



AGENDA

EL SEGUNDO CITY COUNCIL
REGULAR MEETING
TUESDAY, MARCH 15, 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 IS NOW OPEN TO THE PUBLIC

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

Darrell George, Interim City Manager
Barbara Voss, Deputy City Manager
Jaime Bermudez, Police Chief
Michael Allen, Dev. Services Director
Elias Sassoon, Public Works Director
John Jones, Interim Com. Services Dir.

Mark Hensley, City Attorney
Joe Lillio, Chief Financial Officer
Deena Lee, Fire Chief
Rebecca Redyk, HR Director
Charles Mallory, IT Director

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

1. Conduct Diversity, Equity, and Inclusion (DEI) Committee Interviews

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.

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

INVOCATION – Father Alexi Smith, St. Andrew Russian Greek Catholic Church

PLEDGE OF ALLEGIANCE – Councilmember Nicol

SPECIAL PRESENTATIONS

2. Recognition of ESHS Girl's Water Polo CIF Division 4 Champions
3. Recognition of Sgt. Eric Atkinson’s Graduation from the Sherman Block Supervisory Leadership Institute
4. National Women's History Month

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.*

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

CITY ATTORNEY COMMENTS– Presentation and Update on City of Los Angeles Hyperion Plant and Its Impacts on the Community

A. PROCEDURAL MOTIONS

Read all Ordinances and Resolutions on the Agenda by Title Only

Recommendation -

Approval

B. CONSENT

5. City Council Meeting Minutes

Recommendation -

1. Approve City Council Meeting Minutes of March 1, 2022.

6. Warrant Demand Register for February 21, 2022 through February 27, 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 17A: warrant numbers 3039612 through 3039690, and 9002404 through 9002406.

7. Award Construction Contract for Checkout Building Restroom Facilities at Recreation Park

Recommendation -

1. Reject Ravand Construction's bid as nonresponsive.
2. Reject SBS Corporation's bid as nonresponsive.
3. Authorize the City Manager to execute a standard Public Works Construction Contract with Union Construction Company for \$478,386 for the Checkout Building Restroom Facilities Improvement Project, Project No. PW 21-09, and authorize an additional \$47,800 as contingency funds for potential unforeseen conditions.

8. Fire Stations 1 & 2 Floor Replacement Project

Recommendation -

1. Waive minor irregularities in the bid from Floor Covering Unlimited, Inc.

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2. Authorize the City Manager to execute a Standard Public Works Contract with Floor Covering Unlimited, Inc. in the amount of \$78,679.00 for the Fire Stations 1 & 2 Floor Replacement Project, Project No. PW 22-03, and authorize an additional \$6,321.00 as contingency funds for potential unforeseen conditions.

9. **Purchase of 10 Police Patrol Vehicles and Associated Outfitting Expenses.**

Recommendation - Authorize the City Manager or designee to:

1. Purchase 10 Ford Explorer Police Interceptor vehicles using funds from the Equipment Replacement and Asset Forfeiture accounts via a cooperative purchasing contract.
2. Purchase emergency lighting and in-service equipment from the South Bay Regional Public Communications Authority under the City's existing contract for the proposed 10 police vehicles, which may require modification.
3. Authorize the Police Department to amend an existing contract with Ken Porter Auctions, an auction company under contract, to auction the 10 replaced 2017 Ford Explorer Police Interceptor police vehicles.

10. **Resolution Allowing Continued Teleconferenced Public Meetings**

Recommendation -

1. Approve a resolution to allow continued teleconferenced public meetings.

11. **Service Agreement for Citywide Landscape Maintenance Services**

Recommendation -

1. Reject Brightview's bid as non-responsive.
2. Appropriate additional funding of \$67,155.
3. Authorize the City Manager to execute a three-year Landscape Maintenance Services Agreement with a onetime three-year option extension with Parkwood Landscape Maintenance for \$436,295 per year.

12. **State Homeland Security Grant Program Subrecipient Agreement.**

Recommendation -

1. Authorize the acceptance of \$430,280 in grant funds from the 2020 State Homeland Security Grant Program and allow for amendments as outlined in Section V, Subsection 503 - Amendments.

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2. Authorize the City Manager or designee to sign an agreement with the County of Los Angeles who will serve as the grant administrator for the grant.

13. Amendment to Agreement with Robert Half International, Inc.

Recommendation -

1. Authorize the Interim City Manager to amend an agreement with Robert Half International Inc., adding an additional \$118,000 and extending the term to June 30, 2022 to provide technical consulting, business analysis, project management and administrative services.

C. PUBLIC HEARINGS

14. Pacific Coast Commons Specific Plan and Mixed-Use Commercial/Residential Development Project at 475-629 North Pacific Coast Highway

Recommendation -

1. Adopt a resolution certifying a Final Environmental Impact Report (FEIR) for the Pacific Coast Commons Specific Plan and Development Project; approving General Plan Amendment No. GPA 19-01, Subdivision No. SUB 19-03 (Vesting Tentative Tract Map), Site Plan Review No. 19-01, Parking Demand Study, and waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and mixed-use development project.
2. Waive the first reading and introduce an ordinance adopting the Pacific Coast Commons Specific Plan (SP 19-01), approving Zone Change (ZC 19-01), Zone Text Amendment (ZTA 19-08), and Development Agreement (DA 19-02).
3. Adopt a Resolution approving modifications to Conditional Use Permit No. 14-01 for the Aloft Hotel.
4. Adopt a Resolution approving modifications to Conditional Use Permit No. 14-02 for the Fairfield Inn and Suites Hotel.

15. Smoky Hollow Specific Plan Amendment and Standard Works Creative Office Project at 1475 East El Segundo Boulevard and 1320 East Franklin Street

Recommendation -

1. Adopt a resolution adopting an Initial Study/Mitigate Negative Declaration (IS/MND).
2. Waive first reading and introduce an ordinance approving an amendment to the Smoky Hollow Specific Plan (SHSP) No. 21-02.

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3. Adopt a resolution approving Environmental Assessment (EA) No. 1281, Community Benefit Plan (CBP) No. 19-02, Master Sign Program (MSP) 21-01 and Site Plan Review (SPR) No. 21-03 for a 44,604 square foot addition at 1475 East El Segundo Boulevard, resulting in a 63,915 square foot, three-story building with a maximum height of 59'-6" as measured from average grade to the top of the building.
 4. Adopt a resolution approving Environmental Assessment (EA) No. 1282, Community Benefit Plan (CBP) No. 19-03, Master Sign Program (MSP) 21-01, and Site Plan Review (SPR) No. 21-04, a 44,802 square foot addition and a new pavilion building to serve the neighborhood with a café and gathering point at the entry of a new public park accessible by the public at 1320-1330 East Franklin Avenue, resulting in a 65,061 square foot, three-story building with a maximum height of 59'-6" as measured from average grade to the top of the building.

D. STAFF PRESENTATIONS

16. Urho Saari Swim Stadium ("The Plunge") Project Engineering and Design Agreement

Recommendation -

1. Authorize the City Manager to execute a Professional Services Agreement with IBI Group for \$765,000 for the architectural and engineering design of the Urho Saari Swim Stadium project and authorize an additional \$75,000 for design related contingencies.
2. Authorize the City Manager to execute a Professional Services Agreement with Westberg White for \$75,000 to provide advising services as needed for preparation of the architectural and engineering plans for the design of the Urho Saari Swim Stadium.

17. FY 2021-2022 Mid-Year Citywide Budget Report and Recommended Adjustments

Recommendation -

1. Receive FY 2021-2022 Citywide Mid-Year Budget Update.
2. Amend FY 2021-2022 General Fund Revenues from \$74,802,700 to \$75,132,700 and Appropriations from \$77,651,553 to \$78,801,553 (\$1,150,000 increase - See Exhibit A for the line item details).

18. Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2021

Recommendation -

1. Receive and file the Annual Comprehensive Financial Report for fiscal year ending June 30, 2021.

19. Discussion and Direction for Association of Pickleball Professionals Proposal for Pickleball Tournament June 23–26, 2022 at Recreation Park

Recommendation -

1. Review and discuss the proposed Association of Pickleball Professionals (APP) Tournament.
2. Provide direction to staff regarding a possible fee waiver.

E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS

20. Library Board of Trustees Presentation for Consideration of Eliminating Adult Overdue Fines

Recommendation -

1. Receive and file the Library Board of Trustees Recommendation for Eliminating Overdue Fines.

F. REPORTS - CITY CLERK

G. REPORTS - CITY TREASURER

H. REPORTS - COUNCILMEMBERS

COUNCILMEMBER GIROUX

COUNCILMEMBER NICOL

COUNCILMEMBER PIRSZTUK

MAYOR PRO TEM PIMENTEL

MAYOR BOYLES

I. REPORTS - CITY ATTORNEY

J. REPORTS/FOLLOW-UP - CITY MANAGER

CLOSED SESSION

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

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

MEMORIALS

ADJOURNMENT

POSTED:

DATE: March 10, 2022

TIME: 1:30 PM

BY: Tracy Weaver, City Clerk



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Special Orders Of Business

Item Number: 1

TITLE:

Conduct Diversity, Equity, and Inclusion (DEI) Committee Interviews

RECOMMENDATION:

1. Interview candidates.
2. Announce appointments at the April 19, 2022 City Council meeting, if any.

FISCAL IMPACT:

None

BACKGROUND:

The Diversity, Equity, and Inclusion Committee (DEI) was established July 21, 2020, for the purpose of advising the City Council on issues of diversity, equity, and inclusion. This work includes examination of four key City areas to produce a clear picture of the current practices, as well as the El Segundo community's sentiments towards these practices. Upon finding areas for improvement, the DEI Committee shall make recommendations to City Council intended to address any marginalized or underrepresented segment of our community. The Committee is a standing advisory committee that serves at the behest of the City Council. The four initial study tops are as follows: 1) Public Safety (including a review of Police Department policies, practices, training, and future directions), 2) Citywide Organization (including a review of City government policies, practices, training, etc.) 3) Community At-large (including a review of City demographic data, history, trends, etc.) 4) Local Economy (including a review of private sector diversity policies, training, etc.)

DISCUSSION:

Conduct Diversity, Equity, and Inclusion (DEI) Committee Interviews.

March 15, 2022

Page 2 of 2

The Diversity, Equity, and Inclusion Committee is a 9-member committee, comprised of residents or property owners, business members, or students of a public or private high school based in El Segundo. Currently, there are three (3) openings.

Candidate	Applying to:
1. Michael Lipsey (4:00pm)	DEI Committee
2. Genesis Jackson (4:15pm)	DEI Committee
3. Buffany Hunter (4:30pm)	DEI Committee
4. John Pickhaver (4:45pm)	DEI Committee
5. Yadranka Draskovic (5:00pm)	DEI Committee
6. Rebecca Yussman (5:15pm)	DEI Committee
7. Eileen Bell (5:30pm)	DEI Committee
8. Lewis Hill (5:45pm)	DEI Committee

CITY STRATEGIC PLAN COMPLIANCE:

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

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

PREPARED BY:

Mishia Jennings, Executive Assistant to City Council

REVIEWED BY:

Darrell George , Interim City Manager , Barbara Voss, Deputy City Manager

APPROVED BY:

ATTACHED SUPPORTING DOCUMENTS:

None



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Procedural Motions

Item Number:

TITLE:

Read all Ordinances and Resolutions on the Agenda by Title Only

RECOMMENDATION:

FISCAL IMPACT:

BACKGROUND:

DISCUSSION:

CITY STRATEGIC PLAN COMPLIANCE:

PREPARED BY:

Tracy Weaver, City Clerk

REVIEWED BY:

APPROVED BY:

Tracy Weaver, City Clerk

ATTACHED SUPPORTING DOCUMENTS:

None

MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 1, 2022

CLOSED SESSION – Mayor Boyles called to order at 4:07 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:

Council Members Pirsztuk and Nicol left closed session due to potential conflicts of interest during the discussion of initiation of litigation by the City, the lessee, against 612 Twin Holdings, LLC, the owner and lessor of the parking garage located at the northeast corner of Grand Avenue and Richmond Street, due to having real property interests within 500 feet of the parking garage.

CONFERENCE WITH LEGAL COUNSEL – ANITICPATED LITIGATION

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

PUBLIC EMPLOYMENT (GOV'T CODE §54957) – 1- 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 Rodriguez, Interim City Manager, Joe Lillio and Human Resources Director, Rebecca Redyk

Adjourned 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 – Reverend Dina Ferguson, St. Michael Episcopal Church

PLEDGE OF ALLEGIANCE – Council Member Giroux

SPECIAL PRESENTATIONS:

1. Introduction of Poet Laureate, Hope Anita Smith by Natalie Strong, Arts and Culture Advisory Committee Chair.
2. Proclamation read by Mayor Boyles, proclaiming March 2022 as American Red Cross Month, Mr. Gerald Thomas received the Proclamation on behalf of the American Red Cross.

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

In Chamber –

Jonathan Cuetto, non-resident, commented on item #D9.

Luis Bobadilla, non-resident and owner of MOTA – Medicine Of The Angels, commented on item #D9.

Via Zoom –

Andre Sugden, resident, and 8th grader at ESMS commented on Main Street traffic, this topic will be for his 8th grade community project.

Ben Watkins, resident, commented on item #D12, the appointment of an interim City Manager.

CITY MANAGER FOLLOW-UP COMMENTS:

Joe Lillio, Interim City Manager will have Elias Sassoon, Public Works Director contact Andre Sugden and stated the City is using the firm of Ralph Anderson to recruit for the City Manager position.

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

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

D. STAFF PRESENTATIONS: *(Items D12 and D13 moved forward on the Agenda)*

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

Rebecca Redyk, Human Resources Director presented the item.

Darrell George introduced himself to Council and will begin his position as Interim City Manager tomorrow, March 2, 2022.

Council discussion

Mark Hensley, City Attorney read by title only;

RESOLUTION NO. 5315

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO
APPOINTING DARRELL GEORGE AS AN INTERIM CITY MANAGER
Government Code Section 21221(h)

MOTION by Council Member Pirsztuk, SECONDED by Council Member Giroux adopting Resolution No. 5315. MOTION PASSED BY UNANIMOUS VOTE. 5/0

MOTION by Council Member Nicol, SECONDED by Council Member Giroux approving Employment Agreement No. 6285. MOTION PASSED BY UNANIMOUS VOTE. 5/0

13. Temporary Appointment of a CalPERS Retiree John Jones to Interim Community Services Director Pursuant to Government Code §§ 7522.56 and 21221(h)
(Fiscal Impact: Included in Adopted FY 2021/22 Budget under the Director of Community Services position)

Rebecca Redyk, Human Resources Director presented the item.

John Jones introduced himself to Council and will begin his position as Interim Community Services Director tomorrow, March 2, 2022.

Council wished Melissa McCollum the best in her new position with the City of Manhattan Beach.

Mark Hensley, City Attorney read by title only;

RESOLUTION NO. 5316

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)

MOTION by Council Member Nicol, SECONDED by Council Member Giroux adopting Resolution No. 5316. MOTION PASSED BY UNANIMOUS VOTE. 5/0

MOTION by Council Member Giroux, SECONDED by Council Member Pirsztuk approving Employment Agreement No. 6286. MOTION PASSED BY UNANIMOUS VOTE. 5/0

B. CONSENT:

3. Approve Special City Council Meeting minutes of February 10, 2022 and Special and Regular City Council Meeting minutes of February 15, 2022.
(Fiscal Impact: None)
4. Approve warrants demand register for January 24, 2022 through February 20, 2022, numbers 15A, 5B, 16A and 16B, warrant numbers 3039134 through 3039611 and, 9002360 through 90002365 through 9002403. Ratify Payroll and employee benefit Checks; Checks released early due to contracts or agreement; Emergency disbursements and/or adjustments; and, Wire transfers.
(Fiscal Impact: \$6,607,821.33 (\$1,884,483.88 in check warrants and \$4,723,337.45 in wire warrants))
5. Authorize the City Manager to execute Standard Public Works Construction Contract No. 6288 with Corral Construction & Development, Inc. for \$213,333 for the Community Development Block Grant Project and authorize an additional \$21,333 as contingency funds for potential unforeseen conditions.
(CDBG Project 602294-20)
(Fiscal Impact: \$235,000 included in adopted Budget)

6. Accept the FY 2020-21 Pavement Rehabilitation Project by All American Asphalt as complete and authorize the City Clerk to file a Notice of Completion with the County Recorder's Office. No. (PW 21-01)
(Fiscal Impact: \$1,144,217.83)
7. 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: \$300,000 included in the adopted Budget)
8. Waive second reading and adopt Ordinance No. 1633 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.
(Fiscal Impact: None)

(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)).

MOTION by Council Member Giroux, SECONDED by Mayor Pro Tem Pimentel approving Consent Agenda items 3, 4, 5, 6, 7, and 8. MOTION PASSED BY UNANIMOUS VOTE. 5/0

C. PUBLIC HEARING: None

D. STAFF PRESENTATIONS:

14. Hyperion Update (*Item D14 moved forward on the Agenda*)
(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)

Elias Sassoon, Public Works Director, Professor Michael K Stenstrom, PhD., P.E, BCEE and Council Member Giroux gave a presentation and answered Council's questions.

Council Discussion

Key topics of discussion

- Work with Consultants on staff with the City
- Work with AQMD District Rep – Rex Richardson
- Start the legal process
- Do a full court press
- Have voices heard
- Work with Hyperion Leadership to rebuild trust with Council and residents
- NOx Monitoring
- Investigate what kind of monitoring to help prevent future failures

Council consensus to receive and file the report.

9. Resolution Certifying Sufficiency of Commercial Cannabis Voter Initiative Petition, City Council Direction on Voter Initiative Ordinance, and Direction on Potential City Initiative 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 included in the FY 2022-2023 Budget if City Council approves the initiative)

Mark Hensley, City Attorney and Michael Allen, AICP, Development Services Director reported on the item.

Council discussion

Council consensus directing staff to take the petitions back to the Los Angeles County Registrar's Office to verify all signatures collected by petitioners.

MOTION by Council Member Nicol, SECONDED by Council Member Giroux to continue the item to the next regular Council Meeting on March 15, 2022. Mark Hensley, City Attorney and Michael Allen, Development Services Director presented the item and answered Council's questions.

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

Michael Allen, AICP, Development Services Director, Paul Samaras, AICP, Principal Planner, and Consultants, Darin Smith and Julie Cooper with Economic and Planning Systems gave a presentation and answered Council's questions.

Council discussion

Council consensus to receive and file the presentation.

Council consensus directing staff to investigate military housing, smaller footprint housing; apartments and condos and use funds to further analyze east of the Washington area.

Mayor Boyles and Council Member Nicol let the dais. This was decided at a previous meeting, if items concerning the downtown area were on the agenda, then these two council members would recuse themselves due to businesses in the area.

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

Michael Allen, Development Services Director reported on the item.

Council discussion

Council consensus to receive and file update.

MOTION by Council Member Giroux, SECONDED by Council Member directing staff to immediately require the removal of outdoor dining improvements that do not meet building code safety requirements. MOTION PASSED BY UNANIMOUS VOTE. 3/0

MOTION by Council Member Pirsztuk, SECONDED by Council Member Pirsztuk directing staff to immediately require the removal of all outdoor dining located within travel lanes on Main Street within 30 days. MOTION PASSED BY UNANIMOUS VOTE. 3/0

MOTION by Council Member Giroux, SECONDED by Council Member Pirsztuk extending outdoor dining on Richmond Street into travel lanes until August 16, 2022. MOTION PASSED BY VOTE. 2/1 Yes: Pirsztuk Giroux No: Pimentel

Council consensus establishing a date no later than October 31, 2022, for the removal of the remainder of all temporary outdoor dining improvements that were allowed during the pandemic.

MOTION by Council Member Pirsztuk, SECONDED by Council Member Giroux directing staff to proceed with further studies and development of a permanent outdoor dining program. MOTION PASSED BY UNANIMOUS VOTE. 3/0

ITEMS D12, D13 AND D14 MOVED FORWARD ON THE AGENDA.

E. COMMITTEES, COMMISSIONS AND BOARDS: None

F. REPORTS – CITY CLERK – No report

G. REPORTS – CITY TREASURER – Not present

H. REPORTS – COUNCIL MEMBERS

Council Member Giroux – Congratulated the ESHS Girl’s Water Polo Team for winning CIF and came in 2nd in the Southern Region.

Council Member Nicol – Thanked City staff for their assistance on the Little League and Girls’ Softball parade.

Council Member Pirsztuk – Complimented all 8th grade ESMS students on their 8th grade projects, this program is part of IB (International Baccalaureate).

Mayor Pro Tem Pimentel – Commented on a regional transportation initiative, mentioned residents will be receiving queries regarding adding substations to the Green Line and due to Assemblywoman Autumn Burke’s resignation there will be a special election in June to fill her seat and thanked the Police Department for the enforcement of stop signs on Main Street.

Mayor Boyles – Met new Supervisor, Holly Mitchell, attended and reported on the South Bay Council of Government’s Board meeting, mentioned that District Attorney Gascon has agreed to meet with the SBCOG, stated the General Assembly for the COG will be March 24, 2022 and congratulated the ESHS Girls’ Soccer team on winning CIF for the second year.

15. Extend the Expiration Date for City Council Committee Assignments, and Appoint a Representative to the LAX Area Advisory Committee
(Fiscal Impact: None)

Mayor Boyles reported on the item.

MOTION by Council Member Giroux, SECONDED by Council Member Pirsztuk approving an amendment to the City Council Assignments to extend the expiration date from May 17, 2022 to January 17, 2023 and appointing Corrie Zupo to the LAX Area of Advisory Committee. MOTION PASSED BY UNANIMOUS VOTE. 5/0

I. REPORTS – CITY ATTORNEY – Stated during Closed Session Council approved the filing of legal action against the owner and lessor of the parking structure located on the northeast corner of Grand Avenue and Richmond Street, 612 Twin Holdings, LLC for failure to maintain the property and financial audit provisions, with a vote of 3/0 (Pirsztuk and Nicol were recused due to the location of real property interests in the area of the structure) and secondly apologized to the City Clerk’s Office for his adverse reaction on the request to verify all signatures on the petition.

J. REPORTS/FOLLOW-UP – CITY MANAGER – Mentioned the next Council Meeting will be March 15, 2022. Thanked the Council for opportunity to serve as Interim City Manager for the last three weeks.

MEMORIALS – None

Adjourned at 11:01 PM

Tracy Weaver, City Clerk



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.6

TITLE:

Warrant Demand Register for February 21, 2022 through February 27, 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 17A: warrant numbers 3039612 through 3039690, and 9002404 through 9002406.

FISCAL IMPACT:

The warrants presented were drawn in payment of demands included within the FY 2021-2022 Adopted Budget. The total of \$276,926.62 (\$200,297.00 in check warrants and \$76,629.62 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 refund.

Warrant Demand Register for February 21, 2022 through February 27, 2022

March 15, 2022

Page 2 of 2

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:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Register 17a Summary

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039612 - 3039690
9002404 - 9002406

DATE OF APPROVAL: AS OF 03/15/22

REGISTER # 17A

001	GENERAL FUND	152,648.06
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	2.30
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	-
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	18,320.00
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	6.27
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	19,095.90
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	1,603.62
502	WASTEWATER FUND	2,006.85
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	1.18
603	WORKERS COMP. RESERVE/INSURANCE	51.40
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	59.85
703	EXPENDABLE TRUST FUND - OTHER	6,500.00
704	CULTURAL DEVELOPMENT	1.57
708	OUTSIDE SERVICES TRUST	-
TOTAL WARRANTS		<u>\$ 200,297.00</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

Joseph Rella
3-1-2022

CITY MANAGER

Joseph Rella
3-1-2022

DATE:

DATE:

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
 02/21/22 THROUGH 02/27/22**

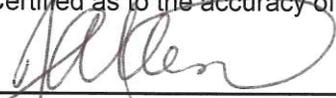
<u>Date</u>	<u>Payee</u>		<u>Description</u>
2/23/2022	ExpertPay	1,763.42	EFT Child support payment
2/24/2022	ExpertPay	1,763.42	EFT Child support payment
2/25/2022	Pitney Bowes	1,000.00	Postage for Library
02/14/22-02/20/22	Workers Comp Activity	41,275.25	SCRMA checks issued, less Swiss Re check reimbursement
02/07/22-02/13/22	Workers Comp Activity	30,827.53	SCRMA checks issued
02/14/22-02/20/22	Liability Trust - Claims	-	Claim checks issued/(voided)
02/14/22-02/20/22	Retiree Health Insurance	-	Health Reimbursement checks issued
		<u>76,629.62</u>	

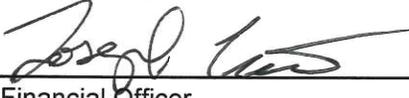
DATE OF RATIFICATION: 02/28/22

TOTAL PAYMENTS BY WIRE:

76,629.62

Certified as to the accuracy of the wire transfers by:

 AD 02/28/22
 Deputy City Treasurer II Date

 3-1-2022
 Chief Financial Officer Date

 3-1-2022
 Acting 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 03/15/22
REGISTER # 17A

DEPT#	NAME	TOTAL
GENERAL FUND DEPARTMENTAL EXPENDITURES		
GENERAL GOVERNMENT		
1101	City Council	3,626.65
1201	City Treasurer	
1300	City Clerk	
2101	City Manager	70.55
2102	Communications	
2201	City Attorney	
2401	Economic Development	160.43
2402	Planning	
2500	Administrative Services	13,448.18
2601	Government Buildings	7,747.96
2700	Community Outreach/Planning	
2900	Nondepartmental	55,291.67
6100	Library	9,730.43
		<u>90,075.87</u>
PUBLIC SAFETY		
3100	Police	7,683.20
3200	Fire	25,930.50
2403	Building Safety	747.14
2404	Plng/Bldg Sfty Administration	732.77
		<u>35,093.61</u>
PUBLIC WORKS		
4101	Engineering	6,648.50
4200	Streets/Park Maintenance	23,250.79
4300	Wastewater	2,007.66
4601	Equipment Maintenance	3,412.07
4801	Administration	44.50
		<u>35,363.52</u>
COMMUNITY DEVELOPMENT		
5100,5200	Recreation & Parks	346.72
5400	Centennial	
		<u>346.72</u>
EXPENDITURES		
	CAPITAL IMPROVEMENT	19,095.90
	ALL OTHER ACCOUNTS	20,321.38
	TOTAL WARRANTS	<u><u>200,297.00</u></u> ✓



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.7

TITLE:

Award Construction Contract for Checkout Building Restroom Facilities at Recreation Park

RECOMMENDATION:

1. Reject Ravand Construction's bid as nonresponsive.
2. Reject SBS Corporation's bid as nonresponsive.
3. Authorize the City Manager to execute a standard Public Works Construction Contract with Union Construction Company for \$478,386 for the Checkout Building Restroom Facilities Improvement Project, Project No. PW 21-09, and authorize an additional \$47,800 as contingency funds for potential unforeseen conditions.

FISCAL IMPACT:

Amount Budgeted: \$526,186

Additional Appropriation: None.

Account Number(s): \$456,625 from 301-400-8202-8224 (CIP Fund, Rec. Park Restroom) and \$69,561 from 301-400-8201-8209 (CIP Fund, Citywide Facilities Repair)

BACKGROUND:

On December 7, 2021, the City Council adopted the plans and specifications for the Checkout Building Restroom Facilities Improvement project (Project). This project will remodel the existing Checkout Building restrooms, storage rooms, and mechanical room on the north half of the building located in Recreation Park to remove accessibility barriers and provide expanded ADA-compliant restroom facilities.

Checkout Building Restroom Facilities Improvement Project

March 15, 2022

Page 2 of 4

DISCUSSION:

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

1. Ravand Construction	\$394,250
2. SBS Corporation	\$456,015
3. Union Construction Company	\$478,386
4. LA Design Group – WLA	\$482,200
5. R. Dependable Construction	\$589,055

The bid for the apparent lowest bidder, Ravand Construction, is found to be non-responsive per section 10.2 of the Bidding Instructions, page I-B-5 of the project specifications, which reads:

10.2 If the apparent lowest responsible Bidder fails to sign the Agreement and furnish all items required by the Bidding Documents within the time limits specified in these Instructions to Bidders, the City will disqualify such Bidder and select the next apparent lowest responsible Bidder until all bids have been exhausted or the City may reject all bids. In such an event, the disqualified bidder will be liable for and forfeit to the City the amount of the difference, not to exceed the amount of the Bid Security, between the amount of the disqualified bid and the larger amount for which the City procures the work.

Ravand Construction's bid is non-responsive as it insufficiently fulfilled the following bid requirements:

- Their proposal was not signed.
- The Contractor's License Declaration document was missing.
- The Past Contract Disqualifications document showed a "No" in response to a question asking if the contractor was registered in accordance with Labor Code Section 1725.5. A note was included in the question that failure to register would require the City to reject the bid as nonresponsive.

Further, Ravand Construction did not meet the following requirements of Paragraph 3 of the Notice Inviting Sealed Bids on page I-A-1 of the specifications:

Work on the Project must be done in strict conformity with Specifications No. PW 21-09 as adopted by the El Segundo City Council on December 7, 2021, which was filed with the Public Works Department. Contractors bidding on the project shall provide a minimum of five government agencies, preferably municipal references. The references shall be for the contractors' building similar projects (in terms of scope, size, type, magnitude and complexity), as the prime contractor in the past five (5) years. Bidders shall include references, etc. to demonstrate qualifications.

Checkout Building Restroom Facilities Improvement Project

March 15, 2022

Page 3 of 4

Ravand Construction referenced the City of Pasadena, LA County Development Authority and Torrance Unified School District and indicated that they were the prime contractor for these three agencies. Staff contacted these three agencies and was told that a different contractor was the prime contractor on the referenced projects. Consequently, Ravand Construction provided no valid government agency references that identified them as the prime contractor on their listed projects and therefore did not comply with this requirement in the notice inviting bids.

The apparent second lowest bidder, SBS Corporation, also submitted a non-responsive bid which indicated \$0 for 5 items (Bid Item 16 through item 20). Consequently, this bid is non-responsive per following section 9.3 of the Bidding Instructions, page I-B-4 of the project specifications:

Section 9.3 Bidder's failure to submit a price for any Alternate or unit price will result in the Bid being considered as nonresponsive. If alternates are called for and no change in the Lump Sum Base Bid is required, enter "No Change."

Staff inquired about the \$0 bid for these 5 items and SBS Corporation explained that they were unaware of the scope of those items. However, the scope for these items was clearly included in the plans and addendum. When staff asked them to confirm their total bid amount, SBS Corporation indicated that they could not confirm the total bid amount, but instead they could provide a cost for those missing items by means of a change order. This approach is not acceptable because it would alter the total bid amount after the bid opening. Fixing the bid errors would modify SBS Corporation's total bid amount, which would result in an unfair advantage, and such an approach deviates from the Bidding Instructions' requirements.

Union Construction Company has been found to be the apparent lowest responsive and responsible bidder. Their state license and DIR registration are in good standing, and they have satisfactorily completed restroom-related renovation projects for the City of Santa Monica and the California State University at Los Angeles. They have also completed building-related construction projects for several private developers. This construction company is currently constructing the City's Civic Center Maintenance and Repairs project in a satisfactory manner.

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

March 2022: Contract Award

May 2022: Begin Construction

August 2022: Project Completion

Checkout Building Restroom Facilities Improvement Project

March 15, 2022

Page 4 of 4

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:

Floriza Rivera, Principal Civil Engineer

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

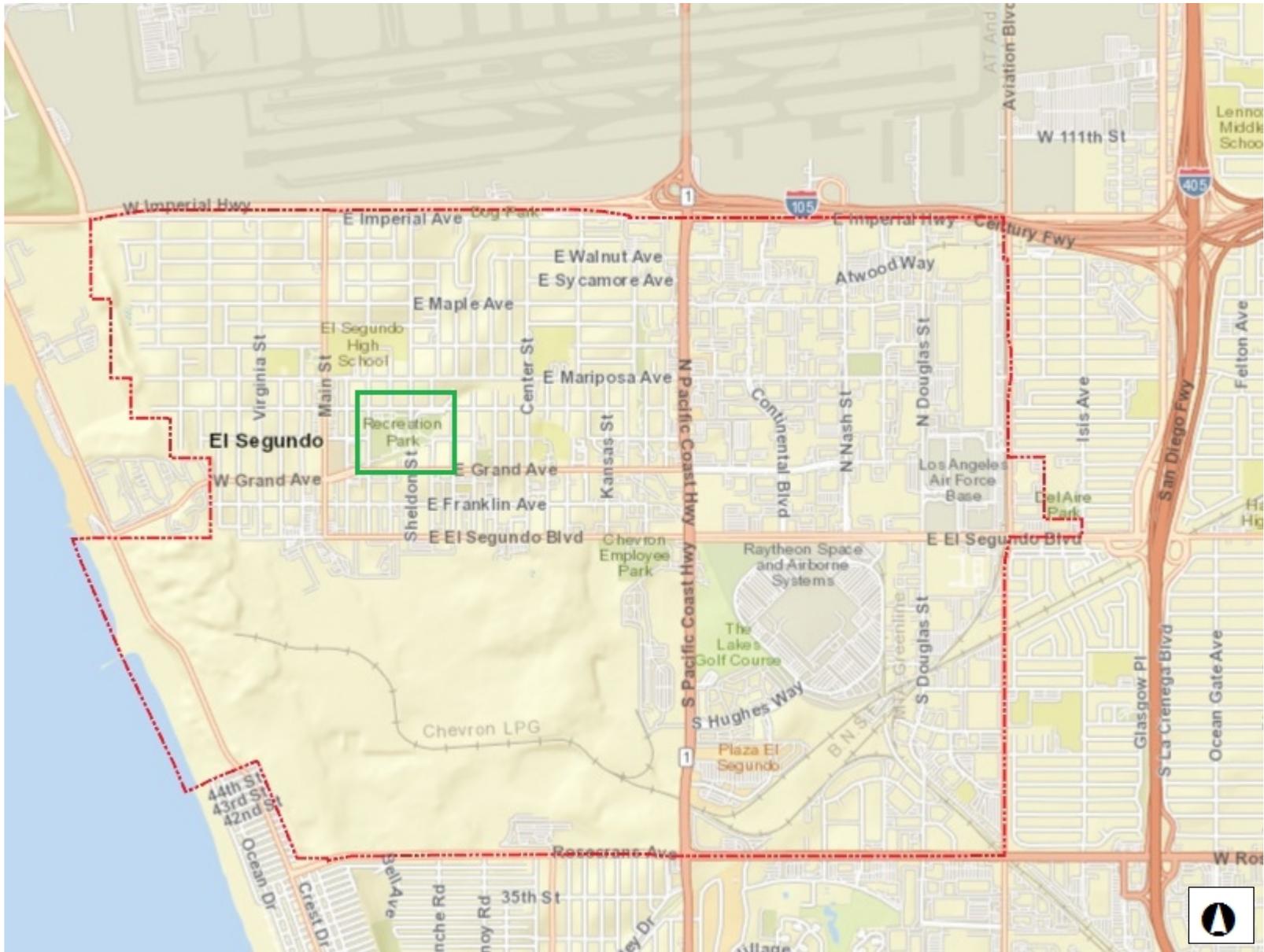
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Vicinity Map PW 21-09
2. Location Map PW 21-09
3. Restroom Locations Map PW 21-09



Vicinity Map Checkout Building Restroom Improvements



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

WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.



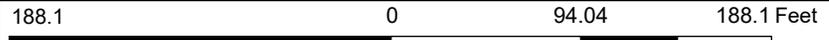
Location Map Checkout Building Restroom Improvements



Legend

- City Boundary
- █ Project Location

Notes

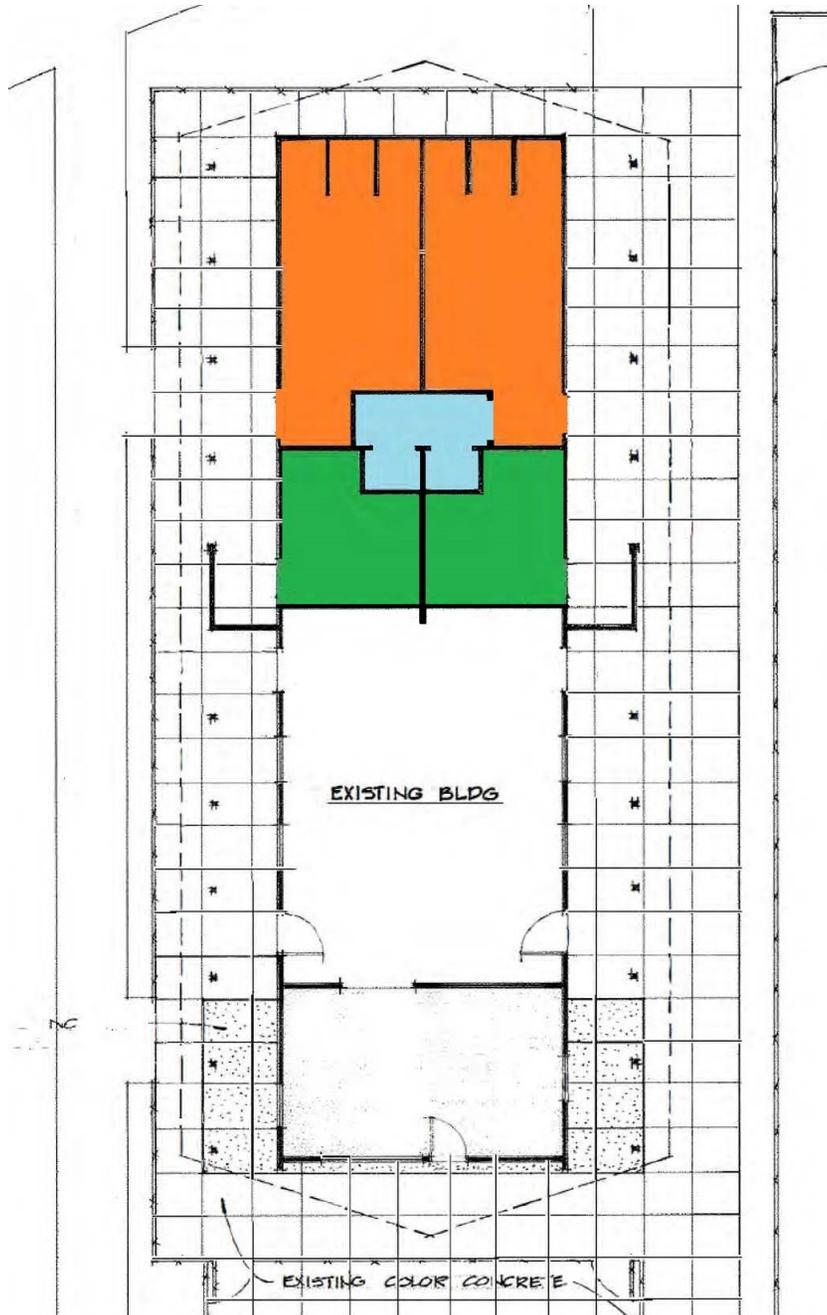


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Restroom Locations Checkout Building Restroom Improvements



Legend

-  Existing restrooms to decrease in size and be remodeled
-  Mechanical/equipment room to be enlarged and remodeled
-  Former restrooms/current storage area to be remodeled as general-public restrooms



NO SCALE



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.8

TITLE:

Fire Stations 1 & 2 Floor Replacement Project

RECOMMENDATION:

1. Waive minor irregularities in the bid from Floor Covering Unlimited, Inc.
2. Authorize the City Manager to execute a Standard Public Works Contract with Floor Covering Unlimited, Inc. in the amount of \$78,679.00 for the Fire Stations 1 & 2 Floor Replacement Project, Project No. PW 22-03, and authorize an additional \$6,321.00 as contingency funds for potential unforeseen conditions.

FISCAL IMPACT:

Amount Budgeted: \$85,000

Additional Appropriation: None

Account Number: 301-400-8201-8103 (Capital Improvement Program Fund)

BACKGROUND:

At the December 7, 2021 City Council meeting, City Council directed staff to advertise this project for construction and solicit bids to remove the existing carpet flooring at Fire Stations 1 & 2, and replace the existing carpet with an approved durable laminate or tile type flooring system.

DISCUSSION:

On February 1, 2022, the City Clerk received and opened 3 bids:

1. Floor Covering Unlimited, Inc. (Chatsworth, CA)	\$ 78,679.00
2. JJJ Floor Coverings (Pico Rivera, CA)	\$121,205.00
3. Corral Construction & Development, Inc. (Commerce, CA)	\$251,935.00

Fire Stations 1 & 2 Floor Replacement Project

March 15, 2022

Page 2 of 3

Staff found that the unit prices for bid items #14 and #15 from Floor Covering Unlimited, Inc. contained nonmaterial clerical errors, however, the total amounts of bids for these two items were correct. The clerical errors in unit prices didn't affect Floor Covering Unlimited, Inc.'s total bid as the apparent lowest bidder and did not provide them any advantage, as confirmed by the City Attorney's office. Floor Covering Unlimited also confirmed in writing that they agreed to the written bid total amount of \$78,679.00 as submitted on the Bidder's Proposal and Statement Form. Accordingly, the City Council waive the minor irregularities related to the clerical errors in the unit price for bid items #14 and #15 from the bid of Floor Covering Unlimited, Inc.

Staff checked references and the contractor's license status and found the performance of their work to be satisfactory. Floor Covering Unlimited, Inc. has successfully completed similar projects for other public agencies.

With Council's authorization, the anticipated schedule for the floor replacement is as follows:

April 2022	Contract Award
May 2022	Begin Construction
June 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.

PREPARED BY:

Arianne Bola, Sr. Engineer Associate

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

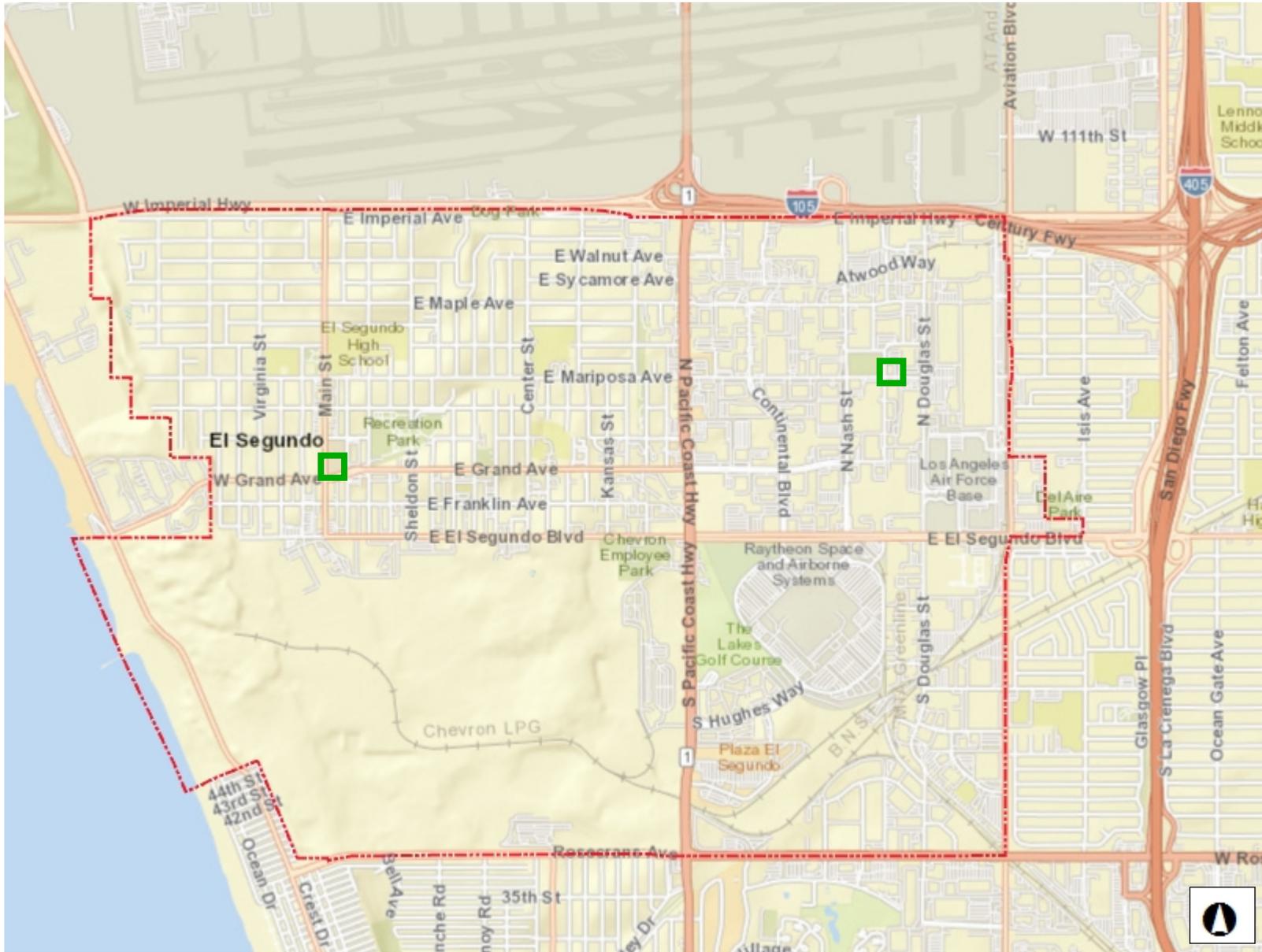
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Vicinity Map
2. Location Map



PW 22-03 Fire Stations 1 & 2 Floor Replacement Project Vicinity Map



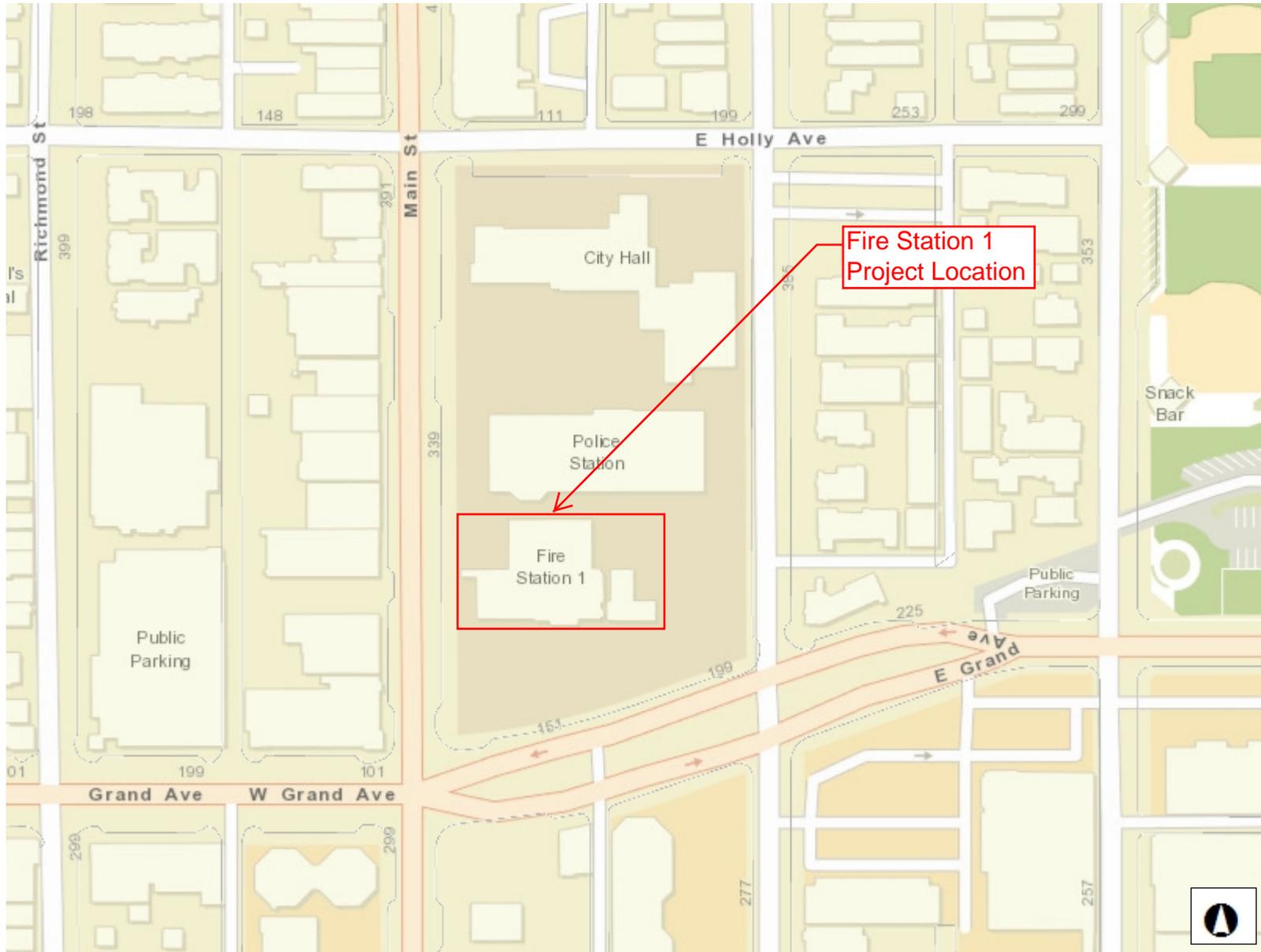
6,018.7 0 3,009.33 6,018.7 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

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PW 22-03 Fire Stations 1 & 2 Floor Replacement Project Location Map



376.2 0 188.08 376.2 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.



PW 22-03 Fire Stations 1 & 2 Floor Replacement Project Location Map



188.1 0 94.04 188.1 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.9

TITLE:

Purchase of 10 Police Patrol Vehicles and Associated Outfitting Expenses

RECOMMENDATION:

Authorize the City Manager or designee to:

1. Purchase 10 Ford Explorer Police Interceptor vehicles using funds from the Equipment Replacement and Asset Forfeiture accounts via a cooperative purchasing contract.
2. Purchase emergency lighting and in-service equipment from the South Bay Regional Public Communications Authority under the City's existing contract for the proposed 10 police vehicles, which may require modification.
3. Authorize the Police Department to amend an existing contract with Ken Porter Auctions, an auction company under contract, to auction the 10 replaced 2017 Ford Explorer Police Interceptor police vehicles.

FISCAL IMPACT:

The cost of the two (2) patrol vehicles will be approximately \$82,000 and the outfitting of the vehicles will be approximately \$36,000. Due to supply chain issues and inflation concerns, a twenty percent surcharge for the outfitting totaling \$7,200 has been added, bringing the total cost to \$125,200. Funds to purchase the additional eight (8) patrol vehicles (\$480,000) in September 2022 will come from the FY23 Equipment Replacement and Asset Forfeiture accounts.

Amount Budgeted: \$112,200 (Equipment Replacement)

Additional Appropriation: None

Additional: \$13,000 (Asset Forfeiture)

Account Number(s): 601-400-3101-8105 (Equipment Replacement Fund) and 109-400-3105-8104 (Asset Forfeiture Fund)

BACKGROUND:

Patrol Vehicle Purchase

March 15, 2022

Page 2 of 5

Following an assessment of the Department's patrol vehicles, staff determined that ten (10) of the patrol vehicles required replacement. Two (2) patrol vehicles were eligible to be replaced in September 2020. Due to the four-to-six-month lag time in vehicle production, the Police Department requests approval to pre-order an additional eight (8) Ford Police Interceptor vehicles that will be due for replacement in September 2022. The Police Department has in the past contracted with National Auto Fleet Group to purchase patrol and non-patrol vehicles. Based on National Auto Fleet Group being able to offer competitive pricing by being a Sourcewell awarded contract for the Ford Police Interceptor patrol vehicles, the Police Department requests to piggyback on that Sourcewell cooperative purchasing contract #0915121-NAF. Pursuant to ESMC § 1-7-9(c), such a procurement is exempt from bidding, but requires City Council approval since the acquisition exceeds \$50,000. Once the patrol vehicles are manufactured and delivered, the Police Department will need to have each vehicle outfitted with the necessary emergency equipment. Lastly, the Police Department requests to use Ken Porter Auctions, an auction company already contracted with the City, to auction the replaced 2017 Ford Explorer Interceptor vehicles.

DISCUSSION:

Police department staff has conducted a vehicle assessment in conjunction with fleet maintenance personnel and determined that two (2) patrol vehicles (units #4447 and #4448) are overdue for replacement. This determination was based on the fact they were eligible for replacement in the Equipment Replacement List, as well as age, mileage and vehicle repair history. Both vehicles have had extensive repairs, resulting in long repair times and high costs.

An additional eight (8) patrol vehicles (units #4449, #4450, #4451, #4452, #4453, #4454, #4455 and #4456) were due for replacement in September 2021. However, due to budgetary concerns, they were extended to September 2022. Based on age, mileage and repairs, these units will be in need of replacement in September 2022.

Unit #	Vehicle Year	In Service Date	Current Mileage	Current Engine Idle Hours	Estimated Mileage at Conversion	Estimated Conversion Begin Date
4447	2017	02/2017	82,199	8,570	90,419	09/2022
4448	2017	02/2017	94,187	8,469	103,605	09/2022
4449	2017	09/2017	78,095	6,536	88,409	10/2022
4450	2017	09/2017	73,630	6,680	83,354	10/2022

Patrol Vehicle Purchase

March 15, 2022

Page 3 of 5

4451	2017	09/2017	73,468	7,026	83,171	10/2022
4452	2017	09/2017	75,504	6,622	85,476	10/2022
4453	2017	09/2017	56,403	5,914	63,852	10/2022
4454	2017	09/2017	76,214	7,093	86,280	10/2022
4455	2017	09/2017	73,899	6,492	83,659	10/2022
4456	2017	09/2017	73,380	7,409	83,072	10/2022

The initial two (2) police patrol vehicles being replaced now (units #4447 and #4448) were originally put into service in February of 2017 and originally considered for replacement in September 2020. The remaining eight (8) police patrol vehicles (units #4449, #4450, #4451, #4452, #4453, #4454, #4455, and #4456) were originally put into service in September 2017 and originally considered for replacement in September 2021.

However, due to budget constraints at the time and in an effort to replace vehicles based a comprehensive review of each vehicle and not solely on scheduled replacement dates, the Police Department and City Yard staff extended eight (8) vehicles (units #4449, #4450, #4451, #4452, #4453, #4454, #4455, and #4456) from their original replacement schedules by one year to September 2022. As a result of extending the life cycle of these vehicles, the vehicles have incurred additional repair costs. Lastly, due to the nature of the repairs and ongoing City Yard vacancies, the City has had to outsource repairs to outside repair facilities.

The funding for two initial patrol vehicles (units #4447 and #4448) is available in the current Equipment Replacement account and immediately eligible for replacement. The cost, including the emergency equipment outfitting, for the additional eight (8) patrol vehicles (units #4449, #4450, #4451, #4452, #4453, #4454, #4455 and #4456) will be approximately \$472,000. The additional eight (8) vehicles will be fully funded in the amount of \$480,000 in September 2022, from the Equipment Replacement account. Any amount not funded by the Equipment Replacement account will be covered by the Asset Forfeiture account.

Pursuant to ESMC § 1-7-9(c), the City’s purchasing agent may, without complying with bidding requirements, join an existing written purchase Sourcewell awarded contract #091521-NAF that was competitively bid and valid through November 8, 2025. This contract was obtained through a competitive bidding process and awarded by another government agency for Ford Police Interceptors and therefore, qualifies for “piggy-backing” under the ESMC.

Due to the pandemic, manufacturing and production times of vehicles, particularly police vehicles, have been plagued with delays, supply chain issues, and a worldwide

Patrol Vehicle Purchase

March 15, 2022

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microchip shortage. Due to this, Ford Motor Company has estimated a delay time of approximately four to six months before the new patrol vehicles would be manufactured and delivered.

Based on feedback from city mechanics, the South Bay Regional Communications Authority, and surrounding agencies, the Police Department has determined the current hybrid vehicle technology is too unreliable. The Police Department has therefore chosen not to include hybrid vehicle technology in this patrol vehicle fleet.

To avoid order delays, the Police Department requests authorization to pre-order the additional eight (8) patrol vehicles (units #4449, #4450, #4451, #4452, #4453, #4455 and #4456) that will be eligible for replacement in September 2022. Based on current wait times and delays for new vehicles, National Auto Fleet Group estimates if we wait until September 2022 to order the new vehicles, they will not be available until as late as March 2023. This increased time will cause additional repair costs associated with the existing vehicles and will require the Police Department to use vehicles that are overdue for replacement and increasingly unreliable.

National Auto Fleet Group will not charge the City for the eight police vehicles until they are manufactured and delivered. The Police Department will pre-order the eight (8) vehicles so their estimated completion date will be on or after September 2022. If the vehicles are delivered earlier than September 2022, and therefore not fully funded from the Equipment Replacement Fund, the Police Department will fund the remaining balance from the Asset Forfeiture account.

After the vehicles are manufactured and delivered, the Police Department requests to have each vehicle outfitted with emergency equipment at the South Bay Regional Public Communications Authority (SBRCA) under the City's existing contract. SBRCA estimates each vehicle outfitting will cost approximately \$16,000. Due to manufacturing delays and product shortages, a twenty percent additional cost was added of \$3,200, making the total per vehicle \$19,200. The total for the outfitting of all ten (10) vehicles is estimated at \$192,000.

Ken Porter Auctions is presently contracted with the City to auction surplus items, including vehicles. Once the police vehicles are replaced, Ken Porter Auctions will auction the replaced vehicles at no cost to the City.

City Council authorization will allow the City Manager to execute all necessary agreements to effectuate the approvals recommended in this report.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety & Preparedness

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

Patrol Vehicle Purchase

March 15, 2022

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customers

PREPARED BY:

Cory McEnroe, Police Sergeant

REVIEWED BY:

Jaime Bermudez, Police Chief

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.10

TITLE:

Resolution Allowing Continued Teleconferenced Public Meetings

RECOMMENDATION:

1. Approve a resolution to allow continued teleconferenced public meetings.

FISCAL IMPACT:

No significant fiscal impact.

BACKGROUND:

Governor Gavin Newsom's Executive Order N-1-22 - issued January 5, 2022 - allows the City Council to continue to conduct public meetings via teleconferencing (including internet-based video conferencing) with relaxed Ralph M. Brown Act ("Brown Act") restrictions through the end of March 2022. Staff is not informed of any proposed extension of this order, which expires on April 1, 2022. Based upon Executive Order N-1-22, the City Council adopted a resolution on February 15, 2022 to make the requisite findings allowing for continued teleconferencing, pursuant to Government Code § 54953(e) for 30 days, or through March 17, 2022.

DISCUSSION:

The City Council's adoption of the proposed resolution would allow it to continue to utilize the relaxed Brown Act teleconferencing protocols until the expiration of the Governor's Executive Order N-1-22 on April 1, 2022. The proposed resolution contains the requisite findings for the City Council to continue using teleconferencing protocols for its public meetings, subject to certain notice, access, and participation requirements, during this period. Such findings include the strong recommendation from Los Angeles County that masks be utilized in indoor settings to curb the spread of COVID-19. Such

Teleconferencing Resolution

March 15, 2022

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recommendation is notwithstanding the lifting of the indoor mask requirement in the Los Angeles County Department of Public Health order, dated March 3, 2022, and effective March 4, 2022.

The resolution would extend the ongoing preclusion on all Brown Act-subject City legislative bodies, including applicable commissions, committees, and boards, from meeting exclusively in person, except as determined by the City Manager, or until the Council provides further direction. The resolution would also direct all Brown Act-subject City legislative bodies, including applicable commissions, committees, and boards, to consider the continued adoption of findings allowing for its conducting public meetings via teleconferencing through April 1, 2022, as applicable.

The resolution itself and the actions anticipated by the resolution were 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 that review, this action is exempt from further review pursuant to CEQA Guidelines § 15269(a) because the protection of public and private property is necessary to maintain service essential to the public, health and welfare.

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.

PREPARED BY:

Joaquin Vasquez, Assistant City Attorney

REVIEWED BY:

Mark Hensley, City Attorney

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution - AB 361 Extension

RESOLUTION NO. _____ -

A RESOLUTION OF THE CITY COUNCIL OF CITY OF EL SEGUNDO FINDING THAT CERTAIN CONDITIONS EXIST TO CONTINUE CONDUCTING PUBLIC MEETINGS VIA TELECONFERENCING PURUSANT TO GOVERNOR EXECUTIVE ORDER N-1-22 THROUGH APRIL 1, 2022.

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 March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of the COVID-19 pandemic.
- B. This gubernatorial proclamation, among other things, suspended local government emergency declaration, reporting, and extension requirements of Government Code § 8630 for the duration of the COVID-19 pandemic.
- C. Effective September 16, 2021, Assembly Bill No. 361 (“AB 361”) took effect which, among other things, amends certain provisions of the Ralph M. Brown Act (“Brown Act”) governing open meetings to allow teleconferencing, including internet-based video conferencing, in a manner similar to previously issued gubernatorial executive orders.
- D. During a proclaimed state of emergency, AB 361—through January 31, 2022 allowed a legislative body, like the City Council, to continue utilizing teleconferencing to conduct public meetings under certain circumstances, provided the legislative body makes certain findings.
- E. The City Council has previously adopted and made findings to continue meeting via teleconferencing pursuant to AB 361 and seeks to make additional findings under Government Code § 54953(e) to continue such teleconferencing use.
- F. Effective January 5, 2022, Governor Newsom’s Executive Order N-1-22 allows the City Council to continue utilizing teleconferencing (which includes internet based video conferencing) to conduct public meetings pursuant to Government Code § 54953(e). This order expires April 1, 2022.
- G. The Los Angeles County Department of Public Health issued an order, effective March 4, 2022, that lifted its indoor mask order given the county’s coronavirus community level dropping into the “low”

category, but maintained that masks are “strongly recommended” in indoor settings to prevent transmission of COVID-19.

SECTION 2. *Teleconferencing; Ratification.*

A. Pursuant to Government Code § 54953(e), the City Council has reconsidered the circumstances of the state of emergency finds as follows:

1. California continues to be in a declared state of emergency pursuant to Government Code § 8625 (the California Emergency Services Act; see Government Code § 54953(e)(3); see also Governor’s Proclamation dated March 4, 2020 and Executive Order N-1-22 dated January 5, 2021); and
2. Based upon the most recent Order of the Health Officer for County of Los Angeles Department of Public Health (dated March 3, 2022 and effective March 4, 2022), masks are strongly recommended to curb the spread of COVID-19 (Government Code § 54953(e)(3)(B)(ii)).

B. Accordingly, to protect public health and safety the City Council:

1. Finds that it is in the public interest to conduct public meetings of its legislative bodies via teleconference as defined by Government Code § 54953;
2. Prohibits all Brown Act-subject City legislative bodies, including applicable commissions, committees, and boards, from meeting exclusively in person, except as determined by the City Manager or until the City Council provides further direction in the future;
3. Directs all such Brown Act-subject City legislative bodies, including applicable commissions, committees, and boards, to consider the continued adoption of findings allowing for its conduct public meetings via teleconference, through April 1, 2022;
4. Authorizes legislative body members to appear at regular and special meetings in person; and
5. Authorizes public officials, designated by the City Manager, or designee, to attend such public meetings if presenting matters to the legislative body or if the official’s presence at the meeting is otherwise deemed necessary by the City Manager or designee.

C. The City Council will adhere to all requirements of Government Code § 54953 governing teleconferencing during the emergency including, without limitation, posting agendas; allowing for real-time public comment via either call-in or internet-based; allowing for written communications that will be either read or summarized into the record during the meeting as determined by the City Council; and protecting the statutory and constitutional rights of all persons appearing before the legislative body.

SECTION 3. *Environmental Review.* This Resolution itself and the actions anticipated herein were 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 that review, this action is exempt from further review pursuant to CEQA Guidelines § 15269(a) because the protection of public and private property is necessary to maintain service essential to the public, health and welfare.

SECTION 4. *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 5. *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 6. *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 7. *Effective Date.* This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 8. *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



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.11

TITLE:

Service Agreement for Citywide Landscape Maintenance Services

RECOMMENDATION:

1. Reject Brightview's bid as non-responsive.
2. Appropriate additional funding of \$67,155.
3. Authorize the City Manager to execute a three-year Landscape Maintenance Services Agreement with a onetime three-year option extension with Parkwood Landscape Maintenance for \$436,295 per year.

FISCAL IMPACT:

Amount Budgeted: \$500,000

Current Balance: \$41,919

Additional Appropriation: Yes. \$67,155

Account Number: \$67,155 from General Fund Unassigned Fund Balance (001-299-0000-2990) to Public Works Park Maintenance Contractual Services (001-400-4203-6206)

BACKGROUND:

The term of the current landscape maintenance agreement with LandCare was from October 24, 2018 to September 30, 2021. City Council approved a six-month extension to March 31, 2022 to allow for a Request for Proposal (RFP) process. The attached document contains the contractor's areas of work and responsibilities.

DISCUSSION:

Staff prepared the Request for Proposals (RFP) #21-03 for the city's landscape maintenance services and issued this RFP on November 2, 2021. A mandatory pre-bid meeting was held on November 15, 2021. On February 10, 2022, the City Clerk received and opened seven (7) bids as follows:

Citywide Landscape Maintenance Services

March 15, 2022

Page 2 of 2

1. Parkwood Landscape Maintenance \$436,295
2. Greentech Landscape \$469,040
3. Bennett Landscape \$489,840
4. Mariposa \$516,564
5. LandCare \$525,205
6. Pride Industries \$736,958
7. Brightview \$415,180 (Disqualified)

The bid from the apparent lowest bidder, Brightview, is deemed non-responsive because it failed to include a required addendum. Staff checked the license and required registration for the second apparent lowest bidder, Parkwood Landscape maintenance, and found it to be in good standing. This company has provided satisfactory landscape maintenance services for other public agencies. There is not sufficient funding in the park landscape maintenance budget due to the increase in service costs. An additional \$67,155 is needed to be appropriated in order to cover landscape maintenance services for the remainder of the fiscal year.

Staff respectfully recommends awarding the contract to Parkwood Landscape Maintenance for the City's landscape maintenance services.

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.

Objective 4B: El Segundo's technology supports effective, efficient, and proactive operations.

PREPARED BY:

Christopher Hentzen, Park Maintenance Superintendent

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Landscape Contractor - Areas of Work and Responsibility

LANDSCAPE CONTRACTOR – AREAS OF WORK AND RESPONSIBILITY

PARKS

- Acacia Park
- Candy Cane Park
- Constitution Park
- Freedom Park
- Hilltop Park
- Holly Valley Park
- Independence Park
- Kansas Park
- Library Park
- Recreation Park (Mowing and edging only) Excludes ball field infields.
- Sycamore Park
- Washington Park

MEDIANS

- El Segundo Blvd – East of Pacific Coast Highway to Aviation
- Continental – North of El Segundo Blvd. to Mariposa
- Douglas Underpass – Transit Center to Park
- Grand Ave. – East of Pacific Coast Highway. to Nash
- Hughes Way – East of Pacific Coast Highway
- Maple Ave. – East of Pacific Coast Highway to Nash
- Rosecrans Ave. – East of Pacific Coast Highway to Aviation
- Pacific Coast Highway(Formerly Sepulveda) – North of Rosecrans Ave to Imperial Highway

MISCELLANEOUS PROPERTIES

- Downtown District See Map
This area includes two city parking lots – Mariposa and Main, southwest corner, and Richmond and El Segundo, northeast corner. All landscaped planters and tree wells are Included on Grand Ave from Eucalyptus to Concord St., Main Street from Mariposa Ave. to El Segundo Blvd., Richmond from Holly Ave. to El Segundo Blvd
Flower Baskets at Downtown District (120) to be changed out 3 times a year.
- Contractor to supply plant material and labor to change out.
- Imperial Strip includes Memory Row, El Segundo Dog Park, Clutter's Park See Map
Western limit 780 W. Imperial Ave to Eastern limit 1100 E. Imperial Ave. North limit Edge of pavement of Imperial Highway to the curb on Imperial Ave. on the South limit. Trash to be picked up twice a week including the slope areas.
- Fire Station #2 2261 East Mariposa Ave.
- Facility Maintenance Yard 150 Illinois
- Campus El Segundo Soccer Facility, 2201 East Mariposa Ave.
Fields are synthetic turf. Not a part of this scope. Maintenance includes only landscaped areas and trash pick up in all areas.

- Richmond School Ball Field 615 Richmond (Virginia and Mariposa)
- Hilltop Reservoir on Lomita between Grand and Holly, edging ground cover and weed control around reservoir enclosure.



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.12

TITLE:

State Homeland Security Grant Program Subrecipient Agreement

RECOMMENDATION:

1. Authorize the acceptance of \$430,280 in grant funds from the 2020 State Homeland Security Grant Program and allow for amendments as outlined in Section V, Subsection 503 - Amendments.
2. Authorize the City Manager or designee to sign an agreement with the County of Los Angeles who will serve as the grant administrator for the grant.

FISCAL IMPACT:

The City of El Segundo has been allocated \$430,280 in the 2020 State Homeland Security Grant Program (SHSGP) funding, which is passed to the local area through Los Angeles County via a subrecipient agreement. While the grant does not provide up-front funding, municipalities submit reimbursement requests to the grant administrator (e.g., Los Angeles County) after expenditures are made and processed for payment. Approved requests are then reimbursed by the County of Los Angeles. If funds are not used from 2020 they will not be reallocated for use. Thus, it's important to expend our full allocation and approve an additional appropriation to expense account 124-400-3202-3770 in support of these projects.

- Accept grant allocation in the amount of \$430,280
- Appropriate \$430,280 to the HSGP Grant Expense Account (124-400-3202-3770) and allocate \$430,280 to revenue account 124-300-3202-3770 (2020 HSGP Grant)

**State Homeland Security Program Subrecipient Agreement Grant Year 2020
Between the County of Los Angeles and the City of El Segundo
March 15, 2022
Page 2 of 3**

BACKGROUND:

The State Homeland Security Grant Program (SHSP) allocates funding to address the unique equipment, training, organizational and exercise needs of the subrecipient. A portion of this funding, which is passed to the local area through Los Angeles County via a Subrecipient Agreement, is allocated to cover expenses associated with the 2020 projects. The City of El Segundo has been identified to be the fiduciary agent for the continued funding of a crisis management operating platform for numerous cities within the Los Angeles operational area. Additional funding has been allocated for training and response readiness equipment through this allocation.

DISCUSSION:

Staff recommends the acceptance of this grant and requests City Council authorize and approve additional appropriation to support the projects associated with this funding.

In accordance with the City Council Policy regarding grant submissions:

1. The grant award is made by the U.S. Department of Homeland Security, through the Office of Grants and Training. The grant is administered by the County of Los Angeles.
2. The total amount being requested is \$430,280.
3. Matching Funds Cost-Share: N/A
4. Source of Matching Funds Cost Share: N/A
5. The grant does not provide up-front funding. Municipalities submit reimbursement requests to the grant administrator after expenditures are made and processed for payment. Approved requests are reimbursed by the County of Los Angeles.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety & Preparedness

Objective A: The City of El Segundo is a safe and prepared community.

PREPARED BY:

Liz Lydic, Management Analyst

REVIEWED BY:

Deena Lee, Fire Chief

APPROVED BY:

Barbara Voss, Deputy City Manager

**State Homeland Security Program Subrecipient Agreement Grant Year 2020
Between the County of Los Angeles and the City of El Segundo
March 15, 2022
Page 3 of 3**

ATTACHED SUPPORTING DOCUMENTS:

1. 2020 Sub-Recipient Agreement

***State Homeland Security Program
Subrecipient Agreement
Grant Year 2020***

***Between the
County of Los Angeles
and the
City of El Segundo***

**SUBRECIPIENT AGREEMENT
BETWEEN THE
COUNTY OF LOS ANGELES
AND THE
CITY OF EL SEGUNDO**

THIS AGREEMENT ("Agreement") is made and entered into by and between the County of Los Angeles, a political subdivision of the State of California (the "County of Los Angeles"), and the City of El Segundo, a public agency (the "Subrecipient").

W I T N E S S E T H

WHEREAS, the U.S. Department of Homeland Security Title 2 Code of Federal Regulations (CFR) through the Office of Grants and Training (G&T), has provided financial assistance for the State Homeland Security Program (SHSP), Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number) 97.067 – Homeland Security Grant Program directly to the California Governor’s Office of Emergency Services (Cal OES) for the 2020 SHSP, Federal Award Identification No. 037-00000 Federal Award dated October 23, 2020 with a performance period of September 1, 2020 to May 31, 2023. This Federal Award is not a R&D award; and

WHEREAS, the Cal OES provides said funds to the County of Los Angeles (DUNS #052238763) as its Subgrantee, and the Chief Executive Office (CEO) is responsible for managing and overseeing the SHSP funds that are distributed to other specified jurisdictions within Los Angeles County; and

WHEREAS, this financial assistance is being provided to the Subrecipient in order to address the unique equipment, training, organization, exercise and planning needs of the Subrecipient, and to assist the Subrecipient in building effective prevention and protection capabilities to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the County of Los Angeles as Subgrantee has obtained approval of the 2020 SHSP grant from Cal OES in the total amount of \$10,593,612.00; and

WHEREAS, the CEO now wishes to distribute 2020 SHSP grant funds to the Subrecipient in the amount of \$430,280.00, as further detailed in this Agreement; and

WHEREAS, the CEO is authorized to enter into subrecipient agreements with cities providing for re-allocation and use of these funds; and to execute all future amendments, modifications, extensions, and augmentations relative to the subrecipient agreements, as necessary; and

WHEREAS, the County of Los Angeles and Subrecipient are desirous of executing this Agreement, and the County of Los Angeles Board of Supervisors on July 20, 2021 authorized the CEO to prepare and execute this Agreement.

NOW, THEREFORE, the County of Los Angeles and Subrecipient agree as follows:

SECTION I

INTRODUCTION

§101. Parties to this Agreement

The parties to this Agreement are:

- A. County of Los Angeles, a political subdivision of the State of California, having its principal office at Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012; and
- B. City of El Segundo, a public agency, having its principal office at 350 Main Street, El Segundo, CA 90245.

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications must be given are as follows:
 - 1. The representative of the County of Los Angeles is, unless otherwise stated in this Agreement:

Craig Hirakawa, HSGP Grants Director
Chief Executive Office, LAC
500 West Temple Street, Room B-79-2
Los Angeles, CA 90012
Phone: (213) 974-1127
Fax: (213) 687-3765
chirakawa@ceo.lacounty.gov

Melissa Tarver
Chief Executive Office, LAC
500 West Temple Street, Room B-79-2
Los Angeles, CA 90012
Phone: (213) 974-3338
Fax: (213) 687-3765
mtarver@ceo.lacounty.gov

2. The representative of Subrecipient is:

Name and Title:	Darrell George, Interim City Manager
Organizational DUNS Number	077-264679
Address:	350 Main Street
City/State/Zip:	El Segundo, CA 90245
Phone:	310-524-2301
FAX:	
Email:	dgeorge@elsegundo.org

With a copy to:

Name and Title:	Liz Lydic, Management Analyst
Address:	314 Main Street
City/State/Zip:	El Segundo, CA 90245
Phone:	310-524-2845
FAX:	
Email:	elydic@elsegundo.org

- B. Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery, regular U.S. Postal mail service and/or e-mail. In the event of personal delivery or email, the message will be deemed communicated upon receipt by the County of Los Angeles. In the event of mail service, the message will be deemed communicated as of the date of mailing.
- C. If the name and/or title of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

Subrecipient is acting hereunder as an independent party, and not as an agent or employee of the County of Los Angeles. An employee of Subrecipient is not, and will not be deemed, an employee of the County of Los Angeles by virtue of this Agreement, and Subrecipient must so inform each employee organization and each employee who is hired or retained under this Agreement. Subrecipient must not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the County of Los Angeles by virtue of this Agreement.

§104. Conditions Precedent to Execution of This Agreement

Subrecipient must provide the following signed documents to the County of Los Angeles, unless otherwise exempted:

- A. Certification and Disclosure Regarding Lobbying, attached hereto as Exhibit A and made a part hereof, in accordance with §411.A.14 of this Agreement. Subrecipient must also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by Subrecipient.
- B. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, attached hereto as Exhibit B and made a part hereof, as required by Executive Order 12549 in accordance with §411.A.12 of this Agreement.
- C. Certification Regarding Drug-Free Workplace, attached hereto as Exhibit C and made a part hereof, in accordance with §411.A.13 of this Agreement.
- D. Certification of Grant Assurances, attached hereto as Exhibit D and made a part hereof, in accordance with §411.C of this Agreement.

SECTION II

TERM AND SERVICES TO BE PROVIDED

§201. Performance Period

The performance period of this Agreement is from September 1, 2020 to February 28, 2023, unless the County of Los Angeles, with Cal OES approval, provides written notification to the Subrecipient that the performance period has been extended, in which case the performance period will be so extended by such written notification, as provided in §502, below.

§202. Use of Grant Funds

- A. Subrecipient and the County of Los Angeles have previously completed a mutually approved budget/expenditure plan, hereinafter "Budget," for the 2020 SHSP, which has been approved by Cal OES. This information is contained in a copy of the Final Grant Award Letter and Project Worksheet, attached hereto as Exhibit E.

Any request by Subrecipient to modify the Budget must be made in writing with the appropriate justification and submitted to CEO for approval. If during the County of Los Angeles review process, additional information or documentation is required, the Subrecipient will have ten (10) business days to comply with the request. If the Subrecipient does not comply with the request, CEO will issue written notification indicating that the requested modification will not be processed. Modifications must be approved in writing by the County of Los Angeles and Cal OES during the term of this Agreement. Upon approval, all other terms of this Agreement will remain in effect.

Subrecipient must utilize grant funds in accordance with all Federal regulations and State Guidelines.

- B. Subrecipient agrees that grant funds awarded will be used to supplement existing funds for program activities, and will not supplant (replace) non-Federal funds.
- C. Subrecipient must review the Federal Debarment Listing at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf> prior to the purchase of equipment or services to ensure the intended vendor is not listed and also maintain documentation that the list was verified.
- D. Prior to the purchase of equipment or services utilizing a sole source contract or the receipt of single bid response of \$250,000.00 or more, justification must be presented to CEO, who upon review will request approval from Cal OES. Such approval in writing must be obtained prior to the commitment of funds.
- E. Subrecipient must provide any certifications or reports requested by the County of Los Angeles to the CEO indicating Subrecipient's performance under this Agreement, including progress on meeting program goals. Reports must be in the form requested by the County of Los Angeles, and must be provided by the fifteenth (15th) of the following month. Subrecipient is required to complete any survey requests requested by the County of Los Angeles. Subrecipient must also submit completed Project Claims for reimbursement immediately or a minimum on a quarterly basis, and no later than the date stated in §201, above.
- F. Subrecipient must provide an electronic copy of their Annual Single Audit Report, as required by 2 CFR Part 200, to CEO no later than March 31st (fiscal year ending June 30) or June 30th (fiscal year ending September 30) of the year following the reporting period.

- G. Subrecipient may be monitored by the County of Los Angeles on an annual basis to ensure compliance with Cal OES grant program requirements. The County of Los Angeles anticipates that said monitoring may include, at a minimum, one on-site visit during the term of this Agreement. Monitoring will utilize a Review Instrument (sample attached hereto as Exhibit H, and subject to periodic revisions) to evaluate compliance.
- H. Subrecipient must provide Corrective Action Plan(s) to CEO within thirty (30) days of any audit finding.
- I. Subrecipient use of the Los Angeles Regional Interoperable Communication System's Motorola Solutions, Incorporated Land Mobile Radio System Contract to purchase equipment is unallowable unless the Subrecipient can clearly demonstrate to CEO it meets one of the four federal exceptions to necessitate a noncompetitive procurement before issuance of any contract, amendment, or purchase order.
- J. Subrecipient shall not use grant funds to purchase, extend, or renew any Telecommunications and Video Surveillance services and equipment as substantial or essential component of any system, or as critical technology as part of any system which the Secretary of Defense, in consultation with Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an owned, controlled by, or connected to the People's Republic of China such as and not limited to Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); or Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- K. Any equipment acquired pursuant to this Agreement must be authorized in the G&T Authorized Equipment List (AEL) available online at <https://www.fema.gov/authorized-equipment-list> and the Funding Guidelines of the 2020 SHSP Notice of Funding Opportunity, incorporated by reference, and attached hereto as Exhibit F. Subrecipient must provide the CEO a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet or exceed the minimum Federal requirements and any added Cal OES requirements. Federal procurement requirements for the 2020 SHSP can be found at Title 2 CFR Part 200.313.

Any equipment acquired or obtained with Grant Funds:

1. Will be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;

2. Will be consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that plan;
 3. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
- L. Equipment acquired pursuant to this Agreement will be subject to the requirements of Title 2 CFR Part 200.313. For the purposes of this subsection, "Equipment" is defined as tangible nonexpendable property, having a useful life of more than one year which costs \$5,000.00 or more per unit. Items costing less than \$5,000.00, but acquired under the "Equipment" category of the Grant must also be listed on any required Equipment Listing.
1. Equipment must be used by Subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
 2. Subrecipient must make Equipment available for use on other like projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the awarding agency.
 3. An Equipment Listing must be maintained listing each item of Equipment acquired with SHSP funds. The Equipment Listing must be kept up to date at all times. Any changes must be recorded in the Listing within ten (10) business days and the updated Listing is to be forwarded to the County of Los Angeles Auditor-Controller (A-C) Shared Services Division. The Equipment Property Records must be maintained that include: (a) a description of the property, (b) a serial number or other identification number, (c) the source of property, (d) who holds title, (e) the acquisition date, (f) and cost of the property, (g) percentage of Federal participation in the cost of the property, (h) the location, (i) use and condition of the property, (j) and any ultimate disposition data including the date of disposal and sale price of the property. Records must be retained by the subrecipient pursuant to Title 2, Part 200.313 (d) (1) of the CFR.
 4. All Equipment obtained under this Agreement must have an appropriate identification decal affixed to it, and, when practical, must be affixed where it is readily visible.

5. A physical inventory of the Equipment must be taken by the Subrecipient and the results reconciled with the Equipment Listing at least once every two years or prior to any site visit by State or Federal auditors or County of Los Angeles monitors. The Subrecipient is required to have on file a letter certifying as to the accuracy of the Equipment Listing in the frequency as above, and provide to the CEO when requested.
- M. Any Planning paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F or subsequent grant year programs.
- N. Any Organization activities paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F.
- O. Any Training paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F, and must be first submitted to CEO and then pre-authorized by Cal OES. A catalog of federally approved and sponsored training courses is available at <https://www.firstrespondertraining.gov/frts/>.
- P. Any Exercise paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <https://www.fema.gov/hseep>.
- Q. Any Personnel activities paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F.
- R. Subrecipient must provide to CEO a spending plan detailing the required steps and timeframes required to complete the approved projects within the grant timeframe. Subrecipient must submit the spending plan to CEO prior to final execution of the Agreement.
- S. Pursuant to this Agreement, indirect costs are not reimbursable.

SECTION III

PAYMENT

§301. Payment of Grant Funds and Method of Payment

- A. The County of Los Angeles will reimburse Subrecipient up to the maximum grant amount of \$430,280.00 as expenditures are incurred and paid by Subrecipient and all documentation is reviewed and approved by County of Los Angeles. All expenditures must be for the purchase of equipment, exercises, training, organization, and planning as described in Section II of this Agreement. The

grant amount represents the amount allocated to Subrecipient in the 2020 SHSP Grant Award Letter from Cal OES.

- B. Subrecipient must submit reimbursement requests to the County of Los Angeles A-C Shared Services Division requesting payment as soon as a Project is completed and expenses are incurred and paid with the required supporting documentation; submission can be sent immediately or at a minimum on a quarterly basis, and no later than the date stated in §201, above. Each reimbursement request must be accompanied by the Reimbursement Form (sample attached hereto as Exhibit G, and subject to periodic revisions). All appropriate back-up documentation must be attached to the reimbursement form, including the method of procurement, bid documentation, purchase orders, invoices, report of goods received, and proof of payment.

For Training reimbursements, Subrecipient must include a copy of the class roster verifying training attendees, proof that prior approval was obtained from Cal OES and that a Cal OES Feedback number has been assigned to the course, and timesheets and payroll registers for all training attendees.

For Exercise reimbursements, Subrecipient must enter the After Action Report (AAR) and Improvement Plan on the State Office of Domestic Preparedness secure portal within sixty (60) days following completion of the exercise and submit proof of prior State approval of the AAR with the reimbursement request.

For Planning reimbursements, Subrecipient must include a copy of the final tangible product.

- C. The County of Los Angeles may, at its discretion, reallocate unexpended grant funds to another subrecipient. Said reallocation may occur upon approval by the County of Los Angeles of a Subrecipient reimbursement submission, inquiry from the County of Los Angeles to the Subrecipient regarding fund utilization, or by written notification from the Subrecipient to the County of Los Angeles that a portion of the grant funds identified in §301.A., above, will not be utilized. As provided in §502, below, any increase or decrease in the grant amount specified in §301.A., above, may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.
- D. Payment of reimbursement request will be withheld by the County of Los Angeles until the County of Los Angeles has determined that Subrecipient has turned in all supporting documentation and completed the requirements of this Agreement.
- E. It is understood that the County of Los Angeles makes no commitment to fund this Agreement beyond the terms set forth herein.
- F. 1. Funding for all periods of this Agreement is subject to continuing Federal appropriation of grant funds for this program. In the event of a loss or reduction of Federal appropriation of grant funds for this program, the Agreement may be

terminated, or appropriately amended, immediately upon notice to Subrecipient of such loss or reduction of Federal grant funds.

2. County of Los Angeles will make a good-faith effort to notify Subrecipient, in writing, of such non-appropriation at the earliest time.

SECTION IV

STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and do not, and will not be deemed to, affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party.

§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder must comply with all applicable laws of the United States of America, the State of California, and the County of Los Angeles. This Agreement will be enforced and interpreted, as applicable, under the laws of the United States of America, the State of California and the County of Los Angeles.

If any part, term or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Agreement, the validity of the remainder of the Agreement will not be affected thereby.

Applicable Federal or State requirements that are more restrictive will be followed.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404. Breach

If any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for

herein except that in all events, no party may recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§405. Prohibition Against Assignment or Delegation

Subrecipient may not do any of the following, unless it has first obtained the written permission of the County of Los Angeles:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§406. Permits

Subrecipient and its officers, agents and employees must obtain and maintain all permits and licenses necessary for Subrecipient's performance hereunder and must pay any fees required therefor. Subrecipient further certifies that it will immediately notify the County of Los Angeles of any suspension, termination, lapse, non-renewal or restriction of licenses, certificates, or other documents.

§407. Nondiscrimination and Affirmative Action

Subrecipient must comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the County of Los Angeles. In performing this Agreement, Subrecipient must not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. Subrecipient must comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

If required, Subrecipient must submit an Equal Employment Opportunity Plan to the Department of Justice Office of Civil Rights in accordance with guidelines listed at <https://www.justice.gov/crt>.

Any subcontract entered into by the Subrecipient relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this §407 of this Agreement.

§408. Indemnification

Each of the parties to this Agreement is a public entity. This indemnity provision is written in contemplation of the provisions of Section 895.2 of the Government Code of the State of California, which impose certain tort liability jointly upon public entities, solely by reason of such entities being parties to an agreement,

and the parties agree that this indemnity provision will apply and will be enforceable regardless of whether Section 895 et seq. is deemed to apply to this Agreement. The parties hereto, as between themselves, consistent with the authorization contained in Government Code Sections 895.4 and 895.6 agree to each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party agrees to indemnify and hold harmless the other party for any liability arising out of its own negligent acts or omissions in the performance of this Agreement (i.e., the Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for liability arising out of the Subrecipient's negligent or wrongful acts or omissions and the County of Los Angeles agrees to indemnify and hold harmless the Subrecipient for liability arising out of the County of Los Angeles' negligent or wrongful acts or omissions). Each party further agrees to indemnify and hold harmless the other party for liability that is imposed on the other party solely by virtue of Government Code Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein. Subrecipient certifies that it has adequate self-insured retention of funds to meet any obligation arising from this Agreement.

§409. Conflict of Interest

- A. The Subrecipient covenants that none of its directors, officers, employees, or agents may participate in selecting, or administrating, any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
 2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
 3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.
- B. Definitions:
1. The term "immediate family" means domestic partner and/or those persons related by blood or marriage, such as husband, wife, father,

mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.

2. The term "financial or other interest" means:
 - a. Any direct or indirect financial interest in the specific contract, including but not limited to, a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- C. The Subrecipient further covenants that no officer, director, employee, or agent may solicit or accept gratuities, favors, or anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- D. The Subrecipient may not subcontract with a former director, officer, or employee within a one-year period following the termination of the relationship between said person and the Subrecipient.
- E. Prior to obtaining the County of Los Angeles' approval of any subcontract, the Subrecipient must disclose to the County of Los Angeles any relationship, financial or otherwise, direct or indirect, of the Subrecipient or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references are made to the guidelines, rules, and laws of the County of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- G. The Subrecipient warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- H. The Subrecipient covenants that no member, officer or employee of Subrecipient may have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- I. The Subrecipient must incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this grant and must

substitute the term "subcontractor" for the term "Subrecipient" and "sub subcontractor" for "Subcontractor".

§410. Restriction on Disclosures

Any reports, analyses, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250 et seq.).

§411. Statutes and Regulations Applicable To All Grant Contracts

A. Subrecipient must comply with all applicable requirements of State, Federal, and County of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Subrecipient must comply with applicable State and Federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Subrecipient must comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. CFR

Subrecipient must comply with Title 2 CFR Part 200.

2. Single Audit Act

Since Federal funds are used in the performance of this Agreement, Subrecipient must, as applicable, adhere to the rules and regulations of the Single Audit Act (31 USC Sec. 7501 et seq.), 2 CFR Part 200 and any administrative regulation or field memos implementing the Act.

3. Americans with Disabilities Act

Subrecipient hereby certifies that, as applicable, it will comply with the Americans with Disabilities Act 42, USC §§12101 et seq., and its implementing regulations. Subrecipient will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. Subrecipient will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by Subrecipient, relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement may be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither may any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement may be used for any sectarian purpose or to support or benefit any sectarian activity.

Subrecipient must file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Subrecipient. Subrecipient must require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors certify and disclose accordingly.

5. Records Inspection

At any time during normal business hours and as often as either the County of Los Angeles, the U.S. Comptroller General or the Auditor General of the State of California may deem necessary, Subrecipient must make available for examination all of its records with respect to all matters covered by this Agreement. The County of Los Angeles, the U.S. Comptroller General and the Auditor General of the State of California have the authority to audit, examine and make excerpts or transcripts from records, including all Subrecipient's method of procurement, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

Subrecipient agrees to provide any reports requested by the County of Los Angeles regarding performance of this Agreement.

6. Records Maintenance

Records, in their original form, must be maintained in accordance with requirements prescribed by the County of Los Angeles with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The County of Los Angeles may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, must at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the County of Los Angeles.

7. Subcontracts and Procurement

Subrecipient must, as applicable, comply with the Federal, State and County of Los Angeles standards in the award of any subcontracts. For purposes of this Agreement, subcontracts include but are not limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

Subrecipient must, as applicable, ensure that the terms of this Agreement with the County of Los Angeles are incorporated into all Subcontractor agreements. The Subrecipient must submit all Subcontractor agreements to the County of Los Angeles for review prior to the release of any funds to the Subcontractor. The Subrecipient must withhold funds to any Subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor agreement.

8. Labor

Subrecipient must, as applicable, comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 CFR 900, Subpart F).

Subrecipient must, as applicable, comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7); the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874); the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements; and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

Subrecipient must, as applicable, comply with the Federal Fair Labor Standards Act (29 U.S.C. §201) regarding wages and hours of employment.

None of the funds may be used to promote or deter union/labor organizing activities. CA Gov't Code Sec. 16645 et seq.

9. Civil Rights

Subrecipient must, as applicable, comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of disabilities; (d) the Age

Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) that may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

Subrecipient must, as applicable, comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

Subrecipient must, as applicable, comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

Subrecipient must, as applicable, comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Subrecipient must, as applicable, comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.), which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

Subrecipient must, as applicable, comply with the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

Subrecipient must, as applicable, ensure that the facilities under its ownership, lease or supervision that are utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, Subrecipient warrants and represents that it will, as applicable, comply with the California Environmental Quality Act (CEQA), Public Resources Code §21000 et seq.

Subrecipient must, as applicable, comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

Subrecipient must, as applicable, comply with the provision of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 U.S.C. 3501 et seq.) which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. Preservation

Subrecipient must, as applicable, comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

12. Suspension, Debarment, Ineligibility and Voluntary Exclusion

Subrecipient must, as applicable, comply with Title 2 CFR Part §3000, regarding Suspension and Debarment, and Subrecipient must submit a Certification Regarding Debarment, attached hereto as Exhibit B, required by Executive Order 12549 and any amendment thereto. Said Certification must be submitted to the County of Los Angeles concurrent with the

execution of this Agreement and must certify that neither Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department head or agency. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

13. Drug-Free Workplace

Subrecipient must, as applicable, comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, Title 44 Code of Federal Regulations (CFR) Part §17; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§8350-8357, and Subrecipient must complete the Certification Regarding Drug-Free Workplace Requirements, attached hereto as Exhibit C, and incorporated herein by reference. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

14. Lobbying Activities

Subrecipient must, as applicable, comply with 31 U.S.C.1352 and complete the Disclosure of Lobbying Activities, (OMB 0038-0046), attached hereto as Exhibit A, and incorporated herein by reference.

15. Miscellaneous

Subrecipient must, as applicable, comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131 et seq.).

B. Statutes and Regulations Applicable To This Particular Grant Agreement

Subrecipient must comply with all applicable requirements of State and Federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. Subrecipient must, as applicable, comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

Title 2 CFR Part 200; EO 12372; U.S. Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, Office for Domestic Preparedness, ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, §8607.1(e) and CCR Title 19, §§2445-2448.

Provisions of Title 2, 6, 28, 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal Employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to Federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government-Wide Requirements for a Drug Free Workplace (grants).

Nondiscrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC 3789(d), or the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1, and all other applicable Federal laws, orders, circulars, or regulations.

1. Travel Expenses

Subrecipient, as provided herein, will be compensated for Subrecipient's reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Subrecipient's total travel for in-State and/or out-of-State and per diem costs must be included in the contract budget(s). All travel, including out-of-State travel, that is not included in the budget(s) will not be reimbursed without prior written authorization from the County of Los Angeles.

Subrecipient's administrative-related travel and per diem reimbursement costs will not be reimbursed. For programmatic-related travel costs, Subrecipient's reimbursement rates may not exceed the amounts established under the grant.

C. Compliance With Grant Requirements

To obtain the grant funds, the State required an authorized representative of the County of Los Angeles to sign certain promises regarding the way the grant funds would be spent. These requirements are included in Exhibit F and in the State's "Grant Assurances". By signing these Grant Assurances and accepting Exhibit F, the County of Los Angeles became liable to the State for any funds

that are used in violation of the grant requirements. The State's Grant Assurances are incorporated into this Agreement through Exhibit D. Subrecipient will be liable to the Grantor for any funds the State determines the Subrecipient used in violation of these Grant Assurances.

Pursuant to this Agreement, Subrecipient shall execute the 2020 Certification of Grant Assurances in Exhibit D, accepting and agreeing to abide by all provisions, assurances, and requirements therein. Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for any sums the State or Federal government determines Subrecipient used in violation of the Grant Assurances.

To the extent Exhibit D conflicts with language or provisions contained in this Agreement, or contains more restrictive requirements under Federal and State law, Exhibit D shall control.

D. Noncompliance With Grant Requirements

Subrecipient understands that failure to comply with any of the above assurances and requirements, including Exhibit D, may result in suspension, termination or reduction of grant funds, and repayment by the Subrecipient to the County of Los Angeles of any unauthorized expenditures.

§412. Federal, State and Local Taxes

Federal, State and local taxes are the responsibility of the Subrecipient as an independent party and not of the County of Los Angeles and must be paid prior to requesting reimbursement. However, these taxes are an allowable expense under the grant program.

§413. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project produces any invention or discovery ("Invention") patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the Subrecipient must report the fact and disclose the Invention promptly and fully to the County of Los Angeles. The County of Los Angeles will report the fact and disclose the Invention to the State. Unless there is a prior agreement between the County of Los Angeles and the State, the State will determine whether to seek protection on the Invention. The State will determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of Title 35 U.S.C. Sections 200 et seq. (Pub. L. 95-517, Pub. L. 98-620, Title 37 CFR Part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated

2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, Title 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, Title 3 CFR, 1987 Comp., p. 262). Subrecipient hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

B. Rights to Use Inventions

As applicable, County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

1. Unless otherwise provided by the State or the terms of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the County of Los Angeles, at its discretion, may copyright the Material. If the County of Los Angeles declines to copyright the Material, the County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The State will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.
3. Subrecipient must comply with Title 24 CFR 85.34.

D. Rights to Data

The State and the County of Los Angeles will have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, *distribute* copies to the public, and perform and display publicly, or permit others to do so; as required by Title 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the State acquires the data under a copyright license as set forth in Title 48 CFR 27.404(f)(2) instead of unlimited rights. (Title 48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

Subrecipient must require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

§414. Child Support Assignment Orders

Under the terms of this Agreement, Subrecipient must, as applicable, comply with California Family Code Section 5230 et seq.

§415. Minority, Women, And Other Business Enterprise Outreach Program

It is the policy of the County of Los Angeles to provide Minority Business Enterprises, Women Business Enterprises and all other business enterprises an equal opportunity to participate in the performance of all Subrecipient's contracts, including procurement, construction and personal services. This policy applies to all of the Subrecipient's contractors and sub-contractors.

§416. Compliance with Fair Chance Employment Practices

Subrecipient shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Subrecipient's violation of this paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County of Los Angeles may, in its sole discretion, terminate the Agreement.

§417. Method of Payment and Required Information

The County of Los Angeles may, at its sole discretion, determine the most appropriate, efficient, secure, and timely form of payment provided under this Agreement. Subrecipient further agrees that the default form of payment shall be Electronic Funds Transfer (EFT) or Direct Deposit, unless an alternative method of payment is deemed appropriate by the A-C.

Subrecipient shall provide the A-C with electronic banking and related information for the Subrecipient and/or any other payee that the Subrecipient designates to receive payment pursuant to this Agreement at <https://directdeposit.lacounty.gov/>. Such electronic banking and related information includes, but is not limited to: bank account number and routing number, legal business name, valid taxpayer identification number or TIN, a working e-mail address capable of receiving remittance advices and other payment related correspondence, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or Direct Deposit shall supersede this requirement with respect to those payments. At any time during the duration of this Agreement, the Subrecipient may submit a written request for an exemption

to this requirement and must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with CEO, shall decide whether to approve exemption requests.

SECTION V

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should either party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.

§502. Termination

This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County of Los Angeles, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Subrecipient specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

§503. Amendments

Except as otherwise provided in this paragraph, any change in the terms of this Agreement, including changes in the services to be performed by Subrecipient, that are agreed to by the Subrecipient and the County of Los Angeles must be incorporated into this Agreement by a written amendment properly signed by persons who are authorized to bind the parties. Notwithstanding the foregoing, any increase or decrease of the grant amount specified in §301.A., above, or any extension of the performance period specified in §201, above, does not require a written amendment, but may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

SECTION VI

ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation or other communication with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement may be executed utilizing wet, scanned digital, and electronic signatures, each of which is deemed to be an original. This Agreement includes (26) pages and (8) Exhibits which constitute the entire understanding and agreement of the parties.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Subrecipient and County of Los Angeles have caused this Agreement to be executed by their duly authorized representatives.

COUNTY OF LOS ANGELES

BY _____
FESIA A. DAVENPORT Date
Chief Executive Officer

BY _____
CELIA ZAVALA
Executive Officer, Board of Supervisors

BY _____
ARLENE BARRERA
Auditor-Controller

APPROVED AS TO FORM

RODRIGO A. CASTRO-SILVA
County Counsel

BY _____
Deputy County Counsel

BY _____
City Representative/Title (Signature) (Print Name) Date

APPROVED AS TO FORM

BY _____
City Attorney (Signature) (Print Name) Date

ATTEST

BY _____
City Clerk (Signature) (Print Name) Date

EXHIBITS

- Exhibit A Certification and Disclosure Regarding Lobbying
- Exhibit B Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
- Exhibit C Certification Regarding Drug-Free Workplace
- Exhibit D Certification of Grant Assurances
- Exhibit E Final Grant Award Letter and Project Worksheet
- Exhibit F 2020 Notice of Funding Opportunity
- Exhibit G Reimbursement Form and Instructions
- Exhibit H Monitoring Instrument

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to *Title 31 U.S.C. Section 1352*. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; sub-grant announcement number; the contract, subgrant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a.) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b.) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change</p> <p>For Material Change Only: Year _____ Quarter _____ date of last report _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime <input checked="" type="checkbox"/> Subawardee</p> <p style="text-align: center;">Tier, If known: _____</p> <p>Congressional District, if known: _____</p>		<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>County of Los Angeles Chief Executive Office 500 West Temple Street, Room B-79-2 Los Angeles, CA 90012</p> <p>Congressional District, if known: _____</p>
<p>6. Federal Department/Agency:</p> <p>Department of Homeland Security</p>	<p>7. Federal Program Name/Description:</p> <p>Homeland Security Grant Program</p> <p>CFDA Number, if applicable: 97.067</p>	
<p>8. Federal Action Number, if known: _____</p>	<p>9. Award Amount, if known: _____</p>	
<p>10. a. Name and Address of Lobbying Entity (if individual, last name, first name, MI): (attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>	<p>b. Individuals Performing Services (last name, first name, MI - include address if different from 10a)</p>	
<p>11. Amount of Payment (check all that apply) :</p> <p>_____ <input type="checkbox"/> Actual <input type="checkbox"/> Planned</p>	<p>13. Type of Payment (check all that apply):</p> <p><input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other; specify: _____</p>	
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash</p> <p><input type="checkbox"/> b. in-kind; specify: _____</p> <p style="text-align: center;">nature _____ value _____</p>		
<p>14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated in item 11: (attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>		
<p>15. Continuation Sheet(s) SF-LLL-A attached: <input type="radio"/> Yes <input checked="" type="radio"/> No</p>		
<p>16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>		<p>Signature: _____ Name: _____ Title: _____ Telephone: _____ Date: _____ (area code)</p>
<p>Federal Use Only:</p>		<p>Authorized for Local Reproduction Standard Form – LLL</p>

**DISCLOSURE OF LOBBYING ACTIVITIES
CONCONTINUATION SHEET**

Continuation of 10 a-b: additional sheets may be added if necessary

Reporting Entity:

_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip
_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip
_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip
_____ Last Name	_____ First Name	_____ MI
_____ Address	_____ City	_____ Zip

Continuation of 14: (additional sheets may be added if necessary)

Brief Description of Services and Payments indicated in item 11:

Authorized for Local Reproduction
Standard Form – LLL-A

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation on this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

STATE OF CALIFORNIA
DRUG-FREE WORKPLACE CERTIFICATION
STD. 21

COMPANY/ORGANIZATION NAME:

The contractor or grant recipient named above hereby certifies compliance with *Government Code Section 8355* in matters relating to providing a drug-free workplace. The above-named contractor or recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by *Government Code Section 8355(a)*.
2. Establish a Drug-Free Awareness Program as required by *Government Code Section 8355(b)*, to inform employees about all of the following:
 - (a) The dangers of drug abuse in the workplace,
 - (b) The person's or organization's policy of maintaining a drug-free workplace,
 - (c) Any available counseling, rehabilitation and employee assistance programs, and
 - (d) Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by *Government Code Section 8355(c)*, that every employee who works on the proposed contract or subgrant:
 - (a) Will receive a copy of the company's drug-free policy statement, and
 - (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or subgrant.

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or Recipient to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

OFFICIAL'S NAME

DATE EXECUTED

COUNTY OF LOS ANGELES

EXECUTED IN THE COUNTY OF

CONTRACTOR or RECEIPEINT SIGNATURE

TITLE

FEDERAL I.D. NUMBER



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) Federal Preparedness Grants Manual;
- (d) California Supplement to the NOFO; and
- (e) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the [Office of Management and Budget \(OMB\)](http://www.whitehouse.gov/omb/) and can be found at <http://www.whitehouse.gov/omb/>.

State and federal grant award requirements are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority

The Applicant will obtain proof of authority from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body;



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

- (d) Applicant is authorized by the city council, governing board, or authorized body to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project cost, if any) to ensure proper planning, management and completion of the project described in this application; and
- (e) Official executing this agreement is authorized by the Applicant.

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The period of performance is specified in the Award. The Applicant is only authorized to perform allowable activities approved under the award, within the period of performance.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501- 1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.213 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, recipients, or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all state and federal statutes relating to non-discrimination, including:



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. §§ 12101- 12213), which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs;
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;



Standard Assurances

For Cal OES Federal Non-Disaster Grant Programs

- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) The Applicant will comply with California's Fair Employment and Housing Act (FEHA) (California Government Code §§ 12940, 12945, 12945.2), as applicable. FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave, military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions;
- (m) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (n) The requirements of any other nondiscrimination statute(s) that may apply to this application.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, including:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000- 21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000- 15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records

In accordance with 2 C.F.R. § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest

The Applicant will establish safeguards to prohibit the Applicant's employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management

False Claims for Payment - The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subrecipient, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

- (c) Assist the awarding agency in assuring compliance with Section 106 of the
- (d) National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (e) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

20. California Public Records Act and Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

EMERGENCY MANAGEMENT PERFORMANCE GRANT (EMPG) – PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Acknowledgment of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

22. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

23. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

24. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

25. Duplication of Benefits

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

26. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

27. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

28. Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

29. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

30. Non-supplanting Requirement

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

31. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

32. SAFECOM

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

33. Terrorist Financing

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

34. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

35. USA Patriot Act of 2001

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

36. Use of DHS Seal, Logo, and Flags

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.



Standard Assurances For Cal OES Federal Non-Disaster Grant Programs

IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the [Department of Homeland Security Standard Terms and Conditions 2020, Version 10.1](https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions), hereby incorporated by reference, which can be found at:
<https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.

Subrecipient: _____

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____ Date: _____

GAVIN NEWSOM
GOVERNOR

MARK S. GHILARDUCCI
DIRECTOR



October 23, 2020

Fesia A. Davenport
Acting Chief Executive Officer
Los Angeles County
500 West Temple Street, Room 713
Los Angeles, CA 90012-0000

SUBJECT: NOTIFICATION OF SUBRECIPIENT SUBAWARD APPROVAL

Fiscal Year (FY) 2020 Homeland Security Grant Program (HSGP)
Subaward #2020-0095, Cal OES ID#037-00000
Subaward Period of Performance: 09/01/2020-05/31/2023

Dear Ms. Davenport:

We are pleased to announce the approval of your FY 2020 HSGP subaward in the amount of \$10,593,612. Once the completed application is received and approved, reimbursement of eligible subaward expenditures may be requested using the California Governor's Office of Emergency Services (Cal OES) Financial Management Forms Workbook. Failure to provide documentation in a timely manner could result in a hold on funding, pursuant to Title 2, Code of Federal Regulations (CFR), Sections 200.338(a) and 200.207(b)(1)-(2).

This subaward is subject to requirements in 2 CFR, Part 200, including the Notice of Funding Opportunity (NOFO), the Preparedness Grants Manual, the California Supplement to the NOFO, and all applicable federal, state, and local requirements. All activities funded with this subaward must be completed within the subaward period of performance.

Subrecipients must obtain additional written approval **prior** to incurring costs for activities such as aviation, watercraft, allowability request logs, noncompetitive procurement, and projects requiring Environmental Planning and Historic Preservation review. Additionally, all projects falling under the National Priority Investment Justifications must be reviewed and approved for effectiveness by the



3650 SCHRIEVER AVENUE, MATHER, CA 95655
www.CalOES.ca.gov

Fesia A. Davenport
October 23, 2020
Page 2 of 2

Federal Emergency Management Agency (FEMA), prior to the obligation, and expenditure of funds for those projects.

Your organization will be required to prepare and submit the Biannual Strategy Implementation Report (BSIR) to Cal OES via the FEMA Grants Reporting Tool (GRT) semi-annually for the duration of the subaward period of performance or until all activities are completed and the subaward is formally closed. Failure to submit required reports could result in subaward reduction, suspension, or termination. Throughout the subaward cycle, milestones set in the GRT will be used as indicators of project feasibility, performance, and grant management capacity. This information may also be used in assessing proposals in future grant opportunities.

A Conditional Hold has been placed on your subaward; five percent of the subaward must be allocated to each of the four National Priority Investment Justifications for a total of twenty percent of the award. To release this hold, additional information is required for the investments identified which must be submitted in the December 2020 BSIR in a manner consistent with Grants Program Directorate Information Bulletin No. 447.

Your dated signature is required on this letter. Please sign and return the original to your Cal OES Program Representative within 20 calendar days upon receipt and keep a copy for your records. For further assistance, please contact your Cal OES Program Representative.

Sincerely,



MARK S. GHILARDUCCI
Director



Fesia A. Davenport
Los Angeles County

10-9-2020

Date

Project Ledger

El Segundo
FY 2020 State Home Security Program (SHSP) Projects
 Grant Subaward: 2020-0095
 Cal OES ID: 037-00000

Ledger Type	Initial Application
Date	2/8/2022
Request #	Original Award
POP Start Date	9/1/2020
POP End Date	5/31/2023

Project No.	Project Title	Funding Source	Discipline	Solution Area	Total Budgeted
018	EMG Emergency Management Software Expansion	HSGP-SHSP	EMG	Equipment	\$ 215,000
019	EMG Emergency Management Software Expansion	HSGP-SHSP	EMG	Training	\$ 35,000
020	FS Regional Training Group - Intelligence Chief	HSGP-SHSP	FS	Organization	\$ 73,280
030	FS Mobilization Exercises	HSGP-SHSP	FS	Exercise	\$ 7,000
031	FS USAR Training	HSGP-SHSP	FS	Training	\$ 30,490
033	FS USAR/CBRNE Equipment	HSGP-SHSP	FS	Equipment	\$ 69,510
Total					\$ 430,280

Organization

El Segundo

FY 2020 State Home Security Program (SHSP) Projects

Grant Subaward: 2020-0095

Cal OES ID: 037-00000

Ledger Type	Initial Application
Date	2/8/2022
Request #	Original Award
POP Start Date	9/1/2020
POP End Date	5/31/2023

Project No.	Organization	Funding Source	Discipline	Solution Area Sub-Category	Expenditure Category	Detail	Certification on File	Budgeted Cost
20.00	Regional Training Group - Intelligence Chief	HSGP-SHSP	FS	Equip/Resource/ Project Mgt	Staff	Staffing		\$ 73,280

Equipment

El Segundo
FY 2020 State Home Security Program (SHSP) Projects
 Grant Subaward: 2020-0095
 Cal OES ID: 037-00000

Ledger Type	Initial Application
Date	2/8/2022
Request #	Original Award
POP Start Date	9/1/2020
POP End Date	5/31/2023

Project No.	Equipment Description (Include Quantity)	AEL #	AEL Title	Funding Source	Discipline	Solution Area Sub-Category	Deployable / Shareable	Noncompetitive Procurement over \$250K	Hold Trigger	Budgeted Cost
18.00	Emergency Notification Software - Platform, 760 User Licenses	04AP-05-CDSS	Systems and Tools, ICS	HSGP-SHSP	EMG	Information Technology	Deployable	No	No Hold Indicated	\$ 215,000
33.14	Bauer 3 position fill station; 4 APX 8500 All-Band Portable Radios; and Rappelling Harnesses.	01AR-07-QUAL; 06CP-01-PORT; 03OE-05-ROPH	System, Compressed Breathing Air Quality Testing; Radio, Portable; Hardware, Rappelling or Rescue Operations, Life Safety	HSGP-SHSP	FS	CBRNE Search and Rescue Equipment	Deployable	No	No Hold Indicated	\$ 69,510

Training

El Segundo
FY 2020 State Home Security Program (SHSP) Projects
 Grant Subaward: 2020-0095
 Cal OES ID: 037-00000

Ledger Type	Initial Application
Date	2/8/2022
Request #	Original Award
POP Start Date	9/1/2020
POP End Date	5/31/2023

Project No.	Course Name	Funding Source	Discipline	Solution Area Sub Category	Expenditure Category	Feedback Number	Training Activity	Total # Trainee(s)	Identified Host	Noncompetitive Procurement	EHP Hold	EHP Approval Date	Budgeted Cost
19.00	Emergency Notification Software Training	HSGP-SHSP	EMG	Course Delivery and Evaluation	Consultant		Classroom	760	El Segundo		No		\$ 35,000
31.14	Rescue Systems I, Rescue Systems II, Rescue Systems III, Trench Rescue Technician, Confined Space Rescue, and Rope Rescue Technician Training	HSGP-SHSP	FS	Staff Expenses	OT / Backfill		Field-Based Attendee	27	LAAFCA RTC	No	No		\$ 30,490

Exercise

El Segundo
FY 2020 State Home Security Program (SHSP) Projects
 Grant Subaward: 2020-0095
 Cal OES ID: 037-00000

Ledger Type	Initial Application
Date	2/8/2022
Request #	Original Award
POP Start Date	9/1/2020
POP End Date	5/31/2023

Project No.	Exercise Title	Funding Source	Discipline	Solution Area Sub-Category	Expenditure Category	Date of Exercise	Exercise Type	Identified Host	Date of AAR entered into HSEEP	Noncompetitive Procurement over \$250K	EHP Hold	Budgeted Cost
30.19	MOBEX - Regional Task Force(s)	HSGP-SHSP	FS	Conduct/Evaluate	OT/Backfill		Full Scale Attendee			No	Yes	\$ 7,000

**The Department of Homeland Security (DHS)
 Notice of Funding Opportunity (NOFO)
 Fiscal Year (FY) 2020 Homeland Security Grant Program (HSGP)**

NOTE: If you are going to apply for this funding opportunity and have **not** obtained a Data Universal Numbering System (DUNS) number and/or **are not** currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take four weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>.

A. Program Description

1. Issued By

Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)

2. Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number) 97.067

3. Assistance Listings Title (formerly CFDA Title)

Homeland Security Grant Program

4. Funding Opportunity Title

Homeland Security Grant Program

- State Homeland Security Program
- Urban Area Security Initiative
- Operation Stonegarden

5. Funding Opportunity Number

DHS-20-GPD-067-00-01

6. Authorizing Authority for Program

Section 2002 of the *Homeland Security Act of 2002* (Pub. L. No. 107-296, as amended) (6 U.S.C. § 603)

7. Appropriation Authority for Program

Department of Homeland Security Appropriations Act, 2020 (Pub. L. No. 116-93)

8. Announcement Type

New

9. Program Overview, Objectives, and Priorities

Overview

The Fiscal Year (FY) 2020 Homeland Security Grant Program (HSGP) is one of three grant programs that constitute the Department of Homeland Security (DHS)/Federal Emergency Management Agency's (FEMA's) focus on enhancing the ability of state, local, tribal, and territorial governments, as well as nonprofits, to prevent, protect against, respond to, and recover from terrorist attacks. These grant programs are part of a comprehensive set of measures authorized by Congress and implemented by DHS to help strengthen the Nation's communities against potential terrorist attacks. Among the five basic homeland security missions noted in the DHS Quadrennial Homeland Security Review, HSGP supports the goal to Strengthen National Preparedness and Resilience. In FY 2020, there are three components of HSGP:

- 1) ***State Homeland Security Program (SHSP)***: SHSP assists state, local, tribal, and territorial efforts to build, sustain, and deliver the capabilities necessary to prevent, prepare for, protect against, and respond to acts of terrorism.
- 2) ***Urban Area Security Initiative (UASI)***: UASI assists high-threat, high-density Urban Areas efforts to build, sustain, and deliver the capabilities necessary to prevent, prepare for, protect against, and respond to acts of terrorism.
- 3) ***Operation Stonegarden (OPSG)***: OPSG supports enhanced cooperation and coordination among Customs and Border Protection (CBP), United States Border Patrol (USBP), and federal, state, local, tribal, and territorial law enforcement agencies to improve overall border security. OPSG provides funding to support joint efforts to secure the United States' borders along routes of ingress/egress to and from international borders, to include travel corridors in states bordering Mexico and Canada as well as states and territories with international water borders. State, local, tribal, and territorial (SLTT) law enforcement agencies utilize their inherent law enforcement authorities to support the border security mission and do not receive any additional authority as a result of participation in OPSG.

