Members of the Public Observe and Provide Public Comments?

- Residents can watch the meeting live via Spectrum Channel 3, AT&T U-Verse Channel 99 and/or El Segundo TV at YouTube.com. Access remotely via Zoom from a PC, Mac, iPad, iPhone, or Android device or by phone. Use URL <https://zoom.us/j/96459637962> and enter PIN: 730770 or visit www.zoom.us on device of choice, click on “Join a Meeting” and enter meeting ID and PIN.
- Join by phone at 1-669-900-9128 and enter meeting ID and PIN. **Your phone number is captured by the Zoom software and is subject to the Public Records Act. Dial *67 BEFORE dialing in to remain anonymous.**
- For Public Communications, members of the public may provide comments in the Council Chamber or via Zoom. For in person comments, please fill out a Speaker Card located in the Chamber Lobby and for Zoom comments, notify meeting host by raising your virtual hand (see hand icon at bottom of screen) and you will be invited to speak. (If you do not wish for your name to appear on the screen, then use the drop-down menu and click on “rename” to rename yourself “anonymous”) Please note that you will be placed in a “listen only” mode and your video feed will not be shared with City Council or members of the public.
- Do not simultaneously use a microphone through Zoom and a cellphone/telephone, this combination results in audio problems.
- For written communication, submit to ALLELECTEDOFFICIALS@elsegundo.org by 3:00 PM to be uploaded to the Website. Emails received after 3:00 PM will be posted the next day.
- Speaker cards and attendee’s information captured by Zoom software will be considered public documents subject to possible posting on the City’s Website and are subject to disclosure under the Public Records Act.

Additional Information:

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk’s Office during normal business hours. Such documents may also be posted on the City’s website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the agenda, the public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the agenda during the Public Communications portions of the Meeting. Additionally, members of the public can comment on any Public Hearing item on the agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please state: your name, residence, and organization/group you represent, if desired. Please respect the time limits.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk’s Office at 310-524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

4:00 PM CLOSED SESSION – CALL TO ORDER / ROLL CALL

PUBLIC COMMUNICATION – (RELATED TO CITY BUSINESS ONLY – 5-MINUTE LIMIT PER PERSON, 30-MINUTE LIMIT TOTAL) *Individuals who have received value of \$50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing City Council. Failure to do so shall be a misdemeanor and punishable by a fine of \$250. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda. City Council and/or City Manager will respond to comments after Public Communications is closed.*

SPECIAL ORDERS OF BUSINESS

RECESS INTO CLOSED SESSION: City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for purposes of conferring with City’s Real Property Negotiator; and/or conferring with City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with City’s Labor Negotiators.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code §54956.9(c): -2- matter(s).

PUBLIC EMPLOYMENT (GOV’T CODE § 54957) -2- MATTER(S)

City Manager

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (GOV’T CODE §54957.6): -2- MATTER(S)

Employee Organizations: Fire Fighters Association and Police Officers Association

Agency Designated Representative: Irma Moisa Rodriquez, Interim City Manager, Joe Lillio and Human Resources Director, Rebecca Redyk.

6:00 PM – CONVENE OPEN SESSION – CALL TO ORDER / ROLL CALL

INVOCATION – Reverend Dina Ferguson, St. Michael Episcopal Church

PLEDGE OF ALLEGIANCE – Councilmember Giroux

PUBLIC COMMUNICATIONS – (RELATED TO CITY BUSINESS ONLY – 5 MINUTE LIMIT PER PERSON, 30 MINUTE LIMIT TOTAL) *Individuals who have received value of \$50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of \$250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.*

SPECIAL PRESENTATIONS

1. Introduction of Poet Laureate, Hope Anita Smith
2. American Red Cross Month

CITY MANAGER FOLLOW-UP COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Read all Ordinances and Resolutions on the Agenda by Title Only

Recommendation -

Approval

B. CONSENT

3. City Council Meeting Minutes

Recommendation -

1. Approve Special City Council meeting minutes of February 10, 2022 and Special and Regular City Council meeting minutes of February 15, 2022.

4. Warrant Demand Register for January 24, 2022 through February 20, 2022

Recommendation -

1. Ratify payroll and employee benefit checks; checks released early due to contracts or agreements; emergency disbursements and/or adjustments; and, wire transfers.
2. Approve Warrant Demand Register numbers 15A, 15B, 16A and 16B: warrant numbers 3039134 through 3039611, and 9002365 through 9002403.

5. Construction Contract with Corral Construction & Development, Inc. for the City Hall ADA Public Restrooms Improvements Project (CDBG Project 602294-20)

Recommendation -

1. Authorize the City Manager to execute a standard Public Works Construction Contract with Corral Construction & Development, Inc. for \$213,333 for the Community Development Block Grant Project (CDBG Project 602294-20), and authorize an additional \$21,333 as contingency funds for potential unforeseen conditions.

6. Notice of Completion of FY 2020-21 Pavement Rehabilitation Project

Recommendation -

1. Accept the FY 2020-21 Pavement Rehabilitation Project No. PW 21-01 by All American Asphalt as complete.
2. Authorize the City Clerk to file a Notice of Completion with the County Recorder's Office.

7. Change the Funding Source for the Construction Contract with FS Contractors Inc. for the FY 2021-22 Annual Concrete Improvements Project

Recommendation -

1. Approve funding source change from the gas tax fund to the Measure M fund for construction contract with FS Contractors, Inc. for the FY 2021-2022 Annual Concrete Improvements Project (Project No PW 21-10.)

8. Ordinance Amending El Segundo Municipal Code Titles 14 and 15 to Comply with State Law Allowing for Two-Unit Development and Urban Lot Splits in the R-1 Single Family Residential Zone.

Recommendation -

1. Waive second reading and adopt an Ordinance amending ESMC Title 14 (Subdivision Regulations) to include subdivision standards for General Urban Lot Splits; and Title 15 adding new Section 15-4G - Two Unit Residential Developments and Urban Lot Splits in Single-Family Residential (R1) Zones, in accordance with the provisions of Senate Bill No. 9.

(The proposed ordinance (zone text amendment) is exempt from review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., "CEQA") because SB 9 specifically authorizes local agencies to impose objective zoning, subdivision, and design standards consistent with the bill's provisions, and to adopt an ordinance to implement its provisions. SB 9 further provides that such ordinances are not considered a "project" under CEQA (Gov. Code, §§65852.21, subd. (j); 66411.7, subd. (n)).

C. PUBLIC HEARINGS

D. STAFF PRESENTATIONS

9. Resolution Certifying Sufficiency of Commercial Cannabis Voter Initiative Petition, City Council Direction on Voter Initiative Ordinance, and Direction on Potential City Initiated Ordinance

Recommendation -

1. Adopt a resolution approving the City Clerk's certification of initiative petition.
2. Approve one of the following
 - a. An introduction and first reading of the initiative ordinance, without alteration, and direction to approve a second reading at an *adjourned* regular meeting within 10 days;
 - b. A motion submitting the initiative ordinance, without alteration, to the voters and direction to the City Clerk to present the initiative ordinance as a ballot measure with the calling of the regular general municipal election to be held on November 8, 2022; or
 - c. A motion ordering a report pursuant to Elections Code § 9212 to be presented to Council within 30 days.
3. Provide direction to staff regarding a potential City-initiated commercial cannabis regulatory ordinance.

10. Progress Update on Local Early Action Planning Grant Inclusionary Housing Study

Recommendation -

1. Receive and file update on the Local Early Action Planning (LEAP) grant, including initial findings related to inclusionary housing.
2. Provide direction on next steps and areas of focus.

11. Temporary Outdoor Dining Permitted During the Pandemic in the Public Right-of-Way in the Downtown Area

Recommendation -

1. Receive and file information regarding staff immediately requiring outdoor dining improvements to be removed that do not meet building code safety requirements.
2. Direct staff to cause the immediate removal of all outdoor dining located within travel lanes.
3. Discuss items 4 and 5 below but direct staff to conduct public outreach and bring these items back for Council's further consideration at its May 3, 2022 meeting.

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4. Establish a date not later than October 31, 2022, for the removal of the remainder of all temporary outdoor dining improvements that were allowed during the pandemic.
 5. Direction to proceed with further studies and development of a permanent outdoor dining program.

12. Temporary Appointment of CalPERS Retiree Darrell George to Interim City Manager Pursuant to Government Code §§ 7522.56 and 21221(h).

Recommendation -

1. Adopt a resolution authorizing the appointment of CalPERS retired annuitant Darrell George in compliance with Government Code §§ 7522.56 and 21221(h).
2. Approve the attached Employment Agreement with Darrell George for the interim appointment to the position of City Manager.

13. Temporary Appointment of a CalPERS Retiree John Jones to Interim Community Services Director Pursuant to Government Code §§ 7522.56 and 21221(h)

Recommendation -

1. Adopt a resolution authorizing the appointment of CalPERS retired annuitant John Jones in compliance with Government Code §§ 7522.56 and 21221(h).
2. Approve the attached Employment Agreement with John Jones for the interim appointment to the position of Community Services Director.

14. Hyperion Update

Recommendation -

1. Receive and File an update regarding the City of Los Angeles Hyperion Water Reclamation Plant Failure.

E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS

F. REPORTS - CITY CLERK

G. REPORTS - CITY TREASURER

H. REPORTS - COUNCILMEMBERS

COUNCILMEMBER GIROUX

COUNCILMEMBER NICOL

COUNCILMEMBER PIRSZTUK

MAYOR PRO TEM PIMENTEL

MAYOR BOYLES

15. Extend the Expiration Date for City Council Committee Assignments, and Appoint a Representative to the LAX Area Advisory Committee

Recommendation -

1. Approve Amendment to the City Council Assignments to extend the expiration date from May 17, 2022 to January 17, 2023.
2. Appoint Corrie Zupo to the LAX Area Advisory Committee

I. REPORTS - CITY ATTORNEY

J. REPORTS/FOLLOW-UP - CITY MANAGER

CLOSED SESSION

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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

MEMORIALS

ADJOURNMENT

POSTED:

DATE: February 24, 2022

TIME: 3:00 PM

BY: Tracy Weaver, City Clerk

Proclamation

City of El Segundo, California

WHEREAS, In times of crisis, people in El Segundo come together to care for one another. This humanitarian spirit is part of the foundation of our community and is exemplified by American Red Cross volunteers and donors; and

WHEREAS, In 1881, Clara Barton founded the American Red Cross, turning her steadfast dedication for helping others into a bold mission of preventing and alleviating people's suffering. Today, more than 140 years later, we honor the kindness and generosity of Red Cross volunteers here in El Segundo, who continue to carry our Clara's lifesaving legacy. They join the millions of people across the United States who volunteer, give blood, donate financially, or learn vital life-preserving skills through the Red Cross; and

WHEREAS, In El Segundo, the contributions of local Red Cross volunteers give hope to the most vulnerable in their darkest hours – whether it is providing emergency shelter, food, and comfort for families devastated by local disasters like home fires. Or donating essential blood for accident and burn victims, heart surgery and organ transplant patients, and those receiving treatment for leukemia, cancer, or sickle cell disease; supporting service members and veterans, along with their families and caregivers, through the unique challenges of military life; helping to save the lives of others with first aid, CPR and other skills; or delivering international humanitarian aid; and

WHEREAS, Their work to prevent and alleviate human suffering is vital to strengthening our community's resilience. We dedicate this month of March to all those who continue to advance the noble legacy of American Red Cross founder Clara Barton, who lived by her words, "You must never think of anything except the need, and how to meet it." We ask others to join in this commitment to give back to our community.

NOW, THEREFORE, on this 1st day of March, 2022, the Mayor and Members of the City Council of the City of El Segundo, California, hereby proclaim the month of March as **AMERICAN RED CROSS MONTH**, and encourage all citizens to reach out and support its humanitarian mission.



Mayor Drew Boyles

*Mayor Pro Tem Chris Pimentel
Council Member Scot Nicol*

*Council Member Carol Pirsztuk
Council Member Lance Giroux*

SPECIAL MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
CLOSED SESSION
THURSDAY, FEBRUARY 10, 2022 – 5:00 PM

CALL TO ORDER – Mayor Boyles at 5:00 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Nicol	-	Present
Council Member Giroux	-	Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person, 30-minute limit total) None

SPECIAL ORDER OF BUSINESS:

Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CLOSED SESSION:

City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for purposes of conferring with City’s Real Property Negotiator; and/or conferring with City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with City’s Labor Negotiators as follows:

PUBLIC EMPLOYMENT (Gov’t Code § 54957) -2- matter(s)

Interim City Manager and City Manager

Adjourned at 6:03 PM

Tracy Weaver, City Clerk

MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 15, 2022
(Special Meeting ran currently with the Regular City Council Meeting)

CLOSED SESSION – Mayor Boyles called to order at 4:03 PM

ROLL CALL

Mayor Boyles - Present
Mayor Pro Tem Pimentel - Present
Council Member Pirsztuk - Present
Council Member Nicol - Present
Council Member Giroux - Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person, 30-minute limit total) None

SPECIAL ORDER OF BUSINESS:

Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CLOSED SESSION:

City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for purposes of conferring with City's Real Property Negotiator; and/or conferring with City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with City's Labor Negotiators as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (GOV'T CODE §54956.9(D)(1): -6- MATTER(S)

1. Scott O'Connor (City Police Officer) v. City of El Segundo, United States District Court (Central District of California), Civil Case No. 2:20-CV-0311 DMG (PLAx).
2. Scott Martinez (City Fire Fighter) v. City of El Segundo, Los Angeles Superior Court Case No. 21ST CV10637.
3. James Tulette (City Fire Fighter) v. City of El Segundo, Los Angeles Superior Court, Case No. 205T, CV44025.
4. Shawn Bonfield (City Fire Department Battalion Chief) v. City of El Segundo, Los Angeles Superior Court Case no. 20ST CV48677.
5. William Hatcher (Retired El Segundo Fire Fighter v. City of El Segundo, Los Angeles Superior Court, Case No. 21ST CV37399.
6. Richard Towne (Retired El Segundo Fire Fighter) v. City of El Segundo, Los Angeles Superior Court, Case No. 21ST CV19113.

CONFERENCE WITH LEGAL COUNSEL – ANITICPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d) (2) and (3): -1- matter.

Initiation of litigation pursuant to Government Code §54956.9(c): -1- matter.

PUBLIC EMPLOYMENT (GOV'T CODE §54957) – 2- MATTER(s)

Interim City Manager and City Manager

Recessed at 5:50 PM

OPEN SESSION – Mayor Boyles called to order at 6:00 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Nicol	-	Present
Council Member Giroux	-	Present

INVOCATION – Pastor Jonathan Elmore, The Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Pirsztuk

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5-minute limit per person, 30-minute limit total)

In Chamber –

Randall Duncan, resident, commented on the creation of El Segundo Downtown Beautification Fund.

John Pickhaver, resident, commented on a recent DEI presentation given at the February 1, 2022 Council Meeting.

Nick Nicotine, resident, commented on the recent Smoking Ban Ordinance that Council did not pass recently.

Via Zoom –

Marissa Land, resident, commented on the DEI Committee and member Coach Woody, does not feel Coach Woody's values align with the committee.

Robin Miskolcze, resident, commented on the DEI Committee with regards to the 2022 Legislative Platform and various other items of concern.

Sean O'Brien, resident, commented on the DEI Committee and the need to replace vacant seats.

Dave Holop, resident, commented on the DEI Committee with regards to the 2022 Legislative Platform and other items of concern.

CITY MANAGER FOLLOW-UP COMMENTS:

Mr. Lillio will have staff follow-up on the El Segundo Beautification fund.

Barbara Voss gave an update on the DEI committee vacancies and upcoming interviews for the committee.

A. Read all Ordinances and Resolutions on the Agenda by Title Only.

MOTION by Council Member Giroux, SECONDED by Council Member Pirsztuk to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. CONSENT:

1. Approve Special City Council Meeting minutes of December 14, 2021 and January 25, 2022 and Regular and Special City Council Minutes of February 1, 2022.
(Fiscal Impact: None)
2. Approve warrants demand register for January 10, 2022 through January 23, 2022, numbers 14A and 14B, warrant numbers 3038907 through 3039133, and 9002360 through 90002364. Ratify Payroll and employee benefit Checks; Checks released early due to contracts or agreement; Emergency disbursements and/or adjustments; and, Wire transfers.
(Fiscal Impact: \$4,782,671.17 (\$1,551,278.87 in check warrants and \$3,231,392.30 in wire warrants))
3. Authorize the City Manager to extend the License Agreements No's, 4814C AYSO, 4815C Babe Ruth, 4816C Girls Softball, 4817C Inline Hockey, 4818C ESLL, 4819C Lacrosse, and 4821C United States Volleyball with each El Segundo Youth Sports Organization identified in the Youth Sports Council Athletic Field/Facility Use and Allocation Policy for the remainder of FY 2021/2022.
(Fiscal Impact: Total annual revenue from the license agreements is estimated to be \$24,000 which has been included in the adopted FY 2021-22 Budget)
4. Adopt Resolution No. 5311 approving a Street Improvement and Maintenance Cooperation Agreement, Agreement No. 6275 with the City of Hawthorne for the Union Pacific Railroad Crossing Improvements. (Project No. MP 21-10)
(Fiscal Impact: \$110,000 included in the adopted FY 2021-2022 Budget)
5. Waive second reading and adopt Ordinance No. 1632 approving E-Filing of Statement of Economic Interests and Campaign Finance forms.
(Fiscal Impact: \$4900 annually for five years)
6. Approve Resolution No. 5312 allowing continued teleconferenced Public Meetings.
(Fiscal Impact: None)

7. Pursuant to El Segundo Municipal Code (“ESMC”) § 1-7-9 (A), waive the bidding process and authorize the City Manager to execute the fourth amendment to the Agreement No.5525D with MAK Fire Protection Engineering & Consulting, Inc. to increase the not-to-exceed compensation by \$49,000 with a new not to exceed aggregate amount of \$98,000 for fire plan check services and appropriate an additional \$49,000 from General Fund unassigned fund balance to Fire Prevention’s professional and technical expense account.
(Fiscal Impact: \$49,000)

8. Approve an amendment to Professional Services Agreement No. 5749B with Dudek for environmental review services on the Pacific Coast Commons Specific Plan (“PCC”) project to increase the PSA’s total not-to-exceed compensation from \$259,095 to \$335,441.
(Fiscal Impact: The PCC project is subject to a reimbursement agreement with the project proponent. All City costs for processing the application, including environmental review services provided by Dudek are reimbursed by the project applicant. Therefore, the amendment to the professional services agreement will have no fiscal impact to the City’s General Fund)

MOTION by Council Member Nicol, SECONDED by Council Member Giroux approving Consent Agenda items 1, 2, 3, 4, 5, 6, 7, and 8. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

PULLED ITEMS:

C. PUBLIC HEARING:

9. Resolution Establishing Cost-Recovery Fees Related to the Certified Unified Program Agency Unified Program and Refinery Emergency Notification System Implementation and Ongoing Maintenance
(Fiscal Impact: None)

Mayor Boyles stated this was the time and place for a continued public hearing adopting a resolution adopting a Unified Program single fee and one-time AB1646 implementation fee.

Clerk Weaver stated that proper notice had been given in a timely manner and that no written communication had been received in the City Clerk’s office.

Deena Lee, Fire Chief reported on the item and answered Council’s questions.

Public Input: None

MOTION by Council Member Nicol, SECONDED by Giroux to close the hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council discussion

Mark Hensley, City Attorney, read the Resolution by title only.

RESOLUTION NO. 5313

A RESOLUTION ADOPTING A UNIFIED PROGRAM SINGLE FEE AND ONE-TIME AB1646 IMPLEMENTATION FEE.

MOTION by Council Member Pirsztuk, SECONDED by Council Member Giroux adopting Resolution No. 5313. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

10. Ordinance Amending El Segundo Municipal Code Titles 14 and 15 to comply with State Law Allowing for Two-Unit Development and Urban Lot Splits in the R-1 Single Family Residential Zone
(Fiscal Impact: None)

(The proposed ordinance amending El Segundo Municipal Code Titles 14 and 15 is exempt from review under CEQA and the CEQA Guidelines because SB 9 specifically authorizes local agencies to impose certain objective standards consistent with the bill's provisions, and adopt an ordinance to implement its provisions. SB 9 further provides that such ordinances are not considered a "project" under CEQA (Gov. Code, § 65852.21, subd. (j)))

Mayor Boyles stated this was the time and place for a public hearing adopting a resolution approving a Negative Declaration and the final draft 2021-2029 Housing Element (Environmental Assessment No. EA 1271 and General Plan Amendment No. GPA 19-04).

Clerk Weaver stated that proper notice had been given in a timely manner and that no written communication had been received in the City Clerk's office.

Michael Allen, Development Services reported on the item and answered Council's questions.

Public Input: None

MOTION by Council Member Giroux, SECONDED by Nicol to close the hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council Discussion

The Ordinance will amend as follows; Strike FAR language in reference to 1.0 in lots greater than twenty-five (25) feet.

Mark Hensley, City Attorney, read the Ordinance by title only.

ORDINANCE NO. 1633

AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE TITLE 14 (SUBDIVISION REGULATIONS) TO ADD NEW CHAPTER 6 AND TITLE 15 (ZONING CODE) CHAPTER 4 TO ADD NEW ARTICLE G ALLOWING CERTAIN SUBDIVISIONS AND MULTIPLE RESIDENTIAL UNITS IN THE SINGLE FAMILY RESIDENTIAL ZONE AND ESTABLISHING OBJECTIVE STANDARDS PURSUANT TO SENATE BILL NO. 9

Council Member Nicol introduced Ordinance No. 1633 as amended. Second reading and possible adoption of the Ordinance is scheduled for the regular City Council meeting of March 1, 2022.

D. STAFF PRESENTATIONS:

11. Amendment to Topgolf Agreement to Modify Golf Course Improvements to Delete the Requirement for One Par 4 Hole and Add a Periodic Increase to the Annual Topgolf "Payment for Public Good"; and Discussion of Golf Course and Driving Range User Rates.
(Fiscal Impact: None)

Joe Lillio, Interim City Manager, Mark Hensley, City Attorney and Tanner Micheli, Director of Real Estate Development with Topgolf reported on the item and answered Council's questions.

Council Discussion

MOTION by Council Member Pirsztuk, SECONDED by Council Member Giroux approving an amendment to Topgolf Agreement No. XXX modifying golf course improvements to delete the requirement for one par 4 hole and add a periodic increase to the annual Topgolf "Payment for Public Good." MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council consensus to receive and file discussion on golf course and driving range user rates.

12. 2022 Legislative Platform
(Fiscal Impact: None)

Portland Bates, Sr Management Analyst reported on the item and answered Council's questions along with Barbara Voss, Deputy City Manager. Ms. Voss stated she would add language to the Platform in regard to Diversity, Equity and Inclusion as suggested by some who spoke earlier during Public Communications.

Council Discussion

MOTION by Mayor Pro Tem Pimentel, SECONDED by Council Member Nicol approving the 2022 Legislative Platform. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

E. COMMITTEES, COMMISSIONS AND BOARDS:

F. REPORTS – CITY CLERK – No report

G. REPORTS – CITY TREASURER –

13. Investment Portfolio Report for December 2021

Matthew Robinson, City Treasurer gave a presentation and answered Council's questions.

Council consensus to receive and file presentation

H. REPORTS – COUNCIL MEMBERS

Council Member Giroux – Mentioned the El Segundo High School Girls Water Polo team will play in the CIF Semi-Finals tomorrow night (Feb. 16, 2022).

See Special Minutes of February 15, 2022 for Council Member Giroux's item.

Council Member Nicol – Commented on the Smoking Ordinance that Council did not pass and how at times it is tough to align with the public's view and to the speaker earlier, you have been heard. Congratulated AYSO Boys U10 on winning the Area 1D Championship.

Council Member Pirsztuk – Reminded the Community the Shred Event will be held on February 26, 2022 and thanked the Superbowl attendees who visited our town over the weekend for patronizing our town.

Mayor Pro Tem Pimentel – Attended and reported on the South Bay Council of Governments Transportation meeting and will attend the Sanitation meeting tomorrow, Wednesday February 16, 2022.

Mayor Boyles – Mentioned all the youth sports taking place this week in our town.

See Special Minutes of February 15, 2022 for Mayor Boyles item.

I. REPORTS – CITY ATTORNEY – No report

J. REPORTS/FOLLOW-UP – CITY MANAGER – Mentioned the upcoming items for the next regular City Council meeting on March 1, 2022.

MEMORIALS – Jack Wayt

Open session adjourned at 7:54 PM

Council returned to Closed session at 7:55 PM

Closed session adjourned at 8:03 PM

Tracy Weaver, City Clerk

SPECIAL MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 15, 2022

(This meeting will run concurrently with the Regular City Council Meeting)

CLOSED SESSION – Mayor Boyles called to order at 4:03 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Nicol	-	Present
Council Member Giroux	-	Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person, 30-minute limit total) None

SPECIAL ORDER OF BUSINESS:

1. Appoint Irma Rodriquez and Individuals Filling the Roles of City Manager, Chief Financial Officer and Human Resources Director, as Labor Negotiators for all Bargaining Groups, Represented and Unrepresented, until a Future City Council Makes a Different Appointment.

MOTION by Council Member Nicol, SECONDED by Council Member Giroux appointing Irma Rodriquez and Individuals Filling the Roles of City Manager, Chief Financial Officer and Human Resources Director, as Labor Negotiators for all Bargaining Groups, Represented and Unrepresented, until a future City Council makes a different appointment. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CLOSED SESSION:

City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for purposes of conferring with City’s Real Property Negotiator; and/or conferring with City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with City’s Labor Negotiators as follows:

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (GOV’T CODE §54957.6): -1-MATTER(S)

1. Employee Organizations: Police Officers Association.

Agency Designated Representative: Irma Moisa Rodriquez, Interim City Manager/CFO, Joe Lillio and Human Resources Director, Rebecca Redyk.

Recessed at 5:50 PM

OPEN SESSION – Mayor Boyles called to order at 6:00 PM

ROLL CALL

Mayor Boyles - Present
Mayor Pro Tem Pimentel - Present
Council Member Pirsztuk - Present
Council Member Nicol - Present
Council Member Giroux - Present

INVOCATION – Pastor Jonathan Elmore, The Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Pirsztuk

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5-minute limit per person, 30-minute limit total)

See Regular City Council Meeting Minutes of February 15, 2022 for Public Communication.

H. REPORTS – COUNCIL MEMBERS

Council Member Giroux –

1. Form and Appoint Council Members to an Ad Hoc Committee to Discuss Executive Team and Management Confidential Group Employees' (Unrepresented Employees') Salaries and Benefits

Council Member Giroux introduced the item and reported.

Council Discussion

MOTION by Council Member Pirsztuk, SECONDED by Mayor Pro Tem Pimentel approving the formation and appointing Council Members, Giroux and Pirsztuk, to an Ad Hoc Committee. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Mayor Boyles –

2. City Council to Send Letter to the County Opposing the Los Angeles County Department of Health Order Requiring Face Coverings to be Worn in Certain Settings and During Certain Activities.

Mayor Boyles introduced the item and reported.

Council Discussion

Council requested the letter include a statement that the City would like to align with the State requirements or authorize the Service Planning Area 8 (SPA 8) to make decisions for this region and not follow the County of Los Angeles requirements.

MOTION by Council Member Pirsztuk, SECONDED by Council Member Nicol approving a letter to the County opposing the Los Angeles County Department of Health Order requiring face coverings to be worn in certain settings and during certain activities. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Open session adjourned at 7:54 PM

Council returned to Closed session at 7:55 PM

Closed session adjourned at 8:03 PM

Tracy Weaver, City Clerk



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Consent

Item Number: B.4

TITLE:

Warrant Demand Register for January 24, 2022 through February 20, 2022

RECOMMENDATION:

1. Ratify payroll and employee benefit checks; checks released early due to contracts or agreements; emergency disbursements and/or adjustments; and, wire transfers.
2. Approve Warrant Demand Register numbers 15A, 15B, 16A and 16B: warrant numbers 3039134 through 3039611, and 9002365 through 9002403.

FISCAL IMPACT:

The warrants presented were drawn in payment of demands included within the FY 2021-2022 Adopted Budget. The total of \$6,607,821.33 (\$1,884,483.88 in check warrants and \$4,723,337.45 in wire warrants) are for demands drawn on the FY 2021-2022 Budget.

BACKGROUND:

California Government Code Section 37208 provides General Law cities flexibility in how budgeted warrants, demands, and payroll are audited and ratified by their legislative body. Pursuant to Section 37208 of the California Government Code, warrants drawn in payments of demands are certified by the City's Chief Financial Officer and City Manager as conforming to the authorized expenditures set forth in the City Council adopted budget need not be audited by the City Council prior to payment, but may be presented to the City Council at the first meeting after delivery.

In government finance, a warrant is a written order to pay that instructs a federal, state, county, or city government treasurer to pay the warrant holder on demand or after a specific date. Such warrants look like checks and clear through the banking system like checks. Warrants are issued for payroll to individual employees, accounts payable to vendors, to local governments, and to companies or individual taxpayers receiving a

Warrant Demand Register for January 24, 2022 through February 20, 2022

March 1, 2022

Page 2 of 2

refund.

DISCUSSION:

The attached Warrants Listing delineates the warrants that have been paid for the period identified above. The Chief Financial Officer certifies that the listed warrants were drawn in payment of demands conforming to the adopted budget and that these demands are being presented to the City Council at its first meeting after the delivery of the warrants.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:

Wei Cao, CPA, CPFO, Management Analyst

REVIEWED BY:

Joseph Lillio, Chief Financial Officer

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

1. Register 15a summary
2. Register 15b Summary
3. Register 16a summary
4. Register 16b Summary

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039134 - 3039229
9002365 - 9002366

DATE OF APPROVAL: AS OF 02/15/22

REGISTER # 15A

001	GENERAL FUND	248,481.23
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	15,735.52
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	2,644.00
110	MEASURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	21,829.91
125	STATE GRANT	2,015.00
126	AVP CUPA PROGRAM OVERSIGHT SURCHARGE	190.40
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	4,819.42
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	8,687.00
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	6,460.04
502	WASTEWATER FUND	7,806.85
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	56.66
603	WORKERS COMP. RESERVE/INSURANCE	153.28
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	192.65
703	EXPENDABLE TRUST FUND - OTHER	-
704	CULTURAL DEVELOPMENT	154.07
708	OUTSIDE SERVICES TRUST	7,207.00
TOTAL WARRANTS		<u>\$ 326,433.03</u> ✓

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = *SD* Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

CHIEF FINANCIAL OFFICER

Joseph Kelly
2/2/2022

CITY MANAGER

DATE:

Burlaine Vans
2/3/22

VOID CHECKS DUE TO ALIGNMENT:
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

**CITY OF EL SEGUNDO
 PAYMENTS BY WIRE TRANSFER
 01/24/22 THROUGH 01/30/22**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
1/24/2022	IRS	316,135.36	Federal 941 Deposit
1/24/2022	Employment Development	5,811.19	State SDI payment
1/24/2022	Employment Development	71,432.40	State PIT Withholding
1/25/2022	IRS	12,973.97	Federal 941 Deposit - for 6/30/21
1/28/2022	Cal Pers	16,265.82	EFT Retirement Safety-Fire-PEPRA New 25020
1/28/2022	Cal Pers	39,422.50	EFT Retirement Safety-Police-PEPRA New 25021
1/28/2022	Cal Pers	5,312.08	EFT Retirement Misc - PEPRA New 26013
1/28/2022	Cal Pers	3,017.51	EFT Retirement Misc - Classic 27
1/28/2022	Cal Pers	95,119.01	EFT Retirement Safety Police Classic - 1st Tier 28
1/28/2022	Cal Pers	66,095.12	EFT Retirement Safety Fire- Classic 30168
1/28/2022	Cal Pers	4,937.20	EFT Retirement Sfty Police Classic-2nd Tier 30169
01/17/22-01/23/22	Workers Comp Activity	33,577.56	SCRMA checks issued, less Swiss Re check reimbursement
01/17/22-01/23/22	Liability Trust - Claims	47,990.10	Claim checks issued/(voided)
01/17/22-01/23/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>718,089.82</u>	

DATE OF RATIFICATION: 02/02/22

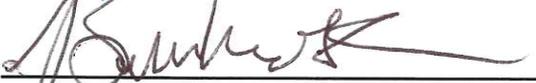
TOTAL PAYMENTS BY WIRE:

718,089.82

Certified as to the accuracy of the wire transfers by:

 2/2/22
 Treasury & Customer Services Manager Date

 2-2-2022
 Chief Financial Officer Date

 2-3-22
 City Manager Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
 WARRANTS TOTALS BY DEPARTMENT
 AS OF 02/15/22
 REGISTER # 15A

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
GENERAL GOVERNMENT		
1101	City Council	307.50
1201	City Treasurer	
1300	City Clerk	4,328.00
2101	City Manager	1,909.80
2102	Communications	22,829.00
2201	City Attorney	4,062.50
2401	Economic Development	2,602.51
2402	Planning	10,046.25
2500	Administrative Services	18,309.71
2601	Government Buildings	12,047.29
2700	Community Outreach/Planning	2,191.10
2900	Nondepartmental	46,724.03
6100	Library	2,556.62
		127,914.31
PUBLIC SAFETY		
3100	Police	50,288.61
3200	Fire	25,734.15
2403	Building Safety	1,049.34
2404	Plng/Bldg Sfty Administration	2,296.25
		79,368.35
PUBLIC WORKS		
4101	Engineering	6,175.22
4200	Streets/Park Maintenance	43,285.71
4300	Wastewater	6,322.51
4601	Equipment Maintenance	2,612.92
4801	Administration	
		58,396.36
COMMUNITY DEVELOPMENT		
5100,5200	Recreation & Parks	898.25
5400	Centennial	
		898.25
EXPENDITURES		
	CAPITAL IMPROVEMENT	8,687.00
	ALL OTHER ACCOUNTS	51,168.76
	TOTAL WARRANTS	326,433.03 ✓

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039230 - 3039322
9002367 - 9002398

DATE OF APPROVAL: AS OF 02/15/22

REGISTER # 15B

001	GENERAL FUND	283,893.86
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	6,796.00
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	3,582.90
110	MEASURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	1,200.00
114	PROP "C" TRANSPORTATION	400.00
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	442.00
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	332.57
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	11,920.50
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	2,338.81
502	WASTEWATER FUND	123,156.16
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	54,958.33
603	WORKERS COMP. RESERVE/INSURANCE	-
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	655.84
703	EXPENDABLE TRUST FUND - OTHER	1,500.00
704	CULTURAL DEVELOPMENT	-
708	OUTSIDE SERVICES TRUST	-
	TOTAL WARRANTS	<u>\$ 491,176.97</u> ✓

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = *AD* Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

CHIEF FINANCIAL OFFICER: *Sophia Kite*
DATE: *2-8-2022*

CITY MANAGER: *Barbara Vas*
DATE: *2-8-22*

VOID CHECKS DUE TO ALIGNMENT: _____
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE: _____

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR: _____

NOTES _____

**CITY OF EL SEGUNDO
 PAYMENTS BY WIRE TRANSFER
 01/31/22 THROUGH 02/06/22**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
1/31/2022	CA Infrastructure Bank	83,842.94	Semi Annual Infrastructure payment
2/3/2022	Cal Pers	200.00	Admin Fee - Late Payroll Reporting
2/3/2022	Cal Pers	200.00	Admin Fee - Late Payroll Reporting
2/3/2022	Cal Pers	13,501.26	EFT Retirement Safety-Fire-PEPRA New 25020
2/3/2022	Cal Pers	24,799.00	EFT Retirement Safety-Police-PEPRA New 25021
2/3/2022	Cal Pers	36,961.47	EFT Retirement Misc - PEPRA New 26013
2/3/2022	Cal Pers	42,639.79	EFT Retirement Misc - Classic 27
2/3/2022	Cal Pers	61,794.24	EFT Retirement Safety Police Classic - 1st Tier 28
2/3/2022	Cal Pers	52,728.92	EFT Retirement Safety Fire- Classic 30168
2/4/2022	Mission Square	70,257.28	457 payment Vantagepoint
2/4/2022	Mission Square	1,198.62	401(a) payment Vantagepoint
2/4/2022	Mission Square	550.00	IRA payment Vantagepoint
01/24/22-01/30/22	Workers Comp Activity	46,802.23	SCRMA checks issued, less Swiss Re check reimbursement
01/24/22-01/30/22	Liability Trust - Claims	-	Claim checks issued/(voided)
01/24/22-01/30/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>438,772.67</u>	

DATE OF RATIFICATION: 02/08/22

TOTAL PAYMENTS BY WIRE:

438,772.67

Certified as to the accuracy of the wire transfers by:

		<u>02/08/2022</u>
Deputy City Treasurer II		Date
		<u>2-8-2022</u>
Chief Financial Officer		Date
		<u>2-8-22</u>
City Manager		Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
 WARRANTS TOTALS BY DEPARTMENT
 AS OF 02/15/22
 REGISTER # 15B

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
GENERAL GOVERNMENT		
1101	City Council	446.31
1201	City Treasurer	280.00
1300	City Clerk	2,268.39
2101	City Manager	7,503.90
2102	Communications	1,223.21
2201	City Attorney	29.50
2401	Economic Development	396.36
2402	Planning	389.23
2500	Administrative Services	123,355.77
2601	Government Buildings	2,977.04
2700	Community Outreach/Planning	
2900	Nondepartmental	11,883.36
6100	Library	5,770.14
		156,523.21
PUBLIC SAFETY		
3100	Police	16,628.11
3200	Fire	18,699.88
2403	Building Safety	6,012.28
2404	Plng/Bldg Sfty Administration	16,798.44
		58,138.71
PUBLIC WORKS		
4101	Engineering	1,725.89
4200	Streets/Park Maintenance	33,588.68
4300	Wastewater	127,834.37
4601	Equipment Maintenance	521.60
4801	Administration	244.48
		163,915.02
COMMUNITY DEVELOPMENT		
5100,5200	Recreation & Parks	18,906.30
5400	Centennial	18,906.30
		18,906.30
EXPENDITURES		
	CAPITAL IMPROVEMENT	11,920.50
	ALL OTHER ACCOUNTS	81,773.23
	TOTAL WARRANTS	491,176.97 ✓

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039323 - 3039502
9002399 - 9002402

DATE OF APPROVAL: AS OF 02/15/22

REGISTER # 185 16a

001	GENERAL FUND	402,337.56
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	4,198.44
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	2,236.34
110	MEASURE "R"	598.00
111	COMM DEVEL BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	1,164.66
114	PROP "C" TRANSPORTATION	30.11
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	67.56
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C O P S FUND	-
121	FEMA	-
122	L A W A FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	18,005.45
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	23,549.00
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	3,307.30
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	12,910.15
502	WASTEWATER FUND	9,851.43
503	GOLF COURSE FUND	2,000.00
505	SOLID WASTE FUND	63,450.18
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	2,399.91
603	WORKERS COMP. RESERVE/INSURANCE	374.93
701	RETIRED EMP INSURANCE	759.00
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	5,188.80
703	EXPENDABLE TRUST FUND - OTHER	4,000.00
704	CULTURAL DEVELOPMENT	109.65
708	OUTSIDE SERVICES TRUST	-
TOTAL WARRANTS		<u>\$ 556,558.47</u> ✓

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

CHIEF FINANCIAL OFFICER *[Signature]*

CITY MANAGER

DATE: 2-15-2022

DATE: 2-17-22 *[Signature]* (for JL)

VOID CHECKS DUE TO ALIGNMENT: N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE: _____

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR: _____

NOTES _____

**CITY OF EL SEGUNDO
 PAYMENTS BY WIRE TRANSFER
 02/07/22 THROUGH 02/13/22**

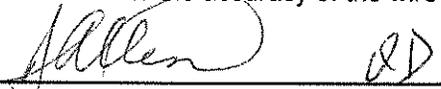
<u>Date</u>	<u>Payee</u>		<u>Description</u>
2/7/2022	IRS	259,547.65	Federal 941 Deposit
2/7/2022	Employment Development	5,509.67	State SDI payment
2/7/2022	Employment Development	56,879.87	State PIT Withholding
2/10/2022	ExpertPay	1,763.42	EFT Child support payment
2/10/2022	Cal Pers	574,058.69	EFT Health Insurance Payment
2/10/2022	West Basin	1,950,402.61	H2O payment
01/31/22-02/06/22	Workers Comp Activity	72,081.23	SCRMA checks issued, less Swiss Re check reimbursement
01/31/22-02/06/22	Liability Trust - Claims	6,262.53	Claim checks issued/(voided)
01/31/22-02/06/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>2,926,505.67</u>	

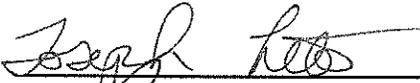
DATE OF RATIFICATION: 02/14/22

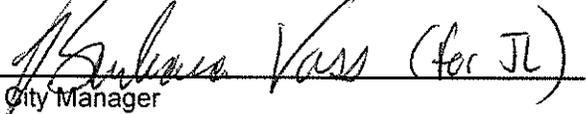
TOTAL PAYMENTS BY WIRE:

2,926,505.67

Certified as to the accuracy of the wire transfers by:

 02/14/22
 Deputy City Treasurer II Date

 02-15-2022
 Chief Financial Officer Date

 2-17-22
 City Manager Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 03/03/2022 L
REGISTER # 16A

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
GENERAL GOVERNMENT		
1101	City Council	46.25
1201	City Treasurer	491.50
1300	City Clerk	213.62
2101	City Manager	1.94
2102	Communications	13,719.68
2201	City Attorney	
2401	Economic Development	
2402	Planning	
2500	Administrative Services	60,399.90
2601	Government Buildings	129,558.13
2700	Community Outreach/Planning	
2900	Nondepartmental	10,702.37
6100	Library	4,771.75
		<hr/> 219,905.14
PUBLIC SAFETY		
3100	Police	31,180.79
3200	Fire	35,780.94
2403	Building Safety	
2404	Plng/Bldg Sfty Administration	511.54
		<hr/> 67,473.27
PUBLIC WORKS		
4101	Engineering	22,372.06
4200	Streets/Park Maintenance	80,685.55
4300	Wastewater	8,392.24
4601	Equipment Maintenance	1,493.15
4801	Administration	67.69
		<hr/> 113,010.69
COMMUNITY DEVELOPMENT		
5100,5200	Recreation & Parks	10,723.99
5400	Centennial	
		<hr/> 10,723.99
EXPENDITURES		
CAPITAL IMPROVEMENT		3,307.30
ALL OTHER ACCOUNTS		142,168.08
TOTAL WARRANTS		<hr/> <hr/> 556,588.47 ✓

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039503 - 3039611
9002403 - 9002403

DATE OF APPROVAL: AS OF 03/01/22

REGISTER # 16B

001	GENERAL FUND	249,250.24
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	13,045.00
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	236.36
110	MEASURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	1,500.00
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	9,881.99
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	-
128	SB-1	38,364.09
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	6,418.15
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	8,460.00
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	18,485.38
502	WASTEWATER FUND	32,606.92
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	8,700.00
602	LIABILITY INSURANCE	-
603	WORKERS COMP. RESERVE/INSURANCE	-
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	719.06
703	EXPENDABLE TRUST FUND - OTHER	3,500.00
704	CULTURAL DEVELOPMENT	-
708	OUTSIDE SERVICES TRUST	119,118.22

TOTAL WARRANTS \$ 510,285.41 ✓

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

CHIEF FINANCIAL OFFICER

DATE:

Joseph Kito
2-23-2022

CITY MANAGER

DATE:

Barbara Vass
2-23-22

VOID CHECKS DUE TO ALIGNMENT:

N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

**CITY OF EL SEGUNDO
 PAYMENTS BY WIRE TRANSFER
 02/14/22 THROUGH 02/20/22**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
2/14/2022	Cal Pers	13,501.26	EFT Retirement Safety-Fire-PEPRA New 25020
2/14/2022	Cal Pers	26,343.50	EFT Retirement Safety-Police-PEPRA New 25021
2/14/2022	Cal Pers	45,209.90	EFT Retirement Misc - PEPRA New 26013
2/14/2022	Cal Pers	42,165.78	EFT Retirement Misc - Classic 27
2/14/2022	Cal Pers	64,839.60	EFT Retirement Safety Police Classic - 1st Tier 28
2/14/2022	Cal Pers	51,113.67	EFT Retirement Safety Fire- Classic 30168
2/14/2022	Cal Pers	3,296.92	EFT Retirement Sfty Police Classic-2nd Tier 30169
2/14/2022	Cal Pers	453.14	Replacement Benefit Contributions
2/17/2022	Mission Square	68,717.08	457 payment Vantagepoint
2/17/2022	Mission Square	404.53	401(a) payment Vantagepoint
2/17/2022	Mission Square	550.00	IRA payment Vantagepoint
2/18/2022	IRS	252,961.37	Federal 941 Deposit - for 6/30/21
2/18/2022	Employment Development	5,534.67	State SDI payment
2/18/2022	Employment Development	54,985.67	State PIT Withholding
02/07/22-02/13/22	Workers Comp Activity	\$9,892.20	SCRMA checks issued, less Swiss Re check reimbursement
02/07/22-02/13/22	Liability Trust - Claims	0.00	Claim checks issued/(voided)
02/07/22-02/13/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>639,969.29</u>	

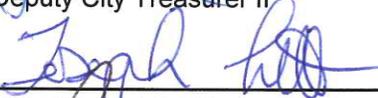
DATE OF RATIFICATION: 02/22/22

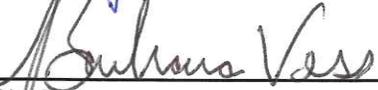
TOTAL PAYMENTS BY WIRE:

639,969.29

Certified as to the accuracy of the wire transfers by:

 02/22/22
 Deputy City Treasurer II Date

 2-23-2022
 Chief Financial Officer Date

 2-23-22
 City Manager Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 03/01/22
REGISTER # 16B

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
GENERAL GOVERNMENT		
1101	City Council	196.86
1201	City Treasurer	520.39
1300	City Clerk	4,900.00
2101	City Manager	
2102	Communications	
2201	City Attorney	
2401	Economic Development	115.93
2402	Planning	124,946.32
2500	Administrative Services	23,355.29
2601	Government Buildings	41,384.27
2700	Community Outreach/Planning	1,032.00
2900	Nondepartmental	19,816.17
6100	Library	4,029.01
		220,296.24
PUBLIC SAFETY		
3100	Police	15,282.30
3200	Fire	15,399.08
2403	Building Safety	1,514.80
2404	Plng/Bldg Sfty Administration	5,058.75
		37,254.93
PUBLIC WORKS		
4101	Engineering	25,485.60
4200	Streets/Park Maintenance	56,318.75
4300	Wastewater	31,948.09
4601	Equipment Maintenance	8,997.41
4801	Administration	
		122,749.85
COMMUNITY DEVELOPMENT		
5100,5200	Recreation & Parks	
5400	Centennial	
		0.00
EXPENDITURES		
CAPITAL IMPROVEMENT		8,460.00
ALL OTHER ACCOUNTS		121,524.39
TOTAL WARRANTS		510,285.41 ✓



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Consent

Item Number: B.5

TITLE:

Construction Contract with Corral Construction & Development, Inc. for the City Hall ADA Public Restrooms Improvements Project (CDBG Project 602294-20)

RECOMMENDATION:

1. Authorize the City Manager to execute a standard Public Works Construction Contract with Corral Construction & Development, Inc. for \$213,333 for the Community Development Block Grant Project (CDBG Project 602294-20), and authorize an additional \$21,333 as contingency funds for potential unforeseen conditions.

FISCAL IMPACT:

Included in Adopted FY 2021/22 Budget
No additional appropriation requested.

Amount Budgeted: \$235,000

Additional Appropriation: \$0

Account Number(s): \$125,000 from 111-400-2781-8499 (CDBG Funding)
\$110,000 from 301-400-8201-8209 (Citywide Facilities Repair)

BACKGROUND:

On December 7, 2021, City Council adopted the plans and specifications for the Community Development Block Grant Project (CDBG Project 602294-20). The scope of this project is to remodel the existing City Hall main Lobby restrooms and the Council Chamber lobby restrooms, remove all the accessibility barriers, and provide ADA-compliant facilities. To minimize the adverse impact on the employees and the public, the proposed construction is scheduled to take place in two phases. The first phase will be completion of the work in one of the two locations before work in the other location is initiated.

Construction Contract with Corral Construction

March 1, 2022

Page 2 of 3

DISCUSSION:

On January 11, 2022, the City Clerk received and opened six bids as follows:

1. Corral Construction & Development, Inc. for \$213,333
2. Union Construction Company for \$281,890
3. R. Dependable Construction for \$312,445
4. LA Design Group - WLA for \$363,000
5. Kazoni Construction for \$446,587
6. RT Contractor Corporation for \$456,000

Corral Construction & Development, Inc. is the lowest responsive and responsible bidder. Their state license and DIR registration are in good standing, and they have successfully completed past projects for the City and other public agencies.

Staff recommends City Council approve the recommended actions as noted. With the City Council's authorization, the anticipated schedule for the construction of this project is as follows:

March 2022: Contract Award
May 2022: Begin Construction
December 2022: Project Completion

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

Construction Contract with Corral Construction

March 1, 2022

Page 3 of 3

PREPARED BY:

Floriza Rivera, Principal Civil Engineer

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Joseph Lillio, Chief Financial Officer

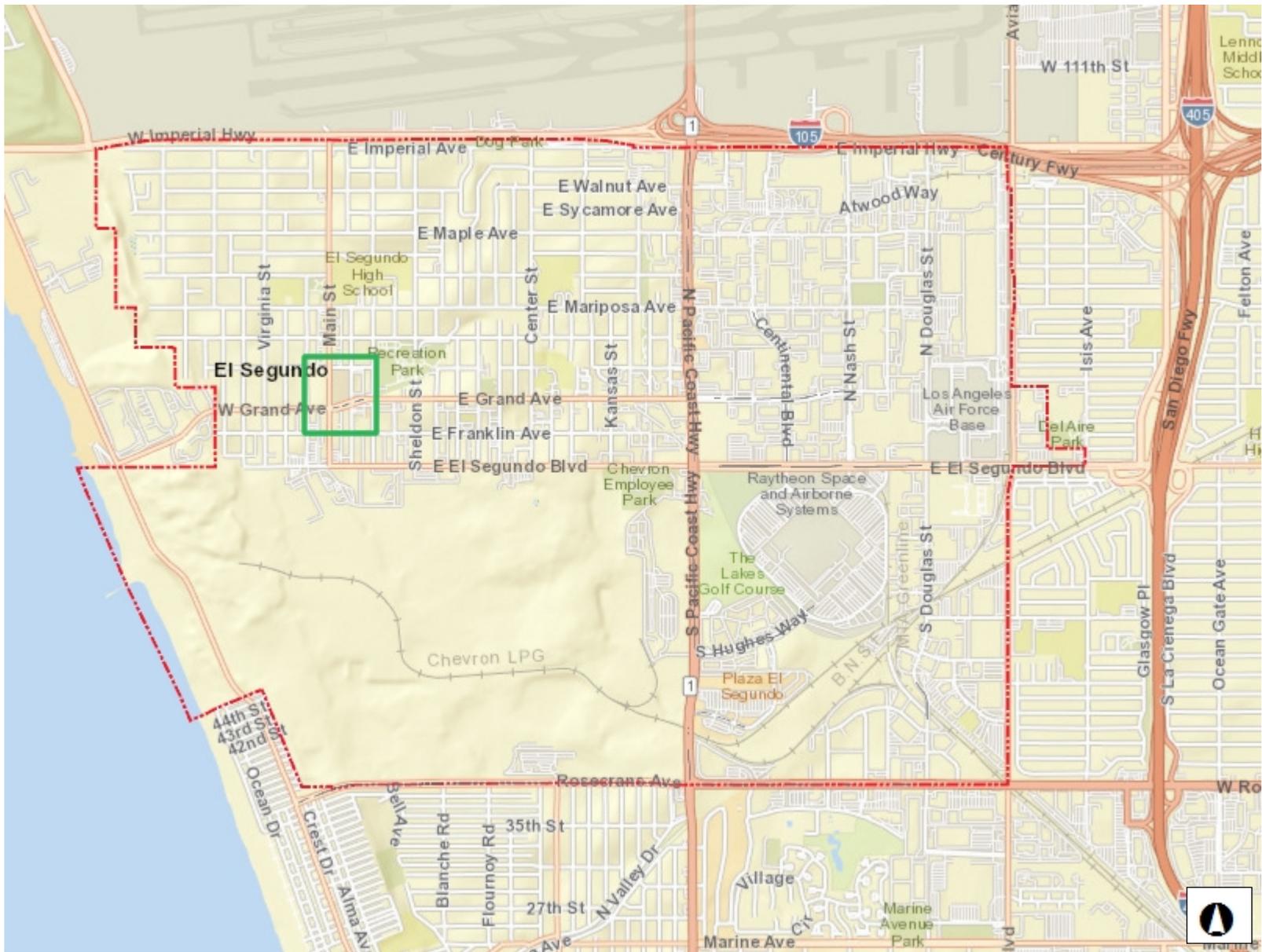
ATTACHED SUPPORTING DOCUMENTS:

1. Vicinity Map PW 21-08
2. Location Map PW 21-08



Vicinity Map

CDBG Project Number 602294-20: City Hall Public Restroom Improvements



6,018.7 0 3,009.33 6,018.7 Feet

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Location Map

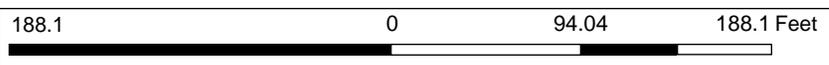
CDBG Project Number 602294-20: City Hall Public Restroom Improvements



Legend

- City Boundary
- Project Location
- Phase 1 - Council Chambers Lobby Restrooms
- Phase 2 - Main (East) Lobby Restrooms

Notes



WGS_1984_Web_Mercator_Auxiliary_Sphere

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City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Consent

Item Number: B.6

TITLE:

Notice of Completion of FY 2020-21 Pavement Rehabilitation Project

RECOMMENDATION:

1. Accept the FY 2020-21 Pavement Rehabilitation Project No. PW 21-01 by All American Asphalt as complete.
2. Authorize the City Clerk to file a Notice of Completion with the County Recorder's Office.

FISCAL IMPACT:

Project Budget	
Description	Budget
STPL Metro Grant	\$294,217.83
Water Fund	\$200,000.00
SB-1 Fund	\$650,000.00
Total Project Budget	\$1,144,217.83
Project Cost	
Description	Expenditures
Construction Contract Amount	\$892,000.00
Change Orders	\$83,709.29
Inspection Cost	\$73,600.00
Advertising Cost	\$960.00
Total Project Cost	\$1,050,269.29
Unspent funds returning to source	\$93,948.54

FY 2020/21 Pavement Rehabilitation Project Completion

March 1, 2022

Page 2 of 3

Amount Budgeted: \$1,144,217.83
Additional Appropriation: No
Account Number: \$294,217.83 from #119-400-8203-8432 (MTA grant)
\$200,000 from #501-400-7103-8206 (Water Enterprise Fund)
\$650,000 from #128-400-8203-8432 (SB-1 fund)

BACKGROUND:

On March 2, 2021, City Council awarded a construction contract to All American Asphalt for the amount of \$892,000 and approved a construction contingency amount of \$90,000 to repair the following streets with a 2" grind and overlay:

1. W. Pine Avenue from Hillcrest Street to Main Street (Average PCI of 54)
2. E. Pine Avenue from Main Street to Arena Street (Average PCI of 44)
3. E. Walnut Street from Center Street to California Street (Average PCI of 50)
4. E. Acacia Avenue from Center Street to California Street (Average PCI of 47)
5. W. Maple Avenue from Loma Vista Street to Virginia Street (Average PCI of 68)
6. E. Maple Avenue from Main Street to Eucalyptus Drive (Average PCI of 69)
7. W. Mariposa Avenue from Main Street to Bungalow Drive (Average PCI of 70)
8. W. Holly Avenue from Virginia Street to Richmond Street (Average PCI of 58)
9. W. Franklin Avenue from Whiting Street to Richmond Street (Average PCI of 65)
10. Indiana Court from E. Maple Avenue to Street End (Average PCI of 45)

In addition, recoating of the 6 million gallon water reservoir hilltop parking lot was included in this project.

Also, on March 2, 2021, City Council awarded a construction inspection contract to KOA for the amount of \$73,600 and approved an additional inspection contingency amount of \$7,400.

DISCUSSION:

Construction began on May 17, 2021 and was completed on December 30, 2021. The inspection of the work was performed by the Public Works Department and KOA staff and it was determined that the project was completed in accordance with the plans and specifications. Additional grinding, paving, and Hilltop parking lot repairs were added as necessary change orders for a total amount of \$83,709.29. There was sufficient funding for the change orders and the project was completed under budget.

Staff respectfully recommends that Council accept the work performed by All American Asphalt for the Pavement Rehabilitation Project and authorize the City Clerk to file a Notice of Completion with the County Recorder's office. The unspent budgeted amount will return to the SB-1 Fund and Water Fund.

FY 2020/21 Pavement Rehabilitation Project Completion

March 1, 2022

Page 3 of 3

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

PREPARED BY:

James Rice, Associate Engineer

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

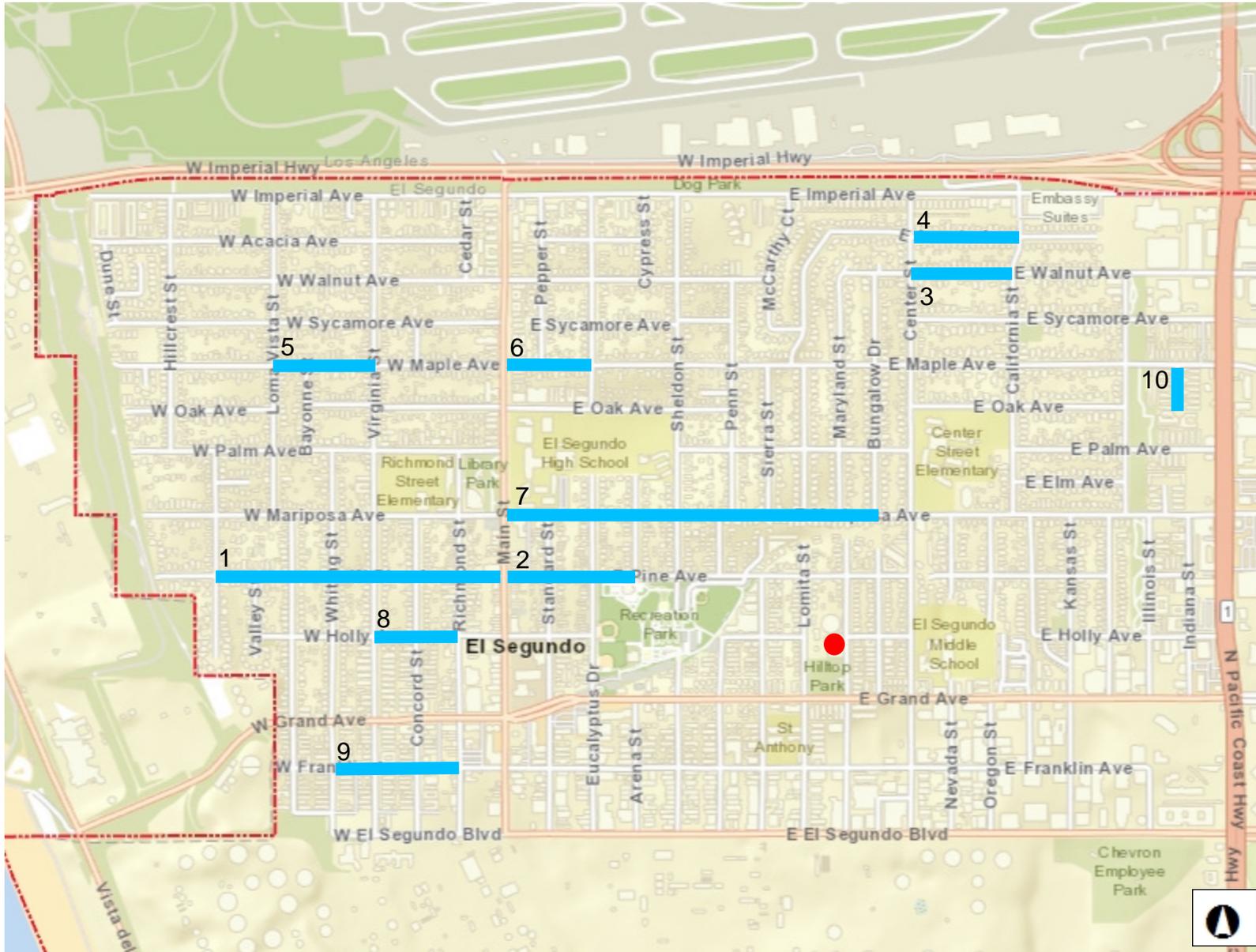
Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

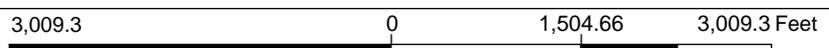
1. Location Map
2. Vicinity Map
3. Notice of Completion, PW 21-01
4. Before and After Pictures, PW 21-01



PW 21-01 Location Map FY 20/21 Pavement Rehabilitation



- Street to be paved
- 1. W Pine Ave. - Hillcrest St. to Main St.
- 2. E Pine Ave. - Main St. to Arena St.
- 3. E Walnut Ave. - Center St. to California St.
- 4. E Acacia Ave. - Center St. to California St.
- 5. W. Maple Ave. - Loma Vista St. to Virginia St.
- 6. E. Maple Ave. - Main St. to Eucalyptus Dr.
- 7. W. Mariposa Ave. -Main St. to Bungalow Dr.
- 8. W. Holly St. - Virginia St. to Richmond St.
- 9. W. Franklin Ave. -Whiting St. to Richmond St.
- 10. Indiana Court - E. Maple Ave. to End
- Recoat parking on top of the 6 Million Gallon Water Reservoir

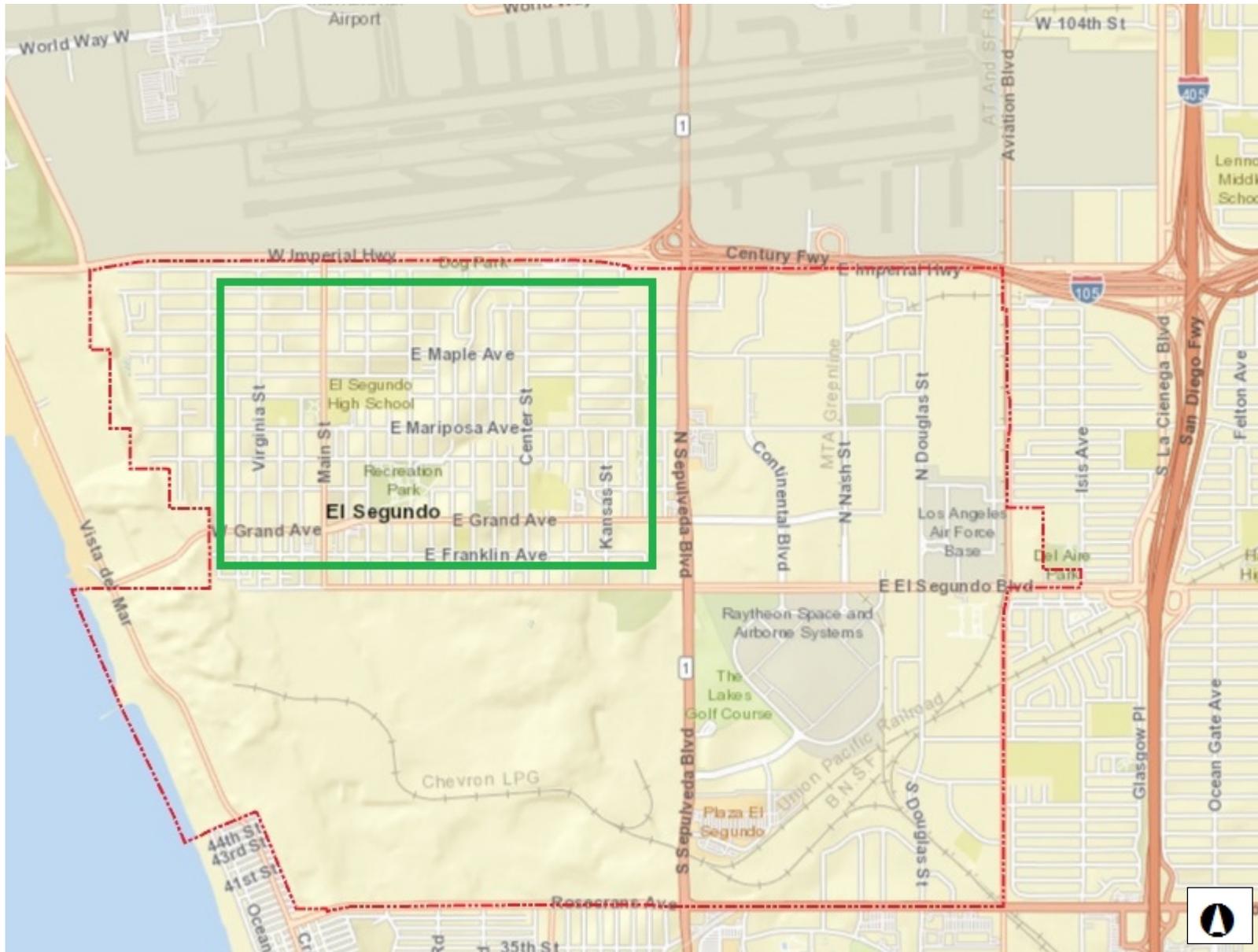


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PW21-01 Vicinity Map FY20/21 Pavement Rehabilitation



6,018.7 0 3,009.33 6,018.7 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

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**Recording Requested by
and When Recorded Mail To:**

**City Clerk, City Hall
350 Main Street
El Segundo, CA 90245**

NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Pavement Rehabilitation Project

Project No. PW 21-01 Contract No. 6027

Notice is hereby given pursuant to State of California Civil Code Section 3093 et seq that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.
2. The full name of the owner is: City of El Segundo
3. The full address of the owner is: City Hall, 350 Main Street, El Segundo, CA, 90245
4. The nature of the interest of the owner is: Public Facilities
5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on December 30, 2021. The work done was: Pavement Rehabilitation Project.
6. On March 1, 2022, City Council of the City of El Segundo accepted the work of this contract as being complete and directed the recording of this Notice of Completion in the Office of the County Recorder.
7. The name of the Contractor for such work of improvement was: All American Asphalt
8. The property on which said work of improvement was completed is in the City of El Segundo, County of Los Angeles, State of California, and is described as follows:
 - W. Pine Avenue from Hillcrest Street to Main Street
 - E. Pine Avenue from Main Street to Arena Street
 - E. Walnut Street from Center Street to California Street
 - E. Acacia Avenue from Center Street to California Street
 - W. Maple Avenue from Loma Vista Street to Virginia Street
 - E. Maple Avenue from Main Street to Eucalyptus Drive
 - W. Mariposa Avenue from Main Street to Bungalow Drive
 - W. Holly Avenue from Virginia Street to Richmond Street
 - W. Franklin Avenue from Whiting Street to Richmond Street
 - Indiana Court from E. Maple Avenue to Street End
 - Hilltop Park parking lot
9. The street address of said property is: None

Dated: _____

Elias Sassoon
Public Works Director

VERIFICATION

I, the undersigned, say: I am the Director of Public Works of the City El Segundo, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on _____, 2022 at El Segundo, California.