The 2018-2022 FEMA Strategic Plan creates a shared vision for reducing the risks posed by terrorism and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. HSGP supports the goals of Building a Culture of Preparedness and Ready the Nation for Catastrophic Disasters. We invite our stakeholders and partners to also adopt these priorities and join us in building a more prepared and resilient Nation, as preparedness is a shared responsibility and funding should support priorities that are most impactful and demonstrate the greatest return on investment.

Finally, for FY 2020, DHS is focused on the criticality of information sharing and collaboration to building a national culture of preparedness and protecting against terrorism and other emerging threats to our national security. DHS and its homeland security mission were born from the "failures among federal agencies and between the federal agencies and state and local authorities to share critical information related to the threat of terrorism" prior to the September 11, 2001, attacks.¹ The threat profile has changed in the last two decades – we now face continuous cyber threats by sophisticated actors, threats to soft targets and crowded places, threats to our democratic election

¹ Homeland Security Act of 2002: Report Together with Minority and Dissenting Views 222, Select Committee on Homeland Security: 107th Congress, U.S. House of Representatives (2002) (H. Rpt. 107-609).

process and threats from new and emerging technologies. But information sharing and cooperation between state, local, and tribal authorities and federal agencies, including all DHS officials, is just as vital, and perhaps even more vital, today. Therefore, for FY 2020, we have identified four priority areas, tied to some of the most serious threats that DHS would like to see addressed by state and local governments, that recipients will need to address with their HSGP funds. Perhaps most importantly, we will be focused on forging partnerships to strengthen information sharing and collaboration in each of these priority areas and looking for recipients to remove barriers to communication and cooperation with DHS and other federal agencies.

Objectives

The objective of the FY 2020 HSGP is to fund state, local, tribal, and territorial efforts to prevent terrorism and prepare the Nation for threats and hazards that pose the greatest risk to the security of the United States.

Priorities

Given the evolving threat landscape, it is incumbent upon DHS/FEMA to continuously evaluate the national risk profile and set priorities that help ensure appropriate allocation of scarce security dollars. In assessing the national risk profile for FY 2020, four priority areas attract the most concern. And due to the unique threats that the nation faces in 2020, DHS/FEMA has determined that these four priorities should be addressed by allocating specific percentages of HSGP funds to each of these four areas, for a total of 20 percent. The following are the four priority areas for FY 2020, along with the corresponding amount of HSGP funds that each recipient will be required to propose for each priority area in order to obtain a full allocation of HSGP funds:

- 1) Enhancing cybersecurity (including election security) – 5 percent
- 2) Enhancing the protection of soft targets/crowded places (including election security) – 5 percent;
- 3) Enhancing information and intelligence sharing and cooperation with federal agencies, including DHS – 5 percent;
- 4) Addressing emergent threats (e.g., unmanned aerial systems [UASs], etc.) – 5 percent.

Failure by a recipient to propose investments and projects that align with these four priority areas and spending requirements may result in a recipient receiving a reduced grant award. DHS/FEMA may not award funding in excess of a recipient's minimum allocation threshold² to the extent that investments and projects do not align with these four priority areas.

A State or high-risk urban area may allocate the remaining 80 percent to gaps identified through their Threat and Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) Process.

Likewise, there are several enduring security needs that crosscut the homeland security enterprise, and to which that States should consider allocating funding across core capability gaps and national

²The *Homeland Security Act of 2002*, as amended, allocates for each of the 50 States, the District of Columbia, and Puerto Rico 0.35 percent of the total funds appropriated for grants under section 2003 and section 2004 of the *Act*, and 0.08 percent for each of the four territories (American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).

priorities. The following are enduring needs that help recipients implement a comprehensive approach to securing communities:

- 1) Effective planning;
- 2) Training and awareness campaigns;
- 3) Equipment and capital projects; and
- 4) Exercises.

The table below provides a breakdown of the FY 2020 SHSP and UASI priorities (the focus of OPSG remains unique to border security), showing the core capabilities enhanced and lifelines supported, as well as examples of eligible project types for each area. A detailed description of allowable investments for each project type is included in the [Preparedness Grants Manual](#). DHS/FEMA anticipate that in future years, national priorities will continue to be included and will be updated as the threats evolve and as capability gaps are closed. Applicants are strongly encouraged to begin planning to sustain existing capabilities through other funding mechanisms.

FY 2020 SHSP & UASI Funding Priorities

Priority Areas	Core Capabilities	Lifelines	Example Project Types
National Priorities			
Enhancing Cybersecurity (including election security)	<ul style="list-style-type: none"> • Cybersecurity • Intelligence and information sharing 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Cybersecurity risk assessments • Projects that address vulnerabilities identified in cybersecurity risk assessments <ul style="list-style-type: none"> ○ Improving cybersecurity of critical infrastructure to meet minimum levels identified by CISA ○ Cybersecurity training and planning
Enhancing the Protection of Soft Targets/ Crowded Places (including election security)	<ul style="list-style-type: none"> • Operational coordination • Public information and warning • Intelligence and information sharing • Interdiction and disruption • Screening, search, and detection • Access control and identity verification • Physical protective measures • Risk management for protection programs and activities 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Operational overtime • Physical security enhancements <ul style="list-style-type: none"> ○ Security cameras (CCTV) ○ Security screening equipment for people and baggage ○ Lighting ○ Access controls ○ Fencing, gates, barriers, etc.
Enhancing information and intelligence sharing and cooperation with federal agencies, including DHS	<ul style="list-style-type: none"> • Intelligence and information sharing 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Fusion center operations (Fusion Center project will be required under this investment, no longer as a stand-alone investment) • Information sharing with all DHS components, fusion centers, and other entities designated by DHS

			<ul style="list-style-type: none"> • Cooperation with DHS officials and other entities designated by DHS in intelligence, threat recognition and analysis • Joint training and planning with DHS officials and other entities designated by DHS
Addressing Emergent Threats, such as Transnational Criminal Organizations and UAS	<ul style="list-style-type: none"> • Interdiction & disruption • Screening, search and detection • Physical protective measures • Intelligence and information sharing • Planning • Public Information and Warning • Operational Coordination 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Sharing and leveraging intelligence and information • UAS detection technologies • Enhancing weapons of mass destruction (WMD) and/or improvised explosive device (IED) prevention, detection, response and recovery capabilities <ul style="list-style-type: none"> ○ Chemical Biological Radiological Nuclear and Explosive (CBRNE) detection, prevention, response, and recovery equipment
Enduring Needs			
Planning	<ul style="list-style-type: none"> • Planning • Risk management for protection programs and activities • Risk and disaster resilience assessment • Threats and hazards identification • Operational coordination • Community resilience 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Development of: <ul style="list-style-type: none"> ○ Security Risk Management Plans ○ Continuity of Operations Plans ○ Response Plans • Efforts to strengthen governance integration between/among regional partners • Joint training and planning with DHS officials and other entities designated by DHS • Cybersecurity training and planning
Training & Awareness	<ul style="list-style-type: none"> • Long-term vulnerability reduction • Public information and warning • Operational coordination • Situational assessment • Community resilience 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Active shooter training • Security training for employees • Public awareness/preparedness campaigns • Joint training and planning with DHS officials and other entities designated by DHS • Cybersecurity training and planning
Equipment & Capital Projects	<ul style="list-style-type: none"> • Long-term vulnerability reduction • Infrastructure systems • Operational communications • Interdiction and disruption • Screening, search and detection • Access control and identity verification • Physical protective measures 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Protection of high-risk, high-consequence areas or systems that have been identified through risk assessments • Physical security enhancements <ul style="list-style-type: none"> ○ Security cameras (CCTV) ○ Security screening equipment for people and baggage ○ Lighting ○ Access Controls <ul style="list-style-type: none"> ▪ Fencing, gates, barriers, etc.

Exercises	<ul style="list-style-type: none"> • Long-term vulnerability reduction • Operational coordination • Operational communications • Community resilience 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Response exercises
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Starting in FY 2020, each SHSP and UASI recipient is required to submit an Investment Justification (IJ) for *each* of the four national priorities identified above. Under the Cybersecurity investment and the Soft Target/Crowded Places investments one project for each of those two investments must be to support enhancing election security. As a reminder, all SHSP- and UASI-funded projects must have a demonstrated nexus to preventing, preparing for, protecting against, and responding to acts of terrorism. However, such projects may simultaneously support enhanced preparedness for disasters unrelated to acts of terrorism.

DHS/FEMA also requires SHSP and UASI recipients (e.g., states, territories, and high-risk urban areas) to complete a THIRA/SPR and prioritize grant funding to support closing capability gaps or sustaining capabilities that address national priorities and/or support enduring needs. Additional information on the THIRA/SPR process, including other National Preparedness System (NPS) tools and resources, can be found at <https://www.fema.gov/national-preparedness-system>. Detailed information on THIRA/SPR timelines and deadlines can be found in the Preparedness Grants Manual.

FY 2020 OPSG Funding Priorities

Priority Areas	Core Capabilities	Lifelines	Example Project Types
National Priorities			
Enhancing information and intelligence sharing and cooperation with federal agencies, including DHS	<ul style="list-style-type: none"> • Intelligence and information sharing 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Participation in the DHS/ICE 287(g) training program • Information sharing with all DHS components, fusion centers, and other entities designated by DHS • Cooperation with DHS officials and other entities designated by DHS in intelligence, threat recognition and analysis • Joint training and planning with DHS officials and other entities designated by DHS
Addressing Emergent Threats, such as Transnational Criminal Organizations	<ul style="list-style-type: none"> • Interdiction & disruption • Screening, search and detection • Physical protective measures • Intelligence and information sharing 	<ul style="list-style-type: none"> • Safety and security 	<ul style="list-style-type: none"> • Operational overtime for border security operations as directed by the applicable, USBP-approved operations order • Sharing and leveraging intelligence and information

Starting in FY 2020, each OPSG applicant is required to clearly articulate and identify how the Concept of Operations addresses *each* of the two national priorities identified above.

10. Performance Metrics

Performance metrics for this program are as follows:

SHSP and UASI:

- Percentage of funding allocated by the recipient to core capabilities to build or sustain national priorities identified in the section above; and

OPSG:

- Number of contacts that occurred as a result of OPSG deployments
 - Number of arrests that resulted from OPSG contacts
 - Value of drug seizures that resulted from OPSG contacts

B. Federal Award Information

Award Amounts, Important Dates, and Extensions

Available Funding for the HSGP NOFO: \$1,120,000,000

HSGP Programs	FY 2020 Allocation
State Homeland Security Program	\$415,000,000
Urban Area Security Initiative	\$615,000,000
Operation Stonegarden	\$90,000,000
Total	\$1,120,000,000

SHSP Allocations

For FY 2020, DHS/FEMA will award SHSP funds based on risk and the anticipated effectiveness of the proposed use of grant funds upon completion of the application review process. The following table identifies the *targeted* SHSP allocation ranges for each State based on DHS/FEMA's relative risk methodology pursuant to the *Homeland Security Act of 2002*, as amended. States are strongly encouraged to apply for funding at least 15% over the high end of their target allocation range as ineffective applications will not be funded. Final award amounts will be based on DHS/FEMA's evaluation of the effectiveness of proposed investments and projects.

Regardless of the amount of a State's targeted SHSP allocation range, each State must include a separate investment for each of the four national priority areas identified in the Priorities section, above. The funding level in each national priority area investment must equal or exceed the percentage for that respective national priority area, calculated as a percentage of the State's *targeted* SHSP allocation in the table below. For the states that receive a target allocation in excess of the minimum, the percentage is calculated against the high end of the range, as displayed in the table below. DHS/FEMA will make final award determinations based upon a review of the anticipated effectiveness of the State's application as described in Section D, below. Final awards are based on whether the State has proposed investments in each of the four national priority areas in an amount equal to or greater than the percentage for that priority area and based on the effectiveness review.

DHS/FEMA will allocate to each state and territory a minimum allocation under the SHSP using thresholds established in the *Homeland Security Act of 2002*, as amended. The minimum allocation for all 50 States, the District of Columbia, and the Commonwealth of Puerto Rico is 0.35 percent of the total funds appropriated for grants under Section 2003 and Section 2004 of the *Homeland Security Act of 2002*, as amended. The minimum allocation for the four territories (American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands) is 0.08 percent of the total funds appropriated for grants under Section 2003 and 2004 of the *Homeland Security Act of 2002*, as amended. THIRA/SPR results do not impact grant allocation or award.

Regardless of the final award amount, a state must invest SHSP funding in each of the four national priority areas in an amount equal to or greater than percentage identified above for each national priority area, as approved by DHS/FEMA.

FY 2020 TARGET SHSP ALLOCATIONS

State/Territory	FY 2020 Allocation	State/Territory	FY 2020 Allocation
New York	\$59,174,400 - \$73,968,000	Kentucky	\$4,287,500
California	\$49,608,800 - \$62,011,000	Louisiana	\$4,287,500
Texas	\$15,839,200 - \$19,799,000	Maine	\$4,287,500
Illinois	\$12,085,600 - \$15,107,000	Minnesota	\$4,287,500
Florida	\$8,127,200 - \$10,159,000	Mississippi	\$4,287,500
Virginia	\$7,076,800 - \$8,846,000	Missouri	\$4,287,500
Georgia	\$4,600,000 - \$5,750,000	Montana	\$4,287,500
Pennsylvania	\$7,076,800 - \$8,846,000	Nebraska	\$4,287,500
Maryland	\$6,153,600 - \$7,692,000	Nevada	\$4,287,500
New Jersey	\$6,153,600 - \$7,692,000	New Hampshire	\$4,287,500
Washington	\$5,384,800 - \$6,731,000	New Mexico	\$4,287,500
Massachusetts	\$5,384,800 - \$6,731,000	North Dakota	\$4,287,500
Ohio	\$5,384,800 - \$6,731,000	Oklahoma	\$4,287,500
North Carolina	\$4,423,200 - \$5,529,000	Oregon	\$4,287,500
District of Columbia	\$4,423,200 - \$5,529,000	Puerto Rico	\$4,287,500
Michigan	\$4,423,200 - \$5,529,000	Rhode Island	\$4,287,500
Alabama	\$4,287,500	South Carolina	\$4,287,500
Alaska	\$4,287,500	South Dakota	\$4,287,500
Arizona	\$4,287,500	Tennessee	\$4,287,500
Arkansas	\$4,287,500	Utah	\$4,287,500
Colorado	\$4,287,500	Vermont	\$4,287,500
Connecticut	\$4,287,500	West Virginia	\$4,287,500
Delaware	\$4,287,500	Wisconsin	\$4,287,500
Hawaii	\$4,287,500	Wyoming	\$4,287,500
Idaho	\$4,287,500	American Samoa	\$1,000,000
Indiana	\$4,287,500	Guam	\$1,000,000
Iowa	\$4,287,500	Northern Mariana	\$1,000,000
Kansas	\$4,287,500	U.S. Virgin Islands	\$1,000,000
			\$415,000,000

UASI Allocations

Eligible candidates for the FY 2020 UASI program are identified in the table below. Eligibility has been determined through an analysis of relative risk of terrorism faced by the 100 most populous Metropolitan Statistical Areas (MSAs) in the United States, in accordance with the *Homeland Security Act of 2002*, as amended. Detailed information on MSAs is publicly available from the United States Census Bureau at <https://www.census.gov/programs-surveys/metro-micro.html>. THIRA/SPR results do not impact grant allocation or award.

For FY 2020, DHS/FEMA will award UASI funds based on risk and the anticipated effectiveness of the proposed use of grant funds upon completion of the application review process. The following table identifies the *targeted* UASI allocations for each high-risk urban area based on DHS/FEMA's relative risk methodology pursuant to the *Homeland Security Act of 2002*, as amended. Applicants are strongly encouraged to apply for funding at least 15% over the high end of their target allocation range as ineffective applications will not be funded. Final award amounts will be based on DHS/FEMA's evaluation of the effectiveness of proposed investments and projects.

In its application, each high-risk urban area, through the State, must include a separate investment for each of the four national priority areas identified in the Priorities section, above. The funding level in each national priority area investment must equal or exceed the percentage for that respective national priority area, calculated as a percentage of the high-risk urban area's *targeted* UASI allocation in the table below. The percentage is calculated against the high end of the range, as displayed in the table below. DHS/FEMA will make final award determinations based upon a review of the anticipated effectiveness of the high-risk urban area's application as described in Section D, below. Final awards are based on whether the State has proposed investments in each of the four national priority areas in an amount equal to or greater than the percentage for that priority area and based on the effectiveness review. Regardless of the final award amount, a high-risk urban area must invest UASI funding in each of the four national priority areas in an amount equal to or greater than percentage identified above for each national priority area, as approved by DHS/FEMA.

FY 2020 TARGET UASI ALLOCATIONS

State/Territory	Funded Urban Area	FY 2020 UASI Allocation
Arizona	Phoenix Area	\$4,200,000 - \$5,250,000
California	Anaheim/Santa Ana Area	\$4,200,000 - \$5,250,000
	Bay Area	\$30,000,000 - \$37,500,000
	Los Angeles/Long Beach Area	\$54,400,000 - \$68,000,000
	Riverside Area	\$2,800,000 - \$3,500,000
	Sacramento Area	\$2,800,000 - \$3,500,000
	San Diego Area	\$13,520,000 - \$16,900,000
Colorado	Denver Area	\$2,800,000 - \$3,500,000
District of Columbia	National Capital Region	\$41,400,000 - \$51,750,000
Florida	Miami/Fort Lauderdale Area	\$11,800,000 - \$14,750,000
	Orlando Area	\$2,800,000 - \$3,500,000
	Tampa Area	\$2,800,000 - \$3,500,000
Georgia	Atlanta Area	\$5,000,000 - \$6,250,000
Hawaii	Honolulu Area	\$2,800,000 - \$3,500,000
Illinois	Chicago Area	\$54,400,000 - \$68,000,000
Louisiana	New Orleans Area	\$2,800,000 - \$3,500,000
Maryland	Baltimore Area	\$3,400,000 - \$4,250,000
Massachusetts	Boston Area	\$13,520,000 - \$16,900,000
Michigan	Detroit Area	\$4,200,000 - \$5,250,000
Minnesota	Twin Cities Area	\$4,200,000 - \$5,250,000
Missouri	St. Louis Area	\$2,800,000 - \$3,500,000
Nevada	Las Vegas Area	\$4,200,000 - \$5,250,000
New Jersey	Jersey City/Newark Area	\$15,240,000 - \$19,050,000
New York	New York City Area	\$143,000,000 - \$178,750,000
Oregon	Portland Area	\$2,800,000 - \$3,500,000
Pennsylvania	Philadelphia Area	\$13,520,000 - \$16,900,000
	Pittsburgh Area	\$2,800,000 - \$3,500,000
Texas	Dallas/Fort Worth/Arlington Area	\$13,520,000 - \$16,900,000
	Houston Area	\$19,680,000 - \$24,600,000
	San Antonio Area	\$2,800,000 - \$3,500,000
Virginia	Hampton Roads Area	\$2,800,000 - \$3,500,000
Washington	Seattle Area	\$5,000,000 - \$6,250,000
Total		\$615,000,000

OPSG Allocations

For FY 2020, DHS/FEMA will award OPSG funds based on risk and the anticipated effectiveness of the proposed use of grant funds upon completion of the application review process. The FY 2020 OPSG risk assessment is designed to identify the risk to border security and to assist with the distribution of funds for the grant program. Funding under OPSG is distributed based on the risk to the security of the border and the effectiveness of the proposed projects. Entities eligible for funding are the state, local, and tribal law enforcement agencies

that are located along the border of the United States. DHS/FEMA will make final award determinations based upon a review of the anticipated effectiveness of the State's application as described in Section D, below. The THIRA/SPR process is not required for OPSG.

For the purposes of OPSG, the risk is defined as the potential for an adverse outcome assessed as a function of threats, vulnerabilities, and consequences associated with an incident, event, or occurrence.

Based upon ongoing intelligence analysis and extensive security reviews, DHS/CBP continues to focus the bulk of OPSG funds based upon risk analyses. The risk model used to allocate OPSG funds considers the potential risk that certain threats pose to border security and estimates the relative risk faced by a given area. In evaluating risk, DHS/CBP considers intelligence, situational awareness, criminal trends, and statistical data specific to each of the border sectors, and the potential impacts that these threats pose to the security of the border area. For vulnerability and consequence, DHS/CBP considers the expected impact and consequences of successful border events occurring in specific areas.

Threat and vulnerability are evaluated based on specific operational data from DHS/CBP. Threat components present in each of the sectors are used to determine the overall threat score. These components are terrorism, criminal aliens, drug trafficking organizations, and alien smuggling organizations.

Effectiveness of the proposed investments will be evaluated based on the recipient's investment strategy, budget, collaboration, and past performance.

Period of Performance: 36 months
Extensions to the Period of Performance (PoP) are allowed. For additional information on PoP extensions, refer to the [Preparedness Grants Manual](#).

Projected Period of Performance Start Date: September 1, 2020

Projected Period of Performance End Date: August 31, 2023

Funding Instrument: Grant

C. **Eligibility Information**

1. **Eligible Applicants**

The State Administrative Agency (SAA) is the only entity eligible to submit HSGP applications to DHS/FEMA, including those applications submitted on behalf of UASI and OPSG applicants. All 56 states and territories, including any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, are eligible to apply for SHSP funds. Tribal governments may not apply directly for HSGP funding; however, funding may be available to tribes under the SHSP and OPSG through the SAA.

2. **Eligibility Criteria**

Eligible high-risk urban areas for the FY 2020 UASI program have been determined through

an analysis of relative risk of terrorism faced by the 100 most populous Metropolitan Statistical Areas (MSAs) in the United States. Subawards will be made by the SAAs to the designated high-risk urban areas.

In FY 2020, OPSG eligible subrecipients are local units of government at the county level or equivalent level of government and Federally recognized tribal governments in states bordering Canada or Mexico and states and territories with international water borders. All applicants must have active ongoing USBP operations coordinated through a CBP sector office to be eligible for OPSG funding.

In FY 2020, OPSG subrecipients eligible to apply for and receive a subaward directly from the SAAs are divided into three Tiers. Tier 1 entities are local units of government at the county level or equivalent and Federally recognized tribal governments that are on a physical border in states bordering Canada, states bordering Mexico, and states and territories with international water borders. Tier 2 eligible subrecipients are those not located on the physical border or international water but are contiguous to a Tier 1 county. Tier 3 eligible subrecipients are those not located on the physical border or international water but are contiguous to a Tier 2 eligible subrecipient. The tier structure is only applicable with regard to eligibility. OPSG funding allocations are based on the assessed border security risks as determined by the USBP.

3. Other Eligibility Criteria

National Incident Management System (NIMS) Implementation

Prior to allocation of any Federal preparedness awards in FY 2020, recipients must ensure and maintain adoption and implementation of NIMS. Detailed information on NIMS requirements are in the [Preparedness Grants Manual](#).

Emergency Management Assistance Compact (EMAC) Membership

In support of the Goal, SHSP recipients must belong to, be in, or act as a temporary member of EMAC, except for American Samoa and the Commonwealth of the Northern Mariana Islands, which are not required to belong to EMAC at this time. All assets supported in part or entirely with FY 2020 HSGP funding must be readily deployable and NIMS-typed when possible to support emergency or disaster operations per existing EMAC agreements. In addition, funding may be used for the sustainment of core capabilities that, while they may not be physically deployable, support national response capabilities, such as Geographic/Geospatial Information Systems (GIS), interoperable communications systems, capabilities as defined under the Mitigation Mission Area of the Goal, and fusion centers.

Law Enforcement Terrorism Prevention Activities (LETPA)

Per section 2006 of the *Homeland Security Act of 2002*, as amended (6 U.S.C. § 607), DHS/FEMA is required to ensure that at least 25 percent of grant funding appropriated for grants awarded under HSGP's authorizing statute are used for law enforcement terrorism prevention activities. DHS/FEMA meets this requirement, in part, by requiring all recipients allocate at least 25 percent of the combined HSGP funds allocated under SHSP and UASI towards law enforcement terrorism prevention activities, as defined in 6 U.S.C. § 607. The LETPA allocation can be from SHSP, UASI, or both. The 25 percent LETPA allocation may be met by funding projects in any combination of the four national priority areas

identified above and any other investments. And the 25 percent LETPA allocation is in addition to the 80 percent pass-through requirement to local units of government and tribes, referenced below.

The National Prevention Framework describes those activities that should be executed upon the discovery of intelligence or information regarding an imminent threat to the homeland, to thwart an initial or follow-on terrorist attack and provides guidance to ensure the Nation is prepared to prevent, avoid, or stop a threatened or actual act of terrorism. Activities outlined in the National Prevention Framework are eligible for use as LETPA-focused funds. Also, where capabilities are shared with the protection mission area, the National Protection Framework activities are also eligible. All other terrorism prevention activities proposed for funding under LETPA must be approved by the FEMA Administrator.

4. Cost Share or Match

There is no cost share or match requirement for the FY 2020 HSGP.

D. Application and Submission Information

1. Key Dates and Times

- a. **Application Start Date:** February 14, 2020
- b. **Application Submission Deadline:** April 30 ~~15~~, 2020 at 5:00 p.m. ET

All applications **must** be received by the established deadline. The Non-Disaster (ND) Grants System has a date stamp that indicates when an application is submitted. Applicants will receive an electronic message confirming receipt of the full application. **DHS/FEMA will not review applications that are received after the deadline or consider them for funding.** DHS/FEMA may, however, extend the application deadline on request for an applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant's control that prevent submission of the application by the deadline, or other exigent or emergency circumstances.

Applicants experiencing technical issues must notify the FEMA Headquarters (HQ) Program Analyst prior to the application deadline. If applicants do not know their FEMA HQ Program Analyst or if there are programmatic questions or concerns, please contact the Centralized Scheduling and Information Desk (CSID) by phone at (800) 368-6498 or by e-mail at askcsid@fema.dhs.gov, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

- c. **Anticipated Funding Selection Date:** *No later than 7/1/2020*
- d. **Anticipated Award Date:** *No later than 9/30/2020*
- e. **Other Key Dates:**

Event	Suggested Deadline for Completion
Obtain DUNS Number	3/16/2020 3/1/2020
Obtain a valid Employer Identification Number (EIN)	3/16/2020 3/1/2020
Update SAM registration	3/16/2020 3/1/2020
Submit the initial application in Grants.gov	4/23/2020 4/8/2020—
Submit the final application in ND Grants	4/30/2020 4/15/2020, 5:00 p.m. ET

2. Agreeing to Terms and Conditions of the Award

By submitting an application, applicants agree to comply with the requirements of this NOFO and the terms and conditions of the award, should they receive an award.

3. Address to Request Application Package

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

4. Steps Required to Submit an Application, Unique Entity Identifier, and System for Award Management (SAM)

To apply for an award under this program, all applicants must:

- a. Apply for, update, or verify their Data Universal Numbering System (DUNS) Number from Dun & Bradstreet (D&B) and Employer ID Number (EIN)
- b. In the application, provide a valid Data Universal Numbering System DUNS number, which is currently the unique entity identifier;
- c. Have an account with [login.gov](#);
- d. Register for, update, or verify their SAM account and ensure the account is active before submitting the application;
- e. Create a Grants.gov account;
- f. Add a profile to a Grants.gov account;
- a. Establish an Authorized Organizational Representative (AOR) in Grants.gov;
- b. Submit an initial application in Grants.gov;
- g. Submit the final application in the Non-Disaster Grants (ND Grants) system and
- h. Continue to maintain an active SAM registration with current information at all times during which it has an active federal award or an application or plan under consideration by a federal awarding agency.

Applicants are advised that DHS may not make a federal award until the applicant has complied with all applicable DUNS and SAM requirements. Therefore, an applicant's SAM registration must be active not only at the time of application, but also during the application review period and when DHS is ready to make a federal award. Further, as noted above, an applicant's or recipient's SAM registration must remain active for the duration of an active federal award. If an applicant's SAM registration is expired at the time of application, expires during application review, or expires any other time before award, DHS may determine that the applicant is not

qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant. See the [Preparedness Grants Manual](#) for additional information on the steps required to submit an application.

5. **Electronic Delivery**

DHS/FEMA is participating in the Grants.gov initiative to provide the grant community with a single site to find and apply for grant funding opportunities. DHS/FEMA requires applicants to submit their initial applications online through [Grants.gov](#) and to submit final applications through [ND Grants](#).

6. **How to Register to Apply through [Grants.gov](#)**

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

7. **How to Submit an Initial Application to DHS/FEMA via [Grants.gov](#)**

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

8. **Timely Receipt Requirements and Proof of Timely Submission**

As application submission is a two-step process, the applicant with the Authorized Organizational Representative (AOR) role who submitted the application will also receive an acknowledgement of receipt, a tracking number (in this format: GRANTXXXXXXXX) from Grants.gov, and an Agency Tracking Number (in this format: EMX-2020-XX-XXXX) with the successful transmission of the initial application. This notification does **not** serve as proof of timely submission, as the application is not complete until it is submitted in ND Grants. All applications must be received in ND Grants by 5:00 p.m. ET on April 30 ~~15~~, 2020. Proof of timely submission is automatically recorded by ND Grants. An electronic date/time stamp is generated within the system when the application is successfully received by ND Grants. Additionally, the applicant(s) listed as contacts on the application will receive a system-generated email to confirm receipt.

9. **Submitting the Final Application in Non-Disaster Grants System (ND Grants)**

After submitting the initial application in [Grants.gov](#), eligible applicants will be notified by DHS/FEMA and asked to proceed with submitting their complete application package in [ND Grants](#). Applicants can register early with ND Grants and are encouraged to begin their ND Grants registration at the time of this announcement but no later than **seven days before the application deadline**. Early registration will allow applicants to have adequate time to start and complete their application.

In [ND Grants](#) applicants will be prompted to submit all of the information contained in the following forms. Applicants should review these forms before applying to ensure they have all the information required:

- Standard Form 424A, Budget Information (Non-construction);
- Standard Form 424B, Standard Assurances (Non-construction); and
- Standard Form LLL, Disclosure of Lobbying Activities.

In addition, applicants must submit copies of the following in [ND Grants](#):

- Investment Justification (the Investment Justification Template may be found in the Related Documents Tab of the [Grants.gov](#) posting and used as a preparation tool; responses to questions in the Template are entered into the GRT);

- List of Urban Area Working Group (UAWG) and Senior Advisory Committee (SAC) members;
- SAC charter;
- UAWG charter; and
- Indirect Cost Agreement, if the budget includes indirect costs and the applicant is required to have an indirect cost rate agreement. If the applicant is not required to have an indirect cost rate agreement but will charge indirect costs and is required to have an indirect cost rate proposal, the applicant must provide a copy of their indirect cost rate proposal with the application. See the section below on indirect costs for more information or contact the relevant Program Analyst or Grants Management Specialist for further instructions.

Applicants must submit copies of the following in ND Grants if applying for construction projects. The forms may be accessed in the Forms tab under SF-424 Family on [Grants.gov](https://www.grants.gov):

- Standard Form 424C, Budget Information (Construction); and
- Standard Form 424D, Standard Assurances (Construction).

Applicants needing assistance registering for the ND Grants system should contact ndgrants@fema.gov or (800) 865-4076, Monday through Friday, 9 a.m. – 5 p.m. ET.

10. Content and Form of Application Submission

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

HSGP Specific Application Instructions

Development of the Investment Justification (SHSP and UASI)

As part of the FY 2020 HSGP application process for SHSP and UASI funds, applicants must develop formal investment justifications (IJs) that address the proposed investments. Failure to fulfill all of the terms contained in this section will be considered by DHS/FEMA in its evaluation of the effectiveness of the IJs in accordance with the Risk Methodology and Effectiveness Review described in the Application Review Information and may result in rejection of proposed investments or reduced funding allocations.

Each IJ must *demonstrate* how proposed investments:

- Support terrorism preparedness;
- Support closing capability gaps or sustaining capabilities identified in the community's THIRA/SPR process; and
- Support the overcoming of existing logistical, technological, legal, policy, and other impediments to collaborating, networking, sharing information, cooperating, and fostering a culture of national preparedness with federal, state, tribal, and local governments, as well as other regional, and nonprofit partners in efforts to prevent, prepare for, protect against, and respond to acts of terrorism, to meet its target capabilities, support the national security mission of DHS and other federal agencies, and to otherwise reduce the overall risk to the high-risk urban area, the State, or the Nation.

Each IJ must *explain* how the proposed investments will support the applicant's efforts to:

- Prevent a threatened or an actual act of terrorism;
- Prepare for all hazards and threats, while explaining the nexus to terrorism preparedness;
- Protect citizens, residents, visitors, and assets against the greatest threats and hazards, relating to acts of terrorism; and/or
- Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of an act of terrorism or other catastrophic incidents.

Development of Investments and Projects (SHSP)

- Applicants must propose at least four and may include up to ten investments.
- Required national priority investment justifications must include the name of the priority in the investment name for easy identification.
- Within each investment in their IJ, applicants must propose at least one project to describe the activities they plan to implement with SHSP funds. There is no limit to the number of projects that may be submitted.
- Of the proposed SHSP-funded investments, one single project, within the required intelligence and information sharing investment, must be in support of a designated fusion center. Recipients must coordinate with the fusion center when developing a fusion center project prior to submission. See additional information on how to develop the fusion center projects below.
- Of the proposed SHSP-funded investments, one project in each of the required Cybersecurity and Soft Targets/Crowded Places investments must be in support of enhancing election security.
- All emergency communications investments must describe how such activities align with their Statewide Communication Interoperable Plan (SCIP). Recipients must coordinate with their Statewide Interoperability Coordinator (SWIC) and/or Statewide Interoperability Governance Body (SIGB) when developing an emergency communications investment prior to submission to ensure the project supports the statewide strategy to improve emergency communications and is compatible and interoperable with surrounding systems. The investment name must include the words "emergency communications" to easily identify any emergency communications investments.
- All requested funding must be associated with specific projects. For each project, several pieces of information must be provided to submit the project for consideration in the application, including the name of the project, the project description, the name of the subrecipient, if applicable, the recipient type (e.g., state or local), the project location (zip code of the primary location of the project), the primary core capability the project supports, whether the project activities are shareable and deployable, and which priority area (if any) the project is in support of. Projects should describe how the proposed investment supports closing capability gaps or sustaining capabilities identified in the THIRA/SPR process. Failure to fulfill of all of the terms contained in this section may be considered in the evaluation of the effectiveness of the IJs in accordance with the Risk Methodology and Effectiveness Review described in the Application Review Information and may result in rejection of proposed investments or reduced funding allocations.
- FEMA encourages states to use any DHS provided assessments, such as those performed

by DHS's Protective Security Advisors and Cybersecurity Advisors, when developing their investment justifications.

Priority Investments (SHSP)

States are encouraged to review the [Strategic Framework for Countering Terrorism and Targeted Violence](#) when developing investments.

Cybersecurity Investment Justification (5 percent)

At least one investment must be in support of the state's cybersecurity efforts. The investment must meet or exceed the FY 2020 national priority percentage for cybersecurity, and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments, in order to receive a full allocation of SHSP funds. Cybersecurity investments must support the security and functioning of critical infrastructure and core capabilities as they relate to preventing, preparing for, protecting against, or responding to acts of terrorism. Recipients and subrecipients of FY 2020 HSGP grant awards will be required to complete the 2020 [Nationwide Cybersecurity Review](#) (NCSR), enabling agencies to benchmark and measure progress of improving their cybersecurity posture. The CIO, CISO or equivalent for each recipient should complete the NCSR. If there is no CIO or CISO, the most senior cybersecurity professional should complete the assessment. The NCSR is available at no cost to the user and takes approximately 2-3 hours to complete. The 2020 NCSR will be open from October – December 2020.

- The NCSR is an annual requirement for recipients and subrecipients of HSGP funds. Additionally, FEMA recognizes that some subawards will not be issued until after the NCSR has closed. In such cases, such subrecipients will be required to complete the first available NCSR offered after the subaward has been issued by the pass-through entity.
- Although not required by SLTTs that did not receive HSGP funds, all SLTT agencies with preparedness responsibilities are highly encouraged to participate and complete the NCSR to evaluate their cybersecurity posture. For detailed information and background on the NCSR, please see Information Bulletin 439.

In January 2017, the Department of Homeland Security designated the infrastructure used to administer the Nation's elections as critical infrastructure. This designation recognizes that the United States' election infrastructure is of such vital importance to the American way of life that its incapacitation or destruction would have a devastating effect on the country. Securing election infrastructure and ensuring an election free from foreign interference are national security priorities. Threats to election systems are constantly evolving, so defending these systems requires constant vigilance, innovation, and adaptation.

Given the importance of the Nation's election infrastructure, and the multiple and evolving threats to that infrastructure, at least one project within this investment must be in support of the state's efforts to enhance election security. Additional resources and information regarding election security are available through the [Cybersecurity and Infrastructure Security Agency](#).

Soft Target Investment Justification (5 percent)

Soft targets and crowded places are increasingly appealing to terrorists and other extremist actors because of their relative accessibility and the large number of potential targets. This challenge is complicated by the prevalent use of simple tactics and less sophisticated attacks. Segments of our society are inherently open to the general public, and by nature of their purpose do not incorporate strict security measures. Given the increased emphasis by terrorists and other extremist actors to leverage less sophisticated methods to inflict harm in public areas, it is vital that the public and private sectors collaborate to enhance security of locations such as transportation centers, parks, restaurants, shopping centers, special event venues, and similar facilities.

Given the increased risk to soft targets and crowded places, at least one investment must be in support of the state's efforts to protect soft targets/crowded places. Additionally, the proposed investment must meet or exceed the FY 2020 national priority percentage for soft targets/crowded places and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments in order to receive a full allocation of SHSP funds. Additional resources and information regarding securing soft targets and crowded places are available through the [Cybersecurity and Infrastructure Security Agency](#). States are encouraged to engaged DHS' Protective Security Advisors' security assessments of soft targets to ensure that recommendations from those assessments are taken into consideration when allocating grant funding.

As noted above, given the importance of the Nation's election infrastructure, and the multiple and evolving threats to that infrastructure, at least one project within this investment must be in support of the state's efforts to enhance election security. Additional resources and information regarding election security are available through the [Cybersecurity and Infrastructure Security Agency](#).

Information Sharing and Cooperation Investment Justification (5 percent)

Effective homeland security operations rely on timely information sharing and actionable intelligence to accurately assess and prevent threats against the United States. Accordingly, DHS works diligently to enhance intelligence collection, integration, analysis, and information sharing capabilities to ensure partners, stakeholders, and senior leaders receive actionable intelligence and information necessary to inform their decisions and operations. A critical and statutorily charged mission of DHS is to deliver intelligence and information to federal, state, local, and tribal governments and private sector partners. Cooperation and information sharing among state, federal, and local partners across all areas of the homeland security enterprise, including counterterrorism, cybersecurity, border security, immigration enforcement, and other areas is critical to homeland security operations and the prevention of, preparation for, protection against, and responding to acts of terrorism.

Given the importance of information sharing and collaboration to effective homeland security solutions, at least one investment must be in support of the state's efforts to enhance information sharing and cooperation with DHS and other federal agencies. As noted above, this requirement must include at least one dedicated fusion center project. Additional instructions on development of the fusion center project can be found below. Applicants must justify persuasively how they

will contribute to the information sharing and collaboration purposes of the investment and a culture of national preparedness, including how they will identify, address, and overcome any existing laws, policies, and practices that prevent information sharing. Additionally, the proposed investment must meet or exceed the FY 2020 national priority percentage for information sharing and cooperation with DHS, and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments, in order to receive a full allocation of SHSP funds. Additional resources and information regarding collaboration and information sharing are available through the Department's [Office of Intelligence and Analysis](#).

Emerging Threats Investment Justification (5 percent)

The spread of rapidly evolving and innovative technology, equipment, techniques, and knowledge presents new and emerging dangers for homeland security in the years ahead. Terrorists remain intent on acquiring weapons of mass destruction (WMD) capabilities, and rogue nations and non-state actors are aggressively working to develop, acquire, and modernize WMDs that they could use against the Homeland. Meanwhile, biological and chemical materials and technologies with dual use capabilities are more accessible throughout the global market. Due to the proliferation of such information and technologies, rogue nations and no-state actors have more opportunities to develop, acquire, and use WMDs than ever before. Similarly, the proliferation of unmanned aircraft systems, artificial intelligence, and biotechnology increase opportunities of threat actors to acquire and use these capabilities against the United States and its interests.

Given the increased risk of emerging threats, at least one investment must be in support of the state's efforts to address emerging threats. Additionally, the proposed investment must meet or exceed the FY 2020 national priority percentage for emerging threats, and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments, in order to receive a full allocation of SHSP funds. Additional resources and information regarding emerging threats are available through the [Countering Weapons of Mass Destruction Office](#) and the [Cybersecurity and Infrastructure Security Agency](#).

Development of Investments and Projects (UASI)

- Applicants must propose at least four and may include up to ten investments.
- Within each investment in their IJ, Urban Areas must propose at least one project to describe the activities they are planning to implement with UASI funds. There is no limit to the number of projects that may be submitted.
- Required national priority IJs must include the name of the priority in the investment name for easy identification.
- Of the proposed projects, Urban Areas are required to propose one single project, as part of the required intelligence and information sharing investment justification, in support of a designated fusion center within the Urban Area, if applicable. Recipients must coordinate with the fusion center when developing a fusion center project prior to submission. See additional information on how to develop fusion center investments below.
- Of the proposed UASI-funded investments, one project in each of the required Cybersecurity and Soft Targets/Crowded Places investments, must be in support of enhancing election security.

All emergency communications investments must describe how such activities align with their Statewide Communication Interoperable Plan (SCIP). Recipients must coordinate with their Statewide Interoperability Coordinator (SWIC) and/or Statewide Interoperability Governance Body (SIGB) when developing an emergency communications investment prior to submission to ensure the project supports the statewide strategy to improve emergency communications and is compatible and interoperable with surrounding systems. The investment name must include the words “emergency communications” to easily identify any emergency communications investments.

All requested funding must be associated with specific projects. For each project, several pieces of information must be provided to submit the project for consideration in the application, including the name of the project, the project description, the name of the subrecipient, if applicable, the recipient type (e.g., state or local), the project location (zip code of the primary location of the project), the primary core capability the project supports, whether the project activities are shareable and deployable, and which priority area (if any) the project is in support of. Projects should describe how the proposed investment supports closing capability gaps or sustaining capabilities identified in the THIRA/SPR process.

Priority Investments - UASI

High-risk urban areas are encouraged to review the [Strategic Framework for Countering Terrorism and Targeted Violence](#) when developing investments.

Cybersecurity Investment Justification (5 percent)

At least one investment must be in support of the urban area’s cybersecurity efforts. The investment must meet or exceed the FY 2020 national priority percentage for cybersecurity, and will also be subject to DHS/FEMA’s evaluation of the effectiveness of the proposed investments, in order to receive a full allocation of UASI and SHSP funds. Cybersecurity investments must support the security and functioning of critical infrastructure and core capabilities as they relate to preventing, preparing for, protecting against, or responding to acts of terrorism. Recipients and subrecipients of FY 2020 HSGP awards will be required to complete the 2020 [Nationwide Cybersecurity Review](#) (NCSR), enabling agencies to benchmark and measure progress of improving their cybersecurity posture. The CIO, CISO or equivalent for each recipient should complete the NCSR. If there is no CIO or CISO, the most senior cybersecurity professional should complete the assessment. The NCSR is available at no cost to the user and takes approximately 2- 3 hours to complete. The 2020 NCSR will be open from October – December 2020.

- The NCSR is an annual requirement for recipients and subrecipients of HSGP funds. Additionally, FEMA recognizes that some subawards will not be issued until after the NCSR has closed. In such cases, such subrecipients will be required to complete the first available NCSR offered after the subaward has been issued by the pass-through entity.
- Although not required by SLTTs that did not receive HSGP funds, all SLTT agencies with preparedness responsibilities are highly encouraged to participate and complete the NCSR to evaluate their cybersecurity posture. For detailed information and background on the NCSR, please see Information Bulletin 439.

In January 2017, the Department of Homeland Security designated the infrastructure used to administer the Nation's elections as critical infrastructure. This designation recognizes that the United States' election infrastructure is of such vital importance to the American way of life that its incapacitation or destruction would have a devastating effect on the country. Securing election infrastructure and ensuring an election free from foreign interference are national security priorities. Threats to election systems are constantly evolving, so defending these systems requires constant vigilance, innovation, and adaptation.

Given the importance of the Nation's election infrastructure, and the multiple and evolving threats to that infrastructure, at least one project within this investment must be in support of the state's efforts to enhance election security. Additional resources and information regarding election security are available through the [Cybersecurity and Infrastructure Security Agency](#).

Soft Target Investment Justification (5 percent)

Soft targets and crowded places are increasingly appealing to terrorists and other extremist actors because of their relative accessibility and the large number of potential targets. This challenge is complicated by the prevalent use of simple tactics and less sophisticated attacks. Segments of our society are inherently open to the general public, and by nature of their purpose do not incorporate strict security measures. Given the increased emphasis by terrorists and other extremist actors to leverage less sophisticated methods to inflict harm in public areas, it is vital that the public and private sectors collaborate to enhance security of locations such as transportation centers, parks, restaurants, shopping centers, special event venues, and similar facilities.

Given the increased risk to soft targets and crowded places, at least one investment must be in support of the urban area's efforts to protect soft targets/crowded places. Additionally, the proposed investment must meet or exceed the FY 2020 national priority percentage for soft targets/crowded places and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments, in order to receive a full allocation of UASI funds. Additional resources and information regarding securing soft targets and crowded places are available through the [Cybersecurity and Infrastructure Security Agency](#).

As noted above, given the importance of the Nation's election infrastructure, and the multiple and evolving threats to that infrastructure, at least one project within this investment must be in support of the state's efforts to enhance election security. Additional resources and information regarding election security are available through the [Cybersecurity and Infrastructure Security Agency](#).

Information Sharing and Cooperation Investment Justification (5 percent)

Effective homeland security operations rely on timely information sharing and actionable intelligence to accurately assess and prevent threats against the United States. Accordingly, DHS works diligently to enhance intelligence collection, integration, analysis, and information sharing capabilities to ensure partners, stakeholders, and senior leaders receive actionable intelligence and information necessary to inform their decisions and operations. A critical and statutorily charged mission of DHS is to deliver intelligence and information to federal, state, local, and tribal governments and private sector partners. Cooperation and information sharing among state, federal, and local partners across all areas of the homeland security enterprise, including counterterrorism, cybersecurity, border security, immigration enforcement, and other areas is

critical to homeland security operations and the prevention of, preparation for, protection against, and responding to acts of terrorism.

Given the importance of information sharing and collaboration to effective homeland security solutions, at least one investment must be in support of the urban area's efforts to enhance information sharing and cooperation with DHS and other federal agencies. As noted above, this requirement must include at least one dedicated fusion center project. Additional instructions on development of the fusion center project can be found below. Applicants must justify persuasively how they will contribute to the information sharing and collaboration purposes of the investment and a culture of national preparedness, including how they will identify, address, and overcome any existing laws, policies, and practices that prevent information sharing. Additionally, the proposed investment must meet or exceed the FY 2020 national priority percentage for information sharing and cooperation with DHS, and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments, in order to receive a full allocation of UASI funds. Additional resources and information regarding collaboration and information sharing are available through the Department's [Office of Intelligence and Analysis](#).

Emerging Threats Investment Justification (5 percent)

The spread of rapidly evolving and innovative technology, equipment, techniques, and knowledge presents new and emerging dangers for homeland security in the years ahead. Terrorists remain intent on acquiring weapons of mass destruction (WMD) capabilities, and rogue nations and non-state actors are aggressively working to develop, acquire, and modernize WMDs that they could use against the Homeland. Meanwhile, biological and chemical materials and technologies with dual use capabilities are more accessible throughout the global market. Due to the proliferation of such information and technologies, rogue nations and non-state actors have more opportunities to develop, acquire, and use WMDs than ever before. Similarly, the proliferation of unmanned aircraft systems, artificial intelligence, and biotechnology increase opportunities of threat actors to acquire and use these capabilities against the United States and its interests.

Given the increased risk of emerging threats, at least one investment must be in support of the urban area's efforts to address emerging threats. Additionally, the proposed investment must meet or exceed the FY 2020 national priority percentage for emerging threats, and will also be subject to DHS/FEMA's evaluation of the effectiveness of the proposed investments, in order to receive a full allocation of UASI funds. Additional resources and information regarding emerging threats are available through the [Countering Weapons of Mass Destruction Office](#) and the [Cybersecurity and Infrastructure Security Agency](#).

Development of Fusion Center Projects (SHSP and UASI)

If applicable, each applicant must identify a fusion center project that will:

- Indicate alignment to a designated Fusion Center.
- Provide both a brief narrative description and funding itemization for the proposed project activities that directly support the designated fusion center.
- The descriptive narrative and the financial itemization should align improvement or sustainment requests with fusion center activities as they relate to the Fusion Center Performance Measures found in the Preparedness Grants Manual.

- If the project description and funding itemization do not directly support the fusion center or clearly align to the Fusion Center Performance Measures, then the project may be conditionally approved until a Fusion Center Addendum is submitted.

Sample Fusion Center Funding Itemization

A sample project description and funding itemization are below. For the itemized projects, clearly identify the anticipated fusion center performance improvement or sustainment as a result of the proposed funding.

The X Fusion enhancement project will fund:

- *Salaries, benefits, and training for X number of Fusion Center intelligence analysts*
- *Travel costs associated with fusion center analyst training.*
- *This project will directly sustain the Center's current capabilities and performance and directly aligns with performance measures 2020.XXX.*
- *We anticipate seeing an improvement in the quality and quantity of analytic production and responses to requests for information as a direct result of the funding of this project.*

The funding itemization for a fusion center project should include the amount and percent of each relevant solution area. As an example:

<i>Solution Area and Amount of Proposed Funding</i>	<i>Percent of Proposed Funding</i>
<i>Planning: \$10,000.00</i>	<i>2%</i>
<i>Organization: \$200,000</i>	<i>48%</i>
<i>Equipment: \$200,000</i>	<i>48%</i>
<i>Training: \$10,000</i>	<i>2%</i>
<i>Exercises: \$0</i>	<i>0%</i>
<i>Total: \$420,000</i>	<i>100%</i>

Completing IJs in the Grant Reporting Tool (GRT) (SHSP and UASI)

In the Related Documents section of the [Grants.gov](https://www.grants.gov) posting, applicants can find the IJ template and instructions for collecting the required information for investments and projects. Additionally, applicants should utilize the Project Worksheet located in [Grants.gov](https://www.grants.gov) posting to assemble the information required for each project, which will facilitate the input of that information into the GRT.

Development of Concept of Operations for OPSG

As part of the FY 2020 OPSG application process, each eligible local unit of government at the county or Federally recognized tribal government level must develop a strategic plan called a Concept of Operations (CONOP)/Application, which is a formal proposal of action to address a specific situation and forms the basis for Operations Orders, in coordination with state and Federal law enforcement agencies, to include, but not limited to CBP/USBP. CONOPs that are developed at the county level should be inclusive of city, county, tribal, and other local law enforcement agencies that are eligible to participate in OPSG operational activities, and the CONOP/Application should describe participating agencies in the Executive Summary. CONOP/Application details should include the names of the agencies, points of contact, and individual funding requests. All CONOPs/Applications must be developed in collaboration with

the local USBP sector office, the SAA and the local unit of government. Requests for funding in CONOPs/Applications must be based on risks and the operational enforcement support requirements of its corresponding USBP Sector, as well as the national priorities identified below. USBP Sector offices will forward the CONOPs to USBP Headquarters for vetting and coordination. Applicants will forward corresponding OPSG Applications to the SAA for submission to FEMA. USBP Headquarters will reconcile all submitted CONOPs with the OPSG Applications. FEMA will review and evaluate all CONOPs and OPSG Applications and funding will be allocated based on the review and selection criteria identified in this NOFO.

OPSG Applicants will be required to clearly articulate and identify how the CONOPs will address the national priorities identified below.

Information Sharing and Cooperation

Effective border security operations rely on timely information sharing and actionable intelligence to accurately assess and prevent threats against the United States. Accordingly, DHS works diligently to enhance intelligence collection, integration, analysis, and information sharing capabilities to ensure partners, stakeholders, and senior leaders receive actionable intelligence and information necessary to inform their decisions and operations. A critical and statutorily charged mission of DHS is to deliver intelligence and information to federal, state, local, and tribal governments and private sector partners. Cooperation and information sharing among state, federal, and local partners across all areas of the homeland security enterprise, including counterterrorism, cybersecurity, border security, immigration enforcement, and other areas is critical to homeland security operations and the prevention of, preparation for, protection against, and responding to acts of terrorism.

Given the importance of information sharing and collaboration to effective homeland security solutions, the CONOP must be in support of the recipient's efforts to enhance information sharing and cooperation with DHS and other federal agencies. Applicants must justify persuasively how they will contribute to the information sharing and collaboration purposes of the OPSG program and a culture of national preparedness, including how they will identify, address, and overcome any existing laws, policies, and practices that prevent information sharing. Additional resources and information regarding collaboration and information sharing are available through the Department's [Office of Intelligence and Analysis](#).

Emerging Threats

The spread of rapidly evolving and innovative technology, equipment, techniques, and knowledge presents new and emerging dangers for homeland security in the years ahead. Terrorists remain intent on acquiring weapons of mass destruction (WMD) capabilities, and rogue nations and non-state actors are aggressively working to develop, acquire, and modernize WMDs that they could use against the Homeland. Meanwhile, biological and chemical materials and technologies with dual use capabilities are more accessible throughout the global market. Due to the proliferation of such information and technologies, rogue nations and non-state actors have more opportunities to develop, acquire, and use WMDs than ever before. Similarly, the proliferation of unmanned aircraft systems, artificial intelligence, and biotechnology increase opportunities of threat actors to acquire and use these capabilities against the United States and its interests.

Given the increased risk of emerging threats, the CONOP must be in support of the recipient's efforts to address emerging threats. Additional resources and information regarding emerging threats are available through the [Countering Weapons of Mass Destruction Office](#) and the [Cybersecurity and Infrastructure Security Agency](#).

11. Intergovernmental Review

An intergovernmental review may be required. Applicants must contact their state's Single Point of Contact (SPOC) to comply with the state's process under Executive Order 12372. See <https://www.archives.gov/Federal-register/codification/executive-order/12372.html>; <https://www.whitehouse.gov/wp-content/uploads/2017/11/SPOC-Feb.-2018.pdf>.

12. Funding Restrictions

Federal funds made available through this award may be used for the purpose set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other Federal awards, lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition, Federal funds may not be used to sue the Federal Government or any other government entity. See the [Preparedness Grants Manual](#) for more information on funding restrictions.

13. Environmental Planning and Historic Preservation (EHP) Compliance

See the [Preparedness Grants Manual](#) for information on EHP Compliance.

14. Emergency Communications Investments

If an entity uses HSGP funding to support emergency communications investments, the following requirements shall apply to all such grant-funded communications investments in support of the emergency communications priorities and recognized best practices:

- Applicants must describe in the investment how proposed communications investments align to needs identified in their SCIP. Effective project alignment will require advance coordination with the SWIC and consultation with governing bodies such as the SIGB or Statewide Interoperability Executive Committee (SIEC), as they serve as the primary steering group for the statewide interoperability strategy. Additionally, recipients should consult subject matter experts serving on governance bodies, such as broadband experts, chief information officers, representatives from utilities, or legal and financial experts, when developing proposals.
- The signatory authority for the SAA must certify in writing to DHS/FEMA their compliance with the *SAFECOM Guidance*. The certification letter should be coordinated with the SWIC for each state and must be uploaded to [ND Grants](#) at the time of the first Program Performance Report (PPR) submission.
- All states and territories must designate a full-time SWIC who has the authority and resources to actively improve interoperability with emergency management and response agencies across all levels of government, to include establishing statewide plans, policies, and procedures, and coordinating decisions on communications investments funded through Federal grants. Note that the designated full-time SWIC may also be the state's or territory's cybersecurity point of contact. SWIC status information will be maintained by the DHS Office of Emergency Communications and will be verified by FEMA GPD through programmatic monitoring activities.
- By the period of performance end date, all states and territories must update the SCIP, with a focus on communications resilience/continuity, to include assessment and

mitigation of all potential risks identified in the SCIP: natural disasters, accidental damage (human failures), intentional damage (sabotage, terrorism), cybersecurity, etc. Following the initial update, the SCIP should be updated on an annual basis. SCIP status information will be maintained by the DHS Office of Emergency Communications and will be verified by FEMA GPD through programmatic monitoring activities.

All states and territories must test their emergency communications capabilities and procedures (as outlined in their operational communications plans) in conjunction with regularly planned exercises (separate/addition emergency communications exercises are not required) and must submit an After Action Report/Improvement Plan (AAR/IP) to the Homeland Security Exercise and Evaluation Program's (HSEEP) electronic message inbox at hseep@fema.gov within 90 days of exercise completion. Exercises should be used to both demonstrate and validate skills learned in training and to identify gaps in capabilities. Resilience and continuity of communications should be tested during training and exercises to the greatest extent possible. Further, exercises should include participants from multiple jurisdictions, disciplines, and levels of government and include emergency management, emergency medical services, law enforcement, interoperability coordinators, public health officials, hospital officials, officials from colleges and universities, and other disciplines and private sector entities, as appropriate. Findings from exercises should be used to update programs to address gaps in emergency communications as well as emerging technologies, policies, and partners. Recipients are encouraged to increase awareness and availability of emergency communications exercise opportunities across all levels of government.

States, territories, and other eligible grant recipients are advised that HSGP funding may be used to support communications planning (including the cost of hiring a SWIC, participation in governance bodies and requirements delineated [above](#)), training, exercises, and equipment costs. Costs for transitioning to the FirstNet network may also be eligible. More information regarding FirstNet can be found in the [Preparedness Grants Manual](#).

15. Detailed Budget

Applicants must provide budget summary worksheets for all funds requested at the time of application. The budget summary worksheets must be complete, reasonable, and cost-effective in relation to the proposed project and should provide the basis of computation of all project-related costs (including management and administrative costs) and any appropriate narrative. FEMA must be able to thoroughly evaluate the projects being submitted based on the information provided. FEMA must be able to determine how much funding is being used by the direct recipient for projects carried out by the direct recipient and how much funding is being passed through to sub-recipients for each sub-program (UASI, SHSP, OPSG). Consequently, applicants must provide an appropriate level of detail within the budget summary worksheets to clarify what will be purchased and spent. Sample budget summary worksheets are available on the grants.gov posting for the HSGP in the Related Documents tab and may be used as a guide to assist applicants in the preparation of budgets and budget narratives.

16. Funds Transfer Restriction

The recipient is prohibited from transferring funds between programs (includes the SHSP, the UASI, and OPSG). Recipients can submit an investment/project where funds come from multiple funding sources (e.g., the SHSP and UASI), however, recipients are not allowed to

divert funding from one program to another due to the risk-based funding allocations, which were made at the discretion of DHS/FEMA.

17. Pre-Award Costs

Pre-award costs are allowable only with the prior written approval of DHS/FEMA and as included in the award agreement. To request pre-award costs, a written request must be included with the application, signed by the Authorized Representative of the entity. The letter must outline what the pre-award costs are for, including a detailed budget break-out of pre-award costs from the post-award costs, and a justification for approval.

18. Cost Principles

Costs charged to this award must be consistent with the Cost Principles for Federal Awards located at 2 C.F.R. Part 200, Subpart E. For more information on 2 C.F.R. Part 200, please refer to FEMA GPD Information Bulletin 400, [FEMA's Implementation of 2 C.F.R. Part 200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \("Super Circular" or "Omni Circular"\)](#).

19. Direct Costs

a. Planning

Planning costs are allowed under this program.

b. Organization

Organization costs are allowed under this program.

c. Equipment

Equipment costs are allowed under this program.

d. Training

Training costs are allowed under this program.

e. Exercises

Exercise costs are allowed under this program.

f. Personnel

Personnel hiring, overtime, and backfill expenses are permitted under this grant to perform allowable HSGP planning, organization, training, exercise, and equipment activities. Under OPSG, overtime costs are allowable only in so far as they meet the intent of the program. All recipients and subrecipients of HSGP funds, including SHSP, UASI, and OPSG allocations, may not use more than 50 percent of their awards to pay for personnel activities unless a waiver is approved by FEMA. For more information on the 50 percent personnel cap, please see FEMA Information Bulletin (IB) 421, Clarification on the *Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008* (Public Law 110-412) – the PRICE Act.

g. Operational Overtime

Operational overtime costs are allowed under this program. Prior to use of funds for operational overtime, recipients must receive approval from DHS/FEMA.

h. Travel

Domestic travel costs are allowed under this program, as provided for in this NOFO. International travel is not an allowable cost under this program unless approved in advance by DHS/FEMA.

i. Construction and Renovation

Construction and renovation costs to achieve capability targets related to preventing, preparing for, protecting against, or responding to acts of terrorism are allowed under this program. For construction and renovation costs to be allowed, they must be specifically approved by DHS/FEMA in writing prior to the use of any program funds. Applicants must use the EHP approval process. Limits on the total amount of grant funding that may be used for construction or renovation may apply. Additionally, recipients are required to submit [Standard Form 424C](#).

j. Maintenance and Sustainment

Maintenance- and sustainment-related costs, such as maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees, are allowable as described in FP 205-402-125-1, Maintenance Contracts and Warranty Coverage Funded by Preparedness Grants Policy (<http://www.fema.gov/media-library/assets/documents/32474>).

k. Management and Administration (M&A) Costs

Management and administration (M&A) activities are those directly relating to the management and administration of HSGP funds, such as financial management and monitoring. A maximum of up to five percent of HSGP funds awarded may be retained by the state, and any funds retained are to be used solely for M&A purposes associated with the HSGP award. Subrecipients may also retain a maximum of up to five percent of the funding passed through by the state solely for M&A purposes associated with the HSGP award.

Recipients or subrecipients may apply or credit M&A funding toward the recipient's requirement to allocate funding toward the four national priority areas. For example, if a recipient spends \$5,000 to manage or administer its funding dedicated toward its enhancing cybersecurity investment, the recipient may credit that funding toward its requirement to allocate at least 5 percent of its award to enhancing cybersecurity.

A state's HSGP funds for M&A calculation purposes includes the total of its SHSP, UASI, and OPSG awards. While the SAA may retain up to five percent of this total for M&A, the state must still ensure that all subrecipient award amounts meet the mandatory minimum pass-through requirements that are applicable to each HSGP program. To meet this requirement, the percentage of SHSP and UASI funds passed through to local or tribal jurisdictions must be based on the state's total HSGP award prior to withholding any M&A.

In retaining these funds, states may retain a maximum of 2.5 percent of the OPSG allocation, which must be withheld from the pass-through to each subrecipient county or tribe in an equal percentage. The SAA may also retain additional funding from its SHSP award to manage and administer the OPSG award, but that additional amount is also capped at an amount equal to 2.5 percent of the OPSG award. Examples applying this principle:

SAA 1:

SHSP: \$1,000,000

OPSG: \$2,500,000

UASI: \$2,500,000

M&A Maximum: \$300,000 (5 percent of \$6,000,000)

Maximum M&A for SHSP = \$50,000

Maximum M&A for OPSG = \$125,000. Of that amount, \$62,500 (2.5 percent) may be retained from the OPSG allocation, and the other \$62,500 would come from the SHSP allocation. Any amount used to manage and administer OPSG that is charged to SHSP may be above and beyond the \$50,000 available to manage the SHSP allocation.

SAA 2:

SHSP: \$3,500,000

OPSG: \$1,000,000

M&A Maximum: \$225,000 (5 percent of \$4,500,000)

Maximum M&A for SHSP: \$175,000

Maximum M&A for OPSG = \$50,000. Of that amount, \$25,000 (2.5 percent) may be retained from the OPSG allocation, and the other \$25,000 would come from the SHSP allocation. Any amount used to manage and administer OPSG that is charged to SHSP may be above and beyond the \$175,000 available to manage the SHSP allocation.

Please note, [Information Bulletin \(IB\) 365: Management and Administration Costs in the Homeland Security](#) and DHS/FEMA Policy 207-087-1, which can be found at <http://www.fema.gov/library/viewRecord.do?id=7837>, **do not apply to awards made in FY 2020 under this NOFO.** The IB and Policy remain in effect for all previous awards.

L. Critical Emergency Supplies

Critical emergency supplies are allowed under this program.

M. Secure Identification

Secure Identification costs are allowed under this program.

N. Indirect (Facilities & Administrative [F&A]) Costs

Indirect costs are allowable under this program as described in 2 C.F.R. Part 200, including 2 C.F.R. § 200.414. Applicants with a negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Applicants that are not required by 2 C.F.R. Part 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. Part 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal as discussed above.

O. General Purpose Equipment

HSGP allows expenditures on general purpose equipment if it aligns to and supports one or more core capabilities identified in the Goal and has a nexus to terrorism preparedness. General purpose equipment, like all equipment funded under the HSGP, must be sharable through the

Emergency Management Assistance Compact (EMAC)³ and allowable under 6 U.S.C. § 609, and any other applicable provision of the *Homeland Security Act of 2002*, as amended. Examples of such general-purpose equipment may include:

- Law enforcement vehicles;
- Emergency medical services (EMS) equipment and vehicles;
- Fire service equipment and vehicles, to include hose, pump accessories, and foam concentrate for specialized chemical, biological, radiological, nuclear, and explosives (CBRNE) response;
- Interoperability of data systems, such as computer aided dispatch (CAD) and record management systems (RMS); and
- Office equipment for staff⁴ engaged in homeland security program activity.

Equipment allowability is based on the [Authorized Equipment List \(AEL\)](#) but exceptions may be considered on a case-by-case basis if (1) the equipment identified to be purchased directly maps to a core capability contained within the Goal, and (2) the equipment's purpose (when operational) falls under the permitted use of funds in accordance with 6 U.S.C. § 609, and any other applicable provision of the *Homeland Security Act of 2002*, as amended.

P. Allowable Cost Matrix

The following matrix provides allowable cost activities that fall under each of the cost categories noted above. Recipients and subrecipients must follow all applicable requirements in 2 C.F.R. Part 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*). Funds under HSGP may be used to cover the costs for evaluating the impact of these grants on the state or urban area's core capabilities and capability gaps. This list is not exhaustive, therefore, if there are any questions regarding allowable costs, please contact the appropriate HQ GPD Program Analyst. For additional information on allowable costs, see the [Preparedness Grants Manual](#).

Allowable Program Activities	SHSP	UASI	OPSG
Allowable Planning Costs			
Developing hazard/threat-specific annexes	Y	Y	N
Developing and implementing homeland security support programs and adopting ongoing DHS/FEMA national initiatives	Y	Y	N
Developing related terrorism and other catastrophic event prevention activities	Y	Y	N
Developing and enhancing plans and protocols	Y	Y	N
Developing or conducting assessments	Y	Y	N
Hiring of full- or part-time staff or contract/consultants to assist with planning activities	Y	Y	N
Materials required to conduct planning activities	Y	Y	N
Travel/per diem related to planning activities	Y	Y	Y
Overtime and backfill costs (in accordance with operational Cost Guidance)	Y	Y	Y
Issuance of WHTI-compliant Tribal identification cards	Y	N	N
Activities to achieve planning inclusive of people with disabilities and others with access and functional needs and limited English proficiency.	Y	Y	N

³ Except for American Samoa and the Commonwealth of the Northern Mariana Islands, which are not required to belong to EMAC at this time.

⁴ This applies to all homeland security personnel and is not limited to management and administration staff, and costs are to be captured outside the cap on management and administration costs

Allowable Program Activities	SHSP	UASI	OPSG
Coordination with Citizen Corps Councils for public information/education and development of volunteer programs	Y	Y	N
Update governance structures and processes and plans for emergency communications	Y	Y	N
Development, and review and revision of continuity of operations plans	Y	Y	N
Development, and review and revision of the THIRA/SPR continuity of operations plans	Y	Y	N
Allowable Organizational Activities			
Note: Personnel hiring, overtime, and backfill expenses are permitted under this grant only to the extent that such expenses are for the allowable activities within the scope of the grant.			
Program management	Y	Y	N
Development of whole community partnerships	Y	Y	N
Structures and mechanisms for information sharing between the public and private sector	Y	Y	N
Implementing models, programs, and workforce enhancement initiatives	Y	Y	N
Tools, resources, and activities that facilitate shared situational awareness between the public and private sectors	Y	Y	N
Operational support	Y	Y	N
Utilization of standardized resource management concepts	Y	Y	N
Responding to an increase in the threat level under the National Terrorism Advisory System (NTAS), or needs in resulting from a National Special Security Event	Y	Y	N
Reimbursement for select operational expenses associated with increased security measures at critical infrastructure sites incurred (up to 50 percent of the allocation)	Y	Y	Y
Overtime for information, investigative, and intelligence sharing activities (up to 50 percent of the allocation)	Y	Y	Y
Hiring of new staff positions/contractors/consultants for participation in information/intelligence analysis and sharing groups or fusion center activities (up to 50 percent of the allocation).	Y	Y	Y
Allowable Equipment Categories			
Personal Protective Equipment	Y	Y	Y
Allowable Equipment Categories			
Explosive Device Mitigation and Remediation Equipment	Y	Y	N
CBRNE Operational Search and Rescue Equipment	Y	Y	N
Information Technology	Y	Y	Y
Cybersecurity Enhancement Equipment	Y	Y	N
Interoperable Communications Equipment	Y	Y	Y
Detection	Y	Y	Y
Decontamination	Y	Y	N
Medical countermeasures	Y	Y	Y
Power (e.g., generators, batteries, power cells)	Y	Y	Y
CBRNE Reference Materials	Y	Y	N
CBRNE Incident Response Vehicles	Y	Y	N
Terrorism Incident Prevention Equipment	Y	Y	Y
Physical Security Enhancement Equipment	Y	Y	Y
Inspection and Screening Systems	Y	Y	Y
Animal Care and Foreign Animal Disease	Y	Y	N
CBRNE Prevention and Response Watercraft	Y	Y	N
CBRNE Prevention and Response Unmanned Aircraft	Y	Y	N
CBRNE Aviation Equipment	Y	Y	N
CBRNE Logistical Support Equipment	Y	Y	N
Intervention Equipment (e.g., tactical entry, crime scene processing)	Y	Y	Y
Critical emergency supplies	Y	Y	N
Vehicle acquisition, lease, and rental	N	N	Y
Other Authorized Equipment	Y	Y	Y

Allowable Program Activities	SHSP	UASI	OPSG
Allowable Training Costs			
Overtime and backfill for emergency preparedness and response personnel attending DHS/FEMA-sponsored and approved training classes	Y	Y	N
Overtime and backfill expenses for part-time and volunteer emergency response personnel participating in DHS/FEMA training	Y	Y	N
Training workshops and conferences	Y	Y	Y
Activities to achieve training inclusive of people with disabilities and others with access and functional needs and limited English proficiency	Y	Y	N
Full- or part-time staff or contractors/consultants	Y	Y	Y
Travel	Y	Y	Y
Supplies	Y	Y	N
Instructor certification/re-certification	Y	Y	N
Coordination with Citizen Corps Councils in conducting training exercises	Y	Y	N
Interoperable communications training	Y	Y	N
Activities to achieve planning inclusive of people with limited English proficiency	Y	Y	N
Immigration enforcement training	Y	Y	Y
Allowable Exercise Related Costs			
Design, Develop, Conduct, and Evaluate an Exercise	Y	Y	N
Full- or part-time staff or contractors/consultants	Y	Y	N
Overtime and backfill costs, including expenses for part-time and volunteer emergency response personnel participating in DHS/FEMA exercises	Y	Y	N
Implementation of HSEEP	Y	Y	N
Activities to achieve exercises inclusive of people with disabilities and others with access and functional needs	Y	Y	N
Travel	Y	Y	N
Supplies	Y	Y	N
Interoperable communications exercises	Y	Y	N
Allowable Exercise Related Costs			
Activities to achieve planning inclusive of people with limited English proficiency	Y	Y	N
Allowable Management & Administrative Costs			
Hiring of full- or part-time staff or contractors/consultants to assist with the management of the respective grant program, application requirements, and compliance with reporting and data collection requirements	Y	Y	Y
Development of operating plans for information collection and processing necessary to respond to DHS/FEMA data calls	Y	Y	Y
Overtime and backfill costs	Y	Y	Y
Travel	Y	Y	Y
Meeting related expenses	Y	Y	Y
Authorized office equipment	Y	Y	Y
Recurring expenses such as those associated with cell phones and faxes during the PoP of the grant program	Y	Y	N
Leasing or renting of space for newly hired personnel during the PoP of the grant Program	Y	Y	N
Law Enforcement Terrorism Prevention Activities (LETPA) Costs			
Integration and interoperability of systems and data, such as CAD and RMS, to facilitate the collection,	Y	Y	N
Maturation and enhancement of designated state and major Urban Area fusion centers	Y	Y	N
Coordination between fusion centers and other analytical and investigative efforts	Y	Y	N

Allowable Program Activities	SHSP	UASI	OPSG
Implementation and maintenance of the Nationwide SAR Initiative	Y	Y	N
Implementation of the "If You See Something, Say Something®" campaign	Y	Y	N
Increase physical security, through law enforcement personnel and other protective measures, by implementing preventive and protective measures at critical	Y	Y	N
Building and sustaining preventive radiological and nuclear detection capabilities	Y	Y	N

E. Application Review Information

1. Application Evaluation Criteria

a. Programmatic Criteria

Allocations

Risk Methodology and Effectiveness Review

The risk methodology and effectiveness review first determine the relative risk of terrorism faced by a given area considering the potential risk of terrorism to people, critical infrastructure, and economic security. The analysis includes, but is not limited to, threats from violent domestic extremists, international terrorist groups, and individuals inspired by terrorists abroad. See the [Preparedness Grants Manual](#) and Application Evaluation Criteria for additional information on risk methodology and effectiveness review.

The second part of the risk methodology and effectiveness review determines whether the proposed project is clear, logical, and reasonable to address the priority area of interest and contribute to a culture of national preparedness. This part considers factors such as how well the project is described and how well the project addresses the objectives and strategies of the priority area.

Risk and effectiveness will be given equal consideration in determining final award amounts.

NOTE: The THIRA/SPR process is separate from the risk methodology and effectiveness review, and its results do not affect grant allocations.

Evaluation Criteria

FEMA will evaluate the FY 2020 HSGP applications for completeness, adherence to programmatic guidelines, and anticipated effectiveness of the proposed investments. FEMA's review will include verification that each IJ or project:

- Meets the national priority required spend percentages.
- Aligns with at least one core capability identified in the Goal;
- Demonstrates how investments support closing capability gaps or sustaining capabilities identified in the THIRA/SPR process; and
- Supports a NIMS-typed resource and whether those assets are deployable/shareable to support emergency or disaster operations per existing EMAC agreements.

In addition to the above, FEMA will determine whether the proposed approach is clear, logical, and reasonable to address the priority areas of interest and contribute to a culture of national preparedness. This part considers factors such as the objectives and strategies proposed to address the priority area, how the objectives and strategies overcome legal, political, or practical obstacles to reduce overall risk, the process and criteria to select additional relevant projects, and the approach to monitor awards to satisfy the funding percentage allocations. Effectiveness will be evaluated prior to award and may impact the final overall award amount. To that end, IJs should include:

- How the proposed investment addresses the national priority;
- An explanation of how the proposed projects were selected and will achieve objectives and strategies to build or sustain the core capability gaps identified in the SPR, including expected long-term impact where applicable;
- A summary of laws, policies and practices that can be enhanced, eliminated, or otherwise changed in order to achieve the goals of the project and foster a culture of national preparedness;
- A summary of the collaboration efforts to prevent, prepare for, protect against, and respond to acts of terrorism as well as anticipated outcomes of the project.

For FY 2020 HSGP applications, effectiveness will be evaluated based on the following five factors:

- Investment Strategy (30%): Proposals will be evaluated based on the quality and extent to which applicants describe an effective strategy that demonstrates that proposed projects support the program objective of preventing, preparing for, protecting against, and responding to acts of terrorism, to meet its target capabilities, and otherwise reduce the overall risk to the high-risk urban area, the State, or the Nation.
- Budget (10%): Proposals will be evaluated based on the extent to which applicants describe a budget plan for each investment demonstrating how the applicant will maximize cost effectiveness of grant expenditures.
- Impact/Outcomes (30%): Proposals will be evaluated on how this investment helps the jurisdiction close capability gaps identified in its Stakeholder Preparedness Review and addresses national priorities outlined in the FY 2020 NOFO. Further, proposals will be evaluated on their identification and estimated improvement of core capability(ies), the associated standardized target(s) that align with their proposed investment, and the ways in which the applicant will measure and/or evaluate improvement.
- Collaboration (30%): Proposals will be evaluated based on the degree to which the proposal adequately details how the recipient will use investments and other means to overcome existing logistical, technological, legal, policy, and other impediments to collaborating, networking, sharing information, cooperating, and fostering a culture of national preparedness with federal, state, tribal, and local governments, as well as other regional and nonprofit partners in efforts to prevent, prepare for, protect against, and respond to acts of terrorism, to meet its target capabilities, support the national security mission of DHS and other federal agencies, and to otherwise reduce the overall risk to the high-risk urban area, the State, or the Nation. In evaluating applicants under this factor FEMA will consider the information provided by the applicant and may also consider relevant information from other sources.
- Past Performance (additional consideration): Proposals will be evaluated based on the

applicants demonstrated capability to execute the proposed investments. In evaluating applicants under this factor FEMA will consider the information provided by the applicant and may also consider relevant information from other sources.

Recipients are expected to conform, as applicable, with accepted engineering practices, established codes, standards, modeling techniques, and best practices, and participate in the development of case studies demonstrating the effective use of grant funds, as requested.

Review and Selection Process (SHSP and UASI)

To ensure the effectiveness of proposed investments and projects, all applications will undergo a Federal review as described herein. The Federal review will be conducted by DHS and FEMA. IJs will be reviewed at both the investment and project level. Results of the effectiveness analysis may result in a recipient receiving a reduced grant award.

Cybersecurity investments will be reviewed by DHS/FEMA, CISA, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

Soft Targets/Crowded Places investments will be reviewed by DHS/FEMA, CISA, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

Information Sharing and Cooperation Investments will be reviewed by DHS/FEMA, DHS Intelligence and Analysis, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

As part of the above, Fusion center projects will be reviewed by DHS/FEMA for compliance with HSGP NOFO requirements to prioritize the alignment of requests with results from the annual Fusion Center Assessment Program. If a fusion center investment does not meet the requirements, a Fusion Center Addendum must be completed and submitted for review and approval prior to expending funds allocated to fusion center activities.

Emerging threats investments will be reviewed by DHS/FEMA, DHS Countering Weapons of Mass Destruction Office, and other DHS components as appropriate, for compliance with purposes and requirements of the priority investment area. Proposed investments will be reviewed for effectiveness using the criteria set forth in this NOFO.

All other proposed investments not associated with a required investment justification will undergo a Federal review by DHS/FEMA to verify compliance with all administrative and eligibility criteria identified in the NOFO.

Review and Selection Process (OPSG)

Applications will be reviewed by the SAA and USBP for completeness and adherence to programmatic guidelines and evaluated for anticipated feasibility, need, and impact of the

Operations Orders. For more information on Operations Orders and other requirements of OPSG, see the [Preparedness Grants Manual](#).

DHS/FEMA will verify compliance with all administrative and eligibility criteria identified in the NOFO and required submission of Operations Orders and Inventory of Operations Orders by the established due dates. DHS/FEMA and USBP will use the results of both the risk analysis and the Federal review by DHS/FEMA to make recommendations for funding to the Secretary of Homeland Security.

FY 2020 OPSG funds will be allocated competitively based on risk-based prioritization using the OPSG Risk Assessment described above. Final funding allocations are determined by the Secretary, who may consider information and input from various law enforcement offices or subject-matter experts within the Department. Factors considered include, but are not limited to, threat, vulnerability, miles of the border, and other border-specific law enforcement intelligence, as well as the feasibility of FY 2020 Operations Orders to designated localities within border states and territories.

b. Financial Integrity Criteria

Prior to making a Federal award, DHS/FEMA is required by 31 U.S.C. § 3321 note, 41 U.S.C. § 2313, and 2 C.F.R. § 200.205 to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information. Application evaluation criteria may include the following risk-based considerations of the applicant:

- Financial stability;
- Quality of management systems and ability to meet management standards;
- History of performance in managing Federal awards;
- Reports and findings from audits; and
- Ability to effectively implement statutory, regulatory, or other requirements.

c. Supplemental Financial Integrity Review

Prior to making a Federal award where the anticipated Federal share of a Federal award will be greater than the simplified acquisition threshold, currently \$250,000 (*see* Section 805 of the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 115-91, OMB Memorandum M-18-18 at <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>; *see also* [FEMA GPD Information Bulletin No. 434, Increases and Changes to the Micro-Purchase and Simplified Acquisition Thresholds](#)):

- DHS/FEMA is required to review and consider any information about the applicant in the designated integrity and performance system accessible through the System for Award Management (SAM), which is currently the [Federal Awardee Performance and Integrity Information System](#) (FAPIIS) and is also accessible through the [SAM](#) website.
- An applicant, at its option, may review information in FAPIIS and comment on any information about itself that a Federal awarding agency previously entered.
- DHS/FEMA will consider any comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants, as described in 2 C.F.R. § 200.205.

F. Federal Award Administration Information

1. Notice of Award

See the [Preparedness Grants Manual](#) for information on Notice of Award.

2. SHSP and UASI Pass-Through Requirements

Awards made to the SAA for HSGP carry additional pass-through requirements. Pass-through is defined as an obligation on the part of the SAA to make funds available to local units of government, combinations of local units, tribal governments, or other specific groups or organizations. Four requirements must be met to pass-through grant funds:

- The SAA must make a firm written commitment to passing through grant funds to subrecipients;
- The SAA's commitment must be unconditional (i.e., no contingencies for the availability of SAA funds);
- There must be documentary evidence (i.e., award document, terms, and conditions) of the commitment; and
- The award terms must be communicated to the subrecipient.

Timing and Amount

The SAA must pass-through at least 80 percent of the funds awarded under the SHSP and UASI to local or tribal units of government within 45 calendar days of receipt of the funds. "Receipt of the funds" occurs either when the SAA accepts the award or 15 calendar days after the SAA receives notice of the award, whichever is earlier.

SAA's are sent notification of HSGP awards via the GPD's ND Grants system. If an SAA accepts its award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar days pass-through period will start on the date the SAA accepted the award. Should an SAA not accept the HSGP award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar days pass-through period will begin 15 calendar days after the award notification is sent to the SAA via the ND Grants system.

It is important to note that the PoP start date does not directly affect the start of the 45-calendar days pass-through period. For example, an SAA may receive notice of the HSGP award on August 20, 2020, while the PoP dates for that award are September 1, 2020, through August 31, 2022. In this example, the 45-day pass-through period will begin on the date the SAA accepts the HSGP award or September 4, 2020 (15 calendar days after the SAA was notified of the award), whichever date occurs first. The PoP start date of September 1, 2020 would not affect the timing of meeting the 45-calendar day pass-through requirement.

Other SHSP and UASI Pass-Through Requirements

The signatory authority of the SAA must certify in writing to DHS/FEMA that pass-through requirements have been met. A letter of intent (or equivalent) to distribute funds is not considered sufficient. The pass-through requirement does not apply to SHSP awards made to the District of Columbia, Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. The Commonwealth of Puerto Rico is required to comply with the pass-through requirement, and its SAA must also obligate at least 80 percent of the funds to local units of government within 45 calendar days of receipt of the funds.

Under SHSP, the SAA may retain more than 20 percent of funding for expenditures made by the state on behalf of the local unit(s) of government. This may occur only with the written consent of the local unit of government, specifying the amount of funds to be retained and the intended use of funds. States shall review their written consent agreements yearly and ensure that they are still valid. If a written consent agreement is already in place from previous fiscal years, DHS/FEMA will continue to recognize it for FY 2020, unless the written consent review indicates the local government is no longer in agreement. If modifications to the existing agreement are necessary, the SAA should contact their assigned FEMA HQ Program Analyst.

Additional OPSG Requirements

The recipient is prohibited from obligating or expending funds provided through this award until each unique and specific county-level or equivalent Operational Order/Fragmentary Operations Order budget has been reviewed and approved through an official electronic mail notice issued by DHS/FEMA removing this special programmatic condition.

3. Administrative and National Policy Requirements

See the [Preparedness Grants Manual](#) for information on Administrative and National Policy requirements.

4. Reporting

See the [Preparedness Grants Manual](#) for information on reporting requirements, including federal financial reporting requirements, programmatic performance reporting requirements, and closeout reporting requirements.

Threat and Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) Process

See the [Preparedness Grants Manual](#) for information on the THIRA and SPR process.

Supplemental Information Reporting Systems

In addition to ND Grants, the following information systems are used for the submission of required reports:

Grant Reporting Tool (GRT)

Information on the GRT can be found in the [Preparedness Grants Manual](#).

Unified Reporting Tool (URT)

See the [Preparedness Grants Manual](#) for information on the URT.

Closeout Reporting Requirements

See the [Preparedness Grants Manual](#) for information on closeout reporting requirements.

Disclosing Information per 2 C.F.R. § 180.335

See the [Preparedness Grants Manual](#) for information on disclosing information.

5. Monitoring

Per 2 C.F.R. § 200.336, DHS/FEMA through its authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments and management control

systems to review project accomplishments and to provide any required technical assistance. During site visits, DHS/FEMA will review grant recipients' files related to the grant award. As part of any monitoring and program evaluation activities, grant recipients must permit DHS/FEMA, upon reasonable notice, to review grant-related records and to interview the organization's staff and contractors regarding the program. Recipients must respond in a timely and accurate manner to DHS/FEMA requests for information relating to the grant program. See the [Preparedness Grants Manual](#) for additional information on monitoring.

G. DHS/FEMA Awarding Agency Contact Information

1. Contact and Resource Information

Centralized Scheduling and Information Desk (CSID)

CSID is a non-emergency comprehensive management and information resource developed by DHS/FEMA for grant stakeholders. CSID provides general information on all DHS/FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the Federal, state, and local levels. When necessary, recipients will be directed to a Federal point of contact who can answer specific programmatic questions or concerns. CSID can be reached by phone at (800) 368-6498 or by e-mail at askcsid@fema.gov, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

GPD Grant Operations Division

GPD's Grant Operations Division Business Office provides support regarding financial matters and budgetary, technical assistance. Additional guidance and information can be obtained by contacting the FEMA Call Center at 866-927-5646 or via e-mail to ASK-GMD@fema.gov.

FEMA Regional Offices

FEMA Regional Offices may also provide fiscal support, including pre- and post-award administration and technical assistance such as conducting cash analysis, financial monitoring, and audit resolution for the grant programs included in this solicitation. GPD will provide programmatic support and technical assistance. FEMA Regional Office contact information is available [here](#).

GPD Environmental Planning and Historic Preservation (EHP)

The DHS/FEMA GPD EHP Team provides guidance and information about the EHP review process to recipients and subrecipients. All inquiries and communications about GPD projects or the EHP review process, including the submittal of EHP review materials, should be sent to gpdehpinfo@fema.dhs.gov. EHP Technical Assistance, including the EHP Screening Form, can be found online at <https://www.fema.gov/media-library/assets/documents/90195>.

2. Systems Information

Grants.gov

For technical assistance with [Grants.gov](#), call the customer support hotline 24 hours per day, 7 days per week (except Federal holidays) at (800) 518-4726 or e-mail at support@grants.gov.

Non-Disaster (ND) Grants

For technical assistance with the ND Grants system, please contact the ND Grants Helpdesk at

ndgrants@fema.gov or (800) 865-4076, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

Payment and Reporting System (PARS)

DHS/FEMA uses the [Payment and Reporting System \(PARS\)](#) for financial reporting, invoicing and tracking payments. DHS/FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to recipients. To enroll in the DD/EFT, recipients must complete a Standard Form 119A, Direct Deposit Form.

H. Additional Information

GPD has developed the [Preparedness Grants Manual](#) to guide applicants and recipients of grant funding on how to manage their grants and other resources. Recipients seeking guidance on policies and procedures for managing preparedness grants should reference the Manual for further information. Examples of information contained in the [Preparedness Grants Manual](#) include:

- Conflicts of Interest in the Administration of Federal Awards and Subawards;
- Extensions;
- Monitoring;
- Procurement Integrity; and
- Other Post-Award Requirements.

In response to recent disasters, FEMA has introduced a new lifelines construct, in order to enable the continuous operation of government functions and critical business essential to human health, safety, or economic security during and after a disaster. To learn more about lifelines, please refer to the [Preparedness Grants Manual](#), or visit <http://www.fema.gov/national-planning-frameworks>.

Additionally, recipients can access the [DHS Strategic Framework for Countering Terrorism and Targeted Violence](#) which explains how the department will use the tools and expertise that have protected and strengthened the country from foreign terrorist organizations to address the evolving challenges of today.



**SHARED SERVICES DIVISION
GRANT PAYMENT REQUEST**

SECTION A: SUBMITTING YOUR REQUEST	
<p style="text-align: center;">Please submit Grant Payment Request Form along with legible supporting documents to:</p> <p style="text-align: center;">Grants@auditor.lacounty.gov</p> <p style="text-align: center;">In the event e-mail is not available, you can mail your Grant payment request to (please do not fax or send duplicates):</p> <p style="text-align: center;">Department of Auditor-Controller Shared Services Division / Attn: Grants Unit 3470 Wilshire Blvd., Suite 812 Los Angeles, CA 90010</p>	<p>1. Grant Name & Year:</p> <div style="border: 1px solid black; height: 25px; width: 100%; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>

SECTION B: SUB-RECIPIENT'S INFORMATION			
1. Sub-recipient's Name: (reimbursement check will be made payable to a payee entered here)	3. Taxpayer ID #:	4. Contact's Name:	
2. Mailing Address (please let us know where you want your check delivered, including attention line if necessary):	4. Contact's phone:		4. Contact's e-mail:

SECTION C: DETAIL PAYMENT REQUEST INFORMATION								
1. SOLUTION AREA <small>(e.g. equipment, training, planning, exercise, organization)</small>	2. PROJECT # <small>(e.g. 011.22)</small>	4. EHP required? <small>(Environmental & Historic Preservation)</small>		5. VENDOR'S INVOICE # <small>(Maximum of 5 invoices)</small>	6. PURCHASE METHOD <small>(including Training)</small>			7. CLAIM AMOUNT <small>(indicate the amount per each line)</small>
		No	Yes <small>(attach State Approval)</small>		If Competitive, <small>indicate the # of bids.</small>	Non-Competitive Bid	Sole Source	
8. TOTAL \$								-

SECTION D: SUB-RECIPIENT'S CERTIFICATION	SECTION E: FOR SSD USE ONLY
<p>I certify that (please use the checkbox):</p> <p><input type="checkbox"/> 1. I am the duly authorized officer of the claimant herein and this claim is in all respect true and correct. All expenditures were made in accordance with applicable laws, rules, regulations and grant conditions and assurances.</p> <p><input type="checkbox"/> 2. All instructions for this form were followed and all the supporting documentation (per instructions) is included with this claim.</p> <p>3. _____ DATE</p> <p style="text-align: center;"><small>AUTHORIZED SIGNATURE</small></p> <p>4. _____ AUTHORIZED TITLE</p> <p style="text-align: center;"><small>AUTHORIZED PRINTED NAME</small></p> <p>5. AUTHORIZED CONTACT INFORMATION (If different from Section B):</p> <p>PHONE # _____</p> <p>E-MAIL: _____</p>	<p style="text-align: center;">STAMP WITH RECEIVED DATE HERE:</p> <p style="text-align: center;">ASSIGNED INVOICE NO.:</p> <div style="border: 1px solid black; height: 25px; width: 100%; margin-top: 5px;"></div>

NOTE: This Form is intended for Internal SSD review purpose only.
Revised on December 2019

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER / SHARED SERVICES DIVISION
INSTRUCTIONS TO COMPLETE THE GRANT PAYMENT REQUEST**

Purpose of these instructions:

To assist sub-recipients in completing the Grant Payment Request. We appreciate your participation in this program, for questions or suggestions please use our e-mail below to contact us. **Please do not send these instructions to us, they are to be used for your guidance only.**

SECTION A: GENERAL INSTRUCTIONS FOR SUBMISSION OF GRANT PAYMENT REQUEST

In numeral **1** of this section, please enter the name and year of the grant program that you are submitting for payment. In addition, please help us expedite the process of your Homeland Security claims by:

- Completing the Grant payment request correctly and according to these instructions.
- Submitting your Grant payment request using our e-mail --> **Grants@auditor.lacounty.gov** (please do **not** fax documents).
- Sending your Grant payment request only once (we do not require original documents and duplicates will slow down our process).
- Using the checkboxes to ensure all the required supporting documents and files accompany your Grant payment request. Supporting documents are flagged for your convenience with a checkbox within the corresponding areas.
- Ensuring that all documents attached to your Grant payment requests are legible.
- Submitting Grant payment request timely. We do **not** guarantee the process of Grant payment requests that are submitted late or too close to the final due date. Reimbursable expenditures need to be charged within the performance period of the grant and submitted to us as soon as they are incurred.

SECTION B: SUB-RECIPIENT'S INFORMATION

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Please enter the name of the agency requesting for payment. The name of the agency should be typed according to its signed agreement and as you need it to appear in the payee line of the reimbursement check.
2. Please enter the complete address (street number and name, city, zip code) and attention line where you will need to receive the reimbursement check. Please note that this is not necessary for L.A. County departments.
3. Please enter the tax ID of the governmental entity requesting payment. Please leave blank for L.A. County departments.
4. Please enter the information of the person that can assist us with detail claim questions.

SECTION C: DETAIL PAYMENT REQUEST INFORMATION:

In order to expedite your Grant payment request, in this area's grid, include a **maximum of five (5) invoices or reimbursements charges (one charge or one invoice per line)**. The invoices or charges need to share the same solution area, project #.

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Enter the solution area corresponding to the claim. This information is found in the latest budget of the grant. Examples of solution areas are: equipment, training, planning or exercise.
2. Enter the project # corresponding to the claim. This information is found in the latest budget of the grant. An example of Item # is 17.020.
4. Check with an X under either yes or no according to the claim's Environmental & Historical Preservation (EHP) requirements from the State. EHP approval needs to be obtained from the State **prior** to the start of the project on certain equipment items (see AEL description) or training/exercise projects. Please attach the following:
 - a) **State EHP Approval:** if required by the state for your claim.

SECTION C: (Continued)

5. If the expenditures that you are claiming were purchased thru a vendor or contractor, please enter the invoice # in the grid area. Please note that you are responsible for following acceptable purchasing policies and for documenting your procurement process. Additionally please include the following documentation with your claim:
- a) **Copy of the invoice:** Please attach an invoice that provides sufficient information to be used as a cross reference with the items described in your grant line item and AEL #. When the invoice includes items that are not being claimed or that belong to different claims or grants, please circle and designate on the invoice the items that you are requesting for reimbursement. Each item circled must have a project #, a funding source, and a total. Purchase orders and price quotes will not be accepted in the place of the invoice.
 - b) **Copy of the purchase order**
 - c) **Print out of the corresponding AEL # (Authorized Equipment List number).** The AEL listing can be found at: https://www.rkb.us/fema_grants.cfm
 - d) **Proof of payment of the invoice:** The proof of payment for L.A. County Departments is the printout from e-CAPS showing that the check cleared the bank. The proof of payment for **other** than L.A. County Department is the corresponding copy of the bank's cleared check .
 - e) **Calculations for use tax paid:** When use tax is paid, clearly show the calculations of the use tax in the invoice included in your claim.
 - f) **Proof of payment of the use tax:** Please provide official documents which authenticate the remittance of the use tax to the state, the amount and the reference to the invoice being claimed.
 - g) **Federal Debarment Listing:** Please provide a screen print out of the queried Federal Debarment Listing at <http://www.sam.gov/portal/public/SAM>. (you will need a username and a password; if you don't please create an account) . The listing needs to be queried **prior** to the selection of the vendor.
6. If you are claiming services, supplies, training related costs, or any other type of items purchased thru a vendor or contractor or government agency, please indicate with an X the method that you used to acquire the items (do **not** leave blank or mark more than one). Please note that competitive bid, non-competitive bid or sole source are the only valid purchasing methods.
- a) **Competitive Bid:** for projects that received more than one bid. Please indicate number of bids received (must be more than one).
 - b) **Non-Competitive Bid:** for single bid purchases of \$250,000 or more (effective June 21, 2018) to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State **prior** to the start of the project.
 - c) **Sole Source:** for non-bid purchases of \$250,000 or more effective (June 21, 2018) to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State **prior** to the start of the project.
7. Enter the amount of your claim after you verify that your budget is sufficient to cover your request. When the amount of the budget is not sufficient, please let your Program Coordinator know of the possible need for budget modification.
8. Enter the "Total Amount" by adding the subtotal claims included in each line.

SECTION D: SUB-RECIPIENT'S CERTIFICATION

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Please read and check the box provided if you are an authorized signor.
2. Please read and check the box provided if you are an authorized signor.
3. Please sign the Grant payment request if you are an authorized signor of your agency.
- 4 & When the authorized person is the same as the contact person in Section B you do not need to enter the authorized contact information. If the
5. authorized person and the contact person in Section B are different, please enter all the fields in this area as requested.

ADDITIONAL ITEMS THAT YOU NEED TO ATTACH TO YOUR GRANT PAYMENT REQUEST:

For Equipment Claims:

- a) **Equipment Inventory Listing (Print out & Excel File):** Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits. If there is no serial # for your equipment please assign a valid ID tag, or write "Consumable" (if it applies) or write N/A. please do NOT leave the corresponding space blank. ^{*1}Please refer to the Instructions to Equip Inty Tab for completion procedures of Equipment Inventory.

Additionally, please enter the appropriate CBRNE Mission (Chemical, Biological, Radiological, Nuclear, or Explosive) in the column titled "Equipment Description & Quantity". This only applies to vehicles with AEL # 12VE-00-MISS (Vehicle Specialized Mission: CBRNE).

You need to inform us of any changes on the items above ^{*1}. This applies to each piece of equipment added in the Inventory Listing, including when the items are disposed and/or no longer useful. We will update the master inventory listing (per grant requirement) according to the information you give us. Please make sure that you include all the attachments that are necessary to provide us with the requested information.

For Training Claims:

- a) **State Sole Source Approval:** If you are claiming training related costs thru a Non-Competitive Bid or Sole Source training provider, regardless the purchased amount, please attach the State's approval (effective December 03, 2018). The approval needs to be requested from the State prior to the start of the project.
- b) **State-Sponsored Training Reporting Form (with the tracking request #):** Please add this form along with the Training Request Form Training Officer (POC), which you completed at the website, to the claim's backup documentation. All the backup documentation submitted for the training claim needs to agree with the training period and the detail description on the Training Reporting Form and the line item of the Grant. Training request #'s must be obtained from the State prior to the start of the project.
- c) **Receipts and paid invoices:** please include the complete copy of the receipts and paid invoices with your claim for itemized costs such as air plane tickets, hotel stays, instructor's fees, workshop cost, facilities fees, consulting services, etc. Additionally, you will need to include the documents requested in numeral 5 under Section C.

If you are including **personnel cost** with your training claim, please add the following:

- d) **Personnel List (Print out & Excel File):** Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits.
- e) **Documents that certify completion of the training:** please attach supporting documents that show the class name, dates of training, # of hours of the training class, printed name and signature of individual taking the class and approval signature from supervisor or trainer (attach the information for backfilled positions also). Examples of documents that certify completion of training are:
- Attendance sheets (signed by employee and instructor)
 - Sign in sheets (same as above)
 - Signed training certificates
- f) **Summary Listing of Charges:** Please use the **Training Summary Sheet** form provided in this claim packet that **clearly** shows the breakdown of the training charges per employee and that match the total claimed. This form includes the following: employee name, assignment, job title, date, salary, hours claimed, regular rate, overtime rate, employee benefits rate, claim amount per employee, clear calculations of amount claimed per employee and total (equal to the amount claimed).

Please ensure that the Training Summary Sheet is verified/approved by an authorized signatory, with printed name and title, and dated.

- g) **Backup for the Benefits Rate:** If you are adding benefits to your claim, please make sure that you include the official calculation for the rate used.
- h) **Timecards:** Include a printout of the corresponding timecards. Manual timecards need to indicate the # of hours charged per day to the grant, supervisor's signature, employee name and signature. Automatic system generated timecards need to be approved and include the name of the employee and hours charged per day to the grant.
- i) **Explanation of timekeeping codes:** When the supporting documentation (timesheet, payroll register, etc.) includes timekeeping codes please provide a printout with the explanation of the usage as detailed as possible.

- j) **Payroll register:** The payroll register needs to clearly support and explain the amount claimed per employee. It also needs to show the salary, hourly rate, employee benefits and overtime rate.
- k) **Roster of backfilled positions:** When you are claiming overtime for a backfilled position, please attach the backfilled roster to your claim. The roster needs to include the name of the backfilling employees, a short description of duties performed, the corresponding employee whose duties were covered and the dates accordingly. Please make sure that the roster is signed and that you include documentation corresponding to the employee covered by the backfilling position.

For Planning Claims:

- a) **Deliverable (or final product):** Please include with your claim the final product of the planning activity (deliverable) that was identified in the grant award.
- b) **Signed Certificate of Completion:** The certificate of completion can be an e-mail confirming that the planning activity was completed.
- c) **Invoices:** If your planning claim includes charges invoiced by vendors, please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).
- d) **Supporting Documentation for Personnel Cost:** When your planning claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

For Exercise Claims:

- a) **Proof of State Approval of After Action Report (AAR):** In order for your AAR to be approved you have to submit it to the State using the ODP Portal (see link below), within 90 days after completion of the exercise. You need to notify the State when the AAR is uploaded so they can proceed with the approval process.

https://hseep.dhs.gov/DHS_SSO/

- b) **Invoices:** If your exercise claim includes charges invoiced by vendors please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).
- c) **Supporting Documentation for Personnel Cost:** When your exercise claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

For Organization Claims: Please see above b) and c) under Exercise Claims

Equipment Inventory Listing Procedures for Completion

OBJECTIVE: To provide an equipment inventory listing that links the State Homeland Security Workbook, to the Equipment Ledger and to the Equipment Listing to simplify the tracking and accountability; and to eliminate duplication and confusion.

<u>Field</u>	<u>Date Element</u>	<u>Procedure</u>
(1)	Grant Name	SHSP or EMPG
(2)	Sub-Recipient	Name of your agency
(3)	Date of Report	Date report completed {1}
(4)	Grant Year	Grant Year of funds used to purchase equipment
(5)	Project #	Project Number (from Grant Workbook Project Sheets)
(7)	AEL No.	Authorized Equip Listing No (from Grant Workbook)
(8)	Description	Description of the equipment
(9)	Serial # or Other ID #	Serial # or Other identification # used
(10)	Safecom consult	Fill out either by Yes, No, or N/A
(11)	Source of Property	Funding source, i.e, SHSP, EMPG, etc.
(12)	Title Holder	Name of agency (City/Department)
(13)	Vendor Name	Name of the vendor
(14)	Invoice Number	Invoice number
(15)	Acquisition Date	Date equipment acquired
(16)	Acquisition Cost	Cost of the individual equipment item
(17)	% of Fed Part	Fed participation in the cost of equipment
(18)	Location	Location of equipment
(19)	Use & Condition	Use & condition {2}
(20)	Disposition data	Date of disposition
(21)	Sale Price	Sale price, If applicable, or N/A for not applicable

The Equipment Inventory Listing must be completed in its entirety to meet the objective of the form.

Note {1}: This date should be the date the physical inventory of equipment was taken and the results reconciled with the equipment records (at least once every two years).

{2} Indicate: N = New, D = Deployed, O = Out of Service, L = Lost & S = Stolen

Distribution

Copy maintained in sub-recipient file
Copy forwarded to Shared Services Division

PLANNING ROSTER										
Project	Planning Activity	Solution Area Sub-Category	Discipline	Funding Source	Total Cost	Total Claimed	Cash Request Number	Final Product		
					-	-				
GRAND TOTAL							\$			

Approved by:

Authorized Signature

Print Name and Title

Date

8. Notes on Personnel Cost:

In general, costs associated with:

- Work performed under contract for a specific deliverable DOES NOT count against the personnel cap, however,
- Work performed under contract for an undefined period, such as for personnel costs supporting operational activities, including general planning, training or exercise activities DO count against the personnel cap; and
- Work performed by all non-contractor personnel, including for full- or part-time staff and operational overtime DO count against the personnel cap.

The following examples would not count towards the personnel cap:

- Vendor installation of a radio tower;
- Vendor training on new equipment purchased;
- Contractor hired to create an Emergency Operations Plan;
- Contractor hired to provide deliveries of ICS 400; and
- Contractor hired to assist with planning, training, evaluating, and reporting the effectiveness of a specific exercise.

The following examples would count towards the personnel cap:

- Contractor hired to be the State's WMD training instructor with no specific deliverables under contract;
- Contractor hired to facilitate unidentified number of exercises throughout the performance period;
- Contractor hired to be the part-time auditor of Homeland Security Grants throughout the year; and
- Contractor hired to be an intelligence analyst.

Work Order No. 9-25A
Subrecipient Monitoring Instrument

Subrecipient Monitoring Instrument

PROJECT TITLE

Los Angeles County State Homeland Security Program
 Monitoring Reports for Fiscal Year 2020-21

A. FINANCIAL REPORTING REQUIREMENTS

Objective

To determine that the Subrecipient implemented corrective action to address findings noted in its Single Audit that is related to the Homeland Security Grant.

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comment</u>
1.	Was a Single Audit completed for Grant Year 2018-19 and 2019-20?			
2.	If yes, did the Subrecipient forward a copy to the Homeland Security Grant Administrator (HSGA) by March 30 th of the year following the audit?			
3.	Did the Single Audit(s) identify findings related to the Homeland Security Grant? If yes, please continue. If no, please mark N/A and continue to Section B.			
4.	Did the Subrecipient develop a corrective action plan that addresses the finding(s)?			
5.	Did the Subrecipient send a copy of a corrective action plan to the HSGA?			
6.	Did the Subrecipient implement the corrective action plan?			

B. TRAINING**Objective**

To determine that the Training expenditures were appropriately documented and that the activities aligned with the project's goals and objectives. If the Training activities involved employees, determine if the Subrecipient appropriately documented the Training expenditures using employee timecards, sign-in sheets, and certificates of training. If the Training activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement procedures to hire the consultants or contractors. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1. Did the Subrecipient receive funding for Training expenditures? If yes, then continue. If no, continue to next section.				
2. Did the Subrecipient receive prior approval from the State either via email or other documentation and did it include the training course name and number?				
3. If the Training expenditures relate to the use of employees, did the Subrecipient appropriately document the Training expenditures using employee timecards, sign-in sheets and certificates of training?				
4. If Training expenditures relate to the use of consultants/contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?				
5. Did the Subrecipient accurately report the Training expenditures in their accounting records?				
6. For Projects with overtime expenditures for Training:				
a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures?				
b. Did the Subrecipient accurately report the overtime expenditures in their accounting records?				

B. TRAINING (Continued)

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
7. For Projects with backfill expenditures for Training:				
a. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?				
b. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and sign-in sheets?				
c. Did the Subrecipient accurately report the expenditures in their accounting records?				
8. Were employee timecards utilized in Training activities signed and dated by the employee and direct supervisor?				
9. Were the Training expenditures consistent with the State approved grant award and/or post award modification(s)?				
10. Ensure the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports submitted by HSGA:				
a. If the Project prior Grant Year monitoring report finding was resolved, explain resolution, and indicate such in the current report as resolved.				
b. If the Project prior Grant Year report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.				

C. PLANNING**Objective**

To determine that the Planning expenditures were appropriately documented and that the activities aligned with the project's goals and objectives. If the Planning activities involved employees, determine if the Subrecipient appropriately documented the Planning expenditures using employee timecards and sign-in sheets. If the Planning activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement policies. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1. Did the Subrecipient receive funding for Planning expenditures? If yes, continue. If no, continue to next section.			
2. Did the Subrecipient appropriately document the Planning expenditures providing copies of the support documentation that indicated the efforts made to produce the final product and a copy of the product produced?			
3. If Planning expenditures relate to the use of employees, did the Subrecipient use employee timecards and sign-in sheets?			
4. If Planning expenditures relate to the use of consultants/contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?			
5. Did the Subrecipient accurately report the Planning expenditures in their accounting records?			
6. For Projects with overtime expenditures for Planning:			
a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures?			

C. PLANNING (Continued)

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
	b. Did the Subrecipient accurately report the overtime expenditures in their accounting records?			
7.	For Projects with backfill expenditures for Planning:			
	a. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?			
	b. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and sign-in sheets?			
	c. Did the Subrecipient accurately report the backfill expenditures in their accounting records?			
8.	Were the employee timecards utilized in Planning activities signed and dated by the employee and direct supervisor?			
9.	Were the Planning expenditures consistent with the State approved grant award and/or post award modification(s)?			
10.	Ensure the Subrecipient corrected area of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports submitted to HSGA:			
	a. If the project prior Grant Year monitoring report finding was resolved, explain resolution, and indicate such in the current report as resolved.			
	b. If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.			

D. EQUIPMENT**Objective**

To determine that the project Equipment expenditures are supported by invoices and that a listing of the Equipment/property is maintained by the Subrecipient. To determine that the purchases are aligned with the project's goals and objectives. Use Worksheets 2 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

	<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1.	Did the Subrecipient receive funding for Equipment expenditures? If yes, continue. If no, continue to next section.			
2.	Did the Subrecipient maintain invoices to support the Equipment expenditures?			
3.	Did the Subrecipient follow proper procurement procedures to purchase the Equipment and were the items listed in the federal "Authorized Equipment List" and/or "Standardized Equipment List"?			
4.	Did the Subrecipient accurately report the Equipment expenditures in their accounting records?			
5.	Did the Subrecipient maintain an Equipment inventory that listed the following: <ol style="list-style-type: none"> a) Description of Equipment, b) Serial number or other identification number, c) AEL number, d) Fund/source/grant year, e) Title holder, f) 100 percent of federal participation. If no, then identify percentage, g) Acquisition date, h) Acquisition cost, i) Quantity, j) Equipment location, k) Use and condition of Equipment, l) Disposal date and sale price of the Equipment 			
6.	Did the Subrecipient conduct an inventory of Equipment purchased with Cal/OES grant funds at least once every two years?			

D. EQUIPMENT (Continued)

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
<p>7. Was the Equipment physically inspected to ensure:</p> <p>a. The Equipment existed and agreed to inventory listing?</p> <p>b. The Equipment worked and adequately trained staff are available to operate the Equipment?</p>			
<p>8. Did the Subrecipient maintain Equipment in a secure location?</p>			
<p>9. For property other than Equipment, i.e. supplies, did the Subrecipient have controls and accountability to safeguard and ensure that the items are used and solely for authorized purposes?</p>			
<p>10. For Equipment disposal, if any:</p> <p>a. Was the disposition consistent with federal regulations?</p> <p>b. What is the status of the proceeds received from the disposal?</p>			
<p>11. Did the Subrecipient have a policy for damaged, destroyed, lost or stolen Equipment including but not limited to informing the Cal/OES, steps to replace the Equipment and an investigative process?</p>			
<p>12. Were the Equipment expenditures consistent with State approval grant award and/or post award modification(s)?</p>			
<p>13. Ensure the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA:</p> <p>a. If the project prior Grant Year monitoring report finding was resolved, explain resolution, and indicate such in the current report as resolved.</p> <p>b. If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.</p>			

E. EXERCISE**Objective**

To determine that the Exercise expenditures were appropriately documented and the activities align with project's goals and objectives. If the Exercise activities involved employees, determine if the Subrecipient appropriately documented the Exercise expenditures using timecards and sign-in sheets. If the Exercise activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement procedure. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

<u>Verification</u>	Yes	No	<u>Comments</u>
1. Did the Subrecipient receive funding for Exercise expenditures? If yes, continue. If no, continue to next section.			
2. Did the Subrecipient receive prior approval from the State either via email or other documentation and did it include the Exercise course name and number?			
3. If the Exercise expenditures relate to the use of employees, did the Subrecipient appropriately document the Exercise expenditures using employee timecards, sign-in sheets, and certificates for Exercise?			
4. If the Exercise expenditures relate to the use of consultants/contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?			
5. Did the Subrecipient accurately report the Exercise expenditures in their accounting records?			
6. For Projects with overtime expenditures for Exercise:			
a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures?			
b. Did the Subrecipient accurately report the overtime expenditures in their accounting records?			
c. Did the Subrecipient accurately report the backfill expenditures in their accounting records?			
7. For Projects with backfill expenditures for Exercise:			
a. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?			
b. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and sign-in sheets?			

E. EXERCISE (Continued)

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
8. Were the employee timecards utilized in the Exercise activities signed and dated by the employee and direct supervisor?			
9. Were the Exercise expenditures consistent with the State approved grant award and/or post award modifications?			
10. Ensure the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports:			
a. If the Project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b. If the Project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.			

F. ORGANIZATION**Objective**

To determine that the Organization expenditures were appropriately documented and that the activities align with the project's goals and objectives. If the Organization activities involved employees, determine if the Subrecipient appropriately documented the Organization expenditures using employee timecards and sign-in sheets. If the Organization activities involved using consultants or contractors, determine if the Subrecipient followed the appropriate procurement policies. Use Worksheets 1 and 3 (See Attachment E – Subrecipient Monitoring Worksheets).

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
1. Did the Subrecipient receive funding for Organization expenditures? If so, continue. If no, continue to next section.			
2. If the Organization expenditures relate to the use of employees, did the Subrecipient document the expenditures using employee timecards, sign-in sheets, or with other support documentation that substantiated the expense?			
3. If the Organization expenditures relate to the use of consultants or contractors, did the Subrecipient follow proper procurement procedures to hire the consultants or contractors?			
4. Did the Subrecipient accurately report the Organization expenditures in their accounting records?			
5. For Projects with overtime expenditures for Organization: <ul style="list-style-type: none"> <li data-bbox="334 1297 1016 1360">a. Did the Subrecipient maintain employee timecards to appropriately document the overtime expenditures? <li data-bbox="334 1413 997 1476">b. Did the Subrecipient accurately report the overtime expenditures in their accounting records.? 			

F. ORGANIZATION (Continued)

<u>Verification</u>	<u>Yes</u>	<u>No</u>	<u>Comments</u>
6. For Projects with backfill expenditures for Organization:			
b. Does the Subrecipient have documentation that the backfill expenditures were approved by the State?			
c. Did the Subrecipient appropriately document the backfill expenditures using employee timecards and other payroll documentation?			
7. Were employee timecards utilized in Organization activities signed and dated by the employee and direct supervisor?			
8. Were the Organization expenditures consistent with the State approved grant award and/or post award modification(s)?			
9. Ensure that the Subrecipient corrected areas of noncompliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA:			
a. If the Project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b. If the Project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Subrecipient is doing to resolve the prior year finding and indicate such in the current report.			



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Consent

Item Number: B.13

TITLE:

Amendment to Agreement with Robert Half International, Inc.

RECOMMENDATION:

1. Authorize the Interim City Manager to amend an agreement with Robert Half International Inc., adding an additional \$118,000 and extending the term to June 30, 2022 to provide technical consulting, business analysis, project management and administrative services.

FISCAL IMPACT:

Amount Budgeted: \$118,000

Additional Appropriation: None

Account Number(s): 001-400-2505-6214 (Professional/Technical Services) and 301-400-8208-8700 (Capital Improvement)

BACKGROUND:

The Information Technology Services Department (ITSD) continues to work on a number of critical technical infrastructure projects that require specialized skills to augment staff; therefore, it is anticipated an additional amount of \$118,000 added to the agreement will be necessary to meet the operational needs of ITSD and various departments for the remainder of this fiscal year. Currently, there are allocated funds in ITSD's capital improvement, professional and technical consulting accounts, so no additional appropriation is required. This amendment, if approved, will bring the contract total to an amount not to exceed \$718,000.

DISCUSSION:

Staff has determined the most efficient way to execute the approved projects is with the continued utilization of the skill sets provided by Robert Half International to aid in the following activities:

Amendment to the contract with Robert Half International, Inc.

March 15, 2022

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- Assist with the management of the project portfolio
- Assist with the management of the projects selection criteria, plans and budgets
- Lead the design, testing, data migration
- Operational administrative support
- Services Desk support

These professionals will work with City staff, as well as the vendors contracted by the City, to ensure the successful and timely completion of projects. It is anticipated that an additional amount of \$118,000 will be necessary to meet the project and operational needs of the departments over the remainder of this fiscal year. Amending the professional services contract with Robert Half International, Inc will allow ITSD to continue the delivery of projects and enhanced services that meet the needs of the staff, citizens and the business community.

Therefore, it is recommended that the City enter into an agreement with Robert Half International Inc. by amending the contract in the amount of \$118,000 and extending the contract term to June 30,2022. Given the current working relationship with Robert Half International Inc. (Officeteam/Accountemps), we would like to continue this partnership.

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.

Objective 4B: El Segundo's technology supports effective, efficient, and proactive operations.

PREPARED BY:

Charles Mallory, Information Technology Services Director

REVIEWED BY:

Charles Mallory, Information Technology Services Director

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Public Hearings

Item Number: C.14

TITLE:

Pacific Coast Commons Specific Plan and Mixed-Use Commercial/Residential Development Project at 475-629 North Pacific Coast Highway

RECOMMENDATION:

1. Adopt a resolution certifying a Final Environmental Impact Report (FEIR) for the Pacific Coast Commons Specific Plan and Development Project; approving General Plan Amendment No. GPA 19-01, Subdivision No. SUB 19-03 (Vesting Tentative Tract Map), Site Plan Review No. 19-01, Parking Demand Study, and waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and mixed-use development project.
2. Waive the first reading and introduce an ordinance adopting the Pacific Coast Commons Specific Plan (SP 19-01), approving Zone Change (ZC 19-01), Zone Text Amendment (ZTA 19-08), and Development Agreement (DA 19-02).
3. Adopt a Resolution approving modifications to Conditional Use Permit No. 14-01 for the Aloft Hotel.
4. Adopt a Resolution approving modifications to Conditional Use Permit No. 14-02 for the Fairfield Inn and Suites Hotel.

FISCAL IMPACT:

A Fiscal Impact Analysis was conducted to determine the impact of the proposed project on the City budget through a comparison of anticipated annual City revenues (taxes, service charges, etc.) against the anticipated annual City costs for services (police, fire, recreation, etc.). The Fiscal Impact Analysis estimated that the proposed development would have a net negative impact on the City's budget of \$127,631 annually. For contextual purposes, residential developments generally have a negative direct fiscal impact on cities compared to commercial developments. However, mixed-use multi-family residential uses result in an overall positive economic impact by creating complimentary, revenue-generating uses along commercial corridors, a

Pacific Coast Commons Specific Plan Project

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stronger local customer base, and expanded overall service demands for local businesses.

BACKGROUND:

Introduction

The applicant, BRE El Segundo HOLDCO LLC, submitted an application for development of a mixed-use project including commercial and residential uses on property generally located between Holly Avenue on the south, Indiana Street to the west, Palm Avenue to the north and North Pacific Coast Highway (PCH) to the east (See Figure 1 below). Today, the property is occupied by two hotels (Aloft and Fairfield Inn and Suites), a vacant food and beverage building (former Hacienda hotel restaurant), and two surface parking lots.

The proposed mixed-use project, Pacific Coast Commons (PCC), includes four new buildings consisting of 257 apartment units, 6 townhome condominium units, 11,252 square feet (s.f.) of commercial uses, and parking structures containing 792 parking spaces. Of the total 263 residential units, 32 are proposed as affordable housing units, further described below.

Figure No. 1 - Vicinity Map



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High density residential uses are not permitted under the present General Plan Land Use designations for the site. Therefore, the overall project includes an application for a General Plan Amendment, concurrent with a Zone Change, Zone Text Amendment, and Specific Plan. The proposed entitlements are described in detail in the following sections of the report.

Planning Commission Recommendation

On February 10, 2022, the Planning Commission conducted a public hearing to consider the proposed Specific Plan and development project. As part of its deliberations, the Planning Commission considered a staff report (See attachment No. 13), written comments provided prior to the hearing, and oral testimony provided at the hearing. At the conclusion of the public hearing, the Planning Commission voted unanimously to recommend City Council approval of the project subject to four additional conditions of approval and one additional development agreement provision, summarized below:

Additional Conditions:

1. Restrict the PCC North site exit at Palm Avenue to right turns only, to direct traffic away from the residential neighborhood west of the site.
2. Prohibit the use of gates at the PCC North site entrances on Mariposa Avenue and Palm Avenue to prevent vehicles backing up onto the public streets.
3. Require the owner of the residential component of the PCC North site to be responsible for cleaning and maintaining the community room at the Fairfield Parking Site.
4. Require the Master Site Program for each development site to include adequate wayfinding signs to the parking structures throughout the Specific Plan area.

Additional Development Agreement Provision:

Require the applicant to pay for a traffic, circulation and parking study of the project six months after it is fully occupied, as well as any public improvements intended to improve conditions identified in the study.

The applicant has agreed to a maximum contribution of up to \$75,000 to fund the resulting improvements. This contribution is intended as a community benefit, most likely funding wayfinding signage or striping to facilitate better movement of vehicle traffic, or subsidizing mobility incentives to tenants, such as TAP cards, bike or scooter share reimbursement, or car share reimbursement.

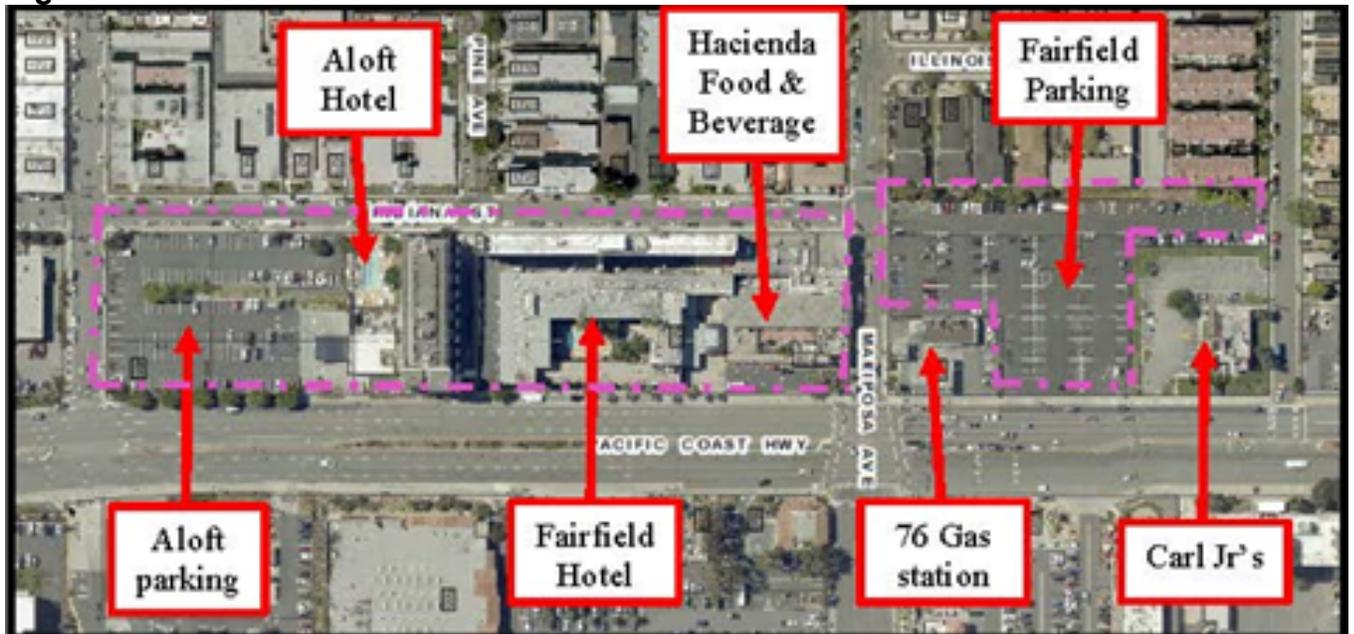
DISCUSSION:

Site Description

The project site encompasses a “super-block” at 475-629 North PCH measuring 6.38 acres. The site is bounded by PCH, Holly Avenue, Indiana Street, and Palm Avenue, and bisected by Mariposa Avenue (See Figures 2 and 3 below). The portion of the site south of Mariposa Avenue (South Site) has a General Plan Land Use designation of General Commercial and a Zoning designation of General Commercial (C-3). The South Site is currently improved with a 175-space parking lot; Aloft, a 246-room hotel; Fairfield Inn and Suites, a 350-room hotel; and a 41,660-s.f. food and beverage building that previously operated as part of the Hacienda Hotel.

The portion of the site north of Mariposa Avenue (North Site) has a General Plan Land Use Designation of Parking and a Zoning designation of Parking (P). The North Site is currently improved with a 236-space surface parking lot, providing 213 spaces covenanted to the Fairfield Inn & Suites and 23 spaces covenanted to the Aloft hotel. The 7-Eleven/Unocal 76 gas station and Carl’s Jr restaurant located at the corner of PCH and Mariposa Avenue and PCH and Palm Avenue respectively are not part of the project.

Figure No. 2 - Site Aerial



The properties immediately west of the project site are zoned Multi-Family Residential (R-3) and are occupied by multi-family residential uses. The properties north of the site

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are zoned R-3 and General Commercial (C-3) and are occupied by residential and commercial uses, including an existing fast-food restaurant and a vacant restaurant building. The properties east of the site, across PCH, are zoned Corporate Office (CO) and C-3 and occupied by office, retail, restaurant, and other commercial uses. The properties south of the site are zoned C-3 and Smoky Hollow-East (SH-E) and occupied by a pharmacy, restaurant, and office uses. Figure No. 3 below illustrates the current zoning on and around the subject site.

Figure No. 3 - Current Zoning



Project Description

The proposed development project consists of a high-density mixed-use development, including 263 residential units and 11,252 s.f. of commercial space. High density residential uses are not permitted under the present General Plan Land Use designations for the site. Therefore, the overall project/request includes an application for a General Plan Amendment and other entitlements. A description of each entitlement application is provided below:

General Plan Amendment (GPA 19-01)

A General Plan Amendment is proposed to create a new General Plan Land Use designation titled "Pacific Coast Commons Specific Plan (PCCSP)", which will replace the current General Commercial and Parking designations for the site (See Resolution Exhibit F). In addition, the proposed General Plan Land Use Element text will be modified to include a description of the new designation in the Land Use Plan section (See Resolution Exhibits C, D, and E).

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Zone Change (ZC 19-01)

The zone change application is proposed to ensure that the Zoning Map designation for the site is consistent with the General Plan Land Use designation. Accordingly, the Zoning Map will change to replace the current General Commercial (C-3) and Parking (P) zoning designations for the site with a new PCCSP designation (See Resolution Exhibit B).

Zone Text Amendment (ZTA 19-08)

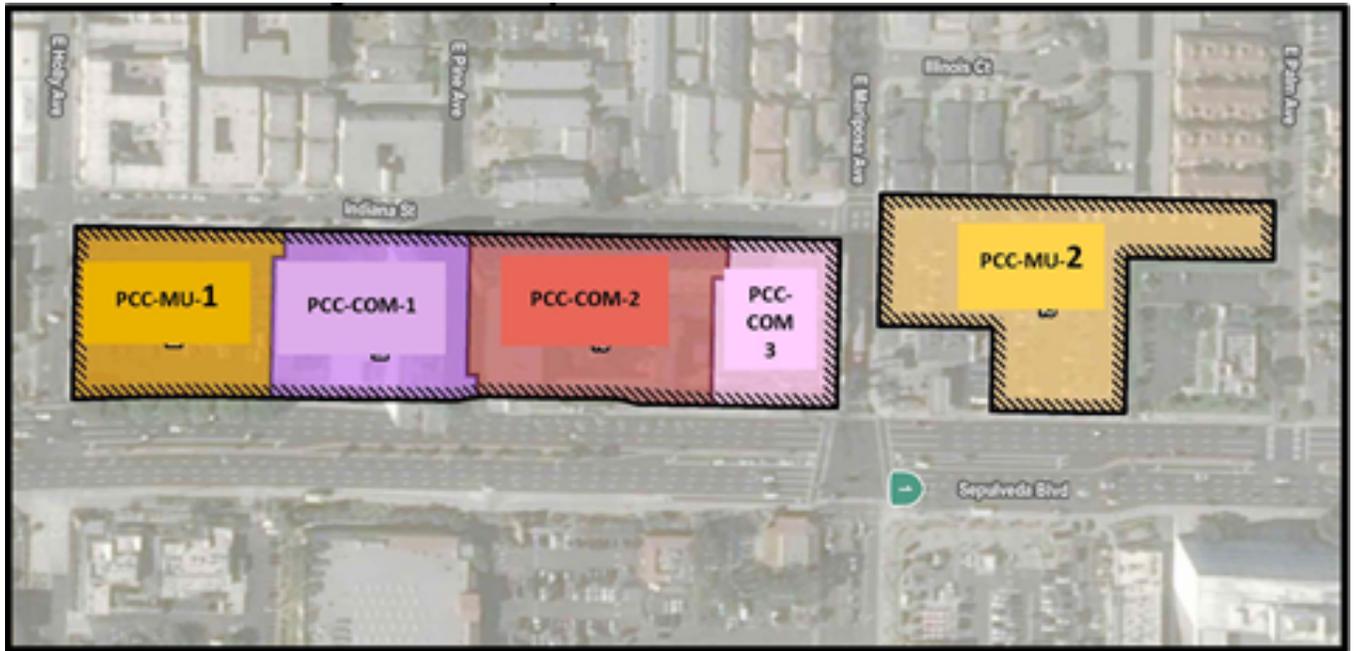
The proposed Zone Text Amendment amends Zoning Code Section 15-3-2(A) to add a new Specific Plan Zone titled “Pacific Coast Commons Specific Plan” along with the new land use districts within the proposed Specific Plan.

Specific Plan (SP 19-01)

A specific plan is a tool for the systematic implementation of the general plan that creates carefully tailored land use regulations within particular areas of the City. All future development plans and entitlements within a specific plan must be consistent with the standards set forth in it, even when they may be different from the general regulations contained in the El Segundo Municipal Code (ESMC). The proposed PCCSP establishes the regulations necessary to implement the proposed development project and maintain the conforming status of the existing hotel uses. The Specific Plan document covers the following regulatory areas:

1. Specific Plan Land Use Plan. The Land Use Plan establishes five land use districts (or subareas) illustrated in Figure No. 4 below.
2. Specific Plan Design Guidelines
3. Specific Plan Development Standards
4. Specific Plan Administration

Figure No. 4 - Specific Plan Land Use Districts



Site Plan Review SPR 19-01

Proposed PCCSP Section VII(D) requires approval of a Site Plan Review application for the proposed development project. This section of the staff report provides a physical description and evaluation of the development project.

Development Proposal:

The applicant proposes to develop the Pacific Coast Commons mixed-use project defined by three districts (PCC-South, Fairfield Parking, and PCC-North) that are currently comprised of two existing surface parking lots and the underutilized food and beverage hall as shown in Figure No. 5 below.

Figure No. 5 - Site Plan



PCC-South (PCC MU-1 District/Subarea) - Bordered by PCH, Holly Avenue, Indiana Street, and the Aloft Hotel to the north, the proposed development at PCC-South includes a mixed-use 6-story building with 120 apartment units (105 market-rate units and 15 affordable units), 5,756 gross s.f. of commercial space, and an 8-level parking structure containing 336 parking spaces as illustrated in Figure No. 6, below. The proposed building measures 72-feet in height as measured from lowest grade along PCH to top of parapet, and 83'-6" in height as measured from Indiana Street and Holly Avenue to top of parapet. In accordance with the proposed PCCSP, public and private open space will be provided. PCC-South features a private open-air courtyard (approximately 41'x 70'), enclosed on all four sides by six floors of apartments, a large rooftop deck/pool area, a community room, and private balconies for most units. The applicant also proposes private landscaping along the outer edges of the built structure(s) as well as public street trees along the southern portion of PCH, Holly Avenue, and Indiana Street. Climbing fig plants will be added at certain locations along the parking structure facing Indiana Street.

Figure No. 6 – PCC-South Rendering



Fairfield Parking (PCC COM-3 District/Subarea) - Bordered by PCH, Indiana Street, Mariposa Avenue, and the Aloft Hotel to the south, the proposed development includes a 5-level parking structure containing 215 parking spaces and 3,273 gross sf of commercial space as illustrated in Figure No. 7 below. The proposed building measures 49.75 feet in height as measured from lowest grade along PCH to top of parapet, and 54'-6" in height as measured from lowest grade along Indiana Street to top of parapet. The applicant also proposes a 2-level "green wall", along the parking structure facing Indiana Street. The new parking structure will serve the parking

needs of the Fairfield Inn Suites. The new structure will also serve as shared parking for commercial uses and for residential guests in the Specific Plan.

Figure No. 7 – Fairfield Parking Rendering



PCC-North (PCC MU-2 District/Subarea) - Encompassing an existing surface parking lot and fire lane north of Mariposa Avenue and generally bounded by Carl's Jr. and the 7-Eleven/Union 76 Gas Station, the proposed development includes a 6-story mixed-use building with 137 apartment units (120 market rate units and 17 affordable units), 2,223 gross s.f. of commercial space, and a 6-level parking structure containing 252 parking spaces as illustrated in Figure No. 8 below. The proposed building measures 74-feet in height as measured from lowest grade along Mariposa Avenue, and 72'-6" as measured from lowest grade along PCH to top of parapet. In accordance with the proposed PCCSP, public and private open space is provided. The proposal includes a private open-air courtyard (approximately 31'x 51'), enclosed on all four sides by six floors of apartments and parking levels, a large rooftop deck/pool area, two community rooms, and private balconies for most units.

Figure No. 8 – PCC North Rendering



Six townhomes with 2-car garages are also proposed on a separate lot within PCC-North, as illustrated in Figure No. 9 below. The proposed building height, from lowest grade, is 44.7-feet along Palm Avenue to top of parapet and 47'-6" along the adjacent grade, south of the building. The applicant is proposing to add private landscaping (ground cover and trees) along the outer edges of the built structure(s).

Figure No. 9 – Townhomes Rendering



The proposed project site plan complies with the residential density, overall floor area ratio (FAR) limits, and the other development standards of the proposed Specific Plan.

Analysis

Parking Demand Study

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The applicant is providing enough on-site vehicular parking for the PCC project as required by ESMC Chapter 15-15 and the PCC Specific Plan, which allows the use of a parking demand study to determine the required parking for a project. Based upon a parking demand study and shared parking analysis conducted by Fehr & Peers, which were peer-reviewed by the City's consultant (Dudek), the mixed-use project provides parking at the ratios described in Table No. 1 below.

Table No. 1: PCCSP Parking Requirements

Use/Unit Type	Minimum Number of Parking Spaces
Studio	1.0
One-Bedroom	1.5
Two-Bedroom	2.0
Townhomes	2.0
Guest Parking	1/3 parking space per residential unit; may be shared with commercial uses; up to 5% of residential parking spaces within Specific Plan area may be shared with other uses.
Commercial, Restaurants, Hotel	Number of parking spaces to be determined by an approved parking demand study and shared use analysis

The Specific Plan area cumulatively provides 825 parking spaces, consisting of 792 spaces in the three proposed parking structures and 33 surface parking spaces on the Fairfield Inn and Suites Hotel property. Based on the parking demand and shared parking analysis, 825 spaces **are** sufficient for the two existing hotels and the proposed residential and commercial uses.

Subdivision (SUB 19-03)

Construction of the proposed development requires consolidation and reconfiguration of the existing parcels on the subject property to ensure that the new buildings do not cross legal parcel lines. As a result, the applicant has submitted an application for a Vesting Tentative Tract Map (VTTM 82806).

The vesting tentative tract map reconfigures the existing parcels within the Specific Plan area into six individual lots (one lot for each of the five land use designations plus one lot for the townhome portion of the site). In addition to the six ground parcels, the proposed subdivision provides:

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- One residential ground and airspace parcel for 120 apartment units and a maximum of ten airspace parcels for commercial condominiums on Lot 1 (i.e., PCC-South)
- Ground and airspace parcel for the parking structure and up to ten airspace parcels for commercial condominiums on Lot 4 (i.e., Fairfield Parking)
- One residential ground and airspace parcel for 137 apartment units and up to a maximum of 20 airspace parcels for commercial condominiums on Lot 5 (i.e., southern portion of PCC-North)
- Six residential condominiums (townhomes) on Lot 6 (northern portion of PCC-North)

The vesting tentative tract map currently depicts the legal lots without the street dedications required on Mariposa Avenue, Indiana Street, Holly Avenue and Palm Avenue. The dedications (required as conditions of approval) will be provided through irrevocable offers to dedicate land before the final map is recorded and buildings are occupied.

Dedications and Waiver Request

Chapter 24A of the Municipal Code requires certain right of way dedications in order for streets around the project site to meet the minimum standards in the Circulation Element of the General Plan. The required dedications based on the Circulation Element and the proposed dedications for the project are described in Table No. 2 below.

Table No. 2 – Required Dedications and Waiver Requests

Street Segment	Required Dedication	Requested Waiver	Net Proposed Dedication
Holly Avenue (North)	7 feet	0 feet	7 feet
Indiana Street (East)	7 feet	3 feet	4 feet*
Mariposa Avenue (South)	7 feet	3 feet	4-12 feet**
Mariposa Avenue (North)	7 feet	0 feet	7 feet

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Palm Avenue (South)	12 feet	0 feet	12 feet
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*Along Indiana Street, dedications are required only along the property frontage where new construction will occur (Fairfield Parking and PCC South Sites). No dedication is required along the existing hotel properties' frontage.

**The dedication width along the south side of Mariposa Avenue varies to accommodate the width of a proposed right-turn lane.

In accordance with ESMC Chapter 24A, the applicant has submitted a request to partially waive the dedications on two street segments, along Mariposa Avenue (South) and Indiana Street (East). After reviewing the requested waivers, the Public Works Director determined that the necessary findings can be made to approve the request. Specifically, even with the reduced dedications, both Indiana Street and Mariposa Avenue will maintain the minimum necessary width for emergency vehicle access and normal two-way operations, as well as maintain the minimum required public sidewalk widths. As a result, staff and the Planning Commission recommend approval of the proposed dedication waivers to City Council. A more detailed discussion of the findings is provided in the attached draft resolution (Attachment No. 1).

Right Turn Lane - The project includes constructing a dedicated right-turn lane along eastbound Mariposa Avenue to southbound PCH. As a result, the east bound lanes of Mariposa Avenue at PCH would be reconfigured from one left-turn lane and one combined through/right lane, to one left-turn, one through lane, and one dedicated right-turn only lane. Based on the traffic analysis for the project, inclusion of the proposed right-turn lane will improve the operation and traffic flow at the Mariposa Avenue/PCH intersection.

Modifications to hotel CUPs

In 2014, the Planning Commission approved a Subdivision (SUB 14-05) to combine the underlying Hacienda Hotel site into two parcels to allow the Hacienda Hotel to be split into two hotels and remodel the sites. Two conditional use permits (CUP 14-01 and CUP 14-02) were also approved, regulating alcohol sales and service at each hotel. Resolutions Nos. 2759 and 2760 regulating alcohol sales and service at each hotel also contain unrelated conditions regarding:

1. Subdivision No. SUB 14-05;
2. Off-site parking for the two hotels;
3. A lot-tie covenant between the Fairfield hotel site and the parking lot north of Mariposa Avenue; and
4. Construction conditions related to the 2014 remodel.

All conditions (a-d) will be superseded with the approval of the Pacific Coast Commons project, which contains conditions regarding sharing of access and parking between the proposed lots in the Specific Plan area. However, the existing CUPs and conditions

Pacific Coast Commons Specific Plan Project

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regarding alcohol sales and service must remain in place. As a result, staff recommends that the City Council adopt separate resolutions approving modifications to the existing CUPs to retain only those conditions related to the alcohol sales and service at each hotel.

Development Agreement

City staff and the applicant negotiated a Development Agreement to stipulate the benefits each party will provide toward implementation and maintenance of the PCC project. The Agreement stipulates that the applicant shall comply with all Project approvals and EIR mitigation measures. The Agreement term is 15 years and it provides for annual monitoring and reporting of good faith performance by both parties. Under the terms of the Agreement, the applicant would provide the following development benefits not required by the City's General Plan, Zoning Ordinance, or PCC Specific Plan:

- **Affordable Housing:** The applicant agrees to provide 32 units of affordable housing for 55 years and to pay for an independent affordable housing consultant to monitor the implementation of the affordable housing program. The Affordable Housing provisions are further detailed in a separate affordable housing agreement, which is discussed in the next section.
- **Preferential Parking Zone:** The applicant agrees to contribute \$25,000 towards the establishment of a permit parking district, contingent upon community initiation. If, after three years, nearby residents do not initiate a parking district, the funds may be used towards the implementation of any public improvement that benefits the immediate neighborhood.
- **Additional Circulation Community Benefit:** The applicant agrees to contribute up to \$75,000 to pay for a traffic, circulation and parking study of the project six months after it is fully occupied, as well as any public improvements intended to improve conditions identified in the study.
- **Community Meeting Room:** The applicant agrees to provide a meeting room for community non-profits to use at no charge.
- **Additional Public Landscaping and Public Seating Areas:** The applicant agrees to provide additional street trees on certain sections of the west side of Indiana Street, near Holly Avenue, as well as along the southern portion of PCH. The applicant further agrees to provide solo seating facilities, on private property, along PCH.
- **Enhanced Paving:** The applicant agrees to provide enhanced paving materials for specific locations to increase pedestrian safety.
- **EV Charging Stations:** The current CalGreen code requires 62 parking spaces to be capable of converting into an EV Charging Station. The applicant agrees to provide 200 EV spaces, of which 50 will have operational charging stations upon the completion of each construction phase. The remaining 150 EV parking spaces will be capable of converting to EV Charging Stations at a later date.
- **Solar Panels and Battery Storage:** The applicant agrees to provide solar panels, mounted on the top floor of the parking structures, to provide electricity

Pacific Coast Commons Specific Plan Project

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for the project common areas, as well as battery storage units.

In exchange for community benefits, the City will provide the following assurances to reduce the applicant's risk and increase certainty:

- The PCC Project is subject to only those City fees, codes, and regulations in effect at the time of approving the Development Agreement.
- Expedited process to review building plans.

Affordable Housing

As previously mentioned, the City's 521-unit RHNA obligation is distributed among four income categories. Since this obligation is substantially larger than that for the previous planning period (2013-2021), finding enough housing locations in the City and incentivizing/requiring the construction of affordable units is imperative. The PCC project offers an opportunity for the City to make significant progress towards its RHNA obligations. The 32 affordable units agreed to in the Development Agreement will meet a significant proportion of the City's RHNA obligations in the low and very low-income categories. As part of the development agreement (Exhibit No. D), the applicant will record two affordable housing agreements, one for each housing site (PCC South and PCC North). Each agreement defines the affordability requirements, requires the affordable housing units to be equitably distributed throughout the two residential sites, provides the minimum number and type of apartment unit for each income category, and identifies the annual monitoring and reporting requirements .

Development Feasibility Analysis

The Development Agreement negotiations were informed by the findings of a Development Feasibility Analysis conducted by Keyser Marston Associates (KMA), the City's economic/financial consultant for this project. KMA's analysis was based on construction pro forma information provided by the applicant, their own expertise in public and private real estate development, and market information on current rents and sales prices for real estate. KMA also assumed that 10% (or 26) of the proposed residential units would have rents restricted at levels affordable to low-income households. The purpose of the analysis was to help determine the financial feasibility of a certain percentage of affordable units are incorporated in the project and what additional benefits the City will gain by a Development Agreement. KMA concluded that with 10% of the residential units set aside for low income households, the proposed development is feasible; however, there is little ability to negotiate for additional benefits to the City.

Fiscal Impact Analysis

In addition to the Development Feasibility Analysis, KMA peer reviewed a Fiscal Impact Analysis prepared by Stanley Hoffman Associates (SHA), a consultant retained by the applicant. The purpose of the Fiscal Impact Analysis was to determine the impact of the

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proposed project on the City budget through a comparison of the anticipated annual City revenues (taxes, service charges, etc.) with the anticipated annual City costs for services (Police, Fire, Recreation, etc.) from the project. KMA peer-reviewed the Fiscal Impact Analysis and agreed with its estimate that the proposed development would have a net negative impact on the City budget of \$127,631 annually. For contextual purposes, KMA expressed to staff that residential developments have a greater negative fiscal impact on cities compared to commercial developments. However, mixed-use multi-family residential uses result in overall positive contributions to a city by creating complimentary uses along commercial corridors, which leads to reduced traffic, encourages and facilitates a stronger local customer base, and expands overall service demands for local businesses and service.

General Plan Consistency

In considering the proposed project, the City Council reviews each aspect of the project, including its consistency with the General Plan. The project is consistent with the goals and policies in the Economic Development, Land Use, Circulation, Housing, Open Space and Recreation, Conservation, Noise, and Public Safety General Plan Elements. It will increase the City's tax base, provide a mixed-use and pedestrian-friendly environment, provide needed housing, make improvements to the street network, and it will comply with all applicable building safety, noise, and air quality/construction related regulations. A detailed analysis of the General Plan consistency can be found in the attached draft resolution (Attachment No. 1).

Housing Element Consistency

The City recently completed updating its General Plan Housing Element, which includes a goal to identify adequate locations to meet the City's RHNA requirement of 521 units for the 2021-2029 Housing Element period. The 521 units are divided into the following affordability categories:

Table No. 3 – Housing Element RHNA

Income Category	5th Cycle Carryover	6th Cycle RHNA	Total RHNA	Percent
Very Low Income	18	189	207	39.7%
Low Income	11	88	99	19.0%
Moderate Income	0	84	84	6.1%
Above Moderate Income	0	131	131	25.1%
Total	29	492	521	100.0%

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The proposed PCC project will result in the construction of 263 residential units, including 32 units set aside for low and very low-income households. Thus, the PCC project will help meet a substantial proportion of the City's RHNA allocation in both the affordable and market rate units.

In addition to helping meet the City's RHNA requirements, staff believes the proposed location along PCH is appropriate for and can accommodate higher-density residential development because of its proximity to many existing amenities/uses, such as retail and service uses, parks and recreation facilities, schools, and major employers east of PCH. Further, the proposed location is advantageous due to its proximity to existing and planned transportation facilities, including PCH, the I-105 and I-405 freeways, LA Metro Bus and Beach Cities Transit Bus lines, LA Metro Green Line and Crenshaw Corridor Line. As such, staff believes the proposed PCC Specific Plan location is consistent with the Council's goal of identifying appropriate locations for housing.

Environmental Review

Pursuant to the requirements of the California Environmental Quality Act (CEQA) a Draft EIR was prepared for the PCC Specific Plan and development project. Following the publication of the Draft EIR for public review, staff prepared a Final EIR for the Project, which includes responses to 37 written comments received as well as an Errata section, which contains some minor modifications to the text for clarification or edits resulting from the comments received.

The Draft and Final EIR found that the project would have a significant and unavoidable impact in one area related to Air Quality. Pursuant to CEQA requirements, the City is required to adopt two sets of findings prior to approving a project that will generate a significant and unavoidable impact on the environment:

1. A Statement of Facts and Findings; and
2. A Statement of Overriding Considerations.

The completed EIR, Mitigation Monitoring and Reporting Program (MMRP), the Statement of Facts and Findings, and Statement of Overriding Considerations (SOC), as well as responses to additional responses to comments received after the Draft EIR public review period are attached to this report (Attachments 3, 4, 5, and 6).

Based on the information contained in the Final EIR, Technical Appendices and the public record, staff believes that a Statement of Overriding Considerations has been balanced against the unavoidable adverse impacts in reaching a decision on this project, and that a Statement of Overriding Considerations can be adopted.

Public Communications

All public communications received prior to the February 10, 2022 Planning

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Commission hearing can be found on the City website on the Agendas and Minutes page. Additional comments received following the Planning Commission public hearing are attached to this report as Attachment No. 12.

CITY STRATEGIC PLAN COMPLIANCE:

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:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Draft Resolution for the Project
2. Draft Ordinance
3. Final EIR
4. Mitigation Monitoring and Reporting Program.doc
5. Findings of Fact and Statement of Overriding Considerations
6. Responses to Additional EIR Comments
7. Draft Resolution for North Hotel (Fairfield)
8. Draft Resolution for South Hotel (Aloft)
9. Financial Analysis Memorandum
10. Fiscal Impact Analysis
11. Public Communication
12. Planning Commission Staff Report
13. Project Plans

RESOLUTION NO. ____

A RESOLUTION (1) CERTIFYING THE ENVIRONMENTAL IMPACT REPORT (ENVIRONMENTAL ASSESSMENT NO. EA-1248), ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM, MAKING FINDINGS OF FACT, AND ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE PACIFIC COAST COMMONS SPECIFIC PLAN PROJECT; (2) ADOPTING GENERAL PLAN AMENDMENT NO. GPA 19-01; (3) APPROVING SUBDIVISION NO. SUB 19-03; (4) APPROVING SITE PLAN REVIEW NO. SPR 19-01; (5) APPROVING A PARKING DEMAND STUDY AND SHARED PARKING USE ANALYSIS; AND (6) APPROVING A WAIVER OF PUBLIC RIGHT-OF-WAY DEDICATIONS FOR THE PACIFIC COAST COMMONS SPECIFIC PLAN AND PACIFIC COAST COMMONS MIXED-USE PROJECT

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

SECTION 1: The City Council finds and declares that:

- A. On May 31, 2019, BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC, submitted applications for Environmental Assessment No. EA-1248, General Plan Amendment and General Plan Map Amendment No. GPA 19-01, Specific Plan No. SP 19-01, Zone Change and Zoning Map Amendment No. ZC 19-01, Zone Text Amendment No. ZTA 19-08, Development Agreement No. 19-02, Subdivision No. SUB 19-03, Site Plan Review No. SPR 19-01, Parking Demand Study and Shared Parking Use Analysis, and waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and Pacific Coast Commons mixed-use project (Project);
- B. The project applications were reviewed by the City's Development Services Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code ("ESMC");
- C. The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq.*, the "CEQA Guidelines");
- D. An Environmental Impact Report (EIR) was prepared pursuant to the requirements of CEQA Guidelines Section 15161 as more fully set forth in Section 3 below;
- E. On November 18, 2021, December 9, 2021 and February 10, 2022, the Planning Commission held duly-noticed public hearings at the conclusion of which the Planning Commission adopted Resolution 2905 recommending the City Council certify the EIR and approve the Project;

- F. The City Council of the City of El Segundo held a duly-noticed public hearing on March 15, 2022 to review and consider the Project, receive public testimony, and review all of the evidence in the administrative record; and
- G. This Resolution and its findings are made based upon the evidence presented to the City Council at its March 15, 2022 hearing, including the staff reports submitted by the Development Services Department and the totality of the evidence in the administrative record.

SECTION 2: Factual Findings and Conclusions. The City Council finds that the following facts exist:

- A. The subject property is located at 475-629 North Pacific Coast Highway in the northwest quadrant of the City of El Segundo.
- B. The property site is a level 6.385 gross acre site located on two blocks along Pacific Coast Highway.
- C. The project site is comprised of two blocks and is currently improved with two existing hotels and two existing paved parking lots. The block bounded by Pacific Coast Highway, Holly Avenue, Indiana Street and Mariposa Avenue is currently developed with the 350-room Fairfield Inn and Suites and the 246-room Aloft hotels totaling approximately 325,000 gross square feet combined and a paved parking lot. The portion of the project site on the block north of Mariposa Avenue and south of Palm Avenue is developed with a paved surface parking lot. No trees are located on the parking lot site.
- D. The project is a residential and commercial mixed-use concept. The Specific Plan would allow 622,398 gross square feet of development including 282,398 square feet of existing development that would remain. The proposed maximum development density is a 2.70 Floor Area Ratio (FAR) after dedications for right-of-way improvements. The Specific Plan would allow a maximum of two hundred sixty-three (263) residential dwelling units including thirty-two (32) affordable housing units located among three of the Land Use Districts within the Specific Plan. Each new lot will meet or exceed the minimum size and dimension requirements.
- E. The surrounding land uses include a fast food restaurant (Carl's Jr.), a vacant restaurant and parking lot, and multi-family residential uses to the north and a gas station on the northwest corner of Mariposa Avenue and Pacific Coast Highway; restaurants and office uses, a Ralphs market, two commercial shopping centers with retail and restaurant uses, and a 6- story office building to the east; a small commercial shopping center with a drug store, bank, two restaurants and retail store to the south; and multi-family residential uses to the west.

- F. Development standards for allowable uses have been developed for the Specific Plan and all uses within the Plan area must be compliant. The allowed uses identified in the development standards include multiple-family residential uses including both townhomes and apartments, and a range of commercial uses including but not limited to, hotel, retail, restaurant, and offices.
- G. The proposed General Plan re-designation and rezoning of the Project Site would change the General Plan land use designation from General Commercial and Parking to the Pacific Coast Commons Specific Plan (PCCSP) land use designation and rezone the area from the General Commercial (C-3) Zone and Parking (P) Zone to the Pacific Coast Commons Specific Plan (PCCSP) Zone.
- H. The PCCSP contains five land use designations. These are: PCC Mixed-Use 1 (PCC MU-1), PCC Commercial-1 (PCC COM-1), PCC Commercial-2 (PCC COM-2), PCC Commercial-3 (PCC COM-3), and PCC Mixed-Use 2 (PCC MU-2). The PCC MU-1 designation applies to one parcel comprised of 1.241 acres after right-of-way dedications. The PCC COM-1 designation applies to one parcel comprised of 0.905 acres after right-of-way dedications. The PCC COM-2 designation applies to one parcel comprised of 1.549 acres after right-of-way dedications. The PCC COM-3 designation applies to one parcel comprised of acres after 0.728 acres after right-of-way dedications. The PCC MU-1 designation applies to two parcels comprised of 1.806 acres after right-of-way dedications.
- I. The Project includes completion of a roadway widening on Mariposa Avenue and the addition of a new eastbound dedicated right-turn only travel lane that turns south onto Pacific Coast Highway. The Project also includes roadway widening on Holly Avenue.

SECTION 3: Environmental Assessment/California Environmental Quality Act. The City Council makes the following findings based on the whole of the administrative record:

- A. The City completed a Draft Environmental Impact Report (DEIR) for Pacific Coast Commons Specific Plan project. A noticed public scoping meeting was held on June 10, 2020 pursuant to CEQA Guidelines §15083. A Notice of Preparation of the DEIR was circulated for public review from May 26, 2020 through June 25, 2020 pursuant to CEQA Guidelines §15082. A Notice of Completion for the DEIR was filed with the State Office of Planning and Research on February 25, 2021 pursuant to CEQA Guidelines §15085. The public comment and review period for the DEIR was open between February 25, 2021 and April 12, 2021 in compliance with CEQA Guidelines §15087.
- B. A Final Environmental Impact Report (FEIR) dated October 2021 was prepared which included comments received by the City, responses to the comments, changes to the DEIR, and a mitigation monitoring and reporting program. The FEIR was posted on the City's website on November 4, 2021.

- C. On December 8, 2021 a letter was submitted to the City by attorney Mitchell M. Tsai on behalf of the Southwest Regional Council of Carpenters (the “Carpenters’ Letter”) objecting to the Project.
- D. At its December 9, 2021 continued public hearing, the Planning Commission was presented with an additional letter commenting on the FEIR. The letter was received from a law firm representing the “Supporters Alliance For Environmental Responsibility” (“SAFER”). The Planning Commission continued the public hearing in order to allow adequate time for the preparation of substantive written responses to the comments provided in the Carpenters’ Letter and the SAFER letter. The City’s environmental consultant prepared an additional document entitled “Pacific Coast Commons Specific Plan Final Environmental Impact Report Responses to Additional Comments Received” dated January 2022 (hereafter referred to as the “Additional Responses”).
- E. The DEIR, FEIR and Additional Responses are jointly referred to herein as the EIR. At its February 10, 2022 continued public hearing, the Planning Commission adopted a resolution recommending that the City Council certify the EIR for the Pacific Coast Commons Project, make findings of fact and adopt a statement of overriding considerations.
- F. The EIR was presented to the City Council and each Councilmember has independently reviewed and considered the EIR and its appendices prior to making a decision on the Project. Furthermore, each Councilmember has reviewed and considered the testimony and other additional evidence presented at or prior to the public hearing on March 15, 2022;
- G. The EIR is an accurate and complete statement of the potential environmental impacts of the project and is in compliance with CEQA and the CEQA Guidelines. The EIR was prepared under the City’s direction and reflects its independent judgment and good faith analysis of the potential environmental impacts and includes substantive and thorough responses to comments received during the public review period, as well as responses to the Carpenters’ Letter, the SAFER letter, and oral comments made at public hearings;
- H. In response to comments from the public and other public agencies, some other minor changes have been made to the Draft EIR. Additionally, the Additional Responses adjusted the CalEEMod land use inputs. Minor changes were made to the tables relating to: Construction Criteria Air Pollutant Emissions; Estimated Maximum Daily Operational Criteria Air Pollutant Emissions; Localized Significance Thresholds for Project Construction; Estimated Annual GHG Emissions; and Estimated Operational GHG Emissions. The changes were all insignificant, did not result in any change in determination regarding the significance of any impact, and do not require recirculation.

- I. In accordance with CEQA and for the reasons set forth in Section 4.1 of the Findings of Fact and Statement of Overriding Considerations, incorporated herein by this reference, the City Council finds that recirculation of the EIR is not required.
- J. The project would result in the following unavoidable significant adverse impacts after mitigation:
 - 1. Air Quality (AQ). The project site is located within the South Coast Air Basin (SCAB), which is under the jurisdiction of the South Coast Air Quality Management District (SCAQMD). SCAQMD administers the Air Quality Management Plan for the region which relies on population growth estimates in the Final SCAG 2016 RTP/SCS for the 2012-2040 period. Using population and housing estimates from the California Department of Finance, the City has a household size of 2.35 persons per household (DOF 2020). Assuming a household size of 2.35 persons per household, the proposed Project's residential units would accommodate 618 individuals upon its anticipated full occupancy in 2025. Considering the population growth anticipated in the 2016 RTP/SCS of 600 individuals within the City between 2012 and 2040, the proposed Project would result in a population growth in the City that would exceed the growth assumptions in the 2016 RTP/SCS, and would thereby exceed the population growth assumptions in the AQMP. There are no feasible mitigation measures for population growth. As a result, for the purposes of CEQA analysis, the proposed Project will have a significant and unavoidable impact with regard to AQ.
- K. The City's obligations to make findings and adopt a Statement of Overriding Considerations in accordance with Public Resources Code section 21081(a) and CEQA Guidelines sections 15091 and 15093 are met by the Findings of Fact and Statement of Overriding Considerations incorporated herein by this reference. The City Council concurs with the findings set forth therein, including that the alternatives are infeasible for the reasons stated.
- L. The City Council has weighed and considered the project's benefits against its significant and unavoidable impacts. The City Council finds that the proposed project's benefits outweigh the significant and unavoidable impacts and, therefore, that those impacts are acceptable in light of the proposed project's benefits as set forth in Section 5 of the of the Findings of Fact and Statement of Overriding Considerations.

SECTION 4: General Plan Consistency Findings. The City Council finds that the proposed Project will further the goals, objectives and policies of the General Plan and not obstruct their attainment. The Project's consistency with the General Plan is analyzed below:

A. ECONOMIC DEVELOPMENT ELEMENT

Goal ED1: To create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.

Objective ED1-1 To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo's economic base.

Policy ED1-1.1: Maintain economic development as one of the City's and the business and residential communities' top priorities.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

Policy ED1-2.2: Maintain and promote land uses that improve the City's tax base, balancing economic development and quality of life goals.

Analysis: In order to have a strong economic base and maintain and attract high-caliber businesses, there needs to be housing for employees in nearby areas. The provision of 263 new housing units, ranging in size from studio units to townhome style condominiums, including 32 affordable units, provides new housing opportunities that will help maintain and expand the City's business community. The addition of new residents will help support the local businesses in the area. The redevelopment of the project area, from unused buildings and surface parking lots, along with new commercial development, will add to the City's tax base allowing the City to continue providing high quality services to the residents and daytime population.

B. LAND USE ELEMENT

Policy LU1-5.8: Innovative land development and design techniques as well as new materials and construction methods should be encouraged.

Goal LU3: Promote the health, safety, and well-being of the people of El Segundo by adopting standards for the proper balance, relationship, and distribution of the residential land uses.

Objective LU3-1: Preserve, protect, and extend, if possible, existing Single-Family Residential uses.

Policy LU3-2.1: Promote construction of high-quality Multi-Family Residential development with ample open space, leisure and recreational facilities.

Policy LU3-2.2: Multi-family development will be located only in appropriate places and evaluated carefully to ensure that these developments are not detrimental to the existing single-family character.

Objective LU3-3.1: Adopt and enforce recreational area requirements for large multiple unit developments.

Analysis: The project is located on the eastern edge of the residential area of the City, adjacent to multi-family development and will not impact existing single-family neighborhoods. The project will be of the highest quality residential development with common space areas such as pools, courtyards, and a community center.

Goal LU4: Provide a stable tax base for the City through development of new commercial uses, primarily within a mixed-use environment, without adversely affecting the viability of Downtown.

Objective LU4-1: Promote the development of high-quality retail facilities in proximity to major employment centers.

Policy LU4-1.1: Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.

Policy LU4-1.2: All commercial facilities shall be built and maintained in accordance with Health and Safety Code requirements and shall meet seismic safety regulations and environmental regulations.

Policy LU4-1.4 New commercial developments shall meet seismic safety standards and regulations, as well as comply with all noise, air quality, water and environmental regulations.

Analysis: The project is a mixed-use project, mixing residential and commercial development on the west side of Pacific Coast Highway. The commercial development will serve the new residents and adjacent business community and not detract from the businesses in Downtown. The developments will be required to maintain the landscape and premises and all buildings will be constructed to meet the most current building code requirements as well as be designed to comply with all environmental regulations.

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian

environments.

Policy LU4-4.6: Promote mixed-use development near transit nodes and encourage modes of transportation that do not require an automobile.

Analysis: The project is located along a major bus route corridor and approximately ½ mile from a Green Line Station and within close proximity to major employment centers allowing for people to walk, ride bicycles, and/or use public transportation. Additionally, as the project is mixed-use, there will be amenities for the resident population on-site, thereby reducing vehicular trips.

Goal LU7: Provide the highest quality public facilities, services, and public infrastructure possible to the community.

Policy LU7-1.2: No new development shall be allowed unless adequate public facilities are in place or provided for.

Policy LU7-2.3: All new development shall place utilities underground.

Analysis: The project will be required to pay public facility impact fees, including for facilities, vehicles, and equipment for law enforcement, fire suppression, and general services, as well as libraries, community centers, and road projects.

C. CIRCULATION ELEMENT

Goal C1: Provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo community.

Objective C1-1: Provide a roadway system that accommodates the City's existing and project land use and circulation needs.

Policy C1-1.8: Provide all residential, commercial, and industrial areas with efficient and safe access to the major regional transportation facilities.

Policy C1-1.9: Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.

Policy C1-1.14: Require a full evaluation of potential traffic impacts associated with proposed new developments prior to project approval. Further require the implementation of appropriate mitigation measures prior to, or in conjunction with project development. Mitigation measures may include new roadway links on segments that would connect the new development to the existing roadway system, intersection improvements, and other measures. Mitigation measures shall be provided by or paid for by

the project developer.

Objective C1-3: Ensure that the City's Master Plan Truck Route System efficiently serves the shipping needs of the commercial and industrial land uses in El Segundo while balancing potential conflicts with residential and recreation land uses throughout the City.

Policy C1-3.2: Ensure that the development review process incorporates consideration of off-street commercial loading requirements for all new projects.

Objective C2-1: Provide a pedestrian circulation system to support and encourage walking as a safe and convenient travel mode within the City's circulation system.

Policy C2-1.6: Encourage shopping areas to design their facilities for ease of pedestrian access.

Policy C2-1.7: Closely monitor design practices to ensure a clear pedestrian walking area by minimizing obstructions, especially in the vicinity of intersections.

Objective C2-2: Provide a bikeway system throughout the City to support and encourage the use of the bicycle as a safe and convenient travel mode within the City's circulation system.

Policy C2-2.1: Implement the recommendations on the Bicycle Master Plan contained in the Circulation Element, as the availability arises; i.e., through development, private grants, signing of shared routes.

Policy C2-2.2: Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes changing facilities at or close to the bicyclist's work destination.

Policy C2-5.1: Ensure that Transportation Demand Management (TDM) measures are considered during the evaluation of new developments within the City, including but not limited to ridesharing, carpooling and vanpooling, flexible work schedules, telecommuting and car/vanpool preferential parking.

Policy C3-1.8: Require the provision of adequate pedestrian and bicycle access for new development projects through the development review process.

Policy C3-2.1: Ensure the provision of sufficient on-site parking in all new development.

Analysis: The project was thoroughly reviewed by the City's Development Services Department to ensure the adequacy of parking facilities and pedestrian access and also reviewed by the Fire and Police Department.

A parking study was provided to demonstrate the adequacy of the parking. The project will provide 70 bicycle parking spaces for residents and guests. The sidewalks along Pacific Coast Highway are 12 feet wide, allowing for a pedestrian-friendly environment for the mixed-use development. The project will include a widening of eastbound Mariposa Avenue, approaching Pacific Coast Highway, to include a right-turn only lane. Additionally, the project will provide dedications and irrevocable offers of dedication for other right-of-way improvements.

D. HOUSING ELEMENT

Goal 3: Provide opportunities for new housing construction in a variety of locations and a variety of densities in accordance with the land use designations and policies in the Land Use Element.

Analysis: The project provides a variety of new housing opportunities, including 32 affordable units, at the eastern edge of the City's residential area along Pacific Coast Highway, along with densities that are not realistically achievable in other areas of the City.

E. OPEN SPACE AND RECREATION ELEMENT

Goal OS1: Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City of El Segundo.

Analysis: The project will pay impact fees, including those for libraries, public use facilities, and parks/open space and recreation facilities. Additionally, the project will provide common open space areas including rooftop pools, courtyards and community rooms which would provide an alternative to public parks and recreational facilities.

F. CONSERVATION ELEMENT

Policy CN2-5: Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.

Policy CN2-7: Require new construction and development to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

Policy CN2-8: Encourage the retrofitting of existing landscapes to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

Policy CN2-11: Encourage, whenever appropriate and feasible,

development techniques which minimize surface run-off and allow replenishment of soil moisture. Such techniques may include, but not be limited to, the on-site use and retention of storm water, the use of pervious paving material (such as walk-on-bark, pea gravel, and cobble mulches), the preservation of vegetative covers, and efficiently designed and managed irrigation systems.

Analysis: The project will comply with all requirements of the Cal-Green Code, including the installation of water-saving fixtures, as well as comply with the California Model Water Efficient Landscape Ordinance, and low-impact development requirements.

G. AIR QUALITY ELEMENT

Goal AQ3: Vehicle work trip reduction for private employees.

Objective AQ-3-1: Increase the proportion of work trips made by transit.

Analysis: The project is located along a major bus route corridor and approximately ½ mile from a Green Line Station and within close proximity to major employment centers allowing for people to walk, ride bicycles, and/or use public transportation. Additionally, as the project is mixed-use, there will be amenities for the resident population on-site, thereby reducing vehicular trips.

Goal AQ12: Reduction in Residential, Commercial, and Industrial Energy Consumption.

Objective AQ-12-1: Enact the recommendations of the AQMP Energy Working Group for commercial and residential buildings and adopt ordinances to mitigate air quality impacts from water and pool heating systems.

Policy AQ-12-1.2: It is the policy of the City of El Segundo that the City encourage the incorporation of energy conservation features in the design of new projects and the installation of conservation devices in existing developments.

Analysis: The project will comply with Cal-Green requirements. There will be 200 EV capable spaces, including 50 installed EV chargers across the PCC Specific Plan area. Additionally, solar panels will be installed in both the PCC North and PCC South developments that will generate sufficient power for their respective common area power needs.

H. NOISE ELEMENT

Goal N1: Encourage a high quality environment within all parts of the

City of El Segundo where the public's health, safety, and welfare are not adversely affected by excessive noise.

Objective N1-1: It is the objective of the City of El Segundo to ensure that City residents are not exposed to mobile noise levels in excess of the interior and exterior noise standards or the single event noise standards specified in the El Segundo Municipal Code.

Objective N1-2: It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo's Noise Ordinance standards.

Policy N1-2.1: Require all new projects to meet the City's Noise Ordinance Standards as a condition of building permit approval.

Program N1-2.1A: Address noise impacts in all environmental documents for discretionary approval projects, to ensure that noise sources meet City Noise Ordinance standards. These sources may include mechanical or electrical equipment, truck loading areas, or outdoor speaker systems.

Analysis: The project underwent a thorough environmental analysis, including for noise, and it was determined that there would not be significant noise impacts. The project will be designed to meet the City's noise standards.

I. PUBLIC SAFETY ELEMENT

Goal PS1: Protect the public health and safety and minimize the social and economic impacts associated with geologic hazards.

Objective PS1-1: It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.

Policy PS1-1.1: Continue to review proposals for new development and for the expansion of existing development in areas of potential geological hazards.

Program PS1-1.1A: The City shall review projects to ensure that slope design considers the potential effects of high rainfall, private sewage systems, landscaping irrigation, and possible runoff from adjacent future development.

Policy PS1-1.2: Enforce, monitor and improve development standards which place the responsibility on the developer, with advice from qualified engineers and geologists, to develop and implement adequate mitigation measures as

conditions for project approval.

Program PS1-1.2A: The City shall review projects to ensure that adequate geotechnical investigation has been completed in areas susceptible to land sliding and debris flows and in areas where collapsible or expansive soils occur, and to approve only those which mitigate these hazards to the satisfaction of the City Engineer.

Policy PS2-1.2: The City shall assist in the prevention of structural damage in areas with a high potential for liquefaction, landslides, and mudslides by requiring geotechnical studies for new development to mitigate potential impacts.

Analysis: The project underwent a thorough environmental review, including for geological issues and it was determined that by following the building codes, no mitigation measures were required.

Goal PS6: A fire safe community.

Objective PS6-1: It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from wildland and urban fires.

Policy PS6-1.1: Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

Policy PS6-1.2: Continue efforts to reduce fire hazards associated with older buildings, high-rise buildings, and fire-prone industrial facilities, and maintain adequate fire protection in all areas of the City. Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

Program PS6-1.2C: The City shall continue to require that all property be maintained in compliance with the fire code.

Analysis: The project will comply with the most current version of the California Fire Code, as adopted by the City.

Goal PS7: Protect public health, safety, and welfare, and minimize loss of life, injury, property damage, and disruption of vital services, resulting from earthquakes, hazardous material incidents, and other natural and man-made disasters.

Analysis: The project will be built to the most current version of the California Building Code to protect against disasters such as earthquakes. Mitigation measures will be imposed to protect against the release of hazardous

materials.

SECTION 5: General Plan Amendment Findings. In accordance with Government Code section 65358, and based on the findings set forth in Sections 2 and 4, together with the evidence in the administrative record as a whole, the City Council finds that amendment of the General Plan and the General Plan Map to change the land use designation from General Commercial and Parking to Pacific Coast Commons Specific Plan and to update the text of the General Plan, is in the public interest and consistent with other provisions of the General Plan.

SECTION 6: Subdivision. With respect to Vesting Tentative Tract Map (VTTM 82806) (SUB 19-03), attached as Exhibit “F,” the City Council finds that the evidence in the record does not support any of the findings for denial set forth in ESMC § 14-1-6:

- A. The proposed map is consistent with applicable general and specific plans as specified in Government Code § 65451. As set forth in Section 4 of this Resolution, this project generally meets the goals and objectives of the General Plan and it is consistent with the Pacific Coast Commons Specific Plan. Vesting Tentative Tract Map (VTTM) No. 82806 proposes 6 new lots. The proposed lots vary in size and meet the minimum lot size requirements established in the Pacific Coast Commons Specific Plan.
- B. The design of the proposed subdivision is consistent with applicable general and specific plans. As set forth in Section 4, the design of this subdivision and the proposed development project meets the goals and objectives of the General Plan.
- C. The site is physically suitable for the proposed type of development in that the proposed lots meet the size and dimension requirements to allow the subdivision of the existing project site. The previous land use designation was General Commercial and Parking and the zoning designation for the property was General Commercial (C-3) and Parking (P). The new Pacific Coast Commons Specific Plan allows for the continued operation of the two existing hotels (Fairfield Inn and Suites and Aloft) and allows for both new multiple-family residential uses and expanded commercial development that is consistent with existing development surrounding the Project area.
- D. The site is physically suitable for the proposed density of development. The proposed project involves subdivision of an approximately 6.385-acre project site into 6 parcels. The Specific Plan allows 622,398 gross square feet of development including 282,398 square feet of existing development that will remain. The proposed maximum development density is a 2.70 Floor Area Ratio (FAR) after dedications for right-of-way improvements. The Specific Plan allows a maximum of two hundred sixty-three (263) residential dwelling units located among two of

the Land Use Districts within the Specific Plan. This density is consistent with the Pacific Coast Commons Specific Plan. Each new lot will meet or exceed the minimum size and dimension requirements.

- E. The design of the subdivision or the proposed improvements is unlikely to cause substantial damage or substantially and avoidably injure fish or wildlife or their habitat. The proposed project site is comprised of two blocks and is currently improved with two existing hotels and an existing paved parking lot. The block bounded by Pacific Coast Highway, Holly Avenue, Indiana Street and Mariposa Avenue contains the 350-room Fairfield Inn and Suites and the 246-room Aloft hotels totaling approximately 325,000 gross square feet combined. The portion of the project site on the block to the north of the hotels on the north side of Mariposa Avenue contains the paved surface parking lot. No trees are located on the parking lot site. The project site is also predominately surrounded by developed urban land permanently altered with buildings, roads and hardscape. There are no fish or wildlife habitats on the site that could be damaged by the proposed subdivision or new development.
- F. The design of the subdivision and the type of improvements authorized are not likely to cause serious public health problems. Vesting Tentative Tract Map (VTTM) No. 82806 proposes 6 new lots. The proposed lots vary in size and meet the minimum lot size requirements established in the Pacific Coast Commons Specific Plan. The subdivision will facilitate a development project consisting of four new buildings consisting of 257 apartment units, 6 townhome condominium units, 11,252 square feet of commercial uses, and parking structures containing 792 parking spaces. The development project is consistent with all the development standards in the Pacific Coast Commons Specific Plan. Before issuance of permits for construction detailed project plans will be submitted and reviewed for compliance with the California Building and Fire Codes and all other applicable safety codes. Furthermore, the development project's potential environmental impacts were evaluated pursuant to CEQA and mitigation measures will be implemented to reduce all impacts to the maximum extent feasible.
- G. The design of the subdivision will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision. The proposed subdivision is not anticipated to conflict with any known easements located at or near the property.

SECTION 7. Site Plan Review Findings. With respect to Site Plan Review No. SPR 19-01, the City Council finds:

- A. The proposed development is consistent with the general plan, any applicable specific plan and the Zoning Code

The proposed development is consistent with the goals, policies and objectives of the general plan. A specific plan (the Pacific Coast Commons Specific Plan) is applicable to the property involved in the proposed development which is consistent with the goals, policies and objectives of the general plan. The Pacific Coast Commons Specific Plan establishes the development standards and the design standards. The development project for the project site is consistent with the development standards and design guidelines of the Pacific Coast Commons Specific Plan.

The land use designation of the project site under the general plan will be the Pacific Coast Commons Specific Plan (PCCSP) Zone. The PCCSP has 5 districts within the Pacific Coast Commons Specific Plan (PCCSP) Zone (see Chapter III Land Use Plan in the Pacific Coast Commons Specific Plan). The 5 districts are: PCC Mixed-Use 1 (PCC MU-1), PCC Commercial-1 (PCC COM-1), PCC Commercial-2 (PCC COM-2), PCC Commercial-3 (PCC COM-3), and PCC Mixed-Use 2 (PCC MU-2).

The PCC MU-1 is a mixed-use district that permits a maximum of 120 apartments and various commercial uses generally in the categories of retail, restaurant and office uses.

The PCC Commercial-1 (PCC COM-1) allows hotels and several other commercial uses that either accessory to hotel uses or complementary and compatible commercial uses. PCC COM-1 contains the existing Aloft Hotel which will remain.

The PCC Commercial-2 (PCC COM-2) allows hotels and several other commercial uses that either accessory to hotel uses or complementary and compatible commercial uses. PCC COM-2 contains the existing Fairfield Inn and Suites Hotel which will remain.

The PCC Commercial-3 (PCC COM-3) allows hotels and several other commercial uses that either accessory to hotel uses or complementary and compatible commercial uses.

The PCC MU-2 is a mixed-use district that permits a maximum of 137 apartments and 6 townhomes, and various commercial uses generally in the categories of retail, restaurant and office uses.

The proposed development is consistent with the goals, policies and objectives of the general plan as outlined in Chapter II Section C of the Pacific Coast Commons Specific Plan.

- B. The project is functionally compatible with the area in which it is located.

The project is functionally compatible with the area in which it is located as the

project site already has 2 existing hotels. The project site has commercial retail and restaurant uses to the north and south of the project site on the same side of the street and a mix of office uses, and commercial retail and restaurants across the street. Additionally, the project site is located on a portion of Pacific Coast Highway between Grand Avenue and Imperial Highway that is primarily zoned General Commercial (C-3) that allows a mix of office, hotel, retail and restaurant uses. The subject site is currently zoned General Commercial (C-3) and Parking (P) Zone. Multi-family residential uses are located to the west, southwest and northwest of the project site.

- C. The proposed development will not adversely affect the general welfare of the City.

The proposed development will not adversely affect the general welfare of the City in that the existing hotels that will remain are permitted uses both under the existing zoning and in the proposed Pacific Coast Commons Specific Plan (PCCSP). The proposed new multi-family residential apartments, townhomes, commercial uses, and parking structures are designed in compliance with the development standards and design standards in the Pacific Coast Commons Specific Plan Zone and its 5 Districts. All of the proposed multi-family uses will be permitted by right as specified in the new PCCSP. The commercial uses will either be permitted by right or by Conditional Use Permit in the PCCSP depending upon the individual type of commercial use.

The physical improvements have been designed to comply with all building code regulations, the Pacific Coast Commons Specific Plan and the City's General Plan. The site has adequate and safe ingress and egress via multiple driveways along the street frontages of the property and a minimum of one driveway for each legal parcel). The project site has street frontage on Pacific Coast Highway, Mariposa Avenue, Holly Avenue, Indiana Street and Palm Avenue.

Additionally, the project site is surrounded by developed urban land permanently altered with buildings, roads and hardscape. There are no fish or wildlife habitats on the site that could be damaged by the proposed subdivision or new development.

SECTION 8. *Parking Demand Study and Shared Parking Use Findings.* With respect to the Parking Demand Study and Shared Parking Use attached hereto as Exhibit "G," the City Council finds:

- A. The parking demand study for shared use demonstrates that no substantial conflict will exist in the peak hours of parking demand for the uses in which joint use is proposed.

A Parking Demand Study and Shared Use Parking Analysis ("Study") was prepared dated February 17, 2021 for the Pacific Coast Commons Specific Plan

("Plan"). The Study assessed the parking demand for the three new development sites ("Fairfield Parking Site", "PCC South Site" and "PCC North Site") within the Plan boundaries along with the existing peak parking demand for the two existing hotel uses. The two hotels, other commercial uses, and the guest parking for the multiple-family residential apartments will share parking spaces in the three parking structures that will be located on Lots 1, 4, and 5 of Vesting Tentative Tract Map No. 82806 (PCC South Site, Fairfield Parking Site and PCC North Site respectively). Assigned parking will be provided for the tenants of the multiple-family residences except for 5 unassigned parking spaces each in the PCC South Site and PCC North Site parking structures. The townhomes have their own two-car garages for the residents. The guest parking for the townhomes will be provided on Lot 5 of Vesting Tentative Tract Map No. 82806 (PCC North Site) as part of the joint use parking shared with the hotels, other commercial uses, and multiple-family residential guest parking.

The Study determined the peak parking demand rate for Pacific Coast Commons. Peak parking for the two existing hotels was calculated using empirical data collected at the hotel sites in May 2019 based upon the total number of parking spaces and total number of rooms occupied to develop a peak parking rate. Peak parking demand for the commercial uses (other than the hotels) and all of the residential uses were then evaluated for peak occupancy based upon ITE 5th edition peak parking demand again using conservative analysis that did not take any discount for proximity to transit service, internal capture or mode split. Parking rates for commercial uses such as retail and restaurants were based upon El Segundo Municipal Code requirements as referenced in the Pacific Coast Commons Specific Plan. Parking rates for all the residential uses were based upon requirements in the Pacific Coast Commons Specific Plan which is a modified residential requirement based on unit type/number of bedrooms which is more conservative than the parking demand rate.

The PCC Fairfield Site will provide 215 parking spaces and it will have a peak parking demand of 191 spaces, leaving a 24-space surplus during the peak parking demand period. The PCC North Site will provide 241 parking spaces and it will have a peak parking demand of 160 residential parking spaces and a peak shared parking demand for 49 spaces for all other uses for a total demand of 209 spaces. However, because 189 parking spaces at the PCC North Site are reserved exclusively for residential use, there will only be a 3-space surplus. The PCC South Site will provide 336 parking spaces and it will have a peak parking demand of 144 residential parking spaces and a peak shared parking demand for 192 spaces for all other uses for a total demand of 336 spaces. However, because 165 parking spaces at the PCC South Site are reserved exclusively for residential use, there will be a 21-space deficit for the guest parking and commercial uses at the peak period. This 21-space deficit will be accommodated however by the 24-space surplus at the Fairfield Parking Site and if needed, the 3-space surplus at the PCC North Site. There will be a net 6-space surplus for joint uses among all

three parking structures. Therefore, the parking demand study for shared use demonstrated that there will not be substantial conflict in the peak hours of parking demand for the uses in which joint use is proposed.

- B. The number of parking stalls which may be credited against the requirements of the structures or uses involved will not exceed the number of stalls reasonably anticipated to be available during different hours of operation; and

The PCC Fairfield Site will provide 215 parking spaces and it will have a peak parking demand of 191 spaces, leaving a 24-space surplus during the peak parking demand period. The PCC North Site will provide 241 parking spaces and it will have a peak parking demand of 160 residential parking spaces and a peak shared parking demand for 49 spaces for all other uses for a total demand of 209 spaces. Due to additional assigned residential parking above the peak demand period requirements to comply with the development standards, the PCC North Site will have a net 3-space surplus during the peak parking demand period. The PCC South Site will provide 336 parking spaces and it will have a peak parking demand of 144 residential parking spaces and a peak shared parking demand for 192 spaces for all other uses for a total demand of 336 spaces. However, because 165 parking spaces at the PCC South Site are reserved exclusively for residential use, there will be a 21-space deficit for the guest parking and commercial uses at the peak period. This 21-space deficit will be accommodated however by the 24-space surplus at the Fairfield Parking Site and if needed, the 3-space surplus at the PCC North Site. There will be a net 6-space surplus for joint uses among all three parking structures.

The peak period demand analysis was conservative as it did not take any adjustments to discount for proximity to transit service, internal capture, or mode split but did take into account time of day, seasonal variations, and average auto occupancy for the hotel demand rates. Therefore, the analysis demonstrated that the number of parking stalls for the joint uses would not exceed the number of stalls reasonably anticipated to be available during different hours of operation.

- C. A written agreement, in a form approved by the City Attorney, must be executed by all parties concerned assuming the continued availability of the number of stalls designed for joint use.

Each of the three parking structures that will be located on Lots 1, 4, and 5 of Vesting Map No. 82806 in the Pacific Coast Commons Specific Plan will be used for overflow parking if needed because of on-site parking demand exceeding on-site parking supply for the joint uses as described above. A Shared Use Parking Agreement will be prepared and reviewed to the satisfaction of the City Attorney and then executed and recorded.

SECTION 9. Street Dedication Waivers.

A. As indicated on the Street Dedication Waivers request attached hereto as Exhibit "H," the applicant is requesting the following waivers:

1. A 3-foot waiver of the 7-foot dedication along the eastern side of Indiana Street only along the project frontage of Lot 1 of Vesting Tentative Map. No. 82806 resulting in a required 4-foot dedication.
2. A 3-foot waiver of the 7-foot dedication along the eastern side of Indiana Street only along the project frontage of Lot 4 of Vesting Tentative Map. No. 82806 resulting in a required 4-foot dedication.
3. A 7-foot waiver of the 7-foot dedication along the eastern side of Indiana Street only along the project frontage of Lots 2 and 3 of Vesting Tentative Map No. 82806 resulting in a 0-foot dedication.
4. A 3-foot waiver of the 7-foot dedication on the south side of Mariposa Avenue along the project frontage of Lot 4 of Vesting Tentative Map. No. 82806 resulting in a minimum dedication of 4 feet near Indiana Street to a maximum dedication of 12 feet near Pacific Coast Highway to accommodate the proposed 10-foot wide right-turn only lane and 2-foot widening and reconfiguration of the two existing lanes in compliance with the Circulation Element requirements.

B. Findings for Approval of Street Dedication Waiver Request. In connection with this request, the City Council makes the following findings:

1. The proposed waiver maintains the minimum roadway width necessary for emergency vehicle access as determined by the fire chief;

The proposed waivers maintain the minimum roadway width necessary for emergency vehicle access. Mariposa Avenue will be widened to a minimum 40' curb-to-curb street width and Indiana Street will maintain a 34-foot roadway width, which meets the required 26' clear width needed.

2. The proposed waiver maintains the minimum roadway width and lane width deemed necessary for safe two-directional vehicular passage. The minimum lane width cannot be less than ten (10') feet in width for a travel lane and eight (8') feet in width for a parking lane;

The minimum lane width and parking width standards will be achieved on Mariposa Avenue and Indiana Street with all proposed travel lanes being a minimum of 10-feet wide and proposed parking lanes being a minimum of 8-feet wide.

3. The proposed waiver will maintain the necessary roadway width for the traffic volumes projected during the general plan buildout as determined by the director of development services unless the director determines that the dedication or irrevocable offer to dedicate will require the removal will require the removal of all or a portion of an existing building;

The proposed waivers will maintain the necessary roadway widths for the projected traffic volumes. The traffic study prepared as part of this project's application process has indicated that the surrounding streets can accommodate the projected traffic volumes.

4. The proposed waiver complies with any requirements of state and federal regulations, including without limitation, disabled access requirements for public sidewalks;

Public sidewalks surrounding the project site are a minimum of 5 feet, which complies with state and federal regulations. Additionally, the applicant is required to provide a minimum 4-foot sidewalk clearance around any obstruction in the sidewalk (i.e. posts, power poles, etc.) along any property frontage where new construction is taking place.

5. The proposed waiver would not be detrimental to the neighborhood or district in which the property is located;

A thorough evaluation by the Department of Public Works has revealed no evidence that these waivers would be detrimental to the neighborhood in which this project is located.

6. That the proposed waiver is necessary in order that the applicant is not unreasonably deprived the use or enjoyment of his property;

Provision of full dedications along Indiana Street and Mariposa Avenue would have the following impacts on the existing and proposed structures on the project site:

- a. Along Indiana Street, there are existing buildings with a 0-foot setback from the property line. Any dedication along this frontage would require demolition of the existing buildings.
- b. Along the portions of Indiana Street and Mariposa Avenue where new development is proposed, additional dedication would reduce the buildable area on the Project site. Due to the narrow dimensions of the Project site, any additional reductions in those dimensions would create significant design issues with ramp design in the proposed parking structures and/or reduce the number of parking spaces that could be provided for the existing and proposed uses on the Project site. Further,

additional dedication would substantially impact the design and size of proposed residential and commercial uses on the Project site. Finally, the above changes to the project design would jeopardize the financial feasibility of the Project. Therefore, the proposed waivers are necessary in order that the applicant is not unreasonably deprived use of their property.

7. The proposed waiver is consistent with the legislative intent of this title [Title 15].

The proposed waiver is consistent with the legislative intent of Title 15 in that the proposed waiver will still allow roadways and sidewalks along the Project site in compliance with the minimum width standards for local commercial streets specified in the Circulation Element.

SECTION 10: Approvals. Based upon the foregoing and the evidence in the record as a whole, the City Council takes the following actions:

- A. The City Council certifies the Environmental Impact Report for Environmental Assessment No. 1248 consisting of the DEIR, the FEIR, and the Additional Responses; adopts the corresponding Mitigation Monitoring and Reporting Program; adopt the Findings of Fact and Statement of Overriding Considerations dated February 2022, incorporating the facts set forth in Section 3 of this resolution; and
- B. The City Council approves General Plan Amendment No. GPA 19-01 for the Pacific Coast Commons Specific Plan and Pacific Coast Commons mixed-use project as set forth in Exhibits “B” through “E”; and
- C. The City Council approves Subdivision No. SUB 19-03 (VTTM 82806) as set forth in Exhibit “F,” Site Plan Review No. SPR 19-01, dated 10.29.2021, Parking Demand Study and Shared Parking Analysis as set forth in Exhibit “G,” and waiver of public right-of-way dedications for the Pacific Coast Commons mixed-use project as set forth in Exhibit “H,” all subject to the conditions of approval set forth in Exhibit “A.”

SECTION 11: Exhibits. This Resolution includes the following exhibits which are attached hereto and a part hereof:

- A. Project Conditions of Approval
- B. Amendment to General Plan Land Use Designations
- C. Amendment to General Plan Land Use Plan Northwest Quadrant subsection
- D. Amendment to 1992 General Plan Summary of Existing Trends Build-out
- E. Amendment to General Plan Land Use Map
- F. Vesting Tentative Tract Map (VTTM) No. 82806

- G. Parking Demand Study and Shared Parking Analysis
- H. Street Dedication Map, including waivers

In addition to the Exhibits listed above, this Resolution also includes by reference:

- A. The EIR as described in Section 3, above
- B. The Findings of Fact and Statement of Overriding Consideration, dated February 2022
- C. The Site Plan dated 10.29.2021

SECTION 12: *Reliance on Record.* Each and every one of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 13: *Limitations.* The City Council's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 14. *Summaries of Information.* All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 15: *Effective Date.*

- A. The Council's certification of the Environmental Impact Report for the Pacific Coast Commons Project will take effect immediately upon adoption of this Resolution.
- B. General Plan Amendment No. 19-01 will take effect 30 days after the adoption of this Resolution.
- C. Subdivision No. SUB 19-03 (VTTM 82806), Site Plan Review No. SPR 19-01, the Parking Demand Study and Shared Parking Analysis, and the waiver of public right-of-way dedications (collectively, the "Entitlements") will take effect immediately upon the effective date of Ordinance No. ____ approving the Zone Change, Zone Text Amendment, Zoning Map Amendment, Pacific Coast Commons Specific Plan, and related development agreement for the Pacific Coast Commons Project. The adoption and effectiveness of Ordinance No. ____ are conditions precedent to the Entitlements taking effect.

SECTION 16: The City Clerk is directed to certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2022.

Drew Boyles, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

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, approved, and adopted by said City Council, at a regular meeting of said Council held on the ____ day of _____, 2022, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

RESOLUTION NO. _____

EXHIBIT A

CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code (“ESMC”), the Applicant agrees to comply with the following provisions as conditions for the City of El Segundo’s approval of Environmental Impact Report for Environmental Assessment No. EA-1248, General Plan Amendment and General Plan Map Amendment No. GPA 19-01, Specific Plan No. SP 19-01, Zone Change and Zoning Map Amendment No. ZC 19-01, Zone Text Amendment No. ZTA 19-08, Development Agreement No. DA 19-02, Subdivision No. SUB 19-03 for Vesting Tentative Map (VTM) No. 82806, Site Plan Review No. SPR 19-01, Parking Demand Study and Shared Parking Analysis, and Waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and mixed-use development project (“Project Conditions”).

Development Services Department

1. This approval is for the project as shown on the plans dated October 7, 2021, and on file with the Development Services Department.
2. Before the City issues a building, grading, and/or demolition permit for each building site within the Pacific Coast Commons Specific Plan (PCCSP), the applicant must submit plans, showing that the project substantially complies with the plans and conditions of approval on file with the Development Services Department. Any subsequent modification must be referred to the Development Services Director for a determination regarding the need for Planning Commission review and approval of the proposed modification.
3. This approval shall not become effective unless and until the City Council adopts an ordinance approving Specific Plan No. SP 19-01, Zone Change No. ZC 19-01, Zone Text Amendment No. ZTA 19-08, and Development Agreement No. 19-02 and said ordinance takes effect.
4. This approval allows for the following development within the Pacific Coast Commons Specific Plan (PCCSP) area:
 - a. Demolition of the existing food and beverage building in the PCC COM-2 Land Use District and the construction of a parking structure with 3,273 gross square feet of new commercial uses;
 - b. Construction of a mixed-use building consisting of 120 residential apartment units and 5,756 gross square feet of new commercial uses and a parking structure in the PCC MU-1 Land Use District;
 - c. Construction of a mixed-use building consisting of 137 residential apartment units, 2,223 gross square feet of new commercial uses, and a parking structure

- in the PCC MU-2 Land Use District;
- d. Construction of a building consisting of six townhome residential condominium units with individual garages for each unit in the PCC MU-2 Land Use District.
 - e. Up to 3,700 gross square feet of the total 11,252 gross square feet of commercial floor area may be used for fast casual restaurant space. The remainder may be used for other commercial uses allowed in the Pacific Coast Commons Specific Plan.

A change in uses or changes in the square footages specified above, must be referred to the Development Services Director for a determination regarding the need for Planning Commission review and approval of the proposed changes.

5. The applicant shall comply with the requirements set forth in Ordinance 1594 (Public Art).
6. New signs proposed for each phase of the project, including monument signs, shall be designed to conform to the sign guidelines and standards of the Pacific Coast Commons Specific Plan. All proposed signage shall require separate application and approval by the Development Services Director or designee. Before the City issues any Certificate of Occupancy a master sign program for each development phase must be approved by the Development Services Director. The Master Sign Program for each development phase is required to include wayfinding/directional signs to the parking structures within the Specific Plan area to the satisfaction of the Director of Development Services. The Master Sign Program for each phase shall be consistent in design and make clear that parking is shared throughout the Specific Plan area.
7. All new exterior mechanical equipment shall be architecturally screened in accordance with Pacific Coast Commons Specific Plan design guidelines, to the satisfaction of the Development Services Director.
8. All new utilities to and on the property shall be provided underground for each phase of the project. Existing utilities in the public rights-of-way surrounding each development phase are not required to be relocated underground.
9. Project entrances at the following locations: (i) PCC South entrances/exits on Indiana and Pacific Coast Highway; (ii) Fairfield Parking Structure entrance/exits on Pacific Coast Highway; and (iii) PCC North entrances/exits on Mariposa Avenue and Palm Avenue, shall be provided with admixture colored concrete and/or design that enhance and complement the project, to the satisfaction of the Development Services Director.
10. A trellis or other approved covering must be maintained over any external trash enclosure on the property. Before the City issues building permits for each phase of the project, the applicant must submit plans for Development Services Department review and approval that show the design of the exterior trash

enclosures and the required trellis covers. The enclosures and trellises must comply with the PCCSP Design Guidelines to the satisfaction of the Director.

11. The applicant shall submit a photometric lighting plan for each phase of the project that illustrates that there is no light spillover beyond the project property line for review and approval by the Development Services Department and the Police Department. Exterior lighting design for the project shall comply with the Pacific Coast Commons Specific Plan design guidelines. Light shields shall be used to block light and reduce spill over light and glare as necessary. Light spill over on the property shall be zero foot-candles at the property line. Prior to the final inspection and issuance of a certificate of occupancy, the applicant shall schedule an evening inspection with the Planning Division to verify compliance with this requirement.
12. Each phase of the project site shall be fenced and screened during construction. Signage to report dust, noise and other construction related problems shall be posted on site at a location clearly visible to the public from all public streets surrounding the Project site.
13. The applicant must comply with all mitigation measures identified in the Final Environmental Impact Report prepared for the Project. A Mitigation Monitoring and Reporting Program (MMRP) was prepared as part of the environmental review for the project. The mitigation measures of the MMRP are incorporated into these conditions of approval by reference. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.
14. Prior to any demolition, clearing, grubbing or grading or as otherwise appropriate, the applicant shall demonstrate compliance with all of the Mitigation Measures contained in the MMRP. In the event of a conflict between the adopted mitigation measures and these conditions of approval, the stricter of the two shall govern. The applicant is responsible to bear all costs should a consultant be required to manage and implement the MMRP.
15. Before the City issues building permits for each building site within the Pacific Coast Commons Specific Plan (PCCSP), the applicant must submit site specific landscape and irrigation plans to the Development Services Department for review and approval to demonstrate compliance with the project plans on file with the City, the City's Water Conservation regulations and Guidelines for Water Conservation in Landscaping (ESMC §§10-2-1, *et seq.*), and the PCCSP Development Guidelines and standards. The landscaping and irrigation must be completely installed before the City issues a final Certificate of Occupancy.
16. The applicant must plant trees and/or other landscape materials along the entire 15-foot setback area between PCC North and the residential properties to the west extending from Mariposa Avenue to Palm Avenue to contribute to screening and

sound attenuation. Before the City issues building permits for the PCC North site, the applicant shall submit detailed landscaping and irrigation plans for Development Services Director review and approval showing trees and/or other landscape materials along the entire 15-foot setback area. The final species, number and location of the trees shall be specified to the satisfaction of the Director.

17. Before the City issues building permits for each building site within the PCCSP, the applicant must submit detailed architectural plans for Development Services Director review and approval, including fully dimensioned site plans, floor plans, elevation, and section drawings identifying the depth of building step-backs as well as dimensions of architectural building features, such as exterior columns, parapets, cornices, balconies, and tower elements.
18. Before the City issues building permits for each building site within the PCCSP, the applicant must submit detailed architectural plans for Development Services Director review and approval that promote a pedestrian oriented design along the Pacific Coast Highway frontage, including recessed storefronts that do not result in the loss of square footage, but provide space for outdoor dining, outdoor retail displays, bicycle parking and similar amenities, to the satisfaction of the Director.
19. The applicant shall replace any existing chain-linked fencing visible from the public right-of-way with other walls and/or fencing at the time of development of the PCC South or the Fairfield Parking, whichever occurs first. Before the City issues building permits for either phase of the development, the applicant shall submit plans for Development Services Director review and approval showing the proposed replacement walls and/or fencing. The replacement walls or fencing must be consistent with the PCCSP Design Guidelines and standards for walls and fencing to the Director's satisfaction.
20. With development of PCC South, the applicant shall install seating that is available to the public along the Pacific Coast Highway frontage between Holly Avenue and Mariposa Avenue, including in front of the Aloft Hotel and the Fairfield Hotel. Six single-occupant chairs shall be located in front of the Fairfield Hotel in the existing landscaped area, and four single-occupant chairs shall be located in front of the Aloft Hotel in the existing landscaped area. Before the City issues building permits for the PCC South phase of the development, the applicant shall submit plans for Development Services Department review and approval showing the location, number and proposed design of the public seating. The seating must be consistent with the PCCSP Design Guidelines to the Director's satisfaction.
21. The applicant shall install six new trees in the Pacific Coast Highway public right-of-way in front of the PCC South portion of the PCCSP. Before the City issues building permits for the PCC South phase of the development, the applicant shall submit detailed landscaping and irrigation plans for Development Services Department review and approval showing the location and species of trees. The

trees must be consistent with the City's Master Street Tree Plan to the Director's satisfaction.

22. The applicant shall install new street trees in the Indiana Street public right-of-way on the west side of the street between Holly Avenue and Mariposa Avenue only within existing parkway areas with existing irrigation systems in place. Before the City issues building permits for the PCC South phase of the development, the applicant shall submit detailed landscaping plans for Development Services review and approval showing the location and species of trees. The trees must be consistent with the City's Master Street Tree Plan to the Director's satisfaction.
23. Before the City issues building permits for the townhomes in the PCC North area of the PCCSP, the applicant shall submit detailed plans for Development Services Director review and approval that incorporate equal detail and variety in building planes and materials on all the elevations to the Director's satisfaction that do not result in the loss of square footage.
24. New trash and recycling enclosures must be provided and shown on site plans that are sufficiently large enough to store the necessary bins required for the regular collection of commercial solid waste and recyclable materials. The site plan with the location and dimensions of the trash and recycling enclosure and an elevation view of the enclosure must be provided to the Development Services Department for review and approval before the City issues building permits.
25. New ground level mechanical equipment, refuse collectors, storage tanks, generators, and other similar facilities must be screened from view consistent with the development standards and design guidelines contained in the Pacific Coast Commons Specific Plan.
26. Exterior lighting must be designed to minimize off-site glare.
27. Buildings must be designed to comply with all ESMC standards for the attenuation of interior noise.
28. Before the City issues a grading permit, building permit, or certificate of occupancy, as applicable, the applicant must provide evidence to the Director of Development Services that all mitigation measures in the MMRP are or will be implemented.
29. Each phase of the project must meet all design guidelines of the Specific Plan to the satisfaction of the Director Development Services.
30. Before the City issues a certificate of occupancy for each parking structure, the applicant must clearly identify the designated residential tenant spaces and the spaces to be shared by retail uses, residential guests, and/or hotel guests. The spaces shall be identified through the use of signage and stencils on the pavement in each parking structure to the satisfaction of the Development Services Director.

31. If any portion of the Project is developed as condominiums, before the City issues a certificate of occupancy for each of the proposed buildings the applicant shall draft and submit CC&Rs for Development Services Director and City Attorney review including provisions for:
 - a) Maintenance and cleaning of common areas and landscaping onsite;
 - b) Maintenance of landscaping in the public right-of-way immediately abutting the subject property;
 - c) Maintenance and cleaning of the balconies of the residential units; and
 - d) Cleaning the public sidewalk along the Pacific Coast Highway public right-of-way immediately abutting the commercial uses on each building site (PCC South, Fairfield Parking and PCC North) to maintain it clear of any trash and debris from the commercial uses and project trash facilities.
32. Before the City issues building permits for each of the building sites, the applicant shall submit detailed plans for Development Services Director review and approval, including the locations, materials, and colors of enhanced paving areas on private property, in conformance with Section 5.6 of the Development Agreement, as well as in the public right-of-way immediately abutting the subject property. The enhanced paving must be consistent with the architectural and landscaping plans on file with the City to the satisfaction of the Director.
33. A Shared Parking Agreement shall be prepared and reviewed and approved by the Director of Development Services and the City Attorney. The Shared Parking Agreement shall be recorded after the final map for Vesting Map No. 82806 has been recorded and the Fairfield Parking Site has been constructed and received its Certificate of Occupancy. The Shared Parking Agreement will grant Lots 1 through 5 of Vesting Map No. 82806 rights to shared use of parking provided on Lots 1, 4 and 5 of Vesting Map No. 82806. The shared parking will be permitted for all commercial uses and guest parking for the multi-family residential uses located on Lot 1 and 5 of Vesting Map No. 82806. Guest parking for the townhomes that are located on Lot 6 will be provided on Lot 5 of Vesting Map No. 82806.

The Shared Parking Agreement will rescind "Covenant and Agreement Regarding Maintenance and Use of Off-Site Parking" for property commonly known as 629 North Sepulveda Boulevard (now known as 629 North Pacific Coast Highway), recorded on July 1, 2015, as Instrument No. 20150792116, of Official Records, Recorder's Office of the County of Los Angeles, California. The Shared Parking Agreement will rescind "Covenant and Agreement Regarding Maintenance and Use of Off-Site Parking" for property commonly known as 629 North Sepulveda Boulevard (now known as 629 North Pacific Coast Highway), recorded on July 1, 2015, as Instrument No. 20150792117, of Official Records, Recorder's Office of the County of Los Angeles, California. The Shared Parking Agreement will rescind "Covenant and Agreement Regarding Maintenance of Parking Site" for property commonly known as 629 North Sepulveda Boulevard (now known as 629 North Pacific Coast Highway), recorded on April 1, 2015, as Instrument No.

20150351986, of Official Records, Recorder's Office of the County of Los Angeles, California.

34. After the final map for Vesting Tentative Map No. 82806 has been recorded, a document shall be recorded to rescind the "Covenant and Agreement to Hold Property as One Parcel" for property commonly known as 629 North Pacific Coast Highway (formerly 629 North Sepulveda Boulevard), recorded on April 1, 2015, as Instrument No. 20150351988, of Official Records, Recorder's Office of the County of Los Angeles, California.
35. A Reciprocal Easement Agreement shall be prepared to provide reciprocal access between Lots 5 and 6 of Vesting Tract Map No. 82806 and reciprocal access to the public rights-of-way of Palm and Mariposa Avenues. The Reciprocal Easement Agreement shall rescind "Reciprocal Easement Agreement", recorded on April 1, 2015, as Instrument No. 20150351989, of Official Records, Recorder's Office of the County of Los Angeles, California. The Reciprocal Easement Agreement shall be reviewed and approved by the Director of Development Services and the City Attorney. The Reciprocal Easement Agreement shall not be recorded until the final map for Vesting Tentative Map No. 82806 is recorded, the Fairfield Parking Site and PCC South Site are constructed, and a building permit is issued for the PCC North Site.
36. A positive balance shall be maintained in all project reimbursement accounts at all times. If the balance of the Reimbursement Account(s) associated with the project becomes negative at any time, all work on the project shall be suspended, including the issuance of permits and project inspections, until such time as the sufficient funds are deposited to return the account(s) to a positive balance.

Building Division Conditions

37. Before the City issues grading permits for each building site in the PCCSP, the applicant must submit a geotechnical/soils report for that building site, along with an associated grading plan that addresses the current code to the Development Services Department for review and approval.
38. Before the City issues grading permits for each building site in the PCCSP, the applicant must submit a soils report for that building site to the Development Services Department for review and approval.
39. Before the City issues building permits for each building site in the PCCSP, the applicant must submit plans for that building site to the Development Services Department for review and approval showing compliance with the version of the California Building Code, as adopted by the ESMC, in effect at the time of building permit application.

40. Before the City issues building permits for the PCC North Site and/or the PCC South Site (“Sites”), the applicant must show proof of Los Angeles County Health Department approval for any public pools proposed for those Sites.

Fire Department Conditions

41. Each phase of the project must comply with all applicable requirements in the California Fire Code and the International Fire Code, as adopted by the ESMC, and El Segundo Fire Department regulations, in effect at the time of building permit application.
42. Before the City issues a building permit for each building site, the applicant must submit a Fire/Life Safety Plan for that building site to the Fire Chief (or designee) identifying fire safety precautions during demolition and construction, emergency site access during construction, permanent fire department access, fire hydrant locations and any existing or proposed fire sprinkler system and fire alarm systems.

Public Works Department Conditions

General

43. All work in the City’s right-of-way or on City-owned and maintained facilities shall require review and approval of the City Engineer or his/her designee. “City Engineer” = City Engineer or his/her designee throughout this document.
44. The applicant shall ensure that encroachment permits are secured from the Public Works Department/Engineering Division before commencing any and all work in the City’s public right-of-way (ROW), including lane closures.
45. Construction inspection shall be coordinated with the Public Works Inspector and no construction shall deviate from the approved plans without approval of the City Engineer. If plan deviations are necessary, the applicant shall provide a revised plan or details of the proposed change for review and approval of the City Engineer prior to construction.
46. Prior to issuing of the Certificate of Occupancy, the applicant shall ensure installation of all improvements required by the Public Works Department are inspected and approved by the City Engineer for that building site.
47. All construction-related parking shall be accommodated on-site or on other private property. No construction related parking shall be permitted off-site in the public right-of-way.
48. A grading and drainage plan shall be provided and stamped by a California (CA) State-licensed civil engineer as part of the Building Permit process.

49. A utility plan for each building site shall be provided that shows all existing and proposed utility lines and their sizes (sewer, water, gas, storm drain, electrical, etc.), including easements, within 200 feet of the project site boundary.
50. All record drawings (PDF and CAD format) and supporting documentation shall be submitted to the Public Works Engineering Division prior to scheduling the project's final inspection for that phase.
51. Haul trucks are to use PCH north to Imperial Highway and PCH south to El Segundo Boulevard. All three of these streets are currently designated as truck routes in the City.
52. The applicant shall record Vesting Map No. 82806, subject to review and approval by the Director of Public Works and the Director of Development Services.

Street Improvements & Traffic Control

53. The applicant shall dedicate to the City in fee that certain portion of real property that includes the eastern 25 feet of Indiana Street (from the centerline of Indiana Street) between Mariposa Avenue to the north and Holly Avenue to the south as depicted on Vesting Tentative Tract Map No. 82806. Such dedication shall occur through and upon recordation of the Final Map.
54. The applicant shall dedicate to the City in fee that certain portion of real property that includes the northern 25 feet of Holly Avenue (from the centerline of Holly Avenue) between Indiana Street to the west and Pacific Coast Highway to the east as depicted on Vesting Tentative Tract Map No. 82806. Such dedication shall occur through and upon recordation of the Final Map.
55. Before the recording of the Final Map, the applicant shall record a lot tie covenant if any buildings are to be constructed across existing lot lines or if any building location does not meet the development standards of the Pacific Coast Commons Specific Plan (PCCSP) due to the location of the existing lot lines. No Certificates of Occupancy shall be granted for any use or structure until the recording of the Final Map.
56. General Provisions regarding dedications and improvements in Conditions 57 through 59:
 - a. Improvements and dedication shall be required in conjunction with the development of the lot immediately adjacent to the street or streets where the improvement and dedication is required.
 - b. The applicant shall prepare a grant deed and legal description of the land to be dedicated, subject to review and approval by the City Attorney for any required dedications.
 - c. All dedications shall be in favor of the City of El Segundo.
 - d. Before the issuance of a building permit for the related site, the applicant

- shall submit Street and Public Right-of-Way Improvement Plans for review and approval to the Director of Public Works and the Director of Development Services. Said plans shall include any required dedications, roadway widening, sidewalks and parkway in accordance with the conditions below, to be developed to City standards, except as modified by these conditions.
- e. All required right-of-way dedications shall be made prior to the issuance of a Certificate of Occupancy for any building on the related site.
 - f. All right-of-way improvements shall be completed before the issuance of a "Final Inspection Approval." The improvements shall be reviewed and approved by the City Engineer and Director of Development Services.
 - g. The applicant shall be responsible for the costs to modify and construct the roadway widening and sidewalk improvements as described in conditions 57 through 59.
57. Street dedication and improvement conditions related to the development of Lot 4 of Vesting Tentative Tract Map No. 82806 (Pacific Coast Commons – Fairfield Parking Site):
- a. The applicant shall construct a new 10-foot wide right-turn only lane along the south side of Mariposa Avenue, roadway widening improvements, and a new public sidewalk.
 - b. The applicant shall dedicate a variable width dedication on the south side of Mariposa Avenue ranging from a minimum of 4 feet on the west at Indiana Street, prior to the 10-foot wide right-turn only lane, to a maximum of 12 feet on the east at Pacific Coast Highway to accommodate the 10-foot wide right-turn only lane and 2-foot widening and reconfiguration of the two existing lanes in compliance with the Circulation Element requirements.
 - c. In addition to the 25-foot dedication required by Condition 53 above, the applicant shall dedicate an additional 4 feet along the eastern side of Indiana Street along the frontage of Lot 4 of Vesting Tentative Map. No. 82806.
 - d. Before the construction of the right-of-way improvements on the south side of Mariposa Avenue, including the new right-turn lane that would intersect Pacific Coast Highway and any improvements on Pacific Coast Highway, the applicant shall obtain a Caltrans Encroachment Permit, if required, for any alteration to Pacific Coast Highway. All alterations shall be in accordance with relevant Caltrans Encroachment Permit requirements and conditions shall be shown on the Final Working Drawings.
58. Street dedication and improvement conditions related to the development of Lot 1 of Vesting Tentative Map No. 82806 (Pacific Coast Commons South Site):
- a. In addition to the 25-foot dedication required by Condition 54 above, the applicant shall dedicate an additional 7 feet along the northern side of Holly Avenue along the frontage of Lot 1 of Vesting Tentative Map No. 82806.
 - b. In addition to the 25-foot dedication required by Condition 53 above, the applicant shall dedicate an additional 4 feet along the eastern side of Indiana Street only along the frontage of Lot 1 of Vesting Tentative Map. No. 82806.

- c. Before the construction of the right-of-way improvements on the north side of Holly Avenue, including the 2-foot roadway widening that would intersect Pacific Coast Highway and any improvements on Pacific Coast Highway, the applicant shall obtain a Caltrans Encroachment Permit, if required, for any alteration to Pacific Coast Highway. All alterations shall be in accordance with relevant Caltrans Encroachment Permit requirements and conditions shall be shown on the Final Working Drawings.
59. Street dedication and improvement conditions related to the development of Lot 5 and Lot 6 of Vesting Tentative Map No. 82806 (Pacific Coast Commons North Site). These conditions shall apply with the development of Lot 5 or Lot 6, whichever develops first:
 - a. The applicant shall dedicate 7 feet on the north side of Mariposa Avenue along the frontage of Lot 5.
 - b. The applicant shall dedicate 12 feet on the south side of Palm Avenue along the frontage of Lot 6.
60. The applicant shall provide reciprocal access agreements, subject to review and approval by the City Attorney, between any parcels that do not have independent direct vehicle access to a public right-of-way. Such agreements shall be recorded before issuance of any Certificate of Occupancy for a building on an affected parcel.
61. All new sidewalk, curb & gutter, driveway approaches, and curb ramps shall be constructed per the latest Standard Plans for Public Works Construction (SPPWC) "Greenbook" and City standards.
62. All existing sidewalk, curb & gutter, driveway approaches, and curb ramps that are broken or not in conformance with the latest SPPWC or City standards shall be removed and constructed per the latest SPPWC and City standards.
63. Any obstruction located within existing curb ramps shall be relocated.
64. All unused driveways shall be removed and replaced with full-height curb, gutter and sidewalk per SPPWC standards and City standards.
65. The applicant shall provide a minimum 4' sidewalk clearance around any obstruction in the sidewalk i.e. posts, power poles, etc. along any property frontage where new construction is taking place. This condition does not apply on Indiana Street along the frontage of proposed Lot 2 and 3 of Vesting Tentative Map No. 82806.
66. PG-64-10 tack coat and hot mix asphalt shall be used for all slot paving required next to new concrete installations. Slot paving shall be 3 feet wide and 1 foot deep, consisting of 6 inches of asphalt over 6 inches of base.

67. The applicant shall coldmill 2" Asphalt Concrete (AC) pavement surface and overlay with 2" AC PG-64-10 the curb-to-curb full street width of Mariposa Avenue along the property frontages and the curb-to-centerline half street width of Palm Avenue, Indiana Street, and Holly Avenue along the property frontages. AC mix specification shall conform to Standard Specifications for Public Works Construction (SSPWC) "Greenbook", section 203-1.
68. The applicant shall provide street signing and striping plans for the new development. All striping in the public ROW shall consist of thermoplastic paint per the latest CA Manual on Uniform Traffic Control Devices (MUTCD).
69. The applicant shall provide traffic control plans for all work requiring a lane closure.
70. The work scheduled in the public right-of-way on major arterial streets shall be Monday through Friday from 9am to 3pm, except holidays. Work scheduled on all other street classifications shall be Monday through Friday from 7am to 4pm. Contractor shall obtain prior approval from the City Engineer for performing weekend work, night work, or work on a holiday.
71. During construction, it shall be the responsibility of the applicant to provide safe pedestrian traffic control around the site. A pedestrian protection plan shall be submitted to the Public Works Department for review and approval by the City Engineer. This may include but not be limited to signs, flashing lights, barricades and flag persons.
72. Once the ROW improvements are accepted by the City Engineer, they are not to be used for staging building construction activities, including but not limited to, storage of construction materials and equipment. The street and sidewalks shall be kept free of construction debris, mud and other obstacles and shall remain open to traffic at all times. The applicant shall bear the entire cost of replacement or repair to any damage to improvements caused by its use, or its Contractors' and Subcontractors' use, of the improvements after acceptance by the City Engineer.
73. The applicant shall submit any new traffic signal plans to the City Public Works Department and LA County Department of Public Works (LACDPW) for review and approval. The applicant will coordinate all inspections with the LACDPW inspector for acceptance of the traffic signal poles and related equipment. The applicant will inform the City of any updates during this process.

Water

74. The proposed improvement will impact the capacity of the existing City owned water main lines. The applicant must submit a water study to determine if there is a capacity deficiency in the affected water main lines and if so, water main upgrades will be required. The water study shall be reviewed and approved by the City Engineer.

75. Any existing water meters, potable water service connections, fire backflow devices and potable water backflow devices for each new building site must be upgraded to current City Water Division standards. These devices shall be placed or relocated onto private property.
76. The applicant must submit plans for water system upgrades for each new building site to the City of El Segundo Public Works Department for review and approval.
77. Any unused water laterals for each new building site shall be abandoned and properly capped at the City main. The Contractor is to obtain necessary permits and licenses, and provide traffic control plans and shoring plans.

Sewer

78. The proposed improvement will impact the capacity of the existing City owned sewer main lines. The applicant must submit a sewer study for each new building site to determine if there is a capacity deficiency in the affected sewer main lines and if so, sewer upgrades will be required for that new building site. The sewer study shall be reviewed and approved by the City Engineer.
79. Prior to issuance of a Certificate of Occupancy for each new building site, the sewer connection fee for must be paid to the City of El Segundo Public Works Department for that building site.
80. Any unused sanitary sewer laterals shall be abandoned and properly capped at the City main for each new building site. The Contractor is to obtain necessary permits and licenses, and provide traffic control plans and shoring plans.

Storm Drain

81. Provide a Low Impact Development Study (LID) signed and stamped by a registered Civil Engineer. Make sure to comply with the project design requirements to retain on site (infiltrate or store for use) volume of runoff from $\frac{3}{4}$ inch storm or the 85th percentile 24-hour storm, whichever is greater (SWQDv) for each phase of the project.
82. Hydrologic and hydraulic calculations shall be submitted to size appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts. Refer to the most recent Los Angeles County Hydrology Manual. Instructions and the manual are available at the County website at <http://dpw.lacounty.gov/wrd/Publication/index.cfm>. Calculations shall be signed by a registered civil engineer.
83. The project shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements and shall provide Best Management Practices (BMPs) for sediment control, construction material control and erosion control.

Landscaping & Irrigation

84. Irrigation plans shall be submitted to the Public Works Department for review and approval for each new building site. All irrigation meters and mechanical equipment shall meet the City Water Division standards.
85. All public landscape improvements shall be designed to City standards and approved by the Parks & Recreation Department.
86. The property owner shall maintain all landscaping and irrigation in the public ROW fronting the property.
87. The applicant shall coordinate any tree removals in the public right-of-way with the Parks & Recreation Department prior to the start of construction.

Police Department Conditions

88. Prior to the issuance of building permits, the applicant must submit a Photometric Lighting Plan complying with El Segundo Security Code, Ordinance 1540, Sections, 13-20-15.E; 13-20-16.L; 13-20-17.M.
89. Prior to the issuance of building permits, the applicant submit a Wayfinding Plan complying with El Segundo Security Code, Ordinance 1540, Sections, 13-20-15.C.
90. Prior to the issuance of building permits, the applicant must submit a Construction Site Security Plan complying with El Segundo Security Code, Ordinance 1540, Section, 13-20-20.C.
91. Prior to the issuance of building permits, the applicant must submit an Emergency Access Plan complying with El Segundo Security Code, Ordinance 1540, Sections, 13-20-18 and 13-20-19.C.
92. Prior to the issuance of building permits, the applicant must provide a Parking Surveillance Camera Plan parking structures complying with the following standards:
 - a) High Definition color cameras shall be installed at all vehicle and pedestrian entrances and be capable of clearly capturing an entire vehicle including license plate and driver. Cameras at pedestrian entrances shall clearly capture the entire person and a recognizable face image.
 - b) Camera images shall be digitally stored for at least 30 days.
 - c) A camera surveillance plan noting the type and mounting height of cameras, demonstrating compliance with this section, shall be developed as part of the construction plans.

93. Prior to authorization to use, occupy, and/or operate, the applicant shall arrange for and have passed an inspection, to be performed by the Police Department, to ensure compliance with the Parking Surveillance Camera Plan.
94. Prior to authorization to use, occupy, and/or operate, the applicant shall arrange for and have passed an inspection, to be performed by the Police Department, to ensure compliance with the Emergency Access Plan.

Impact Fee Conditions

95. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before building permits are issued, the applicant must pay a one-time fire services mitigation fee in accordance with City Council Resolution No. 4687 for the building that the permit is applicable to.
96. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before building permits are issued, the applicant must pay a one-time police services mitigation fee in accordance with City Council Resolution No. 4687 for the building that the permit is applicable to.
97. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before building permits are issued, the applicant must pay a one-time park services mitigation fee in accordance with City Council Resolution No. 4687 for the building that the permit is applicable to.
98. Before building permits are issued, the applicant must pay the required sewer connection fees (as specified in ESMC Title 12-3) for the building that the permit is applicable to.
99. Pursuant to ESMC §§ 15-27A-1, *et seq.*, and before the City issues a certificate of occupancy for buildings within the Specific Plan, the applicant must pay a one-time traffic mitigation fee in accordance with City Council Resolution No. 4443 for the building that the permit is applicable to.
100. Subject to any applicable limitations set forth in the Development Agreement, permittee agrees to pay City any development impact fees (“DIFs”) that may be applicable to the Project. Permittee takes notice pursuant to Government Code § 66020(d) that City is imposing the DIFs upon the Project in accordance with the Mitigation Fee Act (Government Code § 66000, *et seq.*). The permittee is informed that it may protest DIFs in accordance with Government Code § 66020.
101. Before building permits are issued, the applicant must pay the required School Fees. This condition does not limit the applicant’s ability to appeal or protest the payment of these fees to the school districts(s).

Miscellaneous

102. Prior to completion of construction and issuance of a Certificate of Occupancy for the PCC North project area, the applicant shall install signage and pavement

markings at the project driveway entrance/exit at Palm Avenue restricting turns out of the project site to right turns only. Before the City issues a building permit for the PCC North project area, the applicant shall submit plans to the Development Services Department including the above signage and pavement markings for review and approval.

103. To ensure that there is no vehicle queueing extending onto public streets, the vehicular entrances to PCC North from Mariposa Avenue and Palm Avenue shall not have gate arms located at the intersection of the private driveway and the property line preventing vehicles from entering onto the private driveway. The exits to Mariposa Avenue and Palm Avenue from the onsite access driveway may have gate arms. Before the City issues building permits for the PCC North site, the applicant shall submit plans to the Development Services Department including the location and design of the gate arms at the driveway exits at Mariposa Avenue and Palm Avenue.
104. The owner of the residential (apartment) component of the PCC North site shall be responsible for the cleaning and maintenance of the community meeting room located at the Fairfield Parking Site.
105. Residential lease agreements shall prohibit the storage of bicycles and goods on balconies of residential units. The prohibition against storage on balconies shall not prevent typical use of balconies as private outdoor space.
106. Unless otherwise provided by the Development Agreement, the vesting tentative map will expire pursuant to Government Code § 66452.6 and ESMC § 14-1-12.
107. Approval of this Project shall not be construed as a waiver of applicable and appropriate zoning regulations, or any Federal, State, County and/or City laws and regulations. Unless otherwise expressly specified herein or in the Development Agreement or Pacific Coast Commons Specific Plan, all other requirements of the El Segundo Municipal Code shall apply.
108. Failure to comply with and adhere to all of these conditions of approval may cause to revoke the approval of the project by the Planning Commission, pursuant to the provisions of the El Segundo Municipal Code.
109. In the event that any of these conditions conflict with the recommendations and/or requirements of another permitting agency or City Department, the stricter standard shall apply.
110. The Applicant, agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of an Environmental Impact Report for Environmental Assessment No. EA-1248, General Plan Amendment No. GPA 19-01, Specific Plan No. SP 19-01, Zone Change and Zoning Map

Amendment No. ZC 19-01, Zone Text Amendment No. ZTA 19-08, Development Agreement No. DA 19-02, Subdivision No. SUB 19-03 for Vesting Tentative Map (VTM) No. 82806, Site Plan Review No. SPR 19-01, Parking Demand Study and Shared Parking Analysis, and Waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and mixed-use development. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of an Environmental Impact Report for Environmental Assessment No. EA-1248, General Plan Amendment No. GPA 19-01, Specific Plan No. SP 19-01, Zone Change and Zoning Map Amendment No. ZC 19-01, Zone Text Amendment No. ZTA 19-08, Development Agreement No. DA 19-02, Subdivision No. SUB 19-03 for Vesting Tentative Map (VTM) No. 82806, Site Plan Review No. SPR 19-01, Parking Demand Study and Shared Parking Analysis, and Waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and mixed-use development project, the Applicant, agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "the City" includes the City of El Segundo's elected officials, appointed officials, officers, and employees.

By signing this document, Patrick Volz, on behalf of BRE EL SEGUNDO PROPERTY OWNER A LLC, BRE EL SEGUNDO PROPERTY OWNER B LLC, and BRE EL SEGUNDO PARKING LLC, certifies that he has read, understood, and agrees to the Project Conditions listed in this document.

Patrick Volz, Vice President
BRE EL SEGUNDO PROPERTY OWNER A LLC,
BRE EL SEGUNDO PROPERTY OWNER B LLC,
BRE EL SEGUNDO PARKING LLC

RESOLUTION NO. _____
EXHIBIT “B”

El Segundo General Plan Land Use Element Excerpt - Pages 3-5 and 3-6

Modify the following text on pages 3-5 and 3-6

Land Use Designations

Following is a discussion of each type of land use designation found in the City. Each contains a short description and an indication of the maximum land use density or intensity allowed. Land use density refers to the number of dwelling units per acre of land (du/ac). This distinction is generally used only for residential designations. Land use intensity refers to the quantity of building on a specific lot size. For example, a 3,000 square foot single-family home would be considered a more intense use than a 1,600 square foot home on the same size lot. An example of non-residential intensity would be a multi-story building, which is considered a more intense use than a single-story building on the same sized lot. For non-residential uses, intensity is expressed in terms of Floor Area Ratio (FAR) which describes the ratio of the lot size to the building size or as otherwise defined in the Zoning Code from time to time. For example, typically a lot with a land area of 10,000 square feet and a FAR of 1.0, would allow a building area of 10,000 square feet. The allowed FAR may be exceeded for properties east of ~~Sepulveda Boulevard~~Pacific Coast Highway only, with approval of a Transfer of Development Rights (TDR) Plan.

Residential Designations

Single-Family Residential

Permits one single-family home on one legal lot at a maximum density of eight dwelling units per acre. The minimum lot size for new lots is 5,000 square feet.

Two-Family Residential

Permits two residences on one legal lot, either attached or detached, at a maximum density of 12 dwelling units per acre. The minimum lot size for new lots is 7,000 square feet.

Multi-Family Residential

Permits multiple dwelling units in either a condominium or apartment configuration. A condominium or apartment is a structure or group of structures containing three or more dwelling units, as defined by the Zoning Code. The maximum permitted density for multi-family residential is 27 dwelling units per acre on properties equal to or less than 15,000 square feet and 18 du/ac on properties greater than

15,000 square feet.

540 East Imperial Avenue Specific Plan

Permits a mix of residential uses with two possible development options. Option 1 would allow up to a maximum of 304 units in a Senior Housing Community with a Multi-Family Residential (R- 3) component, or Option 2 would allow up to a maximum of 58 units in a Mixed Residential Development (single-family and multi-family units). This designation is intended to encourage design flexibility and provide transitional densities and uses that are compatible with surrounding land uses. This designation is not intended to be used elsewhere within the City.

Pacific Coast Commons Specific Plan

Permits a mix of hotel, commercial, and residential uses. The existing Fairfield Inn & Suites by Marriott and Aloft Hotels, which have 350 and 246 rooms respectively remain and are considered conforming uses. The maximum allowed gross floor area for the commercial uses is 11,252 square feet. The maximum number of residential units is 263.

RESOLUTION NO. _____
EXHIBIT “C”

General Plan Land Use Plan Excerpt Pages 3-10 thru 3-12

Modify the following text on pages 3-10 and 3-12:

Proposed Land Use Plan

“The following is a discussion of the 1992 Land Use Plan, which indicates future land uses for the entire City. For ease of discussion, the City is divided into four quadrants and the proposed land use designations within that quadrant are discussed. To know what is allowed under each designation, please reference the land use definitions listed above.

Northwest Quadrant

The northwest quadrant of the City has the most varied mix of uses within the City. All of the City’s residential units, the Downtown area, the Civic Center, and the older industrial area of Smoky Hollow, are located in this quadrant. The 1992 Plan retains the three residential designations found on the old Plan: single-family, two-family, and multi-family, plus ~~a new designation~~ two new designations of 540 East Imperial Avenue Specific Plan and Pacific Coast Commons Specific Plan, which is a mixed-use, high-density residential and commercial designation. The Plan shows 357.2 acres of single-family, 57.4 acres of two-family, 126.74 acres of multi-family, ~~and~~ 5.65 acres of 540 East Imperial Avenue Specific Plan and 6.38 acres of Pacific Coast Commons Specific Plan. The total number of dwelling units projected by the Plan is 8,089^{ok1}. One of the major goals of the 1992 Plan is to preserve the residential neighborhoods.

The Smoky Hollow area, which houses many of the City’s older industrial uses, has been designated Smoky Hollow Specific Plan. The Specific Plan allows a combination of office, industrial, research and development, public facilities, parking facilities, and limited retail and restaurant uses. The Smoky Hollow area is approximately 94.3 acres.

The 222 Kansas Street Specific Plan (222 KSSP) consists of 4.83 acres, which were previously a part of the Smoky Hollow area. The 222 Kansas Street Specific Plan permits primarily office, light industrial, manufacturing, and research and development uses. The southerly portion may be used for governmental purposes subject to a development agreement. Commercial retail and restaurant uses are prohibited.

The Downtown area is designated as Downtown Commercial

(8.4 acres) and Downtown Specific Plan (26.3 acres), where existing uses are already of a community-serving nature. There are also 7.0 acres designated for Neighborhood Commercial uses along Grand and Imperial Avenues and at Mariposa and Center Streets. These have been designated only where there are existing neighborhood-serving commercial uses.

The public schools, private schools, Library, and other public uses are all shown as Public Facilities. The Civic Center is included in the Downtown Specific Plan area. In addition, each of the existing public parks are designated as such. The open space areas under utility transmission corridors and the preserve for the Blue Butterfly are designated as Open Space.

The areas designated for parking on the Plan include public- and privately-owned lots which are necessary to serve existing businesses and the Downtown area.

The southwest corner of ~~Sepulveda Boulevard~~ Pacific Coast Highway and Imperial Avenue is designated Corporate Office (17.8 ac) allowing a mix of office uses, similar to what exists there now, with retail in the lobby.

There are General Commercial uses indicated along ~~Sepulveda Boulevard~~ Pacific Coast Highway, where there are existing commercial uses ~~including the Hacienda Hotel~~. There is also one General Commercial area along Imperial Avenue, where the Crown Sterling Suites Hotel now exists.”

¹ The new total of 8,089 represents the maximum number of units developed under Option 1 of the 540 East Imperial Avenue Specific Plan. This number will be lower (7,843 units) if Option 2 is developed with a maximum of 58 units.