Elias Sassoon
Public Works Director

PW 21-01 Pavement Rehabilitation Project Before and After Pictures

W. Pine Avenue from Hillcrest Street to Main Street:

Before: W. Pine Avenue at Hillcrest Street, looking east.



After:



Before: W. Pine Avenue at Concord Street, looking west.



After:



Before: W. Pine Avenue at Richmond Street, looking west.



After:



Before: W. Pine Avenue at Main Street, looking east.



After:



E. Pine Avenue from Main Street to Arena Street:

Before: E. Pine Ave at Main Street, looking east



After:



Before: E. Pine Ave at Standard Street, looking west



After:



Before: E. Pine Avenue at Eucalyptus Drive, looking east.



After:



E. Walnut Avenue from Center Street to California Street:

Before: E. Walnut Avenue at Center Street, looking east



After:



E. Acacia Avenue from Center Street to California Street:

Before: E Acacia Ave at Center Street, looking east



After:



W. Maple Avenue from Loma Vista Street to Virginia Street:

Before:



After:



E. Maple Avenue from Main Street to Eucalyptus Drive:

Before: E. Maple Avenue at Main Street, looking west



After:



Before: E. Maple Avenue at Eucalyptus Drive, looking west



After:



E. Mariposa Avenue from Main Street to Bungalow Drive:

Before: E. Mariposa Avenue at Main Street, looking east



After:



Before: E. Mariposa Avenue at Bungalow Drive, looking west



After:



W. Holly Avenue from Virginia Street to Richmond Street:

Before: W. Holly Avenue at Richmond Street, looking west



After:



W. Franklin Avenue from Whiting Street to Richmond Street:

Before: W. Franklin Avenue at Whiting Street, looking east



After:



Indiana Court from E. Maple Ave to Street End:

Before:



After:



Hilltop Park parking lot:

Before:





After:







City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Consent

Item Number: B.7

TITLE:

Change the Funding Source for the Construction Contract with FS Contractors Inc. for the FY 2021-22 Annual Concrete Improvements Project

RECOMMENDATION:

1. Approve funding source change from the gas tax fund to the Measure M fund for construction contract with FS Contractors, Inc. for the FY 2021-2022 Annual Concrete Improvements Project (Project No PW 21-10.)

FISCAL IMPACT:

Included in Adopted FY 2021-22 Budget

Amount Budgeted: \$300,000

Additional Appropriation: None.

Account Number(s): 127-400-0000-8382 (Measure M)

BACKGROUND:

On January 18, 2022, City Council approved awarding a standard Public Works Construction Contract to FS Contractors, Inc. for \$250,981 for the FY2021-22 Annual Concrete Improvements Project, and authorized an additional \$49,000 for construction contingencies. The contract is being processed and the project is scheduled to start in March 2022 and be completed in June 2022. The funding source for the project was initially identified as the gas tax fund.

DISCUSSION:

On February 15, 2022, Metro staff informed City staff that funds were available in the Measure M funding source with \$281,478 in danger of lapsing if not spent by June 30, 2022. Staff recommends that the funding source for the Annual Concrete project be

Concrete Project Funding

March 1, 2022

Page 2 of 2

changed from the gas tax fund to the Measure M fund in order to utilize available Measure M funds. No additional appropriation is required for the change in funding source from Gas Tax to Measure M funds. There is an efficient appropriation within Measure M funds.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

PREPARED BY:

Lifan Xu, City Engineer

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Joseph Lillio, Chief Financial Officer

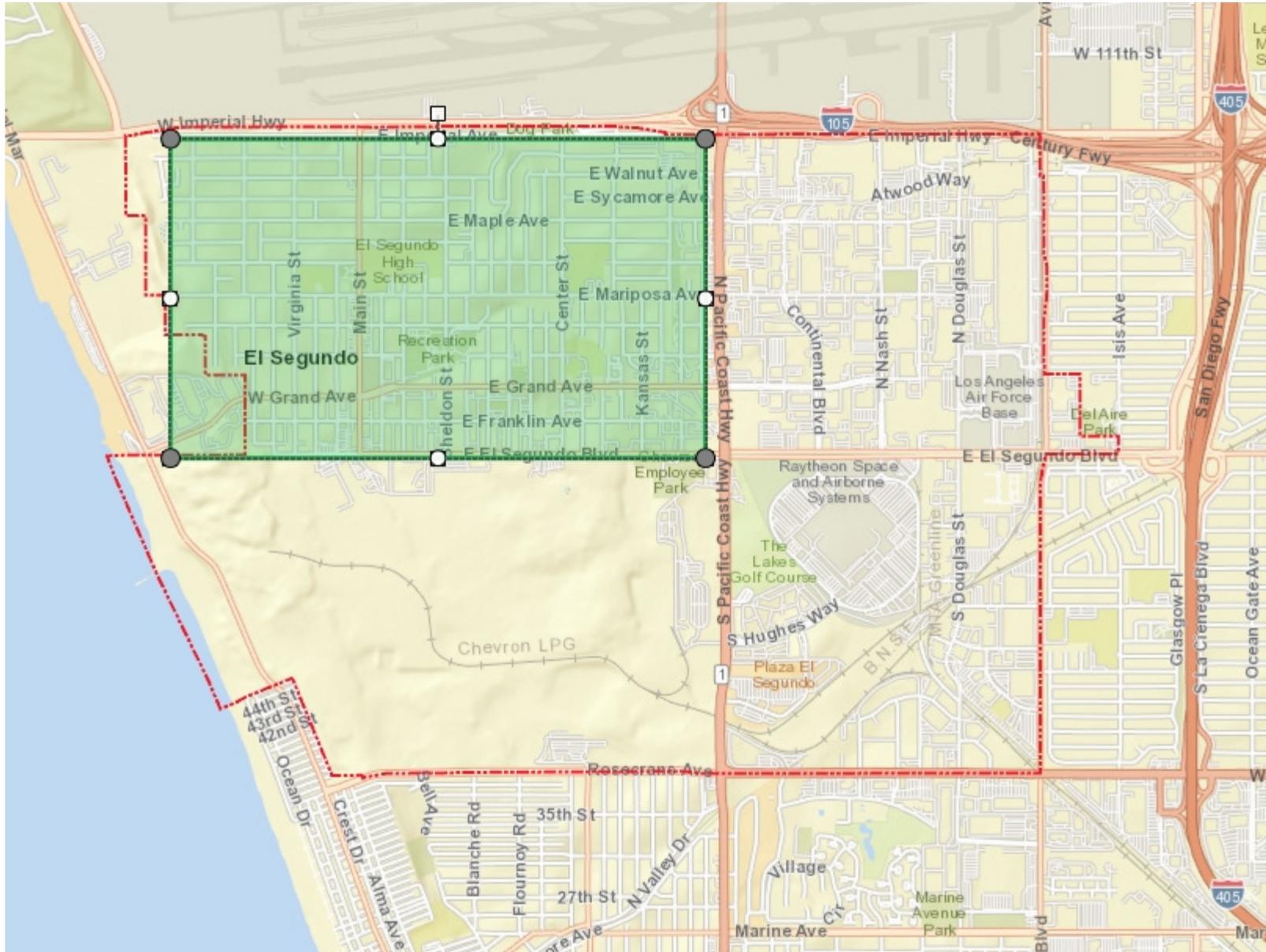
ATTACHED SUPPORTING DOCUMENTS:

1. Vicinity Map PW 21-10
2. Location Map PW 21-10



Vicinity Map

PW 21-10: FY 21/22 Annual Concrete Improvements



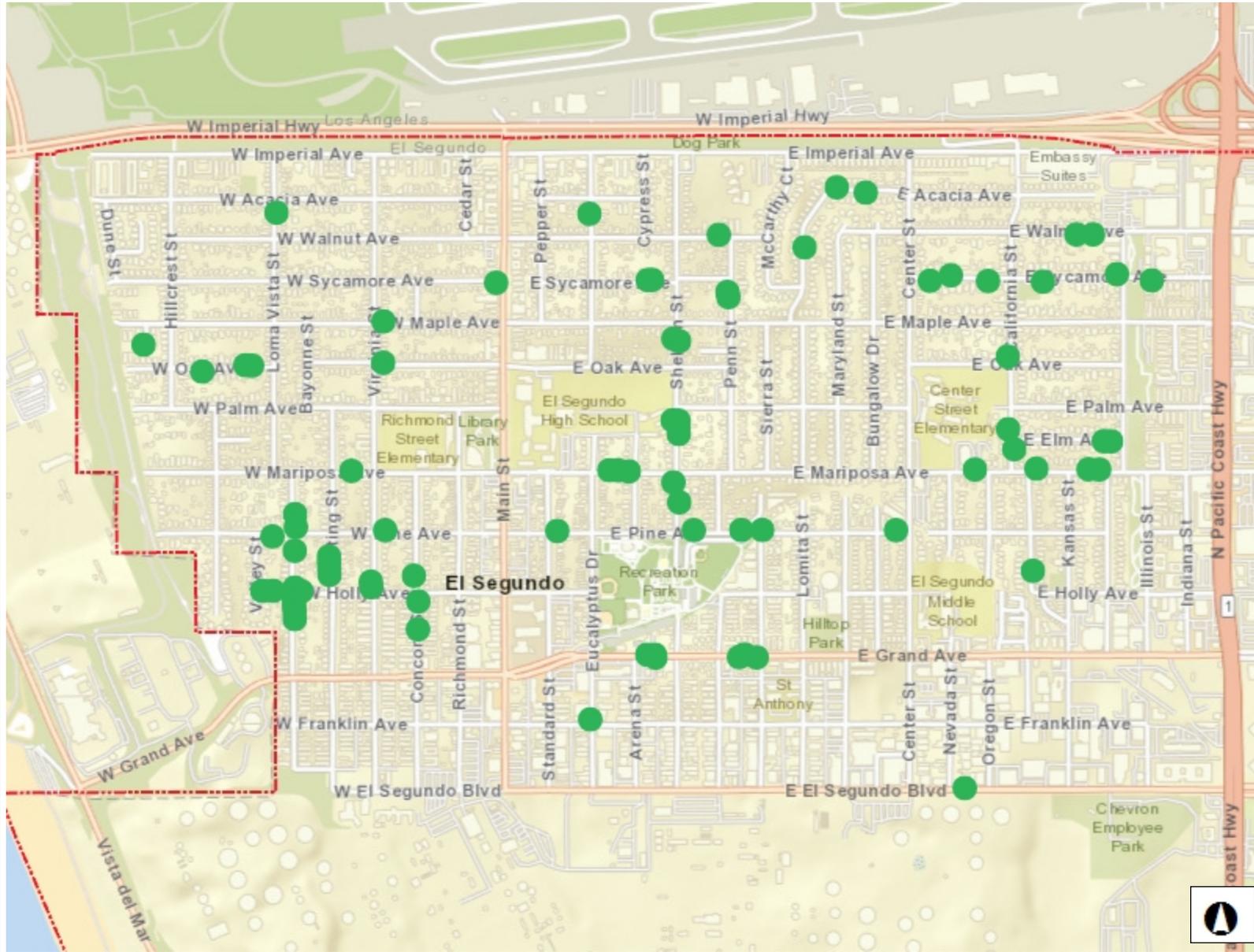
6,018.7 | 0 | 3,009.33 | 6,018.7 Feet

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Location Map PW 21-10: FY 21/22 Annual Concrete Improvements Project



Legend

- City Boundary
- Concrete Repair Areas

Notes

3,009.3 0 1,504.66 3,009.3 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

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City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Consent

Item Number: B.8

TITLE:

Ordinance Amending El Segundo Municipal Code Titles 14 and 15 to Comply with State Law Allowing for Two-Unit Development and Urban Lot Splits in the R-1 Single Family Residential Zone.

RECOMMENDATION:

1. Waive second reading and adopt an Ordinance amending ESMC Title 14 (Subdivision Regulations) to include subdivision standards for General Urban Lot Splits; and Title 15 adding new Section 15-4G - Two Unit Residential Developments and Urban Lot Splits in Single-Family Residential (R1) Zones, in accordance with the provisions of Senate Bill No. 9.

(The proposed ordinance (zone text amendment) is exempt from review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., "CEQA") because SB 9 specifically authorizes local agencies to impose objective zoning, subdivision, and design standards consistent with the bill's provisions, and to adopt an ordinance to implement its provisions. SB 9 further provides that such ordinances are not considered a "project" under CEQA (Gov. Code, §§65852.21, subd. (j); 66411.7, subd. (n)).

FISCAL IMPACT:

There are no direct fiscal impacts associated with this Municipal Code amendment. Indirect cost of staff time will be absorbed in the City's budget.

BACKGROUND:

A draft Ordinance creating and imposing "objective design standards" to implement Senate Bill No. 9 ("SB 9") was originally considered at the February 1, 2022 City Council meeting. During the meeting, Council expressed concerns with regards to height, permitted encroachments and porches, and refining the floor area ratio, and directed staff to amend the proposed Ordinance and return with an updated Ordinance at the next City

Municipal Code Amendments to Implement Senate Bill No. 9

March 1, 2022

Page 2 of 2

Council meeting. The amended draft Ordinance was considered by City Council on February 15, 2022, at which time the City Council introduced the proposed Ordinance for first reading.

DISCUSSION:

The Council may waive the second reading and adopt the Ordinance. If the Ordinance is adopted by the City Council at its March 1st meeting, the effective date of the Ordinance will be March 31, 2022, which is 30 days from the adoption date.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

PREPARED BY:

Eduardo Schonborn, AICP, Planning Manager

REVIEWED BY:

Michael Allen, AICP, Development Services Director

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance Amending Municipal Code Titles 14 and 15

ORDINANCE NO. _____

AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE TITLE 14 (SUBDIVISION REGULATIONS) TO ADD NEW CHAPTER 6 AND TITLE 15 (ZONING CODE) CHAPTER 4 TO ADD NEW ARTICLE G ALLOWING CERTAIN SUBDIVISIONS AND MULTIPLE RESIDENTIAL UNITS IN THE SINGLE FAMILY RESIDENTIAL ZONE AND ESTABLISHING OBJECTIVE STANDARDS PURSUANT TO SENATE BILL NO. 9.

The City Council of the City of El Segundo does ordain as follows:

SECTION 1: The City Council finds and declares as follows:

- A. On September 16, 2020, Senate Bill No. 9 ("SB 9") was approved by Governor Gavin Newsom. The bill amended Section 66452.6 of, and added Sections 65852.21 and 66411.7 to, the Government Code, relating to land use. SB 9 became effective on January 1, 2022;
- B. On October 28, 2021, the City initiated an application for Environmental Assessment No. EA 1317 and Zone Text Amendment No. ZTA 22-01 to amend El Segundo Municipal Code ("ESMC") Chapter 15-4 to implement SB 9's requirements and allowance for certain local control elements;
- C. On January 13, 2022, the Planning Commission held a duly noticed public hearing to receive public testimony and other evidence regarding the proposed Zone Text Amendment, including, without limitation, information provided to the Planning Commission by City staff and public testimony;
- D. On January 13, 2022, the Planning Commission adopted Resolution No. 2911 recommending the City Council approve Environmental Assessment No. EA-1317 and Zone Text Amendment No. ZTA 22-01;
- E. On February 1, 2022, the City Council held a duly noticed public hearing and considered the information provided by City staff and public testimony regarding this Ordinance;
- F. After discussion and deliberation on the proposed Ordinance, the City Council directed staff to revise the proposed development standards and continued the public hearing to the February 15, 2022 City Council meeting;
- G. On February 15, 2022, the City Council held a duly noticed public hearing and considered the information provided by City staff and public testimony regarding the updated Ordinance; and

- H. This Ordinance and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the City Council at its February 15, 2022 hearing and the staff report submitted by the Development Services Department.

SECTION 2: Environmental Assessment. The Planning Commission finds that the proposed zone text amendment (Ordinance) is exempt from review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and the regulations promulgated thereunder (14 California Code of Regulations §§15000, et seq., the “State CEQA Guidelines”) because SB 9 specifically authorizes local agencies to impose objective zoning, subdivision, and design standards consistent with the bill’s provisions, and to adopt an ordinance to implement its provisions. SB 9 further provides that such ordinances are not considered a “project” under CEQA (Gov. Code, §§ 65852.21, subd. (j); 66411.7, subd. (n)).

SECTION 3: Factual Findings and Conclusions. The City Council finds, without limitation, that this Ordinance would result in the following:

- A. Conformance with the provisions of Senate Bill No. 9, as approved by Governor Gavin Newsom on September 16, 2021;
- B. Creates objective standards to implement the provisions of Senate Bill No. 9;
- C. Allows subdivisions and allows construction of multiple residential units in the Single-Family Residential Zone; and
- D. The General Plan Land Use designation for the affected properties in the Single-Family Residential (R-1) Zone is Single-Family Residential.

SECTION 4: General Plan Findings. As required under Government Code § 65860 the ESMC amendment proposed by this Ordinance is consistent with the El Segundo General Plan as follows:

- A. The amendment conforms with the Land Use Element Goals, Objectives and Policies. Specifically, the amendment is consistent with Goal LU1, Objective LU1-1, Goal LU3, in that the amendment as a comprehensive whole creates design standards, and helps maintain a sense of place for the entire City; preserves and maintains the City’s low-medium density residential nature, with low building height profile and character, and minimum development standards; and promotes the health, safety, and well-being of the people of El Segundo by adopting standards for the proper balance to maintain the character of the R1 Zone and continue El Segundo’s “small town” atmosphere.

SECTION 5: Zone Text Amendment Findings. In accordance with ESMC § 15-4A and based on the findings set forth in Section 3, the proposed Ordinance is consistent with

and necessary to carry out the purpose of the ESMC as follows:

- A. The Ordinance is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources.
- B. The Ordinance is necessary to facilitate the development process and ensure the orderly development of buildings, parking areas, landscaping, and the location of uses in the City. The intent of the ordinance is to create objective standards, allow subdivisions and allow construction of multiple residential in accordance with Senate Bill No. 9, which will facilitate and expedite the development process and provide economic and social benefits resulting from the orderly planned use of land resources.

SECTION 6: Chapter 4 (Residential Zones) of Title 15 (Zoning Regulations) of the ESMC is amended to add new Article G (Two-Unit Residential Development and Urban Lot Splits in Single-Family Residential (R1) Zones) as follows:

“Article G.
Two-Unit Residential Developments and Urban Lot Splits in Single-Family Residential (R1) Zones

15-4G-1: PURPOSE

15-4G-2: GENERAL REQUIREMENTS

15-4G-3: GENERAL URBAN LOT SPLIT DEVELOPMENT STANDARDS

15-4G-4: DEVELOPMENT STANDARDS FOR LOTS WIDER THAN TWENTY-FIVE FEET

15-4G-5: DEVELOPMENT STANDARDS FOR LOTS TWENTY-FIVE FEET WIDE OR LESS

15-4G-6: APPLICATION PROCESS

15-4G-7: TENANCY

15-4G-8: INCLUSIONARY UNITS

15-4G-1: PURPOSE

This article is adopted pursuant to Government Code section 65852.6, 65852.21, and 66411.7 for the purpose of implementing the City's regulation of two-unit residential development and urban lot splits in the City's Single-Family Residential Zone.

Government Code section 65852.21(a) requires the City ministerially approve certain housing developments containing no more than two residential units within a single-family residential zone. Government Code section 66411.7(a) requires

that the City ministerially approve a parcel map for an urban lot split, subject to standards set forth in Government Code section 66411.7(a)(1), (2), and (3).

15-4G-2: GENERAL REQUIREMENTS

Notwithstanding the standards outlined in this Article G of Chapter 4 of Title 15 of this code, all other standards provided in Article A of Chapter 4 of Title 15 of this code will apply, unless prohibited by state law.

15-4G-3: GENERAL URBAN LOT SPLIT DEVELOPMENT STANDARDS

All urban lot splits with two-unit residential developments within the R1 Zone must comply with the R1 development standards contained in Section 17.210.020 and the development standards of this Section 15-4G-3. If there are conflicts between the provisions of Section 17.210.020 and this Section 15-4G-3, the provisions of this Section will govern.

- A. Urban lot splits must incorporate all built-form parameters of State of California Government Code Section 66411.7, including:
 - 1. A parcel map that subdivides an existing R1 parcel will create no more than two new parcels of approximately equal lot area and with one of the two created parcels not smaller than 40 percent of the lot area of the original parcel proposed for subdivision. See Figure 4G-1.
 - 2. Both newly created parcels will be no smaller than 1,200 square feet in gross area.
 - 3. No more than two (2) dwelling units per lot will be constructed on a R1 urban lot split.
 - 4. Accessory Dwelling Units or Junior Accessory Dwelling Units are prohibited where an Urban Lot Split is also developed with a two-unit residential development pursuant to Section 15-4G-4 and 15-4G-5.
 - 5. A minimum of one off-street parking spaces will be provided per newly constructed dwelling unit. No parking is required if parcel is located within one-half mile walking distance of a High-quality Transit Corridor or major transit stop or if a car share vehicle is located within one-block of the parcel.
- B. Lot line splits will be parallel to public street frontages. See Figure 4G-2.
- C. When cross easements across lot split parcels are required to provide access to units, or access to vehicle parking spaces, or access to utilities and utility connections, or access between lot split parcels, or access for

any other purpose, a covenant establishing the cross easement acceptable to the Development Services Department must be recorded with the Los Angeles County Recorder upon the filing of the Final Parcel Map described in chapter 6 of title 14 of this code.

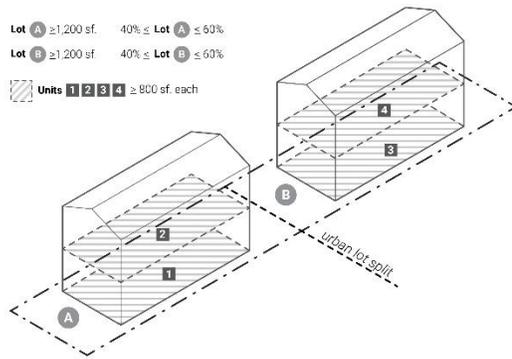


Figure 4G-1

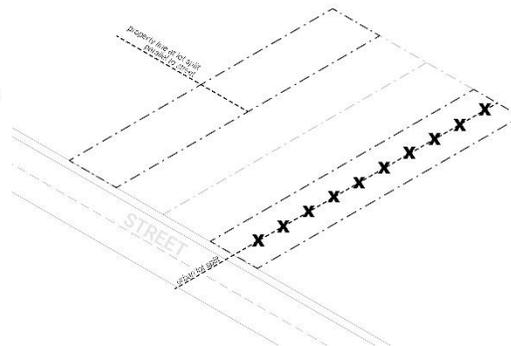


Figure 4G-2

15-4G-4: DEVELOPMENT STANDARDS FOR LOTS WIDER THAN TWENTY-FIVE FEET

All two-unit residential developments and urban lot splits on lots that are wider than twenty-five feet (25') within the R1 Zone must comply with the development standards contained in this section.

- A. Where an R1 lot abuts an alley, vehicular access to the lot must be from the alley, except when 80 percent or more of the properties on the same block face on the same side of the street have existing vehicular access from the street. For the purposes of this section, the "block" is defined as the properties on the same side of the street between the nearest intersecting streets.
- B. When an R1 lot is not alley-adjacent, a maximum of one, maximum ten feet (10') wide, access drive is permitted in the front yard.
- C. A minimum of one off-street parking spaces will be provided per newly constructed dwelling unit. No parking is required if parcel is located within ½ mile walking distance of a High-quality Transit Corridor or major transit stop or if a car share vehicle is located within one-block of the parcel.
- D. On lots abutting an alley no vehicular access must be provided from a street.
- E. Floor Area Ratio:

1. The maximum total building area on the lot must not exceed an overall floor area ratio (FAR) of 0.60.
2. The maximum total floor area of a residential dwelling unit must not exceed 1,050 square feet.
3. Nothing in this Chapter is meant to prohibit a residential dwelling unit of at least 800 square feet of total floor area.

F. Setbacks:

1. Front Yard: Structures must maintain a twenty-two foot (22') minimum setback or the prevailing front yard setback, whichever is less. For the purposes of this section, "prevailing" is defined as the numerical value describing the average front yard setback dimension of each lot within the block of the development, exclusive of the lowest 25% and the highest 25% dimensions. For the purposes of this section, the "block" is defined as the properties on the same side of the street between the nearest intersecting streets.
 - a. Permitted Front Yard Setback Encroachments: only those front yard encroachments permitted by Section 15-4A-6(D)(1)(a)(1), Section 15-4A-6(D)(1)(a)(2), Section 15-4A-6(D)(1)(a)(6), Section 15-4A-6(D)(1)(a)(7), and Section 15-4A-6(D)(1)(a)(8),
2. Side Yard: Structures must maintain a minimum setback of four feet (4') on each side of the lot.
3. Rear Yard: Structures must maintain a minimum setback of four feet (4') on the first and second floors.

Notwithstanding Subsections F(1), F(2), and F(3) above, no setback must be required for an existing structure or new structure constructed in the same location and to the same dimensions of an existing structure.

G. Building Orientation

1. At least one entry door to a residential unit must face and be directly visible from the adjoining street and sidewalk.

H. Mass and Bulk:

1. Second levels must be less than or equal to ninety percent (90%) of the area of the first level.
2. All attached garages must be offset at minimum three feet (3') from the front building façade plane.

- I. Height and two-story limitation: Height and two-story limitation: The height of structures must not exceed the lesser of twenty-six feet (26') or two (2) stories.
- J. Landscaping: A minimum of two (2) twenty-four-inch (24") box trees with irrigation must be planted in the front yard.
- K. Where a subdivided lot abuts an alley and the vehicular entrance to the structure is from the alley, such vehicular entrance must be set back a distance measured from the opposite side of the alley that will provide a turning radius as follows:
 - 90 degrees - 25 feet
 - 75 degrees - 21 feet
 - 60 degrees - 18 feet
 - 45 degrees - 15 feet

15-4G-5: DEVELOPMENT STANDARDS FOR LOTS TWENTY-FIVE FEET WIDE OR LESS

All two-unit residential developments and urban lot splits on lots that are twenty-five feet (25') wide or less within the R1 Zone must comply with the development standards contained in this section.

- A. Where an R1 lot abuts an alley, vehicular access to the lot must be from the alley.
- B. A minimum of one off-street parking spaces must be provided per newly constructed dwelling unit. No parking is required if parcel is located within ½ mile walking distance of a High-quality Transit Corridor or major transit stop or if a car share vehicle is located within one-block of the parcel.
- C. Structure Size: The maximum total floor area of a residential dwelling unit must not exceed 850 square feet
- D. Nothing in this Chapter is meant to prohibit a residential dwelling unit of at least 800 square feet of floor area.
- E. Setbacks:
 - 1. Front Yard: Structures must maintain a twenty-two foot (22') minimum setback or the prevailing front yard dimension, whichever is less. For the purposes of this section, "prevailing" is defined as the numerical value describing the average front yard setback dimension of each lot within the block of the development, exclusive of the lowest 25% and the highest 25% dimensions. For the purposes of this section, the "block" is

defined as the properties on the same side of the street between the nearest intersecting streets.

- a. Permitted Front Yard Setback Encroachments: only those front yard encroachments permitted by Section 15-4A-6(D)(1)(a)(1), Section 15-4A-6(D)(1)(a)(2), Section 15-4A-6(D)(1)(a)(6), Section 15-4A-6(D)(1)(a)(7), and Section 15-4A-6(D)(1)(a)(8),
2. Side Yard: Structures must maintain a minimum setback of three feet (3') on each side of the lot.
3. Rear Yard: Structures must maintain a minimum setback of four feet (4') on the first and second floors.

Notwithstanding Subsections E(1), E(2), and E(3) above, no setback will be required for an existing structure or a structure constructed in the same location and to the same dimensions of an existing structure.

- E. Height and two-story limitation: The maximum height of structures must not exceed the lesser of twenty-six feet (26') or two (2) stories. The height of the structure shall be measured from average grade plane to the highest point of the structure, including all elements identified in Section 15-2-3 (Exceptions to Building Height) that would otherwise be exempt.
- F. Design Requirements for Street-Facing Residences:
 1. A porch or veranda must be provided along the front façade of a street-facing residence.
 2. The porch or veranda may not be fully enclosed on three (3) sides (railings and/or columns permitted).
 3. The porch or veranda may encroach into the front yard setback a maximum of six feet (6').
- G. Landscaping: A minimum of one (1) twenty-four-inch (24") box tree with irrigation must be planted in the front yard.
- H. Building Separation: A minimum distance of at least four feet (4') must be maintained between buildings.
- I. Where a subdivided lot abuts an alley and the vehicular entrance to the structure is from the alley, such vehicular entrance must be set back a distance measured from the opposite side of the alley that will provide a turning radius as follows:
 - 90 degrees - 25 feet

75 degrees - 21 feet
60 degrees - 18 feet
45 degrees - 15 feet

15-4G-6: APPLICATION PROCESS; FEES

Any application for a building permit to create a two-unit residential development or a lot created pursuant to an Urban Lot Split in compliance with this Article on a single-family residential lot will be ministerially approved. Properties developed under this section will be subject to all applicable fees, including development impact fees, and assessments.

15-4G-7: TENANCY

- A. Each unit created under this chapter may be rented separately, however rental terms must not be less than 31 consecutive days or allow termination of the tenancy prior to the expiration of at least one 31-day period occupancy by the same tenant.
- B. Urban Lot Split: The applicant for an urban lot split must sign an affidavit, in the form approved by the City Attorney, stating that the applicant intends to occupy one of the housing units on the newly created lots as its principal residence for a minimum of three years from the date of the approval of the Urban Lot Split. This subsection does not apply to an applicant that is a "community land trust," as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code or is a "qualified nonprofit corporation" as described in Section 214.15 of the Revenue and Taxation Code.
- C. Two-Unit Residential Development: The property owner of a parcel on which a two-unit residential development is proposed must record a covenant with the county recorder which requires the property owner to occupy one of the housing units on the newly created units as its principal residence.

15-4G-8: INCLUSIONARY UNITS

At least one of the units in each two unit residential development, or at least one unit on any lot created pursuant to an Urban Lot Split, must be constructed and offered for sale or for rent as a moderate, low, or very low-income unit, restricted for occupancy by a moderate, low or very low-income household, as defined in and pursuant to the procedures in the City's "Affordable Housing Policies and Procedures."

SECTION 7: Title 14 of the ESMC is amended to add new Chapter 6 “General Urban Lot Splits” to read as follows:

“Chapter 6

GENERAL URBAN LOT SPLITS

14-6-1: PURPOSE

14-6-2: PARCEL MAP REQUIRED

14-6-1: PURPOSE

This article is adopted pursuant to Government Code section 66452.6, 65852.21, and 66411.7 for the purpose of implementing the City's regulation of two-unit residential development and urban lot splits in the City's Single-Family Residential Zone.

Government Code Section 66411.7(a) requires that the City ministerially approve a parcel map for an urban lot split, subject to standards set forth in Government Code section 66411.7.

14-6-2: PARCEL MAP REQUIRED

Any person proposing to subdivide a property in the Single Family Residential (R1) Zone for the purpose of implementing an urban lot split pursuant to Government Code section 66411.7 must file a Parcel Map application in accordance with El Segundo Municipal Code Section 14-1-3. The Parcel Map must be approved by the Development Services Director if said Parcel Map complies with the provisions and applicable requirement specified in Article G of Chapter 15-4 of this Code and Government Code section 66411.7.”

SECTION 8: *Enforceability.* Repeal of any provision of the ESMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 9: *Validity of Previous Code Sections.* If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this Ordinance will be rendered void and cause such previous ESMC provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 10: *Severability.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not

affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 11: Recording. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 12: Execution. The Mayor or presiding officer is hereby authorized to affix his signature to this Ordinance signifying its adoption by the City Council, and the City Clerk, or duly appointed deputy, is directed to attest thereto.

SECTION 13: Electronic Signatures. This Ordinance may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 14: Effectiveness. This Ordinance will go into effect and be in full force and effect on the thirty-first (31st) day after its passage and adoption. If SB 9 is repealed in whole or in part, the corresponding ESMC chapter and/or sections will also be deemed repealed.

PASSED AND ADOPTED this ____ day of _____, 2022.

Drew Boyles, Mayor

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ____ was duly introduced by said City Council at a regular meeting held on the ____ day of _____, 2022, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ____ day of _____, 2022, and the same was so passed and adopted by the following vote:

City of El Segundo
Ordinance No. _____
Page 12 of 12

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, CITY ATTORNEY

Joaquin Vazquez, Deputy City Attorney



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Staff Presentations

Item Number: D.9

TITLE:

Resolution Certifying Sufficiency of Commercial Cannabis Voter Initiative Petition, City Council Direction on Voter Initiative Ordinance, and Direction on Potential City Initiative Ordinance

RECOMMENDATION:

1. Adopt a resolution approving the City Clerk's certification of initiative petition.
2. Approve one of the following
 - a. An introduction and first reading of the initiative ordinance, without alteration, and direction to approve a second reading at an *adjourned* regular meeting within 10 days;
 - b. A motion submitting the initiative ordinance, without alteration, to the voters and direction to the City Clerk to present the initiative ordinance as a ballot measure with the calling of the regular general municipal election to be held on November 8, 2022; or
 - c. A motion ordering a report pursuant to Elections Code § 9212 to be presented to Council within 30 days.
3. Provide direction to staff regarding a potential City-initiated commercial cannabis regulatory ordinance.

FISCAL IMPACT:

The cost of presentation of the citizen initiative ordinance to the City's voters at the November 8, 2022 General Municipal Election comprises approximately \$2,513 of the total \$20,945 estimate from Los Angeles County. This cost will be include in the FY 2022-2023 Budget if City Council approves the initiative.

Commercial Cannabis Petition

March 1, 2022

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BACKGROUND:

On July 20, 2021, a notice of intent to circulate an initiative petition was filed with the City Clerk. The initiative generally requires the City's allowance of no more than two commercial cannabis business permits for retail business located within the City. A third or any additional retail licenses above this maximum would only be required upon an order by a court of competent jurisdiction as a judicial remedy. The voter initiative does not require the City to permit, regulate, or otherwise allow other, non-retail cannabis uses like cultivation, manufacturing, distribution, or laboratory testing, although it does afford the City discretion to permit and regulate such uses. The notice of intent, including the initiative text, is attached to this report.

The initiative contains a comprehensive ordinance regarding the allowed locations and requires the retail establishments to be located at certain minimum distances from sensitive uses like schools, parks, daycare centers, etc. It also has a point system which the City would be required to implement to determine which will be successful in locating businesses in the City. The locations where retail establishments would be allowed are identified on the attached map. It is noteworthy that 58% of the residents of El Segundo voted in favor of Proposition 64, which was the 2016 statewide ballot measure that legalized commercial cannabis activities in the state.

The City Clerk provided the City Attorney's ballot title and summary for the initiative to the proponent on August 1, 2021, beginning the 180-day period statutory period for proponents to collect signatures. The proponents filed the initiative petition and signatures with the City Clerk's Office on January 21, 2022. Following a statutory prima facie examination counting approximately 1,660 signatures, the City Clerk forwarded the petition to the Los Angeles County Registrar-Recorder/County Clerk ("County"), where it examined a sampling of the pursuant to the sampling method set forth in Elections Code § 9115 as over 500 signatures were submitted with the petition.

The number of registered voters in the City, as reported to the Secretary of State on July 16, 2021, was 12,451. Pursuant to Elections Code § 9215, the petition is considered sufficient if signed by at least ten percent (10%) of City's registered voters, or 1,245 based upon the registered count at the time that the proponent published the ballot title and summary. Such publication occurred on August 5, 2021.

Pursuant to the County's attached signature verification results, 468 of the sample 500 signatures were verified as sufficient. Pursuant to Elections Code § 9115(b) a full signature is not required where the statistical sampling shows the number of valid signatures to be more than 110% of the number of signatures required. Here, the sampling indicates the number of valid signatures to be 125% of those required for sufficiency. Based upon the foregoing results, the City Clerk has certified that a full examination of all submitted signatures is not required, and the petition is deemed to meet the Elections Code § 9215 registered voter signature requirement.

Commercial Cannabis Petition

March 1, 2022

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DISCUSSION:

Elections Code § 9115 requires that the City Clerk's certification of the initiative petition examination be presented to the City Council at its next regular session after the determination that the petition has sufficient signatures. City Council approval of the attached proposed resolution would confirm the City Clerk's petition certification, which is attached to the resolution.

Upon certification, Elections Code § 9215 requires the City Council to take action on the initiative. Accordingly, the Council must elect to take one of the actions recommended under no. 2 above. If the City Council chooses to approve the ordinance, without alteration, for first reading, an adjourned regular meeting would need to be called to approve the ordinance. Ordinances must be approved at regular meetings and Elections Code § 9215 requires that the ordinance be adopted within 10 days of certification. The adjourned regular meeting would be required as the next scheduled regular meeting not set to occur until March 15, 2022. If the City Council chooses to submit the ordinance, without alteration, to the voters, subsequent action would be scheduled to submit the initiative to the voters concurrent with the City's calling of the November 8, 2022 election. The Council may also request a report from staff regarding the initiative ordinance regarding various impacts on the City, including zoning, infrastructure, and land use impacts. If requested, staff must present the report to the City Council no later than 30 days from the legislative body's certification of the petition's sufficiency. The City Council would be required to adopt the ordinance or submit the ordinance to the voters within 10 days of the presentation of the report.

Staff also seeks City Council direction regarding a possible separate City-initiated commercial cannabis ordinance. The City Attorney and Community Development Director have had several discussions with the attorneys representing the interests of the proponent of the cannabis initiative. The point system contained in the initiative has caused a number of cities to get enmeshed in protracted litigation because there is some level of subjectivity involved in awarding points based upon aesthetics, safety measures, ownership interests, labor interests, etc. Because there are limited licenses that will be issued, businesses may engage in litigation in order to attempt to gain a license. While the initiative does require that the entity awarded a license defend and indemnify the City in litigation, implementing the point system and being a part of ongoing litigation is a drain and redirection of staff resources and has lost opportunity costs associated with it.

The proponent's representatives have indicated a willingness to withdraw the initiative (they have until the first week in August to do so) in exchange for the City adopting an ordinance which substantially mirrors their initiative except they are willing to allow the City to get rid of the point system if the City will not place a cap on the number of licenses. They have also indicated a willingness to allow the City to slightly reduce the number of properties eligible for retail licenses based upon state guidelines regarding

Commercial Cannabis Petition

March 1, 2022

Page 4 of 5

distances from sensitive uses.

Staff understands that the City Council and public may have concerns about the City adopting its own commercial cannabis ordinance to limit the number of retail establishments. While staff cannot guarantee this, it seems very unlikely that there would be a large number of retail establishments as there are a limited number of properties that would be eligible for licenses given the location restriction on this business use. Additionally, the laws of supply and demand (market forces) will likely keep the number of establishments low in any event.

The advantages to a City adopted ordinance are that it would allow the City to amend and change the ordinance overtime to adapt to changing conditions. It would also delete the point system methodology which essentially has the City choosing winners and losers based upon a somewhat subjective system. Finally, while litigation is always possible, it would appear to lessen the chances of the City being sued over the ordinance. The disadvantage of the City adopting an ordinance is that it will take the decision away from the voters and it could result in more retail establishments in the City. The last day for the City Council to submit a ballot measure to the County is August 12, 2022.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1 B: El Segundo's engagement with the community ensures excellence.

PREPARED BY:

Georgeann Hanna, Special Project Coordinator

REVIEWED BY:

Tracy Weaver, City Clerk

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

1. 2021-07-20 Filed - Notice of Intent to Circulate Initiative Petition for El Segundo Cannabis Regulation and Public Safety Measure
2. Consolidated Buffer Maps
3. ES- Resolution Certification Cannabis Initiative Petition 0312022
4. ROV_CertificateofSignatures_CannabisInitiative
5. ES- Ordinance Cannabis Initiative Adoption 0312022

**NOTICE OF INTENT TO CIRCULATE INITIATIVE PETITION FOR THE
EL SEGUNDO CANNABIS REGULATION AND PUBLIC SAFETY MEASURE**
(Cal. Elect. Code § 9202)

NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of El Segundo for the purpose of adopting an initiative that will enact provisions regarding the regulation of commercial cannabis activity in the City.

A statement of the reasons of the proposed action as contemplated in said petition is as follows (up to 500 words):

The purpose and intent of this Measure is to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes, as advised and recommended by their health care provider(s), and adults over the age of twenty-one (21), and to implement State of California ("State") law, which includes, but is not limited to the provisions of the Medicinal & Adult-Use Cannabis Regulation & Safety Act, as may be amended and augmented under State law, while imposing regulations on the conduct of business and use of land to protect the City of El Segundo's (the "City") neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Measure to regulate the cultivation, manufacturing, processing, testing, distribution, and retail sale and delivery of cannabis and cannabis products in a manner which is responsible, which protects the health, safety, and welfare of the residents of the City, and which enforces rules and regulations consistent with State law. In part to meet these objectives, a commercial cannabis business permit shall be required to own or to operate a cannabis business within the City. Further, this Measure's requirement for a cannabis business to possess a commercial cannabis business permit is in addition to any other permits, licenses, and approvals which may be required to conduct business in the City, and is in addition to any permits, licenses, and approvals required under State or County of Los Angeles law.

Sandra Spiker

NAME OF PROPONENT

624 Sheldon Street
El Segundo, CA 90245

PROPONENT'S ADDRESS



PROPONENT'S SIGNATURE

July 19, 2021

DATE

RECEIVED *myf*
CITY CLERK'S OFFICE
07-20-21 1:23 PM

July 19, 2021

Ms. Tracy Weaver
City Clerk
City Hall, City of El Segundo
350 Main Street
El Segundo, CA 90245

Dear City Clerk Weaver:

RE: Request for Official Ballot Title and Summary/Statement of Proponent for El Segundo Cannabis Regulation and Public Safety Measure

I, Sandra Spiker, am a proponent of the initiative measure that is attached to this letter. Pursuant to Elections Code section 9203, I request that officials of the City of El Segundo, including the City Attorney, proceed with the process of preparing an Official Ballot Title and Summary with respect to the aforementioned initiative measure.

I hereby appoint the attorneys of the Kaufman Legal Group, Damian A. Martin, and their designees to be my representatives for all purposes and communications related to this effort.

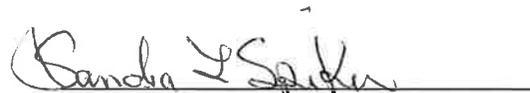
Correspondences regarding initiative process may be sent to:

George M. Yin
Kaufman Legal Group
777 S. Figueroa Street, Ste. 4050
Los Angeles, CA 90017
Phone: (213) 452-6565
Email: gyin@kaufmanlegalgroup.com

Damian A. Martin
6700 Pacific Coast Hwy, Ste. 201
Long Beach, CA 90803
Phone: (757) 652-0460
Facsimile: (323) 978-0996
Email: damian.martin.esq@gmail.com

ACKNOWLEDGMENT
(Per Elections Code § 9608)

I, Sandra Spiker, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.



Name: Sandra Spiker
Address: 624 Sheldon Street
El Segundo, CA 90245
Tel: (213) 458-3651

Dated this 19th day of July, 2021

THE PEOPLE OF THE CITY OF EL SEGUNDO DO ORDAIN AS FOLLOWS:

SECTION 1. This measure shall be known and may be cited as the El Segundo Cannabis Regulation and Public Safety Measure (the "Measure").

SECTION 2. Purpose and Intent. The purpose and intent of this Measure is to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes, as advised and recommended by their health care provider(s), and adults over the age of twenty-one (21), and to implement State of California ("State") law, which includes, but is not limited to the provisions of the Medicinal & Adult-Use Cannabis Regulation & Safety Act (hereinafter, "MAUCRSA"), as may be amended and augmented under State law, while imposing regulations on the conduct of business and use of land to protect the City of El Segundo's (the "City") neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Measure to regulate the cultivation, manufacturing, processing, testing, distribution, and retail sale and delivery of cannabis and cannabis products in a manner which is responsible, which protects the health, safety, and welfare of the residents of the City, and which enforces rules and regulations consistent with State law. In part to meet these objectives, a commercial cannabis business permit shall be required to own or to operate a cannabis business within the City. Further, this Measure's requirement for a cannabis business to possess commercial cannabis business permit is in addition to any other permits, licenses, and approvals which may be required to conduct business in the City, and is in addition to any permits, licenses, and approvals required under State or County of Los Angeles ("County") law.

SECTION 3. Legal Authority. Pursuant to Section 7 of Article XI of the California Constitution, and the provisions of the MAUCRSA, as may be amended and augmented under State law and any subsequent State legislation regarding the same, the City is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Except as otherwise provided in this Measure, any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State, or any of its departments or divisions, shall be the minimum standards applicable to commercial cannabis activity in the City.

SECTION 4. Chapter 14 (Marijuana) of Title 4 (Business Regulations and Licensing) of the City Municipal Code is hereby repealed in its entirety and amended to read as follows:

Chapter 14: COMMERCIAL CANNABIS ACTIVITY

4-14-1: Commercial Cannabis Activity Prohibited Unless Specifically Authorized.

- A. Except as specifically authorized by this Chapter 14, to the fullest extent permitted by State law, the City expressly prohibits any and all commercial cannabis activity within the City. In particular and if allowable under State law, the City hereby expressly prohibits the delivery of cannabis and cannabis products within the City except by cannabis retailers based within the City and permitted under this Chapter 14. If the City is required by State law to permit the delivery of cannabis and cannabis products by cannabis retailers not based within the City, such cannabis retailers not based within the City shall be required to comply with the requirements under this Chapter 14, including the City commercial cannabis business permit application and approval processes under Section 4-14-7.

- B. Nothing in this Chapter 14 shall be construed or interpreted to permit the commercial possession, furnishing, manufacture, cultivation, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of industrial hemp.
- C. To the extent expressly authorized in this Chapter 14 and Title 15 of the City Municipal Code, the following types of commercial cannabis activity are permitted in the City, subject to the satisfaction of all requirements set forth in this Chapter 14, Title 15 of the City Municipal Code, MAUCRSA, and all other applicable State and local laws, rules, and regulations:
 - 1. Retail sales
 - 2. Cultivation
 - 3. Manufacturing
 - 4. Distribution
 - 5. Testing laboratory
- D. Microbusinesses are not a type of commercial cannabis activity permitted to be based within the City pursuant to this Chapter 14 and Title 15 of the City Municipal Code.

4-14-2: Compliance with Laws.

It is the responsibility of the owners, managers, officers, employees, and agents of any cannabis business to ensure that it is operating in a manner compliant with all applicable State and local laws and any regulations promulgated thereunder. Nothing in this Chapter 14 shall be construed as in conflict with State law.

4-14-3: Definitions.

When used in this Chapter 14, the following words shall have the meanings ascribed to them as set forth herein. Any reference to State statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

APPLICANT: The person applying for the commercial cannabis business permit under this Chapter 14 (not the owners or the managers of the applicant).

CANNABIS: All parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the State Health & Safety Code. Cannabis does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter 14, cannabis does not mean industrial hemp as that

term is defined by Section 81000 of the State Food & Agricultural Code or Section 11018.5 of the State Health & Safety Code.

CANNABIS BUSINESS: A person engaged in commercial cannabis activity.

CANNABIS PRODUCT: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CAREGIVER or PRIMARY CAREGIVER has the same meaning as that term is defined in Section 11362.7 of the State Health & Safety Code.

CHIEF OF POLICE: The Police Chief of the City of El Segundo Police Department or his or her designee(s).

CITY: The City of El Segundo.

CITY ATTORNEY: The City Attorney of the City of El Segundo or his or her designee(s).

CITY COUNCIL: The City Council of the City of El Segundo.

CITY MANAGER: The City Manager of the City of El Segundo or his or her designee(s).

COMMERCIAL CANNABIS ACTIVITY has the same meaning as that term is defined under MAUCRSA and includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products as regulated under this Chapter 14.

COMMERCIAL CANNABIS BUSINESS PERMIT: A regulatory license issued by the City pursuant to this Chapter 14 to a cannabis business and is required before any commercial cannabis activity may be conducted in the City and is made expressly contingent upon the cannabis business's ongoing compliance with all of the requirements of this Chapter 14 and any regulations adopted by the City governing the commercial cannabis activity at issue.

CANNABIS CONCENTRATE: Cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this Chapter 14. A cannabis concentrate is not considered food, as defined by Section 109935 of the State Health & Safety Code, or drug, as defined by Section 109925 of the State Health & Safety Code.

COUNTY: The County of Los Angeles.

CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CULTIVATION SITE: A location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities may occur. Cultivation sites must be licensed by the City and State pursuant to this Chapter 14.

CUSTOMER: A natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age that is a qualified patient or primary caregiver.

DAY CARE CENTER or CHILDCARE FACILITY: A facility, other than a family day care home, serving infant, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health & Safety Code. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of “day care center” under this Chapter 14 shall override the definition of “day care center” in MAUCRSA at Section 26001 of the State Business & Professions Code.

DELIVERY: The commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer (or a microbusiness engaging in retail sales).

DISPENSARY or RETAILER: A location where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products.

DISPENSING or RETAIL SALE(S): Any activity involving the retail sale of cannabis or cannabis products from a retailer (or a microbusiness engaging in retail sales).

DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between persons lawfully conducting commercial cannabis activity under this Chapter 14 and State law.

DISTRIBUTOR: a person engaged in the distribution of cannabis and cannabis products, who is based within the City, and licensed by the City and State pursuant to this Chapter 14.

EDIBLE CANNABIS PRODUCT: A cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the State Food & Agriculture Code. An edible cannabis product is not considered food, as defined by Section 109935 of the State Health & Safety Code, or drug, as defined by Section 109925 of the State Health & Safety Code. An edible cannabis product shall not be deemed to be adulterated pursuant to Section 26131 of the State Business & Professions Code solely because it contains cannabis.

EMPLOYEE: Each individual person employed by a cannabis business who is a part-time, full-time, temporary, or permanent employee.

GROSS RECEIPTS: Except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

- A. Cash discounts where allowed and taken on sales;
- B. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

- C. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
- D. Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer's business;
- E. Cash value of sales, trades, or transactions between departments or units of the same business;
- F. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered; and
- G. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar.

LABOR PEACE AGREEMENT: An agreement between a cannabis business and any bona fide labor organization that, at a minimum, protects the City's proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a cannabis business. This agreement means that the cannabis business has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis business's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis business's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment.

LICENSING AUTHORITY: A State agency responsible for the issuance, renewal, or reinstatement of State license, or a State agency authorized to take disciplinary action against a State licensee.

LIQUID ASSETS: Assets that can be readily converted into cash. "Liquid assets" include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. "Liquid assets" does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.

LIVE PLANTS: Living cannabis flowers and plants, including seeds, immature plants (including unrooted clones), and vegetative stage plants.

MANAGER: Any individual who will be participating in the direction, control, or management of an applicant or a permittee, including but not limited to, any (i) manager or managing member or other officer of a limited liability company or (ii) president, chief executive officer, secretary, treasurer, chief financial officer, or other officer of a for profit corporation.

MANUFACTURE(ING): To compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

MANUFACTURER: A person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container. A manufacturer may also be a person that infuses cannabis in its products but does not perform its own extraction.

MANUFACTURING SITE: A location where cannabis or cannabis products, directly or indirectly are produced, prepared, propagated, or compounded by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

MARIJUANA means “cannabis” as that term is defined in this Chapter 14.

MAUCRSA: Division 10 (commencing with Section 26000) of the State Business and Professions Code and any regulations promulgated thereunder.

MEASURE: The El Segundo Cannabis Regulation and Public Safety Measure.

MICROBUSINESS: A cannabis business engaged in at least three (3) of the following commercial cannabis activities: cultivation (on areas less than ten thousand (10,000) square feet), manufacturing (without the use of volatile solvents), distribution, or retail sale.

OWNER: Any of the following:

- A. A person owning in the aggregate equity interests representing twenty (20) percent or more of the voting power of all outstanding equity in the applicant or a permittee;
- B. The president, chief executive officer, secretary, or treasurer / chief financial officer of a nonprofit applicant or permittee; or
- C. A member of the board of directors of a nonprofit applicant or permittee.

Notwithstanding the above, every applicant and permittee must have at least one individual person designated as an “owner” for the purpose of compliance with this Chapter 14, including the review and evaluation of any commercial cannabis business permit application.

PANIC BUTTON: An emergency electronic contact device which allows an employee in the event of an ongoing crime, threat, or other emergency to alert a security guard responsible for providing immediate on-scene assistance.

PATIENT or QUALIFIED PATIENT: A person who is entitled to the protections of Section 11362.5 of the State Health & Safety Code and includes a person issued an identification card issued pursuant to Article 2.5 of Chapter 6 of Division 10 of the State Health & Safety Code.

PERMITTEE: The holder of a valid, City-issued commercial cannabis business permit.

PERSON: An individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

PERSON WITH AN IDENTIFICATION CARD shall have the meaning given to that term in Section 11362.7 of the State Health & Safety Code.

PREMISES: The designated structure or structures and land specified in the commercial cannabis business permit application that is owned, leased, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

SCHOOL: As evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through 12, as authorized by the State Department of Education or a private school instructing children in grades kindergarten through 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of "school" under this Chapter 14 shall override the definition of "school" used in MAUCRSA or Section 11362.768 of the Health & Safety Code.

STATE: The State of California.

STATE LICENSE: A permit or license issued by the State, or one of its departments or divisions, under MAUCRSA and any subsequent State legislation regarding the same to engage in commercial cannabis activity.

TESTING LABORATORY: A laboratory, facility, or entity in the City that offers or performs tests of cannabis or cannabis products and that is both of the following:

- A. Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the State; and
- B. Licensed by the Bureau of Cannabis Control and is owned and operated by a person issued a valid commercial cannabis business permit for laboratory testing from the City.

TOPICAL CANNABIS: A cannabis product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by Section 109925 of the State Health & Safety Code.

VOLATILE SOLVENT: A solvent that is or produces a flammable gas vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

YOUTH CENTER: (A) any public or private facility that is primarily used to host recreational or social activities for minors such as private youth membership organizations or clubs, social service teenage club facilities or (B) a park, playground, or recreational area specifically designed to be used by children that may have play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on City, County, or State parks. "Youth center" shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it

include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor's office primarily serving children. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of "youth center" under this Chapter 14 shall override the definition of "youth center" in MAUCRSA at Section 26001 of the State Business & Professions Code.

4-14-4: Commercial Cannabis Business Permit Required.

- A. No person shall operate a cannabis business or engage in commercial cannabis activity within the City unless such business or activity is currently in compliance with all applicable State and local laws, rules, and regulations and the cannabis business has:
 - 1. A valid City business license to conduct such business or activity;
 - 2. A valid commercial cannabis business permit issued by the City pursuant to this Chapter 14 to conduct such business or activity;
 - 3. A valid State license authorizing such business or activity in the City; and
 - 4. A valid certificate of occupancy issued by the City's Building & Safety Division to conduct the commercial cannabis activity at the premises identified in the commercial cannabis business permit.
- B. A separate commercial cannabis business permit shall be required for each type of commercial cannabis activity listed in Section 4-14-1.C whether conducted in or engaged on the same premises or on different premises.

4-14-5: Maximum Number and Type of Authorized Cannabis Businesses Permitted.

- A. The number of commercial cannabis business permits for retailers based within the City shall be no more than two (2).
- B. The number of commercial cannabis business permits for retailers (including microbusinesses engaged in retail sales) based outside the City to engage in delivery within the City shall be zero (0).
- C. The maximum number of commercial cannabis business permits issued for cannabis retailers based within the City or outside the City (including microbusinesses engaged in retail sales) may not be amended by the City Council or regulations promulgated by the City Manager pursuant to this Chapter 14. However, the City Council may and shall increase the maximum number of commercial cannabis business permits issued for retailers based within the City or outside the City (including microbusinesses engaged in retail sales) if ordered to do so by a court of competent jurisdiction as a judicial remedy.
- D. The number of commercial cannabis business permits for cultivation sites, manufacturing sites, distributors, and testing laboratories shall be established by resolution of the City Council, at the sole discretion of the City Council, including the possibility that the number of commercial cannabis business permits for cultivation sites, manufacturing sites, distributors, and testing laboratories may be zero (0).

4-14-6: Location and Design Requirements for Cannabis Businesses.

Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business & Professions Code, cannabis businesses in the City shall be subject to the following location and design requirements:

- A. Retailers shall be a permitted use by right subject to this Chapter 14 on property (i) located more than one-thousand (1,000) feet from any school or day care center, (ii) located more than six-hundred (600) feet from any youth center, and (iii) zoned: General Commercial (C-3) or Smoky Hollow West (SH-W)
- B. The location and design requirements for cultivation sites, manufacturing sites, distributors, and testing laboratories shall be established by ordinance of the City Council, at the sole discretion of the City Council, including the possibility that cultivation sites, manufacturing sites, distributors, and testing laboratories may not be types of commercial cannabis activity permitted to be based within the City pursuant to this Chapter 14 and Title 15 of the City Municipal Code.
- C. With the exception of Chevron Park, a youth center located on County Assessor's Identification Number 4138-016-015, the distances specified in this Section 4-14-6 shall be the horizontal distance measured in a straight line from the parcel line of the sensitive use to the closest parcel line of the lot on which the cannabis business is to be located without regard to intervening structures. For Chevron Park, a youth center located on County Assessor's Identification Number 4138-016-015, the distance specified in this Section 4-14-6 shall be the horizontal distance measured in a straight line from the boundary line identified in Exhibit A to the Measure with the buffer radius identified in Exhibit A to the Measure. The People of the City find that measuring the buffer radius for Chevron Park from the parcel line of County Assessor's Identification Number 4138-016-015, a parcel that encompasses approximately 625 acres of which Chevron Park comprises a very small portion, would inhibit the purpose and intent of the Measure.
- D. Each cannabis business shall:
 - 1. Be constructed in a manner that prevents odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties. Odors from the cannabis business shall not be detectable from outside the premises and adequate odor control technology shall be utilized;
 - 2. Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose; and
 - 3. Provide and maintain a neighborhood compatibility plan so the City Manager or designee(s) may find that the cannabis business and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

4-14-7: Cannabis Retailer Application Procedure.

- A. Within forty-five (45) days following the effective date of this Chapter, the City Manager, pursuant to Section 4-14-29, shall, as a ministerial duty, make available the necessary

forms, adopt any necessary application rules for the submission, intake, review, and approval of commercial cannabis business permit applications for retailers up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5.

- B. The City Manager shall, as a ministerial duty, cease acceptance of a commercial cannabis business permit application for retailers thirty (30) days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of commercial cannabis business permit applications for retailers.
- C. Within thirty (30) days of ceasing the acceptance of commercial cannabis business permit application for retailers, the City Manager shall, as a ministerial duty, review timely submitted retailer applications for the following minimum requirements:
 - 1. Payment of an application fee established by resolution of the City Council within forty-five (45) days following the effective date of this Chapter to cover all costs incurred by the City in the application process;
 - 2. Sufficient evidence of the legal right to use the proposed property for the proposed use, to include a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a commercial cannabis business permit or other approvals. The City shall only consider one applicant per property address or County Assessor's Identification Number. In the event that more than one applicant applies for a commercial cannabis business permit application at a given property address or a given County Assessor's Identification Number, the City Manager shall, as a ministerial duty, only accept the commercial cannabis business permit application with the earliest dated evidence of the legal right to use the proposed property for the proposed use in the name of the applicant;
 - 3. Sufficient evidence to demonstrate that the proposed property complies with location and zoning requirements in Section 4-14-6;
 - 4. Proof that an owner or owners of the applicant with an aggregate ownership interest of forty (40) percent or more has served as an owner or owners with an aggregate ownership interest of forty (40) percent or more of (or is an owner as a result of being the chief executive officer of a nonprofit entity of) one or more other cannabis retailers (including microbusinesses with a retail sales component) licensed by a city, county, or state since at least March 1, 2019;
 - 5. Proof of funds showing that the applicant has access and control of over \$400,000.00 in liquid assets, which may be via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement. Applicants and permittees shall not be required to show that the applicant or permittee has access and control of over \$400,000.00 in liquid assets except on initial application pursuant to this Section 4-14-7, a change in location application pursuant to Section 4-14-13, or an ownership transfer application pursuant to Section 4-14-14;

6. For an applicant with two (2) or more employees, proof of a labor peace agreement between a bona fide labor organization and the applicant (the applicant shall provide the City with a copy of the labor peace agreement that contains the signatures of the union representative and the cannabis business). For applicants with less than two (2) employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees;
7. A set of plans, including a site development plan, floor plan(s), building elevations (all four (4) sides), and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;
8. Colored interior and elevation renderings;
9. A completed background check application and receipt for each owner and manager of the applicant pursuant to Section 4-14-21.L; and
10. The following application components: (a) Qualifications of the applicant's owners and managers; (b) business and operations plan; (c) security plan; (d) safety plan; (e) neighborhood compatibility plan; (f) labor and employment plan; and (g) community benefits plan.