RESOLUTION NO. _____

EXHIBIT “D”

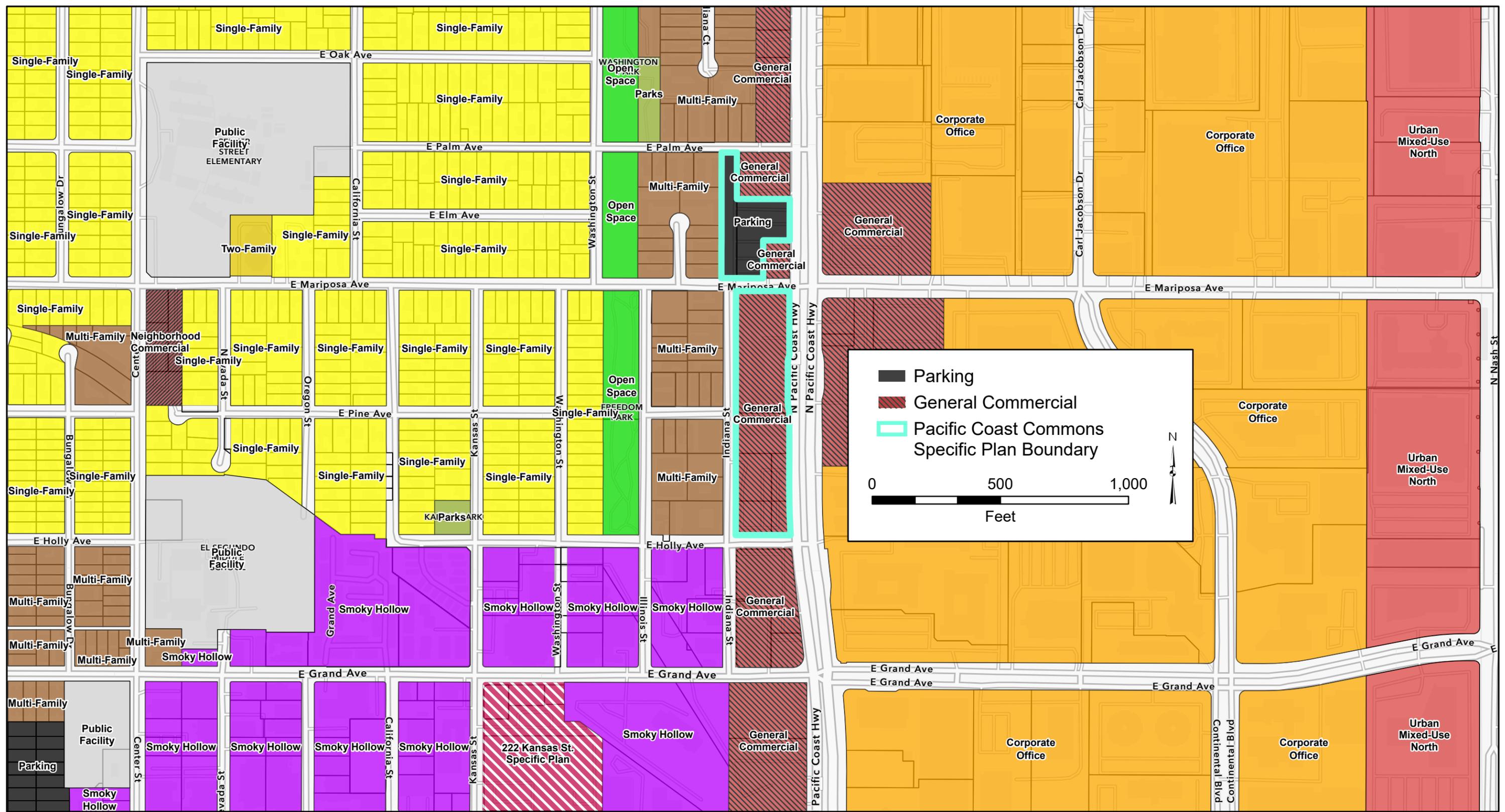
GENERAL PLAN LAND USE PLAN EXISTING TRENDS BUILDOUT

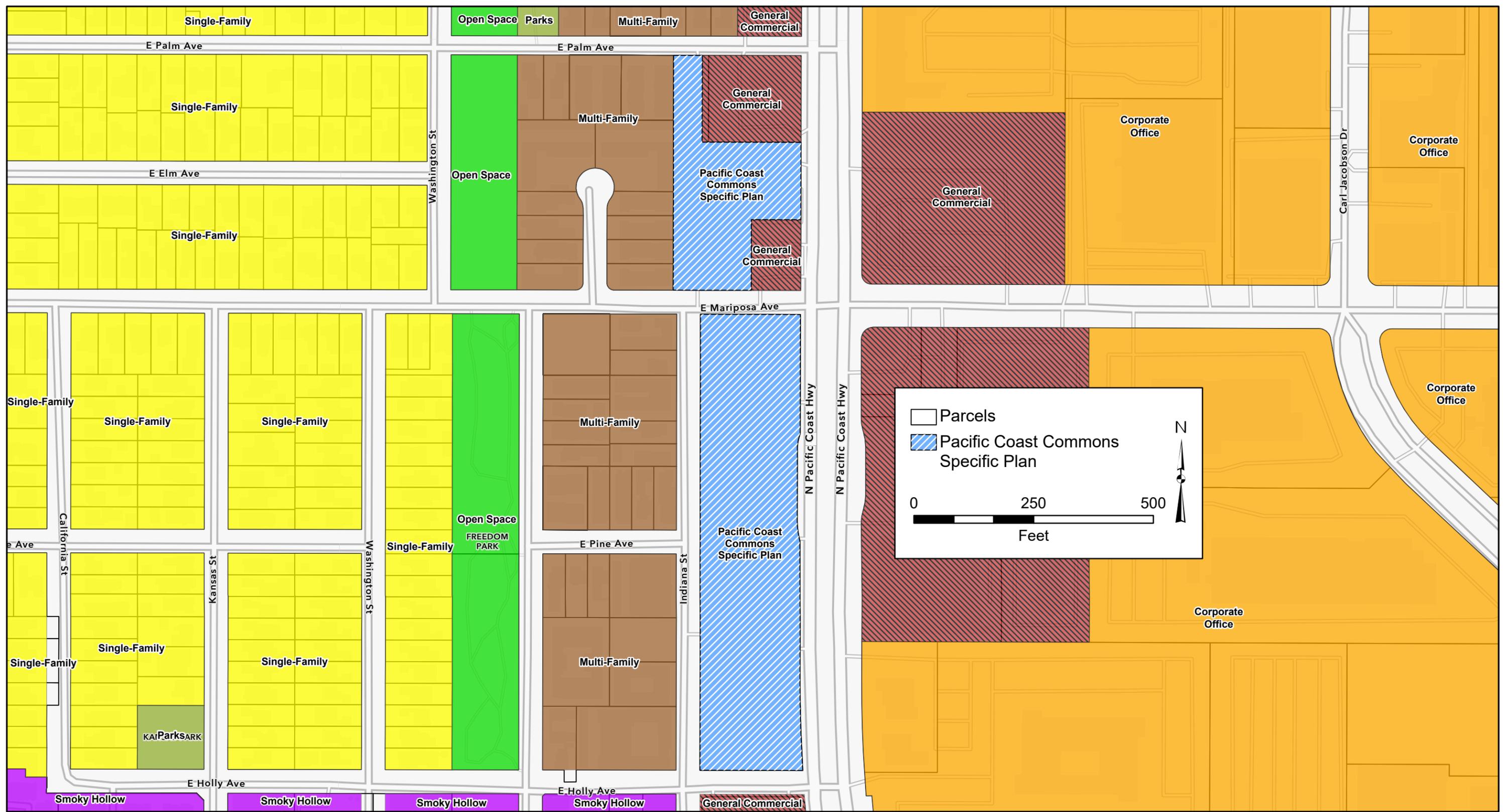
1992 General Plan Summary of Existing Trends Buildout			
Land Use Category	Acres	Dwelling Units	Square Footage
Single-Family Residential	357.2	2,858	-
Two-Family Residential	57.4	934	-
540 East Imperial Avenue Specific Plan	-	-	-
Multi-Family Residential	5.65	304 ³	-
<u>Pacific Coast Commons Specific Plan</u>	119.7	3,531	-
Neighborhood Commercial	6.38	263	293,650
Downtown Commercial	6.6	85 ¹	89,110
General Commercial	8.8	18 ¹	383,328
Corporate Office	37.1 32.62	-	1,618,508 1,421,093
Commercial Center	213.62	-	12,461,324
Smoky Hollow Specific Plan	85.8	-	850,000
Urban Mixed-Use North	94.3	126	2,973,010
Urban Mixed-Use South	232.5	-	13,166,010
124 th Street Specific Plan	70.6	-	3,997,936
Aviation Specific Plan	3.9	1	73,530
Downtown Specific Plan	5.4	-	66,000
Corporate Campus Specific Plan	26.3	232 ¹	1,145,628
199 North Continental Boulevard Specific Plan	46.5	-	2,550,000
222 Kansas Street Specific Plan	-	-	-
888 No. Sepulveda Boulevard Specific Plan	1.75	-	70,132
El Segundo South Campus Specific Plan	4.65	-	121,532
Parking	2.98	-	206,710
Light Industrial	-	-	-
Heavy Industrial	142.28	-	4,231,547
Public Facilities	11.8 9.95	-	-
Federal Government	213.82	-	16,190,266
Open Space	1001	-	- ²
Parks	87.9	-	-
Street and Railroad R.O.W	90.6	-	-
Totals	77.0	-	-
Population Projection	50	-	-
	442.6	-	-
Totals	3,497	8,089 8,352	58,301,758 60,290,806

1 Existing construction and recently constructed, renovated commercial centers and legal non-conforming residential uses at densities that are currently higher than allowed by the land use designations in this plan will not realistically be converted to mixed commercial/residential uses and these buildings are expected to remain for the life of the Plan.

2 The heavy industrial shown on this plan includes the Chevron Refinery and former Southern California Edison Generation Station. These facilities have processing equipment and tanks rather than buildings and are expected to remain for the life of the Plan. Therefore, no estimated building square footage is shown.

3 This number represents the maximum number of dwelling units that can be developed in Option 1 of the 540 East Imperial Avenue Specific Plan. If Option 1 is not built, the maximum number of units that can be developed in Option 2 of the 540 East Imperial Avenue Specific Plan is 58 residential dwelling units.





City of El Segundo

Pacific Coast Commons Specific Plan
Proposed Specific Plan and General Plan



VESTING TENTATIVE TRACT MAP No. 82806

FOR MERGER, SUBDIVISION AND RESIDENTIAL/COMMERCIAL CONDOMINIUM PURPOSES

EXCEPTIONS

- (PER CHICAGO TITLE INSURANCE COMPANY ORDER No. 00107022-994-LT2-DB DATED MARCH 22, 2019)
1. WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT DISCLOSED BY THE PUBLIC RECORDS.
 2. THE RESERVATION OF THE SOUTH 25 FEET OF LOT 428 OF THE NORTH 25 FEET AND THE WEST 25 FEET OF LOT 385, THE WEST 25 FEET OF LOT 386, THE WEST 25 FEET AND THE SOUTH 25 FEET OF LOT 387, AND THE NORTH 25 FEET OF LOT 430, FOR PRIVATE ROADWAYS AND TO LAY AND MAINTAIN THEREIN, WATER AND GAS PIPES, SEWERS, ELECTRIC LIGHT AND POWER, TELEGRAPH AND TELEPHONE LINES, POLES AND CONDUITS, TOGETHER WITH A PERPETUAL ENTRY THEREON FOR THE ERECTION, LAYING AND MAINTENANCE THEREOF, AND THE CONSTRUCTION AND MAINTENANCE OF CURBS, SIDEWALKS AND GUTTERS THEREON FOR THE PERPETUAL AND IRREVOCABLE USE OF THE OWNER OR OWNERS OF EACH OF THE LOTS IN SAID BLOCK 123, AND TO THEIR HEIRS OR ASSIGNS AS APPURTENANT TO EACH OF SAID LOTS, AS RESERVED BY LOS ANGELES TRUST AND SAVINGS BANK OF THE MAP OF EL SEGUNDO, RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS.
 3. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: PACIFIC-SOUTHWEST TRUST AND SAVINGS BANK
PURPOSE: ROAD
RECORDING NO: IN BOOK 4897 PAGE 284, OF OFFICIAL RECORDS
AFFECTS: PORTIONS OF THE LAND, THE EXACT LOCATION OF WHICH CAN BE DETERMINED BY EXAMINATION OF THE ABOVE-MENTIONED INSTRUMENT, WHICH CONTAINS A COMPLETE LEGAL DESCRIPTION OF THE AFFECTED PORTIONS OF SAID LAND.
SAID EASEMENT WAS SINCE BEEN ASSIGNED TO THE CITY OF EL SEGUNDO AS TO THE NORTH 25 FEET OF LOTS 385 AND 430.

4. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF EL SEGUNDO
PURPOSE: SANITARY SEWER LINES
RECORDING NO: IN BOOK 17140 PAGE 25, OF OFFICIAL RECORDS
AFFECTS: SOUTHERLY 7.5 FEET OF LOT 428
5. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS CONDEMNED BY AN INSTRUMENT,
COURT: SUPERIOR COURT
CASE NO.: 357580
PURPOSE: PUBLIC STREET AND HIGHWAY
RECORDING NO: IN BOOK 13174 PAGE 92, OF OFFICIAL RECORDS
AFFECTS: THOSE PORTIONS OF LOTS 429 AND 430, LYING EAST OF A LINE DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SAID LOT 430, WITH AS LINE THAT IS PARALLEL WITH AND 70 FEET WEST OF THE EAST LINE OF SAID LOTS; THENCE SOUTH ALONG SAID PARALLEL LINE TO A POINT THEREON DISTANT 783.85 FEET SOUTHERLY FROM THE CENTER LINE OF MARIPOSA AVENUE, 40 FEET WIDE, AS SHOWN ON SAID MAP; THENCE SOUTHERLY ALONG A CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 3050 FEET TO THE SOUTH LINE OF SAID LOT 429.
6. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF EL SEGUNDO
PURPOSE: SANITARY SEWER LINES
RECORDING NO: IN BOOK 17075 PAGE 253, OF OFFICIAL RECORDS
AFFECTS: THE SOUTHERLY 7.5 FEET OF LOT 387

7. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, A CALIFORNIA CORPORATION
PURPOSE: POLE LINES AND CONDUITS
RECORDING DATE: NOVEMBER 14, 1949
RECORDING NO: 2141, IN BOOK 31464, PAGE 123, OF OFFICIAL RECORDS
AFFECTS: PORTIONS OF THE LAND, THE EXACT LOCATION OF WHICH CAN BE DETERMINED BY EXAMINATION OF THE ABOVE-MENTIONED INSTRUMENT, WHICH CONTAINS A COMPLETE LEGAL DESCRIPTION OF THE AFFECTED PORTIONS OF SAID LAND.
8. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF EL SEGUNDO, A MUNICIPAL CORPORATION
PURPOSE: PUBLIC STREET
RECORDING DATE: SEPTEMBER 16, 1957
RECORDING NO: 3151, OF OFFICIAL RECORDS
AFFECTS: SOUTHERLY 25 FEET OF LOTS 387 AND 428 TO BE KNOWN AS HOLLY AVENUE
9. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF EL SEGUNDO, A CORPORATION
PURPOSE: PUBLIC STREET
RECORDING DATE: JANUARY 16, 1957
RECORDING NO: 2787, OF OFFICIAL RECORDS
AFFECTS: THE WEST 25.00 FEET OF LOTS 385, 386 AND 387

10. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS DELINEATED OR AS OFFERED FOR DEDICATION, ON THE MAP OF SAID TRACT/PLAT;
IN FAVOR OF: LOS ANGELES TRUST AND SAVINGS BANK AND THE OWNERS OF OTHER LOTS
PURPOSE: POLE LINES AND CONDUITS, ROADWAY AND RAILROAD TRACKS
AFFECTS: THAT PORTION OF SAID LAND AS SHOWN ON SAID MAP.
11. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: PACIFIC-SOUTHWEST TRUST AND SAVINGS BANK, A CORPORATION
PURPOSE: STREET
RECORDING DATE: JANUARY 26, 1926
RECORDING NO: IN BOOK 4571, PAGE 207, OF OFFICIAL RECORDS
AFFECTS: PORTIONS OF THE LAND, THE EXACT LOCATION OF WHICH CAN BE DETERMINED BY EXAMINATION OF THE ABOVE-MENTIONED INSTRUMENT, WHICH CONTAINS A COMPLETE LEGAL DESCRIPTION OF THE AFFECTED PORTIONS OF SAID LAND.
12. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS CONDEMNED BY AN INSTRUMENT,
COURT: SUPERIOR COURT
CASE NO.: 357580
PURPOSE: WIDENING OF ARIZONA DRIVE, NOW SEPULVEDA BOULEVARD
RECORDING DATE: JANUARY 28, 1934
RECORDING NO: IN BOOK 13174 PAGE 92, OF OFFICIAL RECORDS
AFFECTS: EASTERLY 70 FEET OF PARCELS 3& 5.

13. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF LOS ANGELES
PURPOSE: PUBLIC STREET
RECORDING DATE: JUNE 30, 1952
RECORDING NO: 2469, IN BOOK 39276, PAGE 20, OF OFFICIAL RECORDS
AFFECTS: NORTH 5 FEET OF PARCEL 3
14. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: CITY OF EL SEGUNDO
PURPOSE: PUBLIC STREET
RECORDING DATE: MARCH 9, 1953
RECORDING NO: 1936, IN BOOK 41156 PAGE 359, OF OFFICIAL RECORDS
AFFECTS: WEST 25 FEET OF LOTS 382, 383 AND 384 OF PARCEL 3
15. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION
PURPOSE: UNDERGROUND CONDUITS
RECORDING DATE: JULY 1, 1958
RECORDING NO: 3792, IN BOOK D-143 PAGE 326, OF OFFICIAL RECORDS
AFFECTS: PORTIONS OF THE LAND, THE EXACT LOCATION OF WHICH CAN BE DETERMINED BY EXAMINATION OF THE ABOVE-MENTIONED INSTRUMENT, WHICH CONTAINS A COMPLETE LEGAL DESCRIPTION OF THE AFFECTED PORTIONS OF SAID LAND.

16. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
GRANTED TO: SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION
PURPOSE: UNDERGROUND ELECTRICAL SUPPLY SYSTEMS AND COMMUNICATION SYSTEMS
RECORDING DATE: AUGUST 24, 1979
RECORDING NO: 79-947919, OF OFFICIAL RECORDS
AFFECTS: PORTIONS OF THE LAND, THE EXACT LOCATION OF WHICH CAN BE DETERMINED BY EXAMINATION OF THE ABOVE-MENTIONED INSTRUMENT, WHICH CONTAINS A COMPLETE LEGAL DESCRIPTION OF THE AFFECTED PORTIONS OF SAID LAND.
17. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
(PROPOSED) TO DEDICATE THIS AREA TO CALTRANS AND GRANT AN INGRESS/EGRESS EASEMENT THAT INCLUDES THIS SAME AREA TO BRE EL SEGUNDO PROPERTY OWNER A LLC, A DELAWARE LIMITED LIABILITY COMPANY & BRE EL SEGUNDO PROPERTY OWNER B LLC, A DELAWARE LIMITED LIABILITY COMPANY)
GRANTED TO: CITY OF EL SEGUNDO, A MUNICIPAL CORPORATION
PURPOSE: PUBLIC STREET
RECORDING DATE: AUGUST 27, 1987
RECORDING NO: 87-1377588, OF OFFICIAL RECORDS
AFFECTS: PORTIONS OF THE LAND, THE EXACT LOCATION OF WHICH CAN BE DETERMINED BY EXAMINATION OF THE ABOVE-MENTIONED INSTRUMENT, WHICH CONTAINS A COMPLETE LEGAL DESCRIPTION OF THE AFFECTED PORTIONS OF SAID LAND.
18. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT:
(TO BE QUITCLAIMED)
GRANTED TO: EL SEGUNDO LAND AND IMPROVEMENT COMPANY
PURPOSE: PIPES AND CONDUITS
RECORDING DATE: MAY 26, 1916
AFFECTS: SOUTH 2.5 FEET OF LOTS 1 AND 2 IN PARCELS 4 AND 5.

EXCEPTIONS CONT'D

- (PER CHICAGO TITLE INSURANCE COMPANY ORDER No. 00107022-994-LT2-DB DATED MARCH 22, 2019)
19. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING, BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAWS, AS SET FORTH IN THE DOCUMENT REFERRED TO IN THE NUMBERED ITEM LAST ABOVE SHOWN.
SAID COVENANTS, CONDITIONS AND RESTRICTIONS PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT THE LIEN OF ANY MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE.
 20. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT: (TO BE QUITCLAIMED)
GRANTED TO: SECURITY-FIRST NATIONAL BANK OF LOS ANGELES CALIFORNIA
PURPOSE: PUBLIC UTILITY
RECORDING DATE: FEBRUARY 05, 1934
RECORDING NO: IN BOOK 12516 PAGE 382, OF OFFICIAL RECORDS
AFFECTS: NORTHERLY 2.5 FEET OF LOT 9 IN PARCEL 4
 21. AN UNRECORDED LEASE WITH CERTAIN TERMS, COVENANTS, CONDITIONS AND PROVISIONS SET FORTH THEREIN AS DISCLOSED BY THE DOCUMENT
ENTITLED: MEMORANDUM OF LEASE
LESSOR: HACIENDA HOTEL, INC., CALIFORNIA CORPORATION
LESSEE: T-MOBILE WEST CORPORATION, A DELAWARE CORPORATION
RECORDING DATE: DECEMBER 21, 2010
RECORDING NO: 2010-1889489, OF OFFICIAL RECORDS
THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE AND OTHER MATTERS AFFECTING THE INTEREST OF THE LESSEE ARE NOT SHOWN HEREIN.

22. MATTERS CONTAINED IN THAT CERTAIN DOCUMENT
ENTITLED: MASTER COVENANT AND AGREEMENT REGARDING ON-SITE BMP MAINTENANCE
DATED: OCTOBER 16, 2014
EXECUTED BY: RUBICON B HACIENDA LLC
IN FAVOR OF: CITY OF EL SEGUNDO
RECORDING DATE: NOVEMBER 26, 2014
RECORDING NO: 2014-1274355 OF OFFICIAL RECORDS
REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.
23. MATTERS CONTAINED IN THAT CERTAIN DOCUMENT
ENTITLED: MASTER COVENANT AND AGREEMENT REGARDING MAINTENANCE AND USE OF OFF-STREET PARKING
DATED: MAY 7, 2015
EXECUTED BY: RUBICON B HACIENDA LLC
IN FAVOR OF: CITY OF EL SEGUNDO
RECORDING DATE: JULY 1, 2015
RECORDING NO: 2015-0792116 OF OFFICIAL RECORDS
REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

24. MATTERS CONTAINED IN THAT CERTAIN DOCUMENT
ENTITLED: MASTER COVENANT AND AGREEMENT REGARDING MAINTENANCE AND USE OF OFF-STREET PARKING
DATED: MAY 7, 2015
EXECUTED BY: RUBICON B HACIENDA LLC
IN FAVOR OF: CITY OF EL SEGUNDO
RECORDING DATE: JULY 1, 2015
RECORDING NO: 2015-0792117 OF OFFICIAL RECORDS
REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.
25. ANY RIGHTS, INTERESTS, OR CLAIMS WHICH MAY EXIST OR ARISE BY REASON OF THE FOLLOWING MATTERS DISCLOSED BY SURVEY,
ALTA SURVEY BY: O. K. O. ENGINEERING, INC. (MICHAEL FURLONG)
DATE: MARCH 9, 2017, LAST REVISED JUNE 2, 2017
JOB NO.: 2017-33

- A. A 0.3' ENCROACHMENT OF A BLOCK WALL LOCATED ON PARCEL 4 INTO THE STREET RIGHT OF WAY OF PALM AVENUE.
- B. AN ENCROACHMENT OF 2 POWER POLES (#1191682E & #SC10150), CROSS ARMS AND OVERHEAD WIRES ACROSS THE NORTHERLY BOUNDARY OF PARCELS 4 AND 6, TO UNDISCLOSED AMOUNTS.
- C. AN ENCROACHMENT OF POWER CROSS ARMS AND OVERHEAD WIRES ALONG THE WESTERLY BOUNDARY OF PARCEL 4, TO UNDISCLOSED AMOUNTS.
- D. A 0.5' TO 0.7' ENCROACHMENT OF A CHAIN LINK FENCE 4 INTO THE STREET RIGHT OF WAY OF PALM AVENUE.
- E. TWO OVERHEAD AREA LIGHTS CROSS THE WESTERLY BOUNDARY OF PARCEL 4.
- F. A CHAIN LINK FENCE CROSSES THE EASTERLY BOUNDARY OF PARCEL 6 AND THE NORTHERLY BOUNDARY OF PARCEL 5.
- G. AN UNRECORDED EASEMENT OR LESSER RIGHT FOR A POWER POLE (#1767353E) LOCATED ALONG THE NORTHERLY MOST SOUTHERLY BOUNDARY OF PARCEL 5.
- H. AN UNRECORDED EASEMENT OR LESSER RIGHT FOR A POWER POLE (#1667351E) LOCATED ALONG THE SOUTHERLY MOST EASTERLY BOUNDARY OF PARCEL 5.
- I. AN ENCROACHMENT OF A CONCRETE SIDEWALK ONTO PARCELS 4 AND 5 FROM THE STREET RIGHT OF WAY OF MARIPOSA AVENUE.
- J. AN 2.8' ENCROACHMENT OF A BLOCK WALL ONTO PARCEL 4, AT THE SOUTHWEST CORNER, FROM THE LAND ADJOINING THE PROPERTY TO THE WEST.
- K. AN UNRECORDED EASEMENT OR LESSER RIGHT FOR 3 TELEPHONE MANHOLES LOCATED NEAR THE NORTHEAST CORNER OF PARCEL 3.
- L. AN UNRECORDED EASEMENT OR LESSER RIGHT FOR A 2.3' X 3.3' EDISON VAULT LOCATED NEAR THE NORTHWEST PORTION OF PARCEL 3.
- M. AN UNRECORDED EASEMENT OR LESSER RIGHT FOR A POWER POLE (#1238780E) ALONG THE WESTERLY BOUNDARY OF PARCEL 3.
- N. UNIDENTIFIED 1.3' X 3.3' AND 2.2' X 4.2' PULL BOXES LOCATED ALONG THE WESTERLY BOUNDARY OF PARCEL 3.
- O. AN ENCROACHMENT OF A 9 STORY STUCCO BUILDING LOCATED ON PARCEL 3 OVER AN EASEMENT FOR ELECTRICAL UTILITY PURPOSES. SAID EASEMENT IS DESCRIBED IN ITEM 14 ABOVE (SHOWN AS ITEM # 15 HEREON).
- P. AN ENCROACHMENT OF A 5 STORY STUCCO BUILDING LOCATED ON PARCEL 3 OVER AN EASEMENT FOR ELECTRICAL UTILITY PURPOSES. SAID EASEMENT IS DESCRIBED IN ITEM 14 ABOVE (SHOWN AS ITEM # 15 HEREON).
- Q. AN ENCROACHMENT OF A SIDEWALK HANDICAP RAMP ONTO THE PROPERTY FROM THE STREET RIGHT OF WAY OF SEPULVEDA BOULEVARD AND MARIPOSA AVENUE.
- R. AN UNRECORDED EASEMENT FOR A PORTION OF SEPULVEDA BOULEVARD, PARCELS 1, 2, 3 AND 5
- S. AN ENCROACHMENT OF A 9 STORY STUCCO BUILDING LOCATED ON PARCEL 2 OVER AN EASEMENT FOR TELEPHONE UTILITY PURPOSES. SAID EASEMENT IS DESCRIBED IN ITEM 1 ABOVE (SHOWN AS ITEM # 2 HEREON).
- T. AN ENCROACHMENT OF A 9 STORY STUCCO BUILDING LOCATED ON PARCEL 2 OVER AN EASEMENT FOR UTILITY PURPOSES. SAID EASEMENT IS DESCRIBED IN ITEM 2 ABOVE (SHOWN AS ITEM # 3 HEREON).
- U. AN ENCROACHMENT OF A 9 STORY STUCCO BUILDING LOCATED ON PARCEL 2 OVER AN EASEMENT FOR ROAD PURPOSES. SAID EASEMENT IS DESCRIBED IN ITEM 6 ABOVE (SHOWN AS ITEM # 2 HEREON).
- V. AN ENCROACHMENT OR UNRECORDED EASEMENT FOR A POWER POLE (#708222H) AND GUY ANCHOR LOCATED ALONG THE NORTHERLY BOUNDARY OF PARCEL 1.
- W. INTENTIONALLY DELETED.

26. AMENDED AND RESTATED DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING GIVEN TO SECURE AN INDEBTEDNESS IN THE AMOUNT SHOWN BELOW,
AMOUNT: \$200,000,000.00
DATE: OCTOBER 2, 2018
TRUSTOR/(GRANTOR TORRANCE INN JV, LLC, A DELAWARE LIMITED LIABILITY COMPANY, BRE EL SEGUNDO PROPERTY OWNER A LLC, A DELAWARE LIMITED LIABILITY COMPANY, BRE EL SEGUNDO PROPERTY OWNER B LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND BRE EL SEGUNDO PARKING LLC, A DELAWARE LIMITED LIABILITY COMPANY
TRUSTEE: AMERICAN SECURITIES COMPANY, A CALIFORNIA CORPORATION
BENEFICIARY: WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT FOR THE LENDERS
LOAN NO: NOT SHOWN
RECORDING DATE: OCTOBER 5, 2018
RECORDING NO: 20180107591, OF OFFICIAL RECORDS
AFFECTS: THE HEREIN DESCRIBED LAND AND OTHER LAND. (NOT PLOTTED - NOT A SURVEY MATTER)

27. AMENDED AND RESTATED ASSIGNMENT OF LEASES AND RENTS
PURPOSE: UNDERGROUND ELECTRICAL SUPPLY SYSTEMS AND COMMUNICATION SYSTEMS
ASSIGNED TO: WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT FOR THE LENDERS
RECORDING DATE: OCTOBER 5, 2018
RECORDING NO: 20180107592, OF OFFICIAL RECORDS
AFFECTS: THE HEREIN DESCRIBED LAND AND OTHER LAND. (NOT PLOTTED - NOT A SURVEY MATTER)
28. MATTERS WHICH MAY BE DISCLOSED BY AN INSPECTION AND/OR BY A CORRECT ALTA/NPSLS LAND TITLE SURVEY OF SAID LAND THAT IS SATISFACTORY TO THE COMPANY, AND/OR BY INQUIRY OF THE PARTIES IN POSSESSION THEREOF.
29. ANY RIGHTS OF THE PARTIES IN POSSESSION OF A PORTION OF, OR ALL OF, SAID LAND, WHICH RIGHTS ARE NOT DISCLOSED BY THE PUBLIC RECORDS.
THE COMPANY WILL REQUIRE, FOR REVIEW, A FULL AND COMPLETE COPY OF ANY UNRECORDED AGREEMENT, CONTRACT, LICENSE AND/OR LEASE, WITH ALL SUPPLEMENTS, ASSIGNMENTS AND AMENDMENTS THERETO, BEFORE ISSUING ANY POLICY OF TITLE INSURANCE WITHOUT EXCEPTING THIS ITEM FROM COVERAGE.
THE COMPANY RESERVES THE RIGHT TO EXCEPT ADDITIONAL ITEMS AND/OR MAKE ADDITIONAL REQUIREMENTS AFTER REVIEWING SAID DOCUMENTS.

***REMAINING ITEMS ON PRELIMINARY TITLE REPORT NOT SHOWN AS PLOTTED ARE EITHER NOT PLOTTABLE, BLANKET IN NATURE OR NOT A SURVEY MATTER.

SETBACK TABLE PER CITY OF EL SEGUNDO (PROPOSED ZONING)

PACIFIC COAST HIGHWAY: BUILDING AND STRUCTURES WITHIN THE PCC MIXED-USE 1 (PCC MU-1) LAND USE DISTRICT, THE PCC COMMERCIAL-1 (PCC COM-1) LAND USE DISTRICT, THE PCC COMMERCIAL-2 (PCC COM-2) LAND USE DISTRICT, THE PCC COMMERCIAL-3 (PCC COM-3) LAND USE DISTRICT, AND THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT IN THIS SPECIFIC PLAN MUST BE SETBACK A MINIMUM OF ZERO FEET (0') FROM THE ADJOINING PUBLIC RIGHT-OF-WAY OF PACIFIC COAST HIGHWAY.
MARIPOSA AVENUE (NORTH AND SOUTH SIDES): BUILDINGS AND STRUCTURES WITHIN THE PCC COMMERCIAL-3 (PCC COM-3) LAND USE DISTRICT IN THIS SPECIFIC PLAN MUST BE SETBACK A MINIMUM OF ZERO FEET (0') FROM THE ADJOINING PUBLIC RIGHT-OF-WAY OF MARIPOSA AVENUE. BUILDINGS AND STRUCTURES WITHIN THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT IN THIS SPECIFIC PLAN MUST BE SETBACK A MINIMUM OF ZERO FEET (0') FROM THE ADJOINING PUBLIC RIGHT-OF-WAY OF MARIPOSA AVENUE.
HOLLY AVENUE: BUILDINGS AND STRUCTURES WITHIN THE PCC MIXED-USE 1 (PCC MU-1) LAND USE DISTRICT IN THIS SPECIFIC PLAN MUST BE SETBACK A MINIMUM OF ZERO FEET (0') FROM THE ADJOINING PUBLIC RIGHT-OF-WAY OF HOLLY AVENUE.
INDIANA STREET: BUILDING AND STRUCTURES WITHIN THE PCC MIXED-USE 1 (PCC MU-1) LAND USE DISTRICT, THE PCC COMMERCIAL-1 (PCC COM-1) LAND USE DISTRICT, THE PCC COMMERCIAL-2 (PCC COM-2) LAND USE DISTRICT, AND THE PCC COMMERCIAL-3 (PCC COM-3) LAND USE DISTRICT IN THIS SPECIFIC PLAN MUST BE SETBACK A MINIMUM OF ZERO FEET (0') FROM THE ADJOINING PUBLIC RIGHT-OF-WAY OF INDIANA STREET.
PALM AVENUE: BUILDINGS AND STRUCTURES WITHIN THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT IN THIS SPECIFIC PLAN MUST BE SETBACK A MINIMUM OF ZERO FEET (0') FROM THE ADJOINING PUBLIC RIGHT-OF-WAY OF PALM AVENUE.
INTERIOR SETBACKS: MINIMUM INTERIOR SETBACKS FOR BUILDINGS AND STRUCTURES IN THE PCC COMMERCIAL-1 (PCC COM-1), THE PCC COMMERCIAL-2 (PCC COM-2) AND THE PCC COMMERCIAL-3 (PCC COM-3) LAND USE DISTRICTS WITHIN THE SPECIFIC PLAN MUST BE SETBACK A MINIMUM OF ZERO FEET (0'). PARKING AND LOADING SPACES MUST MAINTAIN A MINIMUM OF ZERO FEET (0').
INTERIOR SETBACKS IN THE PCC MIXED-USE 1 (PCC MU-1) LAND USE DISTRICT: BUILDINGS AND STRUCTURES WITHIN THE PCC MIXED-USE 1 (PCC MU-1) LAND USE DISTRICT WITHIN THE SPECIFIC PLAN MUST MAINTAIN A MINIMUM OF ZERO FEET (0') FROM EACH INTERIOR LOT LINE. PARKING AND LOADING SPACES MUST MAINTAIN A MINIMUM OF ZERO FEET (0').
INTERIOR AND REAR SETBACKS IN THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT: THE APARTMENT BUILDING AND TOWNHOMES IN THE PCC MIXED-USE 2 (PCC MU-2) MUST MAINTAIN A MINIMUM OF FORTY-ONE FEET (41') FROM THE WESTERN LOT LINE. THE APARTMENT BUILDING AND TOWNHOMES MUST MAINTAIN A MINIMUM OF TEN FEET (10') AND BALCONIES, DECKS AND PATIOS MUST MAINTAIN A MINIMUM OF FIVE FEET (5') FROM ALL OTHER INTERIOR LOT LINES, EXCEPT THAT ONLY A MINIMUM OF 3 FEET (3') IS REQUIRED FROM THE INTERIOR PROPERTY LINE BETWEEN THE 2 PARCELS IN THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT. ACCESSORY BUILDINGS IN THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT MUST MAINTAIN A MINIMUM OF TEN FEET (10') FROM EACH INTERIOR OR REAR LOT LINE. STRUCTURES IN THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT WITHIN THE SPECIFIC PLAN MUST MAINTAIN A MINIMUM OF THREE FEET (3') FROM EACH INTERIOR OR REAR LOT LINE. FENCES AND WALLS MAY BE LOCATED AT ZERO FEET (0'). PARKING AND LOADING SPACES MUST MAINTAIN A MINIMUM OF ZERO FEET (0') FROM THE INTERIOR PROPERTY LINE BETWEEN THE 2 PARCELS IN THE PCC MIXED-USE 2 (PCC MU-2) LAND USE DISTRICT.
EXCEPTIONS TO SETBACK REQUIREMENTS ARE PERMITTED SUBJECT TO THE REQUIREMENTS OF ESMC § 15-2-7 OPEN SPACE AREAS AND ENCROACHMENTS, AND AS PERMITTED IN SECTIONS V(D) AND V(E) OF THIS SPECIFIC PLAN.

COMMENTS

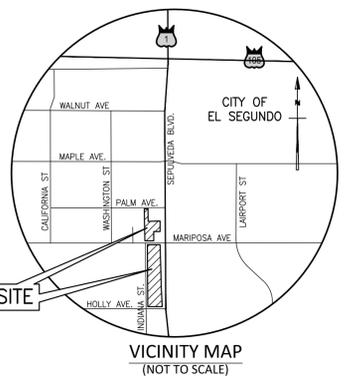
DATES OF SURVEY	MARCH 12, 14, 15, 18, 19 AND 26, 2019 APRIL 5, 6, 9, 17 AND 24, 2019 MAY 2, 2019
SITE ADDRESSES	401 N PACIFIC COAST HIGHWAY, EL SEGUNDO, CA 90245 475 N PACIFIC COAST HIGHWAY, EL SEGUNDO, CA 90245 525 N PACIFIC COAST HIGHWAY, EL SEGUNDO, CA 90245
APN NO.	4139-025-075, 4139-025-073, 074, 076, 081, 4139-025-091, 4139-024-057 & 4139-024-058
BOUNDARY LINES	WERE ESTABLISHED FROM THE RECOVERED CITY, COUNTY AND/OR PRIVATE ENGINEER MONUMENTS WHOSE CHARACTER AND SOURCE ARE SO NOTED ON THE SURVEY.
BASIS OF BEARINGS	THE BEARING OF N00°04'12"W ALONG THE CENTERLINE OF SEPULVEDA BOULEVARD AS SHOWN ON THE RIGHT-OF-WAY MAP NO. P2 3579-4, INCLUSIVE OF MAP T-14N AS THE BASIS OF BEARINGS FOR THIS SURVEY, SHOWN AS N00°06'28"W HEREON.
BENCH MARK	BM NO. L-28, CITY OF EL SEGUNDO; HOLLY @ INDIANA, LEAD & NAIL IN CURB NW COR, 5' W/W END OF CURB RETURN ELEV. = 101.48 FT, USGS DATUM ADJUSTED '62
(#)	INDICATES PRELIMINARY TITLE REPORT EXCEPTION NUMBER PLOTTED HEREON.
UTILITIES	ALL VISIBLE ABOVE-GROUND UTILITY FEATURES SHOWN ON THIS MAP WERE OBTAINED BY CONVENTIONAL MEANS. NO REPRESENTATION IS MADE AS TO THE ACCURACY OR RELIABILITY OF SAID UTILITY INFORMATION AND ANY USER OF THIS INFORMATION SHOULD CONTACT THE UTILITY OR GOVERNMENT AGENCY DIRECTLY.
FLOOD INSURANCE RATE MAP	ZONE "X" AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD RISK FLOOD INSURANCE RATE MAP (FIRM) MAP PANEL MAP NO. 06037C1770F EFFECTIVE DATE SEPTEMBER 26, 2008.

PROJECT NOTES

- THOMAS BROS. GUIDE: 732-1G
- GENERAL LAND USE: COMMERCIAL AND PARKING
- COMMUNITY PLAN AREA: NONE
- SPECIFIC PLAN AREA: PACIFIC COAST COMMONS SPECIFIC PLAN
- EXISTING UTILITIES: UNDERGROUND UTILITIES SHOWN HEREON WERE OBTAINED FROM CITY EL SEGUNDO SUBSTRUCTURE MAPS. CERTAIN UTILITIES SUCH AS TRAFFIC SIGNAL LINES AND ABANDONED LINES MAY NOT BE SHOWN HEREON.
- PROPOSED UTILITIES: SEWAGE AND DRAINAGE WILL BE PROVIDED BY THE CITY OF EL SEGUNDO INFRASTRUCTURE SYSTEMS.
- THE SITE SHALL TIE INTO EXISTING SEWER INFRASTRUCTURE.
- LOT CONFIGURATIONS AND SIZES ARE APPROXIMATE IN NATURE AND WILL BE FINALIZED DURING THE FINAL MAP PHASE.
- FINAL ELEVATION LIMITS FOR AIRSPACE LOTS TO BE DETERMINED BY ARCHITECTURAL PLANS.
- WE RESERVE THE RIGHT TO CONSOLIDATE LOTS.
- REQUEST IS MADE FOR A HAIL ROUTE.
- WE RESERVE THE RIGHT TO PHASE THE FINAL MAPS.
- THE PROPERTY COVERED BY THIS MAP IS SUBJECT TO THE GOVERNING PLANNING AND ZONING REGULATIONS, PURSUANT TO THE PROJECT APPROVALS, THE AMOUNT OF DEVELOPMENT ALLOCATED TO A PARTICULAR LOT MAY BE INCREASED OR DECREASED AS LONG AS: (1) THE OVERALL AGGREGATE MAXIMUM PROGRAM FOR THE PROJECT IS NOT EXCEEDED; (2) TRANSFERS OF DENSITY OR UNITS AMONG LOTS SHALL BE EVIDENCED BY A RECORDED AGREEMENT BETWEEN THE OWNER OF THE LOT RELINQUISHING DENSITY AND THE OWNER OF THE LOT RECEIVING DENSITY, IN ACCORDANCE WITH THE PROJECT APPROVALS, WITHOUT FURTHER AMENDMENT TO THIS MAP.
- IN ACCORDANCE WITH THE AUTHORITY OF THE SUBDIVISION MAP ACT, AND AS PROVIDED UNDER CALIFORNIA GOVERNMENT CODE SECTION 66427 (E), THE PARCELS OF REAL PROPERTY CONTAINED ON THE WITHIN MAP MAY BE FURTHER SUBDIVIDED BY MEANS OF CONDOMINIUM PLAN OR PLANS WITHOUT NEED OF FURTHER CITY OR COUNTY APPROVALS PROVIDED THAT THE TOTAL NUMBER OF CONDOMINIUM UNITS DOES NOT EXCEED _____, CONSISTING OF AN AGGREGATE OF _____ RESIDENTIAL CONDOMINIUM UNITS AND _____ COMMERCIAL CONDOMINIUM UNITS.
- PROPOSED RECIPROCAL INGRESS/EGRESS EASEMENTS (IF ANY) ARE YET TO BE DETERMINED.

PREPARED UNDER THE DIRECTION OF:

CHRISTOPHER M. JONES
CHRIS.JONES@KPFF.COM



LEGAL DESCRIPTION

(PER CHICAGO TITLE INSURANCE COMPANY ORDER No. 00107022-994-LT2-DB DATED MARCH 22, 2019)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 4139-025-075)
LOT 428 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: (APN: 4139-025-073, 074, 076, 081)
LOTS 385, 386, 387, 429 AND 430 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (APN: 4139-025-091)
LOTS 382, 383, 384, 431, 432 AND 433 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM PARCELS 1 AND 2, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM, GAS, ASPHALTUM, OTHER HYDROCARBONS AND OTHER MINERALS AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN, OR WITHDRAWING THEREFROM GAS, OIL, OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING, OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 AS INSTRUMENT NO. 480 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 4: (portion of APN: 4139-024-057)
THE WESTERLY 60 FEET OF LOTS 2 AND 9 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5: (APN: 4139-024-058)
LOTS 1, 2, 9 AND 10 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 60 FEET OF SAID LOTS 2 AND 9.
ALSO EXCEPT THEREFROM THE NORTHERLY 181.00 FEET OF SAID LOTS 1 AND 2.
ALSO EXCEPT THE SOUTH 147.03 FEET OF LOT 10.

ALSO EXCEPT THEREFROM ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM AND OTHER HYDROCARBONS, AND OTHER MINERALS IN AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN OR WITHDRAWING THEREFROM GAS, OIL OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 6: (portion of APN: 4139-024-057)
A PARCEL OF LAND SITUATE IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 113 OF EL SEGUNDO, AS PER MAP RECORDED IN BOOK 20, PAGES 114 THROUGH 115, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF SAID COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF TRACT NO. 48436, AS PER MAP RECORDED IN BOOK 1180, PAGE 68, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58' 36" EAST 60.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58' 36" EAST 151.13 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00° 03' 15" WEST 181.00 FEET; THENCE NORTH 89° 58' 36" WEST 13.11 FEET; THENCE NORTH 00° 01' 50" EAST 181.00 FEET TO THE TRUE POINT OF BEGINNING.

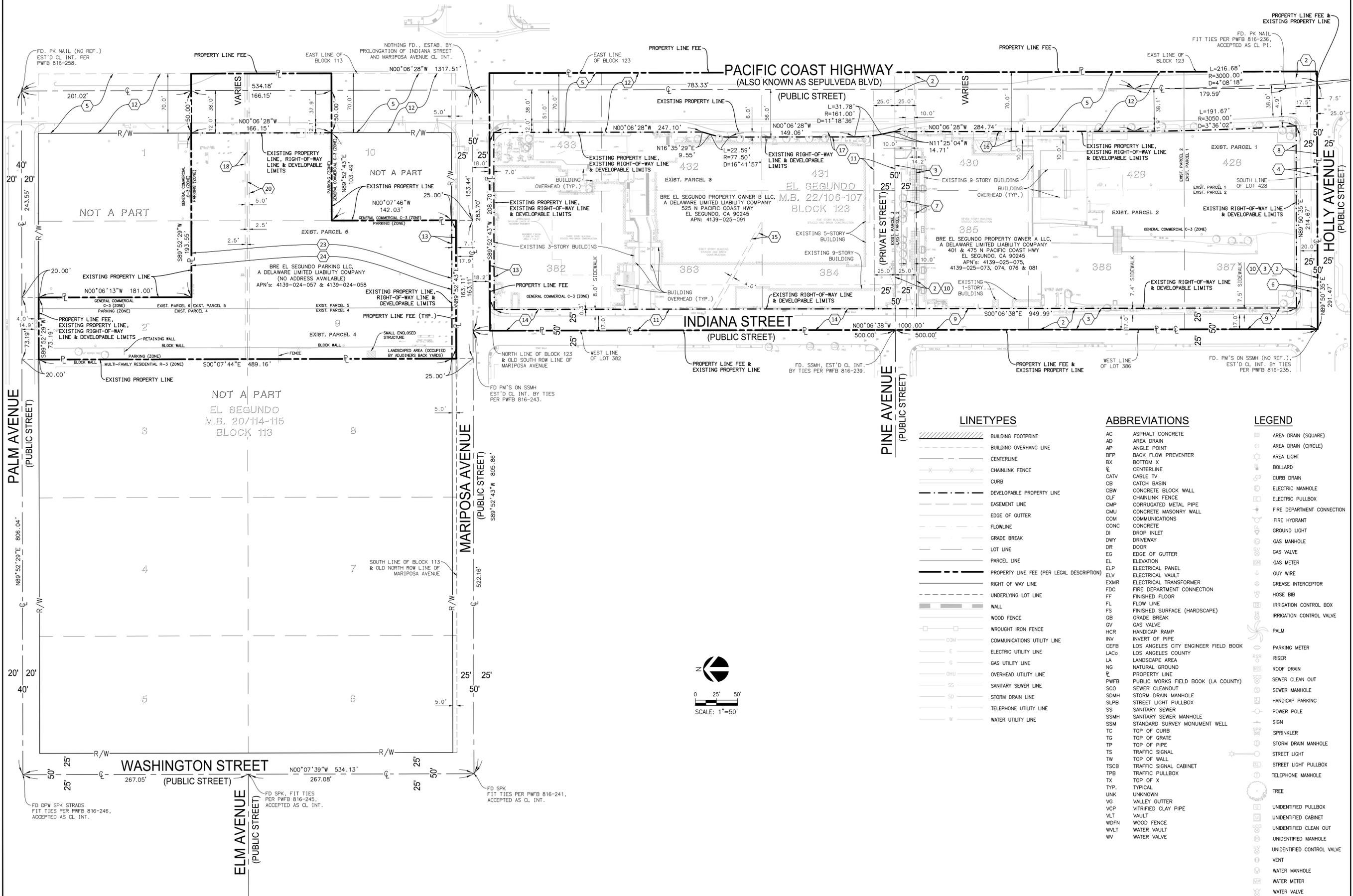
APN: 4139-025-057 thru 4139-025-058, 4139-025-073 thru 4139-025-076, 4139-025-081, 4139-025-091

SITE AREA

GROSS AREA (PER LEGAL DESCRIPTION) PROPERTY LINE FEE	
EXISTING PARCEL 1	21,954 SQ. FT. OR 0.504 ACRES
EXISTING PARCEL 2	129,884 SQ. FT. OR 2.981 ACRES
EXISTING PARCEL 3	145,756 SQ. FT. OR 3.346 ACRES
EXISTING PARCEL 4	29,650 SQ.

VESTING TENTATIVE TRACT MAP No. 82806

EXISTING CONDITIONS



LINETYPES

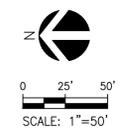
	BUILDING FOOTPRINT
	BUILDING OVERHANG LINE
	CENTERLINE
	CHAINLINK FENCE
	CURB
	DEVELOPABLE PROPERTY LINE
	EASEMENT LINE
	EDGE OF GUTTER
	FLOWLINE
	GRADE BREAK
	LOT LINE
	PARCEL LINE
	PROPERTY LINE FEE (PER LEGAL DESCRIPTION)
	RIGHT OF WAY LINE
	UNDERLYING LOT LINE
	WALL
	WOOD FENCE
	WROUGHT IRON FENCE
	COMMUNICATIONS UTILITY LINE
	ELECTRIC UTILITY LINE
	GAS UTILITY LINE
	OVERHEAD UTILITY LINE
	SANITARY SEWER LINE
	STORM DRAIN LINE
	TELEPHONE UTILITY LINE
	WATER UTILITY LINE

ABBREVIATIONS

AC	ASPHALT CONCRETE
AD	AREA DRAIN
AP	ANGLE POINT
BFP	BACK FLOW PREVENTER
BX	BOTTOM X
C	CENTERLINE
CATV	CABLE TV
CB	CATCH BASIN
CBW	CONCRETE BLOCK WALL
CLF	CHAINLINK FENCE
CMP	CORRUGATED METAL PIPE
CMU	CONCRETE MASONRY WALL
COM	COMMUNICATIONS
CONC	CONCRETE
DI	DROP INLET
DWY	DRIVEWAY
DR	DOOR
EG	EDGE OF GUTTER
EL	ELEVATION
ELP	ELECTRICAL PANEL
ELV	ELECTRICAL VAULT
EXMR	ELECTRICAL TRANSFORMER
FDC	FIRE DEPARTMENT CONNECTION
FF	FINISHED FLOOR
FL	FLOW LINE
FS	FINISHED SURFACE (HARDSCAPE)
GB	GRADE BREAK
GV	GAS VALVE
HCR	HANDICAP RAMP
INV	INVERT OF PIPE
CEFB	LOS ANGELES CITY ENGINEER FIELD BOOK
LACo	LOS ANGELES COUNTY
LA	LANDSCAPE AREA
NG	NATURAL GROUND
P	PROPERTY LINE
PWFB	PUBLIC WORKS FIELD BOOK (LA COUNTY)
SCO	SEWER CLEANOUT
SD	STORM DRAIN MANHOLE
SLPB	STREET LIGHT PULLBOX
SS	SANITARY SEWER
SSMH	SANITARY SEWER MANHOLE
SSM	STANDARD SURVEY MONUMENT WELL
TC	TOP OF CURB
TG	TOP OF GRATE
TP	TOP OF PIPE
TS	TRAFFIC SIGNAL
TW	TOP OF WALL
TSCB	TRAFFIC SIGNAL CABINET
TPB	TRAFFIC PULLBOX
TX	TOP OF X
TYP.	TYPICAL
UNK	UNKNOWN
VG	VALLEY GUTTER
VCP	VITRIFIED CLAY PIPE
VLT	VAULT
WDFN	WOOD FENCE
WVLT	WATER VAULT
WV	WATER VALVE

LEGEND

	AREA DRAIN (SQUARE)
	AREA DRAIN (CIRCLE)
	AREA LIGHT
	BOLLARD
	CURB DRAIN
	CATCH BASIN
	ELECTRIC MANHOLE
	ELECTRIC PULLBOX
	FIRE DEPARTMENT CONNECTION
	FIRE HYDRANT
	GROUND LIGHT
	GAS MANHOLE
	GAS METER
	GUY WIRE
	GREASE INTERCEPTOR
	HOSE BIB
	IRRIGATION CONTROL BOX
	IRRIGATION CONTROL VALVE
	PALM
	PARKING METER
	RISER
	ROOF DRAIN
	SEWER CLEAN OUT
	SEWER MANHOLE
	HANDICAP PARKING
	POWER POLE
	SIGN
	SPRINKLER
	STORM DRAIN MANHOLE
	STREET LIGHT
	STREET LIGHT PULLBOX
	TELEPHONE MANHOLE
	TREE
	UNIDENTIFIED PULLBOX
	UNIDENTIFIED CABINET
	UNIDENTIFIED CLEAN OUT
	UNIDENTIFIED MANHOLE
	UNIDENTIFIED CONTROL VALVE
	VENT
	WATER MANHOLE
	WATER METER
	WATER VALVE



REVISIONS	
DATE	ISSUED FOR

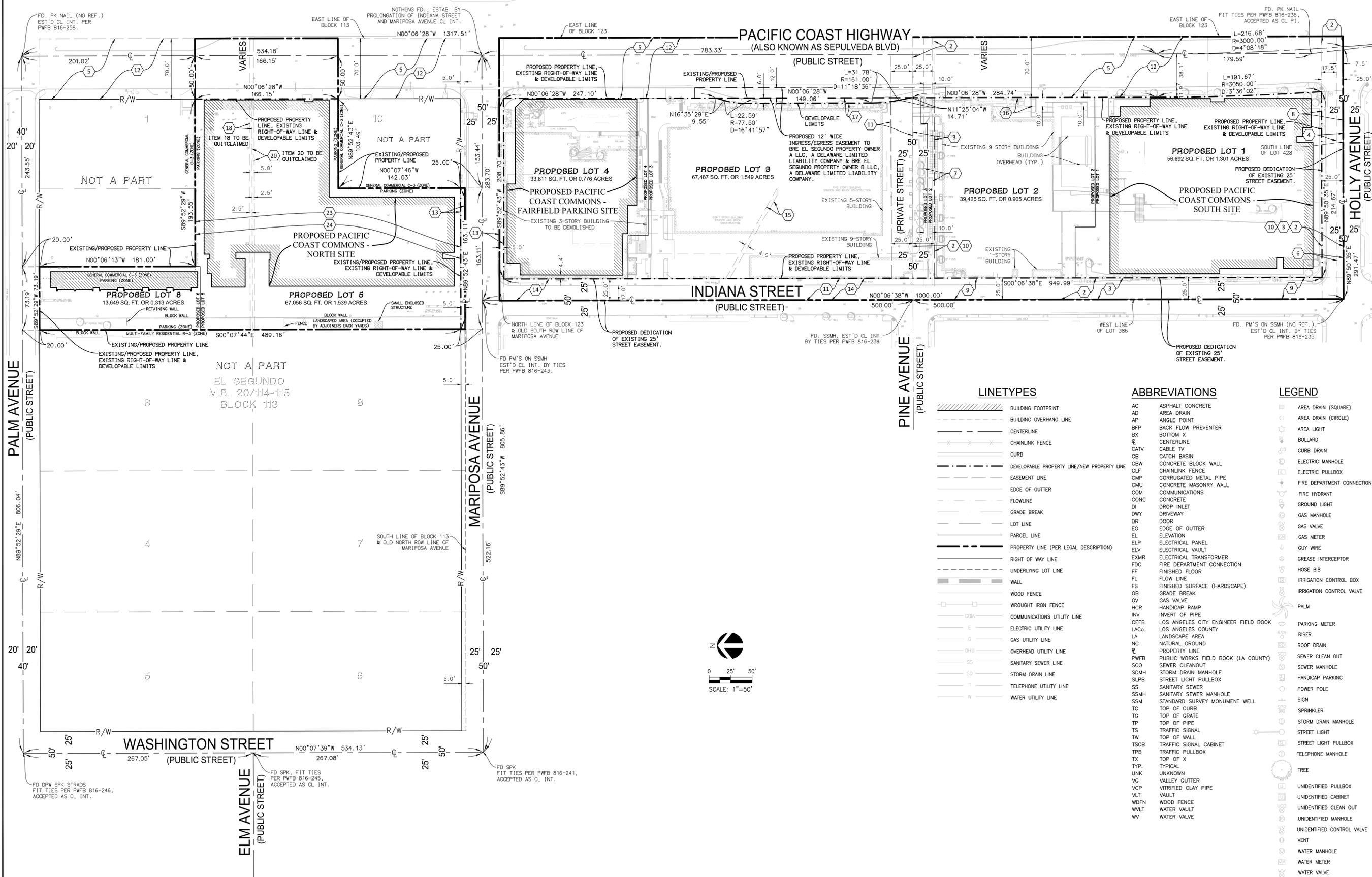
DATE	01/21/2021
PROJECT NUMBER	1800649
DRAWN BY	DB
CHECKED BY	CJ
SCALE	AS SPECIFIED

PROJECT DESCRIPTION
401, 475 & 525 N PACIFIC COAST HWY
EL SEGUNDO, CA 90245

SHEET NUMBER

VESTING TENTATIVE TRACT MAP No. 82806

PROPOSED CONDITIONS



LINETYPES

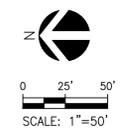
- BUILDING FOOTPRINT
- BUILDING OVERHANG LINE
- CENTERLINE
- CHAINLINK FENCE
- CURB
- DEVELOPABLE PROPERTY LINE/NEW PROPERTY LINE
- EASEMENT LINE
- EDGE OF GUTTER
- FLOWLINE
- GRADE BREAK
- LOT LINE
- PARCEL LINE
- PROPERTY LINE (PER LEGAL DESCRIPTION)
- RIGHT OF WAY LINE
- UNDERLYING LOT LINE
- WALL
- WOOD FENCE
- WROUGHT IRON FENCE
- COMMUNICATIONS UTILITY LINE
- ELECTRIC UTILITY LINE
- GAS UTILITY LINE
- OVERHEAD UTILITY LINE
- SANITARY SEWER LINE
- STORM DRAIN LINE
- TELEPHONE UTILITY LINE
- WATER UTILITY LINE

ABBREVIATIONS

- AC ASPHALT CONCRETE
- AD AREA DRAIN
- AP ANGLE POINT
- BFP BACK FLOW PREVENTER
- BX BOTTOM X
- C CENTERLINE
- CATV CABLE TV
- CB CATCH BASIN
- CBW CONCRETE BLOCK WALL
- CLF CHAINLINK FENCE
- CMF CORRUGATED METAL PIPE
- CMU CONCRETE MASONRY WALL
- COM COMMUNICATIONS
- CONC CONCRETE
- DI DROP INLET
- DWY DRIVEWAY
- DR DOOR
- EG EDGE OF GUTTER
- EL ELEVATION
- ELP ELECTRICAL PANEL
- ELV ELECTRICAL VAULT
- EMAR ELECTRICAL TRANSFORMER
- FDC FIRE DEPARTMENT CONNECTION
- FF FINISHED FLOOR
- FL FLOW LINE
- FS FINISHED SURFACE (HARDSCAPE)
- GB GRADE BREAK
- GV GAS VALVE
- HCR HANDICAP RAMP
- INV INVERT OF PIPE
- GEFB LOS ANGELES CITY ENGINEER FIELD BOOK
- LACo LOS ANGELES COUNTY
- LA LANDSCAPE AREA
- NG NATURAL GROUND
- PL PROPERTY LINE
- PWFB PUBLIC WORKS FIELD BOOK (LA COUNTY)
- SCO SEWER CLEANOUT
- SDMH STORM DRAIN MANHOLE
- SLPB STREET LIGHT PULLBOX
- SS SANITARY SEWER
- SSMH SANITARY SEWER MANHOLE
- SSM STANDARD SURVEY MONUMENT WELL
- TC TOP OF CURB
- TG TOP OF GRATE
- TP TOP OF PIPE
- TS TRAFFIC SIGNAL
- TW TOP OF WALL
- TSCB TRAFFIC SIGNAL CABINET
- TPB TRAFFIC PULLBOX
- TX TOP OF X
- TYP TYPICAL
- UNK UNKNOWN
- VG VALLEY GUTTER
- VCP VITRIFIED CLAY PIPE
- VT VAULT
- WDFN WOOD FENCE
- WLV WATER VAULT
- WV WATER VALVE

LEGEND

- AREA DRAIN (SQUARE)
- AREA DRAIN (CIRCLE)
- AREA LIGHT
- BOLLARD
- CURB DRAIN
- CATCH BASIN
- CONCRETE BLOCK WALL
- CHAINLINK FENCE
- CORRUGATED METAL PIPE
- CONCRETE MASONRY WALL
- COMMUNICATIONS
- CONCRETE
- DROP INLET
- DRIVEWAY
- DOOR
- EDGE OF GUTTER
- ELEVATION
- ELECTRICAL PANEL
- ELECTRICAL VAULT
- ELECTRICAL TRANSFORMER
- FIRE DEPARTMENT CONNECTION
- FINISHED FLOOR
- FLOW LINE
- FINISHED SURFACE (HARDSCAPE)
- GRADE BREAK
- GAS VALVE
- HANDICAP RAMP
- INVERT OF PIPE
- LANDSCAPE AREA
- NATURAL GROUND
- PROPERTY LINE
- PUBLIC WORKS FIELD BOOK (LA COUNTY)
- SEWER CLEANOUT
- STORM DRAIN MANHOLE
- STREET LIGHT PULLBOX
- SANITARY SEWER
- SANITARY SEWER MANHOLE
- STANDARD SURVEY MONUMENT WELL
- TOP OF CURB
- TOP OF GRATE
- TOP OF PIPE
- TRAFFIC SIGNAL
- TOP OF WALL
- TRAFFIC SIGNAL CABINET
- TRAFFIC PULLBOX
- TOP OF X
- TYPICAL
- UNKNOWN
- VALLEY GUTTER
- VITRIFIED CLAY PIPE
- VAULT
- WOOD FENCE
- WATER VAULT
- WATER VALVE
- AREA DRAIN (SQUARE)
- AREA DRAIN (CIRCLE)
- AREA LIGHT
- BOLLARD
- CURB DRAIN
- CATCH BASIN
- CONCRETE BLOCK WALL
- CHAINLINK FENCE
- CORRUGATED METAL PIPE
- CONCRETE MASONRY WALL
- COMMUNICATIONS
- CONCRETE
- DROP INLET
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- SANITARY SEWER MANHOLE
- STANDARD SURVEY MONUMENT WELL
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- TOP OF X
- TYPICAL
- UNKNOWN
- VALLEY GUTTER
- VITRIFIED CLAY PIPE
- VAULT
- WOOD FENCE
- WATER VAULT
- WATER VALVE



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401, 475 & 525 N PACIFIC COAST HWY
EL SEGUNDO, CA 90245

SHEET NUMBER

SHEET 3 OF 3



MEMORANDUM

Date: February 17, 2021

To: Lionel Uhry, Mar Ventures

From: Vivian Lee and Tom Gaul

Subject: Pacific Coast Commons – Shared Parking Analysis

LA19-3078

Fehr & Peers conducted a shared parking analysis for the proposed Pacific Coast Commons (PCC) development. The objective of the shared parking analysis is to assess the potential parking demand of each of the three various sites of the project at full buildout to determine whether the proposed supply is adequate to meet peak demand. This report outlines the methodology used for the shared parking analysis, as well as the methodology used to determine the parking ratios used for the hotel and the residential land uses that is used in the shared parking analysis.

PROJECT DESCRIPTION

Pacific Coast Commons is proposed mixed-use development in the City of El Segundo consisting of 263 residential dwelling units and 11,000 square feet of commercial space. The project is just over ½-mile from the Metro Mariposa Green Line Station and is also serviced by several bus routes including two local Metro (Route 232 and 625), one local Beach Cities Transit (109), and two LADOT Commuter Express (Route 438, 574) routes. The residential buildings would provide a mix of 91 studio, 119 one-bedroom, and 47 two-bedroom units with parking provided in new parking structures. Six townhouse-style units are also proposed, each of which would provide individual garages. For the purpose of this analysis, the project is separated into three different sites, as follows:

- PCC North Site [Land Use Area 5]
 - 143 residential units (137 apartments & 6 townhomes)
 - 47 Studios
 - 67 One-Bedrooms
 - 23 Two-Bedrooms
 - 2,223 square feet of retail space
 - 253 total parking spaces
 - 241 parking spaces
 - 12 townhome parking spaces in individual garages

- PCC Fairfield Site [Land Use Area 3 & 4]
 - Fairfield Hotel (350 rooms, already in operation)
 - 3,273 square feet of retail space
 - 215 replacement parking spaces for the Fairfield Hotel



- PCC South Site [Land Use Area 1 & 2]
 - 120 residential units
 - 44 Studios
 - 52 One-Bedrooms
 - 24 Two-Bedrooms
 - 5,756 square feet of commercial space
 - 2,056 square feet of retail space
 - 3,700 square feet of fast casual restaurant
 - Aloft Hotel (246 rooms, already in operation)
 - 336 parking spaces

PARKING DEMAND MODEL

The shared parking analysis was conducted using methodology provided in the Urban Land Institute's (ULI) *Shared Parking, 2nd Edition*.¹ The model was calibrated and adjusted based on the current parking demand for the existing hotels at the site based on the empirical parking counts conducted in May 2019 and ITE parking ratios for multifamily residential properties. These include adjustments to specific base parking rates and time-of-day occupancy factors.

BACKGROUND ON URBAN LAND INSTITUTE'S SHARED PARKING

ULI sponsored a national study in 1984 that established a basic methodology for analyzing parking demand in mixed-use developments and developed averages for parking rates by land use. Fehr & Peers staff was involved in the 2004 update of this national study sponsored by ULI. The analysis presented in this memorandum uses data from the updated *Shared Parking, 2nd Edition* report.

Shared parking is a concept in which land uses in close proximity share a "pool" of available parking spaces in order to reduce the overall supply needed for the development as a whole. Shared parking is practical in situations where variations exist in vehicles by hour, by day, or season at individual land uses.

In the shared parking methodology, the base parking rate and daily/hourly/seasonal patterns for each land use are established, and then the overall parking demand is calculated by taking into account the unique travel characteristics of the project being analyzed. In this analysis, certain adjustments were made to the base parking rate and time-of-day occupancy factor.

The calibrated model was then used to estimate peak parking demand for the peak month of the year for each project site.

¹ *Shared Parking*. Urban Land Institute. (2004). <https://uli.bookstore.ipgbook.com/shared-parking-products-9780874202328.php>



PARKING DEMAND ASSUMPTIONS

To determine the parking demand for Pacific Coast Commons, the following assumptions were made:

- Each of the three garages can be utilized as “overflow” parking if needed due to one of the other sites parking demand exceeding its on-site supply.²
- Peak parking demand rates for the residential units was estimated based on data from the El Segundo Municipal Code parking requirements and the Institute of Transportation Engineers’ (ITE) *Parking Generation, 5th Edition*³; as discussed further below.
- The parking provided for residents of the townhouses in the individual garages were not included as part of the analysis, but guest parking for the townhouses were included in the shared parking calculation.
- The hotel peak parking demand rate was calculated using empirical data collected in May 2019 as part of this study at the Aloft and Fairfield hotels already operating onsite; as discussed further below.
- Peak parking demands for the retail and restaurant uses was estimated based on the El Segundo Municipal Code parking requirements for those uses.

RESIDENTIAL PARKING SUPPLY AND DEMAND RATE

Residential Parking Demand Research

To better understand the appropriate residential parking demand at Pacific Coast Commons, Fehr & Peers researched available data on parking demands at similar multifamily residential developments.

ITE Parking Generation Manual, 5th Edition

The Institute of Transportation Engineers published *Parking Generation, 5th Edition* in early 2019. The manual has traditionally provided parking demand rates for various land uses based on survey data collected in suburban, low-density areas. The 5th Edition includes additional survey data from Center City Core and Dense Multi-Use Urban locations as well. The latest survey information differentiates whether the survey data was collected within close proximity (½ mile) to rail transit. While the report does not provide authoritative findings, recommendations, or standards on parking demand, it is often referenced by planners and designers in making parking supply estimations and decisions.

Table 1 summarizes the parking supply recommendations from ITE for mid-rise multifamily housing developments. The General Urban/Suburban not within ½ mile of rail transit rates are the most conservative, although it should be noted that Pacific Coast Commons is located approximately ½ mile from the Metro Green Line Mariposa Station.

² Based on Conditional Use Permits approved by the El Segundo Planning Commission on October 9, 2014.

³ *Parking Generation, 5th Edition*. Institute of Transportation Professionals. (2019). <https://www.ite.org/technical-resources/topics/trip-and-parking-generation/>



Table 1: Mid-Rise Multifamily Apartment Parking Generation Rates

Setting	Proximity to Rail Transit	Per Dwelling Unit	Per Bedroom
Center City Core	Within ½ mile of rail transit	1.1	1.0
Dense Multi-Use Urban	Within ½ mile of rail transit	1.2	0.9
	Not within ½ mile of rail transit	1.2	0.8
General Urban/Suburban	Within ½ mile of rail transit	1.5	0.8
	Not within ½ mile of rail transit	1.7	1.0

Palo Alto Multifamily Parking Demand Rate Study

Fehr & Peers conducted a study in April 2018 to provide the City of Palo Alto with parking demand rate data for multifamily developments. This report includes information from available reports, documents, studies, and the results of parking surveys conducted at multifamily developments as part of this study. Empirical data informed the parking demand rate information for market rate, affordable, and senior housing projects, as well as the change in parking demand when located near a robust transit system.

To begin, Fehr & Peers reviewed several reports and studies that included parking demand rates for multifamily market rate, affordable, and senior residential developments in the Bay Area. Fehr & Peers also conducted new parking surveys at nine multifamily complexes in the City of Palo Alto. Available information about each site, such as the number of units, walking distance (½ mile) to the nearest rail station, type of rail service, peak parking demand, parking supply and demand rates were documented. Parking occupancy surveys were conducted to count the numbers of parked vehicles by space type on a weekday (Tuesday, Wednesday, or Thursday) at three time periods (midday, evening, and late night – after midnight) and on a weekend day at two time periods (midday and late night).

Relevant conclusions for Pacific Coast Commons from the data collection effort, which includes all prior studies and the Palo Alto surveys are:

- For Market Rate units, the average surveyed parking demand rate is approximately 0.75 spaces per bedroom
 - Proximity to transit can reduce the rate by approximately 25 percent

El Segundo Municipal Code Parking Requirements

The El Segundo Municipal Code provides the number of required on-site parking spaces for the different land uses allowed within the city. Section 15-15-6 presents the following requirements for multifamily developments:

- Two spaces per dwelling unit
- One guest space for every 3 units (3-5 units = 1 visitor space, 6-8 units, 2 visitor spaces, etc.)



Table 2 summarizes the relevant parking data previously presented and applies it to the Pacific Coast Commons project. The table shows the projected demand based on the different parking rates.

Table 2: Summary of Parking Demand Rates

	Parking Spaces Per DU	Parking Spaces Per Bedroom	Pacific Coast Commons Parking Demand
ITE Parking Generation Manual	1.7	1.0	437 spaces (based on # of DUs); 304 spaces (based on # of bedrooms)
Palo Alto Multifamily Parking Demand Rate Study	N/A	0.75	228 spaces (based on # of bedrooms)
El Segundo Municipal Code Parking Requirements	2 per resident DU plus 1 guest space per 3 DUs	N/A	601 spaces (based on # of DUs)

Pacific Coast Commons Residential Parking Demand Rate

Based on the residential parking demand studies reviewed above, the following parking demand rates based on using a combination of ITE *Parking Generation* rates and El Segundo Municipal Parking requirements were used for the shared parking analysis:

- One resident space per bedroom
- One guest space for every 3 units (3-5 units = 1 visitor space, 6-8 units, 2 visitor spaces, etc.)

As shown in **Table 2**, this demand rate for the Pacific Coast Commons is conservative when compared to other similar projects (market rate, outside the ½ mile rail, etc.). Assuming that the demand is equal to the El Segundo Municipal Code requirements or the ITE rates based on dwelling units would likely result in an oversupply of parking and underutilization of spaces.

Table 3 shows the total parking demand based on the above demand rate.

Table 3: Pacific Coast Commons Residential Parking Demand

Land Use	Proposed Parking Rate	Size	Proposed Vehicle Spaces
Residential			
Studio	1 space/ bedroom	91 bedrooms	91
1 Bedroom	1 space/ bedroom	119 bedrooms	119
2 Bedroom	1 space/ bedroom	94 bedrooms	94
Guest	1 space/ 3 units [a]	263 units	87
Total			391



Parking demand for residents is projected to be 304 spaces. Demand for residential guests is estimated to be 87 spaces, for a total demand of 391 parking spaces.

Pacific Coast Commons Residential Parking Supply

However, the Pacific Coast Commons project is proposing to provide parking using a modified residential parking requirement, based on unit type/number of bedrooms, which is more conservative than the demand rate. The follow parking supply is proposed:

- One space per studio unit
- 1.5 spaces per one-bedroom unit
- Two spaces per two-bedroom unit
- One guest space for every 3 units (3-5 units = 1 visitor space, 6-8 units, 2 visitor spaces, etc.)

Table 4 shows the proposed parking supply based on the above modified residential parking requirements.

Table 4: Pacific Coast Commons Proposed Residential Parking Supply

Land Use	Proposed Parking Rate	Size	Proposed Vehicle Spaces
Residential			
Studio	1 space/ unit	91 units	91
1 Bedroom	1.5 space/ unit	119 units	179
2 Bedroom	2 space/ unit	47 units	94
Guest	1 space/ 3 units	263 units	87
Total			451

Based on the proposed parking supply rates, 364 total spaces would be supplied for residential tenant use. The estimated demand for the residents is 304 spaces, which projects an oversupply of 60 spaces. Guest parking would be provided in the shared pool of parking.



HOTEL PARKING DEMAND RATE

Although hotel rates are available from ITE, these rates are highly variable. Since the hotels for this project are currently in operation, Fehr & Peers conducted an empirical analysis of the existing parking demands at the Fairfield and Aloft Hotels, in place of using the ITE rates.

Existing Parking Supply

A series of parking lots currently serve the Fairfield Hotel and the Aloft Hotel. The “North” parking lot, located north of Mariposa Avenue, provides 232 parking spaces. This parking lot is currently gate controlled. The on-site parking lot at the Fairfield Hotel provides 33 parking spaces. The Aloft Hotel parking lot, located north of Holly Avenue, provides 165 parking spaces. The Conditional Use Permit for the hotels allows the Fairfield and Aloft Hotels to share the parking in the North parking lot north of Mariposa Avenue; therefore, the series of parking lots is viewed in this analysis as a system containing a total of 430 parking spaces. All parking lots are utilized by hotel guests and employees.

Existing Parking Occupancy

Parking utilization counts were conducted at the parking lots serving the Fairfield Hotel and the Aloft Hotel on Thursday, May 2nd and Sunday, May 5th, 2019, at 2:00 AM. These days and times were selected as they represent the busiest weekday night and weekend night on average for both hotels.

Table 5 shows the occupied spaces at each parking lot on both nights. On Wednesday night/early Thursday morning, the North parking lot was 53% occupied, the Fairfield on-site parking lot was 58% occupied, and the Aloft parking lot was 61% occupied. In total, the three lots combined were 56% occupied. On Saturday night/early Sunday morning, the North parking lot was 69% occupied, the Fairfield on-site parking lot was 45% occupied, and the Aloft parking lot was 56% occupied. In total, the three lots combined were 62% occupied. Count sheets can be found in **Appendix A**.



Table 5: Hotel Parking Utilization

Thursday, May 2, 2019 - 2:00 AM					
Lot	Regular	Handicap	Total Spaces Occupied	Total Spaces	% Occupied
North	123	0	123	232	53%
Fairfield	17	2	19	33	58%
Aloft	98	2	100	165	61%
Sunday, May 5, 2019 - 2:00 AM					
Lot	Regular	Handicap	Total Spaces Occupied	Total Spaces	% Occupied
North	158	1	159	232	69%
Fairfield	13	2	15	33	45%
Aloft	91	2	93	165	56%

Hotel Room Occupancy

Because of the hotels' close proximity to the Los Angeles International Airport (LAX), a portion of rooms are occupied by flight crews on any given night. On the Wednesday night, the Fairfield Hotel was 94% occupied (330 out of 350 rooms) and the Aloft Hotel was 98% occupied (242 out of 246 rooms). Of the total occupied rooms at the Fairfield and Aloft Hotels, 47% and 19% were occupied by flight crews, respectively. On the Saturday night, the Fairfield Hotel was 76% occupied (265 out of 350 rooms) and the Aloft Hotel was 75% occupied (184 out of 246 rooms). Of the total occupied rooms at the Fairfield and Aloft Hotels, 54% and 22% were occupied by flight crews, respectively. **Table 6** shows the number of total occupied rooms.



Table 6: Hotel Room Occupancy

Thursday, May 2, 2019 - 2:00 AM			
Hotel	Total Rooms Available	Total Rooms Occupied	Total % Occupied
Fairfield	350	330	94%
Aloft	246	242	98%
Sunday, May 5, 2019 - 2:00 AM			
Hotel	Total Rooms Available	Total Rooms Occupied	Total % Occupied
Fairfield	350	265	76%
Aloft	246	184	75%

Hotel Parking Demand Rates

Table 7 shows the empirical hotel parking demand rates. The parking demand rates were calculated using the total number of parking spaces occupied and total rooms occupied. Due to the Conditional Use Permit for the hotel allowing the Fairfield and Aloft Hotels to share parking in the parking lot north of Mariposa Avenue, a combined demand rate was developed across both properties. On Wednesday night, the combined demand rate was 0.42 per occupied room. On Saturday night, the combined demand rate was 0.59 per occupied room.

Table 7: Hotel Parking Demand Rate

Thursday, May 2, 2019 - 2:00 AM			
Hotel	Total Spaces Occupied	Total Rooms Occupied	Occupied Spaces per Occupied Room
Fairfield & Aloft Combined	242	572	0.42
Sunday, May 5, 2019 - 2:00 AM			
Hotel	Total Spaces Occupied	Total Rooms Occupied	Occupied Spaces per Occupied Room
Fairfield & Aloft Combined	267	449	0.59



Both hotels have a higher demand rate on the weekend than weekday, even though more rooms are occupied during the weekday. This is likely due to more families/tourists staying at the hotel during the weekends and having personal/rental cars with them. During the week, the hotel guests are more likely to be there for business and utilize ride sharing vehicles for their stay. Similarly, the flight crews which stay at the hotel often during the week do not need parking spaces.

Parking Demand at Full Hotel Occupancy

The number of spaces occupied assuming full hotel occupancy was calculated using the higher observed demand rate for the entire site, which occurred on the weekend. At the Fairfield Hotel, 207 spaces are projected to be demanded when the hotel is at full occupancy. At the Aloft Hotel, 145 spaces are projected to be demanded when the hotel is at full occupancy. This is shown in **Table 8**. The overall demand for parking is 352 spaces when both the Fairfield and Aloft are at full room capacity.

Table 8: Peak Hotel Parking Demand at Full Occupancy

Hotel	Peak Demand Rate	Hotel Rooms	Peak Parking Demand at Full Occupancy
Fairfield	0.59	350	207
Aloft	0.59	246	145
Total	0.59	596	352



SHARED PARKING ANALYSIS PARAMETERS

In order to evaluate the number of spaces needed under shared parking conditions, a number of characteristics regarding a particular development must be known. The most important of these characteristics are the mix of land uses within the project and the size of each individual land use. The other parking-related factors that must be estimated in order to determine peak parking demand by-hour are described below.

PARKING RATIO

As described earlier in the report, parking ratios for the existing hotels were developed based on the counts conducted in May 2019. For the residential land use, a combination of ITE *Parking Generation* rates and El Segundo Municipal Parking requirements were used based on the literature review discussed previously. For the commercial land uses, El Segundo Municipal Parking requirements were used.

Table 9 shows a summary of base parking rates used in the parking demand model for each of the components. The table also notes the source for each parking ratio.

Table 9: Pacific Coast Common Parking Rates

Land Use Component	Parking Rate
Aloft Hotel [1]	0.59 spaces per occupied room
Fairfield Hotel [1]	0.59 spaces per occupied room
Multifamily Residential [2]	1 space per bedroom
Residential Guest Parking [3]	1 space for every third unit
Fast Casual Restaurant [3]	1 space for each 75 ft of dining area; 1 space for each 250 ft of nondining area
Retail [3]	1 space for each 300 ft

[1] Empirical data collected onsite at the hotels on a weekday (May 2, 2019) and weekend (May 5, 2019). Parking ratio was determined by dividing the number of occupied spaces being used overnight by the number of occupied hotel rooms. A combined demand rate was developed as the Fairfield and Aloft hotels share overflow parking at the parking lot north of Mariposa Avenue.

[2] Rate was taken from *ITE Parking Generation, 5th Edition* for mid-rise multifamily apartments in general urban/suburban settings and that are not within ½ mile of rail transit.

[3] Rates from parking requirements in Section 15-15-6 of El Segundo Municipal Code.



RESIDENTIAL PARKING

Based on the projected residential demand and the modified residential parking supply, Pacific Coast Commons is projected to have an oversupply of 60 residential parking spaces. Per the *Pacific Coast Commons Specific Plan*, up to five percent of the total non-guest multi-family residential parking is permitted to be shared with commercial uses.⁴ Therefore, five non-guest multi-family residential parking spaces from the North Site and five non-guest multi-family residential spaces from the South Site will be included for use in the shared parking supply.

GUEST PARKING

In accordance with City of El Segundo Municipal Code requirements, guest parking was presumed to be provided in addition to the parking for the residential units. One guest parking space is required to be supplied for every three multifamily units.

MODE SPILT/INTERNAL CAPTURE

To be conservative for the shared parking analysis, no adjustments were made for mode spilt or internal capture.

AUTO OCCUPANCY

This shared parking analysis used the national averages for auto occupancy for all land uses. No changes were made to the ULI average auto occupancy rates.

TIME-OF-DAY PATTERNS

Time-of-day occupancy assumptions were adjusted for the Aloft and Fairfield hotels to estimate the guest and employee split during late (after 9pm) evening hours. Late evening hours are when hotel guests are anticipated to be settled into their rooms, but hotel staff is slowly decreasing into the morning hours. For other uses, ULI-recommended time-of-day factors were used.

SEASONAL VARIATIONS

The parking demand model takes into consideration the variation in activity for each of the land uses from month-to-month. ULI-recommended seasonal factors, which incorporate variations in travel during seasonal periods such as holiday shopping in the winter, were used.

⁴ *Pacific Coast Commons Specific Plan*. City of El Segundo (2021).



PARKING DEMAND PROJECTIONS

Because each of the three garages will be utilized as “overflow” parking if needed, the project was analyzed as one combined site. While each individual site’s peak parking demand occurs at different hours, it was determined that the peak parking demand for the three sites combined would occur at 10:00 PM on a weekday (in June). Shared parking analysis worksheets for each site can be found in the **Appendix B. Table 10** summarizes the proposed parking supply by site and total. **Table 11** summarizes the estimated peak demand.

Table 10: Pacific Coast Common Parking Supply

Site	Parking Supply	Residential Reserved	Shared Spaces
North	241	189	52
Fairfield	215	0	215
South	336	165	171
Total	792	354	438

Table 11: Pacific Coast Common Parking Peak Demand, Weekday, June at 10 PM

Area	Residential Demand	Shared Use Demand				Total Shared Demand	Shared Surplus/ Deficit
		Residential Guest	Hotel	Retail	Restaurant		
North	160	48	0	1	0	49	3
Fairfield	0	0	188	3	0	191	24
South	144	40	133	1	18	192	-21
Total	304	88	321	5	18	432	6

PCC NORTH SITE

As shown in **Table 10**, the project proposes 241 parking spaces for the North Site, with 189 parking spaces reserved for exclusively for residential tenant use. The remaining 52 spaces would be shared between the residential guest parking, commercial uses, and for overflow if needed from the other sites.

As summarized in **Table 11**, the North site is projected to have a peak residential parking demand of 160 parking spaces and a peak shared parking demand of 49 spaces. As such, the North site is projected to have a surplus of three shared parking spaces during the peak demand period.



PCC FAIRFIELD SITE

The Fairfield site's peak parking shared demand is estimated to be 191 spaces. As shown in **Table 11**, the project proposes 215 parking spaces, indicating sufficient supply for the anticipated demand with a surplus of 24 spaces during the peak demand period.

PCC SOUTH SITE

As shown in **Table 10**, the project proposes 336 parking spaces for the South Site, with 165 parking spaces reserved for exclusively for residential tenant use. The remaining 171 spaces would be shared between the residential guest parking, commercial uses, and for overflow if needed from the other sites. As summarized in **Table 11**, The South site is estimated to have a peak residential parking demand of 144 parking spaces and a peak shared parking demand of 192 spaces. As such, the South site would have a deficit of 21 shared parking spaces during the peak demand period. The excess demand can be accommodated by the surplus of spaces at the North and Fairfield sites, which have a combined surplus of 27 spaces.

CONCLUSION

The shared parking analysis demonstrates that sufficient parking would be provided to meet the demand of the various uses on-site.

It is anticipated that retail/restaurant patrons will be provided with free validated parking in the structures, hotel guests will continue to be charged for parking, and residents will not be charged a separate parking fee from their base rental rate. A before and after study could be conducted on the adjacent residential streets to understand if the project has an effect on street parking. Based on the results of the study and if desired by the City and the residents in the adjacent neighborhoods, a residential parking district could be implemented to deter non-residential users from parking on the street.



PROJECT CONSTRUCTION PARKING DEMAND ANALYSIS

A parking analysis was also conducted for the Pacific Coast Commons construction period to understand the parking needs of construction employees and uses on-site. Phase 1 will construct the replacement parking for the Fairfield Inn & Suites site adjacent to the existing hotel. Phase 2 will consist of the construction of the South site. Phase 3 will consist of the buildout of the North site.

Construction will be phased based on two potential timelines. The first scenario analyzed is based on a sequential timeline with three separate phases. The second scenario analyzes a construction timeline in which Phase 2 and 3 will be constructed concurrently.

The shared parking analysis in **Appendix B** was used to determine the peak parking demand for each phase during construction hours. El Segundo Municipal Code (ESMC) limits construction activities to the hours from 7:00 AM to 6:00 PM Monday through Saturday, with no construction permitted on Sundays or holidays.

SEQUENTIAL CONSTRUCTION TIMELINE

Under a sequential timeline, Phase 1 of development will construct the replacement parking and new retail for the Fairfield Inn & Suites site adjacent to the existing hotel. During Phase 1, the Aloft and Fairfield Hotels will continue to be in operation. The second phase would consist of the construction of the South site, which consists of residential, retail, and parking. During Phase 2, both hotels will continue to operate, and new retail built in Phase 1 will be occupied. The third phase of development would consist of the buildout of the North site. During Phase 3, the retail and residential built on the South site in Phase 2 is assumed to be fully occupied.

During Phase 1 of construction, Fairfield and Aloft hotel guests would continue to park at the existing surface lots at their respective sites. The existing Fairfield surface lot has 232 parking spaces and the existing Aloft surface lot has 165 parking spaces, for a total of 397 parking spaces. Peak parking demand is estimate to occur on a weekday in June at 8:00 AM during Phase 1⁵. A peak demand of 171 parking spaces for the Fairfield Hotel and 119 parking spaces for the Aloft hotel will need to be accommodated, along with a peak demand of 60 construction employee parking spaces. As shown in **Table 12**, the total anticipated demand of 350 spaces can be accommodated by the existing 397 parking spaces, with a surplus of 47 spaces.

⁵ For the purpose of this analysis, the month of June was used to determine peak parking demand for all phases of construction as it is the peak demand month and provides the most conservative results.



Table 12: Sequential Construction Phase 1 Parking Demand

Site	Retail	Hotel	Construction	Total Demand	Total Supply
North	-	-	-	-	232
Fairfield	-	171	60	231	-
South/Aloft	-	119	-	119	165
Total Overall	0	290	60	350	397

Once Phase 1 is completed, parking for the Fairfield site can be moved into the newly constructed garage, which will have 215 spaces. During Phase 2 of construction, Aloft parking can be accommodated via the existing surface lot of 232 spaces at the North site. Peak parking demand is estimated to occur on a weekday in June at 8:00 AM during Phase 2. A peak demand of 173 parking spaces for the Fairfield Hotel and newly constructed retail and 119 parking spaces for the Aloft hotel will need to be accommodated, along with a peak demand of 75 construction employee parking spaces. As shown in **Table 13**, the total demand of 367 spaces can be accommodated by the 447 parking spaces supplied, with a surplus of 80 spaces.

Table 13: Sequential Construction Phase 2 Parking Demand

Site	Retail	Hotel	Construction	Total Demand	Total Supply
North	-	-	-	-	232
Fairfield	2	171	-	173	215
South/Aloft	-	119	75	194	-
Total Overall	2	290	75	367	447

Once Phase 2 is completed, newly constructed uses will be able to park at the new South site garage of 336 spaces, in addition to the 215 spaces provided at the Fairfield garage constructed during Phase 1. Peak parking demand is estimated to occur on a weekday in June at 5:00 PM during Phase 3. A peak demand of 169 parking spaces for the Fairfield Hotel and newly constructed retail and 280 parking spaces for the uses on the South site will need to be accommodated, along with peak demand of 75 construction employee parking spaces. As shown in **Table 14**, the total demand of 524 spaces can be accommodated by the 551 parking spaces supplied, with a surplus of 27 spaces.



Table 14: Sequential Construction Phase 3 Parking Demand

Site	Residential	Retail	Hotel	Construction	Total Demand	Total Supply
North	-	-	-	75	75	-
Fairfield	-	8	161	-	169	215
South/Aloft	138	29	113	-	280	336
Total Overall	138	37	274	75	524	551

CONCURRENT CONSTRUCTION TIMELINE

Under a concurrent timeline, Phase 1 of development will construct the replacement parking and new retail for the Fairfield Inn & Suites site adjacent to the existing hotel. During Phase 1, the Aloft and Fairfield Hotels will continue to be in operation. Phase 2 and 3 would occur concurrently and would consist of the construction of the South site and the North site. During the construction of these two sites, both hotels will continue to operate, and new retail built in Phase 1 will be occupied.

During Phase 1 of construction, Fairfield and Aloft hotel guests would continue to park at the existing surface lots at their respective sites. The existing Fairfield surface lot has 232 parking spaces and the existing Aloft surface lot has 165 parking spaces, for a total of 397 parking spaces. Peak parking demand is estimated to occur on a weekday in June at 8:00 AM during Phase 1. A peak demand of 171 parking spaces for the Fairfield Hotel and 119 parking spaces for the Aloft hotel will need to be accommodated, along with a peak demand of 60 construction employee parking spaces. As shown in **Table 15**, the total demand of 350 spaces can be accommodated by the existing 397 parking spaces, with a surplus of 47 spaces.

Table 15: Concurrent Construction Phase 1 Parking Demand

Site	Retail	Hotel	Construction	Total Demand	Total Supply
North	-	-	-	-	232
Fairfield	-	171	60	231	-
South/Aloft	-	119	-	119	165
Total Overall	0	290	60	350	397



Once Phase 1 is completed, the Fairfield site will have 215 parking spaces. Because construction of Phase 2 and 3 occur concurrently under this scenario, the newly constructed garage for the Fairfield Hotel under Phase 1 will be the only parking available. Peak parking demand is estimated to occur on a weekday in June at 8:00 AM during the concurrent construction of Phase 2 and 3. A peak demand of 171 parking spaces for the Fairfield Hotel and newly constructed retail and 119 parking spaces for the Aloft hotel will need to be accommodated, along with a peak demand of 150 construction employee parking spaces. As shown in **Table 16**, the total demand of 442 spaces cannot be accommodated by the 215 parking spaces supplied, with a deficit of 227 spaces.

In order to accommodate the excess demand in parking during the concurrent construction of Phase 2 and 3, sufficient off-site parking with transport to and from the project site would need to be provided for hotel guests and employees, and construction employees.

Table 16: Concurrent Construction Phase 2/3 Parking Demand

Site	Retail	Hotel	Construction	Total Demand	Total Supply
North	-	-	75	75	-
Fairfield	2	171	-	173	215
South/Aloft	-	119	75	194	-
Total Overall	2	290	150	442	215

**APPENDIX A:
COUNT SHEETS**

Parking Study

Location: 475 North/525 North Pacific Coast Highway
City: El Segundo, LA

Date: 5/2/2019
Day: Thursday

Lot	Restriction	2:00 AM
North	Regular	123
North	Handicap	0
Fairfield	Regular	17
Fairfield	Handicap	2
Aloft	Regular	98
Aloft	Handicap	2

Parking Study

Location: 475 North/525 North Pacific Coast Highway
City: El Segundo, LA

Date: 5/5/2019
Day: Sunday

Lot	Restriction	2:00 AM
North	Regular	158
North	Handicap	1
Fairfield	Regular	13
Fairfield	Handicap	2
Aloft	Regular	91
Aloft	Handicap	2

APPENDIX B:
SHARED PARKING ANALYSIS WORKSHEETS

**Project Sitewide Peak Hour Parking Demand Determination
Appendix B**

Weekday Estimated Peak-Hour Parking Demand																			
Site	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
North	189	194	200	201	203	203	204	204	204	204	204	213	223	242	241	240	238	227	213
Fairfield	149	154	173	159	150	152	146	146	153	152	160	169	177	177	182	177	191	195	181
South	280	294	313	308	305	307	304	301	298	295	300	323	337	353	358	350	357	350	320
Total	618	642	686	668	658	662	654	651	655	651	664	705	737	772	781	767	786	772	714
Weekend Estimated Peak-Hour Parking Demand																			
Site	6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
North	189	199	199	201	202	203	203	204	204	204	204	213	222	241	241	240	238	228	213
Fairfield	149	155	173	159	149	151	145	145	153	153	161	168	175	175	181	177	191	195	181
South	276	292	309	307	306	306	304	300	301	294	300	319	335	351	353	343	350	343	316
Total	614	646	681	667	657	660	652	649	658	651	665	700	732	767	775	760	779	766	710

June																				
North Site - Weekday Estimated Peak-Hour Parking Demand																				
		6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
Community Shopping Center (<400 ksf)	67%	-	-	1	1	3	3	4	4	4	4	4	4	4	4	3	2	1	-	-
Employee	80%	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-
Residential Demand	100%	160	144	136	128	120	112	104	112	112	112	120	136	144	155	157	158	160	160	160
Reserved	100%	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189
Guest	100%	-	5	10	10	10	10	10	10	10	10	10	19	29	48	48	48	48	38	24
TOTAL DEMAND	Customer	-	-	1	1	3	3	4	4	4	4	4	4	4	4	3	2	1	-	-
	Employee	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-
	Reserved	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189
	Guest	-	5	10	10	10	10	10	10	10	10	10	19	29	48	48	48	48	38	24
		189	194	200	201	203	203	204	204	204	204	204	213	223	242	241	240	238	227	213

June																				
North Site - Weekend Estimated Peak-Hour Parking Demand																				
		6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
Community Shopping Center (<400 ksf)	67%	-	-	-	1	2	3	3	4	4	4	4	4	3	3	3	2	1	1	-
Employee	80%	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-
Residential Demand	100%	160	144	136	128	120	112	104	112	112	112	120	136	144	155	157	158	160	160	160
Reserved	100%	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189
Guest	100%	-	10	10	10	10	10	10	10	10	10	10	19	29	48	48	48	48	38	24
TOTAL DEMAND	Customer	-	-	-	1	2	3	3	4	4	4	4	4	3	3	3	2	1	1	-
	Employee	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-
	Reserved	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189
	Guest	-	10	10	10	10	10	10	10	10	10	10	10	19	29	48	48	48	48	38
		189	199	199	201	202	203	203	204	204	204	204	213	222	241	241	240	238	228	213

June																				
Fairfield Site - Weekday Estimated Peak-Hour Parking Demand																				
		6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
Community Shopping Center (<400 ksf)	67%	-	-	1	2	4	5	6	6	6	5	5	6	6	6	5	3	2	1	-
Employee	80%	-	-	1	1	1	2	2	2	2	2	2	2	2	2	1	1	1	-	-
Hotel-Business	100%	146	138	123	108	92	92	85	85	92	92	100	108	116	116	123	131	146	154	154
Employee	100%	3	16	48	48	53	53	53	53	53	53	53	53	53	53	53	42	42	40	27
TOTAL DEMAND	Customer	146	138	124	110	96	97	91	91	98	97	105	114	122	122	128	134	148	155	154
	Employee	3	16	49	49	54	55	55	55	55	55	55	55	55	55	54	43	43	40	27
	Reserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ULI Base Data Has Been Modified.		149	154	173	159	150	152	146	146	153	152	160	169	177	177	182	177	191	195	181

June																				
Fairfield Site - Weekend Estimated Peak-Hour Parking Demand																				
		6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
Community Shopping Center (<400 ksf)	67%	-	-	1	2	3	4	5	5	6	6	6	5	5	5	4	3	2	1	-
Employee	80%	-	-	1	1	1	2	2	2	2	2	2	2	1	1	1	1	1	-	-
Hotel-Business	100%	146	139	123	108	92	92	85	85	92	92	100	108	116	116	123	131	146	154	154
Employee	100%	3	16	48	48	53	53	53	53	53	53	53	53	53	53	53	42	42	40	27
TOTAL DEMAND	Customer	146	139	124	110	95	96	90	90	98	98	106	113	121	121	127	134	148	155	154
	Employee	3	16	49	49	54	55	55	55	55	55	55	55	54	54	54	43	43	40	27
	Reserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ULI Base Data Has Been Modified.		149	155	173	159	149	151	145	145	153	153	161	168	175	175	181	177	191	195	181

June																				
South Site - Weekday Estimated Peak-Hour Parking Demand																				
		6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
Community Shopping Center (<400 ksf)	67%	-	-	1	1	2	3	3	3	3	3	3	3	3	3	2	1	-	-	
Employee	80%	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	
Family Restaurant	95%	6	12	14	18	20	21	24	21	12	11	11	18	19	19	19	14	13	12	6
Employee	100%	4	5	6	6	7	7	7	7	7	5	5	7	7	7	7	6	5	5	2
Hotel-Business	100%	103	97	86	76	65	65	59	59	65	65	70	76	81	81	86	92	103	108	108
Employee	100%	2	11	33	33	37	37	37	37	37	37	37	37	37	37	37	30	30	28	19
Residential Reserved	100%	144	130	122	115	108	101	94	101	101	101	108	122	130	140	141	143	144	144	144
Reserved	100%	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165
Guest	100%	-	4	8	8	8	8	8	8	8	8	8	16	24	40	40	40	40	32	20
TOTAL DEMAND	Customer	109	109	101	95	87	89	86	83	80	79	84	97	103	103	108	108	117	120	114
	Employee	6	16	39	40	45	45	45	45	45	43	43	45	45	45	45	37	35	33	21
	Reserved	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165
	Guest	-	4	8	8	8	8	8	8	8	8	8	16	24	40	40	40	40	32	20
ULI Base Data Has Been Modified.		280	294	313	308	305	307	304	301	298	295	300	323	337	353	358	350	357	350	320

June																				
South Site - Weekend Estimated Peak-Hour Parking Demand																				
		6 AM	7 AM	8 AM	9 AM	10 AM	11 AM	12 PM	1 PM	2 PM	3 PM	4 PM	5 PM	6 PM	7 PM	8 PM	9 PM	10 PM	11 PM	12 AM
Community Shopping Center (<400 ksf)	67%	-	-	-	1	2	2	3	3	3	3	3	3	3	3	2	2	1	1	-
Employee	80%	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	
Family Restaurant	95%	2	6	11	17	21	21	24	20	15	10	11	14	17	17	15	7	6	4	2
Employee	100%	4	5	6	6	7	7	7	7	7	5	5	7	7	7	7	6	5	5	2
Hotel-Business	100%	103	97	86	76	65	65	59	59	65	65	70	76	81	81	86	92	103	108	108
Employee	100%	2	11	33	33	37	37	37	37	37	37	37	37	37	37	37	30	30	28	19
Residential Reserved	100%	144	130	122	115	108	101	94	101	101	101	108	122	130	140	141	143	144	144	144
Reserved	100%	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165
Guest	100%	-	8	8	8	8	8	8	8	8	8	8	16	24	40	40	40	40	32	20
TOTAL DEMAND	Customer	105	103	97	94	88	88	86	82	83	78	84	93	101	101	103	101	110	113	110
	Employee	6	16	39	40	45	45	45	45	45	43	43	45	45	45	45	37	35	33	21
	Reserved	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165	165
	Guest	-	8	8	8	8	8	8	8	8	8	8	16	24	40	40	40	40	32	20
ULI Base Data Has Been Modified.		276	292	309	307	306	306	304	300	301	294	300	319	335	351	353	343	350	343	316

PACIFIC COAST COMMONS SHARED PARKING DEMAND SUMMARY (NORTH SITE)

PEAK MONTH: JUNE -- PEAK PERIOD: 10 PM, WEEKDAY

Projected Parking Supply:		241 Stalls		Weekday				Weekday		
Land Use	Project Data		Base Rate	Mode Adj	Non-Captive Ratio	Project Rate	Unit	Peak Hr Adj	Peak Mo Adj	Estimated Parking Demand
	Quantity	Unit						10 PM	June	
Community Shopping Center (<400 ksf)	2,223	sf GLA	2.67	1.00	1.00	2.67	/ksf GLA	0.30	0.67	1
Employee			0.66	1.00	1.00	0.66	/ksf GLA	0.40	0.80	0
Residential Demand	137	units	1.17	1.00	1.00	1.17	/unit	1.00	1.00	160
Reserved	1.38	sp/unit	1.38	1.00	1.00	1.38	/unit	1.00	1.00	189
Guest	143	units	0.33	1.00	1.00	0.33	/unit	1.00	1.00	48
ULI base data have been modified from default values.								Customer		1
								Employee		0
								Residential Reserved		189
								Residential Guest		48
								Total		238

PACIFIC COAST COMMONS SHARED PARKING DEMAND SUMMARY (FAIRFIELD SITE)

PEAK MONTH: JUNE -- PEAK PERIOD: 10 PM, WEEKDAY

Projected Parking Supply:		215 Stalls		Weekday				Weekday		
Land Use	Project Data		Base Rate	Mode Adj	Non-Captive Ratio	Project Rate	Unit	Peak Hr Adj	Peak Mo Adj	Estimated Parking Demand
	Quantity	Unit						10 PM	June	
Community Shopping Center (<400 ksf)	3,273	sf GLA	2.67	1.00	1.00	2.67	/ksf GLA	0.30	0.67	2
Employee			0.66	1.00	1.00	0.66	/ksf GLA	0.40	0.80	1
Hotel-Business	350	rooms	0.44	1.00	1.00	0.44	/rooms	0.95	1.00	146
Employee			0.15	1.00	1.00	0.15	/rooms	0.80	1.00	42
<p>ULI base data have been modified from default values.</p>								Customer		148
								Employee		43
								Total		191

PACIFIC COAST COMMONS SHARED PARKING DEMAND SUMMARY (SOUTH SITE)

PEAK MONTH: JUNE -- PEAK PERIOD: 10 PM, WEEKDAY

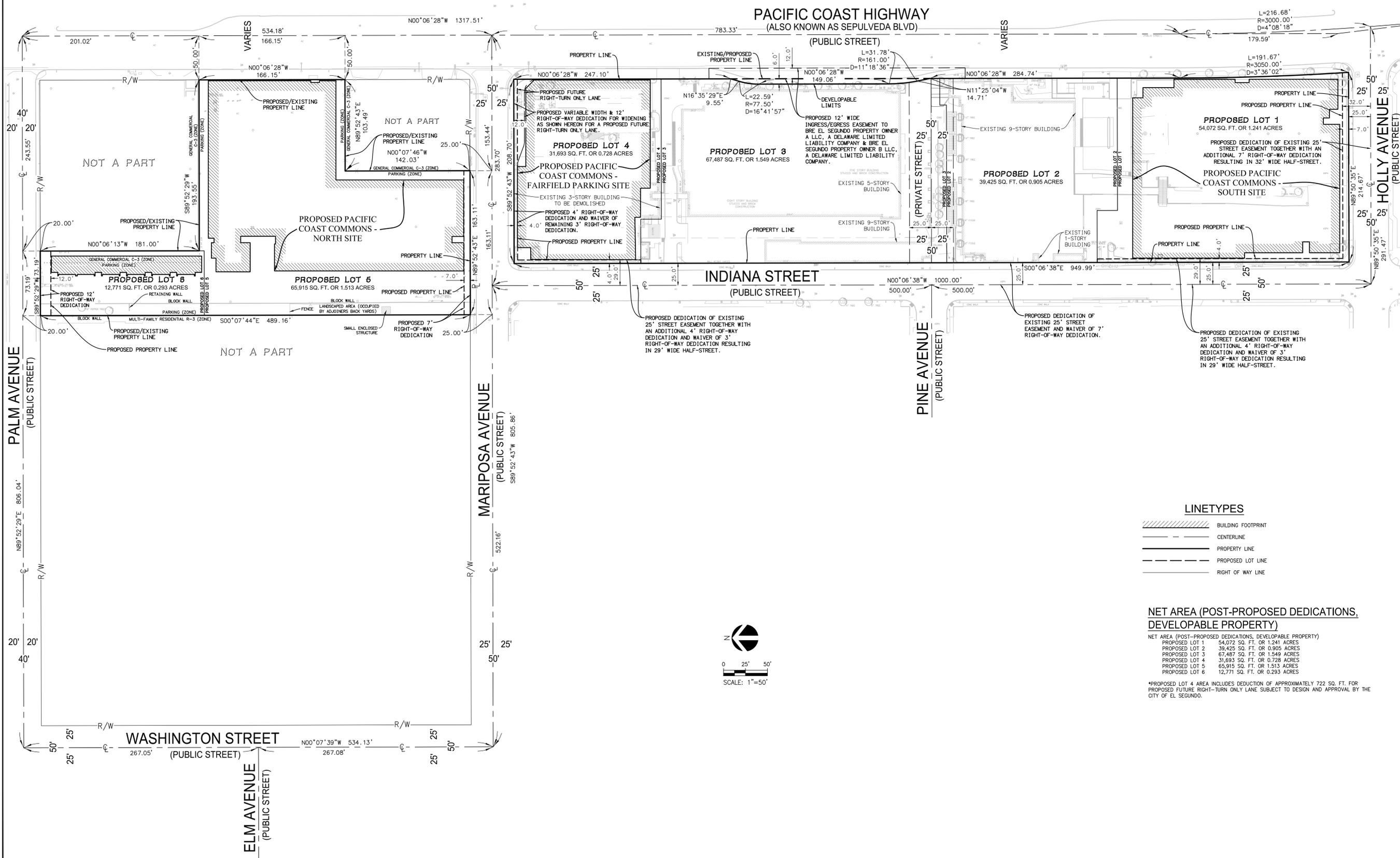
Projected Parking Supply: 336 Stalls			Weekday					Weekday		
Land Use	Project Data		Base Rate	Mode Adj	Non-Captive Ratio	Project Rate	Unit	Peak Hr Adj	Peak Mo Adj	Estimated Parking Demand
	Quantity	Unit						10 PM	June	
Community Shopping Center (<400 ksf) Employee	2,056	sf GLA	2.67	1.00	1.00	2.67	/ksf GLA	0.30	0.67	1
			0.66	1.00	1.00	0.66	/ksf GLA	0.40	0.80	0
Family Restaurant Employee	3,700	sf GLA	6.67	1.00	1.00	6.67	/ksf GLA	0.55	0.95	13
			2.00	1.00	1.00	2.00	/ksf GLA	0.65	1.00	5
Hotel-Business Employee	246	rooms	0.44	1.00	1.00	0.44	/rooms	0.95	1.00	103
			0.15	1.00	1.00	0.15	/rooms	0.80	1.00	30
Residential Demand	120	units	1.20	1.00	1.00	1.20	/unit	1.00	1.00	144
	1.38	sp/unit	1.38	1.00	1.00	1.38	/unit	1.00	1.00	165
	120	units	0.33	1.00	1.00	0.33	/unit	1.00	1.00	40
ULI base data have been modified from default values.								Customer		117
								Employee		35
								Residential Reserved		165
								Residential Guest		40
								Total		357

PROPOSED STREET DEDICATION PLAN

EXHIBIT NO. H



700 FLOWER ST., Suite 2100
Los Angeles, CA 90017
O: 213.418.0201
F: 213.266.5294
www.kpff.com



LINETYPES

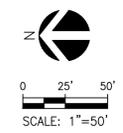
- BUILDING FOOTPRINT
- CENTERLINE
- PROPERTY LINE
- PROPOSED LOT LINE
- RIGHT OF WAY LINE

NET AREA (POST-PROPOSED DEDICATIONS, DEVELOPABLE PROPERTY)

NET AREA (POST-PROPOSED DEDICATIONS, DEVELOPABLE PROPERTY)

PROPOSED LOT 1	54,072 SQ. FT. OR 1.241 ACRES
PROPOSED LOT 2	39,425 SQ. FT. OR 0.905 ACRES
PROPOSED LOT 3	67,487 SQ. FT. OR 1.549 ACRES
PROPOSED LOT 4	31,693 SQ. FT. OR 0.728 ACRES
PROPOSED LOT 5	65,915 SQ. FT. OR 1.513 ACRES
PROPOSED LOT 6	12,771 SQ. FT. OR 0.293 ACRES

*PROPOSED LOT 4 AREA INCLUDES DEDUCTION OF APPROXIMATELY 722 SQ. FT. FOR PROPOSED FUTURE RIGHT-TURN ONLY LANE SUBJECT TO DESIGN AND APPROVAL BY THE CITY OF EL SEGUNDO.



REVISIONS	
DATE	ISSUED FOR

DATE	01/22/2021
PROJECT NUMBER	1800649
DRAWN BY	DB
CHECKED BY	CJ
SCALE	AS SPECIFIED
PROJECT DESCRIPTION	
401, 475 & 525 N PACIFIC COAST HWY EL SEGUNDO, CA 90245	

SHEET NUMBER

SHEET 1 OF 1

ORDINANCE NO. _____

AN ORDINANCE APPROVING ZONE CHANGE AND ZONING MAP AMENDMENT NO. 19-01, SPECIFIC PLAN NO. SP 19-01, ZONE TEXT AMENDMENT NO. ZTA 19-08, AND DEVELOPMENT AGREEMENT NO. DA 19-02 FOR THE PACIFIC COAST COMMONS SPECIFIC PLAN AND PACIFIC COAST COMMONS MIXED-USE PROJECT AT 475-629 PACIFIC COAST HIGHWAY.

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

SECTION 1: The Council finds and declares as follows:

- A. On May 31, 2019, BRE El Segundo Holdco, LLC, submitted applications for an Environmental Assessment (EA No. 1248), General Plan Amendment and General Plan Map Amendment No. GPA 19-01, Specific Plan No. SPA 19-01, Zone Change and Zoning Map Amendment No. ZC 19-01, Zone Text Amendment No. ZTA 19-08, Development Agreement No. DA 19-02, and Subdivision No. SUB 19-03 for Vesting Tentative Map No. 82806 for the Pacific Coast Commons Specific Plan and Pacific Coast Commons Mixed-Use Project at 475-629 North Pacific Coast Highway (“Project”);
- B. The project applications were reviewed by the City’s Development Services Department for, in part, consistency with the General Plan and conformity with the ESMC;
- C. The City reviewed the project’s environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, “CEQA”), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq.*, the “CEQA Guidelines”);
- D. An Environmental Impact Report (EIR) was prepared pursuant to the requirements of CEQA and the CEQA Guidelines;
- E. On November 18, 2021, December 9, 2021 and February 10, 2022, the Planning Commission held duly-noticed public hearings at the conclusion of which the Planning Commission adopted Resolution No. 2905 recommending the City Council certify the EIR and approve the Project including, without limitation, adopting this Ordinance;
- F. On March 15, 2022, the City Council held a public hearing and considered the information provided by City staff, public testimony, and representatives of BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC regarding this Ordinance; and
- G. 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 March 15, 2022 hearing and the staff report submitted by the Development Services Department.

SECTION 2: Environmental Assessment. Prior to adopting this Ordinance, the City Council adopted Resolution No.____certifying a Final Environmental Impact Report (FEIR), adopting Findings of Fact and a Statement of Overriding Considerations (SOC) and adopting a mitigation monitoring and reporting program (MMRP) for this Project which, among other things, properly assesses the environmental impact of this Ordinance, and the Project, in accordance with CEQA. This Ordinance incorporates by reference the environmental findings and analysis set forth in Resolution No._____.

SECTION 3: General Plan Amendment. Prior to adopting this Ordinance, the City Council adopted Resolution No.____ for General Plan Amendment No. 19-01, changing the land use designation for the property at 475-629 North Pacific Coast Highway from General Commercial and Parking to Pacific Coast Commons Specific Plan (PCCSP).

SECTION 4: Factual Findings and Conclusions. The City Council finds that the following facts exist:

- A. The subject property is located at 475-629 North Pacific Coast Highway in the northwest quadrant of the City of El Segundo.
- B. The property site is a level 6.385 gross acre site located on two blocks along Pacific Coast Highway.
- C. The project site is comprised of two blocks and is currently improved with two existing hotels and two existing paved parking lots. The block bounded by Pacific Coast Highway, Holly Avenue, Indiana Street and Mariposa Avenue is currently developed with the 350-room Fairfield Inn and Suites and the 246-room Aloft hotels totaling approximately 325,000 gross square feet combined and a paved parking lot. The portion of the project site on the block north of Mariposa Avenue and south of Palm Avenue is developed with a paved surface parking lot. No trees are located on the parking lot site.
- D. The project is a residential and commercial mixed-use concept. The Specific Plan would allow 622,398 gross square feet of development including 282,398 square feet of existing development that would remain. The proposed maximum development density is a 2.70 Floor Area Ratio (FAR) after dedications for right-of-way improvements. The Specific Plan would allow a maximum of two hundred sixty-three residential dwelling units including thirty-two affordable housing units located among three of the Land Use Districts within the Specific Plan. Each new lot will meet or exceed the minimum size and dimension requirements.
- E. The surrounding land uses include a fast food restaurant (Carl's Jr.), a vacant restaurant and parking lot, and multi-family residential uses to the north and a gas station on the northwest corner of Mariposa Avenue and Pacific Coast Highway; restaurants and office uses, a Ralphs market, two commercial shopping centers with retail and restaurant uses, and a 6-story office building to the east; a small

commercial shopping center with a drug store, bank, two restaurants and retail store to the south; and multi-family residential uses to the west.

- F. Development standards for allowable uses have been developed for the Specific Plan and all uses within the Plan area must be compliant. The allowed uses identified in the development standards include multiple-family residential uses including both townhomes and apartments, and a range of commercial uses including but not limited to, hotel, retail, restaurant, and offices.
- G. This Ordinance rezones the area from the General Commercial (C-3) Zone and Parking (P) Zone to the Pacific Coast Commons Specific Plan (PCCSP) Zone and adopts the Pacific Coast Commons Specific Plan.
- H. The PCCSP contains five land use designations. These are: PCC Mixed-Use 1 (PCC MU-1), PCC Commercial-1 (PCC COM-1), PCC Commercial-2 (PCC COM-2), PCC Commercial-3 (PCC COM-3), and PCC Mixed-Use 2 (PCC MU-2). The PCC MU-1 designation applies to one parcel comprised of 1.241 acres after right-of-way dedications. The PCC COM-1 designation applies to one parcel comprised of 0.905 acres after right-of-way dedications. The PCC COM-2 designation applies to one parcel comprised of 1.549 acres after right-of-way dedications. The PCC COM-3 designation applies to one parcel comprised of acres after 0.728 acres after right-of-way dedications. The PCC MU-1 designation applies to two parcels comprised of 1.806 acres after right-of-way dedications.
- I. The Project includes completion of a roadway widening on Mariposa Avenue and the addition of a new eastbound dedicated right-turn only travel lane that turns south onto Pacific Coast Highway. The Project also includes roadway widening on Holly Avenue.

SECTION 5: Zone Change Findings.