The City Manager shall, as a ministerial duty, reject any commercial cannabis business permit application that fails to meet the minimum requirements contained in this Subsection C.

- D. Within sixty (60) days of completing the application review under Subsection C above, the City Manager shall, as a ministerial duty, review and score any complete applications pursuant to the following objective review criteria according to the following quantitative evaluation scale:

1. Qualifications of the applicant's owners and managers – 250 points

The People of the City find that a proven track-record of cannabis retailer operations that successfully generate tax revenue carries out the purpose and intent of the Measure and are, therefore, critical for an applicant to demonstrate the qualifications of the applicant's owners and managers. Accordingly, 150 of the 250 points awardable under this Subsection 1 shall only be awarded, as a ministerial duty, if an owner or owners of the applicant with an aggregate ownership interest of forty (40) percent or more is currently at the time of application submission under this Section an owner or owners with an aggregate ownership interest of forty (40) percent or more of (or is an owner as a result of being the chief executive officer of a nonprofit entity of) a single licensed and lawfully operating commercial cannabis retailer operation (excluding any non-retailer microbusiness, cultivation, manufacturing, distribution, or other non-retailer commercial cannabis operation components) that has generated at least \$3,500,000.00 in gross receipts in a consecutive six-month period in the year immediately preceding the date of the application submission under this Section, as demonstrated by tax payment receipts from, tax filings to, or tax returns filed with a city, county, or state.

The remaining 100 of the 250 points awardable under this Subsection 1 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 50 points – A description of the applicant's owner and manager qualifications detailing any special business or professional qualifications or licenses of the applicant's owner and manager that would add to the quality of services that the cannabis business would provide, including in areas related to cannabis, such as legal, finance, business ownership / administration, real estate development, scientific, or healthcare fields.
- b. Up to 50 points – Documentation that the applicant's owners and managers have experience operating cannabis retailers in any jurisdiction where cannabis retailers are permitted.

2. Plans, renderings, and overall location – 100 points

The People of the City find that the further a cannabis retailer is located away schools and day care centers, the better a cannabis retailer will carry out the purpose and intent of the Measure (in particular the use of land to protect the City's neighborhoods, residents, and businesses from negative impacts) and that the sensitive use buffers contained in Section 4-14-6 are minimums rather than ideal distances to carry out the purpose and intent of the Measure. Accordingly, 50 of the 100 points awardable under this Subsection 2 shall only be awarded, as a ministerial duty, if an applicant's proposed cannabis retailer is located on property located more than one-thousand four-hundred (1,400) feet from any school or day care center identified and measured pursuant to Section 4-14-6 above and Section 10 of the Measure.

The remaining 50 of the 100 points awardable under this Subsection 2 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 10 points – A premise diagram in accordance with Section 5006 of Division 42 of Title 16 of the State Code of Regulations.
- b. Up to 10 points – A site development plan that provides information on existing conditions and proposed improvements to the site and how it meets or will meet the development standards outlined in Title 10 of the City Municipal Code. Information on existing conditions shall include:
 1. Exterior photographs showing all sides of any existing structure(s);
 2. Photographs of existing parking areas, landscaping, trash enclosure, and signage;
 3. Information on existing use on the site, including the addresses, uses, and square footages.
 4. Photographs of the existing site if the site is vacant; and
 5. Photographs of adjacent properties for context.

- c. Up to 10 points – A floor plan showing information on the existing layout and proposed layout of the building interior.
- d. Up to 10 points – Building elevations that provide information on existing conditions and proposed improvements.
- e. Up to 5 points – A conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species.
- f. Up to 5 points – Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).

3. Business and operations plan – 75 points

The 75 points awardable under this Subsection 3 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 5 points – A written description of the total square footage of the facility with estimated square footage of proposed uses.
- b. Up to 10 points – A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.
- c. Up to 10 points – A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs.
- d. Up to 5 points – A description of the sources(s) of capital and use(s) of capital.
- e. Up to 10 points – Pro forma financial statements for at least three (3) years of operation.
- f. Up to 5 points – A description of the type of products to be sold and the estimated quantity and value of product(s) to be sold.
- g. Up to 5 points – A description of marketing procedures and tactics.
- h. Up to 5 points – A description of day-to-day operations that should acknowledge both state and local laws and should be consistent with industry best practices.
- i. Up to 5 points – A description of hours of operation and opening procedures.
- j. Up to 5 points – A description of cash handling procedures.
- k. Up to 5 points – A description of inventory control procedures to include identification of point-of-sale systems, and track and trace software.

- I. Up to 5 points – A description of transportation, loading and unloading, distribution, and delivery procedures.

4. Security plan – 100 points

The 100 points awardable under this Subsection 4 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 20 points – The security plan shall be prepared by a professional security consultant.
- b. Up to 10 points – A premises security diagram.
- c. Up to 50 points – A description of access control, inventory control, cash handling, and other security procedures and security equipment demonstrating compliance with the security requirements under this Chapter 14.
- d. Up to 10 points – A description of the intrusion alarm and monitoring system including the name and contact information for the monitoring company.
- e. Up to 10 points – A description of the services of on-site security guards to include the (i) number of security guards; (ii) the hours security guards will be on-site; (iii) locations where security will be positioned; and (iv) security guard responsibilities.

5. Safety plan – 100 points

The 100 points awardable under this Subsection 5 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 20 points – The security plan shall be prepared by a professional fire prevention and suppression consultant.
- b. Up to 10 points – A premises safety diagram to include (i) a description / illustration of evacuation routes and (ii) location of fire extinguishers and other fire suppression equipment.
- c. Up to 50 points – A description of safety procedures, training for emergency situations, and safety equipment demonstrating compliance with the safety requirements under this Chapter 14.
- d. Up to 10 points – Identify all gases, pesticides, and chemicals to be used and their storage locations.
- e. Up to 10 points – A description of the firm alarm and monitoring system including the name and contact information for the monitoring company.

6. Neighborhood compatibility plan – 75 points

The 75 points awardable under this Subsection 6 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 30 points – A “Good Neighbor Policy” that (i) includes policies and measures in place to protect adjacent uses from any potential impacts (e.g., noise, light, odor, traffic, etc.) related to the proposed cannabis business and (ii) describes how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding area and will not result in the creation of a nuisance.
- b. Up to 15 points – A description of odor mitigation practices to include: (i) identifying potential sources of odor; (ii) a description of odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; and (iii) all proposed staff odor training and system maintenance.
- c. Up to 15 points – A description of a waste management plan that includes waste disposal locations within the proposed premises and the applicant’s security measures and methods of rendering waste unusable and unrecognizable.
- d. Up to 15 points – A description of efforts at sustainability / environmental impact mitigation.

7. Community benefits plan – 100 points

The People of the City find that monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations to the City or other charitable organizations, and economic incentives to the City carry out the purpose and intent of the Measure and are, therefore, critical for an applicant to demonstrate an effective community benefits plan. Accordingly, 50 of the 100 points awardable under this Subsection 7 shall only be awarded if the applicant pledges to voluntarily provide a public benefit to a public use (or a combination thereof), which is defined as a direct financial contribution equal to two percent (2%) of projected gross receipts of the applicant to a public school located within the City, a public park located within the City, and/or a public or nonprofit community organization serving the City or its residents. Beyond the above, no further direct financial contributions shall be considered as part of an applicant’s community benefits plan.

The remaining 50 of the 100 points awardable under this Subsection 7 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 25 points – A description of a social responsibility plan to include identification of a community liaison, plans to serve as a social equity business incubator, plans to aide and participate in the work of local non-profits, community-based organizations, civic organizations, or social services organizations.

- b. Up to 25 points – A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

8. Labor and employment plan – 200 points

The People of the City find that a proven track-record of cannabis retailer operations with high labor standards and commitment to labor peace carries out the purpose and intent of the Measure and are, therefore, critical for an applicant to demonstrate an effective labor and employment plan. Accordingly, 25 of the 200 points awardable under this Subsection 8 shall only be awarded if the applicant provides documentation that an owner or owners of the applicant with an aggregate ownership interest of fifty-one (51) percent or more are an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more prior to May 31, 2021, of an existing licensed or permitted cannabis retailer, or an existing licensed or permitted microbusiness with a retail sales component (and remains an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more on the date of the application submission under this Section) with a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least May 31, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this Section).

The remaining 175 of the 200 points awardable under this Subsection 8 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 20 points – An organizational chart of showing owners, managers, and employees.
- b. Up to 20 points – A description of the owner's and manager's roles in day-to-day operations and decisions.
- c. Up to 20 points – A description of the number of employees, title / position, and their respective responsibilities
- d. Up to 25 points – A description of compensation to employees, opportunities for continuing education, and employee training.
- e. Up to 25 points – A description of whether the cannabis business is committed to offering employees a living wage.
- f. Up to 25 points – A description of benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
- g. Up to 20 points – A description of a plan to recruit employees from socially and economically disadvantaged backgrounds.
- h. Up to 20 points – A description of a plan to have at least 50% of employee positions filled and hours worked by employees residing in the City.

- E. Upon timely receipt of a commercial cannabis business permit application, the City Manager shall direct the Police Chief to conduct background checks in accordance with Section 4-14-21.L. Following review and scoring of complete applications complete pursuant to objective review criteria under Subsection D, the City Manager shall, as a ministerial duty, issue commercial cannabis business permits to applicants in order of their rank under Subsection D up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5. In the event of a tie in the order of ranking under Subsection D up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5, the City Manager shall, as a ministerial duty, break the tie and issue commercial cannabis business permits to applicant with the highest scoring application component in the following order: (1) Qualifications of the applicant's owners and managers; (2) labor and employment plan; (3) plans, renderings, and overall location; (4) security plan; (5) safety plan; (6) community benefits plan; (7) neighborhood compatibility plan; and (8) business and operations plan. In the event of a tie on all application components between one of more applicants up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5, the City Manager shall not hold a public lottery, but rather arrange for the tied applicants to provide public presentations before the City Council, after which the City Council shall publicly rank the applicants pursuant to ranking sheets prepared by the City Manager that achieve a forced ranking based on all of the objective review criteria and quantitative evaluation scale in Subsection D, and the City Manager shall issue commercial cannabis business permits to applicants in order of their rank up to the maximum number of commercial cannabis business permits available following the City Manager's original ranking and issuance of commercial cannabis business permits and the limits contained in Section 4-14-5. However, the City Manager shall not issue a commercial cannabis business permit to any applicant with an owner or manager that:
1. Provided false or misleading information on the applicant's commercial cannabis business permit application;
 2. Has been convicted of (or pled no contest to) "an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made" as that term is defined in 26057(b)(4) of the State Business & Professions Code; or
 3. Has been sanctioned by a licensing authority or a city, county, or state for unauthorized commercial cannabis activities or has had a license suspended or revoked under MAUCRSA in the three (3) years immediately preceding the date the application was submitted.
- F. Any decision of the City Manager or City Council under this Section 4-14-7 shall be a final administrative decision not subject to administrative appeal under any provisions of this Chapter 14 or any provisions of the City Municipal Code but, rather, subject to judicial review and remedies.
- G. In the event that (i) the number of active, operating retailers and issued commercial cannabis business permits falls below the maximum number of commercial cannabis business permits for retailers authorized in Section 4-14-5 or (ii) the City Council is ordered to increase the maximum number of commercial cannabis business permits issued for retailers by a court of competent jurisdiction as a judicial remedy (e.g., if a court of competent jurisdiction orders the City Council to make commercial cannabis business

permits available for retailers (including microbusinesses engaged in retail sales) based outside the City to engage in delivery within the City), the City Manager shall, as a ministerial duty, within thirty (30) days reinstitute the application procedure under this Section 4-14-7, subject to the maximum number of commercial cannabis business permits for retailers authorized and available (not allocated to an active, lawfully operating retailer) for issuance. For the purpose of this Section, a retailer shall be considered operating if (i) upon initial issuance of commercial cannabis business permit (or approval of a change in location pursuant to Section 4-14-13), the retailer commences lawful operations within thirty-six (36) months or (ii) following initial commencement of lawful operations, the retailer does not cease or abandon operations for one-hundred twenty (120) consecutive or cumulative days in any one (1) year period.

4-14-8: Application Procedure for Commercial Cannabis Activity other than Retailers.

In the event that the City Council, in the sole discretion of the City Council, should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for commercial cannabis activity other than retailers, the City Council, at the sole discretion of the City Council, shall by resolution make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of commercial cannabis business permit applications for commercial cannabis activity other than retailers up to the maximum number of commercial cannabis business permits authorized pursuant to Section 4-14-5.

4-14-9: Limitations on the City's Liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this Chapter 14 or otherwise approving the operation of any cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive a commercial cannabis business permit:

- A. Execution of an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of, or which are in any way related to, the City's issuance of the commercial cannabis business permit, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, State, or local laws by the cannabis business or any of its officers, employees, or agents.
- B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney.
- C. Defend and indemnify the City for all costs and expenses, including but not limited to attorneys' fees and court costs, that the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's commercial cannabis business permit or related to the City's approval of a commercial cannabis activity. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall neither relieve nor increase any of the obligations imposed on the applicant hereunder.

4-14-10: Commercial Cannabis Business Permit Term.

- A. Subject to this Section 4-14-10 and Section 4-14-11, the term of each commercial cannabis business permit shall be indefinite.
- B. Upon the one (1) year anniversary of the date of issuance for each commercial cannabis business permits and each year thereafter, the City Manager shall conduct a performance review of the permittee to assess compliance with the requirements of this Chapter 14. Within thirty (30) days of the conclusion of the annual performance review of the permittee, the City Manager or designee(s) shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance, the permittee shall have sixty (60) days to remedy such noncompliance. However, in the event such noncompliance items cannot be remedied within sixty (60) days, such failure to remedy shall constitute a material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter 14 subject to suspension or revocation under Section 4-14-11.
- C. The permittee shall pay a fee in an amount to be set by the City Council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the City to administer the program created under this Chapter 14.

4-14-11: Suspension and Revocation of Commercial Cannabis Business Permits.

- A. The City Manager may suspend or revoke a commercial cannabis business permit for any material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter 14.
- B. Suspension or revocation of a State license issued by the State or by any of its departments or divisions, corresponding to the commercial cannabis business permit shall immediately result in the suspension of the associated commercial cannabis business permit until the State, or its applicable department or division, reinstates the State license or otherwise lifts such suspension.
- C. A permittee shall inform the City Manager or designee(s) of any suspension, revocation, or termination of a State license corresponding to its commercial cannabis business permit within two (2) business days of the suspension, revocation, or termination of the State license.

4-14-12: Appeals Regarding Commercial Cannabis Business Permits.

- A. Within ten (10) calendar days after the date of a decision of the City Manager to revoke, suspend, or deny the renewal of an issued commercial cannabis business permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper. An appeal shall stay all proceedings in furtherance of the appealed action.
- B. At the time of filing, the appellant shall pay the designated appeal fee established by resolution of the City Council.

- C. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the City.
- D. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
- E. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
- F. At the conclusion of the hearing the City Council may affirm, reverse, or modify the decision appealed. The decision of the City Council shall be a final administrative decision, subject to judicial review and remedies.

4-14-13: Change in Location; Updated Application Information.

- A. A permittee may change the business location specified in a commercial cannabis business permit upon submission and approval of a change in location application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 4-14-29 within one-hundred eighty (180) days following the effective date of this Chapter 14. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in location applications. The City Manager shall process such change in location applications as a ministerial duty within sixty (60) days of receipt.
- B. An applicant or permittee shall notify the City Manager or designee(s) within fifteen (15) calendar days of any material change in the information provided in the applicant or permittee's commercial cannabis business permit application or any change in status of compliance with the provisions of this Chapter 14, including any change in the cannabis business ownership or management.

4-14-14: Transfer of a Commercial Cannabis Business Permit.

- A. An owner of a commercial cannabis business permit shall not transfer ownership or control of such permit to another person unless and until the permittee and transferee obtain an amendment to the permit from the City Manager stating that the transferee is now an owner of the permittee. A permittee may change the ownership specified in a commercial cannabis business permit upon submission and approval of a change in ownership application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 4-14-29 within one-hundred eighty (180) days following the effective date of this Chapter 14. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in ownership applications. The City Manager shall process such change in ownership applications as a ministerial duty once the City Manager reasonably determines that the transferee passed the background check required for owners and meets all other requirements of this Chapter 14.
- B. Notwithstanding Subsection A, during the first three years following the issuance of a commercial cannabis business permit, the City Manager shall not process any application

to change the ownership or control of a commercial cannabis business permit that results in the permittee altering its ownership composition in a manner that would result in the permittee not being entitled to points it was awarded when the permittee was an applicant pursuant to Section 4-14-7. For example, if a permittee received 25 points when it was an applicant for providing documentation that an owner or owners of the applicant with an aggregate ownership interest of fifty-one (51) percent or more are an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more prior to May 31, 2021, of an existing licensed or permitted cannabis retailer, or an existing licensed or permitted microbusiness with a retail sales component (and remains an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more on the date of the application submission under this Section 4-14-7) with a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least May 31, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission), the City Manager shall not process or authorize any change in ownership or control of the permittee if the change would result in the permittee being unable to continue to satisfy the aforementioned criteria subsequent to its approval.

- C. Notwithstanding Subsection A, no commercial cannabis business permit may be transferred when the City Manager has notified the permittee that its commercial cannabis business permit has been or may be suspended or revoked.
- D. Any attempt to transfer a commercial cannabis business permit either directly or indirectly in violation of this Section 4-14-14 is hereby declared void, and such an unpermitted transfer shall be deemed a ground for revocation of the permit.

4-14-17: Records and Recordkeeping.

- A. Each cannabis business shall maintain accurate books and records in an electronic format, which detail all revenues and expenses of the business, including, but not limited to, all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a commercial cannabis business permit issued pursuant to this Chapter 14), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous 12-month period (or shorter period based upon the timing of the request) detailing sales for each month within such period in question. The statement shall also include gross sales for each month and all applicable taxes paid or due to be paid. On an annual basis, each cannabis business shall submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager.
- B. Each cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business and, separately, the same contact information of all officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this paragraph shall be provided to the City Manager upon a reasonable request.

- C. Each cannabis business shall maintain a record of all distributions of cannabis and cannabis products to other cannabis businesses authorized by State law for a period of no less than seven (7) years.
- D. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, laboratory testing, distribution, sale, delivery, or other commercial cannabis activity processes until purchase or distribution.
- E. Subject to any applicable restrictions under the Health Insurance Portability & Accountability Act ("HIPAA") regulations, each cannabis business shall grant the City Manager access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents shall be produced no later than five (5) business days after receipt of the City Manager's request for such data, unless otherwise stipulated by the City Manager. The City Manager may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

4-14-18: Security Measures.

- A. A cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the Chief of Police, these security measures shall include, but are not limited to, all of the following:
 - 1. Preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business.
 - 2. Establishing limited access areas accessible only to authorized cannabis business personnel.
 - 3. Except for live plants, which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner designed to prevent diversion, theft, and loss.
 - 4. Installing twenty-four-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis business, which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. The cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police, and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Chief of Police. Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the Chief of Police

upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business.

5. Sensors shall be installed to detect entry and exit from all secure areas.
 6. Panic buttons shall be installed in all cannabis businesses.
 7. Having a professionally installed, maintained, and monitored alarm system.
 8. Any bars installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building.
 9. Security personnel shall be on-site twenty-four (24) hours a day unless the cannabis business has an alternative security program authorized by the Police Chief or designee(s). Security personnel must be licensed by the State Bureau of Security & Investigative Services personnel and shall be subject to the prior review and approval of the Chief of Police, which shall not be unreasonably withheld.
 10. Each cannabis business shall install standby generators and have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
 11. Additional security measures may be added through the review of a commercial cannabis business permit application.
- B. Each cannabis business shall identify a designated security representative/liaison to the City, who shall be reasonably available to meet with the Chief of Police regarding any security related measures or and operational issues.
- C. Each cannabis business (including as part of the commercial cannabis business permit application process) shall have a storage and transportation plan and currency management plan, which describes in detail the procedures for safely and securely storing, disposing and transporting all cannabis, cannabis products, and any currency.
- D. The cannabis business shall cooperate with the City whenever the Chief of Police makes a request, upon reasonable notice to the cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter 14.
- E. A cannabis business shall notify the Chief of Police within twenty-four (24) hours after discovering any of the following:
1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.
 2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
 3. The loss or unauthorized alteration of records related to cannabis and cannabis products or registering customers or employees and/or agents of the cannabis business.

4. Any other breach of security.

4-14-19: Restriction on Alcohol and Tobacco Sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.

4-14-20: Fees and Charges.

- A. No person may commence or continue any commercial cannabis activity in the City without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of such activity shall be established by resolution of the City Council which may be amended from time to time.
- B. All cannabis businesses authorized to operate under this Chapter 14 shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, State, and local law. Each cannabis business shall cooperate with City with respect to any reasonable request to audit the cannabis business' books and records for the purpose of verifying compliance with this Section 4-14-20, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

4-14-21: Generally Applicable Operating Requirements.

- A. Cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the City and must comply with State law at all times.
- B. Cannabis shall not be consumed on the premises of any cannabis businesses.
- C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.
- D. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager prior to being used by a permittee.
- E. All cannabis and cannabis products sold, distributed, and/or manufactured shall be cultivated, manufactured, and distributed by licensed facilities that maintain operations in full conformance with the State and local regulations. The packaging and labeling of cannabis and cannabis products shall comply at all times with State law.
- F. There shall not be a physician located in any cannabis business at any time for the purpose of evaluating patients for the issuance of a medicinal cannabis recommendations.

- G. Each cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.
- H. Signage and Notices.
1. In addition to the requirements otherwise set forth in this Section 4-14-21, business identification signage for a cannabis business shall conform to the requirements of the City Municipal Code, including, but not limited to, seeking the issuance of a City sign permit.
 2. No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.
 3. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises, or in the areas adjacent to the premises, is prohibited.
 4. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis business, other than as lawful customers permitted under State law in the case of retailers.
 5. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.
- I. Other than as lawful customers permitted under State law in the case of retailers, individuals under the age of twenty-one (21) years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a cannabis business. It shall be unlawful and a violation of this Chapter 14 for any person to employ any person at a cannabis business who is not at least twenty-one (21) years of age.
- J. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off-site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must install and maintain the following equipment, or any other equipment which the City Manager determines is a more effective odor control method or technology:
1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and
 2. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the commercial cannabis business.

- K. The original copy of the commercial cannabis business permit issued by the City pursuant to this Chapter 14 and the City issued business license shall be posted inside the cannabis business in a location readily visible to the public.
- L. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which authorizes City authorities to access State and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, or volunteer of the cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police for a background check by the City Police Department. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a commercial cannabis business permit unless they have first cleared the background check, as determined by the Chief of Police, as required by this Chapter 14. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.
- M. The cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
- N. Within sixty (60) days of licensure, for a permittee with two (2) or more employees, the permittee shall attest to the City that the permittee has entered into a labor peace agreement and will abide by the terms of the agreement. The permittee shall submit a copy of the page of the labor peace agreement that contains the signatures of the labor representative and the applicant. For permittees with less than two (2) employees who have not yet entered into a labor peace agreement, the permittee shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees. If an attestation that the permittee is party to a labor peace agreement, and a copy of the page of the labor peace agreement that contains the signatures of the labor representative was submitted to the City by the permittee as part of the application process, that will meet this obligation.
- O. Cannabis businesses shall implement a workforce plan that includes at least the following provisions:
 - 1. Commitment for thirty percent (30%) of employees to be local hires; this local hiring requirement is satisfied when a cannabis business shows that it has either hired or made a good faith effort to hire bona fide residents of the City or persons that may establish residency after initial employment with the permittee;
 - 2. Commitment to offer apprenticeships and/or compensation for continuing education in the field of commercial cannabis activity; and
 - 3. Entering into a collective bargaining agreement and/or paying a living wage to employees. "Living wage" means fifty percent (50%) more than the applicable

amount of the hourly minimum wage mandated by State law (convertible to an annual salary by multiplying that hourly minimum wage by 2,080, as applicable), whichever is greater.

- P. It shall be unlawful for a cannabis business to discriminate in any manner or take adverse action against any employee in retaliation for exercising rights protected under this Chapter 14 or City or State law. These rights include, but are not limited to (i) the right to file a complaint or inform any person about any party's alleged noncompliance with this Chapter 14 or City or State law and (ii) the right to inform any person of his or her potential rights under this this Chapter 14 or City or State law and to assist him or her in asserting such rights. Protections under this this Chapter 14 or City or State law shall apply to any employee who mistakenly, but in good faith, alleges noncompliance with this this Chapter 14 or City or State law. Taking adverse action against an employee within ninety (90) days of the employee's exercise of rights protected under this this Chapter 14 or City or State law shall raise a rebuttable presumption of having done so in retaliation for the exercise of such rights.

4-14-22: Additional Operational Requirements in General.

The City Manager may, pursuant to Section 4-14-29, develop additional cannabis business operational requirements or regulations for all authorized commercial cannabis activities as are determined to be necessary to protect the public health, safety, and welfare.

4-14-23: Additional Operating Requirements for Cultivation Sites.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for the commercial cannabis activity of cultivation within the City, the City Council shall amend this Section to adopt operating requirements for cultivation within the City.

4-14-24: Additional Operating Requirements for Manufacturing Sites.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for the commercial cannabis activity of manufacturing within the City, the City Council shall amend this Section to adopt operating requirements for manufacturing within the City.

4-14-25: Additional Operating Requirements for Testing Laboratories.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for the commercial cannabis activity of testing laboratories within the City, the City Council shall amend this Section to adopt operating requirements for testing laboratories within the City.

4-14-26: Additional Operating Requirements for Distributors.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for distributors based within the City, the City Council shall amend this Section to adopt operating requirements for distributors based within the City.

4-14-27: Additional Operating Requirements for Retailers.

- A. Retailers and the operation thereof shall comply with State law at all times.
- B. Prior to dispensing medicinal cannabis or medicinal cannabis products to a qualified patient, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years.
- C. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.
- D. All restroom facilities shall remain locked and under the control of managers onsite.
- E. A retailer shall notify customers (verbally or by written agreement) and by posting of a notice or notices conspicuously in at least 15-point type within the permitted premises that state as follows:
 - 1. "The sale or diversion of cannabis or cannabis products without a license issued by the City of El Segundo is a violation of State law and the El Segundo Municipal Code."
 - 2. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest."
 - 3. "Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."
 - 4. "WARNING: The use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."
 - 5. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer and reproductive harm."

4-14-28: Additional Operating Requirements for Delivery.

- A. Delivery shall comply with State law at all times.
- B. Security plans developed pursuant to this Chapter 14 shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.

- C. A retailer shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only retailer that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the retailer and customer:
1. The identity of the individual dispensing cannabis or cannabis products on behalf of the permittee;
 2. The identity of the customer receiving cannabis or cannabis products from the permittee;
 3. The type and quantity of cannabis or cannabis products dispensed and received;
 4. The gross receipts charged by the permittee and received by the individual dispensing cannabis or cannabis products on behalf of the permittee for the cannabis or cannabis products dispensed and received; and
 5. The location or address where the sale or retail sale took place or closed.
- D. A permittee shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid State driver's license issued to the driver of any such vehicle on behalf of the retailer to the Chief of Police.
- E. Individuals making deliveries of cannabis or cannabis products on behalf of the retailer shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the City requesting documentation.
- F. During delivery, a copy of the permittee's commercial cannabis business permit and State license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the City requesting documentation.
- G. A retailer shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is (i) insured at or above the legal requirement in the State; (ii) capable of securing (locking) the cannabis or cannabis products during transportation; (iii) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (iv) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a retailer.
- H. A retailer shall facilitate deliveries with a technology platform owned by or licensed to the retailer that uses global positioning system technology to track, and database technology to record and store the following information:
1. The time that the individual conducting delivery on behalf of the retailer departed the licensed premises.
 2. The time that the individual conducting delivery on behalf of the retailer completed delivery to the customer.
 3. The time that the individual conducting delivery on behalf of the retailer returned to the licensed premises.

4. The route the individual conducting delivery on behalf of the retailer traveled between departing and returning to the licensed premises to conduct delivery.
 5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the retailer.
 6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the retailer.
 7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the retailer.
 8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.
 9. For each individual delivery transaction, the gross receipts charged by the retailer and received by the individual conducting deliveries on behalf of the retailer for the cannabis or cannabis products dispensed and received.
- I. The individual making deliveries on behalf of the retailer shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the retailer and (a) for medicinal cannabis or medicinal cannabis products to a qualified patient, the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years or (b) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

4-14-29: Promulgation of Regulations, Standards, and Other Legal Duties.

- A. Consistently with stated requirements of this Chapter 14 (and in particular not to repeal or constructively repeal this Chapter 14), in addition to any regulations adopted under State law, the City Manager is authorized to establish any additional rules, regulations, and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of cannabis businesses, and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter 14.
- B. Such regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all State and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

4-14-30: Community Relations.

- A. Each cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each cannabis business shall also provide the above information to all businesses and residences, in the City, located within one hundred and fifty (150) feet of the cannabis business. Such community relations contact shall respond to any complaints within forty-eight (48) hours of receipt of such complaints.
- B. During the first year of operation pursuant to this Chapter 14, the owner(s), manager(s), and community relations representative from each cannabis business holding a commercial cannabis business permit issued pursuant to this Chapter 14 shall attend a quarterly meeting with the City Manager and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter 14. After the first year of operation, the owner(s), manager(s), and community relations representative from each such cannabis business shall meet with the City Manager when and as requested by the City Manager.
- C. Cannabis businesses to which a commercial cannabis business permit is issued pursuant to this Chapter 14 shall develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

4-14-31: Fees Deemed Debt to City.

The amount of any fee, cost, or charge imposed pursuant to this Chapter 14 shall be deemed a debt to the City that is recoverable via authorized processes as set forth in the City Municipal Code or available through any court of competent jurisdiction.

4-14-32: Permittee, Owner, and Property Owner Responsible for Violations.

- A. Each permittee and each owner and each manager of the permittee (and each individual owner and each individual manager of an owner or manager of the permittee) shall be responsible for all violations of the laws of the State or of the regulations and/or the ordinances of the City occurring within the City or in or about the premises of the cannabis business, if committed by the permittee or any employee or agent of the permittee and whether or not said violations occur within the permittee, owner, or manager's presence.
- B. No person may engage in any commercial cannabis activity within the City unless the person is in compliance with the requirements of this Chapter 14.
- C. It shall be unlawful to rent, lease, or otherwise permit any commercial cannabis activity at any location, structure, or vehicle in the City by a person (1) that does not have a valid commercial cannabis business permit issued by the City; (2) that does not have a valid State license; (3) that does not have any other applicable approvals, including, but not limited to, a building permit and City business license; or (4) that is not currently in compliance with all applicable State and local laws and regulations pertaining to the commercial cannabis activity. Property owners shall have strict liability for any commercial cannabis activity at any location, structure, or vehicle in the City by a person (1) that does

not have a valid commercial cannabis business permit issued by the City or (2) that does not have a valid State license.

4-14-33: Inspection and Enforcement.

- A. The City Manager, Chief of Police, or designee(s) charged with enforcing the provisions of the City Municipal Code, or any provision thereof, may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this Chapter 14 or under applicable provisions of State law.
- B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings, or other documents required to be maintained by a cannabis business under this Chapter 14 or under State or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this Chapter 14 or under State or local law.
- C. The City Manager, Chief of Police, or designee(s) charged with enforcing the provisions of this Chapter 14 may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with the City Police Department standards for evidence.

4-14-34: Concurrent Regulation with State.

It is the stated intent of this Chapter 14 to regulate commercial cannabis activity in the City concurrently with the State.