- A. Based on the factual findings set forth in Section 4 of this Ordinance and the evidence in the record as a whole, the proposed Zone Change is necessary to carry out the proposed project because the proposed General Plan Amendment changes the land use classification of the project site from General Commercial and Parking to Pacific Coast Commons Specific Plan (PCCSP). The Zone Change changing the property and the Zoning Map from General Commercial (C-3) and Parking (P) to Pacific Coast Commons Specific Plan (PCCSP) is necessary to maintain consistency with the proposed General Plan land use designation of Pacific Coast Commons Specific Plan.
- B. ESMC Title 15 is intended to be the primary tool for implementing the goals, objectives and policies of the El Segundo General Plan. The zone change will maintain consistency with the change in General Plan land use designation to Pacific Coast Commons Specific Plan and is also consistent with the General Plan goals, objectives and policies set forth in Section 4 of Resolution No. _____. Those findings of consistency are incorporated by reference as if fully set forth herein.

SECTION 6: Zone Text Amendment Findings. Based on the factual findings in Resolution No._____, as incorporated into this Ordinance, the Zone Text Amendment is necessary to implement the Project and establish the proposed Pacific Coast Commons Specific Plan (PCCSP) Zone. An amendment to ESMC § 15-3-2(A) to add a new subsection (12) to create the Pacific Coast Commons Specific Plan (PCCSP) Zone is necessary for consistency with the General Plan.

SECTION 7: Specific Plan Findings. The Pacific Coast Commons Specific Plan (PCCSP) will provide the comprehensive planning and zoning regulations for the proposed residential and commercial mixed-use development concept. Based on the factual findings set forth herein and in Resolution No.____, together with the evidence in the administrative record as a whole, the City Council finds that the PCCSP will further the goals, policies and objectives of the General Plan and will not obstruct their attainment. The City Council further finds that the PCCSP contains all of the elements required of a specific plan pursuant to Government Code section 65451.

SECTION 8: Development Agreement Findings. Pursuant to City Council Resolution No. 3268, adopted June 26, 1984, the City Council finds that:

- A. The project is consistent with the objectives, policies, general land uses, and programs specified in the general plan and any applicable specific plan. The Development Agreement would provide the following public benefits in exchange for valuable development rights (fifteen-year entitlement with a five-year extension option):
1. Create a Specific Plan with a range of multiple-family residential and commercial uses that will contribute to the City's housing stock including the addition of affordable housing units and contribute to job creation opportunities and balance growth with local resources and infrastructure capacity. Additionally, the addition of housing units will improve the jobs-housing balance within the City.
 2. The project will provide thirty-two affordable housing units for occupancy by low income and very low-income households for 55 years.
 3. The project will help foster economic development in the City by contributing to a strong business climate, with positive outcomes such as business retention and attraction, as well as effective levels of City services to all members of the community.
 4. The project will increase the City's tax base including utility user tax, property tax and sales tax, and therefore provide the City with resources to provide high-quality services to residents and the daytime population.
 5. The project includes the payment of \$25,000 to the City for either the costs to implement a permit parking district adjacent to the Project site if the residents petition for such district or, to be used by the City for public

improvements in the geographical vicinity of the Project site.

6. The project also includes the payment of up to an additional \$75,000 to implement potential measures regarding traffic, parking, speeding, bikeways and pedestrian safety in the general area based on a study which the City may conduct six months after the project is fully occupied (90% or greater occupancy).
7. Community Non-Profit Space. The project will provide 1,000 square feet of community space on the ground floor of the Fairfield parking structure.
8. Landscaping improvements. Additional landscaping and trees will be provided on the west side of Indiana Street between Mariposa Avenue and Holly Avenue. Enhanced landscaping and pedestrian seating will be provided in the existing landscaped areas in front of the Fairfield Inn and Suites and Aloft hotels that will be installed with the development of the PCC South Site. Six new street trees will be planted along the PCC South Site development street frontage. Enhanced landscaping will be provided with the development of the PCC North Site along the western block wall.
9. Enhanced on-site paving improvements. Enhanced on-site paving improvements will be provided at several vehicular entrances/exits to the three new development areas.
10. EV Charging. The project will include 200 EV capable spaces including 50 installed EV chargers across the PCC Specific Plan area.
11. Solar Panels. Solar panels will be installed in the PCC North and PCC South residential developments that will generate sufficient power for their respective common areas power needs.
12. Battery Storage. The project will comply with the battery storage system requirements consistent with the 2022 Building Energy Efficiency Standards (Title 24 Energy Code) for both PCC North and PCC South.
13. Fencing improvements. Chain link fencing at the Fairfield and Aloft Hotel sites will be removed and replaced with decorative fencing.
14. The increase in density, which is located along a major bus route corridor and approximately ½ mile from the existing Metro Green Line Light Rail Station at Mariposa Avenue and Nash Street, helps implement regional planning programs and plans such as the SCAG Regional Transportation Plan/Sustainable Communities Strategy and efforts towards improving mobility and livability.
15. The increase in density close to the existing Metro Green Line light rail station also implements General Plan Land Use Element Policy LU 4-4.6 promoting denser mixed-use development near the City's existing Metro

Green Line stations.

- B. The project is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located. The proposed project includes a new land use designation and zoning classification, which establishes the permitted uses and development standards that would apply to the project. These uses and development standards are similar and compatible with the other commercially zoned districts in the City.
- C. The project conforms to public convenience, general welfare and good land use practice. The Pacific Coast Commons Specific Plan includes a range of multiple-family residential and commercial uses that will contribute to the City's housing stock including affordable units, contribute to job creation opportunities, balance growth with local resources and infrastructure capacity, and improve the jobs-housing balance within the City. The project will provide roadway improvements on Holly Avenue and on Mariposa Avenue including a new dedicated eastbound (to southbound) right turn lane on Mariposa Avenue.
- D. The project will not be detrimental to the health, safety and general welfare. An EIR was completed to evaluate the project which reviewed issue areas such as Aesthetics, Air Quality, Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, and Utilities and Service Systems. All feasible mitigation has been incorporated into the project to reduce or eliminate potential impacts and to maintain public health, safety and general welfare. The EIR concluded that the project will have a significant, unavoidable impact with regard to air quality due to the fact that it will result in slightly higher population growth than that anticipated in the SCAG 2016 RTP/SCS for the 2016-2040 period (an increase of 618 individuals as opposed to the 600 anticipated by SCAG). Notwithstanding the fact that the project would slightly increase the City's population growth beyond SCAG's projections for the 2016-2040 period, the City Council finds that the project will not be detrimental to the health, safety and general welfare.
- E. The project will not adversely affect the orderly development of property or the preservation of property values. This project is surrounded by previously developed multiple-family residential and commercially developed land and the proposed uses of the Pacific Coast Commons Specific Plan are consistent with surrounding development and will not adversely affect the value of neighboring properties. The proposed Pacific Coast Commons Specific Plan development standards and development agreement will ensure that the project will be developed in an orderly fashion. All mitigation measures will be implemented at the time and place impacts occur.

SECTION 9: Actions. The City Council takes the following actions:

A. ESMC § 15-3-2(A) is amended to add subsection 12 to read as follows:

“12. Pacific Coast Commons Specific Plan (PCCSP):

There are five classes of use districts intended to be used within the boundaries of the Pacific Coast Commons Specific Plan. These districts are:

PCC Mixed-Use-1 (PCC MU-1)
PCC Commercial-1 (PCC COM-1)
PCC Commercial-2 (PCC COM-2)
PCC Commercial-3 (PCC COM-3)
PCC Mixed-Use-2 (PCC MU-2)”

- B. The current Zoning Map is amended by changing the Project site from “Parking” and “General Commercial (C-3)” to “Pacific Coast Commons Specific Plan,” including the zoning district designations within the Specific Plan. The corresponding changes to the Zoning Map are set forth in attached Exhibit “A,” which is incorporated into this Ordinance by reference.
- C. The “Pacific Coast Commons Specific Plan” is adopted as set forth in attached Exhibit “B,” which is incorporated into this Ordinance by reference.
- D. The Development Agreement by and between the City of El Segundo and BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, AND BRE El Segundo Parking LLC, as set forth in attached Exhibit “C,” and incorporated into this Ordinance by reference, is approved. The Mayor is authorized to execute the Development Agreement in a form approved by the City Attorney.
- E. To the extent they are not otherwise adopted or approved by this Ordinance, the City Council approves Zone Change and Zoning Map Amendment No. ZC 19-1 and Zone Text Amendment No. ZTA 19-08.

SECTION 10: Exhibits. This Ordinance includes the following exhibits which are attached hereto and made a part hereof:

- A. Zoning Map Amendment
B. Pacific Coast Commons Specific Plan
C. Development Agreement

SECTION 11: Reliance on Record. Each and every one of the findings and determinations in this Ordinance are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 12: *Limitations.* The City Council's analysis and evaluation of the Project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 13: *Summaries of Information.* All summaries of information in the findings which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 14: *Construction.* This Ordinance must be broadly construed in order 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 15: *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 16: *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 17: *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 18: *Certification and Recordation.* 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 a summary thereof to be published or posted in accordance with California law. Additionally, the City Clerk is directed to record the Development Agreement.

SECTION 19: Effective Date. This Ordinance shall take effect 30 days after its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2022.

Drew Boyles, Mayor

APPROVED AS TO FORM:

By: _____
Mark D. Hensley, City Attorney

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:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

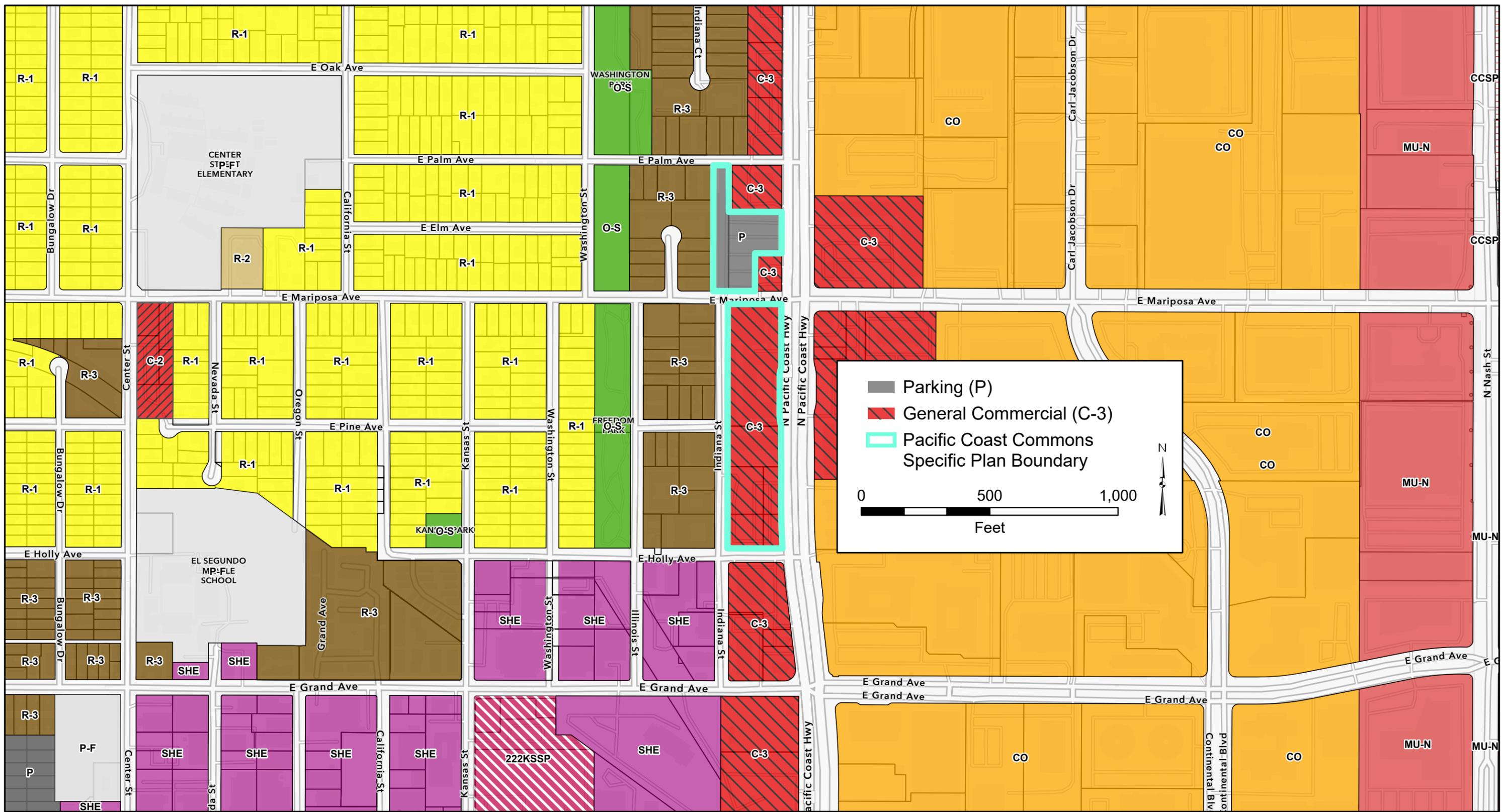


EXHIBIT "A"
 Pacific Coast Commons Specific Plan
 Existing Zoning

City of El Segundo





EXHIBIT "B"

PACIFIC COAST COMMONS SPECIFIC PLAN

Specific Plan No. SP 19-01



August 2021

PACIFIC COAST COMMONS SPECIFIC PLAN

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I. INTRODUCTION

A. SPECIFIC PLAN AREA

Pacific Coast Commons Specific Plan (PCCSP) area is located in the City of El Segundo, County of Los Angeles, California. El Segundo is situated approximately 15 miles southwest of downtown Los Angeles. The City of El Segundo is located south of the City of Los Angeles, west of the City of Hawthorne and the County of Los Angeles, north of the City of Manhattan Beach, and east of the City of Los Angeles and the Pacific Ocean (refer to Exhibit 1, *Regional Vicinity Map*).

More specifically, the roughly 6.385 gross acre area within the Specific Plan (6.23 net acres post street dedications) is located in the northwest quadrant of the City of El Segundo, approximately three quarters of a mile south of the Los Angeles International Airport (LAX) and the Glen Anderson Century Freeway (I-105), approximately two and one quarter miles west of the San Diego Freeway (SR-405), and approximately two and a half miles southwest of the juncture of these two freeways.

The site encompasses a “superblock” bounded by Pacific Coast Highway, Mariposa Avenue, Holly Avenue and Indiana Street containing the Aloft and Fairfield Inn and Suites hotels. The site also includes a parking lot on a portion of the block to the north of the hotel “superblock” that has frontage on Pacific Coast Highway, Mariposa Avenue to the south and Palm Avenue to the north (refer to Exhibit 2, *Local Vicinity Map*, and Exhibit 3, *Local Vicinity Aerial View*).

The adjacent land uses and zoning include the following (refer to Exhibit 4, Existing Development):

North: The adjacent land uses to the north include: a fast food restaurant and a vacant restaurant and parking lot in the General Commercial (C-3) Zone; and multi-family residential uses in the Multi-Family Residential (R-3) Zone. A gas station is located on the northwest corner of Mariposa Avenue and Pacific Coast Highway in the General Commercial (C-3) Zone, which is north of the superblock that contains the two existing hotels and southeast of the parking lot for the Fairfield Inn and Suites Hotel located along Pacific Coast Highway between Mariposa and Palm Avenues. A fast-food restaurant, Carl’s Jr., is located northeast of the same parking lot. Carl’s Jr. is located at the southwest corner of Pacific Coast Highway and Palm Avenue.

East: The adjacent land uses to the east across Pacific Coast Highway include: a property with restaurants and office uses in the Corporate Office (CO) Zone; a Ralphs market and two commercial shopping centers with retail and restaurant uses in the General Commercial (C-3) Zone, and a 6-story office building in the Corporate Office (CO) Zone.

South: The adjacent land uses to the south of Holly Avenue include a small commercial shopping center with a drug store, bank, two restaurants and a retail store in the General Commercial (C-3) Zone.

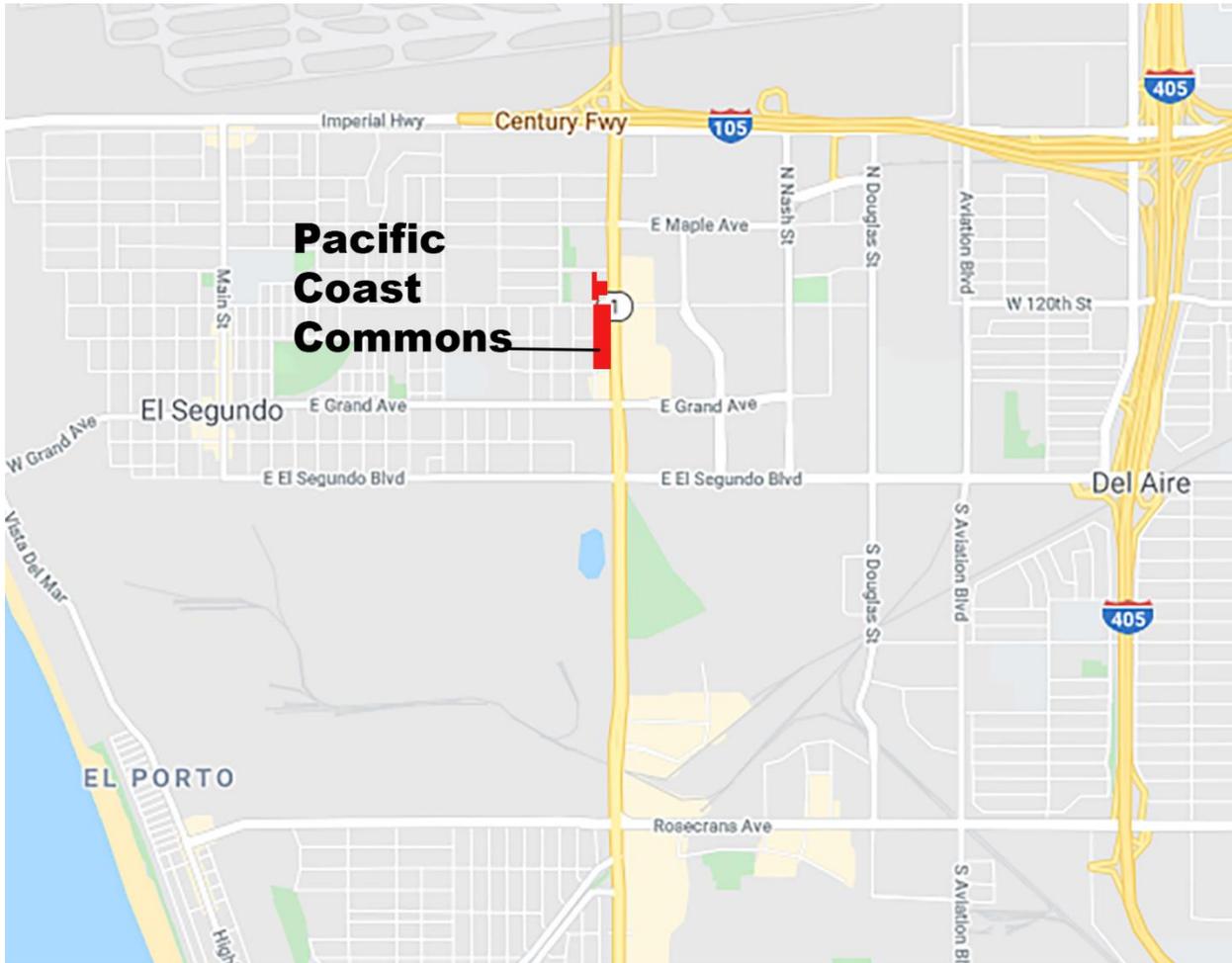
West: The adjacent land uses to the west include multi-family residential uses in the Multi-Family Residential (R-3) Zone.

B. BACKGROUND

In 1957 a 386-room hotel known as the Thunderbird International Hotel was built on the property that is contained within the Specific Plan area. A restaurant, coffee shop, banquet rooms and lounge were added in 1958. The coffee shop was later renovated and re-opened in August 1962 as the Huki Lau restaurant with Polynesian décor and cuisine. The hotel was sold in the 1960's and renamed the Hacienda International Hotel which was later shortened to the Hacienda Hotel. The restaurant was renamed the Tiki Hut at that time as well.

The hotel was further expanded over the years and enlarged to include a maximum of 640 rooms at its peak with a reputation as the 10th largest hotel in the County of Los Angeles. In 1987, the hotel was granted a new Conditional Use Permit (EA-132; CUP 87-01) to allow for further renovations and the construction of a 60-foot tall sign tower with a 150 square-foot sign. Parking for the Hacienda Hotel was provided in multiple locations that included a parking lot located on the same block to the south of the Hacienda Hotel, a parking lot across the street on the block to the north of the hotel at 629 North Pacific Coast Highway, and some parking spaces interspersed around the hotel buildings.

On October 9, 2014 the Planning Commission approved two new conditional use permits (EA-1061; CUP 14-01 and CUP 14-02) to allow the existing Hacienda Hotel with 619 guest rooms to be split into two hotels, renovated and modernized. The North Hotel (located at 525 and 545 North Pacific Coast Highway) was renamed the Fairfield Inn and Suites and the South Hotel was renamed the Aloft Hotel (located at 475 North Pacific Coast Highway). The Aloft Hotel was reduced from 263 to 246 guest rooms and included a 6,640 square-foot addition to the existing 9-story hotel that provided a front desk area, lounge, self-serve food area, bar, multi-purpose room and exercise room. The Aloft Hotel includes an outdoor pool and an outdoor dining patio. The Aloft Hotel is 106,747 gross square feet in size. The Fairfield Inn and Suites was reduced from 356 to 350 guest rooms. The Fairfield Inn and Suites includes 3 buildings: a 9-story tower containing guest rooms, a 4-story building (with a central courtyard and pool area) that contains a lobby area, restaurant, bar, meeting rooms, a fitness room, and guest rooms, and a 2-story “food and beverage” building that contains banquet rooms, a restaurant/bar, and storage uses. The total square footage of the existing Fairfield Inn and Suites Hotel (3 buildings) is 217,311 gross square feet in size. Parking for the Aloft Hotel is provided in the existing parking lot to the south of the hotel (167 parking spaces). Additionally, 23 spaces are currently provided off-site pursuant to an off-site parking covenant in the existing parking lot at 629 North Pacific Coast Highway. Parking for the Fairfield Inn and Suites Hotel is provided primarily off-site with 213 parking spaces provided pursuant to an off-site parking covenant in the existing parking lot at 629 North Pacific Coast Highway and 33 parking spaces provided on-site.



**EXHIBIT 2
LOCAL VICINITY MAP**



**EXHIBIT 3
LOCAL VICINITY AERIAL VIEW**



**EXHIBIT 4
EXISTING DEVELOPMENT**

The Aloft Hotel is 98,741 net square feet in size with an existing 0.992 FAR based upon its current lot size and configuration where a maximum of 1.0 FAR is allowed. The 3 buildings that comprise the Fairfield Inn and Suites Hotel total 190,026 net square feet in size with an existing 1.94 FAR where 1.0 FAR is allowed (existing legal, non-conforming condition). Both properties are non-conforming in regard to many development standards as they were built prior to the current development standards of the General Commercial (C-3) Zone.

The existing uses consist of:

**Table I-1
Existing Uses**

Building	Use	Net Square Footage	Gross Square Footage
Aloft Hotel	246 guest rooms, lobby/check-in area, lounge/bar, retail (food self-serve), multi-purpose meeting room/hospitality suite, fitness room, outdoor pool	98,741	106,747
Fairfield Inn and Suites Hotel	350 guest rooms, lobby/check in area, restaurant/bar, meeting room/event space (banquet rooms), office, storage , outdoor pool and patio area	190,028	217,311
Total		288,767 square feet	324,058 square feet

Under the existing General Commercial (C3) development standards no additional development could occur as the existing hotels utilize the maximum FAR allowed. Further, the parking lot to the north is currently zoned Automobile Parking (P) which only allows surface parking lots and parking structures. Commercial development is not permitted in the Automobile Parking (P) Zone. Therefore, a Specific Plan is needed in order to allow the proposed mixed-use residential/commercial development to be added to the site along with the two existing hotels that will remain.

BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE EL Segundo Parking LLC (collectively, “BRE El Segundo”) filed for this Specific Plan along with other applications. The other applications include an Environmental Assessment, a General Plan and General Plan Map Amendment, Zone Change, Zoning Map Amendment, Zone Text Amendment, a Development Agreement, a Subdivision of Land (Vesting Tentative Map), Site Plan Review, a Parking Demand Study and Shared Parking Analysis, street dedication waivers for a portion of the dedication requirements for Mariposa Avenue and Indiana Street, reciprocal access agreements, an amendment to Resolution Nos. 2759 and 2760 to rescind the previous approvals of SUB No. 1405, Lot Tie Covenant No. 14-03, Off-site Parking Covenant Nos. MISC 14-03 and 14-06, leaving in place CUP Nos. 14-01 for the Fairfield Inn and Suites Hotel and CUP No. 14-02 for the Aloft Hotel, along with alcohol service at both hotels with modifications to the conditions

of approval accordingly, and new off-site parking covenants to replace the previously approved Parking Covenant Nos. MISC 14-03 and 14-06. The intent of the Specific Plan is to allow the development of the Specific Plan area with the combination of new and existing development with allowed residential and commercial uses with an average floor area ratio (FAR) of 2.15:1, a minimum floor area ratio (FAR) of 0.16:1 in any one land use district and a maximum floor area ratio (FAR) of 2.70:1 in any one land use district. The majority of the new development will target adding new housing stock to the community to meet existing and future housing needs through the development of existing surface parking lots and demolition of 41,660 gross square feet of a portion of the Fairfield Inn and Suites hotel (“Food and Beverage” Building”) located at the southwest corner of Mariposa Avenue and Pacific Coast Highway. The adoption of this Specific Plan will allow expansion of the uses permitted on the site with development standards tailored to the unique mix of hotel, residential and commercial (retail and office) uses on the site.

C. DEMOGRAPHICS

According to the 2010 United States Census, as of 2010 El Segundo had a population of 16,654 persons and a total of 7,410 dwelling units. From 2000 to 2010, El Segundo’s population increased by 4%. The California Department of Finance reported a population of 17,066 persons in May 2019. The 2019 Profile of the City of El Segundo prepared by the Southern California Association of Governments (“SCAG”) indicates that as of 2017 there were 48,515 jobs in the City of El Segundo.

D. ECONOMIC CONTEXT

At its peak before the economic recession in 2008, El Segundo had a daytime population of approximately 85,000 persons compared to its resident population of approximately 17,000 persons. There was a net loss of jobs in the City between 2007 and 2012 with the number of jobs beginning to increase again in 2013. According to SCAG’s 2015 profile the total number of jobs dropped from 56,559 persons in 2007 to 38,447 jobs in 2012. In addition to the fiscal benefits including increased sales tax, utility tax and property tax that will be provided as a result of the added residential and commercial uses, the potential for approximately 56 additional jobs that will be created by this Specific Plan will improve the overall economic health of the City. The additional jobs will be the result of the new commercial uses as no changes in employment are anticipated at the two existing hotels with the adoption of this Specific Plan. The additional jobs and increased tax base will contribute to the City’s ability to provide high quality municipal services to the benefit of the City’s resident and business community. The addition of 263 housing units will have a positive effect on the jobs/housing balance by increasing the number of housing units in the City to support El Segundo’s jobs rich environment.

II. OVERVIEW OF THE SPECIFIC PLAN

A. PURPOSE AND AUTHORITY OF SPECIFIC PLAN

The purpose of this Specific Plan is to provide a foundation for the proposed land uses on the subject property through the application of regulations, standards and design guidelines. The Pacific Coast Commons Specific Plan provides text and exhibits which describe the proposed land uses and associated guidelines.

This Specific Plan is adopted pursuant to Government Code §§ 65450 through 65457.

Pursuant to Government Code § 65451, a Specific Plan must include text and a diagram or diagrams which specify all of the following in detail:

- The distribution, location, and extent of the uses of land, including open space within the area covered by the plan.
- The proposed distribution, location, extent, and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy and other essential facilities proposed to be located within the land area covered by the plan and needed to support the land uses described in the plan.
- Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.
- A program of implementation measures including regulations, programs, public works projects and financing measures necessary to carry out the above items.
- A discussion of the relationship of the Specific Plan to the General Plan.

A thorough review of the El Segundo General Plan shows that this Specific Plan is compatible and consistent with the goals and policies outlined in the General Plan. This Specific Plan will further the goals and policies of the General Plan as more fully described below.

This Specific Plan was prepared to provide the essential relationship between the policies of the El Segundo General Plan and actual development in the Project area. By functioning as a regulatory document, the Pacific Coast Commons Specific Plan provides a means of implementing the City of El Segundo's General Plan. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in this document. The Specific Plan is the sole regulatory document for development standards and design standards except where explicit references are made to the El Segundo Municipal Code or where terms used in this Specific Plan are defined in the El Segundo Municipal Code Section 15-1-6 and are not defined herein.

B. SPECIFIC PLAN SCOPE AND GOALS

The City of El Segundo is an employment-led community and accordingly, development has been led by employment rather than housing growth. The Pacific Coast Commons Specific Plan will: 1) serve the mission of economic development in the City which is to create, maintain, and implement a business climate that fosters a strong economic community; 2) provide opportunities for new high-quality multiple-family housing (apartments and townhomes) that will increase housing supply to meet the needs of El Segundo residents and employees in El Segundo's expanding business community; 3) improve the jobs/housing balance by increasing housing supply; 4) add affordable housing to the City; 5) provide benefits to air quality through the reduction of greenhouse gas emissions by providing new housing in close proximity to jobs and public transit; 6) enhance sustainability through the design of the development; and 7) maintain the quality of life that has characterized El Segundo for more than one hundred years.

Permitted uses within the Specific Plan area will create both housing and job opportunities for the residential and business community. The new commercial uses (restaurant, retail and office) allowed by the Specific Plan will create a synergy with the existing hotels, the new multi-family residential uses, and other existing commercial and industrial uses in the surrounding area. The commercial uses will provide needed amenities for the residents of the multi-family residential uses and the multi-family residential uses will support the growth of the surrounding commercial businesses. The design of the project will provide a high-quality pedestrian environment that will be compatible with the surrounding uses and create a sense of place for the surrounding neighborhood. The development allowed under the Specific Plan will provide a basis for a positive contribution to the maintenance and expansion of El Segundo's economic base as development typically increases the City's business license taxes, increases the City's utility user taxes, and increases the City's sales taxes. An increased economic base will provide the City with resources to provide high-quality services to its residents and daytime population.

C. CONSISTENCY WITH THE GENERAL PLAN

The El Segundo General Plan provides the underlying fundamentals of the Pacific Coast Commons Specific Plan, which serves both as a planning and regulatory document. The Specific Plan is the document implementing the El Segundo General Plan for the Specific Plan area.

Proposed development plans, tentative maps, and any other development approvals must be consistent with the Specific Plan. Projects consistent with this Specific Plan will be automatically deemed consistent with the General Plan.

Concurrent with the adoption of the Pacific Coast Commons Specific Plan the City also processed a General Plan Amendment that changes the Land Use Designation from General Commercial for the block bounded by Pacific Coast Highway, Mariposa Avenue, Indiana Street, and Holly Avenue to the Pacific Coast Commons Specific Plan and from Parking for the remaining parcels to the Pacific Coast Commons Specific Plan with an accompanying Land Use map change. The Specific Plan is therefore consistent with the General Plan of the City of El Segundo. More specifically, the Specific Plan directly implements or furthers the intent of the following goals, objectives and policies of the General Plan:

ECONOMIC DEVELOPMENT ELEMENT

Goal ED1: To create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.

Objective ED1-1 To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo's economic base.

Policy ED1-1.1: Maintain economic development as one of the City's and the business and residential communities' top priorities.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

Policy ED1-2.2: Maintain and promote land uses that improve the City's tax base, balancing economic development and quality of life goals.

LAND USE ELEMENT

Policy LU1-5.8: Innovative land development and design techniques as well as new materials and construction methods should be encouraged.

Goal LU3: Promote the health, safety, and well-being of the people of El Segundo by adopting standards for the proper balance, relationship, and distribution of the residential land uses.

Objective LU3-1: Preserve, protect, and extend, if possible, existing Single-Family Residential uses.

Policy LU3-2.1: Promote construction of high quality Multi-Family Residential development with ample open space, leisure and recreational facilities.

Policy LU3-2.2: Multi-family development will be located only in appropriate places and evaluated carefully to insure that these developments are not detrimental to the existing single-family character.

Objective LU3-3.1: Adopt and enforce recreational area requirements for large multiple unit developments.

Goal LU4: Provide a stable tax base for the City through development of new commercial uses, primarily within a mixed-use environment, without adversely affecting the viability of Downtown.

Objective LU4-1: Promote the development of high quality retail facilities in proximity to major employment centers.

Policy LU4-1.1: Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.

Policy LU4-1.2: All commercial facilities shall be built and maintained in accordance with Health and Safety Code requirements and shall meet seismic safety regulations and environmental regulations.

Policy LU4-1.4: New commercial developments shall meet seismic safety standards and regulations, as well as comply with all noise, air quality, water and environmental regulations.

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

Policy LU4-4.6: Promote mixed-use development near transit nodes and encourage modes of transportation that do not require an automobile.

Goal LU7: Provide the highest quality public facilities, services, and public infrastructure possible to the community.

Policy LU7-1.2: No new development shall be allowed unless adequate public facilities are in place or provided for.

Policy LU7-2.3: All new development shall place utilities underground.

CIRCULATION ELEMENT

Goal C1: Provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo community.

Objective C1-1: Provide a roadway system that accommodates the City's existing and project land use and circulation needs.

Policy C1-1.8: Provide all residential, commercial, and industrial areas with

efficient and safe access to the major regional transportation facilities.

Policy C1-1.9: Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.

Policy C1-1.14: Require a full evaluation of potential traffic impacts associated with proposed new developments prior to project approval. Further require the implementation of appropriate mitigation measures prior to, or in conjunction with project development. Mitigation measures may include new roadway links on segments that would connect the new development to the existing roadway system, intersection improvements, and other measures. Mitigation measures shall be provided by or paid for by the project developer.

Objective C1-3: Ensure that the City's Master Plan Truck Route System efficiently serves the shipping needs of the commercial and industrial land uses in El Segundo while balancing potential conflicts with residential and recreation land uses throughout the City.

Policy C1-3.2: Ensure that the development review process incorporates consideration of off-street commercial loading requirements for all new projects.

Objective C2-1: Provide a pedestrian circulation system to support and encourage walking as a safe and convenient travel mode within the City's circulation system.

Policy C2-1.6: Encourage shopping areas to design their facilities for ease of pedestrian access.

Policy C2-1.7: Closely monitor design practices to ensure a clear pedestrian walking area by minimizing obstructions, especially in the vicinity of intersections.

Objective C2-2: Provide a bikeway system throughout the City to support and encourage the use of the bicycle as a safe and convenient travel mode within the City's circulation system.

Policy C2-2.1: Implement the recommendations on the Bicycle Master Plan contained in the Circulation Element, as the availability arises; i.e., through development, private grants, signing of shared routes.

- Policy C2-2.2: Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes changing facilities at or close to the bicyclist’s work destination.
- Policy C2-5.1: Ensure that Transportation Demand Management (TDM) measures are considered during the evaluation of new developments within the City, including but not limited to ridesharing, carpooling and vanpooling, flexible work schedules, telecommuting and car/vanpool preferential parking.
- Policy C3-1.8: Require the provision of adequate pedestrian and bicycle access for new development projects through the development review process.
- Policy C3-2.1: Ensure the provision of sufficient on-site parking in all new development.

HOUSING ELEMENT

Goal 3: Provide opportunities for new housing construction in a variety of locations and a variety of densities in accordance with the land use designations and policies in the Land Use Element.

OPEN SPACE AND RECREATION ELEMENT

Goal OS1: Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City of El Segundo.

CONSERVATION ELEMENT

- Policy CN2-5: Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.
- Policy CN2-7: Require new construction and development to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.
- Policy CN2-8: Encourage the retrofitting of existing landscapes to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

Policy CN2-11: Encourage, whenever appropriate and feasible, development techniques which minimize surface run-off and allow replenishment of soil moisture. Such techniques may include, but not be limited to, the on-site use and retention of storm water, the use of pervious paving material (such as walk-on-bark, pea gravel, and cobble mulches), the preservation of vegetative covers, and efficiently designed and managed irrigation systems.

AIR QUALITY ELEMENT

Goal AQ3: Vehicle work trip reduction for private employees.

Objective AQ-3-1: Increase the proportion of work trips made by transit.

Goal AQ12: Reduction in Residential, Commercial, and Industrial Energy Consumption.

Objective AQ-12-1: Enact the recommendations of the AQMP Energy Working Group for commercial and residential buildings and adopt ordinances to mitigate air quality impacts from water and pool heating systems.

Policy AQ-12-1.2: It is the policy of the City of El Segundo that the City encourage the incorporation of energy conservation features in the design of new projects and the installation of conservation devices in existing developments.

NOISE ELEMENT

Goal N1: Encourage a high quality environment within all parts of the City of El Segundo where the public's health, safety, and welfare are not adversely affected by excessive noise.

Objective N1-1: It is the objective of the City of El Segundo to ensure that City residents are not exposed to mobile noise levels in excess of the interior and exterior noise standards or the single event noise standards specified in the El Segundo Municipal Code.

Objective N1-2: It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo's Noise Ordinance standards.

Policy N1-2.1: Require all new projects to meet the City's Noise Ordinance Standards as a condition of building permit approval.

Program N1-2.1A: Address noise impacts in all environmental documents for discretionary approval projects, to insure that noise sources meet City Noise Ordinance standards. These sources may include mechanical or electrical equipment, truck loading areas, or outdoor speaker systems.

PUBLIC SAFETY ELEMENT

Goal PS1: Protect the public health and safety and minimize the social and economic impacts associated with geologic hazards.

Objective PS1-1: It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.

Policy PS1-1.1: Continue to review proposals for new development and for the expansion of existing development in areas of potential geological hazards.

Program PS1-1.1A: The City shall review projects to ensure that slope design considers the potential effects of high rainfall, private sewage systems, landscaping irrigation, and possible runoff from adjacent future development.

Policy PS1-1.2: Enforce, monitor and improve development standards which place the responsibility on the developer, with advice from qualified engineers and geologists, to develop and implement adequate mitigation measures as conditions for project approval.

Program PS1-1.2A: The City shall review projects to ensure that adequate geotechnical investigation has been completed in areas susceptible to land sliding and debris flows and in areas where collapsible or expansive soils occur, and to approve only those which mitigate these hazards to the satisfaction of the City Engineer.

Policy PS2-1.2: The City shall assist in the prevention of structural damage in areas with a high potential for liquefaction, landslides, and mudslides by requiring geotechnical studies for new development to mitigate potential impacts.

Goal PS6: A fire safe community.

Objective PS6-1: It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from

wildland and urban fires.

Policy PS6-1.1: Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

Policy PS6-1.2: Continue efforts to reduce fire hazards associated with older buildings, high-rise buildings, and fire-prone industrial facilities, and maintain adequate fire protection in all areas of the City. Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

Program PS6-1.2C: The City shall continue to require that all property be maintained in compliance with the fire code.

Goal PS7: Protect public health, safety, and welfare, and minimize loss of life, injury, property damage, and disruption of vital services, resulting from earthquakes, hazardous material incidents, and other natural and man-made disasters.

D. ENTITLEMENTS

The following entitlements are required in conjunction with this Specific Plan (SP No. 19-01):

- Environmental Assessment No. EA-1248 for the proposed mixed-use development that will add 263 housing units, approximately 11,250 square feet of commercial uses (comprised of retail, restaurant and hotel support based office uses), and 1,727 square feet of commercial floor area that cannot be occupied by commercial businesses¹, and three parking structures to provide parking for the uses in the Specific Plan area.
- General Plan Amendment No. GPA 19-01 to change the land use designation from “General Commercial” and “Parking” to “Pacific Coast Commons Specific Plan (PCCSP)” with an accompanying Land Use map change.
- Zone Text Amendment No. ZTA 19-08 to add a new ESMC §15-3-2(A)(12) “Pacific Coast Commons Specific Plan (PCCSP).”
- Zone Change No. ZC 19-01 to rezone the property from “General Commercial (C-3)” and “Parking (P)” to “Pacific Coast Commons Specific Plan (PCCSP)” and an accompanying Zoning map change.

¹ This commercial floor area is located in the Fairfield Parking Site and is comprised of lobby area and access to the multiple levels of the parking structure and any central circulation areas such as hallway access from the rear of commercial businesses to the lobby and parking structure that is not usable floor area located within those commercial businesses. This square footage is labeled as lobby area in Table III-II in this Plan.

- Development Agreement No. DA 19-02 between the City of El Segundo and BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC.
- Vesting Tentative Tract Map No. (VTTM 82806) SUB 19-03 – for merger, subdivision and residential/commercial condominium purposes reconfiguring 3 parcels (comprised of 12 existing lots) on the block bounded by Pacific Coast Highway, Mariposa Avenue, Indiana Street and Holly Avenue and 3 parcels (comprised of portions of 4 existing lots) on the block north of Mariposa Avenue and south of Palm Avenue in the Specific Plan Area into 6 new individual lots. Additionally, the Vesting Tentative Tract Map No. 82806 will allow: a) 1 residential ground and airspace parcel for 120 apartments and a maximum of 10 airspace parcels for commercial condominiums on Lot 1; b) a ground and airspace parcel for the parking structure and up to a maximum of 10 airspace parcels for commercial condominiums on Lot 4; and c) 1 residential ground and airspace parcel for 137 apartments and up to a maximum of 20 airspace parcels for commercial condominiums on Lot 5; and d) 6 residential condominiums (townhomes) on Lot 6.
- Site Plan Review No. SPR 19-01 to allow the site plan and architectural design to construct the mixed-use commercial and residential development for the 263 residential units, 11,252 square feet of new commercial development, 1,727 square feet of commercial floor area that cannot be occupied by commercial businesses², and 3 parking structures.
- Modification of Resolution Nos. 2759 and 2760 to rescind the previous approvals SUB No. 14-05, Lot-Tie Covenant No. 14-03, Off-site Parking Covenant Nos. MISC 14-03 and 14-06, leaving in place CUP No. 14-01 for the Fairfield Inn and Suites Hotel and CUP No. 14-02 for the Aloft Hotel, along with alcohol service at both hotels with modifications to the conditions of approval accordingly.
- Parking Demand Study and Shared Parking Analysis to establish the parking requirements for the proposed commercial and residential development combined with the existing hotel development.
- Shared Parking Agreement in conjunction with the Parking Demand Study and Shared Parking Analysis, to replace the previous approval of Off-Site Parking Covenant Nos. MISC 14-03 and MISC 14-06.
- Reciprocal Access Agreements for driveways and drive aisles accessing multiple parcels.

² This commercial floor area is located in the Fairfield Parking Site and is comprised of lobby area and access to the multiple levels of the parking structure and any central circulation areas such as hallway access from the rear of commercial businesses to the lobby and parking structure that is not usable floor area located within those commercial businesses. This square footage is labeled as lobby area in Table III-II in this Plan.

- Street dedication waiver requests for a portion of the dedication requirements for the south side of Mariposa Avenue and for a portion of the dedication requirements for the east side of Indiana Street.

Findings justifying the General Plan Amendment and Zone Change include:

1. The primary objective of the Specific Plan is to provide for superior, more comprehensive site planning of the Specific Plan area and zoning standards that address the needs of the unique master planned site that will maintain the existing hotel uses and construct new mixed-use multiple-family residential and commercial neighborhood serving uses in three phases.
2. Uses permitted within the Specific Plan area are consistent with the proposed zoning and are compatible with adjacent uses.
3. The Specific Plan will provide for additional housing opportunities in a variety of housing sizes, types and densities in support of the goals of the Housing Element of the General Plan.

E. EXISTING LAND USES

The City of El Segundo has distinctive land use patterns, which are divided into four quadrants by the intersection of Pacific Coast Highway and El Segundo Boulevard. Compatibility of an individual land use is determined mainly by its relationship to other uses within its quadrant. The Pacific Coast Commons Specific Plan area is located in the northwestern quadrant of the City of El Segundo, which is west of Pacific Coast Highway and north of El Segundo Boulevard. The design and implementation of this Specific Plan relate directly to its position within this larger context.

The Pacific Coast Commons Specific Plan is located in the northwest quadrant of the City. The northwest quadrant of the City has the most varied mix of uses within the City. All of the City's residential units, the Downtown area, the Civic Center, the commercial uses and hotel uses along the west side of the Pacific Coast Highway corridor and the industrial area of Smoky Hollow, are located in this quadrant.

The northeast quadrant of the City lies east across Pacific Coast Highway and north of El Segundo Boulevard. It consists primarily of corporate office and urban mixed uses which allow for office and commercial uses. The southwest quadrant of the City lies south of El Segundo Boulevard and west of Pacific Coast Highway. It consists primarily of an oil refinery/heavy industrial use. The southeast quadrant of the City lies south of El Segundo Boulevard and east of Pacific Coast Highway. It consists primarily of the light industrial land use category which allows a mixture of industrial and office uses. This quadrant also contains a commercial region which is home to the retail developments of Plaza El Segundo and the Point, which are both lifestyle commercial retail shopping centers that total approximately 500,000 square feet and the Lakes Municipal Golf Course. A Multimedia Overlay Zone overlies both the southeast and northeast quadrants of the City.

Before the adoption of the Pacific Coast Commons Specific Plan (PCCSP) the property was designated as General Commercial and Parking in the General Plan Land Use Element with General Commercial (C-3) and Parking (P) zoning.

Adjacent land uses include the following:

- North: The adjacent land uses to the north include: a fast food restaurant, a vacant restaurant and parking lot, and multi-family residential uses. A gas station is located on the northwest corner of Mariposa Avenue and Pacific Coast Highway which is north of the superblock that contains the two existing hotels and south east of the parking lot for the Fairfield Inn and Suites Hotel located along Pacific Coast Highway between Mariposa and Palm Avenues. A fast-food restaurant, Carl's Jr., is located northeast of the same parking lot. Carl's Jr. is located at the southwest corner of Pacific Coast Highway and Palm Avenue.
- East: The adjacent land uses to the east across Pacific Coast Highway include: a property with restaurants and office uses, a Ralphs market, two commercial shopping centers with retail and restaurant uses, and a 6- story office building.
- South: The adjacent land uses to the south of Holly Avenue include a small commercial shopping center with a drug store, bank, two restaurants and retail store.
- West: The adjacent land uses to the west include multi-family residential uses.

III. LAND USE PLAN

The Pacific Coast Commons Specific Plan encompasses 6.38 gross acres of existing developable area that includes the “superblock” bounded by Pacific Coast Highway, Mariposa Avenue, Holly Avenue and Indiana Street and a portion of the block to the north of the “superblock” that has frontage on Pacific Coast Highway, Mariposa Avenue to the south, and Palm Avenue to the north, see Exhibit 5, *Land Use Plan*, and Exhibit 6, *Conceptual Site Plan*. The Pacific Coast Commons Specific Plan (“PCCSP”) has 5 land use districts within the plan boundary which is discussed in detail below.

Table III-I provides a Land Use Summary with the square footage of the new development and the existing development. Table III-II provides greater detail of the project development scenario with the uses on each Parcel (per the Vesting Tentative Map), the acreage of the parcel, the building area (gross and net), and the FAR.

The existing Aloft Hotel will remain. Two of the three buildings that comprise the existing Fairfield Inn & Suites Hotel will remain. The 41,660 square-foot, 2-story building at the southwest corner of Pacific Coast Highway and Mariposa Avenue commonly called the “Food and Beverage” building (primarily comprised of conference/meeting rooms and restaurant space) will be demolished and replaced with a parking structure that contains parking primarily for the Fairfield Inn and Suites Hotel and 3,273 gross square feet of new commercial uses at the front of the structure. Access to the parking structure occurs primarily from an existing driveway on Pacific Coast Highway.

The existing parking lot located at the south end of the PCCSP bounded by Holly Street to the south, Indiana Street to the west, Pacific Coast Highway to the east and the Aloft Hotel to the north will be replaced with new development. The new development will be a residential/commercial mixed-use project with a parking structure integrated into the building design. The new building will include 120 residential units (apartments) and 5,756 gross square feet of commercial uses. The parking structure will have access from existing driveways on Pacific Coast Highway and Indiana Street.

The existing northern parking lot that is on the block north of the Fairfield Inn and Suites Hotel with frontage on Pacific Coast Highway, bounded by Mariposa Avenue to the south and Palm Avenue to the north will be replaced with new development. The new residential/commercial mixed-use project will include 137 residential units (apartments) and 2,223 gross square feet of new commercial development. It will have a parking structure integrated into the building design with access to the structure from existing driveways on both Mariposa and Palm Avenues. The north parking lot site will also include 6 townhomes which are located directly west of the Carl’s Jr. restaurant and south of Palm Avenue.

A. DEVELOPMENT CONCEPT

The Specific Plan establishes the general type, parameters and character of the development in order to develop an integrated Project area that is also compatible with and complements the surrounding area. The proximity of the Specific Plan Area to other residential and commercial

uses, freeways, major arterials, and the Metro Rail makes it an appropriate and attractive location for a residential/commercial mixed-use development that provides both housing and facilitates economic development in El Segundo.

The Pacific Coast Commons Specific Plan development concept provides a transition from the multi-family neighborhoods to the west and the large-scale commercial uses to the east of Pacific Coast Highway. The Pacific Coast Commons Specific Plan provides for both the maintenance of both the existing Aloft hotel and the Fairfield Inn and Suites hotel within the Specific Plan boundaries with the addition of new mixed-use residential/commercial development to complement the hotel uses and to provide compatible uses to the surrounding neighborhood. The development will include 3 parking structures incorporated into the development to provide both replacement parking for the hotels from the loss of surface parking as well as provide parking for new uses.

On an overall basis, the maximum development potential within the 6.23-acre (post dedications) Specific Plan is based upon an average floor area ratio (FAR) of 2.15. A 2.15 FAR results in a maximum development intensity of 622,398 gross square feet. The 622,398 gross square feet includes 282,398 gross square feet of existing development that will remain and 340,000 gross square feet of new square footage of residential and commercial uses combined. The floor area ratio varies in each of the 5 land use districts that range from a minimum of 0.16 to a maximum of 2.70 based upon how the uses are configured combined with the nonconforming conditions for the two existing hotels (see Table III-III).

Residential uses are proposed in 2 of the 5 land use districts, namely the PCC Mixed-Use 1 (PCC MU-1) district at the southern end of the Specific Plan area and the PCC Mixed-Use 2 (PCC MU-2) district at the northern end of the Specific Plan area. There are 120 dwelling units (apartments) in the PCC MU-1 land use district and 143 dwelling units in the PCC MU-2 land use district comprised of 137 apartments and 6 townhomes. The density in the PCC MU-1 land use district is approximately 97 dwelling units to the acre (96.67 dwelling units to the acre based upon 54,072 square feet of land area) and the density in the PCC MU-2 land use district is approximately 80 units to the acre (79.17 dwelling units to the acre based upon 78,686 square feet of land area). The average density of the two land use districts combined is 86.31 units to the acre and the average density within the entire Specific Plan area is 42.22 units to the acre. If the land area of either PCC Mixed-Use 1 or PCC Mixed-Use 2 is reduced, the number of dwelling units to the acre would increase accordingly.

The Pacific Coast Commons Specific Plan allows affordable housing and provides reduced requirements for parking in the Development Standards Chapter of this Specific Plan. The 263 residential units permitted in this Specific Plan including affordable housing units will contribute significantly to the City's housing allocation requirements specified in the Regional Housing Needs Assessment (RHNA) established by State law.

B. LAND USE PLAN

The Pacific Coast Commons Specific Plan is based upon the following land uses (refer to Exhibit 5, *Land Use Plan*):

1. PCC Mixed-Use 1 (PCC MU-1)

The PCC Mixed-Use 1 (PCC MU-1) land use designation is located on the southernmost parcel with frontage on Pacific Coast Highway, Holly Avenue and Indiana Street, totaling 1.242 net acres (the developable portion of the proposed parcel after dedication of right-of-way). It is both a corner parcel and a through lot. The PCC MU-1 area allows for multiple-family residential uses (apartments) and several commercial uses. The specific residential and commercial uses are limited in this land use category as specified in the Specific Plan's development regulations. The parcel that contains the PCC Mixed-Use 1 (PCC MU-1) land use district currently contains the parking lot for the Aloft hotel that is located on the adjacent parcel, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*.

2. PCC Commercial-1 (PCC COM-1)

The Commercial-1 (COM-1) land use designation is located on the parcel to the north of the PCC Mixed-Use 1 (PCC MU-1) land use designation with frontage on both Pacific Coast Highway and Indiana Street (it is a through lot). The PCC Commercial-1 (PCC COM-1) land use category totals 0.905 net acres (the developable portion of the proposed parcel after dedication of right-of-way). The PCC Commercial-1 (PCC COM-1) area allows hotels and several other commercial uses that are either accessory to hotel uses or complementary uses. The specific commercial uses in this land use category are specified in the Specific Plan's development regulations. The parcel currently contains the existing Aloft Hotel which will remain, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*.

3. PCC Commercial-2 (PCC COM-2)

The PCC Commercial-2 (PCC COM-2) land use designation is located on the parcel to the north of the PCC Commercial-1 (PCC COM-1) land use designation with frontage on both Pacific Coast Highway and Indiana Street (it is a through lot). The PCC Commercial-2 (PCC COM-2) land use category totals 1.549 net acres (the developable portion of the proposed parcel after dedication of right-of-way). The PCC Commercial-2 (PCC COM-2) area allows hotels and several other commercial uses that are either accessory to hotel uses or complementary uses. The permitted commercial uses in this land use category are specified in the Specific Plan's development regulations. The parcel currently contains the existing Fairfield Inn and Suites hotel (3 buildings) which will remain, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*. One of the three existing buildings known as the "Food and Beverage" building which is partially located in the PCC COM-2 land use district and partially located in the PCC COM-3 land use district will be demolished.

4. PCC Commercial-3 (PCC COM-3)

The PCC Commercial-3 (PCC COM-3) land use designation is located on the parcel to the

north of the PCC Commercial-2 (PCC COM-2) land use designation with frontage on Pacific Coast Highway, Mariposa Avenue, and Indiana Street (it is a through lot). The PCC Commercial-3 (PCC COM-3) land use category totals 0.728 net acres (the developable portion of the proposed parcel after dedication of right-of-way). The PCC Commercial-3 (PCC COM-3) area allows hotels and several other commercial uses that are either accessory to hotel uses or complementary uses. The specific commercial uses in this land use category are specified in the Specific Plan's development regulations. The parcel currently contains the existing Fairfield Inn and Suites hotel food and beverage building that will be demolished and replaced with other commercial uses and a parking structure, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*.

5. PCC Mixed-Use 2 (PCC MU-2)

The PCC Mixed-Use 2 (PCC MU-2) land use designation is located on the northernmost parcel with frontage on Pacific Coast Highway, Mariposa Avenue and Palm Avenue, totaling 1.806 net acres (the developable portion of the proposed parcels after dedication of right-of-way). The PCC MU-2 area allows for multiple-family residential (apartments and condominiums) and several commercial uses. The specific residential and commercial uses are limited in this land use category as specified in the Specific Plan's development regulations. The parcel currently contains a parking lot that provides parking for the Fairfield Inn and Suites. The parking lot will be demolished and replaced with multiple-family residential uses (a mix of apartments and townhomes) and commercial uses, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*. The PCC Mixed-Use 2 (PCC MU-2) land use district is proposed to be comprised of 2 parcels as shown in the Vesting Tentative Map with one parcel containing 137 multiple family residential units (apartments) and commercial uses. The other parcel contains 6 townhomes (condominium units).

Table III-1, *Land Use Summary-Project Development Scenario*, and Table III-II, *Land Uses-Project Development Scenario*, show the anticipated project development scenario for the implementation of the uses and standards of this Specific Plan based upon the Conceptual Site Plan shown in Exhibit 6, *Conceptual Site Plan* and the Vesting Tentative Map shown in Exhibit 7A, *Vesting Tentative Map No. 82806*. An additional exhibit is provided for greater clarity of existing and proposed lot configuration conditions which is also provided in Exhibit 7B, *Existing and Proposed Lot Configuration Diagram*. Table III-III, *Land Use Summary-Specific Plan Scenario* shows the maximum allowable floor area for each of the 5 land use districts.

**Table III-1
Land Use Summary – Project Development Scenario**

Land Use	Building Area (Net) (square feet)	Building Area (Gross) (square feet)
New Development		
Multi-family Residential (Apartments) (120 dwelling units in the PCC MU-1 District)	136,571	140,794
Multi-family Residential (Apartments) (137 dwelling units in the PCC MU-2 District)	159,062	163,472
Multi-family Residential (Townhomes /Condominiums) (6 dwelling units in the PCC MU-2 District)	9,540	10,344
Commercial uses (PCC MU-1 District)	5,583	5,756
Commercial uses (PCC COM-3 District)	4,345	4,479
Commercial uses (PCC MU-2 District)	2,156	2,223
Subtotal New Development	317,257	327,068
Existing Development		
Hotel (Aloft)	98,741	106,747
Hotel (Fairfield Inn and Suites)	190,026	217,311
Subtotal Existing Development	288,767	324,058
Existing Development To Be Demolished (Fairfield Inn and Suites “Food and Beverage” Building)	- 36,605	- 41,660
Subtotal Existing Development After Demolition of “Food and Beverage” Building	252,162	282,398
Total Site Development	569,419	609,466

**Table III-II
Land Uses – Project Development Scenario**

Subdivision Parcel	Use	Acreage ³	Building Area (Net)	Building Area (Gross) ⁴	FAR ⁵
PCC Mixed-Use 1 (PCC MU-1)					
1	Multiple-family Residential (120 apartments)		136,571	140,794	-
1	Commercial Uses		5,583	5,756	-
1	Parking Structure		-	-	-
Subtotal		1.242 (54,072 square feet)	142,154	146,550	2.63
PCC Commercial-1 (PCC COM-1)					
2	Commercial – Existing Hotel (Aloft)		98,741	106,747	-
Subtotal		0.905 (39,425 square feet)	98,741	106,747	2.51
PCC Commercial-2 (PCC COM-2)					
3	Commercial-Existing Hotel (Fairfield Inn and Suites)		190,026	217,311	-
4	Existing Hotel (Fairfield Inn & Suites - Food & Beverage Building)		-36,605	-41,660	-
Subtotal		1.549 (67,487 square feet)	153,421	175,651	2.28
PCC Commercial-3 (PCC COM-3)					
4	Commercial Uses		3,175	3,273	-
4	Parking structure/ lobby		1,170	1,206	-
Subtotal		0.728 (31,693 square feet)	4,345	4,479	0.14
PCC Mixed-Use 2 (PCC MU-2)					
5	Multiple-family Residential (137 apartments)		159,062	163,472	-
5	Commercial Uses		2,156	2,223	-
5	Parking Structure		-	-	-
6	Multiple-family Residential (6 townhomes)		9,540	10,344	-
Subtotal		1.806 (78,686 square feet)	170,758	176,039	2.24
TOTAL DEVELOPMENT		6.23 (271,363 square feet)	569,419	609,466	2.15

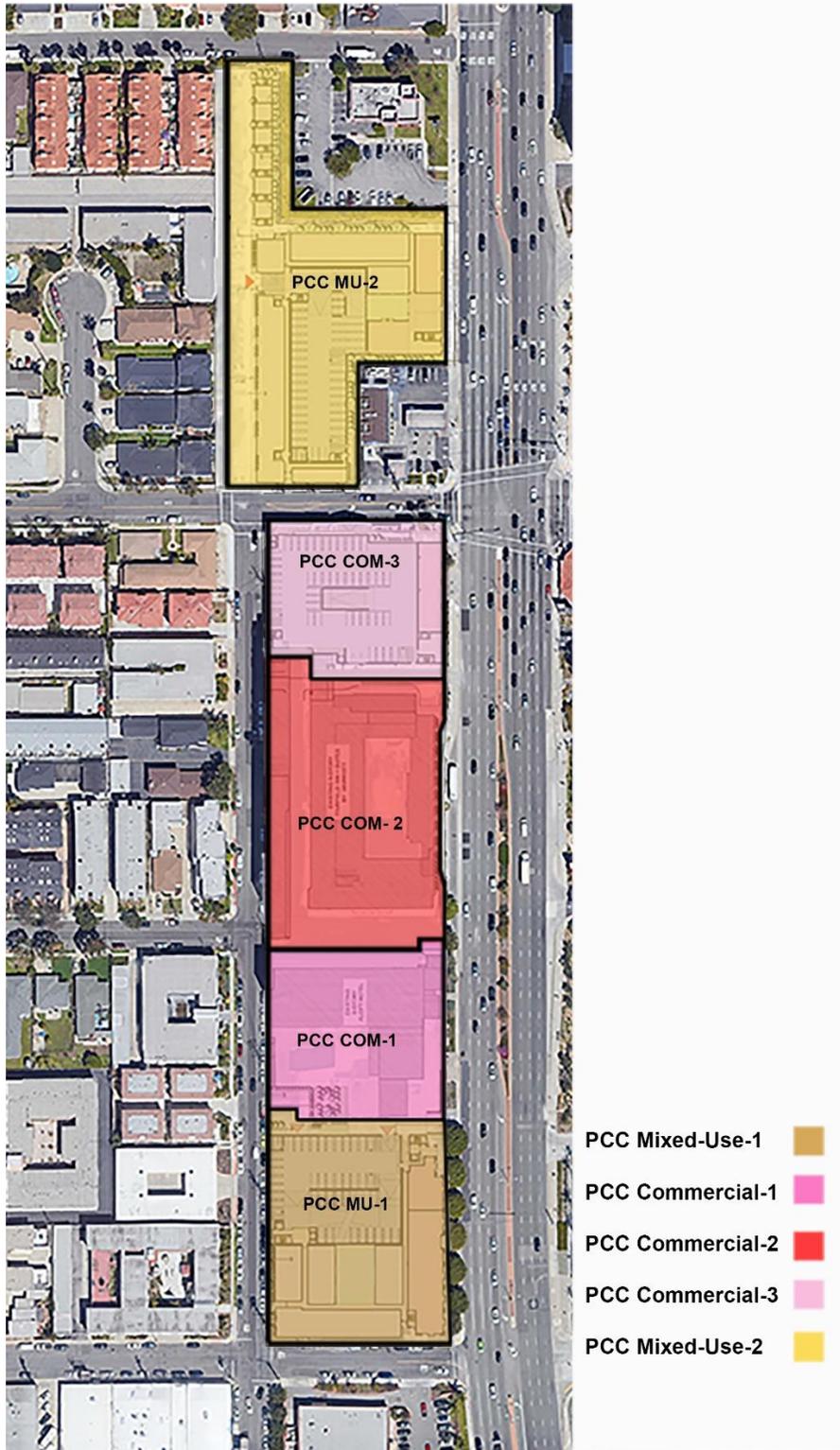
³ Acreage is based upon net acreage post dedications.

⁴ Total allowable intensity per the Specific Plan is capped at 622,398 gross square feet (both existing and new development combined).

⁵ FAR calculation is based upon net floor area and developable lot area. See Chapter VI for definitions of gross and net floor area.

**Table III-III
Land Use Summary – Specific Plan Scenario**

Land Use District	Building Area (Net) (square feet)	Building Area (Gross) (square feet)	Floor Area Ratio (FAR)
PCC Mixed-Use-1 (PCC MU-1)	145,500	150,000	2.70
PCC Commercial-1 (PCC COM-1)	98,741	106,747	2.51
PCC Commercial-2 (PCC COM-2)	153,421	175,651	2.28
PCC Commercial-3 (PCC COM-3)	4,850	5,000	0.16
PCC Mixed-Use-2 (PCC MU-2)	179,450	185,000	2.29
Total Development (New + Existing)	581,962	622,398	2.15



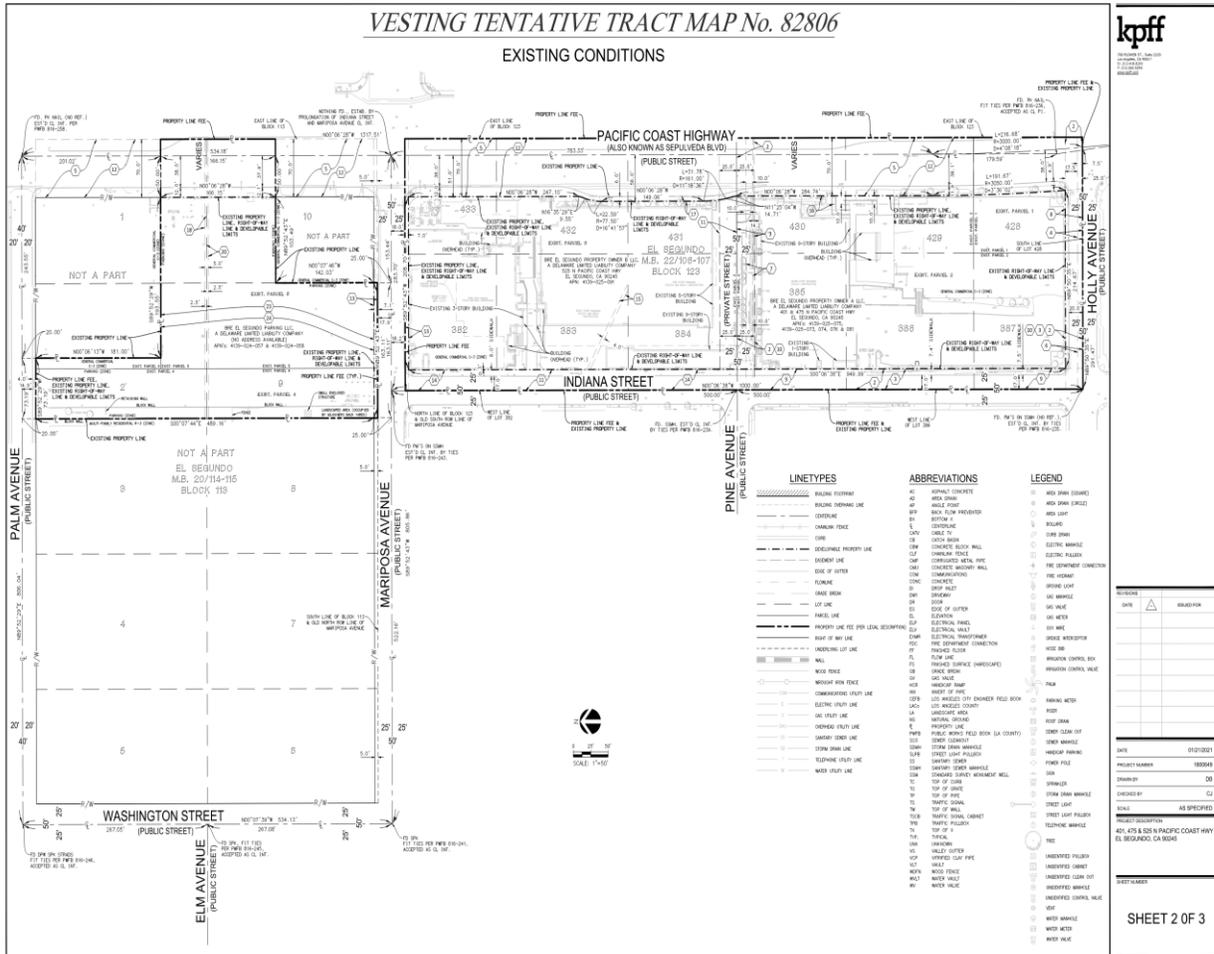
**EXHIBIT 5
LAND USE PLAN**



**EXHIBIT 6
CONCEPTUAL SITE PLAN**

VESTING TENTATIVE TRACT MAP No. 82806

EXISTING CONDITIONS



**EXHIBIT 7A
VESTING TENTATIVE MAP # 82806
(EXISTING CONDITIONS)**

(Source: KPFF)

VESTING TENTATIVE TRACT MAP No. 82806

PROPOSED CONDITIONS

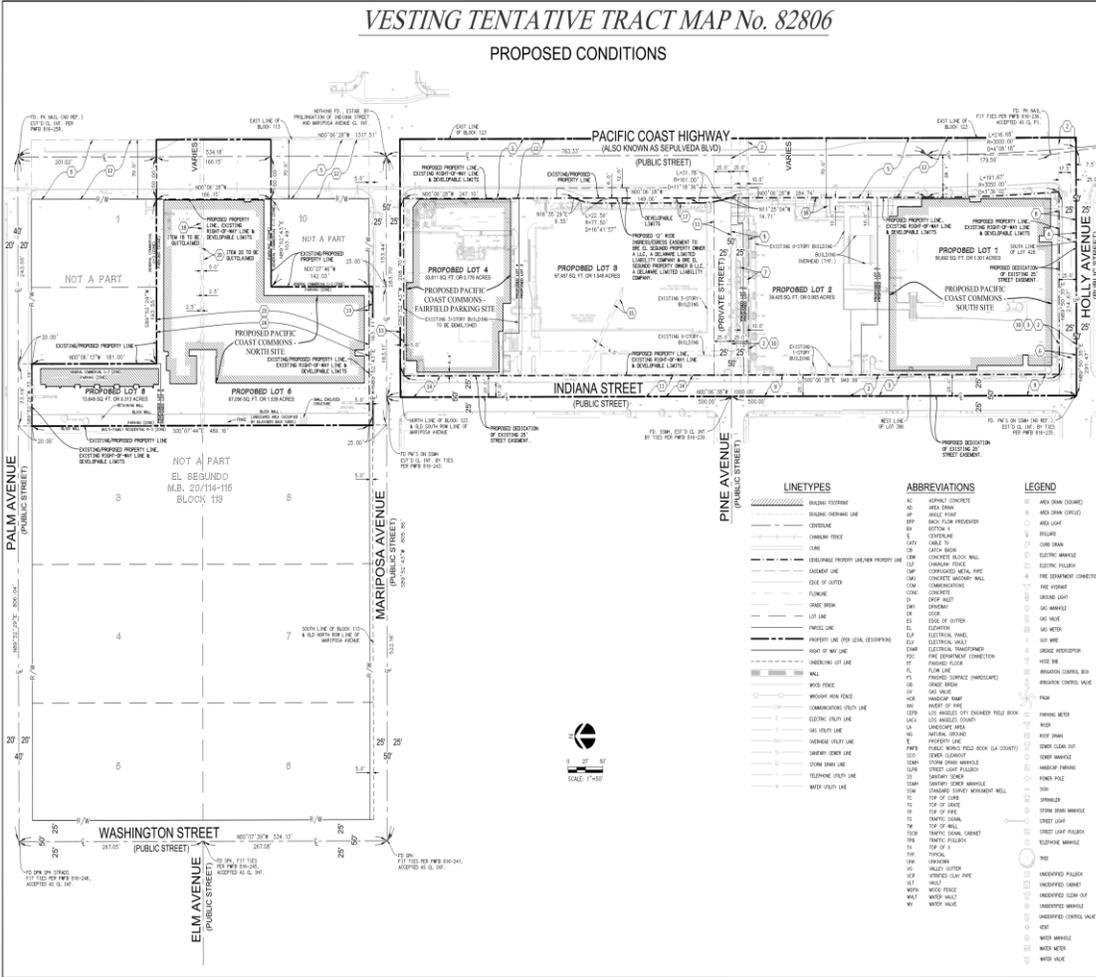


EXHIBIT 7A
VESTING TENTATIVE MAP # 82806
(PROPOSED CONDITIONS)

(Source: KPFF)

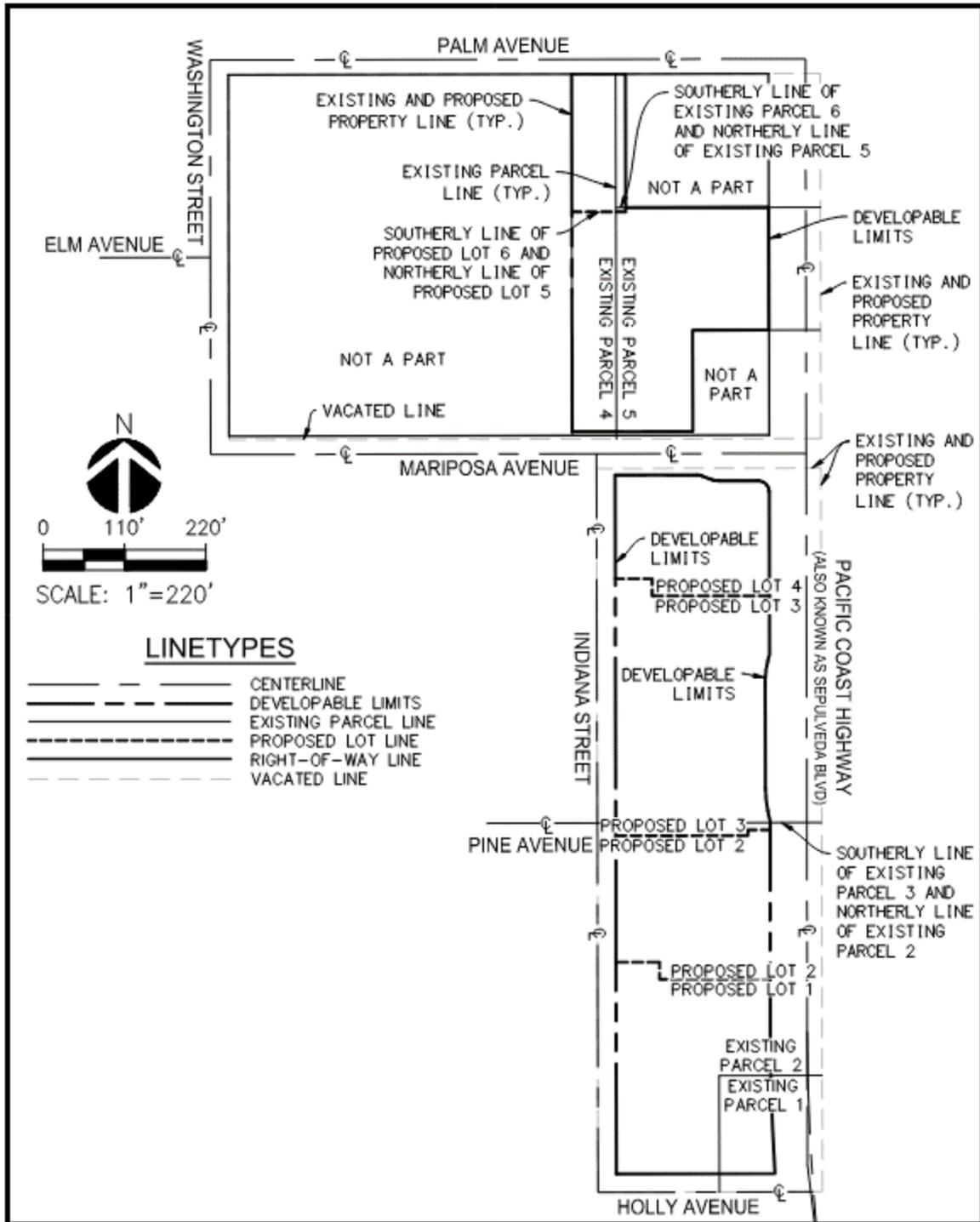


EXHIBIT 7B
EXISTING AND PROPOSED FINAL LOT CONFIGURATION DIAGRAM
 (Source: KPFF)

C. PHASING

Construction of the new development areas would occur in three phases. The first phase of construction would occur in the PCC Commercial-3 (PCC COM-3) land use district at the Fairfield Parking Site/Area 4. The second phase of construction would consist of the South Site/Area 1 development in the PCC Mixed-Use 1 (PCC MU-1) land use district. The third phase of construction would consist of the North Site/Area 5 development in the PCC Mixed-Use 2 (PCC MU-2) land use district. It is currently anticipated that these phases will occur sequentially and if so, are anticipated to be completed within 4 1/2 years of EIR certification and project approval. However, if the second and third phases of development occur concurrently, construction is anticipated to be completed within 2 years and 8 months of EIR certification and project approval.

D. CIRCULATION PLAN

Regionally, the Specific Plan site is accessible from the San Diego freeway (405), Century Freeway (105), the Metro Green Line, multiple bus lines, and the major arterial Pacific Coast Highway. No public rights-of-way are proposed within the boundaries of the Specific Plan. However, the Specific Plan site has several vehicular access points off four of the streets surrounding the Specific Plan area including Pacific Coast Highway, Mariposa Avenue, Indiana Street and Palm Avenue. The development of the Specific Plan will facilitate on-site circulation and parking. Access will be provided for emergency vehicles to Area 5 in the PCC Mixed-Use 2 (PCC MU-2) land use district via the two vehicle access points to the fire lane from Mariposa and Palm Avenues. Development within the Specific Plan site will provide infrastructure and facilitate access for various modes of travel including automobiles, bicycles, and pedestrians. Pedestrian and handicap access will be provided between buildings and to public sidewalks on the five street frontages along the site.

VEHICULAR CIRCULATION

The proposed street dedications and street dedication waivers discussed in the sections below are depicted in Exhibit 7C, *Conceptual Street Dedication Plan*.

Pacific Coast Highway. Pacific Coast Highway is an existing public major arterial street that abuts the property on its eastern edge. No additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. No additional curb cuts besides the three existing curb cuts that provide access and circulation to the two existing hotels may be allowed along Pacific Coast Highway in the Specific Plan area. The two existing driveways that access the north parking lot at 629 North Pacific Coast Highway will be removed.

Mariposa Avenue. Mariposa Avenue is an existing public 2-lane collector street that abuts the property between the northern and southern blocks of the Specific Plan area. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. A waiver request was granted for a portion of the street dedication requirements on the south side of Mariposa Avenue. No additional curb cuts besides the one existing curb cut on the north side of the street (which also serves as a fire lane) may be allowed along the north side of

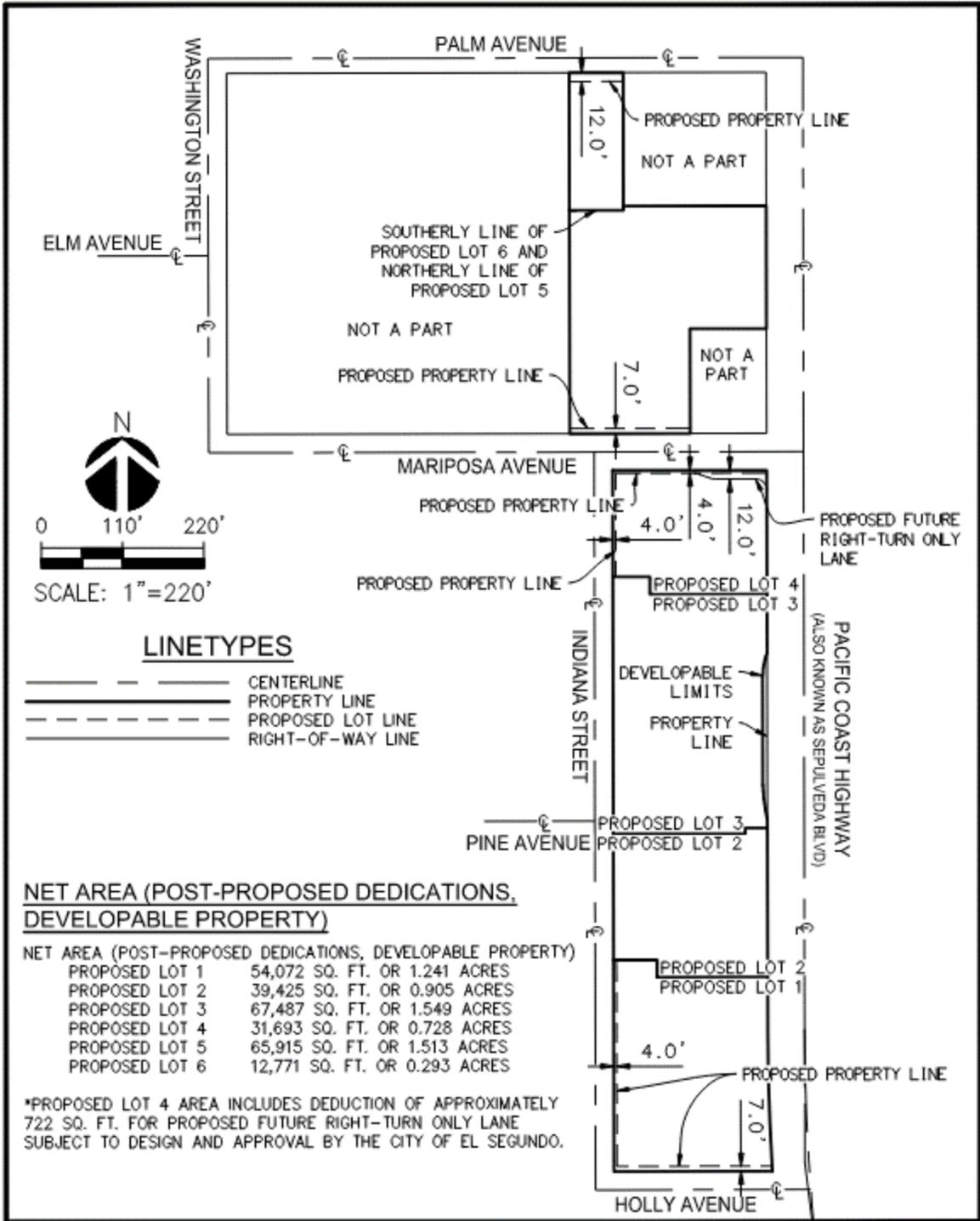


EXHIBIT 7C
CONCEPTUAL STREET DEDICATION PLAN
 (Source: KPFF)

Mariposa Avenue in the Specific Plan area. No curb cuts may be allowed along the south side of Mariposa Avenue within the Specific Plan area.

Palm Avenue. Palm Avenue is an existing public local commercial/residential street that abuts the property on its northern edge. Palm Avenue has been classified as a local commercial street for the frontage of the Specific Plan area. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. No additional curb cuts besides the one existing curb cut (which also serves as a fire lane) may be allowed along Palm Avenue within the Specific Plan area. Street dedication to expand the width of the public right-of-way will be provided.

Holly Avenue. Holly Avenue is an existing public local commercial/residential street that abuts the property on its southern edge. Holly Avenue is classified as a local commercial street for the block fronting the Specific Plan area. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. There are no existing curb cuts along this block of Holly Avenue. No curb cuts may be allowed along Holly Avenue in the Specific Plan area. Street dedication to expand the width of the public right-of-way will be provided.

Indiana Street. Indiana Street is an existing public local commercial/residential street that abuts the property on its western edge. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. The project includes dedication of 25 feet of existing roadway and sidewalk (to the centerline of the street) to the City of El Segundo. Currently, the roadway and sidewalk are privately owned and the City of El Segundo only has easement rights. An additional dedication of 4 feet will be provided on the east side of the street along the frontage of Proposed Lots 1 and 4 only. A waiver request was granted for a 3-foot portion of the street dedication requirements to expand the right-of-way on the east side of the street for the portions of the block where new development is proposed in the PCC COM-3 and a the PCC MU-1 land use districts (along the frontage of proposed Lots 1 and 4). Additionally, a waiver request was granted for a 7-foot portion of the street dedication requirements to expand the right-of-way on the east side of the street for the portion of the block where existing development is located in the PCC COM-1 and PCC COM-2 land use districts (along the frontage of proposed Lots 2 and 3). No additional curb cuts besides the three existing curb cuts may be allowed along Indiana Street.

Public Transit

Public transit includes the Metro C Line and multiple bus lines that operate in the vicinity of the Specific Plan. The Metro C line is a light rail line running between Redondo Beach and Norwalk. The line runs north/south east of the project site along Nash Street with the closest station at Nash Street and Mariposa Avenue. The Mariposa C Line station is approximately ½ mile away from the project site.

There are two Metro bus lines, one Beach Cities bus line, and two LADOT Commuter Express lines that run in the vicinity of the Specific Plan. Metro Line 232 provides local service between the City of El Segundo and downtown Long Beach and runs along Pacific Coast Highway. LADOT Commuter Express 574 provides express service on weekdays from Encino to the City

of Hawthorne along Pacific Coast Highway and then heads east along El Segundo Boulevard south of the project site. Beach Cities Line 109 provides local service between the City of Redondo Beach and Los Angeles International Airport and runs along Pacific Coast Highway south of Grand Avenue (one block south of the Specific Plan area) and turns onto Grand Avenue to Downtown El Segundo to Main Street and north to Imperial Highway. Metro Line 625 provides local service between the City of El Segundo and Los Angeles International Airport and it runs along Imperial Highway north of the Specific Plan area. LADOT Commuter Express 438 provides express service on weekdays from El Segundo to the Downtown Los Angeles Financial District along Imperial Highway north of the project site. LADOT Commuter Express 439 provides express service on weekdays from El Segundo to Downtown Los Angeles along Douglas Street and Imperial Highway to the east of the site.

NON-VEHICULAR CIRCULATION

Walkways will be provided connecting the buildings, uses (hotels, residential and commercial uses), parking structures and surfaces areas, and the public sidewalks on the five (5) surrounding streets (Pacific Coast Highway, Mariposa Avenue, Palm Avenue, Holly Avenue and Indiana Street). Marked crosswalks are provided at all major arterial intersections.

The City of El Segundo adopted the South Bay Bicycle Plan and it has implemented some of the bicycle improvements in the proposed Bicycle Plan network including 4.9 miles of Class III Bike Routes (where vehicles and bicycles share travel lanes) on several City streets. The Bike Routes that are closest to the Specific Plan area are on Grand Avenue from Loma Vista Street to Duley Road and on Nash Street from Imperial Highway to El Segundo Boulevard. The Bicycle Master Plan includes Class I Bike Paths, Class II Bike Lanes, Class III Bike Routes and Bike-Friendly streets. The nearest proposed facilities are a Class II Bike Lane running east-west on Mariposa Avenue and a Class I Bike Path on Washington Street one block west of the Specific Plan boundary.

Bicycle parking facilities in accordance with Municipal Code and California Green Building Code requirements will be provided in multiple locations in the parking structures and surface parking areas in the Specific Plan.

E. GRADING CONCEPT

Some rough grading will be required at the South Site located in the PCC Mixed-Use 1 (PCC MU-1) land use district, the Fairfield Parking Site located in the PCC Commercial-3 (PCC COM-3) land use district, and the North Site located in the PCC Mixed-Use 2 (PCC MU-2) land use district. No grading will be required for the areas where the existing hotel buildings will remain.

Site grading will require a combination of cut and fill to create a building/parking structure pad and to accommodate one level of subterranean parking and retaining walls on the South Site as a result of the existing sloped topography. The property slopes down from Pacific Coast Highway to Indiana Street and slopes down toward Holly Avenue as well with the lowest point at the intersection of Indiana Street and Holly Avenue. The grading is estimated to result in approximately 27,700 cubic yards of cut and fill resulting in 17,700 cubic yards of soil export.

The Fairfield Parking Site and the North Site are relatively flat. The Fairfield Parking site is estimated to require 6,000 cubic yards of cut and fill for site rebalancing that will result in 0 cubic yards of export. The North Site is estimated to require 15,000 cubic yards of cut and fill for site rebalancing resulting in 0 cubic yards of soil export. Final grading plans will be approved by the City Engineer before the City issues grading permits.

IV. UTILITIES AND INFRASTRUCTURE

The following is a summary of existing and proposed public infrastructure for development of the Specific Plan area. All infrastructure will be constructed in accordance with the standards of the governing agency.

A. WATER SERVICE

EXISTING CONDITION

Water utility service is provided by the City of El Segundo and is currently available within the Specific Plan area and serves the two existing hotels. Water is purchased through West Basin Municipal Water District which is a member of The Metropolitan Water District of Southern California.

There is an existing City of El Segundo 10-inch asbestos-cement water line located 11 feet west of the centerline of Indiana Street. This water line is scheduled to be replaced with a new 10-inch ductile iron water main in FY 2020-2021. There are also two existing water lines in Pacific Coast Highway. One is a City of El Segundo 10-inch ductile iron pipe located 32-feet west of the street centerline. The other is a 10-inch pipe located 33-feet east of the street centerline. In Palm Avenue north of the Specific Plan area, there is a City of El Segundo 10-inch asbestos-cement pipe located 6 feet north of the street centerline. In Holly Street south of the Specific Plan area, there is a City of El Segundo 10-inch asbestos-cement pipe located 13 feet south of the street centerline. There is also an existing City of El Segundo 10-inch ductile iron water line in Mariposa Avenue, located 6-feet south of the street centerline (refer to Exhibits 8A, 8B and 8C, *Conceptual Water Plan South Site, Conceptual Water Plan Fairfield Parking Site, and Conceptual Water Plan North Site respectively*).

Water for fire suppression is provided by on-site building sprinklers and from 7 off-site fire hydrants. Existing fire hydrants owned by the City of El Segundo are located along Pacific Coast Highway, Holly Avenue, and Indiana Street.

PROPOSED CONDITION

The water service connection for domestic water and fire protection shall be made to one or more of the existing City of El Segundo water lines. The specific location of these connections and pipe sizing will be based upon the City of El Segundo's approval. The system shall provide adequate water supply for operation of the building's domestic requirements, automatic sprinkler systems and on-site fire hydrants (if required by the State or City Fire Marshal). A Conceptual Water Utility Plan has been developed for the Specific Plan Area (refer to Exhibits 8A, 8B and 8C, *Conceptual Water Plan South Site, Conceptual Water Plan Fairfield Parking Site, and Conceptual Water Plan North Site respectively*).

Fire flows for the proposed development will be based on the requirements listed in that version of the California Fire Code that is in effect at the time of plan submission, as amended by the City.

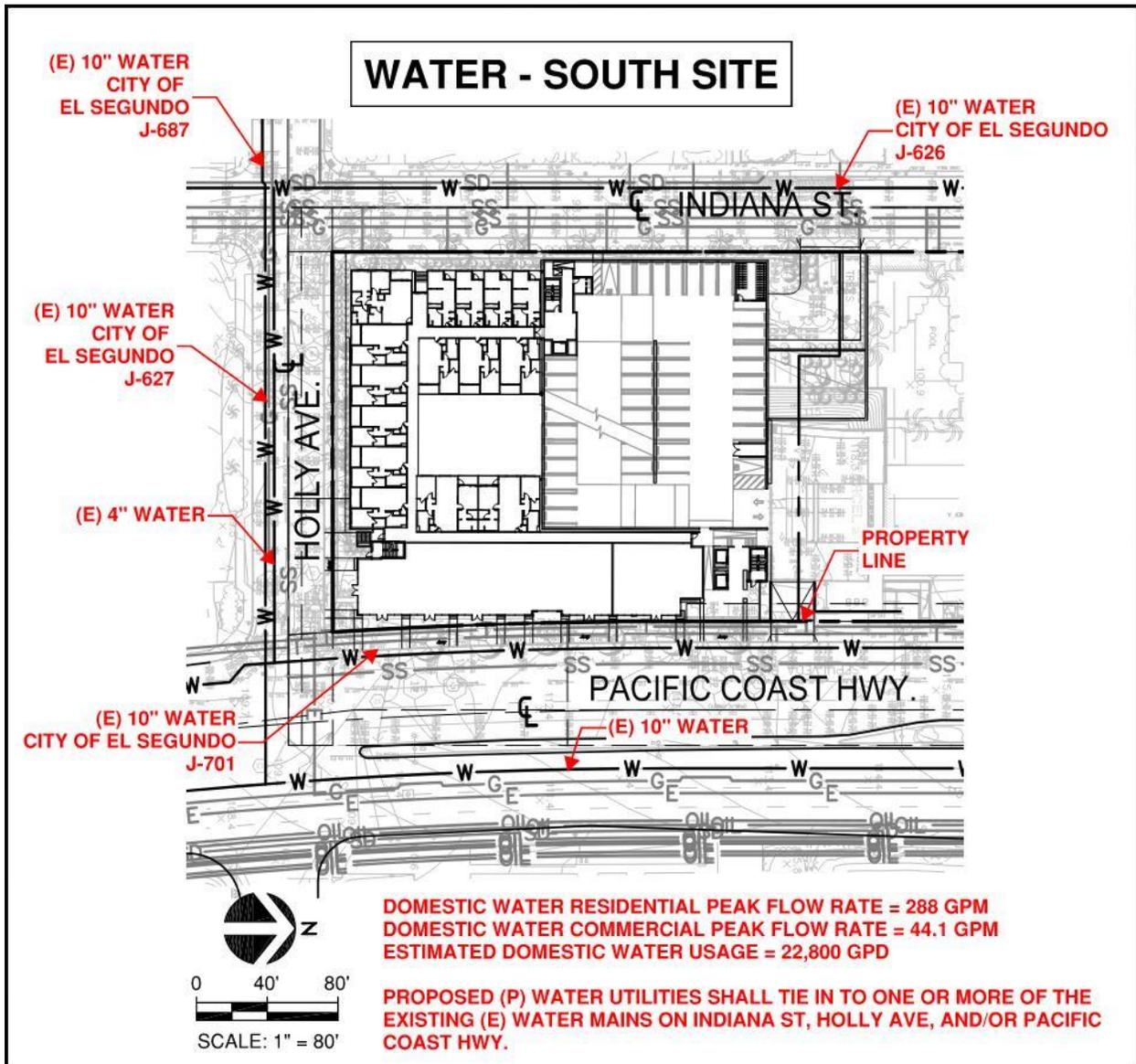
Demands for domestic water in the proposed condition were calculated with the assumption that they will be 120% of the sewer demand rates. s

Based on the requirements outlined by the El Segundo Fire Department in Regulation H-2-a for Fire Hydrant and Private Fire Main System Installation, 2 additional fire hydrants may need to be installed in order to provide coverage for portions of the proposed buildings that are in excess of 150-feet from a public fire hydrant. Coordination with the El Segundo Fire Department Fire Prevention Division is required to determine whether the additional fire hydrants will be located in the public street and/or within the development.

The minimum number of fire hydrants required was calculated using Table C102.1 from the California Fire Code. The spacing between fire hydrants for all three sites will be 300-feet for public fire hydrants, as stated in the City of El Segundo Fire Prevention Division “Regulation H-2-a Fire Hydrant and Private Fire Main System Installation” document (see Table IV-2 below for the hydrant and number spacing requirements).

Table IV-2. Required Number and Spacing of Fire Hydrants.

	Minimum Number of Hydrants	Spacing Between Hydrants
North Site	3	300 ft (typ.)
Fairfield Parking	1	
South Site	3	



**EXHIBIT 8A
 CONCEPTUAL WATER PLAN
 SOUTH SITE IN THE PCC MU-1 DISTRICT**

(Source: KPFF)

WATER - FAIRFIELD PARKING

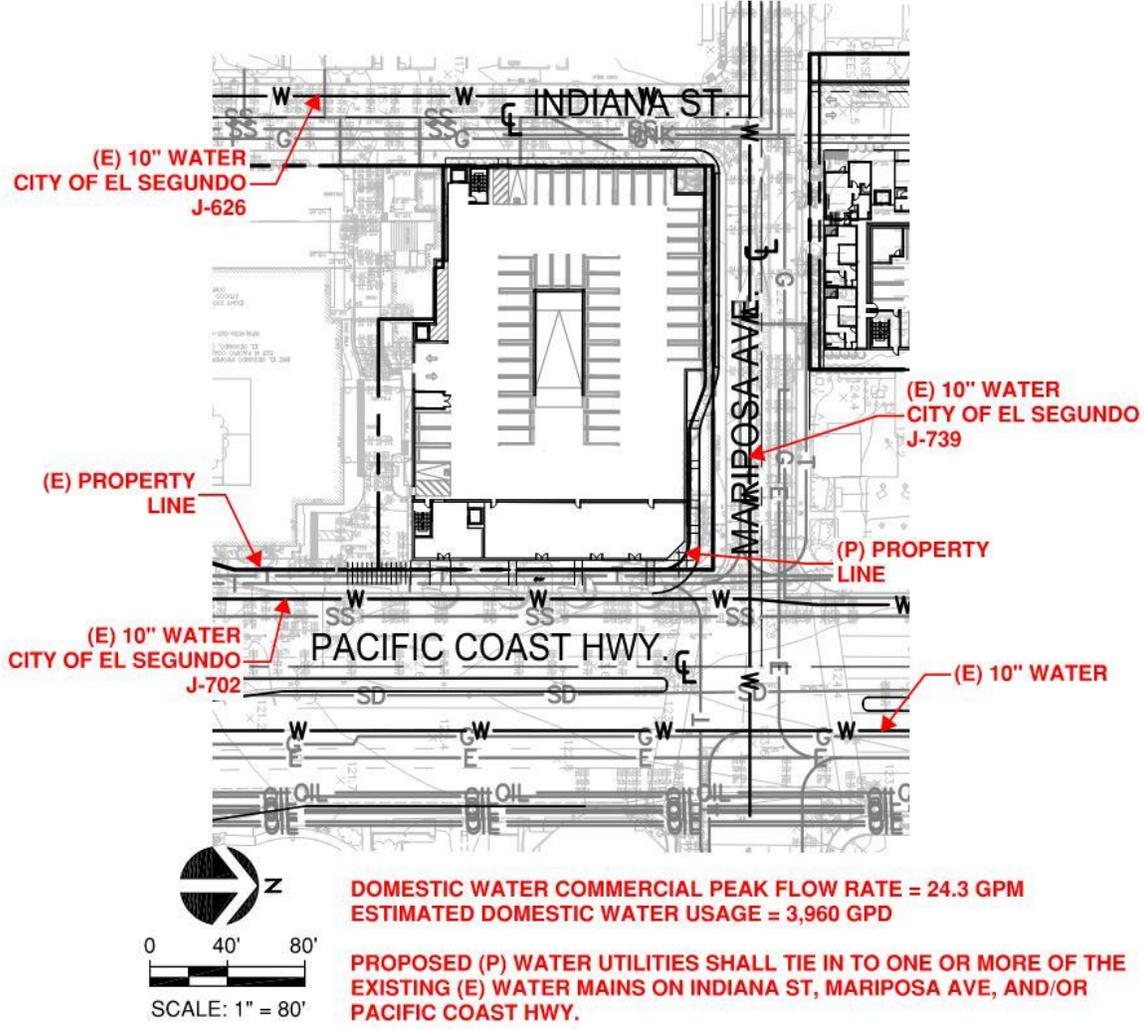
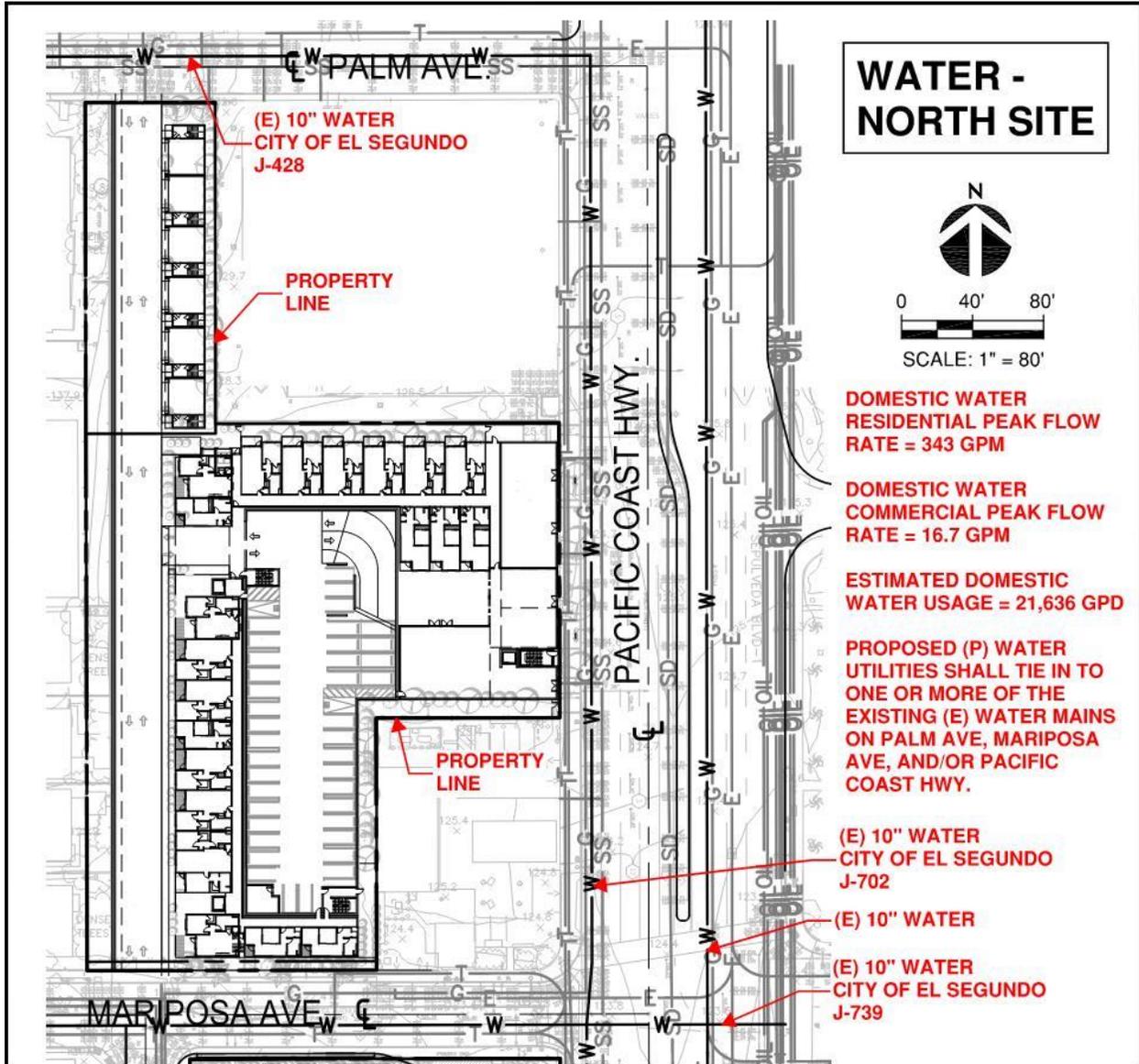
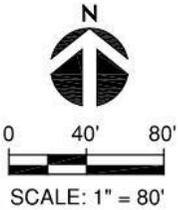


EXHIBIT 8B CONCEPTUAL WATER PLAN FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)



WATER - NORTH SITE



- DOMESTIC WATER RESIDENTIAL PEAK FLOW RATE = 343 GPM**
- DOMESTIC WATER COMMERCIAL PEAK FLOW RATE = 16.7 GPM**
- ESTIMATED DOMESTIC WATER USAGE = 21,636 GPD**
- PROPOSED (P) WATER UTILITIES SHALL TIE IN TO ONE OR MORE OF THE EXISTING (E) WATER MAINS ON PALM AVE, MARIPOSA AVE, AND/OR PACIFIC COAST HWY.**
- (E) 10" WATER CITY OF EL SEGUNDO J-702**
- (E) 10" WATER**
- (E) 10" WATER CITY OF EL SEGUNDO J-739**

**EXHIBIT 8C
CONCEPTUAL WATER PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT**

(Source: KPFF)

B. RECLAIMED WATER

EXISTING CONDITION

Reclaimed water utility service is provided by the West Basin Municipal Water District from a treatment plant on Hughes Way. There are no existing reclaimed water mains in the streets adjacent to the project. According to West Basin Municipal Water District record drawings, the closest reclaimed water main is located in Washington Avenue adjacent to Washington Park at the intersection with Elm Street, approximately 500-feet from the intersection of Palm Avenue and Indiana Street.

PROPOSED CONDITION

Future reclaimed water service is anticipated to be provided through the existing point of connection on Washington Avenue. Should West Basin Municipal Water District extend the reclaimed water lines adjacent to the Specific Plan area in the future, exact points of connection will be based on West Basin Municipal Water District's and the City of El Segundo's input. Reclaimed water service may not be available at the time of project completion.

C. SEWER SERVICE

EXISTING CONDITION

All existing sanitary sewer lines in the streets surrounding the project site are owned by the City of El Segundo. Sewer utility service is provided by the City of El Segundo and the Los Angeles County Sanitation District and is currently available within the site.

An 8-inch vitrified clay pipe (VCP) gravity line is located west of the site under the centerline of Indiana Street, with a depth varying from 2-feet to 9-feet below grade to the pipe invert. The sewer begins at a manhole located approximately 98-feet south of Mariposa Avenue, before sloping south where it connects to two 12-inch sewer lines—one on Holly Avenue and one that continues south on Indiana Street. In Indiana Street, there is also a 10-inch ductile iron pressure sewer located 6-ft east of the street centerline.

In Pacific Coast Highway, there is an existing 12-inch VCP gravity line located 26-feet west of the street centerline. The pipe slopes from north to south and varies in depth from 6-feet to 18-feet. At the intersection with Holly Avenue, the pipe connects to a 12-inch sewer running west on Holly Avenue.

An existing 8-inch VCP gravity line is located under the street centerline of Palm Avenue. This sewer has a high point elevation at a manhole located approximately 390-feet west of Pacific Coast Highway. The pipe slopes to drain out to both mainlines on both sides of the manhole. On the east end, it connects to the 12-inch sewer located in Pacific Coast Highway.

There are two existing sewer lines on Mariposa Avenue, west of Indiana Street. One is an 8-inch VCP gravity line located on the street centerline. It slopes from east to west and connects to an 8-

inch sewer line on Illinois Court. The other sewer line on Mariposa Avenue is a 10-inch pressure sewer located 5 feet north of the street centerline. A sewer study has been conducted that determined the existing sewer system has sufficient capacity to accommodate the additional flow that will be generated by the new development.

PROPOSED CONDITION

New sewer laterals are proposed for all the new buildings. It is anticipated that the new sewer laterals will connect to several of the existing gravity lines surrounding the project. The proposed project does not currently impact the existing pressure lines. The sewer laterals will be designed to slope at a minimum of 2% and maintain a minimum scouring velocity of 2-feet/second. Points of connection will be based on the City of El Segundo's input and will require a Sewer Connection Permit from the City of El Segundo. A conceptual sewer plan has been developed for the Specific Plan area (refer to Exhibits 9A, 9B and 9C, *Conceptual Sewer Plan South Site*, *Conceptual Sewer Plan Fairfield Parking Site*, and *Conceptual Sewer Plan North Site* respectively).

SEWER - SOUTH SITE

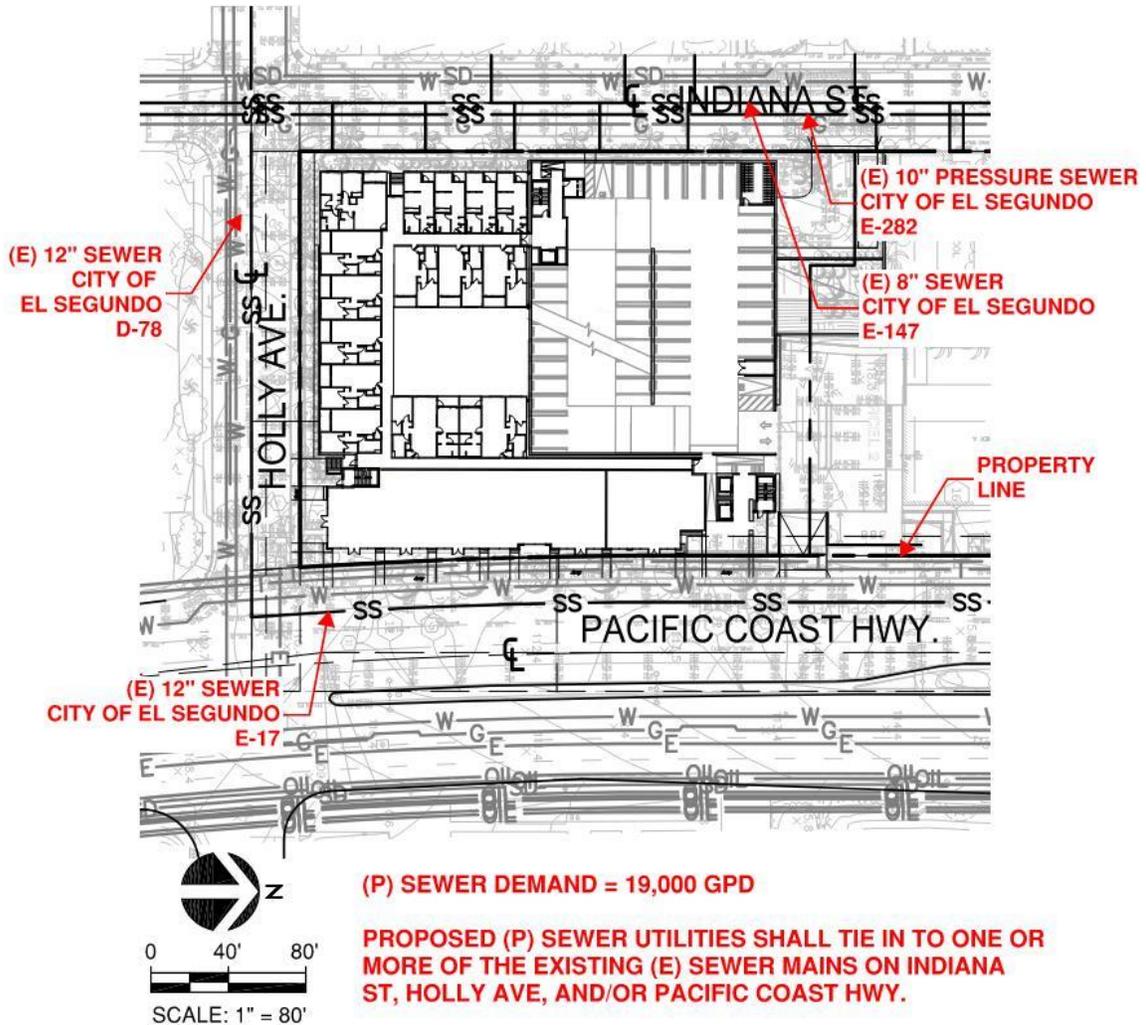
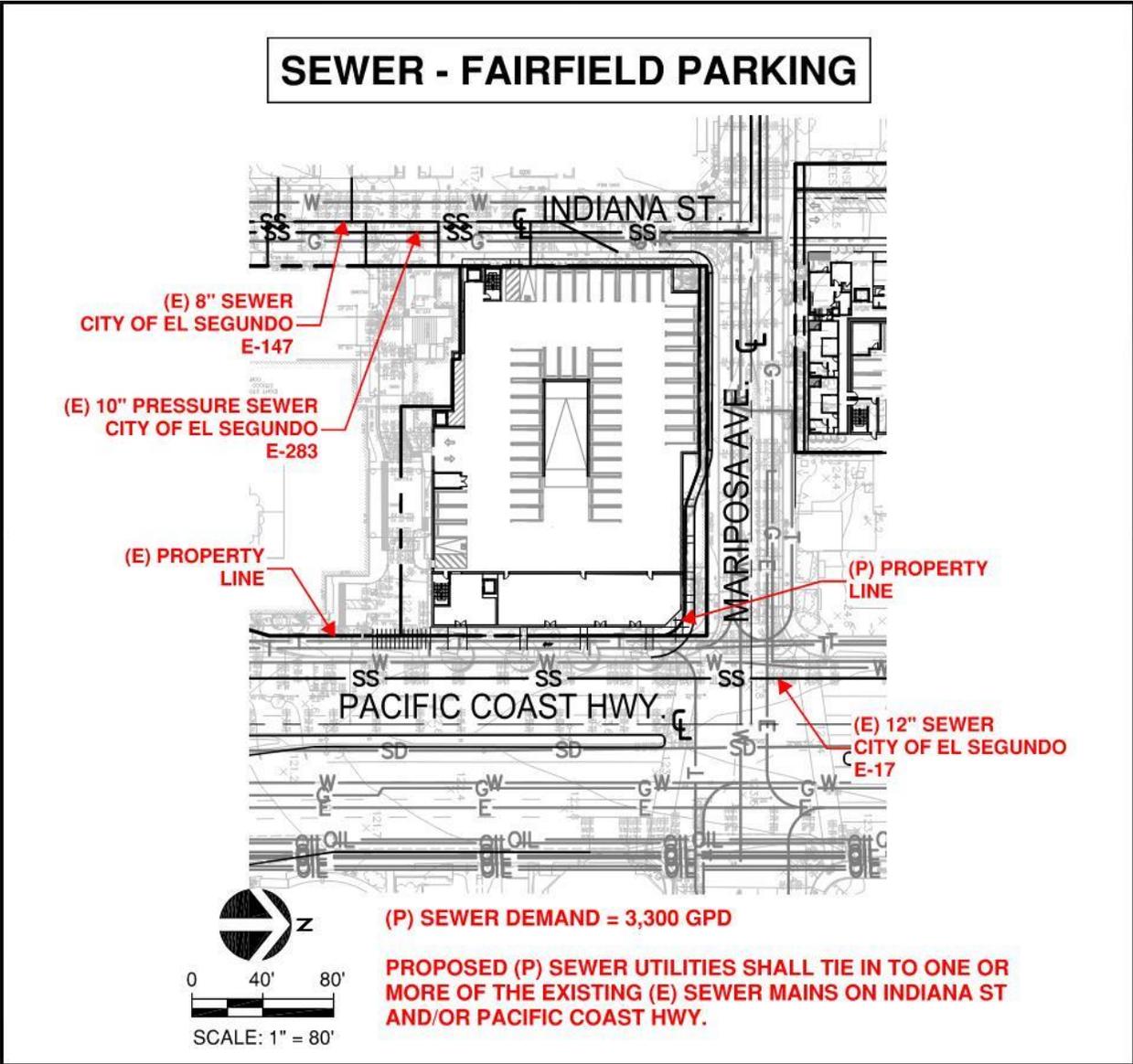


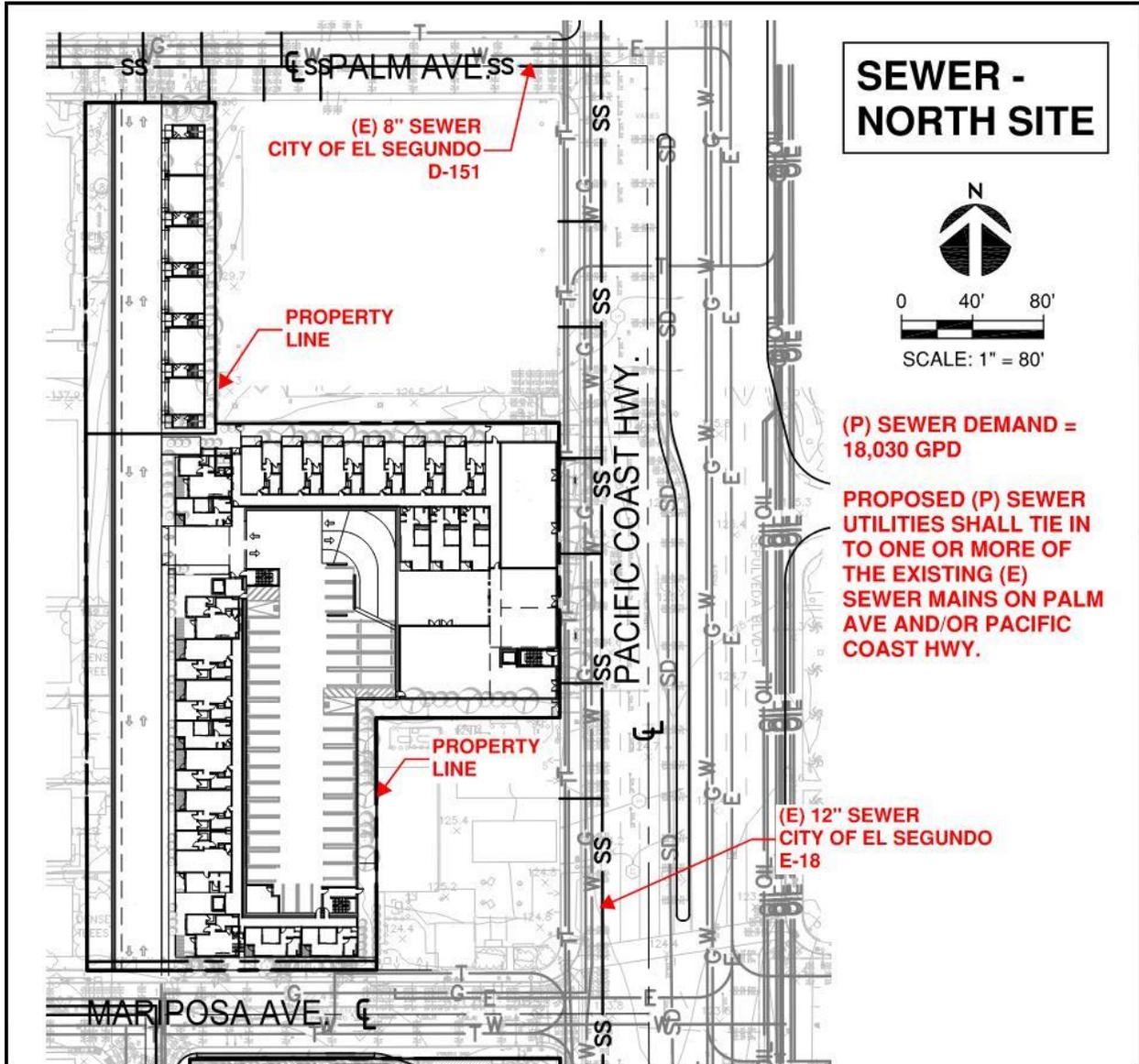
EXHIBIT 9A CONCEPTUAL SEWER PLAN SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)



**EXHIBIT 9B
CONCEPTUAL SEWER PLAN
FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT**

(Source: KPFF)



**EXHIBIT 9C
CONCEPTUAL SEWER PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT**

(Source: KPFF)

D. DRAINAGE

EXISTING CONDITION

There are two existing storm drains near this project that are owned by Caltrans and the City of El Segundo.