4-14-35: Violations Declared a Public Nuisance.

Each and every material violation of the provisions of this Chapter 14 is hereby deemed unlawful and a public nuisance.

4-14-36: Each Violation a Separate Offense.

Each and every violation of this Chapter 14 shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City Municipal Code. Additionally, as a nuisance per se, any material violation of this Chapter 14 shall be subject to injunctive relief, any commercial cannabis business permit issued pursuant to this Chapter 14 being deemed null and void, disgorgement, and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney's fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, Chief of Police, or designee(s), may take immediate action to temporarily suspend a commercial cannabis business permit issued by the City, pending a public hearing before the City Council.

4-14-37: Criminal Penalties.

Each and every material violation of the provisions of this Chapter 14 may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000.00) or imprisonment in the County jail for a period of not more than six (6) months, or by both such fine and imprisonment. Each day a material violation is committed or permitted to continue shall constitute a separate offense.

4-14-38: Remedies Cumulative and Not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

SECTION 5. Chapter 13B (Cannabis-Related Uses and Activities) of Title 15 (Zoning Regulations) of the City Municipal Code is hereby repealed in its entirety and amended to read as follows:

Chapter 13B: PERSONAL CANNABIS CULTIVATION

15-13B-1: Definitions.

The definition of “cannabis” and related terms for the purpose of this Chapter 13B are contained in Section 4-14-3 of the City Municipal Code.

15-13B-2: Prohibited Uses and Activities.

The establishment or operation of any commercial cannabis activity, cannabis-related activity, cannabis storage facility, or cannabis business, including any business licensed by the State or other government entity pursuant to MAURSCA, as it may be amended from time to time, shall comply with Chapter 14 of Title 4 of the City Municipal Code.

15-13B-3: Cultivation of Cannabis for Personal Use.

- A. Outdoor Cultivation: The outdoor cultivation of cannabis is prohibited in the City regardless of purpose.
- B. Indoor Cultivation: Not more than six (6) plants may be cultivated, planted, harvested, dried, processed, or possessed at one time by persons twenty-one (21) years of age or older when conducted within a single private residence and in a manner consistent with section 11362.2 of the State Health and Safety Code and any other applicable regulations.

15-13B-4: Interpretation.

The intent of this Chapter 13B is to prohibit the personal cultivation of cannabis, whether medical or recreational in nature, to the maximum extent allowed under State law. Nothing in this Chapter 13B should be interpreted as allowing behavior otherwise prohibited by State law and nothing in this Chapter 13B should be interpreted as prohibiting conduct that the City is expressly preempted from prohibiting under State law.

SECTION 6. Section 15-1-6 (Definitions) of Chapter 1 (Title; Interpretation; Definitions) of Title 15 (Zoning Regulations) of the City Municipal Code is hereby amended by repealing the following (with the definitions of such Section 15-1-6 appropriately reordered in sequence):

~~CANNABIS: All parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including cannabis infused in foodstuff or any other ingestible or consumable product containing cannabis. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. The term "cannabis" includes "medical cannabis" for the purposes set forth in the Compassionate Use Act of 1996 (Proposition 215), found at section 11362.5 of the Health and Safety Code. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Cannabis" does not mean "industrial hemp" as defined by section 11018.5 of the Health and Safety Code.~~

~~CANNABIS ACCESSORIES: Any equipment, products or materials of any kind which are used or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, smoking, or vaporizing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.~~

~~CANNABIS CULTIVATION: Any activity involving the planting, growing, cultivating, harvesting, drying, curing, grading, trimming or processing of cannabis.~~

~~CANNABIS CULTIVATION FACILITY: A facility where cannabis is cultivated, prepared, and packaged for sale to cannabis dispensaries, to cannabis product manufacturing facilities, or to other cannabis cultivation facilities, but not to consumers.~~

~~CANNABIS DELIVERY: The commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.~~

~~CANNABIS DISPENSARY: A facility or location, whether fixed or mobile, where cannabis, cannabis products, or devices for the use of cannabis are offered, made available to, or provided, either individually or in any combination, with or without remuneration, for medical, recreational, or other purposes.~~

~~CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between State licensed entities for commercial use purposes.~~

~~CANNABIS ESTABLISHMENT: A cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, or a cannabis dispensary.~~

~~CANNABIS MANUFACTURE: To compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.~~

~~CANNABIS PRODUCT MANUFACTURING FACILITY: A facility where cannabis and cannabis products are manufactured, prepared and packaged for sale to other cannabis product manufacturing facilities or to cannabis dispensaries, but not to consumers.~~

~~CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.~~

~~CANNABIS RELATED ACTIVITY: Any commercial cannabis activity, cultivation of cannabis, delivery of cannabis or cannabis products, distribution of cannabis or cannabis products, dispensing of cannabis or cannabis products, manufacture of cannabis or cannabis products, sale of cannabis or cannabis products, and the operation or establishment of a cannabis or medical cannabis cooperative, dispensary, delivery service, or provider. "Cannabis related activity" does not include the cultivation, planting, harvesting, drying, processing or possession of up to six (6) cannabis plants at one time by persons twenty one (21) years of age or older when conducted within a single private residence and in a manner consistent with Health and Safety Code section 11362.2 and any other applicable regulations.~~

~~CANNABIS STORAGE FACILITY: A facility used for the storage of cannabis, cannabis products or cannabis accessories.~~

~~CANNABIS TESTING FACILITY: A facility where cannabis is analyzed and certified for safety and potency.~~

~~COMMERCIAL CANNABIS ACTIVITY: The cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products.~~

SECTION 7. Section 15-5C-2 (Permitted Uses) of Article C (General Commercial (C-3) Zone) of Chapter 5 (Commercial Zones) of Title 15 (Zoning Regulations) of the City Municipal Code is hereby amended to read as follows:

The following uses are permitted in the C-3 Zone:

- A. Animal hospitals.
- B. Daycare centers.
- C. Fitness centers.
- D. General offices not exceeding five thousand (5,000) square feet.
- E. Hotels and motels.
- F. Medical-dental offices and facilities.
- G. Public uses, including, but not limited to, fire and police stations, post offices and libraries.
- H. Recreational facilities (public and commercial).

- I. Restaurants and cafes.
- J. Retail uses (excluding off site alcohol sales).
- K. Cannabis retailers that meet the requirements of title 4, chapter 14 of this Code.
- L. Other similar uses approved by the Director, as provided by chapter 22 of this title.

SECTION 8. Section 2.2.3 (Prohibited Uses) of the Smoky Hollow Specific Plan 2018 is hereby amended to read as follows:

The following uses are prohibited, as defined in Appendix A (Glossary):

- Financial Institutions
- Dwelling: Single, Two, and Multiple Family
- Live/Work
- Service Stations
- General Personal/Mini Storage
- Freight Forwarding
- Medical/Dental Office/Clinic
- Data Centers
- Retail Stores (unless accessory to an allowed use or unless cannabis retailers that meet the requirements of title 4, chapter 14 of the El Segundo Municipal Code)
- Gyms/Fitness Studios
- Vehicle Sales and Services

All existing nonconforming uses listed as prohibited in this Section shall be subject to the procedures outlined in Section 4.4 (Nonconformities).

SECTION 9. Table 2-1 (Allowed Land Uses Table) of the Smoky Hollow Specific Plan 2018 is hereby amended by the addition of the following land use in such Table 2-1:

Land Use	SH-W	SH-E	PF	P ¹	Additional Regulations
Cannabis Retailer	P	—	—	—	Shall meet the requirements of title 4, chapter 14 of the El Segundo Municipal Code

SECTION 10. Sensitive Uses. The People of the City find that the definitions of the sensitive uses (day care centers, schools, and youth centers) under the amendment to Section 4-14-3 of the City Municipal Code in this Measure are subject to some degree of interpretation. However, the People of the City also find that certainty regarding the identification of sensitive

uses (day care centers, schools, and youth centers) under the amendments to Sections 4-14-3 and 4-14-6 of the City Municipal Code in this Measure is required to carry out the purpose and intent of the Measure so that the People, the City, and prospective applicants can clearly identify where and where not lawful cannabis businesses under this Measure may be located. Accordingly and pursuant to the authority delegated by the State to the People of the City under Section 26054(b) of the State Business & Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business & Professions Code, the following sensitive uses (day care centers, schools, and youth centers) and only the following sensitive uses (day care centers, schools, and youth centers) located on the following County Assessor's Identification Numbers and only the following County Assessor's Identification Numbers shall be considered under the amendment to Section 4-14-6.A of the City Municipal Code in this Measure for the purpose of the initial establishment of cannabis retailers pursuant to the initial iteration of the cannabis retailer application procedure under the amendment to Section 4-14-7 of the City Municipal Code in this Measure (to include any review and scoring of any applications pursuant to the objective review criteria and quantitative evaluation scale under the amendment to Section 4-14-7.D of the City Municipal Code in this Measure). Only following the initial iteration of the cannabis retailer application procedure and the initial issuance of commercial cannabis business permits under the amendment to Section 4-14-7 of the City Municipal Code in this Measure, may the City Manager (his or her designee(s)) reinterpret the following list of sensitive uses (day care centers, schools, and youth centers) and County Assessor's Identification Numbers for the purpose of subsequent iterations of the cannabis retailer application procedure under the amendment to Section 4-14-7 of the City Municipal Code in this Measure, change in location applications under the amendment to Section 4-14-13 of the City Municipal Code in this Measure, and any iterations of the application procedure for commercial cannabis activity other than retailers under the amendment to Section 4-14-8 of the City Municipal Code in this Measure.

Name	Sensitive Use Type	County Assessor's Identification Number(s)
138th St Elementary School	School	4145-020-903
Acacia Park	Youth Center	4131-001-902
Arena High (Alternative) School	School	4133-004-900
Beach Babies 1	Day Care Center	4175-005-022
Beach Babies 3	Day Care Center	4138-003-008
Beach Babies 4	Day Care Center	4138-013-029
Beach Babies 5	Day Care Center	4138-009-014
Beach Cities Montessori	Day Care Center	4138-003-027
Boy Scouts of America Troop 773	Youth Center	4135-013-900
Camp Eucalyptus Girl Scouts	Youth Center	4139-021-905
Campus El Segundo Athletics Fields	Youth Center	4138-030-903
Candy Cane Park	Youth Center	4136-029-900
Center Street Elementary School	School	4139-021-901
Chevron Park	Youth Center	4138-016-015
Child Development Center	Youth Center	4138-002-901
Constitution Park	Youth Center	4139-017-801
Da Vinci Connect	School	4143-015-901
Da Vinci Schools	School	4138-003-904

Name	Sensitive Use Type	County Assessor's Identification Number(s)
Del Aire Park	Youth Center	4143-015-900
Eagles' Nest Preschool	Day Care Center	4133-004-900
El Segundo Aquatics Center	Youth Center	4138-003-905
El Segundo Cooperative Nursery School	Day Care Center	4135-014-902, 4135-013-906, 4135-013-907, 4135-015-907, 4135-015-905
El Segundo High School	School	4133-003-900, 4132-026-900, 4132-027-900, 4133-004-900
El Segundo Middle School	School	4139-027-903, 4139-027-904
El Segundo Pre-School	Day Care Center	4136-018-027
El Segundo Recreation Park	Youth Center	4135-014-902, 4135-013-906, 4135-013-907, 4135-015-907, 4135-015-905
El Segundo Teen Center & Skate Park	Youth Center	4135-013-905
Futures Academy - Manhattan Beach	School	4138-011-027
George E. Gordon Clubhouse	Youth Center	4135-014-902, 4135-013-906, 4135-013-907, 4135-015-907, 4135-015-905
Haven Academy of Arts	Youth Center	4138-013-006
Hilltop Christian Preschool	Day Care Center	4135-023-023
Hilltop Park	Youth Center	4135-023-900
Holly Valley Park	Youth Center	4131-026-900
Independence Park	Youth Center	4139-017-801
Juan Cabrillo Elementary	School	4145-015-900
Kansas Park	Youth Center	4139-028-903
Kumon Math and Reading Center of El Segundo	Youth Center	4136-025-004
Kumon Math and Reading Center of Manhattan Beach	Youth Center	4173-008-033
Library Park	Youth Center	4136-005-900
Lindamood-Bell Manhattan Beach Learning Center	Youth Center	4138-011-022
Loft Academy	Youth Center	4135-028-005
Manhattan Beach Village Turf	Youth Center	4138-026-900, 4138-026-902
Manhattan Country Club Preschool	Day Care Center	4138-018-908
Mathnasium	Youth Center	4138-006-008
Mattel Child Development Center	Day Care Center	4138-007-041, 4138-007-042
Richard Henry Dana Middle School	School	4145-020-903
Richmond Street Elementary	School	4136-003-901, 4136-004-901
Sand Dune Park	Youth Center	4176-005-900, 4175-004-901
St John's Lutheran Church Nursery Preschool	Day Care Center	4139-017-036
St. Anthony Preschool	Day Care Center	4135-022-035, 4135-022-033
St. Michael's Child Center	Day Care Center	4136-017-046

Name	Sensitive Use Type	County Assessor's Identification Number(s)
Study Hut Tutoring	Youth Center	4136-006-015
Success Learning Center	School	4145-020-903
Sycamore Park	Youth Center	4139-016-900
Urho Saari Swim Stadium	Youth Center	4136-004-902
Vistamar School	School	4138-010-008
Washington Park	Youth Center	4139-018-800, 4139-018-900
Waterhouse Guild	School	4133-009-017

SECTION 11. Categorically Exempt from CEQA. The People of the City find that the actions contemplated by the Measure, including the issuance of commercial cannabis business permits, are categorically exempt from the California Environmental Quality Act (“CEQA”) under Section 15060(c)(2) and Section 15060(c)(3) of Title 14 of the State Code of Regulations and the holding by the State Supreme Court in *Tuolumne Jobs & Small Business Alliance v. Superior Court* (2014) 59 Cal.4th 1029. Further, the People of the City find that pursuant to Section 4-14-6 of Chapter 14 of the City Municipal Code as codified by this Measure, cannabis retailers are a use permitted by right in certain zoning districts within the City. As permitted in those zoning districts, cannabis retailers are similar to already existing permitted general uses in those zoning districts with the only difference being the type of product being delivered or sold.

SECTION 12. Conflicting Measures. The People of the City find and declare that the provisions of the Measure relating to the regulation of commercial cannabis activity in the City may conflict with one or more provisions of other initiative measures. It is the intent of the People that if the Measure receives a greater number of affirmative votes than a conflicting measure at the same election, this Measure shall prevail in its entirety over a conflicting measure.

SECTION 13. Severability. If any provision, section, paragraph, sentence, phrase, or word of the Measure is rendered or declared invalid, illegal, or unconstitutional by any final action in a court of competent jurisdiction or by reason or any preemptive legislation, such unconstitutionality illegality or invalidity shall only affect such provision, section, paragraph, sentence, phrase, or word and shall not affect or impair any remaining provisions, sections, paragraphs, sentences, phrases, or words, or the application of the Measure to any other person or circumstance, and to that end, the provisions hereof are severable. It is hereby declared to be the intention of the People of the City that that the Measure would have been adopted had such unconstitutional illegal or invalid provision, section, paragraph, sentence, phrase, or word not been included herein.

SECTION 14. Liberal Construction. The Measure is an exercise of the initiative power of the People of the City to provide for safe and regulated access to cannabis and cannabis products, and shall be liberally construed to effectuate that purpose.

SECTION 15. Legal Defense. If approved by a simple majority of voters, and thereafter challenged in court of competent jurisdiction, the City shall defend the Measure in such court of competent jurisdiction. The People of the City by approving this Measure by a simple majority of voter hereby declare that the proponent(s) of the Measure have a direct and personal stake in defending the Measure from constitutional or statutory challenges to the Measure’s validity or implementation. In the event the City fails to defend the Measure, or the City fails to appeal an adverse judgment against this Measure, in whole or in part, in any court of competent jurisdiction,

the Measure's proponent(s) shall be entitled to assert his, her, or their direct personal stake by defending the Measure's validity and implementation in any court of competent jurisdiction and shall be empowered by the People through this Measure to act as agents of the People of the City, and the City shall indemnify the proponent(s) for reasonable attorneys' fees.

SECTION 16. Effective Date. The Measure shall be in full force and effect upon the tenth day following certification by the City Council of the election returns indicating passage of the Measure by a majority of the voters casting votes on the Measure.

SECTION 17. Exhibits. There is one exhibit to this Measure, which is incorporated herein by this reference. The exhibit is as follows:

Exhibit A: Chevron Park Boundary Line & Buffer Radius

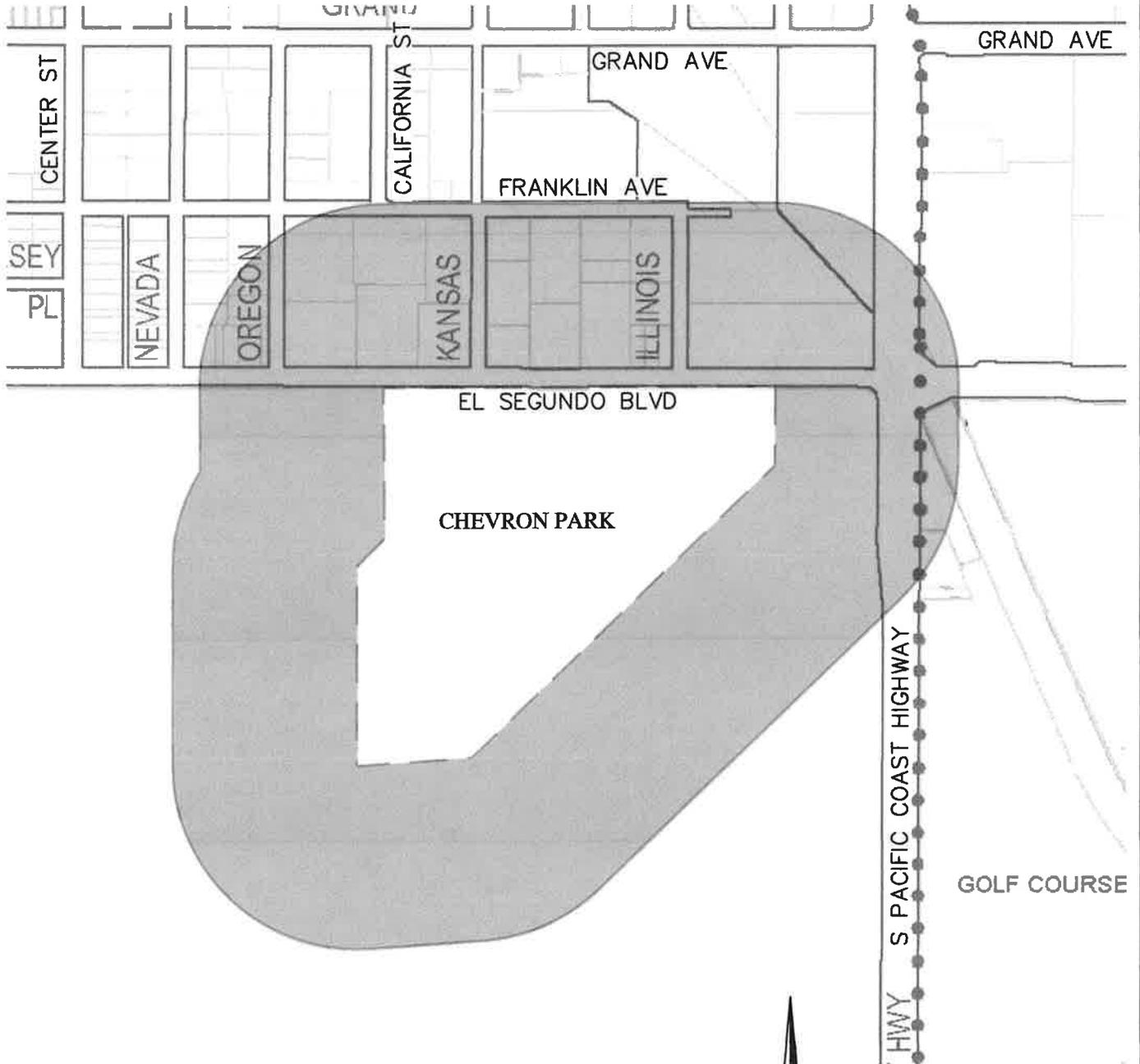
THE EL SEGUNDO CANNABIS REGULATION AND PUBLIC SAFETY MEASURE

EXHIBIT A

CHEVRON PARK BOUNDARY LINE & BUFFER RADIUS

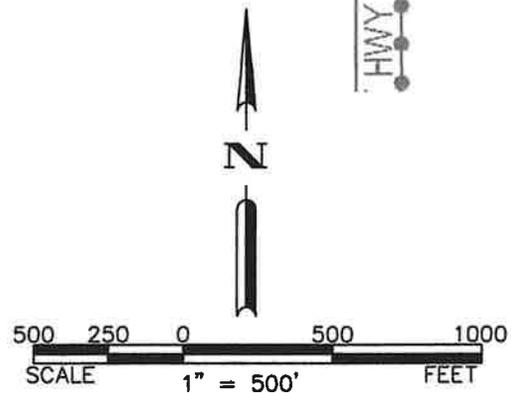
CITY OF EL SEGUNDO

CHEVRON PARK BOUNDARY LINE & BUFFER RADIUS

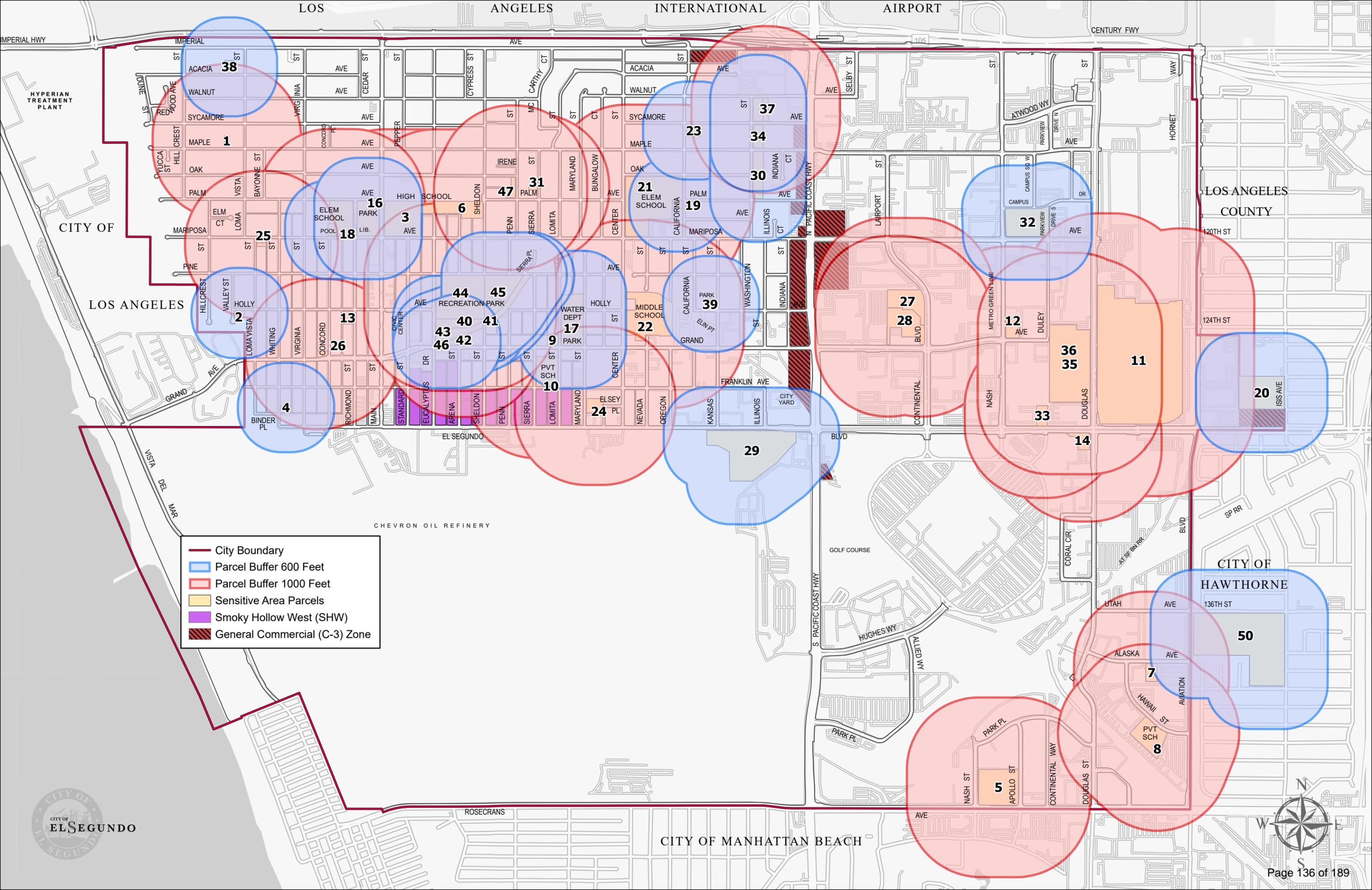


LEGEND (600-FOOT RADIUS BUFFER AREA)

-  CHEVRON PARK BOUNDARY LINE
-  CHEVRON PARK BUFFER RADIUS
-  PARCEL LINE



DATE PREPARED: 07/19/2021



- City Boundary
- Parcel Buffer 600 Feet
- Parcel Buffer 1000 Feet
- Sensitive Area Parcels
- Smoky Hollow West (SHW)
- General Commercial (C-3) Zone





IMPERIAL AVE

CALIFORNIA ST

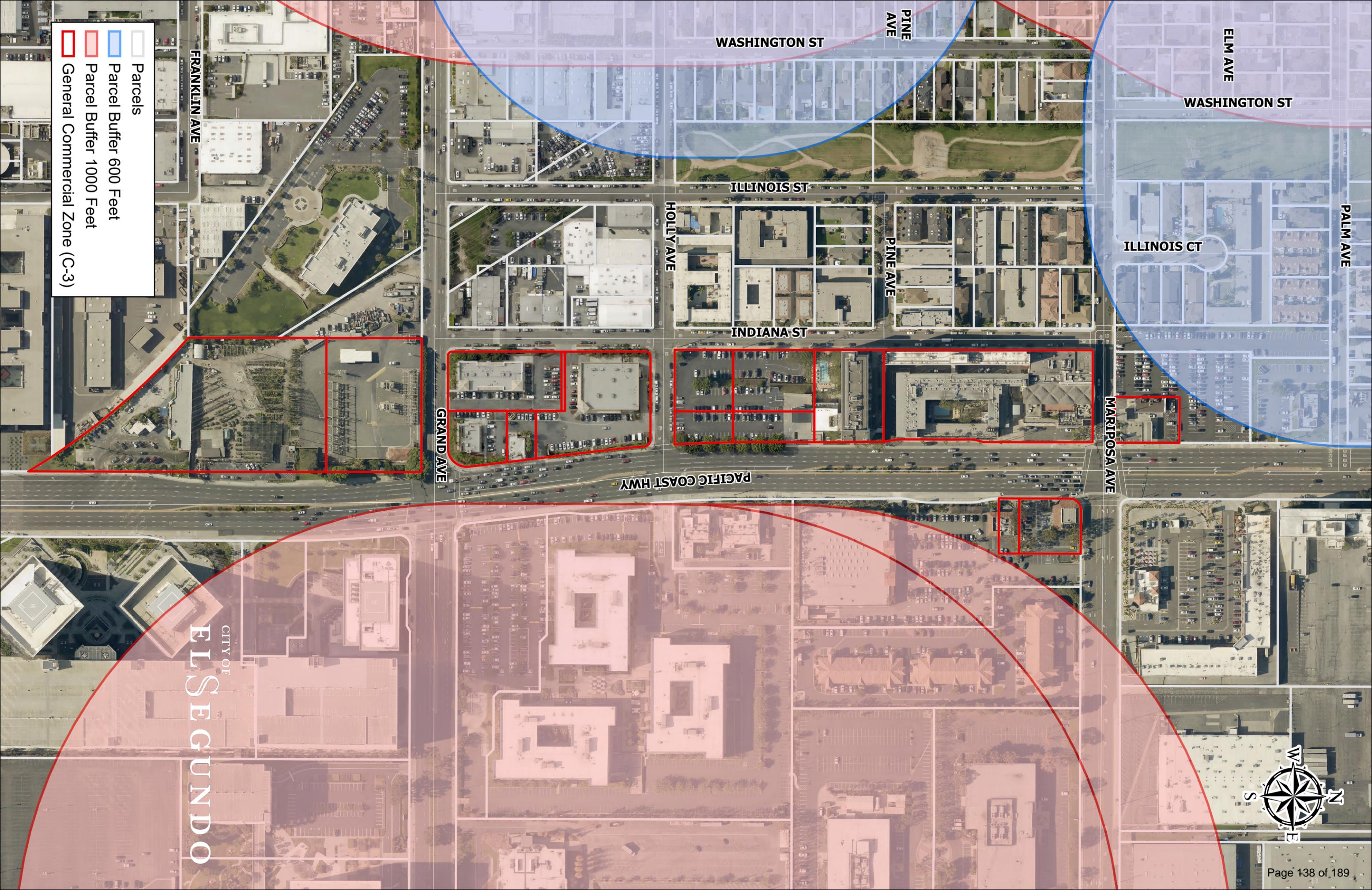
ACACIA AVE

WALNUT AVE

CENTER ST

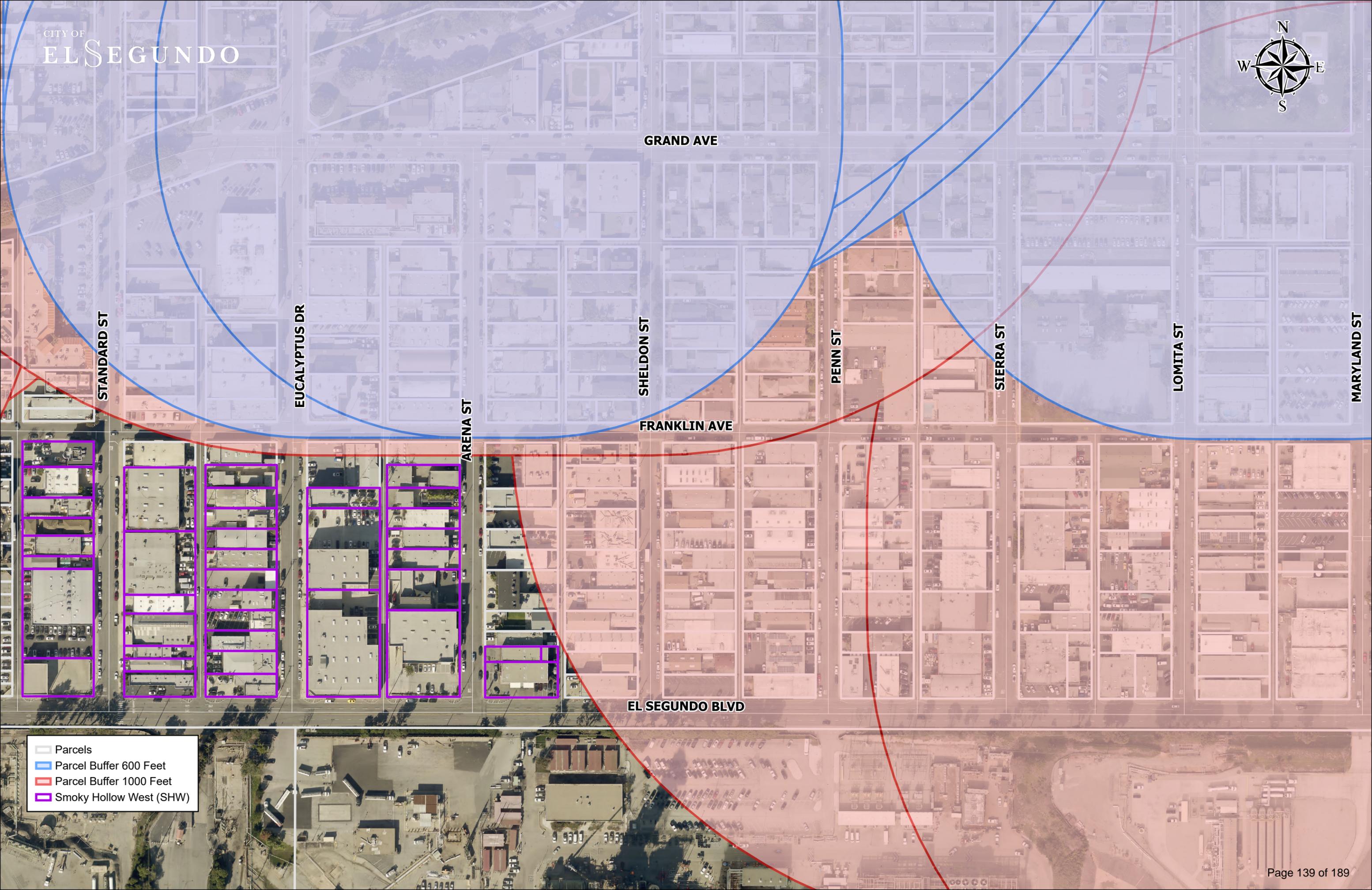
-  Parcels
-  Parcel Buffer 600 Feet
-  Parcel Buffer 1000 Feet
-  General Commercial Zone (C-3)

-  Parcels
-  Parcel Buffer 600 Feet
-  Parcel Buffer 1000 Feet
-  General Commercial Zone (C-3)



CITY OF
EL SEGUNDO





- Parcels
- Parcel Buffer 600 Feet
- Parcel Buffer 1000 Feet
- Smoky Hollow West (SHW)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF CITY OF EL SEGUNDO CONFIRMING THE CITY CLERK'S CERTIFICATION OF THE SUFFICIENCY OF PETITION SIGNATURES FOR THE VOTER INITIATIVE ENTITLED "AN INITIATIVE AMENDING THE EL SEGUNDO MUNICIPAL CODE TO REPEAL THE CURRENT PROHIBITION ON COMMERCIAL CANNABIS ACTIVITIES AND INSTEAD AUTHORIZE COMMERCIAL CANNABIS RETAILING IN SPECIFIED ZONES WITHIN THE CITY SUBJECT TO A REGULATORY PERMITTING PROCESS."