The existing Caltrans storm drain is located below Pacific Coast Highway. The storm drain is comprised of reinforced concrete pipe (RCP) and varies in size from 18-inches to 24-inches. The variable width existing RCP storm drain is located 66.5-feet east of the centerline in the portion of the street that is south of Pine Avenue and is located approximately 23-feet east of centerline in the portion that is north of Pine Avenue, although this location varies. The pipe flows from north to south. The depth of the pipe invert varies from approximately from 4-feet to 6-feet below grade.

The City of El Segundo storm drain is an existing 24-inch, RCP storm drain that runs through Indiana Street, and flows from north to south. It conveys stormwater from a catch basin on the west side of Indiana Street and is located 39 feet west of the project's property line. This storm drain runs south and ties in to another storm drain on Holly Avenue that runs west before ultimately discharging into a basin located approximately 0.5-miles southwest of the Specific Plan area, at the intersection of Center Street and Grand Avenue. The catch basin is located approximately 230-feet north of Holly Avenue.

Federal Emergency Management Agency (FEMA) map #06037C1770F shows this Project site is located within Zone X, which is described to be an area of minimal flood hazard and determined to be outside of the 0.2% annual chance floodplain. There are no Special Flood Hazards on-site.

PROPOSED CONDITION

Drainage must comply with all applicable laws and regulations, including without limitation, the City's National Pollution Discharge Elimination System (NPDES) Permit.

Proposed drainage will include stormwater treatment features on multiple sites within the Specific Plan area, in accordance with the City of El Segundo Low Impact Development (LID) requirements. The storm water quality design volume required by Los Angeles County Low Impact Development (LID) standards will be stored in the system and infiltrate into the soil beneath the underground system within 48 hours. These treatment features are designed to treat the 85th percentile storm event, while overflow drainage features will be designed based on the 25-year storm event.

Infiltration is feasible for stormwater treatment within the Specific Plan area. It appears that one drywell at each of the three new development sites within the Specific Plan area will be able to capture the required volume and will be able to treat that volume as quickly as it enters the drywell system. The same drywell design will be used at each site. The drywells will include overflow piping that will be sized based on the 25-year storm event. Overflow features will convey water to Indiana Street or Mariposa Avenue and into the City of El Segundo catch basin on Indiana Street. Thus, stormwater in the proposed condition will flow only to the City of El Segundo storm drain.

Because the peak flow rate will be reduced in the proposed condition, it is assumed that the City of El Segundo storm drain will have more than enough capacity to handle the flow rate generated.

A Conceptual Drainage Plan has been developed for the Specific Plan area that provides both existing and proposed conditions (refer to Exhibits 10A, 10B, 10C, 10D, 10E, and 10F, *Existing Drainage Plan South Site, Conceptual Drainage Plan South Site, Existing Drainage Plan Fairfield Parking Site, Conceptual Drainage Plan Fairfield Parking Site, Existing Drainage Plan North Site, and Conceptual Drainage Plan North Site respectively*).

(E) STORM DRAIN AND HYDROLOGY - SOUTH SITE

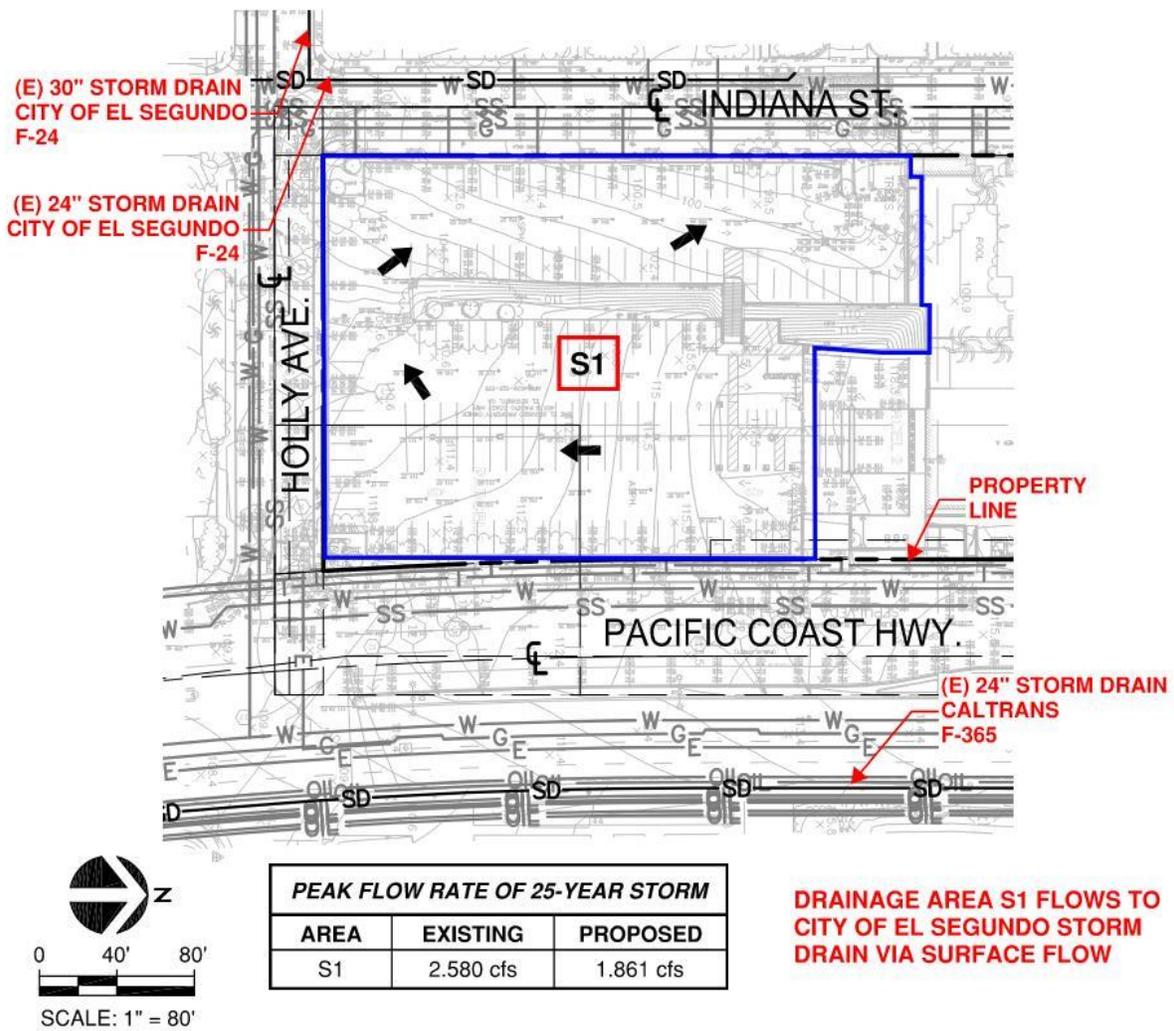
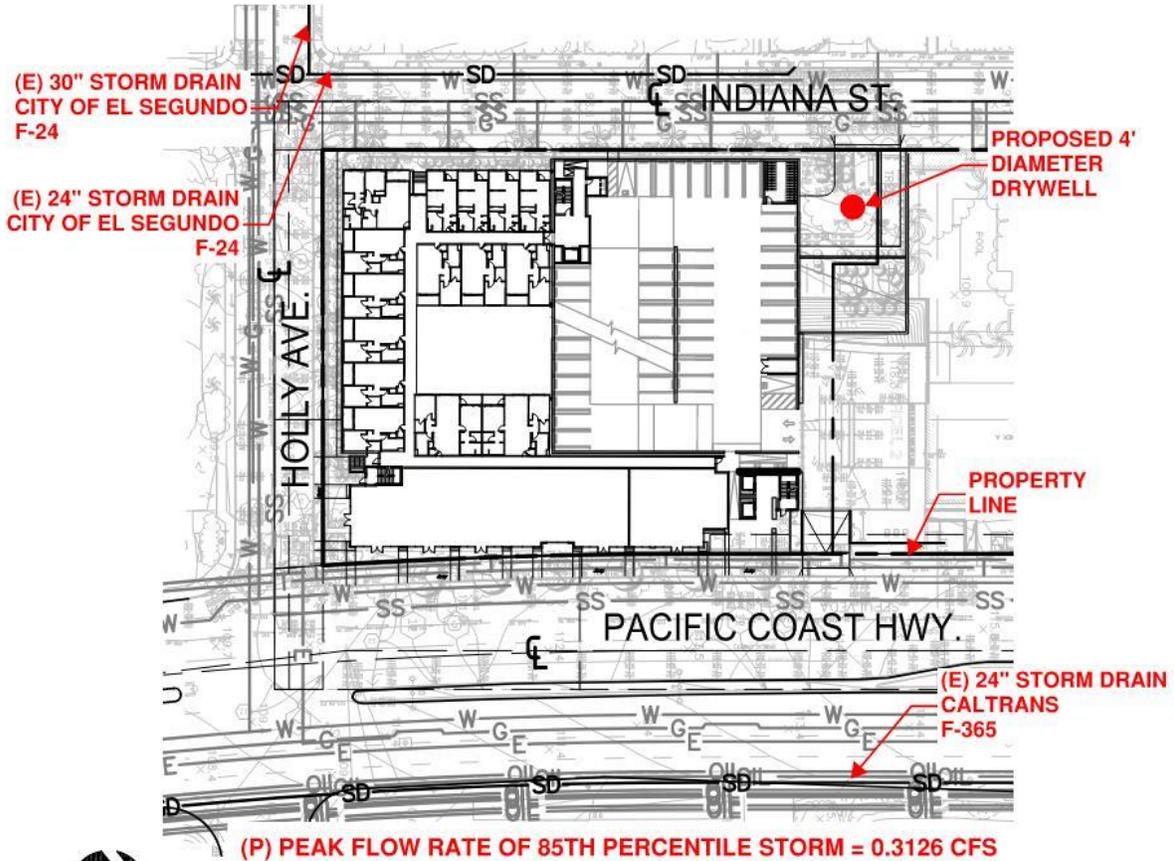


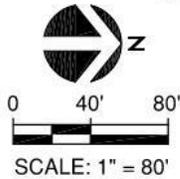
EXHIBIT 10A EXISTING DRAINAGE PLAN SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)

(P) STORM DRAIN AND HYDROLOGY - SOUTH SITE



(P) PEAK FLOW RATE OF 85TH PERCENTILE STORM = 0.3126 CFS



CONCEPTUAL DRAINAGE PLAN:

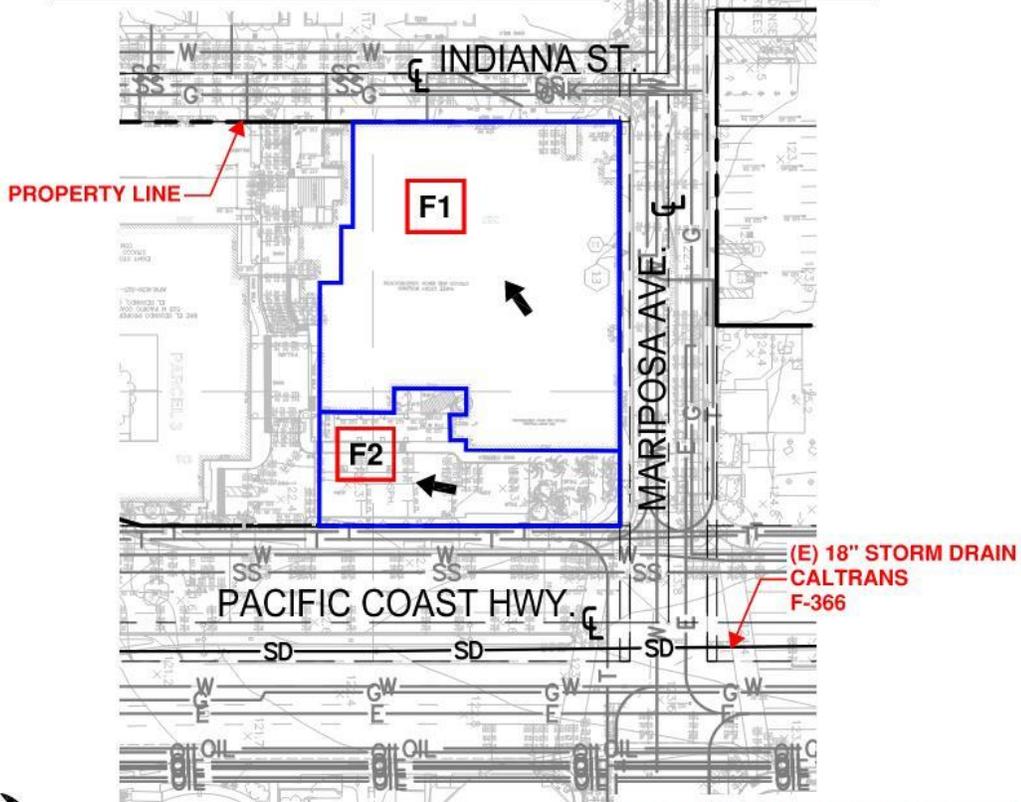
ONE 40-FT DRYWELL WITH A DISPOSAL RATE OF 0.514 CFS IS ADEQUATE TO INFILTRATE ENTIRE FLOW GENERATED BY 85TH PERCENTILE STORM

OVERFLOW WILL BE ROUTED TO CALTRANS STORM DRAIN VIA SURFACE FLOW

**EXHIBIT 10B
CONCEPTUAL DRAINAGE PLAN
SOUTH SITE IN THE PCC MU-1 DISTRICT**

(Source: KPFF)

(E) STORM DRAIN AND HYDROLOGY - FAIRFIELD PARKING



PEAK FLOW RATE OF 25-YEAR STORM		
AREA	EXISTING	PROPOSED
F1	1.395 cfs	1.286 cfs
F2	0.409 cfs	—

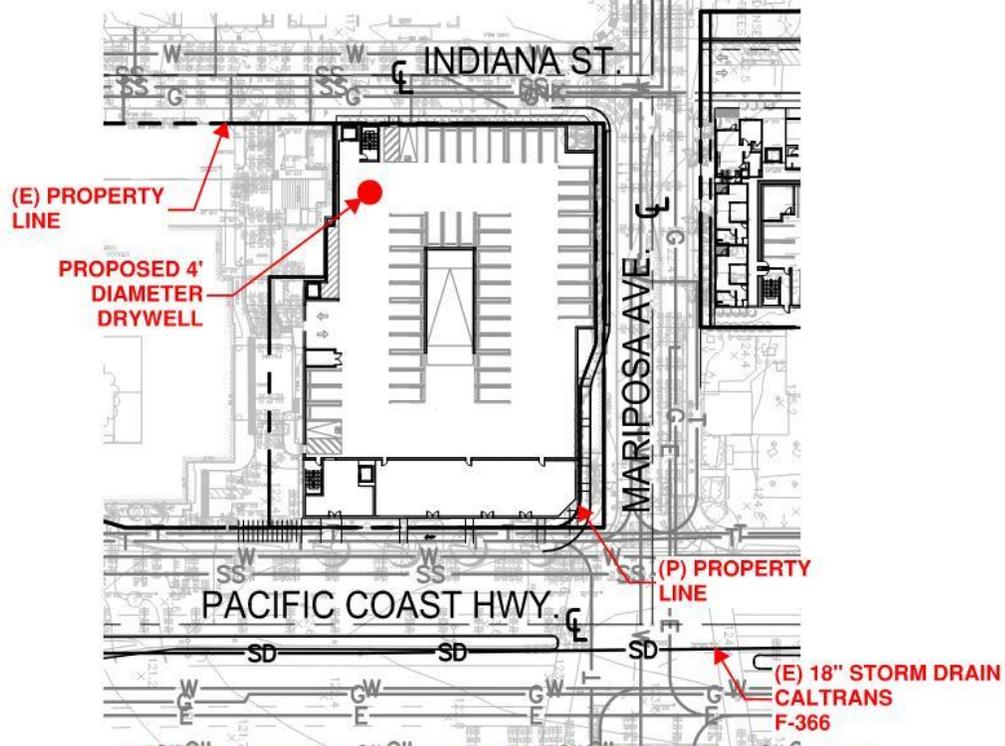
DRAINAGE AREA F1 FLOWS TO CITY OF EL SEGUNDO STORM DRAIN VIA SURFACE FLOW

DRAINAGE AREA F2 FLOWS TO CALTRANS STORM DRAIN

EXHIBIT 10C EXISTING DRAINAGE PLAN FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)

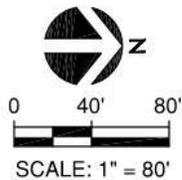
**(P) STORM DRAIN AND HYDROLOGY
- FAIRFIELD PARKING**



(P) PEAK FLOW RATE OF 85TH PERCENTILE STORM = 0.2200 CFS

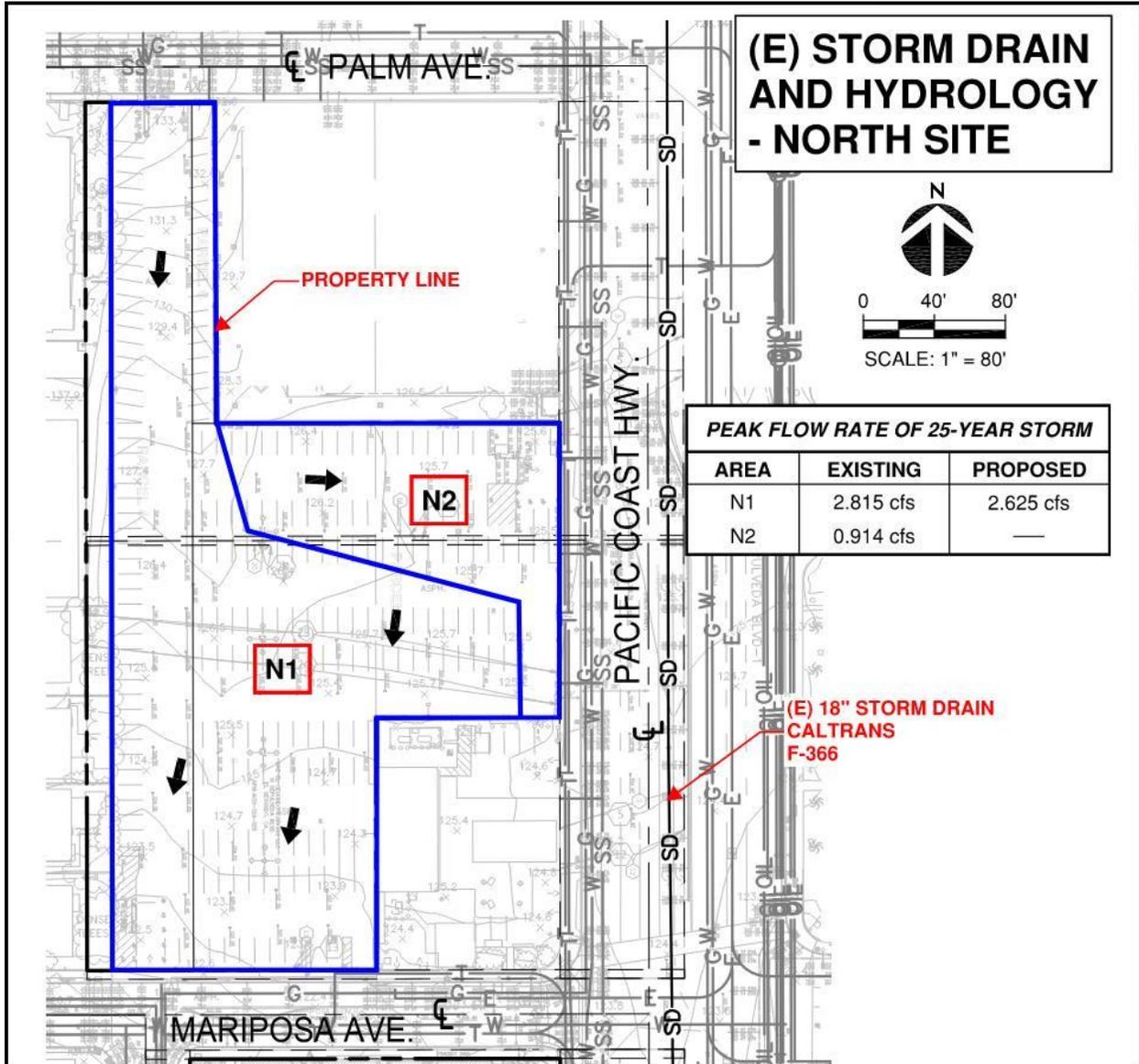
**CONCEPTUAL DRAINAGE PLAN:
ONE 40-FT DRYWELL WITH A DISPOSAL RATE OF 0.514 CFS IS ADEQUATE
TO INFILTRATE ENTIRE FLOW GENERATED BY 85TH PERCENTILE STORM**

**OVERFLOW WILL BE ROUTED TO CALTRANS STORM DRAIN SYSTEM VIA
SURFACE FLOW**



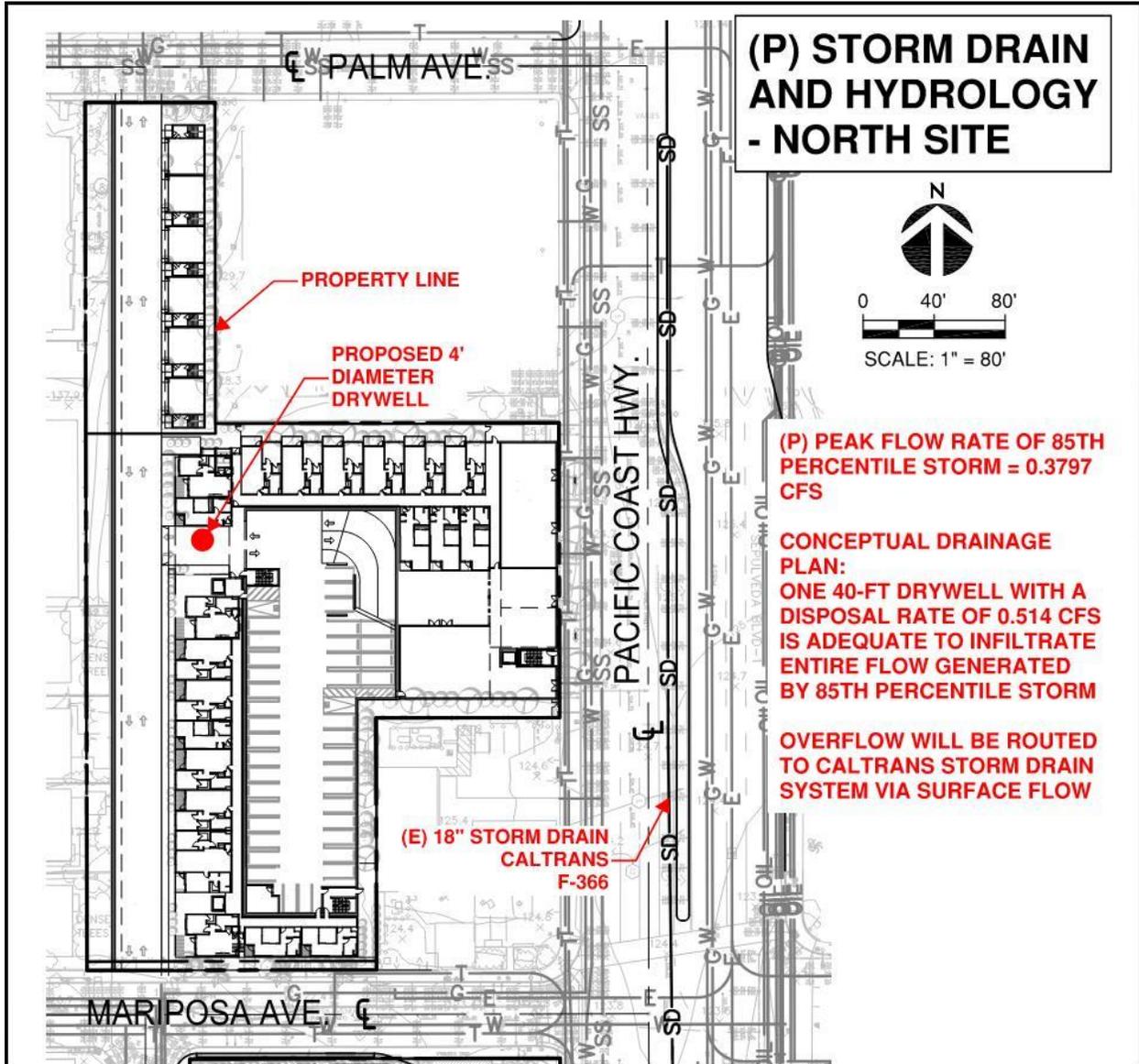
**EXHIBIT 10D
CONCEPTUAL DRAINAGE PLAN
FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT**

(Source: KPFF)



**EXHIBIT 10E
EXISTING DRAINAGE PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT**

(Source: KPFF)



**EXHIBIT 10F
CONCEPTUAL DRAINAGE PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT**

(Source: KPFF)

E. GAS

EXISTING CONDITION

Natural gas service is provided by Southern California Gas Company (SoCal Gas) and is currently available within the developed portions of the site and in streets surrounding the project site. Specifically, existing SoCal Gas utilities are located in the following streets adjacent to the project site: Pacific Coast Highway, Palm Avenue, Mariposa Avenue, Indiana Street, and Holly Avenue.

PROPOSED CONDITION

The existing gas service will be maintained and future gas service will be provided through private gas service line connections to the SoCal Gas utilities (public main line(s)) in the surrounding streets that include Pacific Coast Highway, Palm Avenue, Mariposa Avenue, Indiana Street, and Holly Avenue. The private gas service lines will be secured by easements with SoCal Gas.

A conceptual plan has been developed for the Specific Plan area (refer to Exhibits 11A, 11B, and 11C, *Conceptual Electric, Gas & Telecommunication Plan South Site, Conceptual Electric, Gas & Telecommunication Plan Fairfield Parking Site, and Conceptual Electric, Gas & Telecommunication Plan North Site respectively*).

F. ELECTRIC

EXISTING CONDITION

Electric power is provided by Southern California Edison (SoCal Edison) to the Specific Plan area through an underground utility conduit system in the streets adjacent to the project site including Pacific Coast Highway and Mariposa Avenue.

PROPOSED CONDITION

SoCal Edison has existing underground electrical utilities in the streets adjacent to the project site, including Pacific Coast Highway and Mariposa Avenue. New underground utility conduit systems will be needed to intercept the existing underground electric system and provide electrical power to the proposed improvements. An easement will be granted to SoCal Edison for access and maintenance. Final locations and points of connection for the electrical system will be based on a final approved SoCal Edison design. A conceptual plan has been developed for the Specific Plan area (refer to Exhibits 11A, 11B, and 11C, *Conceptual Electric, Gas & Telecommunication Plan South Site, Conceptual Electric, Gas & Telecommunication Plan Fairfield Parking Site, and Conceptual Electric, Gas & Telecommunication Plan North Site respectively*).

DRY UTILITIES - SOUTH SITE

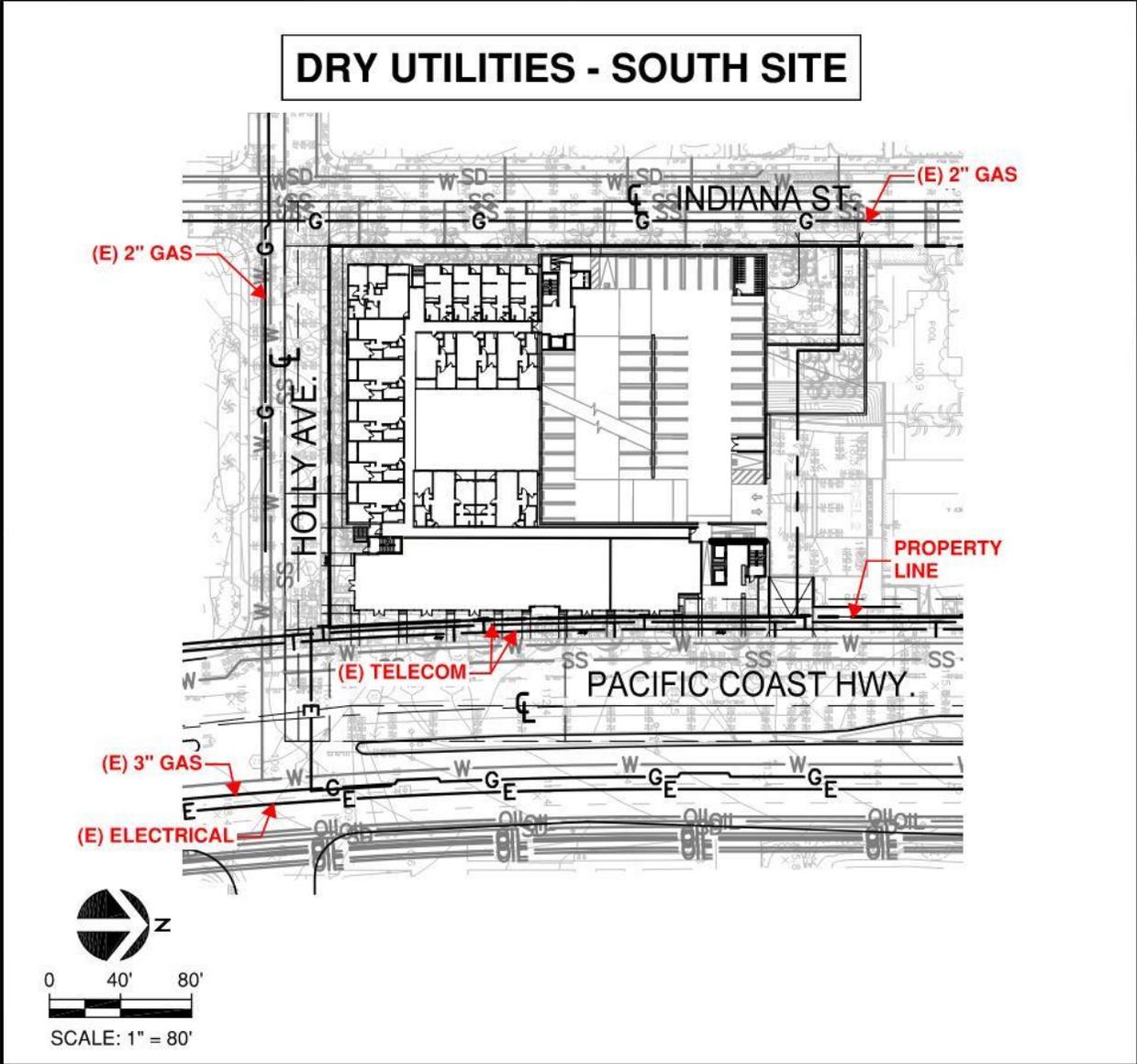
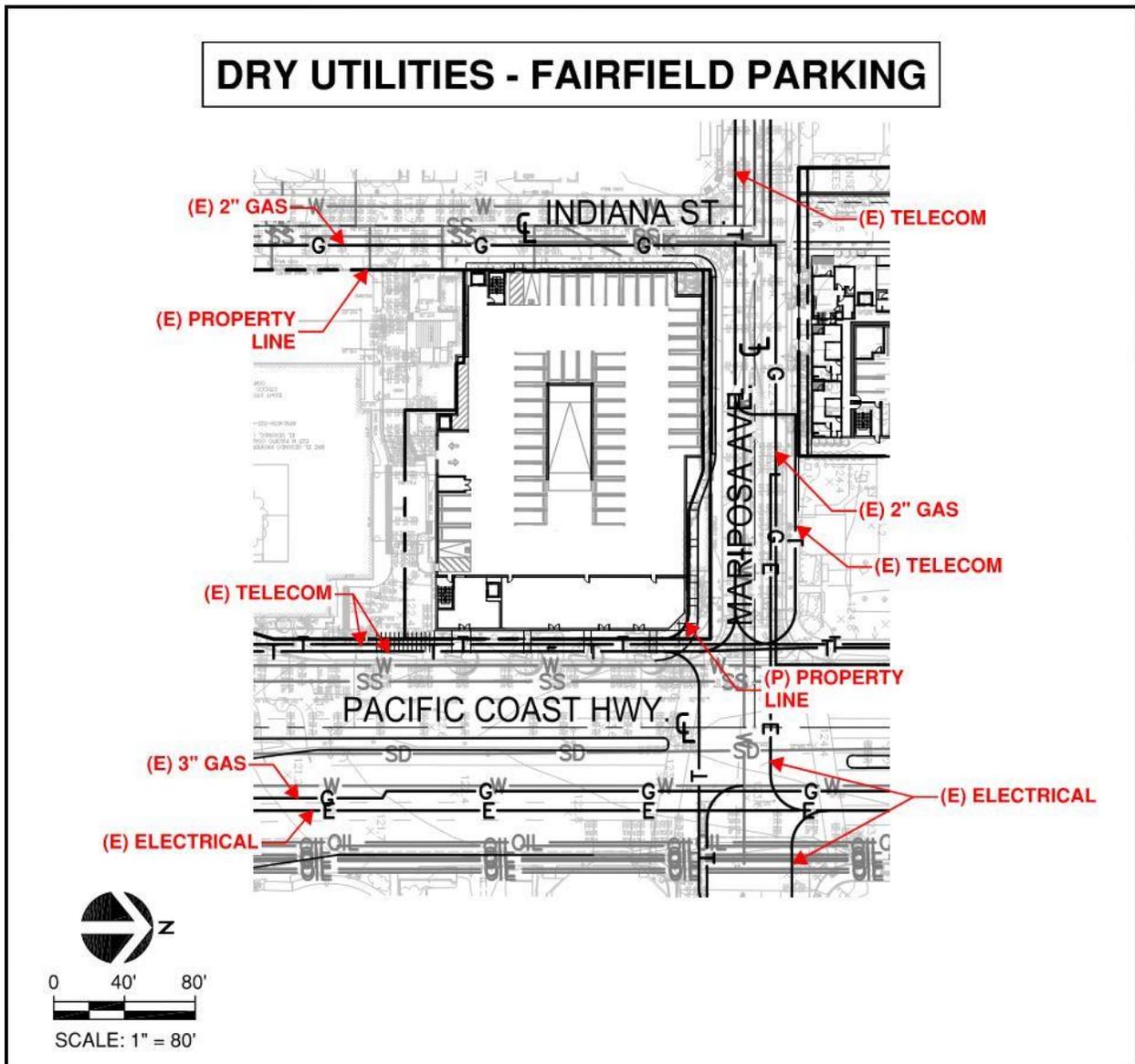


EXHIBIT 11A CONCEPTUAL ELECTRIC, GAS AND TELECOMMUNICATIONS PLAN SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)

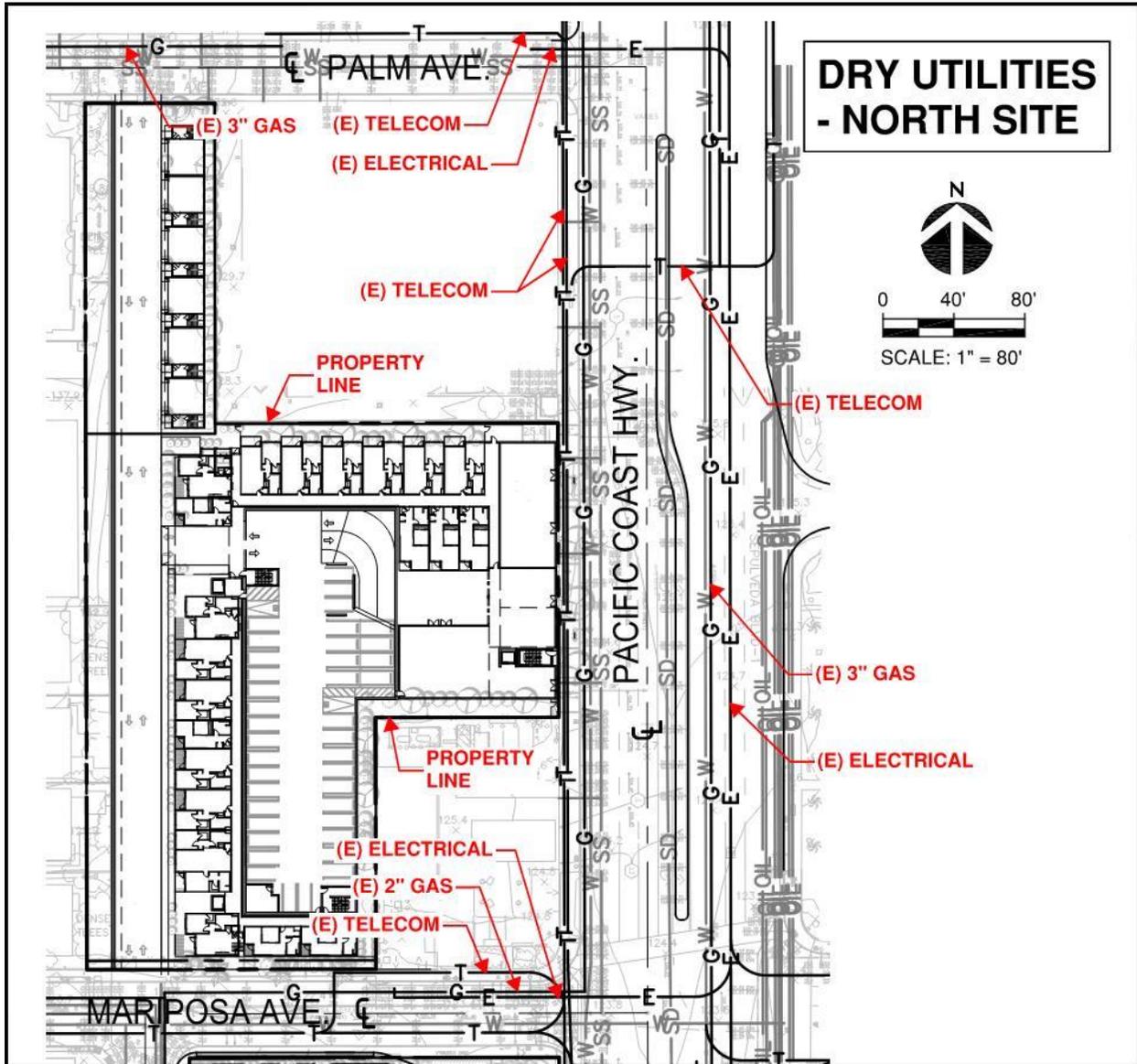
DRY UTILITIES - FAIRFIELD PARKING



0 40' 80'
SCALE: 1" = 80'

EXHIBIT 11B CONCEPTUAL ELECTRIC, GAS AND TELECOMMUNICATIONS PLAN FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)



**EXHIBIT 11C
 CONCEPTUAL ELECTRIC, GAS AND TELECOMMUNICATIONS PLAN
 NORTH SITE IN THE PCC MU-2 DISTRICT**

(Source: KPFF)

G. TELECOMMUNICATIONS UTILITIES

EXISTING CONDITION

Cable and telecommunication service is provided by Sonify, Velocity, Verizon, CenturyLink, and Charter Communications in the vicinity of the Specific Plan area. Verizon and CenturyLink currently have underground facilities in Pacific Coast Highway. Charter Communications has a combination of aerial and underground facilities in Indian Street, Mariposa Avenue, Palm Avenue and Holly Avenue. Velocity provides phone and internet service to the Aloft and the Fairfield Inn and Suites hotels. Currently, Sonify provides television service to the Aloft and Fairfield Inn and Suites hotels.

PROPOSED CONDITION

It is anticipated that Velocity and Sonify would continue to provide service to the Aloft and the Fairfield Inn and Suites hotels. Charter Communications has indicated that it may provide service to the project, but will need to perform an investigation of the area to confirm that it is feasible. New underground utility conduit systems will intercept the existing underground telecommunications system and provide services to the proposed buildings. An easement will be granted to the telecommunication companies for access and maintenance. Final locations and points of connection for the telecommunications system will be based on a final approved design by the telecommunications providers. A conceptual plan has been developed for the Specific Plan area (refer to Exhibits 11A, 11B, and 11C, *Conceptual Electric, Gas & Telecommunication Plan South Site, Conceptual Electric, Gas & Telecommunication Plan Fairfield Parking Site, and Conceptual Electric, Gas & Telecommunication Plan North Site respectively*).

H. SOLID WASTE DISPOSAL

EXISTING CONDITION

Solid waste disposal is provided to multiple-family and commercial users by a variety of private haulers.

FUTURE CONDITION

Development within the Specific Plan would contract with a provider. Landfill capacity is adequate for assumed population and residential and commercial growth within Los Angeles County. Solid waste facilities within the Specific Plan area will comply with all ESMC requirements pertaining to building, fire, zoning codes (e.g., adequate trash enclosures and screening).

I. FIRE PROTECTION

EXISTING CONDITION

Fire protection services are provided by the El Segundo Fire Department which has two stations.

Fire Station 1 is located at 314 Main Street (next to City Hall) which is 1.1 miles from the Specific Plan area. Fire Station 2 is located at 2261 East Mariposa Avenue (at Mariposa Avenue and Douglas Street) which is 0.8 miles from the Specific Plan area. The provision of water for fire suppression is provided by on-site building sprinklers and from several off-site fire hydrants.

FUTURE CONDITION

Buildings will have sprinkler systems as required by the ESMC. Additional fire hydrants will be provided in addition to existing hydrants to provide coverage for portions of the proposed buildings that are in excess of 150 feet from a public hydrant. Spacing between fire hydrants for the South Site (in the PCC Mixed-Use 1 (PCC MU-1) land use district), Fairfield Parking Site (in the PCC Commercial-3 (PCC COM-3) land use district), and in the North Site (in the PCC Mixed-Use 2 (PCC MU-2) land use district) will be 300 feet for public fire hydrants. The North Site will have a minimum of 3 hydrants. The Fairfield Parking Site will have a minimum of 1 hydrant and the South Site will have a minimum of 3 hydrants. Fire hydrant requirements are discussed in greater detail above in “Section IV-A Water Service” of this Specific Plan. Development will be required to pay fire impact fees to off-set the additional demand for municipal fire protection services as a result of the new development.

J. POLICE SERVICES

EXISTING CONDITION

Police services are provided by the El Segundo Police Department which is located at 348 Main Street.

FUTURE CONDITION

Development will be required to pay police impact fees to off-set the additional demand for municipal police services as a result of the new development.

V. DESIGN GUIDELINES

These design guidelines are intended as “guidelines” instead of “development regulations.” Consequently, strict compliance is not required. These design guidelines apply only to new construction (not applicable to existing buildings and site improvements in the PCC MU-1, PCC COM-1, PCC COM-2, and PCC COM-3 land use districts) and site areas that are modified as of the effective date of this Specific Plan. To promote the quality of design planned for this Project, the design guidelines given in this document establish criteria that enhance the coordination, organization, function and identity of the site, while maintaining a compatible relationship with the surrounding development of the Pacific Coast Commons Specific Plan.

A. DESIGN OBJECTIVES

Design Guidelines for the Pacific Coast Commons Specific Plan will promote and reinforce the City’s commitment to high quality development. The objectives of these guidelines are to:

- Provide for high-quality residential and commercial development within the Specific Plan area.
- Promote orderly and predictable development.
- Encourage individual creativity and innovative solutions by allowing flexibility in how a particular guideline is met as long as the intent of the guideline is achieved.
- Ensure functional pedestrian, bicycle and motor vehicle circulation within the Project and convenient pedestrian and bicycle linkages to and from adjacent residential and commercial areas and schools.

1. Site Planning

- a. The arrangement of new buildings, parking and circulation areas should recognize the particular characteristics of the site and should create a cohesive identity.
- b. Site development should utilize variations on building orientation and landscaping adjacent to the public streets so that a monolithic “wall” of building faces is not created.
- c. The design and location of accessory buildings (e.g., maintenance and storage buildings, trash and recycling enclosures, and outdoor mechanical equipment enclosures) should be incorporated into and be compatible with the overall design of the Project and the main buildings on the site.

- d. Appropriate linkages between internal Project components and buildings should be incorporated, including pedestrian walkways.
- e. Buildings should be arranged to create opportunities for outdoor amenities (e.g., plazas, courtyards, outdoor eating areas, etc.) where appropriate and feasible.

2. Access and Parking

- a. The use of common (shared) access points and driveways is encouraged; placement of vehicle access points close to building entries should be avoided to minimize pedestrian and vehicular conflicts.
- b. Entry driveway areas should be clearly marked by identifying features, (e.g., prominent landscape features and well-designed monument-type signs).
- c. Access to each building should be clearly visible to pedestrians and motorists through the use of signage, color, and/or design elements.
- d. Surface parking lots adjacent to and visible from public streets should incorporate landscaping to minimize undesirable visual impacts.
- e. Surface parking areas should be enhanced and visually broken up through the use of canopy trees and landscape improvements and to reduce the effects of heat gain.
- f. Parking lot and driveway design is encouraged to include water quality storm water facilities consistent with City standards.

3. Architecture/Orientation/Massing

- a. The massing, scale and architectural style should consider compatibility with the surrounding character and existing buildings to reflect a cohesive character.
- b. The orientation of the newly constructed buildings should facilitate and encourage pedestrian activities.
- c. The mass and scale of new buildings should be compatible with the existing and adjacent structures and with each other. This can be accomplished by transitioning from the height of adjacent buildings to the tallest elements of the new building, stepping back the upper portions of taller buildings, and incorporating human scale elements, such as pedestrian scaled doors, windows, and building materials on the ground floor.

- d. Buildings should be divided into distinct massing elements and should be articulated with architectural elements and details. Changes in height, horizontal plane, materials, patterns and colors should be used to reduce building scale and mass.
- e. Primary building entries should be easily identified through the use of prominent architectural elements, signage, landscaping, decorative hardscape, lighting, canopies, roof form, architectural projections, columns, vertical and/or horizontal elements, and other design features that help emphasize a building's entry.
- f. Building elevations, whether front, side, or rear, that are visible from public rights-of-way should be architecturally detailed to incorporate quality materials and architectural features that reflect the theme of surrounding structures and facades. Building entrances should be readily identifiable. The use of recesses, projections, columns, and other design elements to articulate entrances is encouraged.
- g. Facades should include vertical and horizontal variations in wall planes, building projections, door and window bays, and similar elements. Building articulation should be present on the side and rear walls of the buildings if visible from the adjacent streets (Pacific Coast Highway, Mariposa Avenue, Holly Avenue, Indiana Street, and Palm Avenue) and the western facing building facades in the PCC Mixed-Use 2 (PCC MU-2) land use district.
- h. The exterior surfaces of buildings for the ground floor must be protected with anti-graffiti coating where not screened by shrubs, vines and trees.

4. Color and Materials

- a. Colors and materials should be consistent and complementary throughout the Project area.
- b. Exterior materials and architectural details should complement each other and should be stylistically consistent.
- c. Building materials must be durable and resistant to damage, defacing, and general wear and tear. Acceptable building materials may include concrete, fiber cement siding, stone masonry, metal, stucco, glass and/or other contemporary composites.
- d. Building materials that support sustainability through the use of environmentally sound building materials and local resources (e.g., locally available, contain high recycled-content, are reused, come from renewable sources, and that contain low volatile organic compound (VOC) levels) is highly encouraged.

5. Screening and Mechanical Equipment

- a. All screening devices should be compatible with the architecture, materials and colors of the building.
- b. Loading docks, bays and parking spaces, delivery service areas, outdoor storage areas, stand-alone mechanical equipment facilities, should be located and designed to minimize their visibility, circulation conflicts and adverse noise impacts. Sound attenuation walls should be used where appropriate to reduce noise where required by code or the Project's environmental analysis.
- c. Utility and mechanical equipment should be screened from view of public streets and nearby buildings on all sides with landscaping and/or architectural elements.
- d. Rooftop mounted equipment visible from the surrounding area, adjacent buildings, and any public rights-of-way should be screened from public view and equipment should be painted to match the roof color when equipment is visible.
- e. Trash and recycling receptacles areas should be completely screened from public view from public rights-of-way with solid walls, wood, and/or landscaping.
- f. Ground mounted enclosures should be protected with anti-graffiti coating where not screened by shrubs, vines and trees.



Trash enclosures with architectural screening elements

6. Parking Structures

- a. Parking garages should be designed to help reduce the mass and scale of the garage and to ensure their compatibility with surrounding uses.
- b. Parking garages should be designed to minimize the view of vehicles in the garage through a combination of screen walls and plantings while providing adequate visibility for security purposes.
- c. The exterior elevations of parking structures should be designed to avoid a monotonous, monolithic appearance. This can be accomplished through a menu of options as follows:

- i. Minimize horizontal and vertical banding by balancing both horizontal and vertical elements.
 - ii. Design 'green screens' to provide visual relief.
 - iii. Use simple, clean geometric forms, and coordinated massing.
 - iv. Size openings in the parking garage to resemble large windows as in an office building.
 - v. Use masonry materials that are predominantly light in color but avoid unpainted concrete. Use of accent materials is encouraged.
 - vi. Avoid a sloping ramp appearance by providing level and uniform spandrels.
 - vii. Visually define and differentiate between pedestrian and vehicular entrances through appropriate architectural detailing.
- d. Stairs and elevators should be located adjacent to a street on the exterior of the structure where lobbies can be exposed to outside view. Safe pedestrian street crossings should be taken into consideration.
 - e. Lighting levels should be equally distributed to provide uniform illumination over all parking areas.
 - f. Light sources should be shielded so that the source of the illumination is not seen from outside the structure.
 - g. The ground floor level of any parking structure must be protected with anti-graffiti coating.

7. Landscaping

A Landscape Plan must be provided to the City concurrently with each site plan review submittal.

General

- a. All areas not covered by buildings, parking structures, walkways, driveways, drive aisles, fire lanes, parking spaces, and service areas should be landscaped (with drought tolerant plantings and sustainable hardscapes in accordance with the City's water conservation requirements).
- b. Landscaping should enhance the quality of the Project by framing and softening the appearance of buildings, defining site functions, screening undesirable views and buffering incompatible uses.
- c. Landscaping at the perimeter of buildings is encouraged to soften the transition between building and adjacent uses and between building and the public right-of-way where feasible. Parking lot landscaping must be distributed evenly to the extent feasible to provide for consistent design and

shading.

- d. Landscaped areas should generally incorporate a combination of planting materials utilizing a three-tiered system consisting of: 1) trees, 2) shrubs or vines, 3) groundcover/ornamental grasses. Landscaping should be in scale with the adjacent buildings and be of appropriate size at maturity.
- e. Placement of landscaping should not interfere with the lighting of the Project area or restrict access to utilities.
- f. Landscaping should be utilized to define edges, buffer adjacent properties, screen parking areas and storage areas.
- g. Trees must adequately shade parking lots and provide sufficient area for water quality requirements.
- h. Paving materials should include pervious hardscape materials to facilitate water treatment and reduce runoff.
- i. Bio-retention areas can be used to detain/percolate run-off in planted swales, raised open-bottomed planters, etc.



On-site storm water capture system

- j. Site furnishings including, but not limited to, fixed and moveable seating, trash and recycling receptacles, bike racks, and pedestrian scaled lighting should be of durable and sustainable materials.

8. Walls and Fences

- a. Wall and fence design should complement the Project's architecture. Landscaping may be used to soften the appearance of the wall surface.
- b. Wall and fencing materials must be made of a durable material. Wall and fencing materials may consist of wrought iron, tubular steel, stone, stucco, or brick. Solid walls should incorporate pilasters with decorative caps and offsets, consistent with the overall architecture.
- c. Landscaping should be used to soften the appearance of the wall surfaces and deter graffiti.
- d. Walls and fences that are not screened by vines, shrubs and trees should be protected with anti-graffiti coating.

9. Lighting Design

- a. The type and location of parking structure, parking area, building and drive aisle/fire lane lighting should prevent direct glare on to adjacent residential properties.
- b. Pedestrian scale lighting should be present at all entries, plazas, courtyards, parking lots, parking structures, pedestrian ways, and other areas where nighttime pedestrian activity is expected.
- c. Lighting design of fixtures and their structural support should be architecturally compatible with the architecture of the Project.
- d. When appropriate, wall-mounted lighting may be incorporated. Wall-mounted lights should be compatible with the building's architectural style.

10. Signage

- a. The character of signage, including the location, size, height, design and lighting should be in keeping with the architectural character and monument style of the overall Project.
- b. Signs should make a positive contribution to the desired character of the Project and provide for clear identification and wayfinding.
- c. Incorporate pedestrian level signage where appropriate throughout the commercial areas in the Specific Plan.

VI. DEVELOPMENT STANDARDS

The following standards are intended to supplement the existing General Plan and ESMC. Where this Specific Plan is inconsistent with the ESMC, the Specific Plan prevails. Where this Specific Plan does not specifically regulate, development must comply with the standards and requirements set forth in the ESMC.

A. PERMITTED USES

Uses within the Specific Plan area are governed by the following Table, by district: Wireless facilities are permitted subject to the requirements of ESMC Chapter 15-19.

**Table VI-1
Allowable Uses**

Use	PCC MU-1	PCC COM-1	PCC COM-2	PCC COM-3	PCC MU-2
Bars (in conjunction with a Hotel)	-	CUP	CUP	CUP	-
Cafes	P	P	P	P	P
Conference Facility/Conference Rooms (in conjunction with a Hotel)	-	P, A	P, A	P, A	-
Fitness Facility or Private Training Studio	P	A	A	P	P
General Offices	P, A	P, A	A	A	P, A
General Storage	A	A	A	A	A
Hotels	-	CUP	CUP	CUP	-
Maintenance Buildings/Facilities (in conjunction with a Hotel or in in conjunction with a multiple-family residential building)	A	A	A	A	A
Medical/Dental Offices	P	-	-	P	P
Multiple-family residential lease office	P	-	-	-	P
Multiple-family residential dwellings (apartments, townhomes)	P	-	-	-	P

Off-site sale of alcohol at retail establishments	AUP	AUP	AUP	AUP	AUP
On-site sale and consumption of alcohol at restaurants and cafes	AUP	AUP	AUP	AUP	AUP
On-site sale and consumption of alcohol at bars, other than wine bars	-	CUP	CUP	CUP	-
On-site sale and consumption of alcohol at wine bars	CUP	CUP	CUP	CUP	CUP
Outdoor Dining	A	A	A	A	A
Parking structures and surface parking lots	A	A	A	A	A
Recreational facilities or multipurpose recreational building or room accessory to multi-family residential uses or hotels	A	A	A	A	A
Restaurants, full service	P	A	A	P, A	P
Restaurants, fast food	P	A	P, A	P, A	P
Retails Sales - including convenience stores and General Retail Stores (excluding building material stores, warehouse retail showrooms, and off-site sale alcohol sales)	P, A	A	A	P, A	P, A
Retail Services (including Personal Services and Business and Consumer Support Services)	P, A	A	A	P, A	P, A
Wireless Communications Facilities (Pursuant to ESMC Chapter 15-19)	AUP, CUP				
Any use customarily incidental to a permitted use	A	A	A	A	A
All uses that are not permitted, conditionally permitted or determined to be similar uses as specified above.	-	-	-	-	-

AUP	Administrative Use Permit
A	Permitted Accessory Use
CUP	Conditional Use
P	Permitted Use
--	Not Permitted

Note: Pursuant to the ESMC, uses of a similar nature which are unlisted in Table IV-1 may be considered by the Director of Planning and Building Safety, subject to appeal to the Planning Commission.

B. DEVELOPMENT STANDARDS

1. Lot Area

- a. The minimum building lot area is 10,000 gross square feet in all land use districts.

2. Height

- a. Buildings and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district in the Specific Plan cannot exceed 90 feet in height including elevator/stairwell roof projections, measured from lowest finished grade to the highest point of measurement. Light standards on roof level parking areas and roof level recreational facilities/open space areas are permitted and they cannot exceed 14 feet in height. Exceptions to building height are permitted in accordance with ESMC §15-2-3.
- b. Buildings and structures within the PCC Commercial-1 (PCC COM-1) land use district in the Specific Plan cannot exceed 105 feet in height, measured from lowest finished grade to the highest point of measurement. Exceptions to building height are permitted in accordance with ESMC §15-2-3.
- c. Buildings and structures within the PCC Commercial-2 (PCC COM-2) land use district in the Specific Plan cannot exceed 115 feet in height, measured lowest finished grade to the highest point of measurement. Exceptions to building height are permitted in accordance with ESMC §15-2-3.
- d. Buildings and structures within the PCC Commercial-3 (PCC COM-3) land use district in the Specific Plan cannot exceed 68 feet in height including elevator/stairwell roof projections, measured from lowest finished grade to the highest point of measurement. Light standards on roof level parking areas are permitted and they cannot exceed 14 feet in height. Exceptions to building height are permitted in accordance with ESMC §15-2-3.
- e. Buildings and structures within the PCC Mixed-Use 2 (PCC MU-2) land use district in the Specific Plan cannot exceed 85 feet in height including

elevator/stairwell roof projections, measured from lowest finished grade to the highest point of measurement. Light standards on roof level parking areas and roof level recreational facilities/open space areas are permitted and they cannot exceed 14 additional feet in height. Exceptions to building height are permitted in accordance with ESMC §15-2-3.

3. Setbacks

- a. Pacific Coast Highway: Building and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district, the PCC Commercial-1 (PCC COM-1) land use district, the PCC Commercial-2 (PCC COM-2) land use district, the PCC Commercial-3 (PCC COM-3) land use district, and the PCC Mixed-Use 2 (PCC MU-2) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Pacific Coast Highway.
- b. Mariposa Avenue (north and south sides): Buildings and structures within the PCC Commercial-3 (PCC COM-3) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Mariposa Avenue. Buildings and structures within the PCC Mixed-Use 2 (PCC MU-2) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Mariposa Avenue.
- c. Holly Avenue: Buildings and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Holly Avenue.
- d. Indiana Street: Building and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district, the PCC Commercial-1 (PCC COM-1) land use district, the PCC Commercial-2 (PCC COM-2) land use district, and the PCC Commercial-3 (PCC COM-3) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Indiana Street.
- e. Palm Avenue: Buildings and structures within the PCC Mixed-Use 2 (PCC MU-2) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Palm Avenue.
- f. Interior Setbacks: Minimum interior setbacks for buildings and structures in the PCC Commercial-1 (PCC COM-1), the PCC Commercial-2 (PCC COM-2) and the PCC Commercial-3 (PCC COM-3) land use districts within the Specific Plan must be setback a minimum of zero feet (0'). Parking and loading spaces must maintain a minimum of zero feet (0').
- g. Interior Setbacks in the PCC Mixed-Use 1 (PCC MU-1) land use district:

Buildings and structures in the PCC Mixed-Use 1 (PCC MU-1) land use district within the Specific Plan must maintain a minimum of zero feet (0') from each interior lot line. Parking and loading spaces may maintain a minimum of zero feet (0').

- h. Interior and Rear Setbacks in the PCC Mixed-Use 2 (PCC MU-2) land use district: The apartment building and townhomes in the PCC Mixed-Use 2 (PCC MU-2) must maintain a minimum of forty-one feet (41') from the western lot line. The apartment building and townhomes must maintain a minimum of ten feet (10') and balconies, decks and patios must maintain a minimum of five feet (5') from all other interior lot lines except that only a minimum of 3 feet (3') is required from the interior property line between the 2 parcels in the PCC Mixed-Use 2 (PCC MU-2) land use district. Accessory buildings in the PCC Mixed-Use 2 (PCC MU-2) land use district within the Specific Plan must maintain a minimum of ten feet (10') from each interior or rear lot line. Structures in the PCC Mixed-Use 2 (PCC MU-2) land use district within the Specific Plan must maintain a minimum of three feet (3') from each interior or rear lot line. Fences and walls may be located at zero feet (0'). Parking and loading spaces may maintain a minimum of 0 feet (0') from the interior property line between the 2 parcels in the PCC Mixed-Use 2(PCC MU-2) land use district.
- i. Exceptions to setback requirements are permitted subject to the requirements of ESMC § 15-2-7 Open Space Areas and Encroachments, and as permitted in Sections VI(D) and VI(E) of this Specific Plan.

4. Lot Frontage

- a. A minimum of 100 feet of frontage must be provided for all lots on a dedicated public street, except that only a minimum of 50 feet of frontage must be provided for a lot with frontage on Palm Avenue. Lot frontage only applies to ground parcels and not to airspace parcels.

5. Residential Density

- a. A maximum of 120 dwelling units is permitted in the PCC Mixed-Use 1 (PCC MU-1) land use district.
- b. A maximum of 143 dwelling units is permitted in the PCC Mixed-Use 2 (PCC MU-2) land use district.

6. Floor Area

Floor area shall be based upon the net floor area definition established in this Section VI(B)(6)(f) below.

- a. The maximum floor area permitted in the PCC Mixed-Use 1 (PCC MU-1) land use district is 2.70:1.
- b. The maximum floor area permitted in the PCC Commercial-1 (PCC COM-1) land use district is 2.51:1.
- c. The maximum floor area permitted in the PCC Commercial-2 (PCC COM-2) land use district is 2.28:1.
- d. The maximum floor area permitted in the PCC Commercial-3 (PCC COM-3) land use district is 0.16:1.
- e. The maximum floor area permitted in the PCC Mixed-Use 2 (PCC MU-2) is 2.29:1.
- f. Net floor area consists of the area of all floors, stories or levels, as measured to the interior of a building's perimeter walls. Space devoted to the following is not included when determining the total net floor area within a building or structure:
 - 1. Balconies, decks, patios, porches and verandas that are covered up to a cumulative total of 100 square feet per unit for multiple-family residential dwellings in the in the PCC MU-1 and PCC MU-2 land use districts;
 - 2. Balconies, decks, patios, porches and verandas that are covered up to a cumulative total of 300 square feet per townhome unit in the PCC MU-2 land use district;
 - 3. Elevator shafts;
 - 4. Stairwells and stairway enclosures;
 - 5. Courts, courtyards or atriums;
 - 6. Rooms exclusively holding building operating equipment;
 - 7. Parking spaces at or above grade and access thereto;
 - 8. Structures or portions of buildings or structures devoted exclusively for parking;
 - 9. Restrooms in common areas of nonresidential buildings; and
 - 10. Up to 500 square feet of interior floor area of an attached garage per townhome unit in the PCC MU-2 land use district.
- g. Gross floor area consists of the area included within the surrounding exterior walls of a building or portion thereof, exclusive of garages, vent shafts, and courts. The floor area of a building, or portion thereof, not provided with surrounding exterior walls is the usable area under the horizontal projection of the roof or floor above. Covered balconies, decks, patios, porches and verandas for residential uses up to a cumulative total of 100 square feet for multiple-family residential dwellings per unit and 300 square feet per townhome unit are excluded.

6. Walls and Fences

- a. All walls and fences must comply with ESMC § 15-2-4 except as specified in Section VI(B)(2) of this Specific Plan and except that the maximum height of retaining walls in the PCC Mixed-Use 1 (PCC MU-1) land use district cannot exceed 15 feet.
- b. Razor wire is not permitted.
- c. Chain link fencing is not permitted that is visible from any public rights-of-way.

8. Accessory Structures

- a. Trash and recycling areas, outdoor storage areas, utility and mechanical equipment, rooftop and ground mounted equipment, transformers and similar structures are permitted subject to screening requirements in ESMC § 15-2-8 and the Design Guidelines in Section V.A(5) of this Specific Plan.
- b. Other permitted accessory structures include architectural landscape features per Section VI(E) Landscaping of this Specific Plan and playground equipment.

C. CIRCULATION

1. Public streets must be designed and constructed in accordance with the General Plan and in the overall right-of-way size identified in the Street Classification and Standards (Exhibit C-8) in the Circulation Element of the General Plan or as exempted or a waiver granted subject to the regulations in ESMC Chapter 15-24A Right of Way Dedications and Improvements. No private streets are located within the Specific Plan area. A portion of one public street, Mariposa Avenue (a commercial collector), bisects the northern and southern portions of the Specific Plan area. Streets that adjoin the boundaries of the Specific Plan area include Pacific Coast Highway (a major arterial street that is a Caltrans owned State Highway Facility), Holly Avenue, Indiana Street and Palm Avenue. Holly Avenue, Indiana Street and Palm Avenue are classified as local streets. A portion of Mariposa Avenue between Indiana Street and Pacific Coast Highway is proposed to be expanded on the south side of the street to include a dedicated right turn lane (eastbound on Mariposa Avenue to southbound on Pacific Coast Highway).

D. PARKING AND LOADING

1. Parking and loading must be provided in accordance with the requirements of ESMC Chapter 15-15, except as provided below:
 - a. Multiple-family Residential Parking: A minimum of 1 parking space will

be provided for each studio unit. A minimum of 1.5 parking spaces will be provided for each one-bedroom unit. A minimum of 2 parking spaces will be provided for each two-bedroom unit. A minimum of 1/3 of a parking space per residential unit will be provided for guest parking. Guest parking for multiple-family residential uses may be co-located and shared with parking for commercial uses. Required non-guest multiple-family residential parking is permitted to be shared with parking that is required for commercial uses up to a maximum of five percent (5%) of the total required parking. The maximum five percent (5%) of shared multiple-family residential parking is based upon the total parking provided within the entire Specific Plan area and is not calculated for individual lots.

- b. Multiple-family Residential Parking for Affordable Units: A minimum of 0.5 parking spaces will be provided for each studio unit. A minimum of 1 parking space will be provided for each one-bedroom unit. A minimum of 1.5 parking spaces will be provided for each two-bedroom unit. No guest parking spaces will be required for affordable units.
- c. Multiple-family Residential Parking for Townhomes (Condominiums): Townhomes will be provided a two-car garage. A minimum of 1/3 of a parking space per residential unit will be provided for guest parking.
- d. The number of parking spaces required for uses other than multiple-family uses specified above will be determined based upon review and approval of a parking demand study which may include shared use analysis.
- e. Compact Parking: Compact parking is permitted for a maximum of twenty percent (20%) of spaces for residential and commercial uses.
- f. Tandem Parking: Tandem parking is permitted for a maximum of twenty percent (20%) of spaces for residential uses.
- g. Vehicle Lifts: Vehicle lifts are permitted for a maximum of ten percent (10%) of parking spaces for multiple-family residential and hotel uses. Vehicle lifts are not permitted for other commercial and retail uses. Vehicle lifts would be permitted in parking structures. A vehicle lift may only be used to store two (2) vehicles vertically where a minimum vertical height clearance in the parking structure is a minimum of fourteen feet (14') clear of obstructions. Both the upper and lower space where a lift is used count toward the maximum percentage. A vehicle lift may be permitted only with a key locking mechanism and an automatic shutoff safety device which is installed in accordance with manufacturer specifications. Maintenance of vehicle lifts is required in accordance with manufacturer specifications. Lifts shall be maintained in good working condition. Lifts shall be maintained through either a maintenance contract or self-performance and they may be inspected by the City of El Segundo.

- h. Loading Spaces: Two small truck loading spaces (as defined in ESMC Section 15-15-7 are required in the PCC Mixed-Use 1 (PCC MU-1) land use district to serve the multiple-family residential and commercial uses. Two small truck loading spaces are required in the PCC Mixed-Use 2 (PCC MU-2) land use district to serve the multiple-family residential and commercial uses. One small truck loading space is required for the commercial uses in the PCC Commercial-3 (PCC COM-3) land use district.
 - i. Parking Space Dimensions (for All Residential and Commercial Uses): All standard parking spaces must be a minimum of 8'-6" in width by 18'-0" in length. All compact parking spaces must be a minimum of 8'-6" in width by 15'-0" in length.
 - j. Off-site parking and off-site loading is permitted. The parking and loading spaces must be located on private property within the boundary of the Specific Plan area it serves unless otherwise approved by the Planning Commission. A written agreement must be executed by all parties concerned, and recorded to the satisfaction of the Director of Development Services and the City Attorney assuring the continued availability of the number of parking spaces and loading spaces located off-site. Reciprocal access easements or covenants must be recorded for contiguous lots before issuance of a building permit and must be shown or noted on the applicable site plans.
 - k. Parking lots and driveways may straddle lot lines subject to provisions in a reciprocal parking and access easement or covenant. Driveways that connect parking lots with a right-of-way may encroach into a required landscape setback. Such documents must provide provisions for shared maintenance.
2. Preferential parking must be provided for carpools and vanpools.
 3. Bicycle parking and EV Charging must comply with the stricter of ESMC Chapters 15-15 and 15-16 or Cal Green Code.

E. LANDSCAPING

This section will ensure that adequate landscaping area and permanent maintenance is provided for the development.

Landscaped areas must be provided and permanent irrigation systems installed in the landscaped areas at: 1) around the perimeter of the buildings in the setbacks, 2) within the required setbacks along the property perimeter and, 3) in the Vehicular Use Areas (VUAs) as defined in ESMC §15-1-6.

A Landscape Master Plan must be prepared for each sub-district of the Specific Plan area to ensure a unified appearance implementing the intent of the Design Guidelines and objectives of this Specific Plan. The Landscape Master Plan must be prepared by a licensed landscape architect and it must be submitted to the City concurrently with the first site plan review within the Specific Plan area.

ALL LANDSCAPING

1. Landscaping must conform to the City’s Water Conservation in Landscaping requirements as set forth in ESMC Chapter 15-15A.

BUILDING PERIMETER LANDSCAPING

1. Except as otherwise allowed by this Plan, a minimum horizontal depth of five feet of landscape materials, excluding curbs, must be provided around each building except for entrances to buildings and any other required paved areas. In instances where two buildings are separated by ten feet, the landscape requirement may be reduced to allow for pedestrian walkways/access.

PROPERTY PERIMETER LANDSCAPING

1. Landscaping must be provided in all property perimeter areas except where buildings, driveways, pedestrian walkways, driveway visibility and corner clearance areas are located. One shade tree must be provided for every 25 feet of street frontage where landscaping is provided. One shade tree must be provided for every 25 feet along interior property lines where landscaping is provided in the PCC Mixed-Use 2 (PCC MU-2) land use district. Trees are not required to be evenly spaced.
2. The following encroachments are permitted into the landscaped setback areas:
 - a. “Architectural landscape features” including fountains, water features and waterfalls, free-standing arbors/ pergolas, and similar features, may encroach into the landscaped setback area subject to site plan review, provided a minimum landscaped setback of three feet is maintained. The features may cover a maximum of twenty-five percent of the total area of the setback and be a maximum of twenty feet in height.

VEHICULAR USE AREAS

1. Vehicular Use Areas (VUA) include surface parking lots. Landscaping in the VUAs must cover a minimum of five percent of the VUA and be distributed throughout the VUA for any new surface parking lots. Such landscaping is in addition to the required property perimeter and building perimeter landscaping.
 - a. Planting areas containing trees must have a minimum width of 5 feet except

for existing planting areas. Trees are required to provide shade.

MINIMUM SIZES FOR PLANT MATERIAL

1. The minimum tree container size for all trees on site shall be provided as follows:
 - a. At least twenty percent (20%) of the trees must be thirty-six inch (36") box size or larger.
 - b. At least thirty percent (30%) of the trees must be twenty-four inch (24") box size or larger.
 - c. The remaining fifty percent (50%) must be fifteen (15) gallon size or larger.
 - d. The Director of Development Services may approve smaller tree container sizes than required based on site conditions, however no tree may be smaller than a fifteen (15) gallon size.
2. Shrubs must be planted from a minimum five (5) gallon size container. One (1) gallon size containers may be allowed for shrubs that are not commonly available in five (5) gallon size containers, subject to approval by the Director of Development Services.

F. COMMON RECREATION FACILITIES/OPEN SPACE AND PRIVATE OPEN SPACE

Common recreation facilities/open space and private open space are required for multiple-family residential uses in the PCC Mixed-Use 1 and PCC Mixed-Use 2 districts. Common recreation facilities/open space are not required for the townhomes.

Common recreation facilities/open space are facilities that are accessible to all multiple-family residential unit occupants. Common recreation facilities may include indoor and/or outdoor areas. Indoor areas may include, but are not limited to, gyms or fitness areas, indoor pools, indoor spas and saunas, multi-purpose recreation and community rooms and similar facilities.

Private open space includes decks, patios and balconies that are accessible from the multi-family residential unit or townhome unit and exclusively devoted to that unit. There is no requirement to provide private open space for each multiple-family residential unit, however, any private open space that is provided must meet minimum dimensions. In order to count towards these requirements, the minimum dimensions for any private open space shall be 5 feet in width by 5 feet in length.

Multiple-family residential units must provide an average of 100 square feet per unit in combined common recreation facilities/open space and private open space. Townhomes must provide a minimum of 100 square feet of total private open space. In order to count towards these requirements, the minimum dimensions of private open space for townhome units shall be 5 feet in width by 5 feet in length.

G. PUBLIC SAFETY

In an effort to ensure the safety of residents, employees and visitors to the Pacific Coast Commons Specific Plan area, the following strategies must be incorporated into site development:

1. Lighting must be adequate throughout the Specific Plan area and shielded to minimize off-site illumination. Submittal of photometric studies is required as part of any site plan review submittal which includes parking lots, and parking structures in the Specific Plan area.
2. The site design and operation must comply with fire and police safety regulations with regard to site layout, building configurations, landscape design, and infrastructure requirements.
3. Street lighting must be provided in accordance with ESMC requirements.

H. SIGNAGE

1. Signage within the Specific Plan area must conform to the signage regulations of ESMC Chapter 15-18 except as established and approved in a Master Sign Program for each land use district in the Specific Plan. The existing Master Sign Program for the existing buildings in the Specific Plan area (for the Aloft and the Fairfield Inn and Suites hotels) remains in effect and is excluded from the Master Sign Program requirements for the new development.
2. Section 15-18-3 shall apply relating to exempt signs.
3. Neon signage is not permitted on any building façades facing west in the PCC Mixed-Use 1 land use district or on any building façade facing west in the PCC Commercial-3 land use district. Neon signage is not permitted on the Palm Avenue street frontage or on any building facades facing west in the PCC Mixed-Use 2 land use district between Mariposa and Palm Avenues or along the Palm Avenue.
4. The following signs are not permitted within the Specific Plan:
 - Balloons or other inflated devices or signs used in conjunction with commercial premises for commercial purposes; unless allowed by a temporary sign permit
 - Beacon signs
 - Billboards, as defined in the ESMC
 - Pole signs
 - Signs incorporating flashing or blinking lights
 - Signs that flash, rotate, pulsate or otherwise move in a way to create a traffic hazard
 - Signs that emit sounds, odor or visible matter such as smoke or steam
 - Strobe lights used in signs; and

- Trailer or portable signs except for sandwich board signs for restaurants.
5. A Master Sign Program for each land use district in the Specific Plan area must be developed and submitted for review and approval by the Director of Development Services concurrent with the first site plan review in that land use district within the Specific Plan. The Master Sign Program must include the following elements:
- Master signage (entryways, common sign design throughout the Specific Plan area);
 - Sign standards developed for the mixed-use multiple-family residential and commercial development;
 - Provisions for wayfinding and decorative elements such as banners;
 - General features that all signs are required to comply with; and
 - Regulations for temporary signs (including construction signs).

I. SUSTAINABILITY

1. All new development must have buildings designed to be energy efficient to meet or exceed Title 24 requirements.
2. The Project parking lot areas must include storm water management practices that treat storm water runoff in compliance with the ESMC and all applicable law.
3. Bicycle parking must comply with the ESMC and Cal Green Code.
4. Exterior lighting must be energy efficient and designed to minimize light pollution.
5. Low-emitting building materials must be utilized.
6. Roof structures of new buildings must be designed to support solar panels.
7. Reclaimed water must be utilized for all landscaped areas if available and feasible.

J. ENCLOSED AND UNENCLOSED USES

All uses must be conducted wholly within an enclosed building or structure except for the following:

1. Mechanical equipment provided they comply with the requirements of ESMC § 15-2-8.
2. Outdoor restaurants and cafes incidental to the permitted use, provided they comply with the provisions of ESMC § 15-2-16.

3. Recreation facilities customarily conducted in the open (including but not limited to pools and play equipment).
4. Outdoor private common area for residential developments.
5. Wireless communications facilities (including antennas, and dishes) provided they comply with the requirements of ESMC Chapter 15-19 subject to applicable law.

K. NON-CONFORMING USES AND BUILDINGS

Any existing uses, buildings, structures, parking areas, landscaping and signage located in the PCC Commercial-1 (PCC COM-1), PCC Commercial-2 (PCC COM-2), and PCC Commercial-3 (PCC COM-3) that become non-conforming at the time of adoption of this Specific Plan will be permitted to remain.

Until such time as building permits are issued for development of the Specific Plan, the existing food and beverage building may continue to be used for commercial, restaurant and meeting spaces.

VII. ADMINISTRATION

A. INTRODUCTION

Unless regulated by this Specific Plan, development will be administered and enforced by the City in accordance with the ESMC. This Specific Plan supersedes any conflicts with ESMC zoning regulations.

1. The Director of Development Services may grant administrative use permits in accordance with ESMC Chapter 15-22.
2. The Director of Development Services may make other administrative determinations using the same procedures set forth in ESMC Chapter 15-22.
3. The Director of Development Services may grant adjustments and administrative adjustments in accordance with ESMC Chapter 15-24.
4. The Planning Commission may grant conditional use permits in accordance with ESMC Chapter 15-23.
5. The Director of Development Services may grant off-site parking covenants between parcels within the Specific Plan area in accordance with ESMC Chapter 15-15.
6. The Director of Development Services may grant modifications to the number of parking spaces as determined in a parking demand study in accordance with Section VID of this Plan and ESMC Chapter 15-15.

B. MUNICIPAL CODE REFERENCES

All section references in the Specific Plan refer to the El Segundo Municipal Code (ESMC) as adopted at the time of Specific Plan approval.

C. MODIFICATIONS

1. Major Modifications

The following modifications constitute a Major Modification and require an amendment to this Specific Plan:

- a. Any decrease in the required building setbacks as set forth in Section VI.B.3 above;

- b. Any increase in the total developable square footage of the entire Specific Plan in excess of the maximum allowable development intensity allowed under the Specific Plan;
- c. Any increase in height of buildings or structures on the Property above 5 feet;
- d. Any change in use to a use which is not permitted under the Specific Plan, except as approved by the Director in accordance with Chapter 15-22 of the ESMC;
- e. Any change in the land use plan categories identified in Exhibit 5 of this plan;
- f. Any decrease in the minimum required lot area;
- g. Any decrease in the minimum required lot frontage;
- h. Any material modification that requires modification to the EIR other than an Addendum; and
- i. Any modification deemed by the Director of Development Services as a major modification and requiring amendment to this Specific Plan.

2. Minor Modifications

Any modification to this Specific Plan not listed above as a “major modification,” including a use approved subject to an Administrative Use Permit, is a Minor Modification. The Developer may make Minor Modifications without amending this Specific Plan upon the administrative approval of the Director of Development Services or designee, provided that such modifications are consistent with the Development and Design Standards, Applicable Rules, and Project Approvals. Such Minor Modifications may include:

- Modifications to infrastructure sizing based upon final engineering plans approved by the City.
- Adjustments, Administrative Adjustments, Administrative Determinations subject to the requirements in Section VII.A, above.

D. SITE PLAN REVIEW

1. Overview

In order to develop a Project that is in conformance with the uses, density, approved FAR, and Design Guidelines of this Specific Plan, a Site Plan Review (“SPR”) application shall be filed with the Development Services Department in accordance with ESMC Chapter 15-

30 except as specified below.

2. Site Plan Review - Procedure

- a. The Director of Development Services may extend the Site Plan approval for up to two additional years for good cause upon written request of the applicant received prior to expiration of the site plan approval.
- b. After the Site Plan is approved, the Director of Development Services may approve minor changes in the Site Plan or its conditions if the Director finds that there are practical reasons for such changes, that such changes do not substantially vary from the previously approved site plan and applicable law and that such changes do not involve deviations from the design's intent.

3. Exempt Activities

The following is a list of activities which are exempt from the site plan review process. This list is not all-inclusive; the Director of Development Services may exempt other activities not listed:

- a. All interior changes and alterations
- b. Exterior mechanical equipment (heating, air conditioning, water heater, transformers) designed with mechanical equipment screening compatible with the architecture of the building to which it is adjacent or affixed.
- c. Minor exterior repairs with the same or similar types of building materials as determined by the Director of Development Services.
- d. Minor surface parking area changes and restriping of parking stalls.
- e. Re-glazing new mullions.
- f. Re-landscaping consistent with the landscape palette.
- g. Repainting.
- h. Reroofing with similar style roofing materials.

E. AMENDMENT

In accordance with the Government Code §§ 65450-65457, Specific Plans must be prepared, adopted and amended in the same manner as General Plans except that Specific Plans may be adopted by resolution or by ordinance.

This Specific Plan may be amended as necessary by ordinance. Said amendment or amendments do not require a concurrent General Plan amendment unless the Director of Development Services

determines that the proposed amendment would substantially affect General Plan goals, policies, objectives or programs.

F. INFRASTRUCTURE IMPROVEMENTS/COORDINATION

The developer and/or property owner shall be responsible for making transportation and infrastructure utility improvements required by the Pacific Coast Commons Specific Plan. All improvements shall be to the specifications of the City of El Segundo Development Services Department, Public Works Department, and/or other applicable departments.

G. FINANCING MEASURES

Implementation and financing of improvements of the Pacific Coast Commons Specific Plan depend exclusively on private investment and development. The developer and/or property owner shall be responsible for financing the project, including all improvements and mitigation measures.

H. CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

The Pacific Coast Commons Specific Plan and related entitlements were approved in accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines (Guidelines), and City policies adopted to implement the CEQA and the Guidelines.

An Environmental Impact Report was prepared and certified by the City Council which establishes the development thresholds shown in Table VII-1 below.

**Table VII-1
California Environmental Quality Act Compliance**

EIR Project	Floor Area
The Specific Plan, including the Conceptual Site Plan and Application Materials evaluated within the EIR document.	340,000 gross square feet (new development in Specific Plan)

The existing development located in the Pacific Coast Commons Specific Plan area totals 324,058 gross square feet (Fairfield Inn and Suites hotel is 217,311 gross square feet and the Aloft hotel is 106,747 gross square feet). A portion of the Fairfield Inn and Suites hotel will be demolished. More specifically, the 41,660 square-foot 2-story “food and beverage” building (that contains banquet room facilities, a restaurant and storage uses located at the southwest corner of Pacific Coast Highway and Mariposa Avenue) will be demolished leaving 282,398 square feet of existing development to remain within the Pacific Coast Commons Specific Plan area. The CEQA clearance indicated above analyzes the effects of a maximum of 340,000 gross square feet of new incremental development per the Specific Plan. Based upon the maximum allowable floor area in each land use district, the 340,000 square feet will be comprised of 150,000 gross square feet in the “PCC South” development site (PCC Mixed-Use 1 District), 5,000 gross square feet in the “Fairfield Parking” site (PCC COM-3 District), and 185,000 gross square feet in the “PCC North”

site (PCC Mixed-Use 2 District). The Development Project depicted in the Conceptual Site Plan includes 327,068 gross square feet of new development that will occur after the demolition of the existing 41,660 gross square-foot 2-story “food and beverage” building. The demolition of the 41,660 gross square-foot “food and beverage” building will reduce the existing Fairfield Inn and Suites Hotel to 175,651 gross square feet in size.

APPENDIX A

PACIFIC COAST COMMONS SPECIFIC PLAN LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 4139-025-075)

LOT 428 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: (APN: 4139-025-073, 074, 076, 081)

LOTS 385, 386, 387, 429 AND 430 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (APN: 4139-025-091)

LOTS 382, 383, 384, 431, 432 AND 433 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM PARCELS 1 AND 2, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM, GAS, ASPHALTUM, OTHER HYDROCARBONS AND OTHER MINERALS AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN, OR WITHDRAWING THEREFROM GAS, OIL, OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING, OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL

COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 AS INSTRUMENT NO. 480 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 4: (portion of APN: 4139-024-057)

THE WESTERLY 60 FEET OF LOTS 2 AND 9 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5: (APN: 4139-024-058)

LOTS 1, 2, 9 AND 10 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 60 FEET OF SAID LOTS 2 AND 9.

ALSO EXCEPT THEREFROM THE NORTHERLY 181.00 FEET OF SAID LOTS 1 AND 2.

ALSO EXCEPT THE SOUTH 147.03 FEET OF LOT 10.

ALSO EXCEPT THEREFROM ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM AND OTHER HYDROCARBONS, AND OTHER MINERALS IN AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN OR WITHDRAWING THEREFROM GAS, OIL OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 6: (portion of APN: 4139-024-057)

A PARCEL OF LAND SITUATED IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 113 OF EL SEGUNDO, AS PER MAP RECORDED IN BOOK 20, PAGES 114 THROUGH 115, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF SAID COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF TRACT NO. 48436, AS PER

MAP RECORDED IN BOOK 1180, PAGES 68 THROUGH 69, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58' 36" EAST 60.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58' 36" EAST 13.19 FEET; THENCE SOUTH 00° 03' 15" WEST 181.00 FEET; THENCE NORTH 89° 58' 36" WEST 13.11 FEET; THENCE NORTH 00° 01' 50" EAST 181.00 FEET TO THE TRUE POINT OF BEGINNING.

APN: 4139-025-057 thru 4139-025-058, 4139-025-073 thru 4139-025-076, 4139-025-081, 4139-025-091

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
CITY CLERK
CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code § 6103

DEVELOPMENT AGREEMENT
BY AND AMONG
THE CITY OF EL SEGUNDO
AND
BRE EL SEGUNDO PROPERTY OWNER A LLC,
BRE EL SEGUNDO PROPERTY OWNER B LLC,
AND
BRE EL SEGUNDO PARKING LLC

THIS AGREEMENT SHALL BE RECORDED WITHIN TEN DAYS OF EXECUTION BY
ALL PARTIES HERETO PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE
§65868.5

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DEVELOPMENT AGREEMENT

This Development Agreement (the “Agreement”) is made and entered into by and among the CITY OF EL SEGUNDO, a municipal corporation (referred to hereinafter as “City”) and BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC, all Delaware limited liability companies (hereinafter collectively referred to as “BRE” or “Developer”) as of this ____ day of _____, 2022. City and Developer are referred to hereinafter individually as “Party” and collectively as “Parties”. In consideration of the mutual covenants and agreements contained in this Agreement, City and Developer agree as follows:

1. Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Agreement. Words and phrases not defined in this Section will have the meaning set forth in this Agreement, the El Segundo Municipal Code, or in common usage.

“Applicable Rules” means:

- The El Segundo General Plan, as it existed on the Approval Date, as modified by the Project Approvals;
- The El Segundo Municipal Code, as it existed on the Approval Date, as modified by the Project Approvals;
- Such other laws, ordinances, rules, regulations, and official policies governing permitted uses of the property, density, design, improvement, development fees, and construction standards and specifications applicable to the development of the Property in force at the time of the Effective Date, which are not in conflict with this Agreement.

“Approval Date” means _____, 2022, the date on which the last of the Project Approval applications was approved by the City.

“Approved Plans” means a plan for any aspect of the Project, including, without limitation, the Site Plan, signage plans, and landscaping and irrigation plans, which are approved by the City in accordance with the Applicable Rules, and Project Approvals.

“Building Regulations” means those regulations set forth in Title 13 of the ESMC.

“CEQA” means the California Environmental Quality Act, Public Resources Code § 21000 *et seq.*

“CEQA Guidelines” means the regulations implementing CEQA which have been adopted by the State and found at Title 14 of the California Code of Regulations, § 150000 *et seq.*

“City Council” means the City Council of the City of El Segundo.

“Developer” means BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC, and their transferees, assigns and successors in interest.

“Development Standards” means the design and development standards that are applicable to the Project as set forth in the Specific Plan.

“Director” means the Director of Development Services, or his designee.

“Effective Date” means the date on which the Enabling Ordinance becomes effective in accordance with Government Code § 36937.

“ESMC” means the El Segundo Municipal Code.

“Enabling Ordinance” means Ordinance No. XXX, approving this Development Agreement.

“Future Approvals” means such subsequent discretionary and ministerial entitlements, including permits, which are required to develop the Project in addition to the Project Approvals, and which are applied for by the Developer and approved by the City. Once approved, a Future Approval becomes part of the Project Approvals.

“Party” means the City or the Developer. “Parties” shall mean both the City and the Developer.

“Person” means a natural person or any entity.

“Project” means the development of the Property in accordance with the Project Approvals.

“Project Approvals” means:

- Final Environmental Impact Report (FEIR) No. EA-1248, as certified by Resolution No. _____ on ____ ;
- Mitigation Monitoring Program for FEIR No. EA-1248, as adopted by Resolution No. _____ on ____;
- General Plan Amendment No. GPA 19-01, as approved by Resolution No. _____ on _____, including a change in the Land Use Map;
- Pacific Coast Commons Specific Plan No. SP 19-01, as adopted by Ordinance No. XXX on _____.
- Zone Change No. ZC 19-01, as approved by Ordinance No. _____ on _____, including a change in the Zoning Map;
- Zone Text Amendment No. ZTA 19-08, as approved by Ordinance No. XXX on _____;
- Vesting Map No. 82806, as approved by Resolution No. ____ on _____;

- Site Plan Review No. SPR 19-01, as approved by Resolution No. ____ on _____;
- This Development Agreement (DA No. 19-02) as approved by Ordinance No. _____ on _____.
- Modification of Resolution Nos. 2759 and 2760 to rescind the previous approvals SUB NO. 14-05, Lot Tie Covenant No. 14-03, Off-Site Parking Covenant Nos. MISC 14-03 and 14-06, leaving in place CUP No. 14-01 for the Fairfield Inn and Suites Hotel and CUP NO. 14-02 for the Aloft Hotel, along with alcohol service at both hotels with modification to the conditions of approval accordingly.
- Parking Demand Study and Shared Parking Analysis to establish the parking requirements for the proposed commercial and residential development combined with the existing hotel development.
- Shared Parking Agreement in conjunction with the Parking Demand Study and Shared Parking Analysis, to replace the previous approval of Off-Site Parking Covenant Nos. MISC 14-03 and MISC 14-06.
- Reciprocal Access Agreements for driveways and drive aisles accessing multiple parcels.

“Property” refers to that approximate 9 acres which is described in Exhibit A, attached hereto and incorporated herein by reference.

“Specific Plan” or “PCCSP” means the Pacific Coast Commons Specific Plan.

“Subsequent Rules” means any changes to the Applicable Rules, including, without limitation, any change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City Council, the Planning Commission or any other board, agency, commission or department of the City, or any officer or employee thereof, or by the electorate, which would, absent this Agreement, otherwise apply to the Property.

“Transferee” means a Person which assumes in whole or in part the rights and obligations under this Agreement with respect to all or a portion of the Property.

2. Recitals. This Agreement is made with respect to the following facts and for the following purposes, each of which is acknowledged as true and correct by the Parties:

2.1 Pursuant to Government Code § 65865 *et seq.*, the City is authorized to enter into a binding contractual agreement with any person having a legal or equitable interest in real property for the development of such property.

2.2 Developer warrants that it is the owner of the Property.

2.3 Developer desires to redevelop the Property in accordance with the Project Approvals.

2.4 By this Agreement, each Party desires to obtain the binding agreement of the other Party to develop the Property in accordance with the Project Approvals, Applicable Rules and this Agreement. In consideration thereof, the City agrees to limit the future exercise of certain of its governmental and proprietary powers to the extent specified in this Agreement.

2.5 City and Developer have acknowledged and agreed that the consideration that is to be exchanged pursuant to this Agreement is fair, just and reasonable.

2.6 The Project is consistent with the City's General Plan, as amended, (the "General Plan").

2.7 Development of the Project has, and will continue to, further the comprehensive planning objectives contained within the General Plan, and will result in public benefits, including, among others, the following:

2.7.1 Providing needed housing, including thirty-two units of affordable housing;

2.7.2 Providing both short-term construction employment and long-term permanent employment within City;

2.7.3 Providing a dedicated right-turn only lane on east bound Mariposa Avenue to southbound Pacific Coast Highway; and

2.7.4 Those other items which Developer has agreed to as set forth in Section 5.

2.8 On February 10, 2022, the Planning Commission of the City commenced a duly noticed public hearing on the Project Approvals. At the conclusion of the hearing the Planning Commission recommended that the City Council approve the Project Approvals.

2.9 On March 15, 2022, the City Council commenced a duly noticed public hearing on the Project Approvals. Prior to approving this Agreement by the Enabling Ordinance, the City Council adopted Resolution No. ___ approving the FEIR.

2.10 All of the Property is subject to this Agreement.

3. Binding Effect. The burdens of this Agreement are binding upon, and the benefits of the Agreement inure to the City and the Developer and each successive transferee, assign and successor in interest thereto and constitute covenants that run with the land. Any and all rights and obligations that are attributed to the Developer under this Agreement shall run with the land. For purposes of this Agreement, until such time as any portion of the Property may be transferred, BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC, shall be jointly and severally liable for all obligations set forth in this Agreement. In the case of a partial transfer, Developer may identify which of the three BRE entity or entities remain liable for any obligations remaining with Developer.

3.1 Constructive Notice and Acceptance. Every person who acquires any right, title or

interest in or to any portion of the Property in which the Developer has a legal interest is, and shall be, conclusively deemed to have consented and agreed to be bound by this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest.

3.2 Rights to Assign and Transfer. Developer may assign or transfer its rights and obligations under this Agreement with respect to the Property, or any portion thereof, to any person at any time during the term of this Agreement without approval of the City. For purpose of this Agreement, the Transferee must be considered the “owner” of that portion of the Property which is covered by such transfer.

3.3 Liabilities Upon Transfer. Upon the delegation of the duties and obligations under this Agreement and the sale, transfer or assignment of all or any portion of the Property, Developer will be released from its obligations under this Agreement with respect to the Property, or portion thereof, so transferred arising subsequent to the effective date of such transfer, if: (i) Developer has provided to the City prior or subsequent written notice of such transfer; and (ii) the Transferee has agreed in writing to be subject to all of the provisions hereof applicable to the portion of the Property so transferred by executing an Assignment and Assumption Agreement in the form of Exhibit B attached hereto and incorporated herein by reference. Upon any transfer of any portion of the Property and the express assumption of Developer’s obligations under this Agreement by such Transferee, the City agrees to look solely to the Transferee for compliance by such Transferee with the provisions of this Agreement as such provisions relate to the portion of the Property acquired by such Transferee. Any such Transferee shall be entitled to the benefits of this Agreement as “Developer” hereunder and shall be subject to the obligations of this Agreement applicable to the parcel(s) transferred. A default by any Transferee shall only affect that portion of the Property owned by such Transferee and shall not cancel or diminish in any way Developer’s rights hereunder with respect to any portion of the Property not owned by such Transferee. The Transferee shall be responsible for satisfying the good faith compliance requirements set forth in Section 8 below relating to the portion of the Property owned by such Transferee, and any amendment to this Agreement between the City and a Transferee shall only affect the portion of the Property owned by such Transferee.

3.4 Resumption of Rights. If Transferee defaults with respect to any provision of this Agreement, Developer may, but is not obligated to, resume Transferee’s obligations upon written notification to City.

4. Development of the Property. The following provisions, in addition to the Applicable Rules, shall govern the development of the Project.

4.1 Permitted Uses, Design and Development Standards, and Dedication of Land for Public Purposes. The permitted, administratively permitted, and conditionally permitted uses of the Property as well as the Development Standards and provisions for reservation or dedication of land for public purposes are set forth in the Project Approvals and Applicable Rules.

4.2 Entitlement to Develop. The Developer is granted the vested right to develop the Project subject to the Applicable Rules, the Project Approvals, and any Future Approvals.

4.3 Building Regulations. Notwithstanding Section 4.4 below, all construction on the Property shall adhere to the Building Regulations in effect at the time an application for a building permit is submitted and to any federal or state building requirements that are then in effect at such time. Additionally, nothing in this Agreement prevents the City from applying “standard specifications” for public improvements (e.g., streets, storm drainage, parking lot standards, driveway widths), as the same may be adopted or amended from time to time by the City, provided that the provisions of any such standards and specifications apply only to the extent they are in effect on a Citywide basis and do not conflict with the provisions of the Specific Plan.

4.4 Subsequent Rules. Subsequent Rules cannot be applied by the City to the Project unless the Developer gives the City written notice of its election to have such Subsequent Rule applied to the Project, in which case such Subsequent Rule is deemed to be an Applicable Rule.

4.5 Fees, Exactions, Mitigation Measures, Conditions, Reservations and Dedications.

4.5.1 Subject to sections 4.5.2, 4.5.3, and 5.2, all fees, exactions, mitigation measures, conditions, reservations and dedications of land for public purposes that are applicable to the Project are set forth in the Applicable Rules, the Project Approvals, and this Agreement.

4.5.2 Except as otherwise provided in this Agreement, and specifically excluding fees set by entities not controlled by the City that are collected by the City, the City can only charge and impose those fees and exactions, including, without limitation, dedication and any other fee relating to development or the privilege of development, which are in effect on a City-wide basis as of the Effective Date.

4.5.3 The Developer must pay the amount of the impact fees that are in effect at the time of application for the building permit pursuant to City Council Resolution Nos. 4443 and 4687, or such subsequent resolutions as may be adopted by the City Council in accordance with applicable procedures, but shall not be required to pay any new impact fees that are not in effect at the time of Project Approvals.

4.5.4 This Section shall not be construed to limit the authority of the City to charge normal and customary application, processing, and permit fees, including legal and environmental processing costs, for land use approvals, building permits and other similar permits, for Future Approvals, which fees are designed to reimburse City’s actual expenses attributable to such application, processing and permitting and are in force and effect on a City-wide basis at such time as applications for such approvals are filed with the City.

4.6 Use of Easements. Notwithstanding the provisions of the Applicable Rules, easements dedicated for vehicular and pedestrian use shall be permitted to include easements for underground drainage, water, sewer, gas, electricity, telephone, cable, and environmental remediation and other utilities and facilities so long as they do not unreasonably interfere with pedestrian and/or vehicular use.

4.7 Timing of Development. In *Pardee Construction Co. v. City of Camarillo (Pardee)*, 37 Cal.3d 465 (1984), the California Supreme Court held that the failure of the parties therein to provide for the timing or rate of development resulted in a later-adopted initiative restricting the rate

of development to prevail against the parties' agreement. City and Developer intend to avoid the result in *Pardee* by acknowledging and providing that Developer shall have the right, without obligation, to develop the Property in such order and at such rate and times as Developer deems appropriate within the exercise of its subjective business judgment subject to the terms of this Agreement.

In furtherance of the Parties' intent, as set forth in this Section, no future amendment of any existing City ordinance or resolution, or future adoption of any ordinance, resolution or other action, that purports to limit the rate or timing of development over time or alter the sequencing of development phases, whether adopted or imposed by the City Council or through the initiative or referendum process, shall apply to the Property. However, nothing in this Section shall be construed to limit City's right to enforce Developer's obligation pursuant to this Agreement to provide all infrastructure required by the Project Approvals and this Agreement.

4.8 Moratorium.

4.8.1 The City shall not impose a moratorium on the Property that restricts development of the Project unless such is necessary to protect against a significant threat to the health, safety and welfare of the City.

4.8.2 Except as provided in Section 4.8.1 above, no City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Project, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of the City, the electorate or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative, or final), building permits, occupancy certificates, or other entitlements to use or service (including, without limitation, water and sewer), approved, issued or granted within the City, or portions of the City, applies to the Project to the extent such moratorium or other limitation is in conflict with this Agreement. However, the provisions of this Section do not affect the City's compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria or other limitations.

4.9 Term. This Agreement shall be in effect for a period of 15 years from the Effective Date of the Enabling Ordinance. However, the Developer or the City shall be entitled to, by written notice to the other Party prior to the Agreement's expiration, one (1) five (5)-year extension, provided that the requesting Party is not in material default of this Agreement at such time beyond any applicable period to cure provided for by Section 8.5 below. Before the expiration of the five (5) year extension, the Parties may mutually agree to further extensions. In the event of litigation challenging this Agreement, the Term is automatically suspended for the duration of such litigation and resumes upon final disposition of such challenge and any appeal thereof upholding the validity of this Agreement. In the event that a referendum petition concerning this Agreement is duly filed in such a manner that the ordinance approving this Agreement is suspended, then the Term is deemed to commence upon City Council certification of the results of the referendum election approving this Agreement.

4.10 Term of Map(s) and Other Project Approvals. Pursuant to California Government Code Sections 66452.6(a) and 65863.9, the term of any subdivision or parcel map that has been or in the future may be processed on all or any portion of the Property and the term of each of the Project

Approvals shall be extended for a period of time through the scheduled termination date of this Agreement as set forth in Section 4.9 above, including any extensions thereto.

4.11 Future Approvals.

4.11.1 Minor Modifications to Project. The Developer may make minor changes to the Project and Project Approvals (“Minor Modifications”) without the need to amend this Agreement upon the administrative approval of the Director.

(a) Minor Modifications include:

(i) A modification to the Site Plan approved by the Director in accordance with section VII.D.2 of the Specific Plan;

(ii) A modification to the Site Plan approved by the Planning Commission through the Site Plan Review procedure contained in ESMC Chapter 15-30, provided the change does not include any change which would qualify as a Major Modification under section 4.11.2 below;

(iii) A Minor Modification to the Specific Plan as identified in Section VII.C.2 thereof; and

(iv) any other change that does not qualify as a Major Modification as defined below.

(b) The City shall not unreasonably withhold or delay approval of any Minor Modification. The City shall have the right to impose reasonable conditions in connection with Minor Modifications, provided, however, such conditions shall not be inconsistent with the Applicable Rules, the Project Approvals or with the development of the Project as contemplated by this Agreement.

(c) A Minor Amendment approved by the City shall continue to constitute a Project Approval as referenced herein.

4.11.2 Modifications Requiring Amendment to this Agreement. Any proposed modification to the Project which results in any of the following shall constitute a Major Modification and shall require an amendment to this Agreement pursuant to Section 14 below:

(a) Any change which constitutes a Major Modification to the Specific Plan as identified in Section VII.C.1 thereof; or

(b) Any change which creates a new environmental impact which cannot be mitigated to a level of insignificance.

4.12 Site Plan Review. Site Plan Review approval shall be required in accordance with Chapter 15-30 of the El Segundo Municipal Code. Nothing in this Agreement is intended to limit the applicability of the Site Plan Review requirement in Chapter 15-30 of the ESMC.

4.13 Issuance of Building Permits. No building permit, final inspection or Certificate of Occupancy will be unreasonably withheld, conditioned, or delayed from the Developer if all infrastructure required to serve the portion of the Property covered by the building permit, final inspection or Certificate of Occupancy is in place or is suitably guaranteed to be completed (by covenant, bond, letter of credit or otherwise) to the reasonable satisfaction of the City prior to completion of construction and all of the other relevant provisions of the Project Approvals, Future Approvals and this Agreement have been satisfied.

5. Developer Agreements.

The Property is divided up into the following five land use districts from south to north as shown on Exhibit C: PCC Mixed-Use 1(PCC South); PCC Commercial-1 (Aloft Hotel); PCC Commercial-2 (Fairfield Hotel); PCC Commercial-3 (Fairfield Parking); and PCC Mixed-Use 2 (PCC North).

5.1 General. The Developer shall comply with: (i) this Agreement; (ii) the Project Approvals, including without limitation all mitigation measures required by the determination made pursuant to the California Environmental Quality Act; and (iii) all Future Approvals for which it is the applicant or a successor in interest to the applicant.

5.1.1 In the event that any of the mitigation measures or conditions required of Developer hereunder have been implemented by others, Developer shall be conclusively deemed to have satisfied such mitigation measures or conditions, consistent with CEQA. If any such mitigation measures or conditions are rejected by a governmental agency with jurisdiction, the Developer may implement reasonably equivalent substitute mitigation, consistent with CEQA, to the City's satisfaction, in lieu of the rejected mitigation measures or conditions. Such substitution shall be deemed to be a Minor Modification pursuant to Section 4.11.1 above.

5.1.2 Except for dedications made with the recordation of Vesting Map No. 82806, all other dedications and improvements required as part of the Project Approvals shall be required concurrent with the development of the adjacent district, except as may otherwise be specified herein.

5.2 Affordable Housing. Developer shall provide a total of 15 affordable housing units in PCC South and 17 affordable units in PCC North to persons who qualify as low or very-low income households for 55 years as further detailed in accordance with the housing covenants to be recorded against the property as set forth in Exhibits D1 and D2 (Agreements Creating Affordable Housing Covenants [Including Rental Restrictions]), attached hereto. The recordation of the affordable housing covenants shall occur before the issuance of the first certificate of occupancy for each building.

Developer shall pay for actual costs of an independent third-party affordable housing consultant, chosen by the City, to provide income limit verification that meets the affordable housing requirements of this Section 5.2. The independent third-party consultant shall charge Developer rates that are competitive to the market area. Developer shall provide the necessary tenant documentation to the selected third-party affordable housing consultant.

5.3 Undergrounding of Utilities. All new utilities to and on the property shall be provided underground for each phase of the project. Existing utilities in the public rights-of-way surrounding each development phase are not required to be relocated underground.

5.4 Traffic Improvements.

5.4.1 Preferential Parking Zone. Developer shall provide \$25,000 to the City for the costs to implement a preferential parking zone adjacent to the Project site. Formation of the preferential parking zone will be dependent upon a petition of residents pursuant to ESMC § 8-5A-5. If no preferential parking zone is established within 3 years of the first occupancy for PCC North or PCC South, whichever is the latter to be developed, the City may use any portion of the funds for improvements in the geographical vicinity of the Project site at its discretion. Such payment shall be made prior to the issuance of any building or grading permit, whichever is first, for any improvement in the Specific Plan area.

5.4.2 Additional Community Circulation Benefit. Six months after the project is fully occupied (90% or greater occupancy), the City may conduct a study of the traffic, circulation, and parking conditions adjacent to the project to evaluate potential measures regarding traffic, parking, speeding, bikeways and pedestrian safety. Potential improvements that could be implemented as identified in the study could include, but not be limited to, traffic controls, road signage, directional signage, curb painting, speed bumps, pedestrian crosswalks, safety measures, residential tenant transit subsidies, bicycle rentals, carpool incentives, ride match programs, and carshare programs. Any implementation of those measures as deemed appropriate by the City shall be funded by the Applicant, up to a total not-to-exceed amount of Seventy-Five Thousand Dollars (\$75,000). This amount is in addition to, and separate from, the \$25,000 applicant contribution towards implementation of a parking district. Any proposed measures that would be located on Pacific Coast Highway or at an intersection with Pacific Coast Highway that require review and approval by Caltrans shall only be implemented if Caltrans also approves the measure. Upon issuance of a certificate of occupancy for either PCC North or PCC South, Applicant must either deposit into an escrow account, or provide a letter of credit in favor of the City and in a form acceptable to the City Attorney, for an amount equal to the total not-to-exceed amount of the Additional Community Circulation Benefit.

5.5 Landscaping.

5.5.1 Landscaping Requirements.

5.5.1.1 No certificate of occupancy shall be issued for the development to which the requirement is tied until the improvements are made or Developer has provided appropriate bonds in a form satisfactory to the City Attorney.

5.5.1.2 All landscape and other improvements shall be substantially in conformance with the Landscape Plan approved with the Site Plan Review approval as to the number and location of trees and improvements.

5.5.1.3 All landscaping/improvement work identified in this section 5.5 shall occur with the development of the adjacent PCC area as identified below.

5.5.2 Indiana Street. Developer shall provide, in accordance with City standards and requirements, additional landscaping and trees on the west side of Indiana Street between Mariposa Avenue and Holly Avenue in existing landscaped areas with existing irrigation systems in place. Developer has no obligation to create new parkway areas or to install, operate, or maintain any required irrigation. The installation of this landscaping shall occur with the development of PCC South. Developer has no obligation to maintain the additional landscaping and trees after installation.

5.5.3 Pacific Coast Highways/Hotels. Developer shall provide single occupancy pedestrian seating and enhanced landscaping in the existing landscape areas in front of the Aloft Hotel and the Fairfield Hotel. Six single-occupant chairs shall be located in front of the Fairfield Hotel in the existing landscaped area and four single-occupant chairs shall be located in front of the Aloft Hotel in the existing landscaped area. This installation of the seating and landscaping will take place with the development of PCC South.

5.5.4 PCC North. Developer shall provide the following improvements with the development of PCC North.

5.5.4.1 Developer shall provide enhanced landscaping along the existing block wall on the western side of PCC North in the form of “climbing fig ivy”.

5.5.5 PCC South. Developer will replace the existing street trees along the Pacific Coast Highway frontage of PCC south with six new street trees along the same frontage. In the event that Caltrans does not permit trees to be planted in the right-of-way, Developer will provide six additional trees on the PCC South site in a location to be approved by Community Services Director or his designee that is outside of the Caltrans right-of-way and the building footprint.

5.6 Enhanced Paving. Developer shall provide enhanced paving such as stamped or colored concrete, at the following locations: (i) PCC South entrances/exits on Indiana and Pacific Coast Highway; (ii) Fairfield Parking Structure entrance/exits on Pacific Coast Highway; and (iii) PCC North entrances/exits on Mariposa Avenue and Palm Avenue.

5.7 EV Charging Stations. Developer shall provide a total of 200 EV capable spaces, including a total of 50 installed EV chargers across the entire PCC Specific Plan area. A minimum of 50 EV capable spaces, including 20 EV chargers, shall be installed in each parking structure in PCC North and PCC South. A minimum of 20 EV capable spaces, including 8 EV chargers, shall be installed in the Fairfield Parking structure. The remaining 80 EV capable spaces, including 2 EV chargers may be distributed between the three structures without restriction.

5.8 Solar Panels and Battery Storage.

5.8.1 Developer shall install solar panels on the roofs of both PCC North and PCC South to generate sufficient power for their respective Common Area Power needs or generate the maximum power available from rooftop installed solar panels, whichever is less. “Common Area Power” shall be defined as all project power that does not serve a residential or commercial unit. City may, at Developer’s expense, retain a third-party consultant to verify that the solar infrastructure

proposed is consistent with this paragraph.

5.8.2 Developer shall comply with the battery storage system requirements consistent with the 2022 Building Energy Efficiency Standards (Title 24 Energy Code) for both PCC North and PCC South as adopted by the California Building Standards Commission prior to the effective date of the 2022 Code. If the City makes any amendments to this provision of the Building Code in accordance with law, Developer shall comply with any such amendments for building permits filed after the effective date of the amendments.

5.9 Fencing. Developer shall remove and replace all chain link fencing visible from the public right of way at the existing Aloft and Fairfield Hotel properties. The fencing will be replaced with decorative fencing and/or landscaping approved by the Development Services Department. The fencing shall be replaced at the time of development of PCC South or the Fairfield Parking, whichever occurs first.

5.10 Community Non-Profit Space.

5.10.1 Developer shall provide a minimum space of 1,000 square feet of community space to be located on the ground floor of the Fairfield parking structure.

5.10.2 For the first 10 years after issuance of the certificate of occupancy, non-profit groups registered located in the City of El Segundo shall have priority of using this space.

5.10.3 Non-profit groups shall be able to use this room without payment of any rental rate for the room, but may be required to pay set-up fees, clean-up fees, and any fees for additional services such as food and beverage service.

5.11 Development Fees. Subject to the provisions of Section 4.5 above, Developer shall pay the development fees in effect at the time of building permit application. The Developer shall be entitled to credits against the City's traffic mitigation fees to the extent off-site traffic improvements that are required by the Project Approvals are included in any subsequent traffic fee mitigation program adopted by the City pursuant to Government Code Section 66000, *et seq.* Such credits shall be based upon the actual audited costs and shall only be granted to the extent such improvements are constructed in accordance with all applicable state and local laws. The Developer waives any and all rights it may have to challenge development fees that are in effect at the time of the Effective Date and the City's right to amend its current development fees. However, the Developer retains the legal right to challenge the amount of any such amended or increased development fees to the extent such are not in compliance with the requirements of Government Code Section 66000, *et seq.* as well as its right to receive credits against such amended or increased fees.

5.12 Maintenance Obligations. Developer shall maintain all portions of the Property in its possession or control, and any improvements thereon, in a clean, neat and orderly manner. Except as specified herein, Developer shall also maintain any landscaping and bike racks placed in the public right of way. The Parties' respective maintenance obligations shall survive any termination or expiration of this Agreement.

5.13 Sales and Use Tax.

5.13.1 In the event the contract price for any work on the Project is valued at five million dollars (\$5,000,000.00) or more, Developer agrees to report, on a State Board of Equalization Tax Return, any purchases of tangible personal property made in connection with the finishing of and/or installation of materials, or fixtures for the Project, when such purchases were made without sales or use tax due. Developer shall indicate the City as a registered job site location on the State Board of Equalization Tax Return. In such event, Developer shall also obtain a permit or a sub-permit from the State Board of Equalization indicating the City as the registered job site location, in accordance with Revenue and Taxation Code § 7051.3 or State Board of Equalization Compliance Policy and Procedure Manual § 295.060.

5.13.2 Developer further agrees that if Developer retains contractors or subcontractors to perform a portion of work in the Project, and said contracts or subcontracts are valued at five million dollars (\$5,000,000) or more, said contracts or subcontracts shall contain the provisions set forth in Subsection (a) above.

5.13.3 The Director of Finance of the City is authorized to relieve Developer, and Developer's contractors and subcontractors, from the requirements set forth in this Section 5.7 upon proof to the reasonable satisfaction of the Director of Finance that Developer and/or its contractors or subcontractors have made good faith efforts to obtain said permit or sub-permits, but were denied the same by the State Board of Equalization.

6. City Agreements.

6.1 Expedited Processing. The City shall process, at Developer's expense, in an expedited manner all plan checking, excavation, grading, building, encroachment and street improvement permits, Certificates of Occupancy, utility connection authorizations, and other ministerial permits or approvals necessary, convenient or appropriate for the grading, excavation, construction, development, improvement, use and occupancy of the Project in accordance with the City's accelerated plan check process under the Applicable Rules. Without limiting the foregoing, if requested by Developer, the City agrees to utilize private planners and plan checkers (upon Developer's request and at Developer's cost) and any other available means to expedite the processing of Project applications, including concurrent processing of such applications by various City departments.

6.2 Processing Cooperation and Assistance. To the extent permitted by law, the City shall reasonably cooperate with the Developer in securing any and all entitlements, authorizations, permits or approvals which may be required by any other governmental or quasi-governmental entity in connection with the development of the Project or the Property. Without limiting the foregoing, the City shall reasonably cooperate with the Developer in any dealings with federal, state and other local governmental and quasi-governmental entities concerning issues affecting the Property. The City shall keep the Developer fully informed with respect to its communications with such agencies which could impact the development of the Property. The City must not take any actions to encourage any other governmental or quasi-governmental entities from withholding any necessary approvals and any such contrary actions on the part of the City must be considered a breach of this Agreement by City.

6.3 Processing During Third Party Litigation. The filing of any third party lawsuit(s) against the City or the Developer relating to this Agreement, the Project Approvals, any Future Approvals or to other development issues affecting any portion of the Property or the Project shall not hinder, delay or stop the development, processing or construction of the Project, approval of the Future Approvals, or issuance of ministerial permits or approvals should the Developer wish to proceed, unless the third party obtains a court order restraining the activity. The City must not stipulate to or cooperate in the issuance of any such order.

6.4 Performance of Director Duties. The City shall ensure that a person or persons are designated at all times to carry out the duties of the Director set forth in this Agreement.

7. Modification/Suspension.

7.1 Pursuant to Government Code Section 65869.5, in the event that any state or federal law or regulation, enacted after the Effective Date, precludes compliance with any provision of this Agreement, such provision shall be deemed modified or suspended to the extent practicable to comply with such state or federal law or regulation, as reasonably determined necessary by City. Upon repeal of said law or regulation or the occurrence of any other event removing the effect thereof upon the Agreement, the provisions hereof shall be restored to their full original effect.