The City Council of the city of El Segundo does resolve as follows:

SECTION 1. *Findings.* The City Council finds and declares as follows:

- A. On July 20, 2021, a notice of intent to circulate an initiative petition was filed with the City Clerk.
- B. The City Clerk provided the City Attorney's ballot title and summary for the initiative to the proponent on August 1, 2021.
- C. The proponent published the ballot title and summary in a newspaper of general circulation on August 5, 2021.
- D. The proponent gathered petition signatures and submitted the petition to the City Clerk on January 21, 2022.
- E. The City Clerk forwarded the petition to the Los Angeles County Registrar-Recorder/County Clerk ("County"), where it examined a sampling of signatures pursuant to the sampling method set forth in Elections Code § 9115 as over 500 signatures were submitted with the petition.
- F. The number of registered voters in the City, as reported by the Secretary of State on July 16, 2021, was 12,451, and pursuant to Elections Code § 9215, the petition is considered sufficient if signed by at least ten percent (10%) of City's registered voters, or 1,245.
- G. Pursuant to the County's signature verification results, 468 of the sample 500 signatures were verified as sufficient, and under Elections Code § 9115(b), a full signature is not required where the statistical sampling shows the number of valid signatures to be more than 110% of the number of signatures required.
- H. The County's sampling indicates the number of valid signatures to be 125% of those required for sufficiency.

- I. The City Clerk has issued a certification, attached hereto as Exhibit “A,” of the sufficiency of the petition signatures for the subject voter initiative (the “Certification”) based upon the County’s signature review which is attached to the report accompanying this Resolution.
- J. The City Clerk must present the Certification to the City Council indicating the sufficiency of the petition signatures at the next regular meeting following the City Clerk’s finding of sufficiency.

SECTION 2. *Approval of Certification.*

- A. The City Council approves and confirms the City Clerk’s Certification attached hereto as Exhibit “A.”
- B. The City Council will take all necessary actions identified in Elections Code § 9215 based upon approval of the Certification.

SECTION 3. *Reporting.* Every 30 days following adoption of this Resolution, the City Council will reconsider the extension of the teleconferencing method of public meetings in accordance with Government Code § 54953(e)(3). Such determinations may be placed on the consent calendar.

SECTION 4. *Electronic Signatures.* This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 5. *Signature Authority.* The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 6. *Effective Date.* This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 7. *City Clerk Actions.* The City Clerk will certify to the passage and adoption of this Resolution, enter it in the City’s book of original Resolutions, and make a record of this action in the meeting’s minutes.

PASSED AND ADOPTED this ____ day of _____, 2022.

Drew Boyles, Mayor

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, hereby certify that the whole number of members of the City Council of the City is five; that the foregoing Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the _____ day of _____, 2022, and the same was so passed and adopted by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:
MARK HENSLEY, CITY ATTORNEY

Joaquin Vazquez, Deputy City Attorney

EXHIBIT "A"

CERTIFICATE OF SUFFICIENCY
OF VOTER INITIATIVE PETITION

I, Tracy Weaver, City Clerk of the City of El Segundo, California ("City"), do certify the following:

A voter initiative petition ("Petition") from proponent, Sandra Spiker, was filed with me on January 21, 2022. My office forwarded the Petition to the Los Angeles County Registrar-Recorder/County Clerk ("County"), where it examined a sampling of signatures pursuant to the sampling method set forth in Elections Code § 9115 as over 500 signatures were submitted with the Petition.

The number of registered voters in the City, as reported by the Secretary of State on July 16, 2021, was 12,451. Pursuant to Elections Code § 9215, the petition is considered sufficient if signed by at least ten percent (10%) of City's registered voters, or 1,245.

The results of the examination by the County were as follows:

- Number of signatures filed 1,660
- Number of signatures verified 500
- Number of signatures found sufficient 468
- Number of signatures found not sufficient 32
- Not sufficient because duplicate 1

Pursuant to the County's signature verification results, 468 of the sample 500 signatures were verified as sufficient. Pursuant to Elections Code § 9115(b) a full signature is not required where the statistical sampling shows the number of valid signatures to be more than 110% of the number of signatures required. Here, the sampling indicates the number of valid signatures to be 125% of those required for sufficiency. Based upon the foregoing results, I certify that a full examination of all submitted signatures is not required, and the Petition is deemed to meet the Elections Code § 9215 registered voter signature requirement.

I hereby set my hand and official seal this 23rd day of February 2022 at El Segundo, California.



TRACY WEAVER
City Clerk



**LOS ANGELES COUNTY
REGISTRAR-RECORDER/COUNTY CLERK**

DEAN C. LOGAN

Registrar-Recorder/County Clerk

February 18, 2022

Ms. Georgeann Hanna, Interim Deputy City Clerk
City of El Segundo
350 Main Street
El Segundo, California 90245

REC'D CITY CLERK'S DEPT
2022 FEB 22 PM 12:22

Dear Ms. Hanna:

We have completed the signature verification submitted on January 26, 2022, for An Initiative Amending the El Segundo Municipal Code to Repeal the Current Prohibition on Commercial Cannabis Activities and Instead Authorize Commercial Cannabis Retailing in Specified Zones Within the City Subject to a Regulatory Permitting Process.

The results of the signature verification are as follows:

Number of signatures filed	1,660
Number of signatures verified	500
Number of signatures found sufficient	468
Number of signatures found not sufficient	32
Not sufficient because duplicate	1

Please call Tiffany Olsen, Head, Data Entry and Signature Verification at (562) 462-2376 if you have any questions regarding the signature verification of this petition.

Sincerely,


 DEAN C. LOGAN
 Registrar-Recorder/County Clerk

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO ADOPTING AN ORDINANCE, WITHOUT ALTERATION, ENTITLED “AN INITIATIVE AMENDING THE EL SEGUNDO MUNICIPAL CODE TO REPEAL THE CURRENT PROHIBITION ON COMMERCIAL CANNABIS ACTIVITIES AND INSTEAD AUTHORIZE COMMERCIAL CANNABIS RETAILING IN SPECIFIED ZONES WITHIN THE CITY SUBJECT TO A REGULATORY PERMITTING PROCESS.”

THE CITY COUNCIL OF THE CITY OF EL SEGUNDO DOES ORDAIN AS FOLLOWS:

SECTION 1. *Findings.* The City Council finds and declares as follows:

- A. Elections Code §9215(a) allows a legislative body to adopt an initiative as an ordinance, without alteration, upon a finding of sufficiency of such initiative by the elections official.
- B. On March 1, 2022, the City Council adopted Resolution No. ____ confirming the City Clerk’s certification of the sufficiency of the petition signatures for the voter initiative entitled:

“AN INITIATIVE AMENDING THE EL SEGUNDO MUNICIPAL CODE TO REPEAL THE CURRENT PROHIBITION ON COMMERCIAL CANNABIS ACTIVITIES AND INSTEAD AUTHORIZE COMMERCIAL CANNABIS RETAILING IN SPECIFIED ZONES WITHIN THE CITY SUBJECT TO A REGULATORY PERMITTING PROCESS.”

- C. The City Council seeks to adopt the voter initiative ordinance (“Ordinance”) attached hereto as Exhibit “A,” without alteration, in accordance with Elections Code §9215(a)

SECTION 2. *Approval.* The City Council approves and adopts the Ordinance attached hereto as Exhibit “A,” without alteration.

SECTION 3. *Environmental Review.* This Ordinance was reviewed pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, “CEQA”) and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq.*, the “CEQA Guidelines”). Based upon such review, the Ordinance is categorically exempt from CEQA pursuant to CEQA Guidelines § 15060(c)(2) and § 15063(c)(3) and the California Supreme Court’s holding in *Tuolumne Jobs & Small Business Alliance v. Superior Court* (2014) 59 Cal.4th 1029.

SECTION 4. *Electronic Signatures.* This Ordinance may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 5. Construction. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6. Enforceability. Repeal or amendment of any provision of the ESMC will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 7. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8. Recording. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the city of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 9. Execution. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Ordinance signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or duly appointed deputy, is directed to attest thereto.

SECTION 10. Effectiveness. This Ordinance will take effect 30 days following its final passage and adoption.

PASSED AND ADOPTED this _____ day of _____,
2022.

Drew Boyles, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM
MARK D. HENSLEY, CITY ATTORNEY

By: _____
Joaquin Vazquez,
Deputy City Attorney

**EXHIBIT "A"
ORDINANCE**

**[ACCOMPANIES REPORT PRESENTED WITH THIS
ORDINANCE PRESENTED TO COUNCIL AND ON FILE WITH
THE CITY CLERK]**



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Staff Presentations

Item Number: D.10

TITLE:

Progress Update on Local Early Action Planning Grant Inclusionary Housing Study

RECOMMENDATION:

1. Receive and file update on the Local Early Action Planning (LEAP) grant, including initial findings related to inclusionary housing.
2. Provide direction on next steps and areas of focus.

FISCAL IMPACT:

This study is funded by the California Department of Housing and Community Development (HCD), LEAP grant. All City costs for conducting the study and administering the grant up to \$65,000 are reimbursed by HCD.

BACKGROUND:

On June 2, 2020, City Council adopted Resolution No. 5215, authorizing staff to submit an application for the state's LEAP Grant. The LEAP Grant program funds projects that assist in the preparation and adoption of planning documents and process improvements that accelerate housing production and implement the regional housing need assessment (RHNA).

On June 23, 2020, staff submitted an application for a LEAP Grant. The scope of the application was to create a new R-4 (High Density Residential) zone and to study a R-3 zoned neighborhood east of Washington Park for the purpose of re-zoning it to R-4. In August 2020, after some preliminary research, staff determined that rezoning the particular neighborhood would not be feasible, because the rezoning by itself would not generate substantial redevelopment opportunities or addition of residential units to support mandatory RHNA compliance during the 6th cycle Housing Element.

In September 2020, staff considered several other program goals from the 5th cycle Housing Element to implement using the grand funds. One significant outstanding

LEAP Grant - Inclusionary Housing Study

March 1, 2022

Page 2 of 3

program goal was to conduct an inclusionary housing study (which has also been included in the 6th cycle Housing Element). Inclusionary housing is the mandatory inclusion of a certain number or percentage of affordable housing units in an otherwise private residential development. The number or percentage of affordable units, and the distribution of affordability (income levels of prospective tenants/buyers) may be unique to a city or project, depending on local economics and policy preferences in order to meet the City's affordable housing goals. In November 2020, staff requested a formal change to the grant scope in order to implement this outstanding program goal. On January 15, 2021, HCD awarded the City \$65,000 to be used for grant administration and for conducting the inclusionary housing study.

In April 2021, the City entered into a Professional Services Agreement with Economic and Planning Systems, Inc. (EPS) who would facilitate and conduct the related inclusionary housing study.

DISCUSSION:

In May 2021, staff and EPS kicked off the project and in summer 2021 EPS conducted some preliminary research on the housing market conditions in El Segundo as well as City housing policies and other related information. In fall 2021, EPS conducted a preliminary analysis on the feasibility of an inclusionary housing program in El Segundo. Staff's presentation will provide a status update on EPS and preliminary work on the inclusionary housing study, potential next steps in the process, and describe alternative/complementary options for use of the LEAP grant funds.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

PREPARED BY:

Paul Samaras, AICP, Principal Planner

REVIEWED BY:

Michael Allen, AICP, Development Services Director

APPROVED BY:

Joseph Lillio, Chief Financial Officer

LEAP Grant - Inclusionary Housing Study

March 1, 2022

Page 3 of 3

ATTACHED SUPPORTING DOCUMENTS:

None



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Staff Presentations

Item Number: D.11

TITLE:

Temporary Outdoor Dining Permitted During the Pandemic in the Public Right-of-Way in the Downtown Area

RECOMMENDATION:

1. Receive and file information regarding staff requiring immediate outdoor dining improvements to be removed that do not meet building code safety requirements.
2. Direct staff to cause the immediate removal of all outdoor dining located within travel lanes.
3. Discuss items 4 and 5 below but direct staff to conduct public outreach and bring these items back for Council's further consideration at its May 3, 2022 meeting.
4. Establish a date not later than October 31, 2022, for the removal of the remainder of all temporary outdoor dining improvements that were allowed during the pandemic.
5. Direction to proceed with further studies and development of a permanent outdoor dining program.

FISCAL IMPACT:

Further study and development of outdoor dining does not have any direct fiscal impact to the City's general fund. Staff time is included in the FY 2021-2022 Adopted Budget.

BACKGROUND:

On March 4, 2020, the Los Angeles County Department of Public Health ("LACDPH") declared a local health emergency in response to the increased spread of the novel coronavirus ("COVID-19") pandemic across the country. In declaring the local health emergency, LACDPH acted in alignment with the Governor of California's State of Emergency proclaimed on March 4, 2020, and Executive Order N-25-20 (March 12,

Temporary Outdoor Dining in Public Right-of-Way

March 1, 2022

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2020) and the continued national and international impact of COVID-19. On March 19, 2020, the state Department of Alcohol and Beverage Control ("ABC" or "Department") issued the First Notice of Regulatory Relief suspending or reducing certain requirements to allow the sale of alcohol in outdoor areas.

In response to the LACDPH actions, a state of local emergency was declared by the City Manager as the Director of Emergency Services on March 16, 2020. The local order was amended on June 29, 2021 to permit temporary outdoor dining allowances for restaurant owners in the public right of way, intended to augment the limitations posed on restaurants related to occupancy of indoor spaces while dining. All owners were required to enter into agreements with the City to be able to utilize the public right-of-way for dining purposes.

Since adoption of the local emergency declaration, a total of 26 temporary encroachment permits have been issued by the Public Works Department to allow temporary outdoor activities, including dining or service area in the right-of-way, sidewalk, parking lanes, and on some occasions (e.g. Main St.) within a vehicular travel lane. Despite being allowed to resume 100% indoor capacity, several establishments have expressed a desire to convert their temporary outdoor dining into permanent areas, as some patrons prefer to sit outside rather than indoors.

As is explained below, there are numerous issues to be addressed in considering allowing use of the public right-of-way for outdoor dining, including but not limited to aesthetics; restrictions on the City's right to allow dining in the right of way as the City only owns an easement in the right of way areas; ABC regulations going back into effect no later than July 1, 2024, and their requirement, among other things, that the sale of alcohol in outdoor areas be immediately adjacent to the restaurant; the reduction in the number of parking spaces; traffic flow; drainage; and liability issues.

Parklets and Outdoor Dining Options

Staff surveyed downtown residents and businesses to determine whether they supported street and lane closures to accommodate outdoor dining. Approximately 80% of respondents were in favor of the continued allowance of outdoor dining in some form. Permanent installations within the right-of-way are frequently referred to as "parklets," and have been implemented throughout the state over the last several years. Parklets are just one method of allowing outdoor dining, as street and lane closures are also options.

A parklet is an extension of the sidewalk that repurposes on-street parking spaces for the creation of seating space. The idea is to transform public space, such as a parking spot, to increase the area so that it is still wide enough for pedestrian travel (current ADA requirement is 4 feet), and allow for landscaping while also being utilized by patrons of restaurants and cafés for outdoor dining. The goal is for these spaces to become a focal point for the community and a welcoming place to attract customers to the downtown area that supports local businesses.

Temporary Outdoor Dining in Public Right-of-Way

March 1, 2022

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Other outdoor dining configurations may be realized through the use of existing sidewalk area, expanding (through capital improvements) the sidewalk area into the parking lane, or converting landscaping or parking areas on private property into permanent outdoor dining areas.

Current Safety and Business Concerns

Based upon the temporary outdoor dining allowed by the City's emergency order to address pandemic issues, several establishments along Main Street occupy parklets that encroach into both the parking lane and a travel lane. A traffic lane in each direction for a segment of Main Street, north of Holly Avenue, is barricaded to allow for outdoor dining. This configuration results in impeded traffic flow. There have been two traffic incidents where drivers drove into the barriers and in one case the barriers moved several feet, even though the vehicle was a mid-size sedan traveling at a relatively low speed. Staff is concerned that the use of vehicle lanes presents a potential hazard for patrons, and it is recommended that the driving lanes be discontinued.

Staff also note that some restaurants have installed shade and other structures, heaters, and temporary utilities that do not meet building code safety requirements. Staff will be inspecting all outdoor dining areas over the next several weeks and require that improvements that don't meet building code requirements be removed.

Staff have received inquiries from business owners along Richmond Street, who have expressed a desire to permanently close the street to through traffic. Conversely, staff has also received inquiries from business owners along Richmond Street who have inquired about when the street will be re-opened, and have shared that the closure is negatively impacting their business operations by limiting access and parking.

While the indoor capacity of both restaurant and non-restaurant uses attempt to resume 100% occupancy, and vehicular traffic and demand for on-street parking return to pre-pandemic levels, staff needs further clarification and direction from City Council to further study and develop a permanent parklet program.

DISCUSSION:

El Segundo Municipal Code ("ESMC") establishes specific requirements for restaurants and associated outdoor dining on private property, which include, parking, landscaping, setbacks, and permitting requirements. The ESMC does not currently permit permanent outdoor dining or use of the right-of-way. To permit an outdoor dining program as described above, the following items require additional study for any future implementation.

City's Rights within the Right-of-Way

El Segundo's street segments along 1) Main Street between El Segundo Boulevard and Pine Avenue; 2) Grand Avenue between Richmond Street and Standards Street; 3)

Temporary Outdoor Dining in Public Right-of-Way

March 1, 2022

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Standard Street between Grand Avenue and Franklin Avenue; and 4) Richmond Street between Franklin Avenue and Grand Avenue, are held through a right-of-way easement (an easement for public road and highway purposes). Unlike a private easement, the use rights of a public right-of-way easement are vested equally in each member of the public.

Any future permanent use of the subject street segments must continue to serve as a means for the transport or transmission of people, commodities, waste products or information, or serve public safety; serve either the public interest or public use rights; and not interfere with the use of any abutting properties. Depending on the outdoor dining program, it may be necessary to vacate part of the right-of-way and or reconfigure the right-of-way.

Costs

A permanent outdoor dining program may require capital improvements, which may be significant depending on the type of program established. The widening of sidewalks and potentially relocating utilities and storm drains may be necessary to allow for adequate space to accommodate pedestrians, landscaping and outdoor dining areas.

Parking

The ESMC currently requires parking for restaurant, retail, and service establishments based on the gross total floor area of the business location. Outdoor dining on private property does not require any parking if less than 200 square feet. Any outdoor dining area greater than 200 square feet requires one parking stall per 75 square feet. In addition to the parking required based on square footage, parking availability would be further diminished with the use of parking lanes for parklets.

Although a business establishment may favor the additional floor area over street parking directly in front of their business, the loss of parking lanes reduces available street parking for patrons of all establishments located along that street.

Design Standards and Aesthetics

Any long-term or permanent outdoor dining program will need to incorporate design guidelines or regulations. Appropriate guidelines or regulations would ensure quality and consistent design throughout the City, and may include location and maintenance of outdoor dining, platform materials, setbacks or buffers, landscaping, signage, color palettes, furniture and furnishings, lighting, art, etc. These standards should be developed by studying best practices throughout the state, and through community engagement.

Capital Improvements and Liability Considerations

Placing outdoor dining areas immediately adjacent to traffic lanes raises liability concerns. In addition to the risks posed by vehicles, there are risks associated with servers and bussers having to continually cross public sidewalks to serve patrons. The potential liability, particularly from vehicles, is extreme and it is highly unlikely that a

Temporary Outdoor Dining in Public Right-of-Way

March 1, 2022

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restaurant operator could afford to provide levels of coverage that are commensurate with the associated risk. The City would remain potentially liable for injuries stemming from accidents occurring on City-owned property. This risk could be removed/transferred if the right-of-way area next to the restaurant is vacated and ownership is returned to the property that the restaurant is located on. This would require an engineering solution that would allow space for pedestrians, reasonable measures of protection against the threat posed by moving vehicles, and potential relocation of utilities and storm drains.

Alcohol Service

After the Governor proclaimed an emergency in March 2020, ABC instituted a “COVID-19 Temporary Catering Authorization” program that allowed for licensees to exercise license privileges in an expanded area adjacent to the licensed premises and under the control of the licensee. In October 2021, the Governor signed AB 61 and SB 314 into law. These bills allow the Department to extend the period of time during which a COVID-19 Temporary Catering Authorization is valid for a period of 365 days following the end of the Governor’s declared state of emergency. Both laws will remain effective until no later than July 1, 2024, and could terminate as soon as March 30, 2023. Once ABC’s Temporary Catering Authorization is no longer in effect, many businesses may be less interested in using/ maintaining parklets if the service of alcohol within them is not permitted. If the outdoor dining area is immediately adjacent to the restaurants, then it can potentially be granted an ABC license but this, again, triggers the widening of sidewalks and relocation of utilities.

Nuisance

If outdoor dining is anticipated to be a permanent program (or otherwise long term), the City could face the prospect of expensive legal battles in the event it finds it necessary to revoke or modify one or more of the permits. For example, if a site becomes a nuisance due to repeated instances of fighting or other public disturbances, the City may choose to modify the permit to prohibit the service of alcoholic beverages within the parklet or even revoke the permit altogether. In such a case, the City would need to provide the permit holder due process (notice and an opportunity to be heard) before taking action. The permit holder could then seek judicial review of the City’s decision. The process addressing nuisances can be time-consuming and expensive, depending on the amount of resources the other party is willing to invest in resisting the City’s efforts.

City’s Emergency Order Permitting Outdoor Dining

The City’s ability to continue to permit temporary outdoor dining is dependent on being able to establish that such is necessary to deal with the impacts of the pandemic. As restrictions are lifted and the public returns to being comfortable dining indoors, the City will no longer have the legal right to permit outdoor dining through an emergency order. Staff is recommending that the City begins signaling to businesses an end date to the outdoor dining permitted by the emergency order so that the businesses can adjust back to their normal operations. Staff also recommends that the Council consider an

Temporary Outdoor Dining in Public Right-of-Way

March 1, 2022

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end date of October 31, 2022 if the impact of the pandemic continue its current downward trend.

Next Steps

Staff recommends that the City engage in additional public outreach and return to the Council at its May 3, 2022 meeting for further Council direction. This will allow the residents and business owners time to understand the issues and provide input to the City for its consideration.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

PREPARED BY:

Michael Allen, AICP, Development Services Director

REVIEWED BY:

Michael Allen, AICP, Development Services Director, Elias Sassoon, Public Works Director, Barbara Voss, Deputy City Manager

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

None



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Staff Presentations

Item Number: D.12

TITLE:

Temporary Appointment of CalPERS Retiree Darrell George to Interim City Manager Pursuant to Government Code §§ 7522.56 and 21221(h).

RECOMMENDATION:

1. Adopt a resolution authorizing the appointment of CalPERS retired annuitant Darrell George in compliance with Government Code §§ 7522.56 and 21221(h).
2. Approve the attached Employment Agreement with Darrell George for the interim appointment to the position of City Manager.

FISCAL IMPACT:

The City Manager position is currently funded in the FY 2021-2022 budget. There is no additional ongoing fiscal impact associated with the temporary appointment of a retired annuitant to the Interim City Manager position. In accordance with CalPERS requirements, Mr. George will not be eligible for any compensation or benefits in addition to the hourly pay rate while working for the City of El Segundo as a retired annuitant.

BACKGROUND:

On February 2, 2022 City Manager, Scott Mitnick separated from the City of El Segundo and the City Council appointed Chief Financial Officer, Joseph Lillio as the acting City Manager. A City Council subcommittee was formed and tasked with interviewing candidates for an interim role. Darrell George was identified as the best match for the interim City Manager position pending an executive recruitment for a permanent City Manager.

DISCUSSION:

Temporary Appointment of Interim City Manager

March 1, 2022

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The California Public Employees' Retirement System (CalPERS) recognizes that retirees can play an important role in maintaining city operations, particularly in short-term or emergency situations; however, they also specify limitations on a retiree's service when returning to work for a CalPERS agency. Government Code §§ 7522.56 & 21221(h) provide specific guidance on employing a CalPERS retiree without interruption to retirement benefits or reinstatement from retirement. Key terms of hiring a retired annuitant under the Government Code are:

The retiree must wait 180 days after their retirement date before they can return to work for a CalPERS employer, unless there is a qualifying exception. Mr. George met the 180-day waiting period in July of 2020.

There must be an open recruitment to permanently fill the vacant position in process. The appointment of a retired annuitant to a vacant position must be for a limited duration, and their work history must show previous experience and the skill set needed to perform the work required. The City is actively recruiting for the City Manager position. Mr. George's public sector work experience includes serving as a City Manager and Community Development Director. He possesses special skills and knowledge directly related to the City's City Manager position. For these reasons, staff recommends that Mr. George be temporarily appointed until the recruitment is completed or September 2, 2022, whichever occurs earlier. Both the City and Mr. George are aware that a retired annuitant can only be appointed once to this vacant position as required by Gov. Code § 21221(h).

The retired annuitant's salary cannot be less than the minimum or exceed the maximum for the vacant position as listed on the employer's publicly available pay schedule for the position. Mr. George will be temporarily appointed as the City Manager. His hourly pay rate upon temporary hire will be \$124.86.

The retired annuitant cannot be paid any other compensation or benefits in addition to the hourly pay rate. Sections 5 and 6 of Mr. George's employment agreement specifies that he is ineligible to receive any compensation or benefits other than his hourly pay rate during the temporary appointment.

A maximum of 960 hours can be worked within a fiscal year (July 1 to June 30) and CalPERS does not provide any exception to this limit. Nonpaid or volunteer hours can't be used in order to exceed 960 hours in a fiscal year. Mr. George is expected to work for a period of no more than six months while the City completes the recruitment for a permanent appointment to the City Manager position. The City will be required to enroll Mr. George as a retired annuitant in the myCalPERS system and report hours worked.

The retiree will not accrue service credit or any additional retirement rights or benefits. While the City is required to report hours worked by Mr. George, those hours will not be counted as additional retirement service credits and reported only for the

Temporary Appointment of Interim City Manager

March 1, 2022

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purposes of tracking the fiscal year hours limit.

The employment agreement identifies the detailed terms of Mr. George's temporary appointment. Staff recommends that City Council adopt a Resolution authorizing the temporary appointment effective March 2, 2022.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

PREPARED BY:

Rebecca Redyk, Human Resources Director

REVIEWED BY:

Rebecca Redyk, Human Resources Director

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution Appointing Interim City Manager
2. Employment Agreement Darrell George

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL
SEGUNDO APPOINTING DARRELL GEORGE AS AN INTERIM CITY
MANAGER**

Government Code Section 21221(h)

WHEREAS, Government (Gov.) Code section 21221(h) of the Public Employees' Retirement Law permits the governing body to appoint a CalPERS retiree to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, the City of El Segundo desires to appoint Darrell George as an interim appointment retired annuitant to the vacant position of City Manager for the City of El Segundo under Gov. Code section 21221(h), effective March 2, 2022; and

WHEREAS, the City Council, the City of El Segundo and Darrell George certify that Darrell George has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, an appointment under Gov. Code section 21221(h) requires the retiree is appointed into the interim appointment during recruitment for a permanent appointment; and

WHEREAS, the City Council has authorized the search for a permanent appointment on February 28, 2022; and

WHEREAS, this Gov. Code section 21221(h) appointment shall only be made once and therefore will end on Friday, September 2, 2022; and

WHEREAS, the entire employment agreement, contract or appointment document between Darrell George and the City of El Segundo has been reviewed by this body and is attached hereto; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, based on Resolution No. 5276 adopted on October 19, 2021, the annual salary for the for the full-time City Manager position is \$259,700, and the hourly equivalent is \$124.86;

WHEREAS, the hourly rate paid to Darrell George will be \$124.86; and

WHEREAS, Darrell George has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

THEREFORE, BE IT RESOLVED THAT the City Council hereby certifies the nature of the employment of Darrell George as described herein and detailed in the attached employment agreement document and that this appointment is necessary to fill the critically needed position of City Manager for the City of El Segundo by March 2, 2022 because his employment is needed to provide day-to-day management of the City until a permanent City Manager is hired.

PASSED AND ADOPTED this ___ day of March, 2022.

Drew Boyles,
Mayor

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2022, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

CITY OF EL SEGUNDO

EMPLOYMENT AGREEMENT FOR INTERIM CITY MANAGER SERVICES

THIS EMPLOYMENT AGREEMENT FOR INTERIM CITY MANAGER SERVICES (“Agreement”) is made and entered into as of this ____ day of _____, 2022 by and between the City of El Segundo (“City”) and Darrell George (“Employee”).

RECITALS

- A. Pursuant to Government Code sections 7522.56(c) and 21221(h), City desires to employ Employee, a California Public Employees’ Retirement System (CalPERS) retiree, on an interim basis in the position of Interim City Manager for the City of El Segundo while the City actively recruits a permanent City Manager.
- B. Pursuant to Government Code sections 7522.56(c) and 21221(h), the City Council finds that the position of Interim City Manager requires specialized skills and experience associated with city management and that Employee possesses the skills needed to perform the functions and duties of Interim City Manager.
- C. Employee desires to accept appointment to the position of Interim City Manager under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants contained herein, the parties agree as follows:

1. Duties. City hereby employs Employee as Interim City Manager for the City of El Segundo to perform the functions and duties of the City Manager, as specified by the City’s Municipal Code and the Government Code, and to perform such other legally permissible and proper duties and functions as the City Council may from time to time assign or as may be necessary and desirable in the opinion of Employee for the efficient management of the City. As part of his duties, Employee shall assist with the recruitment of a permanent City Manager.

2. Work Schedule. During his employment, Employee shall devote such time, interest and effort to the performance of this Agreement as is necessary to carry out his duties as City Manager. Employee shall be available during normal City business hours and shall be available for attendance at City Council and other meetings during non-business hours as may be necessary. Employee acknowledges that his duties will often require performance of services outside of normal business hours. In no event shall Employee be compensated for more than 960 hours during the term of this Agreement, including any extension hereof.

3. Work Restrictions/CalPERS. At the time this Agreement is entered into, Government Code Section 21224 allows a CalPERS retiree to perform contractual employee services under certain circumstances for up to a total of 960 hours in any fiscal year for all CalPERS contracting employers without being reinstated from retirement, and without loss or

interruption of CalPERS retirement benefits. However, it is agreed and acknowledged by the parties that in making this Agreement available to Employee, neither the City nor any of its elected or appointed officials, officers, employees or agents assures, represents, or guarantees that performance of the contracted-for services is in accordance with these certain circumstances and will have no impact upon Employee's CalPERS retirement benefits. If a controversy arises between Employee and CalPERS regarding the impact of this Agreement and the services provided for herein upon the nature of CalPERS retirement benefits, the City shall have no obligation to intervene in or defend or prosecute such dispute. Accordingly, it is recommended by the City that, prior to entering into this Agreement, Employee first bring it to the attention of CalPERS and that Employee thereby personally determine what, if any, impact this Agreement and the performance of the services set forth herein will or may have upon the employee's CalPERS retirement benefits. Additionally, it is recommended that Employee consult with his own legal counsel regarding the terms and conditions of this Agreement. Employee hereby releases and holds harmless the City and its officials, officers, employees and agents from and against any and all actions (including imposition of costs, fines and penalties) that CalPERS may impose against Employee arising from or relating to this Agreement. This provision shall survive the expiration or earlier termination of this Agreement.

4. Term. Subject to earlier termination as provided for in this Agreement, Employee shall be employed for a term beginning March 2, 2022 and ending on September 2, 2022, or when a permanent City Manager assumes office, whichever is sooner.

5. Compensation. For services rendered pursuant to this Agreement, City agrees to pay Employee compensation of \$124.86 per hour, which amount is in conformance with the requirements of Government Code section 7522.56(d). This hourly rate does not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule for the city manager position, divided by 173.333. Employee shall not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate set forth herein. Employee will be compensated in bi-weekly payments (at the same time that City employees are regularly paid) and Employee's hourly wages paid pursuant to this Agreement are subject to all applicable withholdings and deductions in accordance with applicable law. Employee shall record all of his hours on a daily basis and transmit such records to the Finance Department on a weekly basis. Employee's attendance at conferences and seminars that are normal and customary for city managers shall be deemed working hours for purposes of this Agreement.

6. Benefits. Employee hereby waives all benefits provided to City employees, including retirement contribution, health/medical insurance, dental insurance, life and disability insurance, sick leave, vacation, unemployment insurance and similar benefits. Notwithstanding the foregoing, Employee shall be entitled to observe all City holidays in the same manner as employees of the City. Employee recognizes that Government Code section 21221(h) provides that a retired person appointed to a vacant position pursuant to that subdivision may not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate.

7. Termination. The City may terminate this Agreement at any time with or without cause. Employee may terminate this Agreement at any time with or without cause provided, however, he shall provide the City Council with at least two weeks' advance written notice prior to the effective date of termination, if practicable, unless a shorter period is acceptable to the City Council. Employee agrees that he shall not be entitled to any severance pay as the result of the termination of this Agreement for any reason whatsoever.

8. At-will Employment/FLSA Exempt. Employee shall serve at the will and pleasure of the City Council and understands he is an "at-will" employee subject to summary dismissal without any right of notice or hearing, including any so-called "Skelly" hearing. Employee will not acquire any property interest in the position of Interim City Manager and is employed solely on a temporary basis to perform specialized services in accordance with Government Code sections 7522.56(c) and 21221(h). Employee further understands and agrees that his position is that of an exempt employee for purposes of the Fair Labor Standards Act.

9. Certification Regarding Prior Unemployment Benefits. In accordance with Government Code section 7522.56(e)(1), Employee certifies and warrants to City that he has not received any unemployment insurance payments for retired annuitant work for any public employer within the twelve months prior to his appointment date under this Agreement.

10. Reimbursable Expenses. During the term of this Agreement, City shall reimburse for reasonable business expenses, including travel (not to and from worksite), parking and professional dues associated with maintaining membership in professional organizations pursuant to the applicable provisions of the El Segundo Municipal Code and City administrative policies. Reimbursement requests must be supported by written documentation in accordance with established policies and customary practices of the City.

11. Conflicts Prohibited. During the term of this Agreement, Employee shall not engage in any business or transaction or maintain any financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of Employee's duties under this Agreement. Employee shall comply with all requirements of law, including but not limited to the Political Reform Act (Gov't Code § 87100, et seq.), Government Code sections 1090 and 1126, and all other similar statutory or administrative rules. Employee represents and warrants that he has no financial, contractual or other interest or obligation that conflicts with or is harmful to the performance of his obligations under this Agreement.

12. Indemnification. For the purposes of indemnification and defense of legal actions, Employee shall be considered an employee of the City and shall be entitled to the same rights, and subject to the same obligations and limitations, as other employees of the City as set forth in the Government Code. Accordingly, City shall defend, hold harmless, and indemnify Employee against any tort, professional liability, claim or demand, or other legal action arising out of an act or omission occurring within the course and scope of Employee's services under this Agreement. Notwithstanding the foregoing, this indemnification obligation shall not apply to any intentional tort or crime committed by Employee, to any action outside the course and scope of services provided by Employee under this Agreement, or any other intentional or malicious conduct or gross negligence of Employee.

13. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be personally served or sent by U.S. Mail, first class postage prepaid, to the following address:

To City: City of El Segundo
 350 Main Street
 El Segundo, CA 90245
 Attn: City Attorney

To Darrell George: 1753 E. Ocean Boulevard \$9
 Long Beach, CA 90802

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the United States Mail.

14. Entire Agreement. This Agreement supersedes any and all prior understandings or agreements, written or oral, between the parties, and contains all of the covenants and agreements between the parties regarding the subject matter herein. Each party acknowledges that no promises, representations, inducements or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not set forth herein. No modification to this Agreement shall be effective unless reduced to writing and signed by both parties.

15. Severability. In the event any provision of this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement or portion thereof shall be deemed severable and shall not be affected and shall remain in full force and effect.

16. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. No waiver of any right or remedy in respect of any occurrence or event shall be deemed a waiver of any right or remedy in respect of any other occurrence or event.

17. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The exclusive venue for all disputes arising from or related to this Agreement shall be the Superior Court for the County of Los Angeles.

18. Interpretation. Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

19. Independent Legal Advice. City and Employee represent and warrant to each other that each has read and fully understands the terms and provisions hereof, has had an opportunity to review this Agreement with legal counsel, and has executed this Agreement based upon such party's own judgment and advice of independent legal counsel.

CITY OF EL SEGUNDO

Drew Boyles, Mayor

Darrell George

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark Hensley, City Attorney



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Staff Presentations

Item Number: D.13

TITLE:

Temporary Appointment of a CalPERS Retiree John Jones to Interim Community Services Director Pursuant to Government Code §§ 7522.56 and 21221(h)

RECOMMENDATION:

1. Adopt a resolution authorizing the appointment of CalPERS retired annuitant John Jones in compliance with Government Code §§ 7522.56 and 21221(h).
2. Approve the attached Employment Agreement with John Jones for the interim appointment to the position of Community Services Director.

FISCAL IMPACT:

Included in Adopted FY 2021/22 Budget under the Director of Community Services position.

Account Number(s): 001-400-6101-4XXX (salary and benefit accounts)

The Community Services Director position is currently funded in the FY 2021-2022 budget. There is no additional appropriation required to fund the temporary appointment of a retired annuitant to the Interim Community Services Director position. In accordance with CalPERS requirements, Mr. Jones will not be eligible for any compensation or benefits in addition to the hourly pay rate while working for the City of El Segundo as a retired annuitant.

BACKGROUND:

Community Services Director, Melissa McCollum resigned from her position effective March 1, 2022. This position is vital to the daily functions of the City of El Segundo and as such, there is a need to fill this integral Executive Management position on an interim basis while the City conducts a recruitment for a permanent replacement.

Temporary Appointment

March 1, 2022

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DISCUSSION:

The California Public Employees' Retirement System (CalPERS) recognizes that retirees can play an important role in maintaining city operations, particularly in short-term or emergency situations; however, they also specify limitations on a retiree's service when returning to work for a CalPERS agency. Government Code §§ 7522.56 & 21221(h) provide specific guidance on employing a CalPERS retiree without interruption to retirement benefits or reinstatement from retirement. Key terms of hiring a retired annuitant under the Government Code are:

The retiree must wait 180 days after their retirement date before they can return to work for a CalPERS employer, unless there is a qualifying exception. Mr. Jones met the 180-day waiting period in June of 2021.

There must be an open recruitment to permanently fill the vacant position in process. The appointment of a retired annuitant to a vacant position must be for a limited duration, and their work history must show previous experience and the skill set needed to perform the work required. The City is actively recruiting for the Community Services Director position. Mr. Jones' public sector work experience includes serving as a Community Services Director for the City of Torrance. This position provided him with the special skills and experience needed to serve as the Interim Community Services Director for the City of El Segundo. For these reasons, staff recommends that Mr. Jones be temporarily appointed until the recruitment is completed or September 2, 2022, whichever occurs earlier. Both the City and Mr. Jones are aware that a retired annuitant can only be appointed once to this vacant position as required by Gov. Code § 21221(h).

The retired annuitant's salary cannot be less than the minimum or exceed the maximum for the vacant position as listed on the employer's publicly available pay schedule for the position. Mr. Jones will be temporarily appointed as the Community Services Director. His hourly pay rate upon temporary hire will be \$92.87.

The retired annuitant cannot be paid any other compensation or benefits in addition to the hourly pay rate. Section 5 and 6 of Mr. Jones' employment agreement specifies that he is not eligible to receive any compensation or benefits other than his hourly pay rate.

A maximum of 960 hours can be worked within a fiscal year (July 1 to June 30) and CalPERS does not provide any exception to this limit. Nonpaid or volunteer hours can't be used in order to exceed 960 hours in a fiscal year. Mr. Jones is expected to work for a period of no more than 6 months while the City conducts the recruitment for a permanent appointment of the Community Services Director position. The City will be required to enroll Mr. Jones as a retired annuitant in the myCalPERS system and report hours worked.

Temporary Appointment

March 1, 2022

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The retiree will not accrue service credit or any additional retirement rights or benefits. While the City is required to report hours worked by Mr. Jones, those hours will not be counted as additional retirement service credits and reported only for the purposes of tracking the fiscal year hours limit.

The Employment Agreement identifies the detailed terms of Mr. Jones' temporary appointment. Staff recommends that City Council adopt a Resolution authorizing the temporary appointment effective March 2, 2022.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

PREPARED BY:

Rebecca Redyk, Human Resources Director

REVIEWED BY:

Rebecca Redyk, Human Resources Director

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution Appointing Interim Community Services Director
2. Employment Agreement John Jones

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL
SEGUNDO APPOINTING JOHN JONES AS AN INTERIM COMMUNITY
SERVICES DIRECTOR**

Government Code Section 21221(h)

WHEREAS, Government (Gov.) Code section 21221(h) of the Public Employees' Retirement Law permits the governing body to appoint a CalPERS retiree to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, the City of El Segundo desires to appoint John Jones as an interim appointment retired annuitant to the vacant position of Community Services Director for the City of El Segundo under Gov. Code section 21221(h), effective March 2, 2022; and

WHEREAS, the City Council, the City of El Segundo and John Jones certify that John Jones has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, an appointment under Gov. Code section 21221(h) requires the retiree is appointed into the interim appointment during recruitment for a permanent appointment; and

WHEREAS, the City Council has authorized the search for a permanent appointment on February 28, 2022; and

WHEREAS, this Gov. Code section 21221(h) appointment shall only be made once and therefore will end on Friday, September 2, 2022; and

WHEREAS, the entire employment agreement, contract or appointment document between John Jones and the City of El Segundo has been reviewed by this body and is attached hereto; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$ 193,176 and the hourly equivalent is \$92.87; and the minimum base salary for this position is \$160,980 and the hourly equivalent is \$77.39;

WHEREAS, the hourly rate paid to John Jones will be \$92.87; and

WHEREAS, John Jones has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

THEREFORE, BE IT RESOLVED THAT the City Council hereby certifies the nature of the employment of John Jones as described herein and detailed in the attached employment agreement and that this appointment is necessary to fill the critically needed position of Community Services Director for the City of El Segundo by March 2, 2022 because his employment is needed to provide day-to-day management of the Community Services Department until a permanent Community Services Director is hired.

PASSED AND ADOPTED this ___ day of March, 2022.

Drew Boyles,
Mayor

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ____ day of _____, 2022, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

CITY OF EL SEGUNDO

**EMPLOYMENT AGREEMENT FOR INTERIM COMMUNITY SERVICES
DIRECTOR SERVICES**

THIS EMPLOYMENT AGREEMENT FOR INTERIM COMMUNITY SERVICES DIRECTOR SERVICES (“Agreement”) is made and entered into as of this ____ day of _____, 2022 by and between the City of El Segundo (“City”) and John Jones (“Employee”).

RECITALS

- A. Pursuant to Government Code sections 7522.56(c) and 21221(h), City desires to employ Employee, a California Public Employees’ Retirement System (CalPERS) retiree, on an interim basis in the position of Interim Community Services Director for the City of El Segundo while the City actively recruits a permanent Community Services Director.
- B. Pursuant to Government Code sections 7522.56(c) and 21221(h), the City Council finds that the position of Interim Community Services Director requires specialized skills and experience to plan, direct, manage, and oversee the functions, programs, and operations of the Community Services Department and that Employee possesses the skills needed to perform the functions and duties of Interim Community Services Director.
- C. Employee desires to accept appointment to the position of Interim Community Services Director under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants contained herein, the parties agree as follows:

1. Duties. City hereby employs Employee as Interim Community Services Director for the City of El Segundo to perform the functions and duties of the Community Services Director, as specified by the City’s Municipal Code and the Government Code, and to perform such other legally permissible and proper duties and functions as the City Council may from time to time assign or as may be necessary and desirable in the opinion of Employee for the efficient management of the Community Services Department. As part of his duties, Employee shall assist with the recruitment of a permanent Community Services Director.

2. Work Schedule. During his employment, Employee shall devote such time, interest and effort to the performance of this Agreement as is necessary to carry out his duties as Community Services Director. Employee shall be available during normal City business hours and shall be available for attendance at City Council and other meetings during non-business hours as may be necessary. Employee acknowledges that his duties will often require performance of services outside of normal business hours. In no event shall Employee be

compensated for more than 960 hours during the term of this Agreement, including any extension hereof.

3. Work Restrictions/CalPERS. At the time this Agreement is entered into, Government Code Section 21224 allows a CalPERS retiree to perform contractual employee services under certain circumstances for up to a total of 960 hours in any fiscal year for all CalPERS contracting employers without being reinstated from retirement, and without loss or interruption of CalPERS retirement benefits. It is the Employee's responsibility to ensure that services performed under this Agreement are in compliance with the Employee's CalPERS obligations. If a controversy arises between Employee and CalPERS regarding the impact of this Agreement and the services provided for herein upon the nature of CalPERS retirement benefits, the City shall have no obligation to intervene in or defend or prosecute such dispute. Accordingly, it is recommended by the City that, prior to entering into this Agreement, Employee first bring it to the attention of CalPERS and that Employee thereby personally determine what, if any, impact this Agreement and the performance of the services set forth herein will or may have upon the employee's CalPERS retirement benefits. Additionally, it is recommended that Employee consult with his own legal counsel regarding the terms and conditions of this Agreement. Employee hereby releases and holds harmless the City and its officials, officers, employees and agents from and against any and all actions (including imposition of costs, fines and penalties) that CalPERS may impose against Employee arising from or relating to this Agreement. This provision shall survive the expiration or earlier termination of this Agreement.

4. Term. Subject to earlier termination as provided for in this Agreement, Employee shall be employed for a term beginning March 2, 2022, and ending on September 2, 2022, or when a permanent Community Services Director assumes office, whichever is sooner.

5. Compensation. For services rendered pursuant to this Agreement, City agrees to pay Employee compensation of \$92.87 per hour, which amount is in conformance with the requirements of Government Code section 7522.56(d). This hourly rate does not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule for the community services director position, divided by 173.333. Employee shall not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate set forth herein. Employee will be compensated in bi-weekly payments (at the same time that City employees are regularly paid) and Employee's hourly wages paid pursuant to this Agreement are subject to all applicable withholdings and deductions in accordance with applicable law. Employee shall record all of his hours on a daily basis and transmit such records to the Finance Department on a weekly basis. Employee's attendance at conferences and seminars that are normal and customary for Community Services Directors shall be deemed working hours for purposes of this Agreement.

6. Benefits. Employee hereby waives all benefits provided to City employees, including retirement contribution, health/medical insurance, dental insurance, life and disability insurance, sick leave, vacation, unemployment insurance and similar benefits. Notwithstanding the foregoing, Employee shall be entitled to observe all City holidays in the same manner as employees of the City. Employee recognizes that Government Code section 21221(h) provides

that a retired person appointed to a vacant position pursuant to that subdivision may not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate.

7. Termination. The City may terminate this Agreement at any time with or without cause. Employee may terminate this Agreement at any time with or without cause provided, however, he shall provide the City Council with at least two weeks' advance written notice prior to the effective date of termination, if practicable, unless a shorter period is acceptable to the City Council. Employee agrees that he shall not be entitled to any severance pay as the result of the termination of this Agreement for any reason whatsoever.

8. At-will Employment/FLSA Exempt. Employee shall serve at the will and pleasure of the City Council and understands he is an "at-will" employee subject to summary dismissal without any right of notice or hearing, including any so-called "Skelly" hearing. Employee will not acquire any property interest in the position of Interim Community Services Director and is employed solely on a temporary basis to perform specialized services in accordance with Government Code sections 7522.56(c) and 21221(h). Employee further understands and agrees that his position is that of an exempt employee for purposes of the Fair Labor Standards Act.

9. Certification Regarding Prior Unemployment Benefits. In accordance with Government Code section 7522.56(e)(1), Employee certifies and warrants to City that he has not received any unemployment insurance payments for retired annuitant work for any public employer within the twelve months prior to his appointment date under this Agreement.

10. Reimbursable Expenses. During the term of this Agreement, City shall reimburse for reasonable business expenses, including travel (but not to and from the worksite), parking and professional dues associated with maintaining membership in professional organizations pursuant to the applicable provisions of the El Segundo Municipal Code and City administrative policies. Reimbursement requests must be supported by written documentation in accordance with established policies and customary practices of the City.

11. Conflicts Prohibited. During the term of this Agreement, Employee shall not engage in any business or transaction or maintain any financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of Employee's duties under this Agreement. Employee shall comply with all requirements of law, including but not limited to the Political Reform Act (Gov't Code § 87100, et seq.), Government Code sections 1090 and 1126, and all other similar statutory or administrative rules. Employee represents and warrants that he has no financial, contractual or other interest or obligation that conflicts with or is harmful to the performance of his obligations under this Agreement.

12. Indemnification. For the purposes of indemnification and defense of legal actions, Employee shall be considered an employee of the City and shall be entitled to the same rights, and subject to the same obligations and limitations, as other employees of the City as set forth in the Government Code. Accordingly, City shall defend, hold harmless, and indemnify Employee against any tort, professional liability, claim or demand, or other legal action arising

out of an act or omission occurring within the course and scope of Employee's services under this Agreement. Notwithstanding the foregoing, this indemnification obligation shall not apply to any intentional tort or crime committed by Employee to any action outside the course and scope of services provided by Employee under this Agreement, or any other intentional or malicious conduct or gross negligence of Employee.

13. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be personally served or sent by U.S. Mail, first class postage prepaid, to the following address:

To City: City of El Segundo
 350 Main Street
 El Segundo, CA 90245
 Attn: City Attorney

To John Jones: 26545 Hawkhurst Drive
 Rancho Palos Verdes, CA 90275

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the United States Mail.

14. Entire Agreement. This Agreement supersedes any and all prior understandings or agreements, written or oral, between the parties, and contains all of the covenants and agreements between the parties regarding the subject matter herein. Each party acknowledges that no promises, representations, inducements or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not set forth herein. No modification to this Agreement shall be effective unless reduced to writing and signed by both parties.

15. Severability. In the event any provision of this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement or portion thereof shall be deemed severable and shall not be affected and shall remain in full force and effect.

16. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. No waiver of any right or remedy in respect of any occurrence or event shall be deemed a waiver of any right or remedy in respect of any other occurrence or event.

17. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The exclusive venue for all disputes arising from or related to this Agreement shall be the Superior Court for the County of Los Angeles.

18. Interpretation. Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language

in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

19. Independent Legal Advice. City and Employee represent and warrant to each other that each has read and fully understands the terms and provisions hereof, has had an opportunity to review this Agreement with legal counsel, and has executed this Agreement based upon such party's own judgment and advice of independent legal counsel.

CITY OF EL SEGUNDO

Drew Boyles, Mayor

John Jones

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark Hensley, City Attorney



City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Staff Presentations

Item Number: D.14

TITLE:

Hyperion Update

RECOMMENDATION:

1. Receive and File an update regarding the City of Los Angeles Hyperion Water Reclamation Plant Failure.

FISCAL IMPACT:

Staff time was included in Adopted FY 2021/22 Budget. There is no additional fiscal impact associated with this report at this time. No additional appropriation is required.

BACKGROUND:

On July 11th, 2021, a significant and far-reaching incident occurred at the City of LA Hyperion Water Reclamation Plant. The consequences of this event included not only 17 million gallons of raw sewage released into the ocean via the one-mile outflow, but also great frustration among neighbors in El Segundo and constituents in surrounding LA neighborhoods, substantial environmental and facility damage, meaningful risk to workers at the facility, and a decided erosion of trust among a host of stakeholders, partners and the community. Perhaps as importantly, the accident raised crucial questions about prevention, preparedness, and resilience in a dynamic coastal environment.

DISCUSSION:

Given the scope of the accident and the stakes involved, the City of LA Board of Public Works was authorized to convene an Ad Hoc Advisory Committee of the Board to oversee and review the investigative after-accident assessments carried out by Sanitation internally, as well as assessments carried out by outside consultants, with the objective of compiling a summary report with recommendations moving forward.

Hyperion Update

March 1, 2022

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This report was finalized and was presented to the Board on Friday, February 11, 2022 at 10 AM. The report is available to view here: [Final Ad Hoc Committee Report Regarding 7/11/2021 Hyperion Incident](#). Audio of the Ad Hoc Committee's presentation of the report can be heard here beginning at 28:08: [Final Ad Hoc Committee Report Audio](#). Further, there was an article by Daily Breeze regarding Hyperion in its February 19, 2022 edition (please see attachment 1). Both the ad-hoc report and Daily Breeze article can also be found on the City of El Segundo's website: www.elsegundo.org.

Staff will present a summary of the Ad Hoc Committee Report and the February 19, 2022 Daily Breeze article, including current status and recommendations for next steps and follow up.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 2: Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

PREPARED BY:

Elias Sassoon, Public Works Director

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

1. Daily Breeze Article

NEWS • News

Hyperion receives another blow: A serious air quality violation

In addition to exceeding nitrogen oxide levels, Hyperion didn't perform scheduled testing, according to an AQMD petition.



The Los Angeles Regional Water Quality Board is requiring Los Angeles to conduct additional offshore monitoring and to provide daily reports about ongoing discharges at the Hyperion Water Reclamation Plant. Signs at Dockweiler State Beach across the street from the plant, advise people that contact with the water may cause illness, in Playa del Rey on Friday, July 30, 2021. (Photo by Dean Musgrove/Daily News SCNG)



The Southland's air quality watch dog hit the Hyperion Water Reclamation Plant with a notice this week that accuses the facility of having a serious air quality violation and being out of compliance with standards since 2015 — the first such complaint the agency has levied against a facility in about seven years.

The notice from the South Coast Air Quality Management District, which also said two of Hyperion's six flare stations exceeded acceptable levels of nitrogen oxide, came just days after an independent report concluded that a massive July 2021 sewage spill at the nation's largest wastewater treatment plant had been [caused by system and human failings](#).

Officials with Los Angeles Sanitation & Environment, which operates Hyperion, declined to comment.

But if the plant's violations are not rectified, Hyperion operators could be hit with civil penalties up to \$10,000 per day, said AQMD spokesperson Nahal Mogharabi.

LASAN is required to perform a test of Hyperion's flare system at least once every five years, according to its permit with the air quality agency. That system is meant to slough off biodigester gasses.

The Los Angeles city agency last performed a test in July 2015, according to the petition AQMD officials filed with its hearing board on Feb. 15. During that test, the flare system exceeded the permitted level of digester gas by 515 standard cubic feet per minute, though it's unclear whether that's a significant amount.

Three of the six flares — numbers 2,3 and 4 — also exceeded, by an unspecified amount, the permitted limit for nitrogen oxides, or NOx, emissions, according to the petition.

The flare emissions testing is performed by a third-party company, Mogharabi said, and AQMD is in the process of gathering specific NOx emissions from each of the flares.

When it was time for Hyperion to conduct more flare testing, in 2020, LASAN failed to conduct the required tests, according to the petition.

So starting Aug. 13 — a month after the July sewage spill — South Coast AQMD "attempted to facilitate the testing of the flare station," the petition said



The flaring issues are separate from the dozens of violations notices AQMD served Hyperion in the months after the July sewage spill. Those emissions were of hydrogen sulfide overages reported at nearby fence-line monitoring stations.

Only a July 15 flaring incident – four days after the spill – was related to the crisis, according to previous interviews with LASAN officials.

AQMD monitors both nitrogen oxides and hydrogen sulfide, Mogharabi said, but the two pollutants are regulated through different methods.

“These are two different types of violations,” Mogharabi said via email on Friday, “and cannot and should not be compared to one another.”

After prompting from AQMD, LASAN performed a source test on flares 1 through 4 on Sept. 20, the petition said. But in the ensuing weeks, AQMD officials said, they had to repeatedly ask for test results.

LASAN submitted the reports on Dec. 10. But those reports were incomplete.

“Despite staff requests, LA Sanitation has failed to provide certain information to assist in evaluating the reports,” the petition said, including calibration procedures for the fuel flow meters and stack exhaust flow rates.”

Once AQMD evaluated the test reports, the agency determined flares 3 and 4 exceeded the permitted NOx emission limits. The amount Hyperion exceeded these limits was not immediately available.

Finally, on Dec. 27, LASAN source tested flare 6. There is still no report from LASAN about that test, the petition said. And the wastewater treatment plant has not source tested flare 5.

LASAN spokeswoman Elena Stern declined to comment on why Hyperion didn't perform the five-year flare test in 2020 or why sanitation officials didn't give required information to AQMD.

Flaring, meanwhile, is a generally routine procedure and facilities like Hyperion or refineries. It happens – with plumes of fire and smoke sometimes visible for miles – when extra gas byproducts, in Hyperion's case, of the wastewater, are burned off. These digester gasses are actually a source of renewable energy and are used in powering a portion of the Hyperion plant.

South Bay residents are accustomed to the periodic flaring from Hyperion, as



Nitrogen oxides are also prevalent in urban areas and mostly caused by cars, trucks and buses, though power plants and wastewater plants also emit them. The AQMD, in a press release, called nitrogen oxides “a precursor to smog.”

And there are short and long-term health impacts of NOx exposure on individuals.

Short-term exposure to nitrogen dioxide or NO₂ – a form of NOx – can cause respiratory issues and may be associated with cardiovascular problems, as well as premature death, according to a 2016 study by the [U.S. Environmental Protection Agency](#).

“NOx can cause respiratory diseases and increase the severity of asthma,” Mogharabi said, adding it is also responsible for forming ozone and fine particulate matter in the atmosphere.

There is also evidence, the EPA study says, that long-term exposure to the pollutant has been tied to the development of asthma in children.

The order for Hyperion to stop violating its permit conditions is a serious one, as AQMD reserves orders of abatement for only serious violators, according to the AQMD website.

The last such order was in 2015, Mogharabi said, against the Western Riverside County Regional Wastewater Authority, a sewer treatment plant in Corona.

AQMD issued a notice of violation on Oct. 8 for two of the six Hyperion flaring stations, according to the press release, and the agency is still seeking information from Hyperion about the remaining stations.

A hearing is scheduled for March 9, during which AQMD and Hyperion will try to agree on a schedule to bring the flare stations into compliance as quickly and efficiently as possible, Mogharabi said.

“When an Order for Abatement is sought,” Mogharabi said in an email, “operators of these type of facilities have committed to achieving compliance in as expeditious of a manner as feasibly possible and providing relief through mitigation of odors or emissions impacting the nearby community/ies.”

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City Council Agenda Statement

Meeting Date: March 1, 2022

Agenda Heading: Mayor Boyles

Item Number: 15

TITLE:

Extend the Expiration Date for City Council Committee Assignments, and Appoint a Representative to the LAX Area Advisory Committee

RECOMMENDATION:

1. Approve Amendment to the City Council Assignments to extend the expiration date from May 17, 2022 to January 17, 2023.
2. Appoint Corrie Zupo to the LAX Area Advisory Committee

FISCAL IMPACT:

None

BACKGROUND:

Following each City Council election, once newly elected City Councilmembers are seated, the Mayor considers appointments of Councilmembers to serve on various intergovernmental agencies, local agencies and subcommittees. The term of these assignments expires after each election cycle. In June 2021, the El Segundo municipal election date was changed from March to November.

DISCUSSION:

To align with the November 8, 2022 election date, staff recommends that the expiration date for City Council assignments be extended from May 17, 2022 to January 17, 2023.

Due to a recent vacancy on the LAX Area Advisory Committee, staff recommends filling the seat with community member Corrie Zupo.

CITY STRATEGIC PLAN COMPLIANCE:

Extend the Expiration Date for City Council Committee Assignments, and Appoint a Representative to the LAX Area Advisory Committee

March 1, 2022

Page 2 of 2

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1 B: El Segundo's engagement with the community ensures excellence.

PREPARED BY:

Mishia Jennings, Executive Assistant to City Council

REVIEWED BY:

Barbara Voss, Deputy City Manager

APPROVED BY:

Joseph Lillio, Chief Financial Officer

ATTACHED SUPPORTING DOCUMENTS:

1. March 1, 2022 - Amendment to Council Assignment Expiration Date

CITY COUNCIL COMMITTEE ASSIGNMENTS

May 19, 2020 - January 17, 2023

AGENCY / COMMITTEE	DELEGATE	ALTERNATE
City Selection Committee	Drew Boyles	By Proxy
Hyperion Citizens Forum	Scot Nicol	Carol Pirsztuk
Independent Cities Association	Carol Pirsztuk	Chris Pimentel
Independent Cities Risk Management Authority *	Scot Nicol	Carol Pirsztuk
League of California Cities	Drew Boyles	Chris Pimentel
Los Angeles County Sanitation District 5 & SBC	Drew Boyles	Chris Pimentel
Reach Out Against Drugs (ROAD)	Lance Giroux	Chris Pimentel
Senior Citizen Housing Corporation Board (Park Vista)	Scot Nicol	Drew Boyles
South Bay Cities Council of Governments (COG)	Drew Boyles	Chris Pimentel
		Scot Nicol
		Carol Pirsztuk
		Lance Giroux
South Bay Youth Project	Scot Nicol	Lance Giroux
Southern California Association of Government	Chris Pimentel	Carol Pirsztuk
Contract Cities Association	Chris Pimentel	Lance Giroux
* Resolution must be changed for Council delegate to vote.	--	--
STANDING COMMITTEES	DELEGATE	ALTERNATE
City / School Affairs Subcommittee	Drew Boyles Scot Nicol	
Disaster Council **	Drew Boyles Chris Pimentel	
City Council Finance Committee	Carol Pirsztuk Lance Giroux	
Investment Advisory Committee	Lance Giroux	Carol Pirsztuk
Arts and Culture Advisory Committee	Lance Giroux	Scot Nicol
Public Works Committee	Scot Nicol	Drew Boyles
**Meeting to be held with special Council meeting	-	-
OTHER APPOINTMENTS WITH DIFFERENT OR NO TERMS	DELEGATE	ALTERNATE
Los Angeles County West Vector Control District	Drew Boyles	Lance Giroux
LAX Area Advisory Committee	Corrie Zupo Lance Giroux Carl Jacobson	No Term
LAX Roundtable	Carol Pirsztuk Carl Jacobson	
Aquatics Center Subcommittee	Lance Giroux Chris Pimentel	