7.2 In the event any state or federal resources agency (i.e., California Department of Fish and Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, Regional Water Quality Control Board/State Water Resources Control Board), in connection with its final issuance of a permit or certification for all or a portion of the Project, imposes requirements (“Permitting Requirements”) that require modifications to the Project, then the parties will work together in good faith to incorporate such changes into the Project; provided, however, that if Developer appeals or challenges any such Permit Requirements, then the Parties may defer such changes until the completion of such appeal or challenge.

8. Demonstration of Good Faith Compliance.

8.1 Review of Compliance. In accordance with Government Code Section 65865.1, this Section 8 and the Applicable Rules, once each year, on or before each anniversary of the Effective Date (“Periodic Review”), the Development Services Director shall review the extent of the Developer’s good faith substantial compliance with the terms and provisions of this Agreement as well as the performance by the City of its obligations under this Agreement.

8.2 Good Faith Compliance. During each Periodic Review, the Developer shall demonstrate by written status report that, during the preceding twelve month period, that it has been in good faith compliance with this Agreement. For purposes of this Agreement, the phrase “good faith compliance” shall mean that the Developer has demonstrated that it has acted in a commercially reasonable manner (taking into account the circumstances which then exist) and in good faith in and has substantially complied with the Developer’s material obligations under this Agreement.

8.3 City Report - Information to be Provided to Developer. At least 14 days before the annual anniversary of the Effective Date, the City must deliver to the Developer a copy of all staff

reports prepared in connection with a Periodic Review, any prior staff reports generated during the review period, written comments from the public, and, to the extent practical, all related exhibits concerning such Periodic Review. This information shall be known as the “City Report.”

8.4 Developer’s Report. No later than the annual anniversary of the Effective Date, Developer must submit a written status report to the Director addressing the good faith compliance issue and any issues raised by the City Report provided to the Developer in accordance with section 8.3 above.

8.5 Notice of Non-Compliance; Cure Rights. If, after reviewing the Developer’s Report, the Director reasonably concludes on the basis of substantial evidence that as to any parcel or parcels comprising the Property, Developer has not demonstrated that it is in good faith compliance with this Agreement, the Director may issue and deliver to the Developer a written Notice of Violation as set forth in Section 10 below.

8.6 Public Notice of Finding. Any appeal of the Director’s determination (including any appeal by the Developer) must be filed within 20 days following such decision. Filing such an appeal tolls the cure period specified in the Notice of Violation. Notwithstanding Section 13.1, an appeal regarding the Notice of Violation shall be heard directly by the City Council at a duly-noticed public hearing and the City Council must issue a final decision. Developer retains the right to challenge the City’s issuance of any final decision pursuant to Code of Civil Procedure § 1094.5 without complying with the procedures set forth in Section 10.4 below.

8.7 Failure of Periodic Review. The City’s failure to review, at least annually, compliance by the Developer with the terms and conditions of this Agreement shall not constitute or be asserted by any Party as a breach by any other Party of this Agreement. If the City fails to provide the City Report by the Effective Date, Developer will be deemed to be in good faith compliance with this Agreement.

9. Excusable Delays. Performance by any Party of its obligations hereunder shall be excused during any period of “Excusable Delay,” as hereinafter defined, provided that the Party claiming the delay gives notice of the delay to the other Party as soon as reasonably possible after the same has been ascertained. For purposes hereof, Excusable Delay shall mean delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including without limitation: (i) act of God; (ii) civil commotion; (iii) riot; (iv) strike, picketing or other labor dispute; (v) shortage of materials or supplies; (vi) damage to work in progress by reason of fire, flood, earthquake or other casualty; (vii) reasonably unforeseeable delay caused by a reasonably unforeseeable restriction imposed or mandated by a governmental entity other than City; (viii) litigation brought by a third party attacking the validity of this Agreement, a Project Approval, a Future Approval or any other action necessary for development of the Property; (ix) delays caused by any default by City or the Developer hereunder; or (x) delays due to the presence or remediation of hazardous materials. The term of this Agreement, including any extensions, shall be extended by any period of Excusable Delay.

10. Default Provisions.

10.1 Default. Either Party to this Agreement shall be deemed to have breached this

Agreement if it materially breaches any of the provisions of this Agreement and the same is not cured within the time set forth in a written notice of violation (the "Notice of Violation") from the non-breaching Party to the breaching Party, which period of time shall not be less than 10 days for monetary defaults, and not less than 60 days for non-monetary defaults from the date that the notice is deemed received, provided if the breaching Party cannot reasonably cure a non-monetary default within the time set forth in the notice, then the breaching Party shall not be in default if it commences to cure the default within such time limit and diligently effects such cure thereafter. If the City determines that a default may have occurred, the City shall give written notice to the Developer of its intention to terminate this Agreement and comply with the notice and public hearing requirements of Government Code Sections 65867 and 65868. At the time and place set for the hearing on termination, the Developer shall be given an opportunity to be heard. If the City Council finds based upon the evidence that the Developer is in breach of this Agreement, the City Council may modify this Agreement with the consent of the Developer or unilaterally terminate this Agreement. If Developer initiates a resolution of dispute in accordance with the provisions of Section 10.4 below within 60 days following the City Council's determination that Developer is in breach of this Agreement, the City Council's decision to modify or terminate this Agreement is stayed until the issue has been resolved through informal procedures, mediation, or court proceedings.

10.2 Content of Notice of Violation. Every Notice of Violation shall state with specificity that it is given pursuant to this Section of the Agreement, the nature of the alleged breach, (including references to the pertinent provisions of this Agreement), the portion of the Property involved, and the manner in which the breach may be satisfactorily cured. The notice shall be deemed given in accordance with Section 19 hereof.

10.3 Remedies for Breach. The Parties agree that the remedies for breach of this Agreement shall be limited to the remedies expressly set forth in this section. Developer's remedies for any breach of this Agreement by City shall be limited to injunctive relief and/or specific performance.

10.4 Resolution of Disputes. The City and the Developer agree to attempt to settle any claim, dispute or controversy arising from this Agreement through consultation and negotiation in good faith and in spirit of mutual cooperation. If those attempts fail, the dispute may be mediated by a mediator chosen jointly by the City and the Developer within 30 days after notice by one of the parties demanding non-binding mediation. Neither Party may unreasonably withhold consent to the selection of a mediator. The City and the Developer will share the cost of the mediation equally. The Parties may agree to engage in some other form of non-binding alternate dispute resolution ("ADR") procedure in lieu of mediation. Any dispute that cannot be resolved between the Parties through negotiation or mediation within two months after the date of the initial demand for non-binding mediation may then be submitted to a court of competent jurisdiction in the County of Los Angeles, California.

10.5 Attorney's Fees and Costs. Each Party to this Agreement agrees to waive any entitlement of attorney's fees and costs incurred with respect to any dispute arising from this Agreement. The parties will each bear their own attorney's fees and costs in the event of any dispute.

11. Mortgagee Protection. This Agreement shall not prevent or limit the Developer, in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any

improvements thereon by any mortgage, deed of trust or other security device. The City acknowledges that the lender(s) providing such financing (“Mortgagee”) may require certain Agreement interpretations and agrees, upon request, from time to time, to meet with the Developer and representatives of such lender(s) to provide within a reasonable time period the City’s response to such requested interpretations. The City will not unreasonably withhold its consent to any such requested interpretation, provided that such interpretation is consistent with the intent and purposes of this Agreement. Any Mortgagee of a mortgage or a beneficiary of a deed of trust or any successor or assign thereof, including without limitation the purchaser at a judicial or non-judicial foreclosure sale or a person or entity who obtains title by deed-in-lieu of foreclosure on the Property shall be entitled to the following rights and privileges:

11.1 Mortgage Not Rendered Invalid. Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish, or impair the priority of the lien of any mortgage or deed of trust on the Property made in good faith and for value. No Mortgagee shall have an obligation or duty under this Agreement to perform the Developer’s obligations, or to guarantee such performance, prior to taking title to all or a portion of the Property.

11.2 Request for Notice to Mortgagee. The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, who has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive a copy of any Notice of Violation delivered to the Developer.

11.3 Mortgagee’s Time to Cure. The City shall provide a copy of any Notice of Violation to the Mortgagee that has requested such copy within ten days of sending the Notice of Violation to the Developer. The Mortgagee shall have the right, but not the obligation, to cure the default for period of 60 days after receipt of such Notice of Violation, or such longer period of time as may be specified in the Notice. Notwithstanding the foregoing, if such default shall be a default which can only be remedied by such Mortgagee obtaining possession of the Property, or any portion thereof, and such Mortgagee seeks to obtain possession, such Mortgagee shall have until 60 days after the date of obtaining such possession to cure or, if such default cannot reasonably be cured within such period, to commence to cure such default, provided that such default is cured no later than one year after Mortgagee obtains such possession.

11.4 Cure Rights. Any Mortgagee who takes title to all of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or a deed in lieu of foreclosure, shall succeed to the rights and obligations of the Developer under this Agreement as to the Property or portion thereof so acquired; provided, however, in no event shall such Mortgagee be liable for any defaults or monetary obligations of the Developer arising prior to acquisition of title to the Property by such Mortgagee, except that any such Mortgagee shall not be entitled to a building permit or occupancy certificate until all delinquent and current fees and other monetary or non-monetary obligations due under this Agreement for the Property, or portion thereof acquired by such Mortgagee, have been satisfied.

11.5 Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving the Developer, the times specified in Section 10 above shall be

extended for the period of the prohibition, except that any such extension shall not extend the term of this Agreement.

11.6 Disaffirmation. If this Agreement is terminated as to any portion of the Property by reason of (i) any default or (ii) as a result of a bankruptcy proceeding, and this Agreement is disaffirmed by a receiver, liquidator, or trustee for the Developer or its property, the City, if requested by any Mortgagee, shall negotiate in good faith with such Mortgagee for a new development agreement for the Project as to such portion of the Property with the most senior Mortgagee requesting such new agreement. This Agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section.

12. Estoppel Certificate. At any time and from time to time, the Developer may deliver written notice to City and City may deliver written notice to the Developer requesting that such Party certify in writing that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended, or if amended, the identity of each amendment; and (iii) the requesting Party is not in breach of this Agreement, or if in breach, a description of each such breach. The Party receiving such a request shall execute and return the certificate within thirty (30) days following receipt of the notice. The failure of the City to deliver such a written notice within such time shall constitute a conclusive presumption against the City that, except as may be represented by the Developer, this Agreement is in full force and effect without modification, and that there are no uncured defaults in the performance of the Developer. The Development Services Director shall be authorized to execute, on behalf of the City, any Estoppel Certificate requested by the Developer. City acknowledges that a certificate may be relied upon by successors in interest to the Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Property in which that Developer has a legal interest.

13. Administration of Agreement.

13.1 Appeal of Staff Determinations. Any decision by City staff concerning the interpretation or administration of this Agreement or development of the Property in accordance herewith may be appealed by the Developer to the Planning Commission, and thereafter, if necessary, to the City Council pursuant to the El Segundo Municipal Code. The Developer shall not seek judicial review of any staff decision without first having exhausted its remedies pursuant to this Section. Final determinations by the City Council are subject to judicial review subject to the restrictions and limitations of California law.

13.2 Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between City and Developer. During the Term of this Agreement, clarifications to this Agreement and the Applicable Rules may be appropriate with respect to the details of performance of City and Developer. If and when, from time to time, during the term of this Agreement, City and Developer agree that such clarifications are necessary or appropriate, they shall effectuate such clarification through a memoranda approved in writing by City and Developer (the "Operating Memoranda"), which, after execution, shall be attached hereto and become part of this Agreement and the same may be further clarified from time to time as necessary with future written approval by City and the Developer. Operating Memoranda are not intended to and shall not constitute an amendment to this Agreement but are mere ministerial clarifications, therefore public notices and hearings are not required. The City Attorney shall be authorized, upon consultation with, and

approval of, the Developer, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment hereof which requires compliance with the provisions of Section 14 below. The authority to enter into such Operating Memoranda is hereby delegated to the Director, and the Director is hereby authorized to execute any Operating Memoranda hereunder without further City Council action.

13.3 Certificate of Performance. Upon the completion of the Project, or the completion of development of any parcel within the Project, or upon completion of performance of this Agreement or its earlier revocation and termination, the City shall provide the Developer, upon the Developer's request, with a statement ("Certificate of Performance") evidencing said completion or revocation and the release of the Developer from further obligations hereunder, except for any ongoing obligations hereunder. The Certificate of Performance shall be signed by the appropriate agents of the Developer and the City and shall be recorded in the official records of Los Angeles County, California. Such Certificate of Performance is not a notice of completion as referred to in California Civil Code § 3093.

14. Amendment or Termination by Mutual Consent. Except as otherwise set forth herein, this Agreement may only be amended or terminated, in whole or in part, by mutual consent of City and the Developer, and upon compliance with the provisions of Government Code § 65867.

15. Indemnification/Defense.

15.1 Indemnification. The Developer agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of the Project, this Agreement, Developer's performance of this Agreement, and all procedures with approving this Agreement (collectively, "Discretionary Approvals"), except to the extent such is a result of the City's sole negligence or intentional misconduct. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Discretionary Approvals, Developer agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise, except to the extent such action is a result of the City's sole negligence or intentional misconduct. For purposes of this Section, "the City" includes the City of El Segundo's elected officials, appointed officials, officers, consultants, and employees.

15.2 Defense of Agreement. If the City accepts Developer's indemnification and defense as provided in Section 15.1 above, the City agrees to and shall timely take all actions which are necessary or required to uphold the validity and enforceability of this Agreement, the Discretionary Approvals, Project Approvals, Development Standards, and the Applicable Rules. This Section 15 shall survive the termination of this Agreement.

16. Cooperation in the Event of Legal Challenge.

16.1 Third Party Challenges. In the event of any administrative, legal or equitable action or other proceeding instituted by any person or entity not a party to the Agreement challenging the validity of any provision of this Agreement, challenging any Approval, or challenging the sufficiency

of any environmental review of either this Agreement or any Approval under CEQA (each a “Third Party Challenge”), each party must cooperate in the defense of such Third Party Challenge, in accordance with this Section. Developer agrees to pay City's costs of defending a Third Party Challenge, including all court costs and reasonable attorney’s fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Challenge, as well as the time of City's staff spent in connection with such defense. Developer may select its own legal counsel to represent Developer’s interests in any Third Party Challenge at Developer’s sole cost and expense. City agrees that it will not enter into a settlement agreement to any Third Party Challenge without Developer’s written consent. Developer’s obligation to pay City's costs in the defense of a Third Party Challenge shall not extend to those costs incurred on appeal if Developer notifies the City in writing that it does not wish to pursue the appeal.

16.2 Third Party Challenges Related to the Applicability of City Laws. The provisions of this Section will apply only in the event of a legal or equitable action or other proceeding, before a court of competent jurisdiction, instituted by any person or entity not a party to the Agreement challenging the applicability to the Project or Project Site of a conflicting City Law (a “Third Party Enforcement Action”):

16.2.1 In the event of a Third Party Enforcement Action, City must: (i) promptly notify Developer of such action or proceeding; and (ii) stipulate to Developer’s intervention as a party to such action or proceeding unless Developer has already been named as a respondent or real party in interest to such action or proceeding. In no event will City take any action that would frustrate, hinder, or otherwise complicate Developer’s efforts to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. As requested by Developer, City must use its best efforts to ensure that Developer is permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. If, for any reason, Developer is not permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action, the parties to this Agreement agree to cooperate, to the maximum extent permitted by law, in the defense of such action or proceeding. For purposes of this Section, the required cooperation between the parties includes, without limitation, developing litigation strategies, preparing litigation briefs and other related documents, conferring on all aspects of the litigation, developing settlement strategies, and, to the extent permitted by law, jointly making significant decisions related to the relevant litigation, throughout the course thereof.

16.2.2 City's costs of defending any Third Party Enforcement Action, including all court costs, and reasonable attorney's fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Enforcement Action, as well as the time of City's staff spent in connection with such defense (the "Enforcement Action Defense Costs), will be paid in accordance with this Agreement. The Enforcement Action Defense Costs shall extend to, and Developer will be obligated to pay, any costs incurred on appeal unless Developer notifies the City in writing that it does not wish to pursue the appeal.

16.2.3 City must not enter into a settlement agreement or take any other action to resolve any Third Party Enforcement Action without Developer's written consent. City cannot, without Developer's written consent, take any action that would frustrate, hinder or otherwise prevent Developer's efforts to settle or otherwise resolve any Third Party Enforcement Action.

16.2.4 Provided that City complies with this Section and provided that Developer is a party to the relevant Third Party Enforcement Action, Developer agrees to be bound by any final judgment (i.e., following all available appeals) arising out of a Third Party Enforcement Action and further agrees that no default under this Agreement will arise if such final judgment requires City to apply to the Project or Project Site a City Law that conflicts with Applicable Law or this Agreement.

17. Time of Essence. Time is of the essence for each provision of this Agreement of which time is an element.

18. Effective Date. This Agreement shall become operative on the date the Enabling Ordinance approving this Development Agreement becomes effective (the "Effective Date") pursuant to Government Code Section 36937.

19. Notices. Any notice that a party is required or may desire to give the other must be in writing and may be sent by: i) personal delivery; or ii) by deposit in the United States mail, postage paid, registered or certified mail, return receipt requested; or iii) by overnight delivery using a nationally recognized overnight courier, providing proof of delivery, evidenced by confirmed receipt, addressed as follows:

If to City: City of El Segundo
350 Main Street
El Segundo, CA 90245
Attention: City Manager

With a Copy to: City of El Segundo
350 Main Street
El Segundo, CA 90245
Attention: Director of Development Services

With a Copy to: Hensley Law Group

2600 W. Olive Avenue
Suite 500
Burbank, California 91505
Attention: Mark D. Hensley, Esq.

E-mail: mhensley@hensleylawgroup.com

If to Developer:

Nick Browne, VP – Product and Development
6080 Center Drive, Suite 120
Los Angeles, CA 90045

E-mail: nbrowne@eqoffice.com

Either City or Developer may change its mailing address at any time by giving written notice of such change to the other in the manner provided herein at least ten days prior to the date such change is affected. Any notice given by mail is deemed to have been given as of the date of delivery (whether accepted or refused) established by the United State Post Office, return receipt, or the overnight carrier's proof of delivery as the case may be. Notices given in any other manner are effective only if and when received by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m., local time of the recipient, of any business day with delivery made after such hours deemed received the following business day.

20. Entire Agreement. This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and supersedes in its entirety all prior agreements or understandings, oral or written. This Agreement shall not be amended, except as expressly provided herein.

21. Waiver. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar; nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless it is executed in writing by a duly authorized representative of the Party against whom enforcement of the waiver is sought.

22. Supersession of Subsequent Laws of Judicial Action. The provisions of this Agreement must, to the extent feasible, be modified or suspended as may be necessary to comply with any new law or decision issued by a court of competent jurisdiction, enacted or made after the effective date which prevents or precludes compliance with one or more provisions of this Agreement. Immediately after enactment of any such new law, or issuance of such decision, the parties must meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement.

23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall be effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

24. Relationship of the Parties. Each Party acknowledges that, in entering into and performing under this Agreement, it is acting as an independent entity and not as an agent of any other Party in

any respect. Nothing contained herein or in any document executed in connection herewith shall be construed as creating the relationship of partners, joint ventures or any other association of any kind or nature between City and Developer, jointly or severally.

25. No Third-Party Beneficiaries. This Agreement is made and entered into for the sole benefit of the Parties and their successors in interest. No other person or party shall have any right of action based upon any provision of this Agreement.

26. Recordation of Agreement and Amendments. This Agreement and any amendment thereof shall be recorded with the County Recorder of the County of Los Angeles by the City Clerk of City.

27. Cooperation Between City and Developer. City and Developer shall execute and deliver to the other all such other and further instruments and documents as may be reasonably necessary to carry out the purposes of this Agreement. Upon satisfactory performance by Developer, and subject to the continuing cooperation of the Developer, City will commence and in a timely manner proceed to complete all steps necessary for the implementation of this Agreement and development of the Project or Property in accordance with the terms of this Agreement.

28. Rules of Construction. The captions and headings of the various sections and subsections of this Agreement are for convenience of reference only, and they shall not constitute a part of this Agreement for any other purpose or affect interpretation of the Agreement. Should any provision of this Agreement be found to be in conflict with any provision of the Applicable Rules or the Project Approvals or the Future Approvals, the provisions of this Agreement shall control.

29. Joint Preparation. This Agreement shall be deemed to have been prepared jointly and equally by the Parties, and it shall not be construed against any Party on the ground that the Party prepared the Agreement or caused it to be prepared.

30. Governing Law and Venue. This Agreement is made, entered into, and executed in the County of Los Angeles, California, and the laws of the State of California shall govern its interpretation and enforcement. Any action, suit or proceeding related to, or arising from, this Agreement shall be filed in the appropriate court having jurisdiction in the County of Los Angeles.

31. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument.

32. Weekend/Holiday Dates. Whenever any determination is to be made or action to be taken on a date specified in this Agreement, if such date shall fall upon a Saturday, Sunday or holiday specified in Government Code § 6700, the date for such determination or action shall be extended to the first business day immediately thereafter.

33. Not a Public Dedication. Except as otherwise expressly provided herein, nothing herein contained shall be deemed to be a gift or dedication of the Property, or of the Project, or any portion thereof, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Project as private property. The Developer shall have the right to prevent or prohibit the use of the Property, or the Project, or any portion thereof,

including common areas and buildings and improvements located thereon, by any person for any purpose which is not consistent with the development of the Project. Any portion of the Property conveyed to the City by the Developer as provided herein shall be held and used by the City only for the purposes contemplated herein or otherwise provided in such conveyance, and the City shall not take or permit to be taken (if within the power or authority of the City) any action or activity with respect to such portion of the Property that would deprive the Developer of the material benefits of this Agreement, or would in any manner interfere with the development of the Project as contemplated by this Agreement.

34. Releases. City agrees that upon written request of Developer and payment of all fees and performance of the requirements and conditions required by Developer by this Agreement, the City must execute and deliver to Developer appropriate release(s) of further obligations imposed by this Agreement in form and substance acceptable to the Los Angeles County Recorder's Office or as otherwise may be necessary to effect the release.

35. Consent. Where the consent or approval of City or Developer is required or necessary under this Agreement, the consent or approval will not be unreasonably withheld, delayed or conditioned.

IN WITNESS WHEREOF, the Developer and the City of El Segundo have executed this Development Agreement on the date first above written.

CITY:

City of El Segundo, a municipal corporation

By: _____
Mayor

ATTEST:

Tracy Weaver
City Clerk

APPROVED AS TO FORM:

By: _____
Mark D. Hensley, City Attorney

DEVELOPER:

BRE EL SEGUNDO PROPERTY OWNER A LLC

By: _____
Patrick Volz, Vice President

BRE EL SEGUNDO PROPERTY OWNER B LLC

By: _____
Patrick Volz, Vice President

BRE EL SEGUNDO PARKING LLC

By: _____
Patrick Volz, Vice President

EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1: (APN: [4139-025-075](#))

LOT 428 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 22 PAGES 106 AND 107 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: (APN: [4139-025-073, 074, 076, 081](#))

LOTS 385, 386, 387, 429 AND 430 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 22 PAGES 106 AND 107 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (APN: [4139-025-091](#))

LOTS 382, 383, 384, 431, 432 AND 433 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 22 PAGES 106 AND 107 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM PARCELS 1 AND 2, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM, GAS, ASPHALTUM, OTHER HYDROCARBONS AND OTHER MINERALS AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN, OR WITHDRAWING THEREFROM GAS, OIL, OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING, OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 AS INSTRUMENT NO. 480 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 4: (portion of APN: [4139-024-057](#))

THE WESTERLY 60 FEET OF LOTS 2 AND 9 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 20 PAGES 114 AND 115 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5: (APN: [4139-024-058](#))

LOTS 1, 2, 9 AND 10 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 20 PAGES 114 AND 115 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 60 FEET OF SAID LOTS 2 AND 9.

ALSO EXCEPT THEREFROM THE NORTHERLY 181.00 FEET OF SAID LOTS 1 AND 2.

ALSO EXCEPT THE SOUTH 147.03 FEET OF LOT 10.

ALSO EXCEPT THEREFROM ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM AND OTHER HYDROCARBONS, AND OTHER MINERALS IN AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN OR WITHDRAWING THEREFROM GAS, OIL OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 6: (portion of APN: [4139-024-057](#))

A PARCEL OF LAND SITUATE IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 113 OF EL SEGUNDO, AS PER MAP RECORDED IN [BOOK 20, PAGES 114 THROUGH 115](#), INCLUSIVE, IN THE OFFICE OF THE RECORDER OF SAID COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF TRACT NO. 48436, AS PER MAP RECORDED IN [BOOK 1180, PAGES 68 THROUGH 69, INCLUSIVE, OF MAPS](#), IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58' 36" EAST 60.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58' 36" EAST 13.19 FEET; THENCE SOUTH 00° 03' 15" WEST 181.00 FEET; THENCE NORTH 89° 58' 36" WEST 13.11 FEET; THENCE NORTH 00° 01' 50" EAST 181.00 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT B

ASSIGNMENT AND ASSUMPTION AGREEMENT

Recording Requested By and
When Recorded Mail To:
BRE

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (“Agreement”) is made and entered into by and among BRE (“Assignors”), and, _____, a _____ (“Assignee”).

RECITALS

A. The City of El Segundo (“City”) and Assignor entered into that certain Development Agreement dated _____, 20__ (the “Development Agreement”), with respect to the real property located in the City of El Segundo, State of California more particularly described in Exhibit “A” attached hereto (the “Project Site”), and

B. Assignor has obtained from the City certain development approvals and permits with respect to the development of the Project Site, including without limitation, approval of _____ for the Project Site (collectively, the “Project Approvals”).

C. Assignor intends to sell, and Assignee intends to purchase that portion, of the Project Site more particularly described in Exhibit “B” attached hereto (the “Transferred Property”).

D. In connection with such purchase and sale, Assignor desires to transfer all of the Assignor’s right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee desires to accept such assignment from Assignor and assume the obligations of Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property. [or modify if not all interest sold]

THEREFORE, the parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee hereby accepts such assignment from Assignor.

2. Assumption. Assignee expressly assumes and agrees to keep, perform, and fulfill all the terms, conditions, covenants, and obligations required to be kept, performed, and fulfilled by Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property, including but not limited to those obligations specifically allocated to the

Transferred Parcel as set forth on Exhibit "C" attached hereto.

3. Effective Date. The execution by City of the attached receipt for this Agreement shall be considered as conclusive proof of delivery of this Agreement and of the assignment and assumption contained herein. This Agreement shall be effective upon its recordation in the Official Records of Los Angeles County, California, provided that Assignee has closed the purchase and sale transaction and acquired legal title to the Transferred Property.

4. Remainder of Project. Any and all rights or obligations pertaining to such portion of the Project Site other than the Transferred Property are expressly excluded from the assignment and assumption provided in sections 1 and 2 above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth next to their signatures below.

"ASSIGNOR"

BRE

RECEIPT BY CITY

The attached ASSIGNMENT AND ASSUMPTION AGREEMENT is received by the City of El Segundo on this ___ day of _____, _____.

CITY OF EL SEGUNDO

By: _____
Development Services Director or
Designee

EXHIBIT C

PACIFIC COAST COMMONS SPECIFIC PLAN
LAND USE DISTRICTS

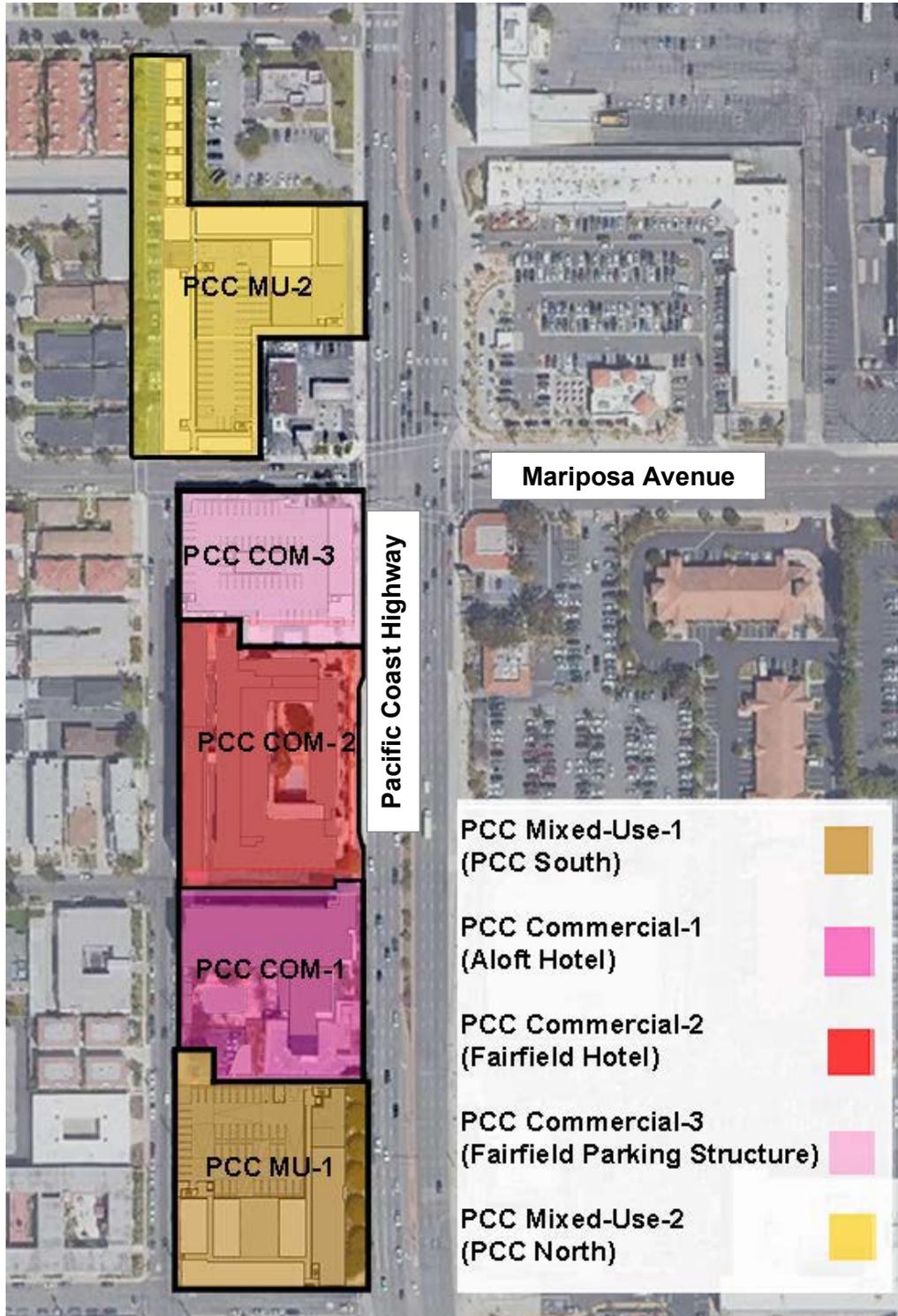


EXHIBIT D-1

PCC SOUTH AFFORDABLE HOUSING AGREEMENT

Recording Requested by and When
Recorded Return to:

CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

OFFICIAL BUSINESS
Document entitled to free
recording per Government Code
Section 6103

Space above this line for Recorder's use only

AGREEMENT CREATING AFFORDABLE HOUSING COVENANTS
(INCLUDING RENTAL RESTRICTIONS)

THIS AGREEMENT is entered into as of _____, 202_, by and between the CITY OF EL SEGUNDO, a municipal corporation (herein referred to as "City") and BRE EL SEGUNDO PROPERTY A LLC, a Delaware limited liability company (herein referred to as "Owner").

- A. Owner owns fee title to that certain real property (the "Property") located in the City of El Segundo, County of Los Angeles, State of California, legally described on Exhibit A attached hereto and incorporated herein.
- B. Owner has entered into a development agreement with City (the "Development Agreement") entitling Owner to develop a mixed-use project containing 120 multi-family apartment units on the Property (the "Project").
- C. In accordance with the requirements of Section 5.2 of the Development Agreement, a minimum of fifteen (15) units, shall be reserved for occupancy at an Affordable Rent to persons or families that qualify as a Low-Income Household or Very Low-Income Household, as follows:

	PCC South	Affordable Housing Units (Sub-Set of Total)	Affordability Levels
Studios	44	9	1 Very Low/8 Low
One Bedrooms	52	5	5 Low
Two Bedrooms	24	1	1 Low
Totals	120	15	1 Very Low/14 Low

- D. City desires to enter this Agreement in order to ensure that the required number of Restricted Units will be made available to and occupied by Qualified Households in accordance with the terms and conditions of the Development Agreement.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, CITY AND OWNER AGREE AS FOLLOWS:

1. Definitions

“Adult” means a person 18 years of age or older.

“Affordable Rent” means the maximum gross rent that can be borne by tenants in the Restricted Units, as published by CTCAC annually, minus Housing Related Expenses. The gross rent for the Low Income Rental Units is based on 80% of the Los Angeles County median income for the applicable unit type, and the gross rent for Very Low Income Rental Units is based on 50% of the Los Angeles County median income for the applicable unit type. Affordable Rent amounts will be adjusted annually to reflect increases in maximum gross rent published by CTCAC.

“CTCAC” means the California Tax Credit Allocation Committee.

“Gross Household Income: means all income from whatever source from all Adult Household members, which is anticipated to be received during the 12-month period following the date of the determination of Gross Household Income. The applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914.

“Household” means all the persons who will occupy the Restricted Unit as their principal residence. A child who is subject to a legally binding shared-custody agreement, in which the child resides with the Household at least 50% of the time, is counted as a member of the Household. Excluded from the definition of Household are live-in caregivers/caretakers, foster children, unborn children and children being pursued for legal custody or adoption that are not currently living with the Household.

“Housing Related Expenses” means any costs other than rent that are required to be borne by a tenant in a Restricted Unit in the Project. These costs include, but are not limited to, a Utility Allowance, any cost that are imposed by the Owner on a mandatory basis, and any mandatory costs that are charged by the Owner for amenities included in the Project. Owner may charge tenants in a Restricted Unit optional costs that are not Housing Related Expenses related to elective amenities requiring an optional service fee such as classes, room rentals, food service, or special events, but is prohibited from charging a tenant in a restricted unit any fee for equal access to common areas or project amenities such as pools, gyms, community rooms and outdoor areas. In addition, Owner is prohibited from charging any optional amenity fees to a tenant in a Restricted Unit that is higher than optional amenity fees charged to tenants in non-restricted units.

"HUD" means the United States Department of Housing and Urban Development.

“Low-Income Household” means a Household whose Gross Household Income does not exceed eighty percent (80%) of area median income adjusted for family size and published by HUD, under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

“Low-Income Rental Unit” means a rental unit in the Project reserved for and rented to Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

“Qualified Household” means a Household that qualifies as a Very Low-Income Household or Low-Income Household.

“Restricted Units” means the Very Low-Income Rental Units and Low-Income Rental Units.

“Utility Allowance” means the allowance for utilities not furnished by the Owner, which shall be calculated based on the most current version of the allowances for Tenant Furnished Utilities and Other Services worksheet prepared by the Los Angeles Community Development Authority or its successor agency using the form prepared by HUD.

"Very Low-Income Household" means a Household whose Gross Household Income does not exceed fifty percent (50.0%) of area median income, adjusted for family size published by the United States Department of Housing and Urban Development (HUD), under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

"Very Low-Income Rental Unit" means a rental unit in the Project reserved for and rented to Very Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

2. Use of the Property. Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows:

- A. The portion of the Property comprising the Project shall be used for residential use. Owner shall rent: (i) Nine (9) of the studio units to be developed at Affordable Rents to Low-Income Households and Very Low-Income Households in the proportions shown in Recital “C;” (ii) 5 of the one-bedroom units to be developed at Affordable Rents to Low-Income Households, and (iii) 1 of the two-bedroom units to be developed at Affordable Rents to Low-Income Households.
- B. The designated Restricted Units are shown on the floor plan attached hereto as Exhibit “C.” These will be fixed locations (*Note prior to execution of this Agreement the Owner and City shall identify the Restricted Units on the floor plan. Those units shall not be segregated from the market rate units. The Restricted Units, by type and affordability, should be equitably distributed throughout the Project. They shall not be distinguishable, nor located in inferior locations nor clustered*). For the full term, the number, size, type, and

amenity level of Restricted Units shall not be fewer than the number nor different from the size, type and amenity level described in this Agreement. However, the location of the Restricted Units can be changed with prior written approval from the City.

- C. The formula for determining the current applicable (for the year 2021) Affordable Rents is set forth in the Schedule of Affordable Rents attached to this Agreement as Exhibit “B”.
- D. Occupancy Requirements: For a studio Restricted Unit, a maximum of two people can occupy the unit. For a one-bedroom Restricted Unit, a maximum of three people can occupy the unit. For a two-bedroom Restricted Unit, a maximum of five people can occupy the unit.
- E. The Owner must forward a copy of its initial standard form of lease agreement to the City for final review as to compliance with this Agreement and thereafter upon request by City. In addition to other requirements imposed under this Agreement, Owner’s form of lease agreement must include the following: (1) restrictions prohibiting tenants from subleasing the Restricted Unit and that the Qualified Household must have continued residence in the Restricted Unit; (2) a provision to the effect that Owner has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Restricted Unit and that any material misstatement in such certification (whether or not intentional) will be cause for termination of the lease in the soonest time period permitted by applicable law; (3) A rider in the lease that a Household must move out within sixty (60) days if they become over-income at their annual income recertification. An over-income Household will be given a right of first refusal to move into any unit for which they qualify and that is or becomes vacant prior to moving out of their Restricted Unit; And (4) A rider in the lease that a Household must move to the next available qualifying Restricted unit if they are in excess of the maximum occupancy standards at their annual income recertification.
- F. Fair Housing Covenants: Owner covenants that it will comply with all applicable state and federal fair housing laws in the marketing and rental of the Restricted Units. Owner agrees to accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies under the Section 8 program or any successor program, provided that the total rent to be paid for the subject unit is equal to the then full market rent. The total amount of rent that may be charged and received by Owner for a Restricted Unit is limited to the Affordable Rent.
- G. Non-Discrimination Covenants: Owner may not restrict the rental, use, occupancy, or enjoyment of the Restricted Units, the Property, or any portion thereof, on the basis of the race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry,

familial status, source of income, disability, or genetic information of any person. Owner covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there may be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the lease, use, occupancy, tenure or enjoyment of the Restricted Units. Nor may Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants.

- H. Marketing of Units. Owner must offer each Restricted Unit for rental only to Qualified Households. Owner must continuously maintain an interest list of prospective tenants for Restricted Units that may become available in the future. Owner may not charge more than the then current industry standard per Adult Household member for application fees including credit check and screening and background checks.

3. Enforcement of Covenants.

- A. The City shall have the right, but not the obligation, to monitor and enforce the covenants contained in this Agreement.
- B. Owner shall comply with any monitoring program set up by City to enforce the affordability covenants. Owner shall pay for actual costs of an independent third-party affordable housing consultant chosen by the City to provide, at rates that are competitive in the market area income limit verification that meets the affordable housing requirements of this agreement.
- C. Annual Reports. By no later than July 15th of each year following the Commencement of the Term, Owner must submit an annual report (“**Annual Report**”) to the Director in a form reasonably satisfactory to the City Manager. The Annual Report must include the following information for each Restricted Unit:
 - 1. The number of bedrooms;
 - 2. The number of people residing in the Restricted Unit;
 - 3. The current rent and other charges;
 - 4. The dates of any vacancies during the previous year; and
 - 5. The total Gross Household Income of the residents upon commencing occupancy of their Restricted Unit and the source of such information.

- D. Additional Report Information. In addition to the information in Section 3.C, the information in the Annual Report must include the following:
 - 1. Information on the status of waiting lists for the Restricted Units.
- E. In the event that a Household, on annual recertification, is determined to have Gross Household Income in excess of the amounts set forth in Section 2(C) and 2(D) of this Agreement Owner must cause the Household to vacate the Restricted Unit and must re-rent the unit to a Qualified Household. However, Owner shall allow the Household to remain in the Restricted Unit at the Affordable Rent for up to sixty days. If, after sixty days, the Household has not voluntarily vacated, an eviction notice must be served and pursued with due diligence to conclusion. Owner shall offer any such Household that is above 80% area median income an opportunity to rent any then available comparably sized unit at market rent and shall offer any such Household that is at or below 80% area median rent an opportunity to rent any then available comparably sized Low-Income Rental Unit at Affordable Rent.
- F. Maintenance of Records. Owner must maintain complete and accurate records pertaining to the Restricted Units for a period of five years after the final date of occupancy by a tenant and must permit any duly authorized representative of City to inspect the books and records of Owner pertaining to the Project including, but not limited to, those records pertaining to the occupancy of each Restricted Unit.

4. Covenant is in Lieu of Affordable Housing Fees. City agrees that Owner's provision of affordable rental housing in accordance with this agreement totally absolves the Project from being charged inclusionary housing fees or any other fees intended to subsidize or contribute to affordable housing in the City.

5. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, against Owner, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. City shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the City without regard to whether the City has been, remains, or is an owner of any land or interest therein in the Project area. The covenants, conditions and restrictions contained in this Agreement shall not benefit nor be enforceable by any person or entity except the City.

6. Subordination to Permitted Mortgages. The use restrictions contained in Section 1 of this Agreement, and City's rights hereunder, are subordinate to (i) any deed of trust or mortgage encumbering the property provided that all of the proceeds of the loan secured by the deed of trust or mortgage are used to acquire the Property and/or construct the Project, and (ii) any deed of trust or

mortgage securing the first permanent refinancing of the loan described in subsection (i) (said encumbrances are referred to individually and collectively as “Permitted Mortgages”). The use restrictions contained in Section 1 of this Agreement, and the City’s rights thereunder, will not be subordinated to any encumbrance existing as of the date of this Agreement other than Permitted Mortgages.

7. Recordation. Prior to issuance of a certificate of occupancy, but not sooner than issuance of building permits for the Project, this Agreement shall be recorded in the office of the County Recorder of Los Angeles County.

8. Term. Every covenant and condition and restriction contained in this Agreement shall remain in effect for fifty-five (55) years from the date on which the Project obtains a certificate of occupancy.

9. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, City shall give Owner notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by City. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by City.

10. Enforcement. If a violation of any of the covenants or provisions of this Agreement remains uncured after the respective time period set forth in Paragraph 9, above, City and its successors and assigns, without regard to whether City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the City to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

11. Liens. Nothing herein contained shall be deemed to prohibit Owner from contesting the validity or amounts of any encumbrance, lien, levy or attachment, or to limit the remedies available to Owner in respect thereto.

IN WITNESS WHEREOF, the City and the Owner have signed this Agreement as of the dates set opposite their signatures.

CITY OF EL SEGUNDO

By: _____

APPROVED AS TO FORM AND LEGALITY
City Attorney

By: _____

BRE EL SEGUNDO PROPERTY OWNER A LLC

By: _____
Patrick Volz, Vice President

STATE OF CALIFORNIA
COUNTY OF _____

On _____ - before me, _____, a Notary Public,
personally appeared _____, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

STATE OF CALIFORNIA

COUNTY OF _____

On _____ - before me, _____, a Notary Public,
personally appeared _____, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature

EXHIBIT A

LEGAL DESCRIPTION

All the certain real property located in the City of El Segundo, County of Los Angeles, State of California, described as follows:

Lot 1 of Vesting Map No. 82806 recorded on _____, 20 __, in the County Recorder's Office of Los Angeles County.

EXHIBIT “B”

AFFORDABLE RENTS

- a. The gross rents for the Restricted Units shall be based on the rent schedule published annually for Los Angeles County by CTCAC in accordance with IRC Section 42. This schedule currently provides:

Per HUD Notice
Effective: April 1, 2021

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE 2021

Maximum Rents for Projects From Ceilings Post-1989 and Those from the Pre-1990 Ceilings That Elected with the Secretary of the Treasury*
to use the Post-1989 Rents
**(See IRC Section 42 - Section 13142(c) of the Omnibus Budget Reconciliation Act of 1993)*

For Projects Placed in Service on or after 4/1/21+

County	Efficiency	1 BR	2 BR	3 BR
LOS ANGELES				
100% Income Level	\$2,070	\$2,216	\$2,660	\$3,072
80% Income Level	\$1,656	\$1,774	\$2,128	\$2,459
50% Income Level	\$1,035	\$1,108	\$1,330	\$1,536

- b. The Housing Related Expenses, as applicable, must be deducted from the gross rent as adjusted for unit size and described above to determine the Affordable Rent.

In the event this schedule ceases to be published, the gross monthly rents shall be calculated using the following methodology. The gross monthly rents must be reduced by the Housing Related Expenses to determine the Affordable Rent,

- i. For the sole purpose of calculating the Affordable Rents, the following benchmark household sizes will be applied: Studio/ Efficiency Unit = 1 Person, 1 Bedroom Unit = 1.5 Persons and 2 Bedroom Unit = 3 Persons.
- ii. Low Income Rental Units: Gross monthly rent is calculated by taking the most recent HUD Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit. The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Low-Income Limit for a 1 person household is \$66,250 thus the gross monthly rent for a Studio/Efficiency Unit is $(\$66,250 \times 30\%) / 12 = \mathbf{\$1,656}$. The FY2021 HUD Low-Income Limit for a 1.5 person household is the 1 person Low-Income Limit plus the 2 person Low-Income Limit, divided by two, thus the gross monthly rent for a 1 Bedroom Unit is $((\$66,250 + \$75,700) / 2) \times 30\% / 12 = \mathbf{\$1,774}$. The FY2021 HUD Low-Income Limit for a 3 person household is \$85,150 thus the gross monthly rent for a 2 Bedroom Unit is $(\$85,150 \times 30\%) / 12 = \mathbf{\$2,128}$.
- iii. “Very Low-Income” units: Gross monthly rent is calculated by taking the most recent HUD Very Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit.

The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Very Low-Income Limit for a 1 person household is \$41,400 thus the gross monthly rent for a Studio/Efficiency Unit is $(\$41,400 \times 30\%) / 12 = \mathbf{\$1,035}$. The FY2021 HUD Very Low-Income Limit for a 1.5 person household is the 1 person Low- Income Limit plus the 2 person Very Low-Income Limit, divided by two thus the gross monthly rent for a 1 Bedroom Unit is $((\$41,400 + \$47,300) / 2) \times 30\% / 12 = \mathbf{\$1,108}$. The FY2021 HUD Very Low-Income Limit for a 3 person household is \$53,200 thus the gross monthly rent for a 2 Bedroom Unit is $(\$53,200 \times 30\%) / 12 = \mathbf{\$1,330}$.

EXHIBIT C
DESIGNATED RESTRICTED UNITS

EXHIBIT D-2

PCC NORTH AFFORDABLE HOUSING AGREEMENT

Recording Requested by and
When Recorded Return to:

CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

OFFICIAL BUSINESS
Document entitled to free
recording per Government
Code Section 6103

Space above this line for Recorder's use only

AGREEMENT CREATING AFFORDABLE HOUSING COVENANTS
(INCLUDING RENTAL RESTRICTIONS)

THIS AGREEMENT is entered into as of _____, 202_, by and between the CITY OF EL SEGUNDO, a municipal corporation (herein referred to as "City") and BRE EL SEGUNDO PARKING LLC, a Delaware limited liability company (herein referred to as "Owner").

- A. Owner owns fee title to that certain real property (the "Property") located in the City of El Segundo, County of Los Angeles, State of California, legally described on Exhibit A attached hereto and incorporated herein.
- B. Owner has entered into a development agreement with City (the "Development Agreement") entitling Owner to develop a mixed-use project containing 137 multi-family apartment units on the Property (the "Project").
- C. In accordance with the requirements of Section 5.2 of the Development Agreement, a minimum of seventeen (17) units, shall be reserved for occupancy at an Affordable Rent to persons or families that qualify as a Low-Income Household or Very Low-Income Household, as follows:

	PCC North	Affordable Housing Units (Sub-Set of Total)	Affordability Levels
Studios	47	9	2 Very Low/7 Low
One Bedrooms	67	6	6 Low
Two Bedrooms	23	2	2 Low
Totals	137	17	2 Very Low/15 Low

- D. City desires to enter this Agreement in order to ensure that the required number of Restricted Units will be made available to and occupied by Qualified Households in accordance with the terms and conditions of the Development Agreement.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, CITY AND OWNER AGREE AS FOLLOWS:

1. Definitions

“Adult” means a person 18 years of age or older.

“Affordable Rent” means the maximum gross rent that can be borne by tenants in the Restricted Units, as published by CTCAC annually, minus Housing Related Expenses. The gross rent for the Low Income Rental Units is based on 80% of the Los Angeles County median income for the applicable unit type, and the gross rent for Very Low Income Rental Units is based on 50% of the Los Angeles County median income for the applicable unit type. Affordable Rent amounts will be adjusted annually to reflect increases in maximum gross rent published by CTCAC.

“CTCAC” means the California Tax Credit Allocation Committee.

“Gross Household Income: means all income from whatever source from all Adult Household members, which is anticipated to be received during the 12-month period following the date of the determination of Gross Household Income. The applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914.

“Household” means all the persons who will occupy the Restricted Unit as their principal residence. A child who is subject to a legally binding shared-custody agreement, in which the child resides with the Household at least 50% of the time, is counted as a member of the Household. Excluded from the definition of Household are live-in caregivers/caretakers, foster children, unborn children and children being pursued for legal custody or adoption that are not currently living with the Household.

“Housing Related Expenses” means any costs other than rent that are required to be borne by a tenant in a Restricted Unit in the Project. These costs include, but are not limited to, a Utility Allowance, any cost that are imposed by the Owner on a mandatory basis, and any mandatory costs that are charged by the Owner for amenities included in the Project. Owner may charge tenants in a Restricted Unit optional costs that are not Housing Related Expenses related to elective amenities requiring an optional service fee such as classes, room rentals, food service, or special events, but is prohibited from charging a tenant in a restricted unit any fee for equal access to common areas or project amenities such as pools, gyms, community rooms and outdoor areas. In addition, Owner is prohibited from charging any optional amenity fees to a tenant in a Restricted Unit that is higher than optional amenity fees charged to tenants in non-restricted units.

"HUD" means the United States Department of Housing and Urban Development.

“Low-Income Household” means a Household whose Gross Household Income does not exceed eighty percent (80%) of area median income adjusted for family size and published by HUD, under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

“Low-Income Rental Unit” means a rental unit in the Project reserved for and rented to Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

“Qualified Household” means a Household that qualifies as a Very Low-Income Household or Low-Income Household.

“Restricted Units” means the Very Low-Income Rental Units and Low-Income Rental Units.

“Utility Allowance” means the allowance for utilities not furnished by the Owner, which shall be calculated based on the most current version of the allowances for Tenant Furnished Utilities and Other Services worksheet prepared by the Los Angeles Community Development Authority or its successor agency using the form prepared by HUD.

“Very Low-Income Household” means a Household whose Gross Household Income does not exceed fifty percent (50.0%) of area median income, adjusted for family size published by the United States Department of Housing and Urban Development (HUD), under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

“Very Low-Income Rental Unit” means a rental unit in the Project reserved for and rented to Very Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

2. Use of the Property. Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows:

- A. The portion of the Property comprising the Project shall be used for residential use. Owner shall rent: (i) Nine (9) of the studio units to be developed at Affordable Rents to Low-Income Households and Very Low-Income Households in the proportions shown in Recital “C;” (ii) 6 of the one-bedroom units to be developed at Affordable Rents to Low-Income Households, and (iii) 2 of the two-bedroom units to be developed at Affordable Rents to Low-Income Households.
- B. The designated Restricted Units are shown on the floor plan attached hereto as Exhibit “C.” These will be fixed locations (*Note prior to execution of this Agreement the Owner and City shall identify the Restricted Units on the floor plan. Those units shall not be segregated from the market rate units. The Restricted Units, by type and affordability, should be equitably distributed throughout the Project. They shall not be distinguishable, nor located in inferior locations nor clustered*). For the full term, the number, size, type, and

amenity level of Restricted Units shall not be fewer than the number nor different from the size, type and amenity level described in this Agreement. However, the location of the Restricted Units can be changed with prior written approval from the City.

- C. The formula for determining the current applicable (for the year 2021) Affordable Rents is set forth in the Schedule of Affordable Rents attached to this Agreement as Exhibit “B”.
- D. Occupancy Requirements: For a studio Restricted Unit, a maximum of two people can occupy the unit. For a one-bedroom Restricted Unit, a maximum of three people can occupy the unit. For a two-bedroom Restricted Unit, a maximum of five people can occupy the unit.
- E. The Owner must forward a copy of its initial standard form of lease agreement to the City for final review as to compliance with this Agreement and thereafter upon request by City. In addition to other requirements imposed under this Agreement, Owner’s form of lease agreement must include the following: (1) restrictions prohibiting tenants from subleasing the Restricted Unit and that the Qualified Household must have continued residence in the Restricted Unit; (2) a provision to the effect that Owner has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Restricted Unit and that any material misstatement in such certification (whether or not intentional) will be cause for termination of the lease in the soonest time period permitted by applicable law; (3) A rider in the lease that a Household must move out within sixty (60) days if they become over-income at their annual income recertification. An over-income Household will be given a right of first refusal to move into any unit for which they qualify and that is or becomes vacant prior to moving out of their Restricted Unit; and (4) A rider in the lease that a Household must move to the next available qualifying Restricted unit if they are in excess of the maximum occupancy standards at their annual income recertification.
- F. Fair Housing Covenants: Owner covenants that it will comply with all applicable state and federal fair housing laws in the marketing and rental of the Restricted Units. Owner agrees to accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies under the Section 8 program or any successor program, provided that the total rent to be paid for the subject unit is equal to the then full market rent. The total amount of rent that may be charged and received by Owner for a Restricted Unit is limited to the Affordable Rent.
- G. Non-Discrimination Covenants: Owner may not restrict the rental, use, occupancy, or enjoyment of the Restricted Units, the Property, or any portion thereof, on the basis of the race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry,

familial status, source of income, disability, or genetic information of any person. Owner covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there may be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the lease, use, occupancy, tenure or enjoyment of the Restricted Units. Nor may Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants.

- H. Marketing of Units. Owner must offer each Restricted Unit for rental only to Qualified Households. Owner must continuously maintain an interest list of prospective tenants for Restricted Units that may become available in the future. Owner may not charge more than the then current industry standard per Adult Household member for application fees including credit check and screening and background checks.

3. Enforcement of Covenants.

- A. The City shall have the right, but not the obligation, to monitor and enforce the covenants contained in this Agreement.
- B. Owner shall comply with any monitoring program set up by City to enforce the affordability covenants. Owner shall pay for actual costs of an independent third-party affordable housing consultant chosen by the City to provide, at rates that are competitive in the market area income limit verification that meets the affordable housing requirements of this agreement.
- C. Annual Reports. By no later than July 15th of each year following the Commencement of the Term, Owner must submit an annual report (“**Annual Report**”) to the Director in a form reasonably satisfactory to the City Manager. The Annual Report must include the following information for each Restricted Unit:
 - 6. The number of bedrooms;
 - 7. The number of people residing in the Restricted Unit;
 - 8. The current rent and other charges;
 - 9. The dates of any vacancies during the previous year; and
 - 10. The total Gross Household Income of the residents upon commencing occupancy of their Restricted Unit and the source of such information.

- D. Additional Report Information. In addition to the information in Section 3(C), the information in the Annual Report must include the following:
2. Information on the status of waiting lists for the Restricted Units.
- E. In the event that a Household, on annual recertification, is determined to have Gross Household Income in excess of the amounts set forth in Section 2(C) and 2(D) of this Agreement Owner must cause the Household to vacate the Restricted Unit and must re-rent the unit to a Qualified Household. However, Owner shall allow the Household to remain in the Restricted Unit at the Affordable Rent for up to sixty days. If, after sixty days, the Household has not voluntarily vacated, an eviction notice must be served and pursued with due diligence to conclusion. Owner shall offer any such Household that is above 80% area median income an opportunity to rent any then available comparably sized unit at market rent and shall offer any such Household that is at or below 80% area median rent an opportunity to rent any then available comparably sized Low-Income Rental Unit at Affordable Rent.
- F. Maintenance of Records. Owner must maintain complete and accurate records pertaining to the Restricted Units for a period of five years after the final date of occupancy by a tenant and must permit any duly authorized representative of City to inspect the books and records of Owner pertaining to the Project including, but not limited to, those records pertaining to the occupancy of each Restricted Unit.

4. Covenant is in Lieu of Affordable Housing Fees. City agrees that Owner's provision of affordable rental housing in accordance with this agreement totally absolves the Project from being charged inclusionary housing fees or any other fees intended to subsidize or contribute to affordable housing in the City.

5. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, against Owner, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. City shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the City without regard to whether the City has been, remains, or is an owner of any land or interest therein in the Project area. The covenants, conditions and restrictions contained in this Agreement shall not benefit nor be enforceable by any person or entity except the City.

6. Subordination to Permitted Mortgages. The use restrictions contained in Section 1 of this Agreement, and City's rights hereunder, are subordinate to (i) any deed of trust or mortgage encumbering the property provided that all of the proceeds of the loan secured by the deed of trust or mortgage are used to acquire the Property and/or construct the Project, and (ii) any deed of trust or

mortgage securing the first permanent refinancing of the loan described in subsection (i) (said encumbrances are referred to individually and collectively as “Permitted Mortgages”). The use restrictions contained in Section 1 of this Agreement, and the City’s rights thereunder, will not be subordinated to any encumbrance existing as of the date of this Agreement other than Permitted Mortgages.

7. Recordation. Prior to issuance of a certificate of occupancy, but not sooner than issuance of building permits for the Project, this Agreement shall be recorded in the office of the County Recorder of Los Angeles County.

8. Term. Every covenant and condition and restriction contained in this Agreement shall remain in effect for fifty-five (55) years from the date on which the Project obtains a certificate of occupancy.

9. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, City shall give Owner notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by City. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by City.

10. Enforcement. If a violation of any of the covenants or provisions of this Agreement remains uncured after the respective time period set forth in Paragraph 9, above, City and its successors and assigns, without regard to whether City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the City to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

11. Liens. Nothing herein contained shall be deemed to prohibit Owner from contesting the validity or amounts of any encumbrance, lien, levy or attachment, or to limit the remedies available to Owner in respect thereto.

IN WITNESS WHEREOF, the City and the Owner have signed this Agreement as of the dates set opposite their signatures.

CITY OF EL SEGUNDO

By: _____

APPROVED AS TO FORM AND LEGALITY
City Attorney

By: _____

BRE EL SEGUNDO PARKING LLC

By: _____
Patrick Volz, Vice President

STATE OF CALIFORNIA
COUNTY OF

On _____ - before me, _____, a Notary
Public,
personally appeared _____, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

STATE OF CALIFORNIA

COUNTY OF _____

On _____ - before me, _____, a Notary
Public,
personally appeared _____, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature

EXHIBIT A

LEGAL DESCRIPTION

All the certain real property located in the City of El Segundo, County of Los Angeles, State of California, described as follows:

Lot 5 of Vesting Map No. 82806 recorded on _____, 20 ____, in the County Recorder's Office of Los Angeles County.

EXHIBIT “B”

AFFORDABLE RENTS

- a. The gross rents for the Restricted Units shall be based on the rent schedule published annually for Los Angeles County by CTCAC in accordance with IRC Section 42. This schedule currently provides:

Per HUD Notice
Effective: April 1, 2021

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE 2021

Maximum Rents for Projects From Ceilings Post-1989 and Those from the Pre-1990 Ceilings That Elected with the Secretary of the Treasury* to use the Post-1989 Rents

**(See IRC Section 42 - Section 13142(c) of the Omnibus Budget Reconciliation Act of 1993)*

For Projects Placed in Service on or after 4/1/21+

County	Efficiency	1 BR	2 BR	3 BR
LOS ANGELES				
100% Income Level	\$2,070	\$2,216	\$2,660	\$3,072
80% Income Level	\$1,656	\$1,774	\$2,128	\$2,459
50% Income Level	\$1,035	\$1,108	\$1,330	\$1,536

- b. The Housing Related Expenses, as applicable, must be deducted from the gross rent as adjusted for unit size and described above to determine the Affordable Rent.

In the event this schedule ceases to be published, the gross monthly rents shall be calculated using the following methodology. The gross monthly rents must be reduced by the Housing Related Expenses to determine the Affordable Rent,

- i. For the sole purpose of calculating the Affordable Rents, the following benchmark household sizes will be applied: Studio/ Efficiency Unit = 1 Person, 1 Bedroom Unit = 1.5 Persons and 2 Bedroom Unit = 3 Persons.
- ii. Low Income Rental Units: Gross monthly rent is calculated by taking the most recent HUD Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit. The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Low-Income Limit for a 1 person household is \$66,250 thus the gross monthly rent for a Studio/Efficiency Unit is $(\$66,250 \times 30\%) / 12 = \mathbf{\$1,656}$. The FY2021 HUD Low-Income Limit for a 1.5 person household is the 1 person Low-Income Limit plus the 2 person Low-Income Limit, divided by two, thus the gross monthly rent for a 1 Bedroom Unit is $((\$66,250 + \$75,700) / 2) \times 30\% / 12 = \mathbf{\$1,774}$. The FY2021 HUD Low-Income Limit for a 3 person household is \$85,150 thus the gross monthly rent for a 2 Bedroom Unit is $(\$85,150 \times 30\%) / 12 = \mathbf{\$2,128}$.

- iii. “Very Low-Income” units: Gross monthly rent is calculated by taking the most recent HUD Very Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit. The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Very Low-Income Limit for a 1 person household is \$41,400 thus the gross monthly rent for a Studio/Efficiency Unit is $(\$41,400 \times 30\%) / 12 = \mathbf{\$1,035}$. The FY2021 HUD Very Low-Income Limit for a 1.5 person household is the 1 person Low- Income Limit plus the 2 person Very Low-Income Limit, divided by two thus the gross monthly rent for a 1 Bedroom Unit is $((\$41,400 + \$47,300) / 2) \times 30\% / 12 = \mathbf{\$1,108}$. The FY2021 HUD Very Low-Income Limit for a 3 person household is \$53,200 thus the gross monthly rent for a 2 Bedroom Unit is $(\$53,200 \times 30\%) / 12 = \mathbf{\$1,330}$.

EXHIBIT C
DESIGNATED RESTRICTED UNITS



Pacific Coast Commons Specific Plan Final Environmental Impact Report

State Clearinghouse No. 2020050508

The complete Final EIR for this project can be found at the following link:

<https://www.elsegundo.org/home/showpublisheddocument/4986/637801916739130000>

and on the Planning Division "Active Projects" webpage at:
<https://www.elsegundo.org/government/departments/development-services/planning-division/active-projects>

Prepared by:

DUDEK

38 North Marengo Avenue
Pasadena, California 91101

FEBRUARY 2022



**Pacific Coast Commons Specific
Mitigation Monitoring and
Reporting Program**

**The Mitigation Monitoring and Reporting Program for
this project can be found at the following link:**

<https://www.elsegundo.org/home/showpublisheddocument/5150/637825208774196326>

FEBRUARY 2022



Pacific Coast Commons Specific
Findings of Fact and Statement of
Overriding Consideration

The Findings of Fact and Statement of Overriding Consideration for this project can be found at the following link:

<https://www.elsegundo.org/home/showpublisheddocument/5148/637825208769665508>

FEBRUARY 2022



Pacific Coast Commons Specific
Responses to Additional EIR
Comments

The Responses to Additional EIR Comments for this project can be found at the following link:

<https://www.elsegundo.org/home/showpublisheddocument/5154/637825208824666383>

FEBRUARY 2022

RESOLUTION NO. ____

A RESOLUTION (1) RESCINDING THE APPROVALS OF SUB NO. 14-05, LOT TIE COVENANT NO. MISC 14-03 AND OFF-SITE PARKING COVENANT NO. MISC 14-06; (2) AMENDING CONDITIONAL USE PERMIT NO. 14-01 TO ALLOW THE CONTINUED OPERATION OF AN EXISTING 350-ROOM HOTEL (NORTH HOTEL SITE OF THE FORMER HACIENDA HOTEL PROPERTY) IN ADDITION TO THE PREVIOUSLY APPROVED ALCOHOL SERVICE AT 525 NORTH PACIFIC COAST HIGHWAY; AND (3) APPROVING OFF-SITE PARKING FOR THE NORTH HOTEL SITE

(PROJECT NO. EA-1248; MODIFICATION OF CONDITIONAL USE PERMIT NO. CUP 14-01; AND OFF-SITE PARKING).

(NORTH HOTEL)

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

SECTION 1: The Commission finds and declares that:

- A. On October 9, 2014 the Planning Commission approved Resolution No. 2759 approving an application to modify the then 619-room Hacienda Hotel into two hotels, a 350-room north hotel site (the “North Hotel”) and a 246-room south hotel site (the “South Hotel”). Along with approving this modification, Resolution No. 2759 approved an amendment to an existing conditional use permit (CUP No. 87-01) to allow operation of a bar serving alcohol (BAR 525), and alcohol service in meeting, banquet and breakfast rooms, the pool and patio area, and alcohol sales in the hotel convenience market in the North Hotel (the amended conditional use permit is designated CUP No. 14-01), a tentative map to reconfigure the existing lots into two separate parcels for the North Hotel and South Hotel (SUB No. 14-05), an off-site parking covenant to permit 213 off-site parking spaces for the North Hotel in a surface parking lot located north of Mariposa Avenue (Off-Site Parking Covenant No. MISC 14-06) and a lot-tie covenant holding the existing three parcels underlying the existing off-site parking lot as one property for parking purposes (Lot Tie Covenant No. MISC 14-03). The property owner never recorded the map.
- B. Subsequent to the approvals listed above, the property was sold on May 13, 2019. BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC and BRE El Segundo Parking LLC (collectively “BRE”) filed several applications to develop the hotel properties with a mixed-use development known as the Pacific Coast Commons Specific Plan. Under the proposed Specific Plan, hotels would be allowed as a conditionally permitted use. BRE’s application includes a request to amend the existing Conditional Use Permit (CUP No. 14-01) for the North Hotel Site (Fairfield Inn and Suites Hotel) located at 525 Pacific Coast Highway (the “Project

Site") to allow the continued use of the hotel, the continued alcohol service in the existing bar, (BAR 525), meeting, banquet and breakfast rooms, in the pool and patio area, alcohol sales in the convenience market in the hotel, and the modification of the off-site parking.

- C. The Pacific Coast Commons Specific Plan Project ("the "Project") includes a Vesting Tentative Map. (No. 82806) that would combine the 12 existing parcels comprising the hotel properties into 4 parcels and create two parcels at the north parking lot site that is currently comprised of 3 parcels held together by a lot-tie covenant. Additionally, the Project proposes a Shared Parking Agreement in conjunction with a Parking Demand Study and Shared Parking Analysis to establish the parking requirements among the various uses.
- D. The Project includes the discretionary actions contemplated herein and all of the discretionary actions required for the Project are collectively identified as Environmental Assessment No. EA-1248.
- E. The Project has been reviewed by the City's Development Services Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code ("ESMC");
- F. In addition, the City reviewed the Project's potential environmental impacts under 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");
- G. The Development Services Department completed its review and scheduled a public hearing regarding the application before the Planning Commission for November 18, 2021; along with consideration of all the approvals required for the Pacific Coast Commons Specific Plan Project, including Environmental Assessment No. EA-1248;
- H. On November 18, 2021, December 9, 2021 and February 10, 2022, the Planning Commission held duly-noticed public hearings at the conclusion of which the Planning Commission adopted Resolution 2906 recommending the City Council certify the EIR, adopt a mitigation monitoring and reporting program, make findings of fact, adopt a statement of overriding considerations, and approve the Project;
- I. The City Council of the City of El Segundo held a duly-noticed public hearing on March 15, 2022 to review and consider the Project, receive public testimony, and review all of the evidence in the administrative record. At the conclusion of the public hearing, the City Council adopted Resolution No. ____ and introduced Ordinance No. ____, certifying the EIR, adopting a mitigation monitoring and reporting program, making findings of fact, adopting a statement of overriding considerations, and approving the Project; and

- J. This Resolution, and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the City Council at its March 15, 2022 public hearing including, without limitation, the staff reports submitted by the Development Services Department.

SECTION 2: *Factual Findings and Conclusions.* The City Council finds that the following facts exist:

- A. The North Hotel is comprised of one five-story hotel building, one nine-story hotel building, and a two-story conference center (“food and beverage building”). The existing 350-room hotel will be located in the Pacific Coast Commons Specific Plan (PCCSP) Zone upon adoption of the Pacific Coast Commons Specific Plan.
- B. The North Hotel site consists of six legal lots. The hotel site is located on the west side of Pacific Coast Highway and includes the northern half of the block between East Mariposa Avenue to the north, East Holly Avenue to the south and Indiana Street to the east. The North Hotel site will consist of one lot (Lot 3) after the recordation of Vesting Tentative Map No. 82806. The total lot area will be 67,487 square feet.
- C. The North Hotel utilizes two parking area. Currently, parking is provided through a combination of 33 on-site parking spaces and 213 off-site parking spaces at the existing hotel surface parking lot immediately north of Mariposa Avenue with three driveway access points from Pacific Coast Highway, Holly Avenue and Indiana Street. The parking at the 236-space surface parking lot north of Mariposa is provided through an off-site parking covenant. A Shared Use Parking Agreement will replace the off-site parking covenant after the recordation of Vesting Tentative Map No. 82806. After construction of the Fairfield Parking Structure that will be located on the newly created lot immediately north of the Fairfield Inn and Suites hotel, 26 parking spaces will remain on site. The remainder of the parking will be provided off-site at the Fairfield Parking Structure with additional overflow parking provided through the Shared Use Parking Agreement. When the Pacific Coast Commons project is built out there will be parking structures on Lots 1, 4 and 5 of Vesting Tentative Map No. 82806, which will accommodate parking for the North Hotel, the South Hotel, other commercial uses and the multiple-family residential development. A Shared Use Parking Agreement will be recorded to share parking for any overflow needs for the hotel, other commercial uses, and multiple-family residential guest parking within the Pacific Coast Commons Specific Plan.
- D. The North Hotel includes an existing bar with alcohol service. The applicant sells a full line of alcoholic beverages for consumption in the following locations in the North Hotel: bar; meeting, banquet and breakfast rooms, and the pool and patio area. The applicant sells beer and wine in a hotel

convenience market. Conditional Use Permit No. 14-01 for alcohol service runs with the land and will continue to allow sales between the hours of 6 a.m. and 2 a.m. daily. The applicant has a California Department of Alcoholic Beverage Control for a Type 47 license (on-site beer, wine and distilled spirits).

- E. The Project includes a request to amend the existing North Hotel conditional use permit (CUP No. 14-01) to be applicable to the North Hotel and its existing associated alcohol uses (for on-site sales of beer, wine and distilled spirits and sales of beer and wine in the hotel convenience market) in order to be consistent with the conditionally permitted uses allowed with the adoption of the Pacific Coast Commons Specific Plan (PCCSP).

SECTION 3: *Environmental Assessment/California Environmental Quality Act.* The CUP and the Off-Site Parking modifications set forth in this Resolution were part of the overall Pacific Coast Commons Project analyzed as part of EA-1248. An environmental impact report was prepared for the project and, by separate resolution (Resolution No. 2905), the City Council certified the Final Environmental Impact Report, adopted a mitigation monitoring and reporting program, made findings of fact, and adopted a statement of overriding considerations. The CEQA-related findings, conclusions and actions set forth in Resolution No. ____ are incorporated herein by reference.

SECTION 4: *General Plan Findings.* The City Council finds that the changes approved by this Resolution will further the goals, policies and objectives of the General Plan and will not obstruct their attainment. Specifically:

- A. The hotel use and alcohol use are existing uses and are conditionally permitted in the Pacific Coast Commons Specific Plan.
- B. The hotel use is consistent with Economic Development Element Policy ED 1-2.2 to “maintain and promote land uses that improve the City’s tax base, balancing economic development and quality of life goals.” The existing renovated hotel facility has resulted in a site that improves the City’s tax base because the hotel is a more attractive destination to visitors, which has improved occupancy and room rates. The North Hotel contributes to the City’s quality of life as it improves the appearance of existing hotel buildings located on Pacific Coast Highway, the City’s major commercial corridor.
- C. The North Hotel is consistent with Circulation Element Objective C3-2 to “ensure the consideration of the impacts of land use decisions on the City’s parking situation.” The Project will provide parking in compliance with the parking requirements established in the Pacific Coast Commons Specific Plan and the Parking Demand Study and Shared Use Analysis for the hotel and other planned uses. Currently, parking is provided through a combination of 33 on-site parking spaces and 213 off-site parking spaces at the existing hotel surface parking lot north of Mariposa Avenue. The parking at the surface parking lot north of Mariposa is provided through an off-site parking covenant. A Shared Use Parking Agreement will replace the off-site

parking covenant after the recordation of Vesting Tentative Map No. 82806. The Fairfield Inn and Suites hotel will have direct pedestrian access from the hotel lobby to an entrance to the Fairfield Parking Structure across the driveway.

- D. The Project will further Noise Element Objective N1-2 “to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo’s Noise Ordinance standards.” Pursuant to ESMC § 7-2-1, the North Hotel is required to operate in compliance with the City’s noise ordinance.

SECTION 5: Conditional Use Permit Amendment Findings. Pursuant to ESMC § 15-23-6, the City Council finds that amending CUP No. 14-01 to allow for the continued use of the North Hotel with alcohol service is appropriate based on the following:

- A. The North Hotel with alcohol service meets the objectives of ESMC Title 15 and the purposes of the zone in which the site is located. The PCC COM-3 Land Use District in the Pacific Coast Commons Specific Plan (PCCSP) Zone allows for a hotel as a conditionally permitted use. A bar serving alcohol is a typical accessory use in a hotel and is also allowed in the PCC COM-3 Land Use District pursuant to a conditional use permit. The hotel including the bar are existing uses. A bar is a typical amenity for this class of hotel. The alcohol service at the existing bar, meeting, banquet and breakfast rooms, and in the outdoor pool and patio area, as well as the alcohol sales in the convenience market in the hotel is appropriate for a hotel use. Therefore, the proposed location meets the objectives of the Pacific Coast Commons Specific Plan (PCCSP) Zone and Title 15.
- B. The North Hotel and the continued service of alcohol will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity. The existing hotel has been in operation at the site for over 64 years. The proposed amendment will not change hotel operations at the North Hotel site in any significant manner. The bar must be operated in a manner consistent with the conditions of approval as well as with ESMC noise and nuisance standards. The alcohol service proposed for the North Hotel will be the same as existing operating conditions. Compliance with project conditions of approval, ABC requirements, and ESMC noise and nuisance requirements will result in a conditional use not detrimental to public health, safety and welfare.
- C. The North Hotel and the continued service of alcohol will comply with each of the applicable provisions of ESMC Chapter 15-23. The bar serving alcohol in the North Hotel is compatible with the hotel use at the site. The existing hotel has been in operation approximately 64 years and has had alcohol service over this time. The North Hotel alcohol service in the existing indoor bar as well as the meeting, banquet and breakfast rooms and the alcohol sales in the hotel convenience market are screened from view and have no visual or noise impacts on other uses, including residential uses, in the

general vicinity. Outdoor alcohol service around the patio and pool area are screened from nearby residential and commercial neighbors by on-site buildings and walls. Any noise generated in the outdoor alcohol service areas are subject to ESMC Chapter 7-2 "Noise and Vibration" requirements. Impacts such as smoke, dust, or fumes are not associated with the requested conditional use. Furthermore, the use will generate traffic generally consistent with the existing operation of the site, as the site currently is developed as a hotel with alcohol service.

- D. The North Hotel must comply with State of California Department of Alcohol Beverage Control licensing requirements and maintain all applicable licenses.
- E. The North Hotel with alcohol service is compatible with the particular use of the site and with other existing and potential uses in the general area. The long-established hotel use at the site is compatible with alcohol service. The hotel with alcohol service has been operating at the site for approximately 64 years and a hotel is a compatible use for a major commercial thoroughfare. The alcohol service operations at the North Hotel is not different from current hotel operations at the site. Indoor alcohol service will have no impact on adjacent residential properties. Outdoor alcohol service will be screened from adjacent residential properties.
- F. The use is consistent and compatible with the purpose of the PCCSP Zone in that this zone allows for a range of commercial uses such as office, hotels, restaurants, retail, and on-site and off-site alcohol sales. A hotel with alcohol service including a bar serving alcohol is consistent with the purpose of this commercial zone and is compatible with other existing hotel, retail and restaurant uses in the area, some of which also sell alcohol.
- G. The North Hotel with alcohol service will not be operated or maintained in a way detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity. As discussed in Finding No. 5.B above, the Project was conditioned to avoid impacts and the Project is required to meet ESMC and Building Code requirements regarding noise and safety.

SECTION 6: Off-Site Parking Approval Findings (ESMC § 15-15-3(H)(3)). After considering the factual findings of this Resolution, the City Council continues to find that off-site parking is appropriate for the North Hotel use based on the following:

- A. The North Hotel is in close proximity to the off-site parking facilities. The existing off-site surface parking lot is within reasonable walking distance of the North Hotel. The south end of the surface parking lot is within 100 feet of the North Hotel lobby entrance. Additionally, after construction of the Fairfield Parking Structure, the North Hotel will meet its parking needs with 26 on-site parking spaces and the spaces provided in the Fairfield Parking Structure. Although the Fairfield Parking Structure will be located off-site as

a result of the newly created lots from the recordation of the Vesting Map No. 82806, the Fairfield Parking Structure will have direct pedestrian access across the driveway from the hotel lobby entrance on the lot to the north.

- B. The North Hotel has good pedestrian access to the existing off-site parking facilities. Pedestrians can easily access the off-site parking from the North Hotel on the Pacific Coast Highway sidewalk. The intersection of Pacific Coast Highway and Mariposa Avenue has a controlled crosswalk and the off-site parking area is located less than 100 feet from the north end of this crosswalk. The parking lot can be accessed from both Mariposa Avenue and Pacific Coast Highway. Additionally, after construction of the Fairfield Parking Structure, the North Hotel will meet its parking needs with 26 on-site parking spaces and the spaces provided in the Fairfield Parking Structure. Although the Fairfield Parking Structure will be located off-site as a result of the newly created lots from the recordation of the Vesting Map No. 82806, the Fairfield Parking Structure will have direct pedestrian access across the driveway from the hotel lobby entrance on the lot to the north.
- C. There is no need for transportation to and from this off-site parking facilities because of the close proximity of the parking lot to the hotel. Additionally, after construction of the Fairfield Parking Structure, the North Hotel will meet its parking needs with 26 on-site parking spaces and the spaces provided in the Fairfield Parking Structure. Although the Fairfield Parking Structure will be located off-site as a result of the newly created lots from the recordation of the Vesting Map No. 82806, the Fairfield Parking Structure will have direct pedestrian access across the driveway from the hotel lobby entrance on the lot to the north.
- D. Hotel parking is an appropriate use type for off-site parking. Hotel parking is typically low turnover with guests leaving cars parked overnight and leaving the site for extended periods with infrequent travel to and from the site.

SECTION 7: Actions.

- A. Based on the information and findings set forth above, the City Council approves the modification of Conditional Use Permit No. CUP 14-01 which authorized the service of alcohol at the North Hotel to also allow the continued operation of a 350-room hotel. The City Council further approves the use of off-site parking for the North Hotel in accordance with a Shared Use Parking Agreement. These approvals are subject to the conditions set forth in Exhibit "A".
- B. The City Council rescinds approval of Subdivision No. SUB 14-05, Lot Tie Covenant No. MISC 14-03, and Off-Site Parking Covenant No. MISC 14-06.

SECTION 8: Reliance on Record. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and

determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 9: Limitations. The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions.

SECTION 10: Operative Date. This Resolution shall take effect immediately upon the effective date of Ordinance No. ____ approving the Zone Change, Zone Text Amendment, Zoning Map Amendment, Pacific Coast Commons Specific Plan, and related development agreement for the Pacific Coast Commons Project. The adoption and effectiveness of Ordinance No. ____ are conditions precedent to this Resolution taking effect.

SECTION 11: The City Clerk is directed to certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2022.

Drew Boyles, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

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, approved, and adopted by said City Council, at a regular meeting of said Council held on the ____ day of _____, 2022, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

PLANNING COMMISSION RESOLUTION NO. 2906

Exhibit A

CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code (“ESMC”), BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC agree to comply with the following provisions as conditions for the City of El Segundo’s approval of modification of CUP No. 14-01 and approval of Off-Site Parking (“Project Conditions”):

Planning Division Conditions

1. Any subsequent modification to the North Hotel as approved, including the site plan and landscaping, must be referred to the Director of Development Services to determine if the proposed modification is in compliance with the Pacific Coast Commons Specific Plan.
2. The final irrigation plans must comply with the following:
 - a. Efficient irrigation systems must be installed which minimize runoff and evaporation and maximize the water which will reach plant roots (e.g., drip irrigation, automatic sprinklers equipped with moisture sensors).
 - b. Automatic sprinkler systems must be set to irrigate landscaping during early morning hours or during the evening to reduce water losses from evaporation. Sprinklers must also be reset to water less often in cooler months and during the rainfall season so that water is not wasted by excessive landscaping irrigation.
3. A Shared Use Parking Agreement shall be prepared and reviewed and approved by the Director of Development Services and the City Attorney. The Shared Use Parking Agreement will grant Lots 1 through 5 of Vesting Map No. 82806 rights to shared use of parking provided on Lots 1, 4 and 5 of Vesting Map No. 82806. The shared parking will be permitted for all commercial uses, including hotel uses, and guest parking for the multi-family residential uses located on Lots 1 and 5 of Vesting Map No. 82806. Guest parking for the townhomes that are located on Lot 6 will be provided on Lot 5 of Vesting Map No. 82806.

The Shared Use Parking Agreement will rescind “Covenant and Agreement Regarding Maintenance and Use of Off-Site Parking” for property commonly known as 629 North Sepulveda Boulevard (now known as 629 North Pacific Coast Highway), recorded on July 1, 2015, as Instrument No. 20150792117, of Official Records, Recorder’s Office of the County of Los Angeles, California. The Shared Use Parking Agreement will rescind “Covenant and Agreement Regarding Maintenance of Parking Site” for property commonly known as 629 North Sepulveda Boulevard (now known as 629 North Pacific Coast Highway) recorded

on April 1, 2015, as Instrument No. 20150351986, of Official Records, Recorder's Office of the County of Los Angeles, California.

4. A Reciprocal Easement Agreement shall be prepared to provide reciprocal access between Lot 2 and 3 of Vesting Tentative Map No. 82806 and reciprocal access to the Indiana Street public right-of-way. The Reciprocal Easement Agreement shall be reviewed and approved by the Director of Development Services and the City Attorney. The Reciprocal Easement Agreement shall not be recorded until the final map for Vesting Tentative Map No. 82806 is recorded.
5. A Reciprocal Easement Agreement shall be prepared to provide reciprocal access between Lots 3 and 4 of Vesting Tentative Map No. 82806 and reciprocal access to the public rights-of-way of Pacific Coast Highway and Indiana Street. The Reciprocal Easement Agreement shall be reviewed and approved by the Director of Development Services and the City Attorney. The Reciprocal Easement Agreement shall not be recorded until the final map for Vesting Tentative Map No. 82806 is recorded.
6. The existing turnout area on Pacific Coast Highway must be designated as the loading zone for the North Hotel.
7. The applicant must maintain all licenses required by the Alcohol Beverage Control Act (Business & Professions Code §§ 23300, *et seq.*). The applicant must continue to maintain all applicable licenses at the site.
8. Hours of operations for alcohol service at the North Hotel is limited to the hours between 6 a.m. and 2 a.m. daily.
9. Taxicab phone numbers must be posted in a conspicuous location at all times in the area(s) where alcohol is served to customers.
10. The premises must be maintained in a litter and graffiti-free manner. Any graffiti that appears on the premises must be removed within 48 hours.
11. The applicant must comply with all regulations of the Alcoholic Beverage Control Act and the regulations promulgated by the Alcoholic Beverage Control Board including, without limitation, the regulations set forth in 4 Cal. Code of Regs. §§ 55, *et seq.*
12. The applicant must post a sign in a clear and conspicuous location listing a phone number at which a responsible party may be contacted during all open hours of the establishment to address any concerns of the community regarding noise at the North Hotel. Said contact's name and phone number must also be available through hotel staff at all times.
13. The applicant must, at all times, display a *Designated Driver* sign of at least ten inches by ten inches (10" X 10") in the service area of the "food and beverage"

building. The sign must be worded in a way that reminds patrons who are consuming alcohol to designate a *non*-drinking driver.

14. There shall not be exterior advertising of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages which are clearly visible to the exterior also violate this condition.
15. All employees serving alcoholic beverages to patrons must enroll in and complete a certified training program approved by the State Department of Alcoholic Beverages Control (ABC) for the responsible sales of alcohol. The training must be offered to new employees on not less than a quarterly basis.
16. Any and all employees hired to sell alcoholic beverages must provide evidence that they have either:
 - a. Completed training from the State of California Department of Alcoholic Beverage Control (ABC), Long Beach/Lakewood District Office administered *Leadership and Education in Alcohol and Drugs* (LEAD) Program in the form of an ABC-issued certificate; or
 - b. Completed an accepted equivalent by the ABC, Long Beach/Lakewood District Office to ensure proper distribution of beer, wine and distilled spirits to adults of legal age;
 - c. If any prospective employee designated to sell alcoholic beverages does not currently have such training, then the ABC-licensed proprietors must have confirmed with the Development Services Department within fifteen (15) days of the Director's decision, or by final project approval, that a date certain has been scheduled within the local ABC Office to complete the LEAD course.
 - d. Within thirty (30) days of taking said course, the employees, or responsible employer must deliver each required certificate showing completion to the Police Department.

Building Safety Division Conditions

17. The project is required to comply with storm water requirements per NPDES Permit No. CAS0040001 Order Number R4-2021-0105

Public Works Department Conditions

18. The applicant must provide a water service connection and water meter for each parcel.
19. The project must comply with ESMC Chapter 5-4 regarding MS4 permit requirements.

Police Department Conditions

20. Street addressing must be a minimum of 6 inches tall, visible from the street or driving surface, of contrasting color to the background and directly illuminated during hours of darkness.
21. A safe for use by the hotel operator must be installed in a secured location and must be anchored. The location and anchoring is subject to review and approval by the Police Chief, or designee.
22. A sign that identifies the location is private property and that no trespassing is allowed must be installed at the entrance of the pool.
23. A minimum security camera plan must be prepared for the hotel building. The number of cameras and the locations of cameras are subject to Police Chief, or designee, review and approval. Monitoring and recording equipment must be stored in a secured area.
24. Cameras recording driveways and driving surfaces must monitor and record vehicle occupants and vehicle license plate number as they enter/exit.
25. Any security cameras must meet the City's minimum camera specifications and requirements as determined by the Police Chief, or designee.
26. The location and number of exterior mounted ladders are subject to Police Chief, or designee's, review and approval.

Fire Department Conditions

27. The applicant must provide the following conditions for any fire features:
 - a. A barrier must be provided around the fire feature to prevent accidental access into the fire feature.
 - b. The distance between the fire feature and combustible material and furnishings must meet the fire feature's listing and manufacturer's requirements.
 - c. If the fire feature's protective barrier exceeds ambient temperatures, all exit paths and occupant seating must be a minimum 36 inches from the fire feature.
28. The applicant must provide for a central control station for Fire Department operations in the North Hotel. The rooms must comply with California Fire Code 915.4, as adopted by the ESMC.

Miscellaneous Conditions

29. BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC and BRE El Segundo Parking LLC agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of modification of Conditional Use Permit No. CUP 14-01 and re-approval of Off-Site Parking. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of modification of Conditional Use Permit No. CUP 14-01 and re-approval of Off-Site Parking, the Applicant agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "the City" includes the City of El Segundo's elected officials, appointed officials, officers, and employees.
30. The Planning Commission is authorized to hear and act upon future applications for amendments to Conditional Use Permit 14-01 and the off-site parking approval.
31. The release of Lot-Tie Covenant MISC No. 14-03 for the parking lot at 629 North Pacific Coast Highway may not be recorded until Vesting Tentative Map No. 82806 is recorded.

AFFIDAVIT OF ACCEPTANCE OF CONDITIONS OF APPROVAL

Patrick Volz warrants that he is duly authorized to sign this Affidavit of Acceptance and to bind BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC and BRE El Segundo Parking LLC to the same. By signing this document, Patrick Volz, on behalf of BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC and BRE El Segundo Parking LLC, certifies that he has read, understood, and agrees to the Project Conditions listed in this document.

Patrick Volz, Vice President

BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and
BRE El Segundo Parking LLC

RESOLUTION NO. ____

A RESOLUTION AMENDING CONDITIONAL USE PERMIT NO. 14-02 TO ALLOW THE CONTINUED OPERATION OF AN EXISTING 246-ROOM HOTEL IN ADDITION TO THE PREVIOUSLY APPROVED ALCOHOL SERVICE AT 475 NORTH PACIFIC COAST HIGHWAY AND APPROVING OFF-SITE PARKING FOR THE SOUTH HOTEL SITE

(PROJECT NO. EA-1248; AMENDMENT OF CONDITIONAL USE PERMIT CUP NO. 14-02; AND OFF-SITE PARKING).

(SOUTH HOTEL)

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

SECTION 1: The Commission finds and declares that:

- A. On October 9, 2014 the Planning Commission approved Resolution No. 2760 approving an application to modify the then 619-room Hacienda Hotel into two hotels, a 350-room north hotel site (the “North Hotel”) and a 246-room south hotel site (“the South Hotel”). Along with approving this modification, Resolution No. 2760 approved a conditional use permit to allow operation of a bar serving alcohol and alcohol service in meeting spaces, the patio, and pool area in the South Hotel (CUP No. 14-02), a tentative map to reconfigure the existing lots into two separate parcels for the North Hotel and South Hotel (SUB No. 14-05), an off-site parking covenant to permit 23 off-site parking spaces for the South Hotel in surface parking lot located north of Mariposa Avenue (Off-Site Parking Covenant No. MISC 14-02) and a lot-tie covenant holding the existing three parcels underlying the existing off-site parking lot as one property for parking purposes (Lot Tie Covenant No. MISC 14-03). The property owner never recorded the map.
- B. Subsequent to the approvals listed above, the property was sold on May 13, 2019. BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC and BRE El Segundo Parking LLC (collectively “BRE”) filed several applications to develop the hotel properties with a mixed-use development known as the Pacific Coast Commons Specific Plan. Under the proposed Specific Plan hotels would be allowed as a conditionally permitted use. BRE’s application includes a request to amend the existing Conditional Use Permit (CUP No. 14-02) for the South Hotel Site (Aloft Hotel) located at 475 Pacific Coast Highway (the “Project Site”) to allow the continued use of the hotel, the continued alcohol service in the existing bar/lounge area, conference room and multi-purpose rooms, and pool deck and outdoor patio and the modification of the off-site parking.
- C. The Pacific Coast Commons Specific Plan Project (the “Project”) includes a Vesting Tentative Map. (No. 82806) that will combine the 12 existing parcels comprising the hotel properties into 4 parcels and create two parcels at the

north parking lot site that is currently comprised of 3 parcels held together by a lot-tie covenant. Additionally, the Project proposes a Shared Parking Agreement in conjunction with a Parking Demand Study and Shared Parking Analysis to establish the parking requirements among the various uses.

- D. The Project includes the discretionary actions contemplated herein and all of the discretionary actions required for the Project are collectively identified as Environmental Assessment No. EA-1248.
- E. The Project has been reviewed by the City's Development Services Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code ("ESMC");
- F. In addition, the City reviewed the Project's potential environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq.*, the "CEQA Guidelines");
- G. The Development Services Department completed its review and scheduled a public hearing regarding the application before the Planning Commission for November 18, 2021; along with consideration of all the approvals required for the Pacific Coast Commons Specific Plan Project including Environmental Assessment No. EA-1248;
- H. On November 18, 2021, December 9, 2021 and February 10, 2022, the Planning Commission held duly-noticed public hearings at the conclusion of which the Planning Commission adopted Resolution 2906 recommending the City Council certify the EIR, adopt a mitigation monitoring and reporting program, make findings of fact, adopt a statement of overriding considerations, and approve the Project;
- I. The City Council of the City of El Segundo held a duly-noticed public hearing on March 15, 2022 to review and consider the Project, receive public testimony, and review all of the evidence in the administrative record. At the conclusion of the public hearing, the City Council adopted Resolution No. ____ and introduced Ordinance No. ____, certifying the EIR, adopting a mitigation monitoring and reporting program, making findings of fact, adopting a statement of overriding considerations, and approving the Project; and
- J. This Resolution, and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the City Council at its March 15, 2022 public hearing including, without limitation, the staff reports submitted by the Development Services Department.

SECTION 2: *Factual Findings and Conclusions.* The City Council finds that the following facts exist:

- A. The existing nine-story, 246-room hotel will be located in the Pacific Coast Commons Specific Plan (PCCSP) Zone upon adoption of the Pacific Coast Commons Specific Plan.
- B. The South Hotel site consists of six legal lots. The hotel site is located on the west side of Pacific Coast Highway and includes the southern half of the block between East Mariposa Avenue to the north, East Holly Avenue to the south and Indiana Street to the east. The South Hotel site will consist of one lot (Lot 2) after the recordation of Vesting Tentative Map No. 82806. The total lot area will be 39,425 square feet.
- C. The South Hotel utilizes two parking areas. The existing off-street parking area located immediately to the south of the hotel lobby entrance is fully developed with a surface parking lot containing 175 parking stalls and three driveway access points from Pacific Coast Highway, Holly Avenue and Indiana Street. The parking area will become Lot 1 of Vesting Tentative Map No. 82806. Parking for the South Hotel also includes the use of 23 parking spaces through a parking covenant on a lot located on the west side of Pacific Coast Highway in the block between East Mariposa Avenue to the south and East Palm Avenue to the north comprised of 236 parking spaces. This off-site parking lot will become Lot 5 of Vesting Tentative Map No. 82806. When the Pacific Coast Commons project is built out there will be parking structures on Lots 1, 4 and 5 which will accommodate parking for the South Hotel, the North Hotel, other commercial uses and the multiple-family residential development. A Shared Use Parking Agreement will be recorded to share parking for any overflow needs for the hotel, other commercial uses, and multiple-family residential guest parking within the Pacific Coast Commons Specific Plan.
- D. The South Hotel includes an existing bar with alcohol service. The applicant sells a full-line of alcoholic beverages for consumption in the following locations in the South Hotel: bar and lounge area of the south hotel lobby; outdoor patio and pool deck area; three pool adjacent hotel suites; ground-floor multipurpose rooms and two meeting rooms on the second floor. Conditional Use Permit No. 14-02 for alcohol service runs with the land and will continue to allow sales between the hours of 6 a.m. and 2 a.m. daily. The applicant has a California Department of Alcoholic Beverage Control for a Type 47 license (on-site beer, wine and distilled spirits).
- E. The Project includes a request to amend the existing South Hotel conditional use permit (CUP No. 14-02) to be applicable to the South Hotel and its existing associated alcohol uses in order to be consistent with the conditionally permitted uses allowed with the adoption of the Pacific Coast Commons Specific Plan (PCCSP).

SECTION 3: Environmental Assessment/California Environmental Quality Act. The CUP and the Off-Site Parking modifications set forth in this Resolution were part of the overall

Pacific Coast Commons Project analyzed as part of EA-1248. An environmental impact report was prepared for the project and, by separate resolution (Resolution No. 2905), the City Council certified the Final Environmental Impact Report, adopted a mitigation monitoring and reporting program, made findings of fact, and adopted a statement of overriding considerations. The findings, conclusions, and actions set forth in Resolution No. ____ are incorporated herein by reference.

SECTION 4: General Plan Findings. The City Council finds that the changes approved by this Resolution will further the goals, policies, and objectives of the General Plan and will not obstruct their attainment. Specifically:

- A. The hotel use and alcohol use are existing uses and are conditionally permitted in the Pacific Coast Commons Specific Plan.
- B. The hotel use is consistent with Economic Development Element Policy ED 1-2.2 to “maintain and promote land uses that improve the City’s tax base, balancing economic development and quality of life goals.” The existing renovated hotel facility has resulted in a site that improves the City’s tax base because the hotel is a more attractive destination to visitors, which has improved occupancy and room rates. The South Hotel contributes to the City’s quality of life as it improves the appearance of existing hotel buildings located on Pacific Coast Highway, the City’s major commercial corridor.
- C. The South Hotel is consistent with Circulation Element Policy C2-2.2 to “encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes changing facilities at or close to the bicyclist’s work destination.” The South Hotel includes existing bicycle parking.
- D. The South Hotel is consistent with Circulation Element Objective C3-2 to “ensure the consideration of the impacts of land use decisions on the City’s parking situation.” The project will provide parking in compliance with the parking requirements established in the Pacific Coast Commons Specific Plan and the Parking Demand Study and Shared Use Analysis for the hotel and other planned uses through a combination of off-site parking provided immediately to the south of the hotel lobby entrance with an additional off-site parking spaces at the existing hotel surface parking lot north of Mariposa Avenue. The parking at the surface parking lot north of Mariposa is provided through an off-site parking covenant. A Shared Use Parking Agreement will replace the off-site parking covenant after the recordation of Vesting Tentative Map No. 82806.
- E. The Project will further Noise Element Objective N1-2 “to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo’s Noise Ordinance standards.” Pursuant to ESMC § 7-2-1 the South Hotel is required to operate in compliance with the City’s noise ordinance.

SECTION 5: Conditional Use Permit Amendment Findings. Pursuant to ESMC § 15-23-6,

the City Council finds that amending CUP No. 14-02 to allow for the continued use of the South Hotel with alcohol service is appropriate based on the following:

- A. The South Hotel with alcohol service meets the objectives of ESMC Title 15 and the purposes of the zone in which the site is located. The PCC COM-1 Land Use District in the Pacific Coast Commons Specific Plan (PCCSP) Zone allows for a hotel as a conditionally permitted use. A bar serving alcohol is a typical accessory use in a hotel and is also allowed in the PCC COM-1 Land Use District pursuant to a conditional use permit. The hotel including the bar are existing uses. The 25-foot long bar in the lobby area of the South Hotel is a typical amenity for the class of hotel. The alcohol service area of the bar/lobby lounge, conference and multi-purpose rooms, pool deck and patio areas and three guest rooms is appropriate for a hotel use. Therefore, the proposed location meets the objectives of the Pacific Coast Commons Specific Plan (PCCSP) Zone and Title 15.
- B. The South Hotel and the continued service of alcohol will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity. The alcohol serving bar use was reviewed by the City's Police and Fire Departments. Both Departments recommended conditions of approval incorporated into this Resolution. The bar must be operated in a manner consistent with the conditions of approval as well as with ESMC noise and nuisance standards. The alcohol service proposed for the South Hotel will be the same as existing operating conditions. Compliance with project conditions of approval, ABC requirements and ESMC noise and nuisance requirements will result in a conditional use not detrimental to public health, safety and welfare.
- C. The South Hotel and the continued service of alcohol will comply with each of the applicable provisions of ESMC Chapter 15-23. The bar serving alcohol in the South Hotel is compatible with the hotel use at the site. The existing hotel has been in operation approximately 64 years and has had alcohol service over this time. The South Hotel indoor bar/lounge areas as well as alcohol service in conference room and multi-purpose rooms will be screened from view and have no visual or noise impacts on other uses, including residential uses, in the general vicinity. Outdoor alcohol service around the pool deck and patio are screened from nearby residential and commercial neighbors by on-site structures and walls. Any noise generated in the outdoor alcohol service areas are subject to ESMC Chapter 7-2 "Noise and Vibration" requirements. Failure to comply with ESMC noise requirements could result in the Director imposing additional restrictions on outdoor alcohol service, such as limitations on hours of outdoor alcohol service and where outdoors alcohol may be served. Continued non-compliance with ESMC noise and nuisance requirements could result in revocation of the conditional use. Impacts such as smoke, dust, or fumes are not associated with the requested conditional use. Furthermore, the use will generate traffic generally consistent with the existing operation of the site, as the site currently is developed as a hotel with alcohol service.

- D. The South Hotel must comply with State of California Department of Alcohol Beverage Control licensing requirements; the South Hotel has a Type 47 ABC license before operating alcohol service at the hotel.
- E. The South Hotel with alcohol service is compatible with the particular use of the site and with other existing and potential uses in the general area. The long-established hotel use at the site is compatible with alcohol service. The hotel with alcohol service has been operating at the site for approximately 64 years and a hotel is a compatible use for a major commercial thoroughfare. The alcohol service operations at the South Hotel is different from current hotel operations at the site. Indoor alcohol service will have no impact on adjacent residential properties. Outdoor alcohol service will be screened from adjacent residential properties.
- F. The use is consistent and compatible with the purpose of the PCCSP Zone in that this zone allows for a range of commercial uses such as office, hotels, restaurants, retail, and on-site and off-site alcohol sales. A bar serving alcohol is consistent with the purpose of this commercial zone and is compatible with other existing hotel, retail and restaurant uses in the area, some of which also sell alcohol.
- G. The South Hotel with alcohol service will not be operated or maintained in a way detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity. As discussed in Finding No. 5.B above, the Project was reviewed by the City's Police and Fire Departments, the Project was conditioned to avoid impacts and the Project is required to meet ESMC and Building Code requirements regarding noise and safety.

SECTION 6: *Off-Site Parking Approval Findings (ESMC § 15-15-3(H)(4)).* After considering the factual findings of this Resolution, the City Council continues to find that off-site parking is appropriate for the South Hotel use based on the following:

- A. The South Hotel is in close proximity to the current off-site parking facilities. The off-site surface parking lot is within reasonable walking distance of the South Hotel site. The south end of the surface parking lot is within 700 feet from the South Hotel lobby entrance. Vehicle access to the off-site parking from the South Hotel site can occur by travelling northbound on either Illinois Street or Indiana Street.
- B. The Project has good pedestrian access to the off-site parking facilities. Pedestrians can easily access the off-site parking from the South Hotel on the Illinois Street or Pacific Coast Highway sidewalk. The intersection of Pacific Coast Highway and Mariposa Avenue has a controlled crosswalk and the off-site parking area is located less than 100 feet from the north end of this crosswalk. The parking lot can be accessed from both Mariposa Avenue and Pacific Coast Highway.

- C. There is no need for transportation to and from this off-site parking facilities because of the close proximity of the parking lot to the hotel. After construction of the PCC South Site residential and commercial mixed-use development, the off-site parking will be primarily located in the new parking structure on the lot immediately adjacent to the hotel (PCC South Site/Lot 1 of Vesting Map No. 82806). The entrance to the parking structure will be immediately adjacent to the south of the hotel lobby. Additionally, overflow parking will be accommodated in the existing off-site parking located in the new Fairfield Parking structure and the current off-site parking location north of the Fairfield Hotel (currently a paved parking lot which will be replaced with a residential and commercial mixed-use development and new parking structure).

- D. Hotel parking is an appropriate use type for off-site parking. Hotel parking is typically low turnover with guests leaving cars parked overnight and leaving the site for extended periods with infrequent travel to and from the site.

SECTION 7: Action. Based on the information and findings set forth above, the City Council approves the modification of Conditional Use Permit No. CUP 14-02 which authorized the service of alcohol at the South Hotel to also allow the continued operation of a 246-room hotel. The City Council further approves the use of off-site parking for the South Hotel in accordance with a Shared Use Parking Agreement. These approvals are subject to the conditions set forth in Exhibit “A”.

SECTION 8: Reliance on Record. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 9: Limitations. The City Council’s analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council’s lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions.

SECTION 10: Operative Date. This Resolution shall take effect immediately upon the effective date of Ordinance No. ____ approving the Zone Change, Zone Text Amendment, Zoning Map Amendment, Pacific Coast Commons Specific Plan, and related development agreement for the Pacific Coast Commons Project. The adoption and effectiveness of Ordinance No. ____ are conditions precedent to this Resolution taking effect.

SECTION 11: The City Clerk is directed to certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2022.

Drew Boyles, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

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, approved, and adopted by said City Council, at a regular meeting of said Council held on the ____ day of _____, 2022, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

PLANNING COMMISSION RESOLUTION NO. 2907

Exhibit A

CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code (“ESMC”), BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC and BRE El Segundo Parking LLC agree to comply with the following provisions as conditions for the City of El Segundo’s approval of an amendment to CUP No. 14-02 and of the approval of Off-Site Parking, (“Project Conditions”):

Planning Division Conditions

1. Any subsequent modification to the South Hotel as approved, including the site plan and landscaping, must be referred to the Director of Development Services to determine if the proposed modification is in compliance with the Pacific Coast Commons Specific Plan.
2. The final irrigation plans must comply with the following:
 - a. Efficient irrigation systems must be installed which minimize runoff and evaporation and maximize the water which will reach plant roots (e.g., drip irrigation, automatic sprinklers equipped with moisture sensors).
 - b. Automatic sprinkler systems must be set to irrigate landscaping during early morning hours or during the evening to reduce water losses from evaporation. Sprinklers must also be reset to water less often in cooler months and during the rainfall season so that water is not wasted by excessive landscaping irrigation.
3. A Shared Use Parking Agreement shall be prepared and reviewed and approved by the Director of Development Services and the City Attorney. The Shared Use Parking Agreement will grant Lots 1 through 5 of Vesting Map No. 82806 rights to shared use of parking provided on Lots 1, 4 and 5 of Vesting Map No. 82806. The shared parking will be permitted for all commercial uses, including hotel uses, and the guest parking for the multi-family residential uses that is located on Lot 1 and Lot 5 of Vesting Map No. 82806. Guest parking for the townhomes that are located on Lot 6 will be provided on Lot 5 of Vesting Map No. 82806.

The Shared Use Parking Agreement will rescind “Covenant and Agreement Regarding Maintenance and Use of Off-Site Parking” for property commonly known as 629 North Sepulveda Boulevard (now known as 629 North Pacific Coast Highway), recorded on July 1, 2015, as Instrument No. 20150792117, of Official Records, Recorder’s Office of the County of Los Angeles, California. The Shared Use Parking Agreement will rescind “Covenant and Agreement Regarding Maintenance of Parking Site” for property commonly known as 629 North

Sepulveda Boulevard (now known as 629 North Pacific Coast Highway) recorded on April 1, 2015, as Instrument No. 20150351986, of Official Records, Recorder's Office of the County of Los Angeles, California.

4. A Reciprocal Easement Agreement shall be prepared to provide reciprocal access between Lots 1 and 2 of Vesting Tract Map No. 82806 and reciprocal access to the public rights-of-way of Pacific Coast Highway and Indiana Street. The Reciprocal Easement Agreement shall be reviewed and approved by the Director of Development Services and the City Attorney. The Reciprocal Easement Agreement shall not be recorded until the final map for Vesting Map No. 82806 is recorded.
5. A Reciprocal Easement Agreement shall be prepared to provide reciprocal access between Lot 2 and 3 of Vesting Map No. 82806 and reciprocal access to the Indiana Street public right-of-way. The Reciprocal Easement Agreement shall be reviewed and approved by the Director of Development Services and the City Attorney. The Reciprocal Easement Agreement shall not be recorded until the final map for Vesting Map No. 82806 is recorded.
6. The Director of Development Services, or designee, can impose additional restrictions regarding the South Hotel building façade accent lighting if this lighting is found to have adverse impacts on adjacent residential neighbors. Additional restrictions may include, but are not limited to, time restrictions on when the lighting can be turned on and/or a reduction in the intensity of the lighting.
7. The applicant must obtain and maintain all licenses required by the Alcohol Beverage Control Act (Business & Professions Code §§ 23300, *et seq.*). The applicant must obtain and maintain a Type 47 license.
8. Hours of operations for alcohol service at the South Hotel is limited to the hours between 6 a.m. and 2 a.m. daily.
9. Locations where alcohol service is permitted outdoors, must comply with ESMC §§ 7-2-1, *et seq.*, regulating noise and vibration.
10. Taxicab phone numbers must be posted in a conspicuous location at all times in the area(s) where alcohol is served to customers.
11. The premises must be maintained in a litter and graffiti-free manner. Any graffiti that appears on the premises must be removed within 48 hours.
12. The applicant must comply with all regulations of the Alcoholic Beverage Control Act and the regulations promulgated by the Alcoholic Beverage Control Board including, without limitation, the regulations set forth in 4 Cal. Code of Regs. §§ 55, *et seq.*
13. The applicant must post a sign in a clear and conspicuous location listing a phone number at which a responsible party may be contacted during all open hours of the

establishment to address any concerns of the community regarding noise at the South Hotel. Said contact's name and phone number must also be available through hotel staff at all times.

14. The applicant must, at all times, display a *Designated Driver* sign of at least ten inches by ten inches (10" X 10") in the bar at eye level. The sign must be worded in a way that reminds patrons who are consuming alcohol to designate a *non-drinking driver*.
15. There shall not be exterior advertising of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages which are clearly visible to the exterior also violate this condition.
16. All employees serving alcoholic beverages to patrons must enroll in and complete a certified training program approved by the State Department of Alcoholic Beverages Control (ABC) for the responsible sales of alcohol. The training must be offered to new employees on not less than a quarterly basis.
17. Any and all employees hired to sell alcoholic beverages must provide evidence that they have either:
 - a. Completed training from the State of California Department of Alcoholic Beverage Control (ABC), Long Beach/Lakewood District Office administered *Leadership and Education in Alcohol and Drugs* (LEAD) Program in the form of an ABC-issued certificate; or
 - b. Completed an accepted equivalent by the ABC, Long Beach/Lakewood District Office to ensure proper distribution of beer, wine and distilled spirits to adults of legal age;
 - c. If any prospective employee designated to sell alcoholic beverages does not currently have such training, then the ABC-licensed proprietors must have confirmed with the Development Services Department within fifteen (15) days of the Director's decision, or by final project approval, that a date certain has been scheduled within the local ABC Office to complete the LEAD course.
 - d. Within thirty (30) days of taking said course, the employees, or responsible employer must deliver each required certificate showing completion to the Police Department.
18. If complaints are received regarding excessive noise, lighting, building access, or other disturbances associated with alcohol service or the operations of the South Hotel, the Director of Development Services, or Police Chief, may take action to review the Conditional Use Permit, including without limitation, adding conditions or revoking the permit pursuant to ESMC Title 7 (Nuisances and Offenses) and ESMC §15-23-12.

Building Safety Division Conditions

19. The project is required to comply with storm water requirements per NPDES Permit No. CAS0040001 Order Number R4-2021-0105.

Public Works Department Conditions

20. The applicant must provide a water service connection and water meter for each parcel.
21. The project must comply with ESMC Chapter 5-4 regarding MS4 permit requirements.

Police Department Conditions

22. Street addressing must be a minimum of 6 inches tall, visible from the street or driving surface, of contrasting color to the background and directly illuminated during hours of darkness.
23. A safe for use by the hotel operator must be installed in a secured location and must be anchored. The location and anchoring is subject to review and approval by the Police Chief, or designee.
24. A sign that identifies the location is private property and that no trespassing is allowed must be installed at the entrance of the pool.
25. A minimum security camera plan must be prepared for the hotel building. The number of cameras and the locations of cameras are subject to Police Chief, or designee, review and approval. Monitoring and recording equipment must be stored in a secured area.
26. Cameras recording driveways and driving surfaces must monitor and record vehicle occupants and vehicle license plate number as they enter/exit.
27. Any security cameras must meet the City's minimum camera specifications and requirements as determined by the Police Chief, or designee.
28. The location and number of exterior mounted ladders are subject to Police Chief, or designee's review and approval.

Fire Department Conditions

29. The applicant must provide the following conditions for any fire features:
 - a. A barrier must be provided around the fire feature to prevent accidental access into the fire feature.

- b. The distance between the fire feature and combustible material and furnishings must meet the fire feature's listing and manufacturer's requirements.
 - c. If the fire feature's protective barrier exceeds ambient temperatures, all exit paths and occupant seating must be a minimum 36 inches from the fire feature.
30. The applicant must provide for a central control station for Fire Department operations in the South Hotel. The rooms must comply with California Fire Code 915.4, as adopted by the ESMC.

Miscellaneous Conditions

31. BRE EI Segundo Property Owner A LLC, BRE EI Segundo Property Owner B LLC and BRE EI Segundo Parking LLC agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of modification of Conditional Use Permit No. CUP 14-02 and re-approval of Off-Site Parking. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of modification of Conditional Use Permit No. CUP 14-02 and re-approval of Off-Site Parking, the Applicant agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "the City" includes the City of El Segundo's elected officials, appointed officials, officers, and employees.
32. The Planning Commission is authorized to hear and act upon future applications for amendments to Conditional Use Permit No. 14-02 and the off-site parking approval.

AFFIDAVIT OF ACCEPTANCE OF CONDITIONS OF APPROVAL

Patrick Volz warrants that he is duly authorized to sign this Affidavit of Acceptance and to bind BRE EI Segundo Property Owner A LLC, BRE EI Segundo Property Owner B LLC and BRE EI Segundo Parking LLC to the same. By signing this document, Patrick Volz, on behalf of BRE EI Segundo Property Owner A LLC, BRE EI Segundo Property Owner B LLC and BRE EI Segundo Parking LLC, certifies that he has read, understood, and agrees to the Project Conditions listed in this document.

Patrick Volz, Vice President
BRE EI Segundo Property Owner A LLC, BRE EI Segundo Property Owner B LLC, and
BRE EI Segundo Parking LLC

Exhibit No. 10
Financial Analysis



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
Real Estate
Affordable Housing
Economic Development

BERKELEY
A. Jerry Keyser
Timothy C. Kelly
Debbie M. Kern
David Doezema
Kevin Feeney

LOS ANGELES
Kathleen H. Head
James A. Rabe
Gregory D. Soo-Hoo
Kevin E. Engstrom
Julie L. Romey
Tim R. Bretz

SAN DIEGO
Paul C. Marra

To: Paul Samaras, AICP, Principal Planner
City of El Segundo

From: James Rabe, CRE

cc: Jack Wong

Date: August 24, 2021

Subject: Development Feasibility Analysis – Pacific Coast Commons

Pursuant to your request, Keyser Marston Associates, Inc. (KMA) prepared an analysis of the development feasibility of the proposed Pacific Coast Commons Project (Project). KMA also reviewed the fiscal analysis prepared for the Project. The Project will be developed by Mar Ventures and Continental Development (Developer).

The Project is located on the west side of Pacific Coast Highway (PCH) between Holly Avenue and Palm Avenue in the City of El Segundo (City). The properties are currently developed with hotels, commercial buildings and surface parking lots. The proposed development will replace the surface parking lots and some of the obsolete commercial space with residential buildings that include some commercial space and structured parking.

PROJECT DESCRIPTION

The project is logically divided into two parts: the south site (PCC South) located at PCH and Holly Avenue; and the north site (PCC North & Fairfield) which covers the primarily residential project at PCH and Palm Avenue and the proposed parking structure at PCH and Mariposa Avenue. The properties include two existing hotels (Aloft and Fairfield Inn & Suites), which are not part of this analysis.

The PCC South component occupies approximately 1.24 acres. Developer proposes to build 120 rental residential units, 5,756 square feet of commercial space and 336 parking spaces in a parking structure, including spaces for the Aloft Hotel. The residential/commercial building is proposed to be six stories tall. The PCC North & Fairfield project covers approximately 2.53 acres. The project includes 137 rental residential units, six for sale townhouse units, 5,496 square feet of commercial space and 456 parking spaces in a parking structure, a portion of which is below grade. Some of the parking spaces are replacement parking spaces for the Fairfield Inn & Suites hotel.

The overall Project consists of 263 residential units, 11,252 square feet of commercial space and parking structures containing 792 parking spaces. The Developer has proposed to set aside 10% of the units (26 units) as affordable units. The Developer and the City are still in discussions as to whether these will be labeled as “State” moderate income units or “Federal” low-income units. In terms of the rents charged to tenants, there is little difference between the two designations. KMA has evaluated the Project as both an all-market rate project and as a project with 10% affordable units, assuming the Federal low-income rates.

FEASIBILITY ANALYSIS

In preparing this analysis, KMA has met with the City and the Developer. The Developer provided:

- Conceptual site plans and renderings
- Conceptual development costs and rents
- Conceptual pro forma
- Project market and fiscal reports

Independently, KMA reviewed project costs for a number of residential and mixed-use projects in Southern California and reviewed market rents and prices and unit sizes for apartment units and townhome units in the El Segundo market area.

For the feasibility analysis KMA evaluated the two components separately, as they could be independently developed. The market rate evaluation of PCC South is provided in Attachment 1 and the market rate evaluation of PCC North & Fairfield in Attachment 2.

The analysis conducted herein relies on the submittal from the Developer and our experience with other mixed-use developments in Southern California. The KMA analysis is presented in constant 2021 dollars. The KMA pro forma analysis is organized as follows:

- Table 1 - Estimated Development Cost
- Table 2 - Estimated Net Operating Income/Sales Revenue
- Table 3 - Estimated Project Surplus/(Feasibility Gap)

In the feasibility analysis, KMA first evaluated the projects as all-market rate projects to understand whether the overall project was feasible. KMA then evaluated the project assuming that 10% of the units were set aside for low-income tenants.¹ This evaluation was conducted to see if the project was still feasible and to indicate the “value lost” by including the affordable units.

Estimated Development Costs

The estimated development costs are shown in Table 1 of each attachment. After reviewing the conceptual development costs provided by the Developer, KMA prepared its pro forma based upon projected development costs for a number of residential projects currently in planning or development. The projects ranged from all-market rate projects to 100% affordable projects. Most projects include a limited amount of commercial space.

In general, the projects are similar in construction type – multi story buildings with structured or subterranean parking. There are differences in unit mix with a number of the projects being family projects (primarily two and three bedroom). The family projects were nearly all 100% affordable projects and are subject to prevailing wage requirements.

The site is currently developed with two hotels, commercial space and surface parking lots. The two hotels will remain. The proposed development will occur primarily on the surface parking lots, although some of the existing commercial space will be

¹ The low-income rents utilized were the Federal low-income rates. These are approximately the same as the State of California moderate income rates.

demolished. This results in construction and development inefficiencies, which increase the overall costs of the projects compared to projects developed on cleared sites. The key direct cost assumptions are shown in Table 1 and described below:

1. KMA used the Developer's estimates for offsite improvements (\$600,000 per site) and demolition (\$600,000 for PCC North & Fairfield and \$250,000 for PCC South).
2. KMA estimated sitework costs at \$25 per square foot of land on the PCC South site and \$20 per square foot for the PCC North & Fairfield site. These assumptions are consistent with other projects but are less than the Developer estimates of \$52 per square foot for PCC south and \$38 per square foot for PCC North & Fairfield.
3. Parking costs are estimated at \$33,000 per space for the PCC South site and \$30,000 per space for the PCC North & Fairfield site. The subterranean parking level on the PCC South site increases its cost per space. These assumptions are consistent with other projects but are less than the Developer estimates of approximately \$39,000 per space for PCC South and \$36,700 for PCC North & Fairfield.
4. Building costs are estimated at \$190 per gross square foot for the PCC South project and \$200 per gross square foot for the PCC North & Fairfield project. These assumptions are consistent with other projects but are less than the Developer estimates of \$211 per gross square foot for PCC South and \$204 per gross square foot for PCC North & Fairfield.
5. Tenant improvement costs for the retail space are estimated at \$60 per square foot.
6. Contractor fees, insurance costs and contingency allowance are assumed at 12%, 2.0% and 5.0%, respectively.
7. The architecture, engineering and consultant costs are estimated at 7.0% of direct costs, which is consistent with industry standards.

8. Based on information provided by the Developer, the permits and fees are estimated at \$2.8 million for PCC South and \$3.3 million for PCC North & Fairfield.
9. The taxes, insurance, legal and accounting costs are estimated at 2.0% of direct costs, which is within the range of typical costs (1.0% to 3.0%).
10. Typical development management fees range from 3% to 5% of direct costs. Given the large-scale of the overall Project, a 3.5% development management fee is assumed.
11. A standard contingency allowance of 5% of indirect costs is assumed.
12. The capitalized financing costs are estimated at nearly \$2.8 million for the PCC South project and nearly \$3.5 million for the PCC North & Fairfield project.

Overall project costs are shown below.

	PCC South	PCC North & Fairfield	Total
Direct Costs	\$49,652,000	\$64,000,000	\$113,652,000
Indirect Costs	10,137,000	12,654,000	22,791,000
Financing Costs	<u>2,804,000</u>	<u>3,460,000</u>	<u>6,264,000</u>
Total Costs	\$62,593,000	\$80,114,000	\$142,707,000

Total overall development cost for the PCC South component is nearly \$62.6 million and over \$80.1 million for the PCC North & Fairfield component for a total cost of \$142.7 million. KMA believes the construction costs are reasonable for a project of this type to move forward.

The development cost information provided by the Developer was significantly higher than the KMA estimates. The Developer's estimate of total costs was \$155.7 million. The Developer's conceptual development costs seem high and KMA expects that they will decline if the project moves forward.

Estimated Net Operating Income

The estimates of stabilized net operating income are shown in Table 2 of Attachments 1 and 2. The stabilized net operating income is estimated assuming a project is 95% occupied and is equal to total rent less total operating expenses.

In evaluating the market for the project KMA reviewed the Developer's pro forma, a market study prepared for the Developer, information included in the fiscal analysis prepared for the Developer and our own research of market rents in the El Segundo area. There is very little new rental product in the City, so the market area was expanded to include portions of the Cities of Los Angeles and Inglewood that are adjacent/near El Segundo even though their locations are inferior to this site. Average rents by unit type are shown below:

<u>Unit Type</u>	<u>Monthly Rent</u>	<u>Rent per SF</u>
Studio	\$2,160	\$3.76
One Bedroom	\$2,469	\$3.19
Two Bedroom	\$3,160	\$3.04

The above rents are averages for the larger market area. The various market analyses recognize that new rental product at this location will justify higher rents than the averages for existing product. In addition, the proposed units are being developed at a higher quality than the existing units in the area. As a result, KMA estimated the following rents for the projects.

<u>Unit Type</u>	<u>PCC South Monthly Rent</u>	<u>PCC North & Fairfield Monthly Rent</u>
Studio	\$2,710	\$2,804
One Bedroom	\$3,217	\$3,125
Two Bedroom	\$4,283	\$4,283

For this analysis KMA assumed miscellaneous revenues at \$25 per unit and vacancy at 5.0% of revenues. Operating expenses including management and property taxes were estimated at \$11,250 per unit. Residential apartment net operating income was estimated at \$3,122,400 for PCC South and \$3,510,000 for PCC North & Fairfield.

The nominal amount of retail space adds \$202,400 of net income for PCC South (5,756 SF) and \$193,100 of net income for PCC North & Fairfield (5,496 SF). Total stabilized net operating income for PCC South is \$3,324,800 and \$3,703,100 for PCC North & Fairfield, as shown in Table 2 of each Attachment.

Estimated Townhouse Sales Value

The PCC North & Fairfield component also include six for sale townhouse units. The proposed units are 1,590 square foot, three-bedroom units. Estimated price is \$1,300,000 or nearly \$820 per square foot. Gross sales revenues are estimated at \$7,800,000. After allowing 6.0% of value for commissions and closing costs, the townhouses provide \$7,332,000 of value to the Project.

Estimated Project Surplus/(Feasibility Gap)

The analysis of project feasibility is provided in Table 3 of Attachments 1 and 2. The evaluation compares the value of the completed project to the development costs, including an allowance for a reasonable developer profit. The remainder, in this case, represents what the developer can afford to pay for the site.

1. The NOI for the PCC South site is \$3,324,800 and the PCC North & Fairfield site is \$3,510,000.
2. Typical capitalization rates for apartment projects range from 4.0% to 5.5%, depending on location and quality level. The analysis utilizes a 4.5% capitalization rate reflecting a strong market and good location.
3. The projected value of the PCC South site at completion is \$73,884,000 and the PCC North & Fairfield value is \$82,291,000. The PCC North & Fairfield project has additional value from the townhouse units of \$7,332,000 for a total value of \$89,623,000.

From these amounts KMA deducts a 9% profit margin and the total development costs to derive a supportable land value.² This is the amount a developer would pay to the landowner to move forward with a project.

² Developers typically target a profit margin of between 8.0% and 10.0% of project value.

	PCC South	PCC North & Fairfield
Project Valuation	\$73,884,000	\$89,623,000
Less profit @ 9% of value	(6,650,000)	(8,066,000)
Less Development Costs	<u>(62,593,000)</u>	<u>(80,114,000)</u>
Supportable Land Value	\$4,641,000	\$1,443,000

The PCC South component has a supportable land value of approximately \$4.6 million, while the PCC North & Fairfield component can support approximately \$1.4 million for a total of nearly \$6.1 million. The PCC North & Fairfield project is less profitable in part due to the less efficient parking structure required to provide replacement parking for the Fairfield Inn & Suites.

AFFORDABLE HOUSING

As noted at the beginning of this memorandum the Developer proposed to set aside 10% of the units to be affordable units. The Developer indicated that these units would be “workforce” units. For purposes of this analysis, KMA assumed that these units would be priced as low-income units using the Federal definition of low income.³ Affordable rents are: Studio - \$1,612 per month; One-bedroom - \$1,716 per month; Two-bedroom - \$2,055 per month. Also, KMA reduced the vacancy factor from 5% to 4% to reflect the lower turnover of affordable units.

The Developer proposed the following mix of affordable units at each site:

<u>Unit Type</u>	<u>PCC South</u>	<u>PCC North & Fairfield</u>
Studio	10 units	11 units
One Bedroom	1 unit	2 units
Two Bedroom	1 unit	1 unit

³ The federal low-income limits are approximately the same as the California moderate income limits. These rents are net of utility costs.

The inclusion of the affordable units substantially reduces the value of the completed projects and what the Developer can pay for land, as shown below.

	PCC South	PCC North & Fairfield
Project Valuation	\$71,164,000	\$86,156,000
Less profit @ 9% of value	(6,405,000)	(7,754,000)
Less Development Costs	<u>(62,563,000)</u>	<u>(80,076,000)</u>
Supportable Land Value	\$2,196,000	(\$1,674,000)

The inclusion of the affordable housing reduces the gross building value of the PCC South site by approximately \$2.7 million and the value of the PCC North & Fairfield site by nearly \$3.5 million for a total building value loss of approximately \$6.2 million. The profit projected for the Developer and financing costs also decline somewhat. As a result, the overall supportable land value declines by \$5.56 million to \$522,000.

FISCAL ANALYSIS REVIEW

The Developer provided an initial fiscal analysis prepared by Stanley Hoffman Associates (SHA), dated June 8, 2020. KMA reviewed this report and identified several cost items that were overlooked and several underlying assumptions with which we disagreed. We discussed these issues with SHA. SHA issued a new report, dated April 23, 2021. This report incorporated most of KMA's comments and was updated to use the 2020-21 City Budget and updated employment and population estimates.

KMA reviewed the updated version and believes that it provides a reasonable estimate of the fiscal impact that the project will have on the City. The SHA report estimates that the Project (with the affordable housing units) will generate approximately \$273,500 in annual City revenues but will incur approximately \$401,200 in annual City service costs for a net annual cost to the City of approximately \$127,600.

CONCLUSION

The City requested KMA undertake an independent review of the proposed overall project. The Developer proposed to intensify the development on three parcels that front on PCH between Holly Avenue and Palm Avenue. The properties are currently developed with hotels commercial buildings and surface parking lots.

KMA examined the overall feasibility of the project as both an all-market project and a project with 10% of the units set aside for ‘workforce’ housing assuming the federal low income rent limits. As part of its analysis KMA reviewed development costs, market rents and return and valuation requirements. As a result of our analysis KMA estimated that the all-market version of the Project can support a nearly \$6.1 million land payment, indicating that this version of the project is feasible.

On the other hand, the version of the Project that includes 10% affordable housing is more problematic. The inclusion of the affordable units reduces the value of the overall project by nearly \$5.5 million, which reduces the supportable land value to \$522,000. This may still represent a feasible project provided the Developer and landowner can come to an agreement on price.

The Developer’s conceptual analysis did not value the Project at completion. Instead, they prepared an equity cash flow projection of the project with the 10% affordable units. Using this methodology, KMA would expect to see equity internal rates of return between 15% and 20% for this type of project. The Developer’s projections were significantly below that. Using the KMA methodology and the Developer’s costs estimates, the Project cannot support any land value and instead shows a \$24.6 million loss.

KMA also reviewed the fiscal analysis submitted by the Developer. It is KMA’s opinion that the most recent submittal by the Developer’s consultant provides a reasonable estimate of the Project’s fiscal impact on the City. The Project with 10% affordable housing is projected to have a net annual cost to the City of approximately \$127,600.

Attachments

TABLE 1

**CONSTRUCTION COST COMPARISON
PCC NORTH AND SOUTH**

Project Description	<u>PCC SOUTH</u>		<u>PCC NORTH & FAIRFIELD</u>	
Land Area	1.24	Acres	2.53	Acres
Gross Building Area	146,550	SF GBA	180,245	SF GBA
Unit Mix				
Studio Units	44	Units	47	Units
1-Bdrm Units	52	Units	67	Units
2-Bdrm Units	24	Units	23	Units
3-Bdrm Units		Units	0	Units
Total Apartment Units	120	Units	137	Units
Townhouse Units			6	Units
Average Unit Size	698	SF	730	SF
Commercial Space	5,756	SF	5,496	SF
Rentable Building Aea	89,540	SF	109,877	SF
RBA / GBA Ratio	0.61		0.61	
Density	97		54	
FAR	2.71		1.63	
Parking Type	Structure - above & below grade		Structure - above grade	
Parking Spaces	336	Spaces	456	Spaces
Prevailing Wage Premium included	No		No	
Direct Costs				
Demolition	\$250,000	\$4.63/SF Land	\$600,000	\$5.44/SF Land
Offsite Improvements	\$600,000	Allowance	\$600,000	Allowance
Onsite Improvements	\$1,352,000	\$25/Sf Land	\$2,208,000	\$20/Sf Land
Parking Costs	\$11,088,000	\$33,000/Space	\$13,680,000	\$30,000/Space
Shell Costs	\$27,845,000	\$190/SF GBA	\$36,049,000	\$200/SF GBA
Tenant Improvements	\$345,000	\$60/SF Retail GBA	\$330,000	\$60/SF Retail GBA
Contractor Fee/ General Conditions	\$4,978,000	12% of Const Cost	\$6,416,000	12% of Const Cost
Construction Insurance / bonds	\$830,000	2% of Const Cost	\$1,069,000	2% of Const Cost
Contingency Allowance	\$2,364,000	5% of Direct Cost	\$3,048,000	5% of Direct Cost
Total Direct Costs	\$49,652,000		\$64,000,000	
Per Unit (incl retail)	\$413,767	per Unit	\$447,552	per Unit
Per SF GBA	\$338.81	per SF GBA	\$355.07	per SF GBA
Per SF RBA	\$554.52	per SF RBA	\$582.47	per SF RBA

ATTACHMENT 1
PCC South – All Market

TABLE 1 - ATTACHMENT 1

ESTIMATED CONSTRUCTION COSTS
PCC SOUTH - ALL MARKET - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Property Assemblage Costs</u>					
City Parcel Acquisition Costs	0	Sf Land	\$0	/Sf Land	\$0
Agency Parcel Acquisition Costs	0	Sf Land	\$0	/Sf Land	0
Total Property Assemblage Costs					\$0
II. <u>Direct Costs</u>					
Off-site Improvements		Allowance			\$600,000
Demolition Costs		Allowance			250,000
On-Site Improvements	54,072	Sf Land	\$25	/Sf Land	1,352,000
Structured Parking Spaces	336	Spaces	\$33,000	/Space	11,088,000
Residential Shell Costs	140,794	Sf Res GBA	\$190	/Sf GBA	26,751,000
Retail Shell Costs	5,756	Sf Retail GBA	\$190	/Sf Retail GBA	1,094,000
Retail Tenant Improvement Costs	5,756	Sf Retail GBA	\$60	/Sf GBA	345,000
Contractor Fees / General Requirements	12%	Construction Costs			4,978,000
General Liability Insurance / Const Bonds	2%	Construction Costs			830,000
Contingency Allowance	5%	Other Direct Costs			2,364,000
Total Direct Costs	120	Units	\$413,800	/Unit	\$49,652,000
III. <u>Indirect Costs</u>					
Architecture, Engineering & Consulting	7%	Direct Costs			\$3,476,000
Permits & Fees	120	Units	\$23,342	/Unit	2,801,000
Taxes, Ins, Legal & Accounting	2%	Direct Costs			993,000
Marketing & Leasing					
Residential	120	Units	\$5,000	/Unit	600,000
Retail	5,756	Sf Retail GBA	\$8.00	/Sf Retail GBA	46,000
Development Management Fee	3.5%	Direct Costs			1,738,000
Contingency Allowance	5%	Other Indirects			483,000
Total Indirect Costs					\$10,137,000
IV. <u>Financing Costs</u>					
Interest During Construction	37,556,000	Loan Amount	4.50%	Interest	\$2,028,000
Loan Origination Fees	70%	Loan to Value	1.50	Points	776,000
Total Financing Costs					\$2,804,000
V. <u>Total Construction Costs</u>	120	Units	\$521,600	/Unit	\$62,593,000

¹ Assumes the project will not be subject to prevailing wage requirements.

² Per City staff.

³ Assumes the Developer will fund 40% of the construction costs with equity. Assumes an 24-month construction period with a 60% average outstanding balance and a 0-month absorption period with a 100% average outstanding balance.

TABLE 2 - ATTACHMENT 1

STABILIZED NET OPERATING INCOME
PCC SOUTH - ALL MARKET - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Gross Residential Income</u>					¹
Studio Units @ (529-Sf)	44	Units	\$2,710 /Unit/Month	\$1,430,900	
1-Bedroom Units @ (701-Sf)	52	Units	\$3,217 /Unit/Month	2,007,400	
2-Bedroom Units @ (1,004-Sf)	24	Units	\$4,283 /Unit/Month	1,233,500	
Other Miscellaneous Income	120	Units	\$25 /Unit/Month	<u>36,000</u>	
Gross Income				\$4,707,800	
(Less) Vacancy & Collection Allowance	5%	Gross Income		<u>(235,400)</u>	
Effective Gross Income				\$4,472,400	
II. <u>Operating Expenses</u>					
General Operating Expenses	120	Units	\$6,100 /Unit	\$732,000	
Property Taxes	120	Units	\$4,900 /Unit	588,000	
Replacement Reserve	120	Units	\$250 /Unit	<u>30,000</u>	
Total Operating Expenses	120	Units	\$11,250 /Unit	\$1,350,000	
III. Residential Net Operating Income				\$3,122,400	
IV. <u>Retail Income</u>					
Retail Lease Revenue	5,756	Sf Retail GBA	\$3.25 /Sf/Month	\$224,500	
CAM Reimbursements	5,756	Sf Retail GBA	\$10.00 /Sf/Year	<u>57,600</u>	
Gross Retail Income				\$282,100	
(Less) Vacancy & Collection Allowance	5%	Gross Retail Income		<u>(14,100)</u>	
Effective Gross Retail Income				\$268,000	
V. <u>Retail Operating Expenses</u>					
Operating Expenses	5,756	Sf Retail GBA	\$10.00 /Sf/Year	\$57,600	
Management Fee	3%	Effective Gross Retail Income		<u>8,000</u>	
Total Retail Operating Expenses				\$65,600	
VI. Retail Net Operating Income				\$202,400	
VII. Total Project Net Operating Income				\$3,324,800	

¹ Based on Stan Hoffman and Keyser Marston Associates, Inc. analyses.

² Based on a 4.50% capitalization rate and a 1.10% property tax rate.

³ Based on Developer estimate.

TABLE 3 - ATTACHMENT 1

RESIDUAL LAND VALUE CALCULATION
PCC SOUTH - ALL MARKET - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Estimated Project Value</u>			
Net Operating Income		See Table 2	\$3,324,800
Capitalization Rate	¹		4.50%
Total Estimated Project Value			\$73,884,000
II. <u>Residual Land Value Calculation</u>			
Total Estimated Project Value			\$73,884,000
(Less) Threshold Developer Profit		9% Total Estimated Project Value	(6,650,000)
(Less) Total Development Costs			(62,593,000)
III. <u>Estimated Residual Land Value</u>			\$4,641,000

¹ Based on a weighted average of: a 4.50% capitalization rate for the residential component and a 4.50% capitalization rate for the retail component. Based on the rates published by RERC for the 2nd quarter of 2019.

ATTACHMENT 2

PCC North & Fairfield – All Market

TABLE 1 - ATTACHMENT 2

ESTIMATED CONSTRUCTION COSTS
PCC NORTH & FAIRFIELD - ALL MARKET - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Property Assemblage Costs</u>						
City Parcel Acquisition Costs	0	Sf Land		\$0 /Sf Land		\$0
Agency Parcel Acquisition Costs	0	Sf Land		\$0 /Sf Land		0
Total Property Assemblage Costs						\$0
II. <u>Direct Costs</u>						
Off-site Improvements		Allowance				\$600,000
Demolition Costs		Allowance				600,000
On-Site Improvements	110,379	Sf Land		\$20 /Sf Land		2,208,000
Structured Parking Spaces	456	Spaces		\$30,000 /Space		13,680,000
Residential Shell Costs	174,749	Sf Res GBA		\$200 /Sf GBA		34,950,000
Retail Shell Costs	5,496	Sf Retail GBA		\$200 /Sf Retail GBA		1,099,000
Retail Tenant Improvement Costs	5,496	Sf Retail GBA		\$60 /Sf GBA		330,000
Contractor Fees / General Requirements	12%	Construction Costs				6,416,000
General Liability Insurance / Const Bonds	2%	Construction Costs				1,069,000
Contingency Allowance	5%	Other Direct Costs				3,048,000
Total Direct Costs	137	Units		\$467,200 /Unit		\$64,000,000
III. <u>Indirect Costs</u>						
Architecture, Engineering & Consulting		7% Direct Costs				\$4,480,000
Permits & Fees	137	Units		\$24,251 /Unit		3,322,000
Taxes, Ins, Legal & Accounting		2% Direct Costs				1,280,000
Marketing & Leasing						
Residential	137	Units		\$5,000 /Unit		685,000
Retail	5,496	Sf Retail GBA		\$8.00 /Sf Retail GBA		44,000
Development Management Fee	3.5%	Direct Costs				2,240,000
Contingency Allowance	5%	Other Indirects				603,000
Total Indirect Costs						\$12,654,000
IV. <u>Financing Costs</u>						
Interest During Construction	48,068,000	Loan Amount		4.50% Interest		\$2,596,000
Loan Origination Fees		70% Loan to Value		1.50 Points		864,000
Total Financing Costs						\$3,460,000
V. <u>Total Construction Costs</u>	137	Units		\$584,800 /Unit		\$80,114,000

¹ Assumes the project will not be subject to prevailing wage requirements.

² Per City staff.

³ Assumes the Developer will fund 40% of the construction costs with equity. Assumes an 24-month construction period with a 60% average outstanding balance and a 0-month absorption period with a 100% average outstanding balance.

TABLE 2 - ATTACHMENT 2

STABILIZED NET OPERATING INCOME
PCC NORTH & FAIRFIELD - ALL MARKET - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Gross Residential Income</u>					¹
Studio Units	47	Units	\$2,804	/Unit/Month	\$1,581,500
1-Bedroom Units	67	Units	\$3,125	/Unit/Month	2,512,500
2-Bedroom Units	23	Units	\$4,283	/Unit/Month	1,182,100
Other Miscellaneous Income	137	Units	\$25	/Unit/Month	<u>41,100</u>
Gross Income					\$5,317,200
(Less) Vacancy & Collection Allowance	5%	Gross Income			<u>(265,900)</u>
Effective Gross Income					\$5,051,300
II. <u>Operating Expenses</u>					
General Operating Expenses	137	Units	\$6,100	/Unit	\$835,700
Property Taxes	137	Units	\$4,900	/Unit	671,300
Replacement Reserve	137	Units	\$250	/Unit	<u>34,300</u>
Total Operating Expenses	137	Units	\$11,250	/Unit	\$1,541,300
III. Residential Net Operating Income					\$3,510,000
IV. <u>Retail Income</u>					
Retail Lease Revenue	5,496	Sf Retail GBA	\$3.25	/Sf/Month	\$214,300
CAM Reimbursements	5,496	Sf Retail GBA	\$10.00	/Sf/Year	<u>55,000</u>
Gross Retail Income					\$269,300
(Less) Vacancy & Collection Allowance	5%	Gross Retail Income			<u>(13,500)</u>
Effective Gross Retail Income					\$255,800
V. <u>Retail Operating Expenses</u>					
Operating Expenses	5,496	Sf Retail GBA	\$10.00	/Sf/Year	\$55,000
Management Fee	3%	Effective Gross Retail Income			<u>7,700</u>
Total Retail Operating Expenses					\$62,700
VI. Retail Net Operating Income					\$193,100
VII. Total Project Net Operating Income					\$3,703,100
VIII. Townhouse Valuation					
Townhouse Units	6	Units	\$1,300,000	/Unit	\$7,800,000
Less Costs of Sale			6.00%	% of Value	<u>(468,000)</u>
Net Sale Proceeds					\$7,332,000

¹ Based on Stan Hoffman and Keyser Marston Associates, Inc. analyses.

² Based on a 4.50% capitalization rate and a 1.10% property tax rate.

³ Based on Developer estimate.

TABLE 3 - ATTACHMENT 2

RESIDUAL LAND VALUE CALCULATION
PCC NORTH & FAIRFIELD - ALL MARKET - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Estimated Project Value</u>			
Net Operating Income		See Table 2	\$3,703,100
Capitalization Rate	1		4.50%
Total Estimated Project Value			\$82,291,000
Townhouse Net Sale Proceeds			<u>\$7,332,000</u>
Total Project Valuation			\$89,623,000
II. <u>Residual Land Value Calculation</u>			
Total Estimated Project Value			\$89,623,000
(Less) Threshold Developer Profit		9% Total Estimated Project Value	(8,066,000)
(Less) Total Development Costs			(80,114,000)
III. <u>Estimated Residual Land Value</u>			<u>\$1,443,000</u>

¹ Based on a weighted average of: a 4.50% capitalization rate for the residential component and a 4.50% capitalization rate for the retail component. Based on the rates published by RERC for the 2nd quarter of 2019.

ATTACHMENT 3
PCC South – 10% Affordable

TABLE 1 - ATTACHMENT 3

ESTIMATED CONSTRUCTION COSTS
PCC SOUTH - BASE AFFORDABLE - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Property Assemblage Costs</u>					
City Parcel Acquisition Costs	0	Sf Land	\$0	/Sf Land	\$0
Agency Parcel Acquisition Costs	0	Sf Land	\$0	/Sf Land	0
Total Property Assemblage Costs					\$0
II. <u>Direct Costs</u>					
Off-site Improvements		Allowance			\$600,000
Demolition Costs		Allowance			250,000
On-Site Improvements	54,072	Sf Land	\$25	/Sf Land	1,352,000
Structured Parking Spaces	336	Spaces	\$33,000	/Space	11,088,000
Residential Shell Costs	140,794	Sf Res GBA	\$190	/Sf GBA	26,751,000
Retail Shell Costs	5,756	Sf Retail GBA	\$190	/Sf Retail GBA	1,094,000
Retail Tenant Improvement Costs	5,756	Sf Retail GBA	\$60	/Sf GBA	345,000
Contractor Fees / General Requirements	12%	Construction Costs			4,978,000
General Liability Insurance / Const Bonds	2%	Construction Costs			830,000
Contingency Allowance	5%	Other Direct Costs			2,364,000
Total Direct Costs	120	Units	\$413,800	/Unit	\$49,652,000
III. <u>Indirect Costs</u>					
Architecture, Engineering & Consulting		7% Direct Costs			\$3,476,000
Permits & Fees	120	Units	\$23,342	/Unit	2,801,000
Taxes, Ins, Legal & Accounting		2% Direct Costs			993,000
Marketing & Leasing					
Residential	120	Units	\$5,000	/Unit	600,000
Retail	5,756	Sf Retail GBA	\$8.00	/Sf Retail GBA	46,000
Development Management Fee	3.5%	Direct Costs			1,738,000
Contingency Allowance	5%	Other Indirects			483,000
Total Indirect Costs					\$10,137,000
IV. <u>Financing Costs</u>					
Interest During Construction	37,538,000	Loan Amount	4.50%	Interest	\$2,027,000
Loan Origination Fees		70% Loan to Value	1.50	Points	747,000
Total Financing Costs					\$2,774,000
V. <u>Total Construction Costs</u>	120	Units	\$521,400	/Unit	\$62,563,000

¹ Assumes the project will not be subject to prevailing wage requirements.

² Per City staff.

³ Assumes the Developer will fund 40% of the construction costs with equity. Assumes an 24-month construction period with a 60% average outstanding balance and a 0-month absorption period with a 100% average outstanding balance.

TABLE 2 - ATTACHMENT 3

STABILIZED NET OPERATING INCOME
PCC SOUTH - BASE AFFORDABLE - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Gross Residential Income</u>					¹
Studio Units	34	Units	\$2,710 /Unit/Month	\$1,105,700	
1-Bedroom Units	51	Units	\$3,217 /Unit/Month	1,968,800	
2-Bedroom Units	23	Units	\$4,283 /Unit/Month	1,182,100	
Studio Units - Low Income	10	Units	\$1,612 /Unit/Month	193,400	
1-Bedroom Units - Low Income	1	Units	\$1,716 /Unit/Month	20,600	
2-Bedroom Units - Low Income	1	Units	\$2,055 /Unit/Month	24,700	
Other Miscellaneous Income	120	Units	\$25 /Unit/Month	<u>36,000</u>	
Gross Income				\$4,531,300	
(Less) Vacancy & Collection Allowance	4%	Gross Income		<u>(181,300)</u>	
Effective Gross Income				\$4,350,000	
II. <u>Operating Expenses</u>					
General Operating Expenses	120	Units	\$6,100 /Unit	\$732,000	
Property Taxes	120	Units	\$4,900 /Unit	588,000	
Replacement Reserve	120	Units	\$250 /Unit	<u>30,000</u>	
Total Operating Expenses	120	Units	\$11,250 /Unit	\$1,350,000	
III. Residential Net Operating Income				\$3,000,000	
IV. <u>Retail Income</u>					
Retail Lease Revenue	5,756	Sf Retail GBA	\$3.25 /Sf/Month	\$224,500	
CAM Reimbursements	5,756	Sf Retail GBA	\$10.00 /Sf/Year	<u>57,600</u>	
Gross Retail Income				\$282,100	
(Less) Vacancy & Collection Allowance	5%	Gross Retail Income		<u>(14,100)</u>	
Effective Gross Retail Income				\$268,000	
V. <u>Retail Operating Expenses</u>					
Operating Expenses	5,756	Sf Retail GBA	\$10.00 /Sf/Year	\$57,600	
Management Fee	3%	Effective Gross Retail Income		<u>8,000</u>	
Total Retail Operating Expenses				\$65,600	
VI. Retail Net Operating Income				\$202,400	
VII. Total Project Net Operating Income				\$3,202,400	

¹ Based on Stan Hoffman and Keyser Marston Associates analyses.

² Based on a 4.50% capitalization rate and a 1.10% property tax rate.

³ Based on Developer estimate.

TABLE 3 - ATTACHMENT 3

RESIDUAL LAND VALUE CALCULATION
PCC SOUTH - BASE AFFORDABLE - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Estimated Project Value</u>			
Net Operating Income		See Table 2	\$3,202,400
Capitalization Rate	1		4.50%
Total Estimated Project Value			\$71,164,000
II. <u>Residual Land Value Calculation</u>			
Total Estimated Project Value			\$71,164,000
(Less) Threshold Developer Profit		9% Total Estimated Project Value	(6,405,000)
(Less) Total Development Costs			(62,563,000)
III. <u>Estimated Residual Land Value</u>			\$2,196,000

¹ Based on a weighted average of: a 4.50% capitalization rate for the residential component and a 4.50% capitalization rate for the retail component. Based on the rates published by RERC for the 2nd quarter of 2019.

ATTACHMENT 4

PCC North & Fairfield – 10% Affordabl

TABLE 1 - ATACHMENT 4

ESTIMATED CONSTRUCTION COSTS
PCC NORTH & FAIRFIELD - BASE AFFORDABLE - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Property Assemblage Costs</u>					
City Parcel Acquisition Costs	0	Sf Land	\$0	/Sf Land	\$0
Agency Parcel Acquisition Costs	0	Sf Land	\$0	/Sf Land	0
Total Property Assemblage Costs					\$0
II. <u>Direct Costs</u>					
Off-site Improvements		Allowance			\$600,000
Demolition Costs		Allowance			600,000
On-Site Improvements	110,379	Sf Land	\$20	/Sf Land	2,208,000
Structured Parking Spaces	456	Spaces	\$30,000	/Space	13,680,000
Residential Shell Costs	174,749	Sf Res GBA	\$200	/Sf GBA	34,950,000
Retail Shell Costs	5,496	Sf Retail GBA	\$200	/Sf Retail GBA	1,099,000
Retail Tenant Improvement Costs	5,496	Sf Retail GBA	\$60	/Sf GBA	330,000
Contractor Fees / General Requirements	12%	Construction Costs			6,416,000
General Liability Insurance / Const Bonds	2%	Construction Costs			1,069,000
Contingency Allowance	5%	Other Direct Costs			3,048,000
Total Direct Costs	137	Units	\$467,200	/Unit	\$64,000,000
III. <u>Indirect Costs</u>					
Architecture, Engineering & Consulting	7%	Direct Costs			\$4,480,000
Permits & Fees	137	Units	\$24,251	/Unit	3,322,000
Taxes, Ins, Legal & Accounting	2%	Direct Costs			1,280,000
Marketing & Leasing					
Residential	137	Units	\$5,000	/Unit	685,000
Retail	5,496	Sf Retail GBA	\$8.00	/Sf Retail GBA	44,000
Development Management Fee	3.5%	Direct Costs			2,240,000
Contingency Allowance	5%	Other Indirects			603,000
Total Indirect Costs					\$12,654,000
IV. <u>Financing Costs</u>					
Interest During Construction	48,046,000	Loan Amount	4.50%	Interest	\$2,594,000
Loan Origination Fees	70%	Loan to Value	1.50	Points	828,000
Total Financing Costs					\$3,422,000
V. <u>Total Construction Costs</u>	137	Units	\$584,500	/Unit	\$80,076,000

¹ Assumes the project will not be subject to prevailing wage requirements.

² Per City staff.

³ Assumes the Developer will fund 40% of the construction costs with equity. Assumes an 24-month construction period with a 60% average outstanding balance and a 0-month absorption period with a 100% average outstanding balance.

TABLE 2 - ATTACHMENT 4

STABILIZED NET OPERATING INCOME
PCC NORTH & FAIRFIELD - BASE AFFORDABLE - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Gross Residential Income</u>					¹
Studio Units	36	Units	\$2,804 /Unit/Month	\$1,211,300	
1-Bedroom Units	65	Units	\$3,125 /Unit/Month	2,437,500	
2-Bedroom Units	22	Units	\$4,283 /Unit/Month	1,130,700	
Studio Units - Low Income	11	Units	\$1,612 /Unit/Month	212,800	
1-Bedroom Units - Low Income	2	Units	\$1,716 /Unit/Month	41,200	
2-Bedroom Units - Low Income	1	Units	\$2,055 /Unit/Month	24,700	
Other Miscellaneous Income	137	Units	\$25 /Unit/Month	<u>41,100</u>	
Gross Income				\$5,099,300	
(Less) Vacancy & Collection Allowance	4%	Gross Income		<u>(204,000)</u>	
Effective Gross Income				\$4,895,300	
II. <u>Operating Expenses</u>					
General Operating Expenses	137	Units	\$6,100 /Unit	\$835,700	
Property Taxes	137	Units	\$4,900 /Unit	671,300	
Replacement Reserve	137	Units	\$250 /Unit	<u>34,300</u>	
Total Operating Expenses	137	Units	\$11,250 /Unit	\$1,541,300	
III. Residential Net Operating Income				\$3,354,000	
IV. <u>Retail Income</u>					
Retail Lease Revenue	5,496	Sf Retail GBA	\$3.25 /Sf/Month	\$214,300	
CAM Reimbursements	5,496	Sf Retail GBA	\$10.00 /Sf/Year	<u>55,000</u>	
Gross Retail Income				\$269,300	
(Less) Vacancy & Collection Allowance	5%	Gross Retail Income		<u>(13,500)</u>	
Effective Gross Retail Income				\$255,800	
V. <u>Retail Operating Expenses</u>					
Operating Expenses	5,496	Sf Retail GBA	\$10.00 /Sf/Year	\$55,000	
Management Fee	3%	Effective Gross Retail Income		<u>7,700</u>	
Total Retail Operating Expenses				\$62,700	
VI. Retail Net Operating Income				\$193,100	
VII. Total Project Net Operating Income				\$3,547,100	
VIII. Townhouse Valuation					
Townhouse Units	6	Units	\$1,300,000 /Unit	\$7,800,000	
Less Costs of Sale			6.00% % of Value	<u>(468,000)</u>	
Net Sale Proceeds				\$7,332,000	

¹ Based on Stan Hoffman and Keyser Marston Associates analyses.

² Based on a 4.50% capitalization rate and a 1.10% property tax rate.

³ Based on Developer estimate.

TABLE 3 - ATTACHMENT 4

RESIDUAL LAND VALUE CALCULATION
PCC NORTH & FAIRFIELD - BASE AFFORDABLE - 12% contractor
EL SEGUNDO, CALIFORNIA

I. <u>Estimated Project Value</u>			
Net Operating Income		See Table 2	\$3,547,100
Capitalization Rate	¹		4.50%
			<hr/>
Total Estimated Project Value			\$78,824,000
Townhouse Net Sale Proceeds			<u>\$7,332,000</u>
Total Project Valuation			\$86,156,000
II. <u>Residual Land Value Calculation</u>			
Total Estimated Project Value			\$86,156,000
(Less) Threshold Developer Profit		9% Total Estimated Project Value	(7,754,000)
(Less) Total Development Costs			(80,076,000)
III. <u>Estimated Residual Land Value</u>			<u>(\$1,674,000)</u>

¹ Based on a weighted average of: a 4.50% capitalization rate for the residential component and a 4.50% capitalization rate for the retail component. Based on the rates published by RERC for the 2nd quarter of 2019.

Memorandum

To: Mr. Lionel Uhry, Senior Vice President, Acquisitions & Development
Mar Ventures, Inc.

From: Bravish Mallavarapu, Director/Principal Economist

Date: April 23, 2021

Re: Fiscal Impact Analysis Update, Pacific Coast Commons, City of El Segundo

SRHA Job # 1385

This memorandum presents an updated fiscal impact analysis for the proposed Pacific Coast Commons development located within the City of El Segundo between Holly Ave and Palm Ave along the Pacific Coast Highway. This is an update to the original analysis, prepared and documented in our memo dated June 8, 2020, following changes to the project description, specifically the inclusion of affordable housing units, changes to the unit mix and rents, project new valuation, comments received from the City regarding the fiscal impact methodology, and updated City budget factors.

The proposed project includes the redevelopment of currently underutilized parking lots and commercial uses that serve the Fairfield Marriot and Loft hotels to alternate uses, including residential use (market and affordable units) and structured parking with ground floor commercial.

This updated analysis examines the annual recurring fiscal impacts of the proposed project at buildout on the City's General Fund presented in constant 2021 dollars. The analysis calculates the annual recurring revenues and annual recurring costs for operations and maintenance accruing to the City General Fund.

It is noted that based on discussions and direction provided by the City Finance Director, we have used the Adopted 2020-21 City Budget, passed by Council for a 9-month period, which we have extrapolated to a 12-month period to develop annual General Fund revenue and cost projection factors, applied to specific revenue and cost components of this fiscal analysis of the project.

1. Summary of Analysis

- The project adds 263 residential units, 11,000 square feet of commercial retail use and a structured commercial parking operation.
- The residential component includes 231 market rate apartment rental units, 26 affordable apartment rental units and 6 ownership townhomes.
- At project buildout the development is estimated to add a total of 252 households (occupied units) at a 4 percent vacancy rate with an estimated residential population of 395 persons, and an estimated 58 jobs associated with the commercial uses at 5 percent vacancy rate, parking operations and residential operations.

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- The Pacific Coast Commons project adds new project valuation at buildout of \$141 million, resulting in annual recurring all property tax related revenues of \$105,091 to the City General Fund.
- Project households are estimated to account for a total of \$31.8 million in aggregate annual household income with an annual average household income of \$125,786.
- Retail and food spending by project residents and on-site employees is estimated at a total of about \$5.6 million in taxable sales captured within the City.
- Combined with the on-site commercial retail operations, estimated annually at \$3.4 million, the total sales tax generated from the project to the City General Fund is estimated at around \$98,316 per annum.
- From the overall fiscal impact perspective, as shown in **Table 1**, the proposed Pacific Coast Commons project at buildout is estimated to generate \$273,535 in annual recurring revenues, and \$401,166 in annual recurring costs to the City General Fund in constant 2021 dollars.
- As shown in **Figure 1**, major annually recurring General Fund revenues include \$108,944 in total property-related taxes, including the City General Fund share of the 1 percent property tax for \$88,276, property tax in-lieu of VLF (PTVLF) for \$16,815 and \$3,853 for property transfer tax, sales-tax related revenues of \$98,316 and all other revenues, including fees and permits, amounting to \$66,275.
- Major annually recurring General Fund costs include \$141,394 in Police Services, \$103,347 for Fire Services, \$22,760 for Recreation and Parks, \$55,985 for Library Services, \$16,719 in Public Works O&M (street maintenance). General Government costs of about \$60,960 are projected at an overhead rate of 17.9 percent of the above line expenditure categories, as shown in **Figure 2**.

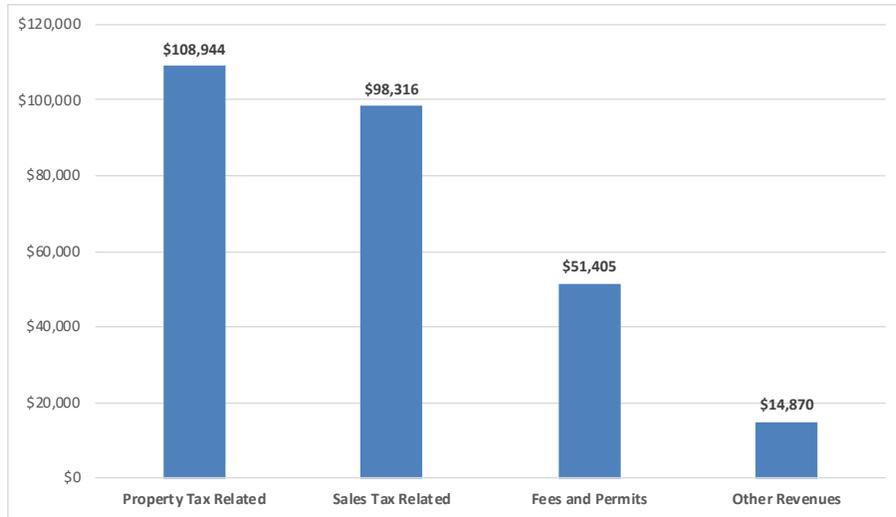
Table 1
Fiscal Impact Summary
Pacific Coast Commons, City of El Segundo
 (Constant 2021 Dollars)

Category	Proposed Project
A. Fiscal Impact to General Fund	
Annual Recurring Revenues	\$273,535
Annual Recurring Costs	<u>\$401,166</u>
Net Fiscal Impacts	(\$127,631)
Revenue/Cost Ratio	0.68

Source: Stanley R. Hoffman Associates, Inc.

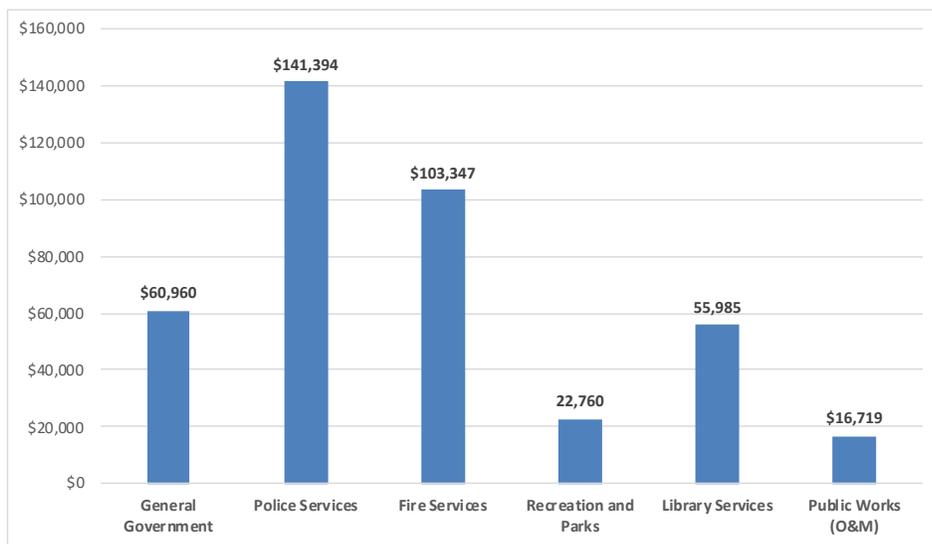
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Figure 1
Projected General Fund Revenues
Pacific Coast Commons, City of El Segundo
(Constant 2021 Dollars)



Source: Stanley R. Hoffman Associates, Inc.

Figure 2
Projected General Fund Expenditures
Pacific Coast Commons, City of El Segundo
(Constant 2021 Dollars)



Source: Stanley R. Hoffman Associates, Inc.

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2. Project Description

Based on the information provided by the project proponent, as shown in **Figure 3 and Table 2**, the proposed Pacific Coast Commons project is spread over a total of five site areas, which also include the current Aloft Hotel (Area 2) and the Fairfield Marriot Hotel (Area 3) that remain unchanged. Three other sites including a surface parking lot (**Area 1**), an older commercial building (**Area 4**) and a second surface parking lot (**Area 5**) will be redeveloped to other uses as follows:

Area 1: The current surface parking lot will be redeveloped into a mixed-use development, which will include 120 multifamily units, including 12 affordable units, a clubhouse, gym and pool, and 6,200 square feet of ground floor commercial. Area 1 is zoned as general commercial – G3.

Area 4: Current uses include the old Carrasco’s Restaurant, no longer in operation, a Discovery Rent-A-Car business, and ballroom and meeting area for the hotel used periodically. The site will be primarily redeveloped as structured parking for 187 parking spaces and will include 2,800 square feet of ground floor commercial. Area 4 is currently zoned as general commercial – G3.

Area 5: The current surface parking lot will be redeveloped to include residential, commercial and structured parking uses. Mixed use development will include 137 multifamily rental units, including 14 affordable housing units, 2,000 square feet of ground floor commercial and structured parking. Additionally, this area will include 6 for-sale townhomes. Area 5 is currently zoned as parking – P.

Project Valuation

As shown in **Table 3**, based on the information provided by the project proponent, the total new valuation for the Pacific Coast Commons is estimated at around \$140.1 million.

- This includes the mixed use project in Area 1 with a valuation of \$60.4 million;
- The new structured parking in Area 4 is estimated at \$12.0 million;
- The new development in Area 5, including the mixed-use multifamily development and the proposed townhomes, is estimated for \$67.7 million.

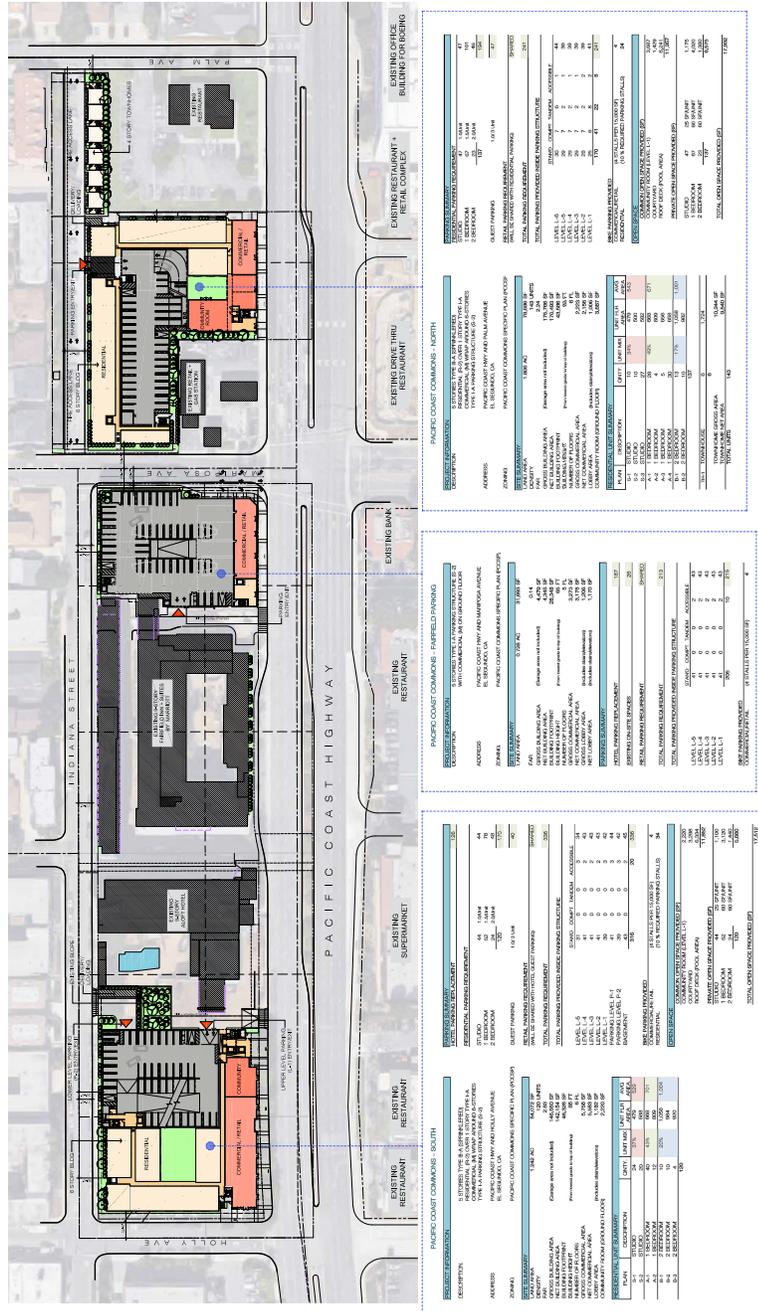
Residential Population

The household population resulting from the residential use in Pacific Coast Commons is estimated by translating the unit mix by number of bedrooms proposed for the mixed-use project in Area 1 and the mixed-use project and townhomes in Area 5, as shown in **Table 4**.

Given typical variations found in household sizes across dwelling unit types, the total residential population for the two project areas is calculated by applying appropriate persons by household ratios to the rental multifamily units across studios, one-bedroom and two-bedroom units, and to the owner-occupied townhomes.

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Figure 3
 Project Site Plan
 Pacific Coast Commons, City of El Segundo



MASTER SITE PLAN

Scale: 1" = 20'

North Arrow

Continental Development Corporation

Mar Ventures, Inc.

Wither Malcolml Architecture

Stanley R. Hoffman Associates

Source: Stanley R. Hoffman Associates, Inc.

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Table 2
Project Description
Pacific Coast Commons, City of El Segundo
 (Constant 2021 Dollars)

	Proposed Project ¹
Panel A. Project Description	
Acres	3.84
Designated Land Use Mix	
Residential	YES
Commercial	YES
Structured Parking	YES
Surface Parking	NO
Built Uses	
Residential Units	263
Commercial Square Feet	11,000
Panel B. Estimated Service Population	
Households (Units at 4 percent Vacancy)	252
Residential Population	395
On-Site Employment ²	58
TOTAL SERVICE POPULATION ³	439
Panel C. Estimated Project Valuation	
Total New Valuation	\$140,121,360

1. Project details as provided by the project proponent.
 2. Includes estimated employees for commercial use with 5 percent vacancy, parking operations and residential operations.
 3. Service population includes 100% of residential population and 75% of on-site employment.
 Sources: Stanley R. Hoffman Associates, Inc.
 Mar Ventures Inc.

Table 3
Project New Valuation
Pacific Coast Commons, City of El Segundo
 (Constant 2021 Dollars)

AREA/PARCEL NO.	PROPOSED USE	VALUATION
NEW DEVELOPMENT AREA		
Area 1		
Surface Parking Loft of Aloft Hotel	Mixed Use (Residential and Commercial)	\$60,400,000
Area 4		
Commercial Building	Parking Structure	\$12,000,000
Area 5		
Surface Parking Loft of Marriot Hotel	Mixed Use (Residential and Commercial); Townhomes	\$67,700,000
TOTAL		\$140,100,000

Source: Stanley R. Hoffman Associates, Inc.
 Mar Ventures, Inc.

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**Table 4
 Projected Residential Population
 Pacific Coast Commons, City of El Segundo**

	Persons per Household ¹	Number of Units ²	Residential Population
<u>MARKET RATE HOUSING</u>			
AREA 1 (PCC South)			
Apartments			
	Rental (PPH)		
Studio	1.21	39	47
One Bedroom	1.36	47	64
Two Bedroom	2.74	<u>22</u>	<u>60</u>
Subtotal		108	171
AREA 5 (PCC North)			
Apartments			
	Rental (PPH)		
Studio	1.21	42	51
One Bedroom	1.36	60	81
Two Bedroom	2.74	<u>21</u>	<u>58</u>
Subtotal		123	190
Townhomes			
	Ownership (PPH)		
Type TH-1	2.09	5	10
Type TH-2	2.09	<u>1</u>	<u>2</u>
Subtotal		6	12
<u>AFFORDABLE HOUSING</u>			
AREA 1 (PCC South)			
Apartments			
	Rental (PPH)		
Studio	1.21	5	6
One Bedroom	1.36	5	7
Two Bedroom	2.74	<u>2</u>	<u>5</u>
Subtotal		12	18
AREA 5 (PCC North)			
Apartments			
	Rental (PPH)		
Studio	1.21	5	6
One Bedroom	1.36	7	9
Two Bedroom	2.74	<u>2</u>	<u>5</u>
Subtotal		14	20
TOTAL PROJECT		263	411
LESS 4% VACANCY		252	395

1. Persons per household by number of bedrooms estimated from the ACS PUMS microdata for the Public Use Microdata Area (PUMA) including the City of El Segundo.

2. Based on information provided by the project proponent.

Source: Stanley R. Hoffman Associates, Inc.

Census American Community Survey (ACS) 2018, Public Use Microdata Sample (PUMS)

Estimated persons per household ratios for the apartment units by number of bedrooms and owner-occupied townhomes were calculated from the American Community Survey (ACS) Public Use Microdata Sample (PUMS) for the year 2018. These estimates were developed for the Public Use Microdata Area (PUMA), including the City of El Segundo, GEOID 0603760. Additionally, a vacancy factor of about 5 percent is assumed to calculate the resulting number of households (occupied units).

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Applying these ratios and assumptions, the total resident population for the Pacific Coast Commons is estimated at 395 persons over 252 households, accounting for a 4 percent vacancy rate, for an average household size of 1.56 persons per household, as shown in **Table 4**.

On-Site Employment

Employment generated within the Pacific Coast Commons is estimated for on-site commercial operations associated with the ground floor commercial space across the three areas. Additionally, jobs generated for residential operations and maintenance are also estimated based on gross building square feet. Parking operations are assumed only for the dedicated parking structure in Area 4, while residential parking is assumed to be part of the residential operations in Area 1 and Area 5. Full-time equivalent (FTE) job numbers are calculated by applying industry-standard square feet per employee factor to the project gross leasable area (GLA) information assuming a 5 percent vacancy factor provided by the project proponent, as shown in **Table 5**.

Table 5
Projected On Site Full-Time Employment
Pacific Coast Commons, City of El Segundo

PROPOSED USE	TOTAL GLA OR PARKING SPACES	OCCUPIED GLA ¹	SQUARE FEET OR PARKING SPACES PER EMPLOYEE	ON-SITE EMPLOYMENT
Commercial Operations (Sq.Ft.)				
Area 1	6,200	5,890	250	24
Area 4	2,800	2,660	250	11
Area 5	<u>2,000</u>	<u>1,900</u>	<u>250</u>	<u>8</u>
Commercial Subtotal	11,000	10,450		42
Residential Operations (Sq.Ft.)				
Area 1	115,171		20,000	6
Area 5	<u>110,644</u>		<u>20,000</u>	<u>6</u>
Residential Subtotal	225,815			12
Parking Structure Operations (Spaces)				
Area 4	187		50	4
Residential Subtotal				
TOTAL EMPLOYMENT				58

1. Assumes a 5 percent vacancy factor, and forms the basis for the on-site employment estimate.
 Source: Stanley R. Hoffman Associates, Inc.
 Mar Ventures, Inc.

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3. Projected Household and Employee Expenditures

The Pacific Coast Commons will generate benefits to the City of El Segundo in terms of expenditures on retail goods and services made primarily by the new residents, and additionally by employees working on-site. At the same time, these expenditure levels depend considerably on the income characteristics of the households across the housing unit types proposed, and the type of on-site jobs and their associated wages estimated for the project.

Household Income and Expenditure Characteristics

The average household income of the households projected for the Pacific Coast Commons is estimated across the housing product types (unit mix) for the project. This is based on the average monthly housing cost by housing type, which is assumed to constitute, using conventional standards, 30 percent of the household income. While this percentage share has moved progressively to the 40 percent mark in recent times, current federal, state and local policy standards still continue to use the lower number.

As shown in **Table 6**, proposed monthly rents for the project market-rate and affordable units, have been provided by the project proponent. Rents for market-rate units range from \$2,804 for studios to \$4,283 for two-bedroom apartments. Rents for affordable units range from \$1,528 for studios to \$2,028 for two-bedroom apartments. Townhomes are estimated for a sale price of about \$1.3 million, which translates to a monthly ownership cost of approximately \$6,200.

This implies a range of minimum household incomes that can meet the conventional 30 percent income threshold that the Pacific Coast Commons aims to attract within El Segundo. Estimated average annual household incomes for the apartments range from \$63,000 to \$171,320 indicating a fit with a mix of professional office and workforce segment that the City of El Segundo has attracted over the last decade. Average household income for townhomes is estimated at \$248,000 per annum.

Applying the estimated average annual household income to the number of households by each housing category results in the aggregate annual income for that category, as shown in **Table 6**. Summing up all the household categories further results in a total of \$31.8 million aggregate annual household income for the Pacific Coast Commons project, as shown in **Table 7**.

The City of El Segundo will benefit from the spending potential of households living in the Pacific Coast Commons. This potential is estimated from the aggregate household income, as shown in **Table 8**. Examining household spending patterns from the US Bureau of Labor Statistics (BLS) Consumer Expenditure Survey (CES), it is estimated that households in the Los Angeles-Long Beach-Anaheim MSA spent around 21.1 percent of their pre-tax income on retail and local services items. When applied to the aggregate household income of \$31.8 million for the project, the total household spending potential is calculated at \$6.71 million per annum on food and discretionary products and services, as shown in **Table 7**.

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Table 6
Projected Average and Aggregate Household Income
Pacific Coast Commons, City of El Segundo
 (Constant 2021 Dollars)

	Rental or Ownership	Estimated Households	Monthly Rent OR Estimated Monthly Ownership Cost ¹	Estimated Average Annual Household Income ²	Project Aggregate Annual Household Income
<u>MARKET RATE HOUSING</u>					
AREA 1 (PCC South)					
Apartments					
	Rental				
Studio		37	\$2,804	\$112,160	\$4,199,270
One Bedroom		45	\$3,125	\$125,000	\$5,640,000
Two Bedroom		<u>21</u>	<u>\$4,283</u>	<u>\$171,320</u>	<u>\$3,618,278</u>
	Subtotal	104			\$13,457,549
AREA 5 (PCC North)					
Apartments					
	Rental				
Studio		40	\$2,804	\$112,160	\$4,522,291
One Bedroom		58	\$3,125	\$125,000	\$7,200,000
Two Bedroom		<u>20</u>	<u>\$4,283</u>	<u>\$171,320</u>	<u>\$3,453,811</u>
	Subtotal	118			\$15,176,102
Townhomes					
	Ownership				
Type TH-1	Price	5	\$6,200	\$248,000	\$1,190,400
Type TH-2	\$1,300,000	<u>1</u>	<u>\$6,200</u>	<u>\$248,000</u>	<u>\$238,080</u>
	Subtotal	6			\$1,428,480
<u>AFFORDABLE HOUSING</u>					
AREA 1 (PCC South)					
Apartments					
	Rental				
Studio		5	\$1,578	\$63,120	\$302,976
One Bedroom		5	\$1,690	\$67,600	\$324,480
Two Bedroom		<u>2</u>	<u>\$2,028</u>	<u>\$81,120</u>	<u>\$155,750</u>
	Subtotal	12			\$783,206
AREA 5 (PCC North)					
Apartments					
	Rental				
Studio		5	\$1,578	\$63,120	\$302,976
One Bedroom		7	\$1,690	\$67,600	\$454,272
Two Bedroom		<u>2</u>	<u>\$2,028</u>	<u>\$81,120</u>	<u>\$155,750</u>
	Subtotal	13			\$912,998
	TOTAL	252		\$125,786	\$31,758,336

1. Monthly rents provided by the project proponent market study for the Pacific Coast Commons.
 Monthly ownership costs include mortgage estimated assuming 20 percent down payment at 3.6% for 30 years, estimated effective property tax rate of \$7.73 per \$1,000 of home value, and an estimated \$630 per month for home insurance and HOA costs.

2. Estimated based on the annual housing cost (rent or mortgage) representing a conventional share of 30 percent of annual household income following CA HCD and Federal Guidelines.

Source: Stanley R. Hoffman Associates, Inc.
 Mar Ventures, Inc.

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Table 7
Projected Household Expenditures
Pacific Coast Commons, City of El Segundo
 (Constant 2021 Dollars)

Project Aggregate Household Income	\$31,758,336
Estimated Household Spending on Retail Food and Local Services as % HH Income ¹	21.1%
Estimated Household Spending on Retail Food and Local Services	\$6,714,022

1. Expenditures share of pre-tax household income for Los Angeles-Long Beach-Anaheim MSA obtained from the US Bureau of Labor Statistics.

Source: Stanley R. Hoffman Associates, Inc.
 US Bureau of Labor Statistics (BLS),
Consumer Expenditure Survey (CES), 2018-19.

Table 8
Household Spending Patterns
Los Angeles-Long Beach-Anaheim MSA

Los Angeles MSA, 2018-19 ¹	Amount	Taxable Spending Component %	Taxable Spending Amount	Taxable Spend Share of HH Income
Average Household Income Before Taxes	\$90,037			
RETAIL CATEGORIES				
Food-related				
Food at home	\$4,934	35%	\$1,727	1.9%
Food away from home	\$3,996	100%	\$3,996	4.4%
Alcoholic beverages	\$644	100%	\$644	0.7%
Housing-related				
Housekeeping supplies	\$746	100%	\$746	0.8%
Household furnishings and equipment	\$2,238	100%	\$2,238	2.5%
Apparel and services	\$1,989	100%	\$1,989	2.2%
Transportation-related				
Gasoline, other fuels, and motor oil	\$2,397	100%	\$2,397	2.7%
Entertainment	\$3,554	100%	\$3,554	3.9%
Personal care products and services	\$847	100%	\$847	0.9%
Reading ²	\$107	60%	\$64	0.1%
Education ²	\$1,469	40%	\$588	0.7%
Tobacco products and smoking supplies	\$245	100%	\$245	0.3%
TOTAL	\$23,166		\$19,035	21.1%

1. Most recent release by the BLS Consumer Expenditure Survey (CES), accessed April 2021.

2. Expenses related to reading materials, such as books, periodicals and newspapers, and educational supplies.

Source: Stanley R. Hoffman Associates, Inc.
 US Bureau of Labor Statistics (BLS), Consumer Expenditure Survey (CES), 2018-19.

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Projected Employee Expenditures

In addition to households, potential spending on retail goods and services also originate from workers employed within the Pacific Coast Commons. These purchases are typically made over during work breaks in and around the place of work. This spending potential is calculated from the jobs estimated for the project, as shown previously in Table 6. It is assumed that these jobs are entry-level, clerical and operational functions across the commercial uses, and parking and residential operations of the proposed project.

Based data from the International Council of Shopping Centers (ICSC) for 2012, adjusted for inflation, workers in entry-level, clerical and support functions spend about \$73 per week or \$3,796 per annum on retail, food and services. Applied to the estimated 58 workers for the project, this results in \$209,160 of annual spending on these taxable sales categories made around the workplace within El Segundo.

4. Project On-Site Taxable Sales

The proposed project additionally generates taxable retail sales from the commercial use space planned for the development. Based on inputs from the project proponent, the total 10,450 square feet of retail use, including a 5 percent vacancy rate, is distributed across limited service restaurants, health and personal care stores, and miscellaneous retail stores, as shown in **Table 9**. Using industry sales per square foot factors, these uses generate a total of \$3.40 million in taxable sales at buildout, as shown below.

**Table 9
 On-Site Retail Sales
 Pacific Coast Commons, City of El Segundo
 (Constant 2021 Dollars)**

Retail Categories	Occupied		Sales/SF ²	Sales ³	Taxable Percent	Taxable Sales	Sales Tax
	GLA ¹	GLA ¹					
Limited-service restaurants	3,700	3,515	\$355	\$1,247,757	100%	\$1,247,757	\$12,478
Retail - Health and personal care stores	3,650	3,468	\$368	\$1,275,284	100%	\$1,275,284	\$12,753
Retail - Miscellaneous store retailers	<u>3,650</u>	<u>3,468</u>	<u>\$254</u>	<u>\$881,536</u>	<u>100%</u>	<u>\$881,536</u>	<u>\$8,815</u>
	11,000	10,450	\$310	\$3,404,577		\$3,404,577	\$34,046
<u>SUMMARY</u>							
Retail Stores	7,300	6,935	\$311	\$2,156,820		\$2,156,820	\$21,568
Restaurants	<u>3,700</u>	<u>3,515</u>	<u>\$355</u>	<u>\$1,247,757</u>		<u>\$1,247,757</u>	<u>\$12,478</u>
TOTAL	11,000	10,450		\$3,404,577		\$3,404,577	\$34,046

1. Based on information provided by project proponent. Occupied GLA assumes a 5 percent vacancy factor.
 2. Estimated from IMPLAN regional sales factors by retail segment output per job, converted to a square foot basis.
 3. Estimated from the occupied GLA.

Source: Stanley R Hoffman Associates, Inc.
 Mar Ventures Inc.
 IMPLAN , MIG Group Regional Data and Impact Model.

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5. Fiscal Analysis Details

The final section of this memo examines the annual recurring fiscal impacts of the proposed project at buildout on the City's General Fund in constant 2021 dollars. The analysis calculates the annual recurring General Fund revenues and costs for operations and maintenance at buildout, shown in **Table 10**, with the fiscal analysis methodology shown in **Appendix A**. General city-wide assumptions including service population estimation are shown in Appendix Table A-1, General Fund revenue factors in Table A-2, and General Fund cost factors in Table A-3.

Fiscal Impact Summary

The proposed Pacific Coast Commons mixed-use project at buildout is estimated to generate around \$273,535 in annual recurring revenues, and \$401,166 in annual recurring costs to the City General Fund, in constant 2021 dollars, as shown in **Table 10**.

Annual Recurring Revenues Details

The annual recurring General Fund revenues include four broad categories, including property-related, sales-related, fees and permits, and other city-specific revenues. The detailed revenue and costs for the proposed project are shown in **Table 10**.

- **Property Tax Related:** The total annual recurring revenues for the proposed project at buildout includes \$88,276 in the City General Fund portion of the 1 percent property tax and \$16,815 in property tax in-lieu of the motor vehicle license fee (PTVLF), as calculated in **Appendix Table A-6**. Property transfer tax additionally is estimated at \$3,853.
- **Sales-tax related revenues,** composed of the 1 percent sales tax and a separate use tax, from both on-site sales and off-site expenditures is estimated at \$98,316, as calculated in **Appendix Table A-9**.
- **Fees and permits,** including franchise fees, business license fees and utilities user tax, amount to \$51,405. The balance of revenues of \$14,870 includes a combination of different city service related charges and fees, based on revenue factors developed in **Appendix Table A-2**.

Annual Recurring Cost Details

The annual recurring General Fund costs include six categories, including Police Services, Fire Services, Recreation and Parks, Library Services, Public Works O&M and General Government, as shown in **Table 10**.

- **Police Services:** These costs have been developed on a service population basis, as shown in **Appendix Table A-10**. The project is estimated to generate annual police services costs of \$141,394, based on an estimated service population of 439 persons.
- **Fire Services:** These costs have been developed on a service population basis, as shown in **Appendix Table A-10**. The project is estimated to generate annual police services costs of \$103,347, based on an estimated service population of 439 persons.
- **Recreation and Parks Services:** These costs have been developed on a service population based on General Fund expenditure factors, shown in **Appendix Table A-3**. The project is estimated to generate recreation and park services costs of \$22,760, based on an estimated service population of 439 persons.

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- Library Services: These costs have been developed on a resident population based on GF expenditure factors, shown in **Appendix Table A-3**. The project is estimated to generate library services costs of \$55,985, based on an estimated project resident population of 395 persons.
- Public Works Operations and Maintenance: These costs have been developed for public street maintenance O&M, shown in **Appendix Table A-12**. The project is estimated to generate \$16,719 of street costs, based on an estimated 0.397 lineal miles of public street adjacent to the project.
- General Government costs are projected at an overhead rate of 17.9 percent of the above line expenditures, as calculated in **Appendix Tables A-3 and A-5**.

Table 10
Detailed Fiscal Impact Summary
Pacific Coast Commons, City of El Segundo
 (Constant 2021 Dollars)

General Fund Category	Proposed Project
<u>Annual Recurring Revenues</u>	
General Property Tax	\$88,276
Property Tax In-Lieu VLF	16,815
Property Transfer Tax	3,853
Sales and Use Tax	98,316
Franchise Tax	17,794
Utility User Tax	29,608
Business Licenses	4,003
Paramedic Transport Charges	4,153
Administrative Charges	6,744
City and Parking Revenues	3,600
Other Revenues	<u>373</u>
Total General Fund Revenues	\$273,535
<u>Annual Recurring Costs</u>	
General Government	\$60,960
Police Services	141,394
Fire Services	103,347
Recreation and Parks	22,760
Library Services	55,985
Public Works (O&M)	<u>16,719</u>
Total General Fund Costs	\$401,166
<u>Net Fiscal Impacts</u>	(\$127,631)
<u>Revenue/Cost Ratio</u>	0.68

Source: Stanley R. Hoffman Associates, Inc.

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APPENDIX A

Fiscal Impact Methodology

Annual recurring impacts on the City of El Segundo General Fund from the proposed Pacific Coast Commons are projected based on a combination of assumptions, including those related to project development, revenues and costs, in constant 2021 dollars.

These impacts are projected based on a specific set of general assumptions, revenue and cost factors, as shown in **Appendix Tables A-1 through A-3**.

Further, the revenue and cost factors have been developed, as applicable, based on project specific factors and service population related factors, which were developed by analyzing the City's Adopted 9-month Annual Budget for 2020-21, adjusted per City Finance Director guidance, to an annual 12-month basis.

The recurring annual revenue and cost categories identified from the City Adopted Annual Budget, are shown in **Appendix Tables A-4 and A-5**.

Property tax calculations, including the City share of the 1% property tax and the property in-lieu of the motor vehicle license fee (PTVLF) for the project is shown in **Appendix Table A-6**. City PTVLF factor calculation is shown in **Appendix Table A-7**.

Business license tax calculations for the commercial operations for the proposed project is shown in **Appendix Table A-8**. These fees are specific to the type and size of establishments.

Sales and use tax calculations for the onsite commercial operations for the proposed project is shown in **Appendix Table A-9**. The table also shows the offsite sales and use tax impacts on the City from the expenditures of the new project residents and employees.

Police and Fire Services costs incurred by the proposed project is shown in **Appendix Table A-10**. These are based on service call and related department cost trends for the City, as shown in **Appendix Table A-11**.

Public Works (Street Maintenance O&M) are shown in **Appendix Table A-12**.

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**Appendix Table A-1
 City General Assumptions
 City of El Segundo, 2020-21**

Assumption	Description
	<u>Population and Housing</u> ¹
16,701	Total Household Population
<u>76</u>	Group Quarters Population
16,777	Total Resident Population
3,576	Single Family Units (Detached, Attached, Mobile Homes)
<u>3,887</u>	Multi-Family Units (2 Plus Units per Structure)
7,463	Total Housing Units
7,111	Occupied Housing Units
2.38	Citywide Average Household Size
	<u>Employment</u>
76,207	Total City Employment ²
	<u>Service Population</u> ³
16,777	Total Resident Population
<u>57,155</u>	Employment (75% of total city employment)
73,932	Total Service Population

1. Population and housing numbers are January 1, 2020 estimates provided by the California Department of Finance (DOF).
2. Employment estimate based on total primary jobs in 2018 reported by Census LEHD for El Segundo, adjusted for a 10 percent self-employment rate. Total primary jobs are reported at 68,586.
3. This analysis defines the service population as population plus 75 percent of employment for the El Segundo context.

Sources: Stanley R. Hoffman Associates, Inc.
 State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State - January 1, 2011-2020*.
 United States Census, Longitudinal Employer-Household Dynamics (LEHD)

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**Appendix Table A-2
 Summary of General Fund Recurring Revenue Factors
 City of El Segundo**

General Fund Revenue Source	FY 2020-21 Adjusted Budget ¹	Projection Basis ²	Projection Factor
<u>General Property Tax</u>	\$12,193,367	Case Study: Project Valuation	6.32% City general share of 1% levy
<u>VLF Swap (Property Tax in Lieu VLF)</u>	\$2,512,596	Case Study	\$120 per \$1,000,000 assessed valuation
<u>Real Property Transfer Tax</u>	\$666,667	Property turnover and valuation assumptions	5.0% Turnover rate \$0.55 per \$1,000 assessed valuation
<u>Sales and Use Tax</u>	\$11,164,911	Taxable Sales Use Tax as Percent of Sales Tax	100% of 1% of projected sales and use tax 14.3% of sales tax
Use Tax Factor			
<u>Franchise Tax</u>	\$3,000,000	Service Population = 73,932	\$40.58 per service population
<u>Utility User Tax</u>	\$4,992,063	Service Population = 73,932	\$67.52 per service population
<u>Business Licenses ³</u>	\$13,985,813	Case Study	varies by alternative
<u>Paramedic Transport Charges</u>	\$700,000	Service Population = 73,932	\$9.47 per service population
<u>Administrative Charges</u>	\$1,136,819	Service Population = 73,932	\$15.38 per service population
<u>City Code and Parking Fines and Forfeitures</u>	\$382,667	Service Population = 73,932	\$5.18 per service population
<u>Property Rentals and Parking-In-Lieu Fees</u>	\$224,000	Service Population = 73,932	\$3.03 per service population
<u>Sales of Reports, Documents, Cable DVDs</u>	\$3,133	Service Population = 73,932	\$0.04 per service population
<u>Miscellaneous Revenue</u>	\$60,000	Service Population = 73,932	\$0.81 per service population

1. Based on direction from City Staff, the 9-month 2020-21 Adopted Budget has been extrapolated over a 12-month annual period.
2. This analysis assumes service population as total population plus 75% of employment.
3. The calculation of business license tax is presented in Table A-8.

Sources: Stanley R. Hoffman Associates, Inc.
 City of El Segundo, Statement of Estimated Revenue - General Fund, Preliminary Fiscal Year 2020-21
 City of El Segundo, Finance Department

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**Appendix Table A-3
 Summary of General Fund Recurring Cost Factors
 City of El Segundo**

Cost Category	FY 2020-21 Adjusted Adopted Budget ¹		Projection Basis ²	Cost Factor
	Total	Net		
<u>General Government - Overhead</u> ³	\$18,106,457	\$10,863,874	Share of Line Costs at 60% Marginal Rate	17.9% of direct department costs
<u>Police Department</u> ⁴	\$23,839,367	\$23,839,367	Service Population = 73,932	\$322.45 per Per Capita Service Population
<u>Fire Department</u> ⁵	\$17,424,524	\$17,424,524	Service Population = 73,932	\$235.68 per Per Capita Service Population
<u>Recreation and Parks</u> ⁵	\$3,837,395	\$3,837,395	Service Population = 73,932	\$51.90 per Capita Service Population
<u>Library Services</u> ⁵	\$2,377,885	\$2,377,885	Resident Population = 16,777	\$141.73 per Capita Resident Population
<u>Planning and Building Safety</u> ⁶	\$3,478,699	\$74,232	Service Population = 73,932	not projected
<u>Street Maintenance</u> ⁷	\$2,798,792	\$2,665,833	City Street Mile = 63.3	\$42,114 per street mile

1. Based on direction from City Staff, the 9-month 2020-21 Adopted Budget has been extrapolated over a 12-month annual period.
2. This analysis assumes service population as total population plus 75% of total employment.
3. Based on previous studies, general government services for the proposed project are projected at 60 percent of the current overhead rate because the proposed project will not require a one for one increase in staffing and services.
4. Projected police and fire costs are presented in Appendix Table A-10. Police and fire costs are projected based on costs per call calculated from data provided by police and fire department staff, as shown in Appendix Table A-11.
5. Recreation and parks based on annual budget expenditures attributed to service population, while library services factor based on annual budget expenditures attributed to residential population.
6. Planning and building safety costs are not projected because estimated one-time permits, fees and charges for services are estimated to cover planning and building safety costs.
7. Net street maintenance costs of \$2,665,833 are based on the 2020-21 adopted budget of \$2,798,792 minus the estimated one-time revenues, as shown in Appendix Table A-12.

Sources: Stanley R. Hoffman Associates, Inc.
 City of El Segundo, Adopted Budget 2020-21

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**Appendix Table A-4
 Summary of General Fund Revenues, Fiscal Year 2020-21
 City of El Segundo**

Revenue Category	Adopted 2020-21 Budget ¹			
	Total	Non-Recurring ²	Not Projected ³	Projected
Property Taxes				
Property Taxes - Current Year Secured	\$11,651,568	\$0	\$0	\$11,651,568
Property Taxes - Current Year Unsecured	\$395,132	0	0	395,132
Property Taxes - Prior Year Secured	\$66,667	0	0	66,667
Property Taxes - Prior Year Unsecured	\$26,667	0	0	26,667
Property Taxes - Penalties and Interest	\$6,667	0	0	6,667
Property Taxes - Homeowners Reimbursement	<u>\$46,667</u>	<u>0</u>	<u>0</u>	<u>46,667</u>
<i>Total General Property Taxes</i>	<i>\$12,193,367</i>	<i>\$0</i>	<i>\$0</i>	<i>\$12,193,367</i>
Other Taxes				
Sales and Use Tax	\$11,164,911	\$0	\$0	\$11,164,911
Franchise Tax	\$3,000,000	0	0	3,000,000
Transient Occupancy Tax	\$10,032,760	0	10,032,760	0
Real Property Transfer Tax	\$666,667	0	0	666,667
Gas Utility User Tax (UUT)	\$1,892,063	0	0	1,892,063
Water UUT	\$300,000	0	0	300,000
Telecommunication UUT	\$900,000	0	0	900,000
Cogenerated Electric UUT	\$1,000,000	0	1,000,000	0
Electric UUT	\$1,900,000	0	0	1,900,000
Tax Resolution Agreement	<u>\$8,000,000</u>	<u>0</u>	<u>8,000,000</u>	<u>0</u>
<i>Total Other Taxes</i>	<i>\$38,856,400</i>	<i>\$0</i>	<i>\$19,032,760</i>	<i>\$19,823,640</i>
Business License Taxes				
Commercial Industrial	\$13,919,147	\$0	\$0	\$13,919,147
Contractors	\$0	0	0	0
Vehicles	\$0	0	0	0
Contract Employees	\$0	0	0	0
Other Business Licenses Fees	\$0	0	0	0
Business License Penalty Charges	\$0	0	0	0
Filming Fees	<u>\$66,667</u>	<u>0</u>	<u>0</u>	<u>66,667</u>
<i>Total Business License Taxes</i>	<i>\$13,985,813</i>	<i>\$0</i>	<i>\$0</i>	<i>\$13,985,813</i>
Other Licenses and Permits				
Animal Licenses	\$20,400	\$0	\$0	\$20,400
License Agreements Data Centers	\$10,000	10,000	0	0
Building Permits	\$900,000	900,000	0	0
Plumbing Permits	\$82,000	82,000	0	0
Electrical Permits	\$250,000	250,000	0	0
Street Permits	\$130,959	130,959	0	0
Building Permits SMI Fee #1	\$0	0	0	0
Building Permits SMI Fee #2	\$0	0	0	0
Mechanical Permits	<u>\$145,000</u>	<u>145,000</u>	<u>0</u>	<u>0</u>
<i>Total Other Licenses and Permits</i>	<i>\$1,538,359</i>	<i>\$1,517,959</i>	<i>\$0</i>	<i>\$20,400</i>
Fines and Forfeitures				
City Code Fines	\$6,667	\$0	\$0	\$6,667
Library Fees and Fines	\$6,667	0	0	6,667
Parking Fines	\$350,000	0	0	350,000
Sur-Charge Parking Fines	\$0	0	0	0
Handicap Parking Fines	\$1,000	0	0	1,000
Towing Service Fines	\$25,000	0	0	25,000
Internet Printing	\$2,667	0	2,667	0
Library Book Fair	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fines and Forfeitures</i>	<i>\$392,000</i>	<i>\$0</i>	<i>\$2,667</i>	<i>\$389,333</i>
Use of Money and Property				
Interest on Investments	\$580,000	\$0	\$0	\$580,000
Property Rentals	\$200,000	0	0	200,000
Interest Allocation Contra	\$0	0	0	0
Chevron USA, Inc Grant	\$0	0	0	0
Securities GASB 31 Adjustment	\$0	0	0	0
CD's GASB 31 Adjustment	\$0	0	0	0
Parking-in-Lieu Fees	<u>\$24,000</u>	<u>0</u>	<u>0</u>	<u>24,000</u>
<i>Total Use of Money and Property</i>	<i>\$804,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$804,000</i>
Intergovernmental				
Motor Vehicle In Lieu Tax	\$11,097	\$0	\$0	\$11,097
State Grants	\$0	0	0	0
VLF Swap	\$2,512,596	0	0	2,512,596
Federal Grants	\$0	0	0	0
ESUSD Library Support Reimbursement	<u>\$66,667</u>	<u>0</u>	<u>0</u>	<u>66,667</u>
<i>Total Intergovernmental</i>	<i>\$2,590,360</i>	<i>\$0</i>	<i>\$0</i>	<i>\$2,590,360</i>

Continued.....

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**Appendix Table A-4 (Continued)
 Summary of General Fund Revenues, Fiscal Year 2019-20
 City of El Segundo**

Revenue Category	Adopted 2020-21 Budget ¹			
	Total	Non-Recurring ²	Not Projected ³	Projected
Charges For Services				
Zoning and Planning Fees	\$70,000	\$70,000	\$0	\$0
SB 1473 Admin Special Revolving	\$0	0	0	0
Special Police Services	\$30,600	0	30,600	0
Public Works Services	\$2,000	2,000	0	0
Plan Check Fees	\$1,850,000	1,850,000	0	0
Plan Retention Fees	\$20,000	20,000	0	0
Building After-Hours Inspection Fees	\$4,000	4,000	0	0
Sales - Reports/Documents	\$2,667	0	0	2,667
Energy Plan Check Fees	\$0	0	0	0
Planning Service Fees	\$800	800	0	0
Local Record Check Fees	\$7,000	7,000	0	0
Cable DVD Sales	\$467	0	0	467
Environmental Safety/Above Ground Storage Tanks	\$0	0	0	0
Environmental Safety/New Construction Reinspection	\$21,848	21,848	0	0
Environmental Safety/Underground Tanks	\$0	0	0	0
Environmental Safety/Surcharge	\$0	0	0	0
Environmental Safety/Hazardous Waste	\$0	0	0	0
Environmental Safety/Disclosure	\$0	0	0	0
Environmental Safety/Risk Management Program	\$0	0	0	0
Environmental Safety/Industrial	\$0	0	0	0
Environmental Safety/Storm Water	\$0	0	0	0
Booking Service Fees	\$0	0	0	0
Accelerated Plan Check Fees	\$500,000	0	0	500,000
Tobacco Retail License Fee	\$4,000	0	4,000	0
Special Fire Services	\$3,333	0	3,333	0
Paramedic Transport	\$700,000	0	0	700,000
Fire Permit Inspection	\$22,667	22,667	0	0
High Rise Building Inspection	\$82,667	82,667	0	0
Haz Mat Response	\$0	0	0	0
Fire Protection Equipment Test	\$33,333	0	33,333	0
Annual Fire Inspection	\$244,800	0	244,800	0
Fire Prevention Overtime	\$47,600	0	47,600	0
CPR Class Fee	\$0	0	0	0
CASP Training	\$0	0	0	0
Recreation and Parks Activities	\$141,333	0	0	141,333
Contract Class Fees	\$173,333	0	0	173,333
Special Events Fees	\$29,333	0	0	29,333
Drama	\$21,333	0	0	21,333
Reservation Fee	\$266,667	0	0	266,667
Farmers Market Vendors	\$34,667	0	0	34,667
Classes, Camps and Programs	\$240,000	0	0	240,000
<i>Total Charges for Services</i>	<i>\$4,554,448</i>	<i>\$2,080,981</i>	<i>\$363,667</i>	<i>\$2,109,800</i>
Other Revenues				
Sale of Surplus Property	\$6,667	\$0	\$6,667	\$0
Refunds	\$0	0	0	0
SB 90 Reimbursement	\$13,600	0	0	13,600
Administrative Charges	\$1,136,819	0	0	1,136,819
Traffic Control Program	\$4,000	0	0	4,000
Miscellaneous Revenue	\$60,000	0	0	60,000
Electric Vehicle Charging	\$2,667	0	0	2,667
Strike Team Reimbursements	\$112,200	0	0	112,200
Damage to City Property Reimbursement	\$13,333	13,333	0	0
Smoky Hollow Park In Lieu	\$73,333	73,333	0	0
City Staff Reimbursement	\$133,333	133,333	0	0
Computer Refresh Charge	\$0	0	0	0
Developers Contributions	\$1,000,000	0	1,000,000	0
Developer Deposit Revenue	\$0	0	0	0
<i>Total Other Revenues</i>	<i>\$2,555,952</i>	<i>\$220,000</i>	<i>\$1,006,667</i>	<i>\$1,329,285</i>
Interfund Transfers				
Transfer from Traffic Safety Fund	\$1,264,944	\$0	\$0	\$1,264,944
<i>Total Interfund Transfers Due</i>	<i>\$1,264,944</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,264,944</i>
General Fund Total	\$78,735,643	\$3,818,940	\$20,405,760	\$54,510,943

1. 9-month Adopted 2020-21 Budget extrapolated to 12 months (annual), based on discussion with City Finance Director.
 1. One-time development related fees are not projected as recurring revenues because they are netted from projected development services costs.
 2. Certain recurring revenues (such as transient occupancy tax, RDA revenues and set payment amounts) that are not impacted by the proposed project are not projected in the fiscal analysis.

Sources: Stanley R. Hoffman Associates, Inc.
 City of El Segundo, *Statement of Estimated Revenue - General Fund, Adopted Fiscal Year 2020-21*
 City of El Segundo, Finance Department

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**Appendix Table A-5
 Summary of General Fund Expenditures, Fiscal Year 2020-21
 City of El Segundo**

General Fund Expenditures	FY 2020-21 Adopted Budget ¹		
	Total	General Government	Non-General Government
<u>General Government</u>			
City Council	\$347,871	\$347,871	
City Treasurer	\$206,268	\$206,268	
City Clerk	\$561,543	\$561,543	
City Manager	\$2,546,115	\$2,546,115	
City Attorney	\$749,267	\$749,267	
Human Resources	\$1,223,207	\$1,223,207	
Information Services	\$3,253,424	\$3,253,424	
Finance	\$2,511,807	\$2,511,807	
Non-Departmental (vacation and sick leave, retirement and CalPERS, insurance, unemployment compensation)	\$5,040,291	\$5,040,291	
Transfers Out (Economic Uncertainty Fund, Facilities Maintenance Fund, Capital Improvement Fund)	\$1,666,667	\$1,666,667	
<u>Non-General Government</u>			
Police Department	\$23,839,367		\$23,839,367
Fire Department	\$17,424,524		\$17,424,524
Planning and Building Safety	\$3,478,699		\$3,478,699
Public Works	\$9,671,317		\$9,671,317
Recreation and Parks	\$3,837,395		\$3,837,395
Library Services	\$2,377,885		\$2,377,885
GRAND TOTAL GENERAL FUND	\$78,735,644	\$18,106,457	\$60,629,187
<u>Current General Government Overhead Rate</u>			
General Government Expenditures			\$18,106,457
Direct General Fund Expenditures		<i>divided by</i>	\$60,629,187
Current General Government Overhead Rate		<i>equals</i>	29.9%
	<i>At 60% Marginal Rate</i>		17.9%

1. Based on direction from City Staff, the 9-month 2020-21 Adopted Budget has been extrapolated over a 12-month annual period.

Sources: Stanley R. Hoffman Associates, Inc.
 City of El Segundo, *Statement of Estimated Expenditures - General Fund, Adopted Budget, Fiscal Year 2020-21*
 City of El Segundo, Finance Department

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**Appendix Table A-6
 Project Property Tax and PTVLF Estimations**

Category	Proposed Project
Panel A. Estimated General Property Tax Revenue	
Estimated Valuation ¹	\$140,121,360
1% Property Tax Levy	0.01
Estimated General Fund Share	0.063
Estimated General Fund Share ²	0.063%
Estimated Incremental Property Tax Revenue	\$88,276
Panel B. Estimated Property Tax In-Lieu VLF	
Estimated Valuation	\$140,121,360
VLF Factor	\$120
Estimated Property Tax In-Lieu VLF Revenues	\$16,815

1. Estimated valuation is presented in development summary.
2. The City's share is the basic one percent property tax levy times their 6.3 percent share of the one percent share (0.01 times 0.063 = 0.00063).

Source: Stanley R. Hoffman Associates, Inc.

**Appendix Table A-7
 PTVLF Factor Calculation**

Fiscal Year	VLF - Property Tax In Lieu ¹	Assessed Valuation (AV) ²	VLF per \$1,000,000 AV ³
2011-2012	\$1,213,600	\$9,635,152,459	\$130
2012-2013	\$1,258,621	\$10,284,261,810	\$120
2013-2014	\$1,343,412	\$10,025,144,400	\$130
2014-2015	\$1,309,564	\$10,617,872,863	\$120
2015-2016	\$1,390,099	\$10,947,287,185	\$130
2016-2017	\$1,423,717	\$12,215,580,623	\$120
2017-2018	\$1,597,050	\$13,069,326,068	\$120
2018-2019	\$1,708,987	\$14,192,470,440	\$120
Average			\$120

1. The property tax in lieu VLF amounts are from the City's budget as cited below.
2. City assessed valuation is from the County Assessor report as cited below.
3. Estimated VLF per \$1,000,000 AV is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
 City of El Segundo, General Fund Revenues, 2012 through 2019.
 County of Los Angeles, Annual Reports, 2012 through 2019.

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**Appendix Table A-8
 Calculation of Business License Tax
 City of El Segundo**

Business License Tax Calculations	Proposed Project
Apartment Operations	
Apartments (No. of Units)	257
<u>Apartment Business License Tax Assumptions ¹</u>	
Estimated Tax - First Three Units	\$32
Estimated Tax - Additional Units	<u>\$2,794</u>
<i>Apartment Operations Subtotal</i>	\$2,826
Commercial Operations	
<u>10 Employees or Less Business Size Category</u>	
Total Square Feet	11,000
Number of Establishments	10
Average Store Size	1,100
Total Employment	44
Average Employment per Store	4.4
<u>Over 10 Employees Business Size Category</u>	
Total Square Feet	0
Number of Establishments	0
Average Store Size	0
Total Employment	0
Average Employment per Store	0
<u>Commercial Business License Tax Assumptions ¹</u>	
Base Tax per Business	\$107.00
Employee Tax per Employee over 10	\$133.45
Tax per Sq. Ft. over 5,000 Sq. Ft. per Firm	\$0.26
<u>Estimated Business License Tax</u>	
Base Tax	\$1,070
Employee Based Tax	\$0
Square Footage Based Tax	<u>\$0</u>
<i>Commercial Operations Subtotal</i>	\$1,070
Commercial Parking Operations	
Number of Operations	1
Number of Employees	4
<u>Estimated Business License Tax</u>	
Base Tax	\$107
Total Estimated Business License Tax	\$4,003

1. Assumption are based on the City of El Segundo's 2020 Business License Schedule.

Sources: Stanley R. Hoffman Associates, Inc.

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**Appendix Table A-9
 Calculation of Sales and Use Tax
 City of El Segundo**

	Proposed Project
On Site Taxable Sales	
Retail Stores	\$2,156,820
Restaurants	<u>\$1,247,757</u>
<i>On-Site Taxable Sales Subtotal</i>	\$3,404,577
<i>Sales Tax at 1 %</i>	\$34,046
<i>Use Tax at 14.3%</i>	<u>\$487</u>
Total On-Site Sales and Use Tax	\$34,533
 Project Related Off Site Sales	
Residential Population Expenditures (80% City Capture) ¹	\$5,371,218
Employee Expenditures ²	<u>\$209,160</u>
<i>Off-Site Taxable Sales Subtotal</i>	\$5,580,378
<i>Sales Tax at 1 %</i>	\$55,804
<i>Use Tax at 14.3%</i>	<u>\$7,980</u>
Total Off-Site Sales and Use Tax	\$63,784
 Overall Sales and Use Tax (Onsite and Offsite)	 \$98,316

1 An 80 percent capture assumption results in a project per capita (residential) of \$12,187, which is only a third of the current citywide 2019 annual estimate of \$36,555 based on data obtained from the California State Bureau of Equalization (SBOE) and DOF 2020 population.

2. Estimated based at on average of \$73 per week for junior, clerical and administrative workers obtained from the International Council of Shopping Centers 2012 report, *Office-Worker Retail Spending in a Digital Age*, Table BN-4, adjusted for inflation to 2020 dollars.

Source: Stanley R. Hoffman Associates, Inc.
 International Council for Shopping Centers, 2012.

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**Appendix Table A-10
 Project Police and Fire Services Costs Calculations
 City of El Segundo**

Category	Proposed Project
Panel A. Estimated Police Costs	
Estimated Annual Cost per Service Population	\$322
Estimated Service Population	439
Total Project Estimated Police Costs	\$141,394
Panel B. Estimated Fire Costs	
Estimated Annual Cost per Service Population	\$236
Estimated Service Population	439
Total Project Estimated Fire Costs	\$103,347

1. The estimated cost per police call and per fire call is presented in Appendix Table A-11.

Source: Stanley R. Hoffman Associates, Inc.

**Appendix Table A-11
 Police and Fire Services Cost Factors
 City of El Segundo**

Category	Police	Fire
Panel A. Estimated Service Cost per Call for El Segundo		
Total Service Costs for El Segundo ¹	\$23,839,367	\$17,424,524
Total El Segundo Calls for Service ²	37,145	2,600
Cost per Call	\$642	\$6,702
Panel B. Estimated Calls per Service Population		
Total City Service Population	73,932	73,932
Total Calls per Service Population	0.50	0.04
Total Cost per Service Population	\$322	\$236

1. Total police and fire costs for El Segundo are from the 12-month adjusted 2020-21 Adopted Budget.

2. Estimated total calls for service for the police and fire department are estimated as average trend for prior ye

Sources: Stanley R. Hoffman Associates, Inc.

City of El Segundo Police and Fire Departments

City of El Segundo, Statement of Estimated Revenue - General Fund, Adopted Fiscal Year 2020-21

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**Appendix Table A-12
 Project Street Maintenance Cost Factors
 City of El Segundo**

Category	Amount
A. AVERAGE STREET MAINTENANCE COST PER STREET MILE	
<u>Annual Street Maintenance Costs</u>	
Street Services	\$501,481
Street Maintenance	878,280
Traffic Safety	896,926
Storm Drains	<u>522,105</u>
Total Street Maintenance Costs	\$2,798,792
	<i>minus</i>
<u>One-Time Licenses, Permits and Charges for Services</u>	
Street Permits	\$130,959
Public Works Services	2,000
Environmental Safety/Storm Water	<u>0</u>
One-Time Licenses, Permits and Charges for Services	\$132,959
	<i>equals</i>
Net Street Maintenance Costs	\$2,665,833
	<i>divided by</i>
Total City Street Miles	63.3
	<i>equals</i>
Average Maintenance Cost per Street Mile	\$42,114
B. ESTIMATED STREET MAINTENANCE COSTS FOR PROJECT	
Average Maintenance Cost per Street Mile	\$42,114
	<i>times</i>
Lineal Miles Adjacent to Project	0.397
	<i>equals</i>
Total Street Maintenance Costs for Project	\$16,719

Sources: Stanley R. Hoffman Associates, Inc.
 City of El Segundo, Adopted Operating & Capital Improvement Budget, Fiscal Year 2020-21

Exhibit No. 12

Public Communications

February 18, 2022

El Segundo Planning Commission

350 Main Street

El Segundo, CA 90245

Attn: Planning Commissioners

Dear Paul Samaras, Jay Hoeschler, Michelle Keldorf, Kevin Maggay, Ryan Baldino, Brenda Newman,

My name is Nancy Noll and I own the apartment building at 1729 E. Pine Ave., on the corner of Pine Ave. and Indiana St., right across the street from the proposed (PCCSP) project. I listened to the entire planning commission meeting on 2/10/22 and was amazed of the inability of the applicant to tell the planning commission the impact of increased traffic and parking issues that will arise in the area (other than citing studies of other cities where they have completed projects). These studies are ridiculous and have no bearing because each project is unique to its own environment. As one speaker stated, the applicant doesn't live in the area so has no idea that traffic and parking is already a major problem. Vehicles race down Indiana St. in the morning to avoid the back-up on Mariposa Avenue, which is a bottle-neck and will continue to be. The dedicated right turn lane will help but won't solve the problem. We already have large noisy trucks traveling on Indiana St. making deliveries to the hotel. This proposed (PCCSP) project would create more of the same. I was encouraged by a couple of the commissioners bringing up some relevant arguments concerning traffic and parking issues, but at the close of the meeting, if I'm not mistaken, agreeing that the project should move forward and the city would deal with these issues after the fact. I sincerely hope that the city wouldn't allow this to happen because this would certainly be very poor planning and a nightmare for the neighborhood.

I, along with other family members who have since passed away, built and owned the apartment building since 1985 and provide a home for many people including families with children. They want to live in El Segundo because of the great school system but can't necessarily afford to buy a house, so they rent. I'm sure other apartment owners in the area do the same. So I don't want you to think that since most of the area is populated by apartment buildings, condominiums and townhomes that this isn't a family oriented part of El Segundo.

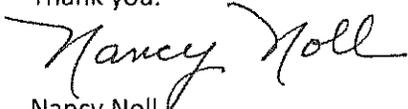
When we built in 1985 we had to comply with existing zoning laws and El Segundo Municipal Code for parking spaces required for each unit. The proposed (PCCSP) project wants to change the zoning so they can get away with fewer parking spaces than what ESMC requires. **THIS IS NOT RIGHT AND WILL NEGATIVELY IMPACT OUR AREA WITH EVEN MORE CROWDED PARKING ISSUES.** I understand that progress is inevitable and the city of El Segundo will reap more revenue in taxes from the proposed project, but please require the project to follow existing ESMC parking code requirements. We all know that if not enough parking is provided within the project that it will spill out onto the already crowded streets. Either require them to follow existing ESMC parking code laws or have them reduce the number of housing units so they can meet ESMC parking code laws or go to underground parking.

Also, you talked about validated parking. If you don't make it for a long enough time, I would say at least a 2 hour maximum, customers for the businesses you are proposing won't use the parking structure, they will try to find parking on the street, adding to the problem. And, as we all know, if parking can be found on the street, customers will park there to avoid the validation issue altogether.

Permit parking was brought up as a possibility on the surrounding streets. I see this as only a potential nightmare for code enforcement.

Please don't allow the project to move forward without addressing these major parking issues.

Thank you.



Nancy Noll

Nancy Noll

(760)613-1119 cell

jimmynoll@yahoo.com

cc: Mayor and City Councilmembers



Exhibit No. 13

Planning Commission Report

CITY OF
EL SEGUNDO

Planning Commission Agenda Statement

Meeting Date: February 10, 2022

Agenda Heading: Continued public hearing

TITLE:

Proposed Pacific Coast Commons Specific Plan and Mixed-use Commercial and Residential Development Project to Include 263 Residential Units and 11,252 square feet of Commercial Space at 475-629 North Pacific Coast Highway (PCH).

RECOMMENDATION:

It is recommended the Planning Commission:

- 1) Adopt Resolution No. 2905, recommending the City Council certify the EIR for the Pacific Coast Commons Specific Plan and Development Project;
- 2) Adopt Resolution No. 2905, recommending that the City Council approve General Plan Amendment No. GPA 19-01, Subdivision No. SUB 19-03 (Vesting Tentative Tract Map), Site Plan Review No. 19-01, Parking Demand Study, and Waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and mixed-use development project; and,
- 3) Adopt Resolution No. 2905, recommending that the City Council adopt an Ordinance adopting the Pacific Coast Commons Specific plan (SP 19-01), approving a zone change (ZC 19-01), a zone text amendment (ZTA 19-08), and a Development Agreement (DA 19-02);
- 4) Adopt Resolution No. 2906, recommending that the City Council approve modifications to Conditional Use Permit No. 14-01 for the Aloft Hotel;
- 5) Adopt Resolution No. 2907, recommending that the City Council approve modifications to Conditional Use Permit No. 14-02 for the Fairfield Inn and Suites Hotel.

INTRODUCTION:

On November 18, 2021, at the applicant's request, the Planning Commission continued the item to December 9, 2021. Although the item was continued to a date certain, staff provided full notice again for the December 9, 2021 meeting. The day prior to the hearing, staff received lengthy correspondence from two legal firms commenting on the Environmental Impact Report (EIR) for the project. On the day of the hearing, the Planning Commission received oral testimony from members of the public that were

present at the meeting. Following the public testimony, the Planning Commission continued the item to a date uncertain to allow staff time to review the correspondence and prepare responses.

This report updates and replaces the analysis in the prior staff report for the December 9, 2021 meeting. It also includes the written correspondence received prior to the December 9, 2021 meeting, a summary of the oral testimony received during the meeting, and staff's responses to all the written and oral comments.

BACKGROUND:

The applicant, BRE El Segundo HOLDCO LLC, submitted an application for development of a mixed use project including commercial and residential uses on property generally located between Holly Avenue on the south, Indiana Street to the west, Palm Avenue to the north and North PCH to the east (see Figure 1, below). The property is currently occupied by two hotels (Aloft Hotel and Fairfield Inn and Suites), a vacant food and beverage building (former Hacienda hotel restaurant), and two open parking lots that provide parking for the two hotels.

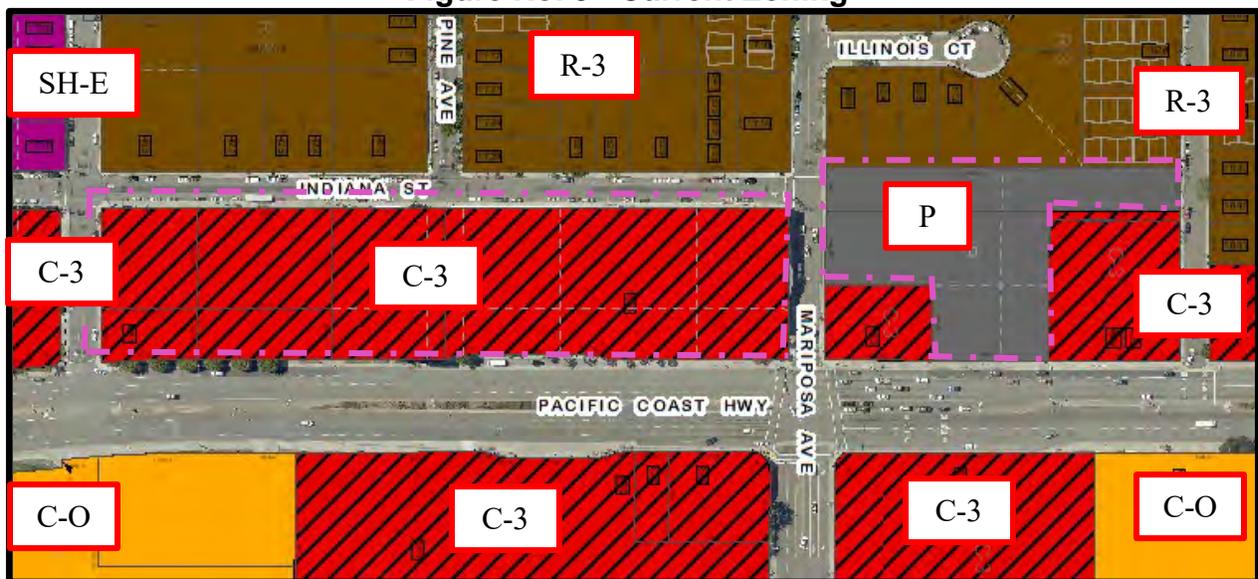
The proposed mixed use project involves demolition of the existing food and beverage building and the construction of four new buildings consisting of 257 apartment units, 6 townhome condominium units, 11,252 square feet (sf) of commercial uses, and parking structures containing 792 parking spaces. Of the total 263 residential units, 32 are proposed as affordable housing units, further described below.

Figure No. 1 - Vicinity Map



The properties immediately west of the project site are zoned Multi-Family Residential (R-3) and are developed with multi-family residential uses (apartments and condominium). The properties north of the site are in the R-3 and C-3 zones and are occupied by residential and commercial uses, including an existing fast-food restaurant and a vacant restaurant building. The properties east of the site, across PCH, are in the Corporate Office (CO) and C-3 zones and developed with office, retail, restaurant, and other commercial uses. The properties south of the site are in the C-3 and Smoky Hollow-East (SH-E) zones and occupied by a pharmacy, restaurant, and office uses. Figure No. 3 below illustrates the current zoning on and around the subject site.

Figure No. 3 - Current Zoning



PROJECT DESCRIPTION:

Entitlement Applications

The development project consists of a high-density mixed-use development, including 263 residential units and 11,252 sf of commercial space. High density residential uses are not permitted under the present General Plan Land Use designations for the site. Therefore, the overall project/request includes an application for a General Plan Amendment and other entitlements. Details of each application are provided below:

General Plan Amendment (GPA 19-01). A General Plan Amendment is proposed to create a new General Plan Land Use designation titled “Pacific Coast Commons Specific Plan (PCCSP)”, which will replace the current General Commercial and Parking designations for the site (See Resolution Exhibit F). In addition, the proposed General Plan Land Use Element text will be modified to include a description of the new designation in the Land Use Plan section (See Resolution Exhibits C, D, and E).

Zone Change (ZC 19-01). The zone change application is proposed to ensure that the Zoning Map designation for the site is consistent with the General Plan Land Use designation. Accordingly, the Zoning Map will change to replace the current General Commercial (C-3) and Parking (P) zoning designations for the site with a new PCCSP designation (See Resolution Exhibit B).

Zone Text Amendment (ZTA 19-08). The proposed Zone Text Amendment amends Zoning Code Section 15-3-2(A) to add a new Specific Plan Zone titled “Pacific Coast Commons Specific Plan” along with the new land use districts within the proposed Specific Plan.

Specific Plan (SP 19-01). A specific plan is a tool for the systematic implementation of the general plan that creates carefully tailored land use regulations within particular areas of the City. All future development plans and entitlements within a specific plan boundary must be consistent with the standards set forth in the adopted specific plan, even when they may be different from the general regulations contained in the El Segundo Municipal Code (ESMC). The proposed PCCSP establishes the regulations necessary to implement the proposed development project and maintain the conforming status of the existing hotel uses. The Specific Plan document covers the following regulatory areas, which are discussed in more detail below:

- 1) Specific Plan Land Use Plan
- 2) Design guidelines
- 3) Permitted uses and development standards
- 4) Administration/Site Plan Review procedures

1) *Specific Plan Land Use Plan.*

The applicant proposes to create five land use districts (or subareas) as illustrated below in Figure 4.

Within the PCC COM-2 district, the applicant proposes to replace existing non-conforming fences, such as chain-link fencing, with decorative fencing design and material at the existing hotel site. Thus, since the applicant does not propose to remodel or rehabilitate the existing hotel at the present time, no construction activity will occur within this district.

PCC Commercial-3 (PCC COM-3) – This land use district measures 0.73 net acres and is located north of and adjacent to PCC COM-2 and fronts on PCH, Indiana Avenue, and Mariposa Avenue. The existing Fairfield Inn and Suites hotel food and beverage building is located within this land use designation, which allows for hotel and several commercial uses.

Within the PCC COM-3 district, the applicant proposes to demolish the existing food and beverage building and replace it with a new 5-level parking structure for 215 parking spaces and construct 3,273 gross square feet of commercial space. The applicant also proposes to construct a dedicated right turn lane on the south side of Mariposa Avenue. The name for this component of the development project is “Fairfield Parking” and additional details of the proposed development concept within this district is provided below.

PCC Mixed-Use 2 (PCC MU-2) – Referred to as the North Site, this land use district measures 1.81 net acres and is the northernmost parcel in the project site and is located north of Mariposa Avenue, south of Palm Avenue, and west of PCH. The existing gas station and fast-food restaurant on this block are not part of the project site and are owned by different owners. This land use designation allows for residential and several commercial uses.

Within the PCC MU-2 district, the applicant proposes constructing 137 apartment units, 2,223 gross sf of commercial space, and a 6-level parking structure for 241 parking spaces. The applicant also proposes to develop six townhomes, with self-contained 2-car garages, on another parcel adjacent to Palm Avenue. The name for this component of the development project is “PCC-North,” and additional details of the proposed development concept within this district is provided below.

2) Specific Plan Design Guidelines

The proposed Design Guidelines are intended as guidelines and, thus, are not development regulations. Therefore, strict compliance is not required. The design guidelines apply only to new development within the Specific Plan area, are used as metrics to determine when and if future development is consistent with the intent of the Specific Plan, and cover the following 10 design areas:

- a) Site Planning
- b) Access and Parking

- c) Architecture/Orientation/Massing
- d) Color and Materials
- e) Screening and Mechanical Equipment
- f) Parking Structures
- g) Landscaping
- h) Walls and Fences
- i) Lighting Design
- j) Signage

3) Specific Plan Development Standards

The Development Standards section lists in detail the regulations in 11 areas. Strict compliance is required and would apply to new development, additions, and redevelopment within the Specific Plan area:

- a) Permitted Uses
- b) Development Standards
- c) Circulation
- d) Parking and Loading
- e) Landscaping
- f) Common Recreation Facilities/Open Space and Private Open Space
- g) Public Safety
- h) Signage
- i) Sustainability
- j) Enclosed and Unenclosed Uses
- k) Non-Conforming Uses and Buildings

4) Specific Plan Administration

The Administration section includes provisions for the following:

- a) Introduction
- b) Municipal Code References
- c) Modifications

community room, and private balconies for most units. The applicant also proposes private landscaping (ground cover and trees) along the outer edges of the built structure(s) as well as public street trees along the southern portion of PCH, Holly Avenue, and Indiana Street. Climbing fig plants will be added at certain locations along the parking structure facing Indiana Street.

Figure No. 6 – PCC-South Rendering



Fairfield Parking (PCC COM-3 District/Subarea): Bordered by PCH, Indiana Street, Mariposa Avenue, and the Aloft Hotel to the south, the proposed development includes a 5-level parking structure accommodating 215 parking spaces and 3,273 gross sf of commercial space as illustrated in Figure No. 7 below. The building will measure 49.75-feet in height as measured from lowest grade along PCH to top of parapet, and 54'-6" in height as measured from lowest grade along Indiana Street to top of parapet. The applicant also proposes a 2-level "green wall", along the parking structure facing Indiana Street. The new parking structure will serve the parking needs of both Aloft hotel and Fairfield Inn that are currently encumbered on another parcel. The new structure will also serve the parking needs of the commercial uses and guest parking for the residential uses.

Figure No. 7 – Fairfield Parking Rendering



PCC-North (PCC MU-2 District/Subarea): Encompassing the existing surface parking lot and fire lane in the area north of Mariposa Avenue generally bounded by Carl's Jr. and the 7-Eleven/Union 76 Gas Station, the proposed development includes a 6-story mixed-use building with 137 apartment units (120 market rate units and 17 affordable housing units), 2,223 gross sf of commercial space, and a 6-level parking structure containing 252 parking spaces as illustrated in Figure No. 8 below. The proposed building will be 74-feet in height as measured from lowest grade along Mariposa Avenue, and 72'-6" as measured from lowest grade along PCH to top of parapet.

Figure No. 8 – PCC North Rendering



Table No. 1 – Specific Plan and Project Development Intensity/Summary

Use	Units / Number of Parking Spaces	Conceptual Site Plan Building Area (in square feet)		Specific Plan Maximum Buildout Building Area (in square feet)		Parcel Square Footage	FAR	Dwelling Units per Acre
		Net Area	Gross Area	Net Area	Gross Area			
<i>New Development</i>								
<i>PCC Mixed Use-1 (PCC- South)</i>								
Multi-Family Residential	120 units	136,571	140,794	139,917	144,244	–	–	–
Commercial	–	5,583	5,756	5,583	5,756	–	–	–
Parking structure	336 spaces	–	–	–	–	–	–	–
PCC MU-1 Total		142,154	146,550	145,500	150,000	54,072	2.56	96.70
<i>PCC Commercial-3 (Fairfield Parking)</i>								
Commercial	–	3,175	3,273	3,175	3,273	–	–	–
Parking structure	215 spaces	–	–	–	–	–	–	–
Lobby	–	1,170	1,206	1,675	1,727	–	–	–
PCC COM-3 Total		4,345	4,479	4,850	5,000	32,254	0.16	–
<i>PCC Mixed-Use-2 (PCC – North)</i>								
Multi-Family Residential	137 units	159,062	163,472	167,754	172,433	66,241	–	90.07
Commercial		2,156	2,223	2,156	2,223		–	
Parking structure	241 spaces	–	–	–	–		–	
Townhomes	6 units	9,540	10,344	9,540	10,344	13,649		19.17
PCC MU-2 Total		170,758	176,039	179,450	185,000	79,890	2.25	77.97
Total Development Areas		317,257	327,068	329,800	340,000		–	–

As illustrated in the table above, the proposed project site plan complies with the residential density and overall floor area ratio (FAR) limits of the Specific Plan.

Subdivision (SUB 19-03). Construction of the proposed development requires consolidation and reconfiguration of the existing parcels on the subject property to ensure that the new buildings do not cross legal parcel lines. As a result, the applicant has submitted an application for a Vesting Tentative Tract Map (VTTM 82806).

The vesting tentative tract map reconfigures the existing 12 lots south of Mariposa Avenue and the 3 parcels (4 lots) north of Mariposa Avenue into six individual lots (one lot for each of the five land use designations plus one lot for the townhome portion of the site). The vesting tentative tract map will provide:

- One residential ground and airspace parcel for 120 apartment units and a maximum of ten airspace parcels for commercial condominiums on Lot 1 (i.e., PCC-South)
- Ground and airspace parcel for the parking structure and up to ten airspace parcels for commercial condominiums on Lot 4 (i.e., Fairfield Parking)
- One residential ground and airspace parcel for 137 apartment units and up to a maximum of 20 airspace parcels for commercial condominiums on Lot 5 (i.e., southern portion of PCC-North)
- Six residential condominiums (townhomes) on Lot 6 (northern portion of PCC-North)

The vesting tentative tract map currently depicts the legal lots without the street dedications required on Mariposa Avenue, Indiana Street, Holly Avenue and Palm Avenue. The dedications are required as conditions of approval and will be provided through irrevocable offers to dedicate land before the final tract map is recorded and/or buildings are occupied.

DISCUSSION:

General Plan Consistency

In considering the proposed project, the Planning Commission reviews components of each requested application and considers the merits of the project to make a recommendation for City Council's consideration. This will include recommending that the project is consistent with the General Plan. The project is consistent with the goals and policies in the Economic Development, Land Use, Circulation, Housing, Open Space and Recreation, Conservation, Noise, and Public Safety General Plan Elements. It will increase the City's tax base, provide a mixed-use and pedestrian friendly environment, provide need housing, make improvements to the street network, and it will comply with all applicable building safety, noise, and air quality/construction related regulations. A detailed analysis of the General Plan consistency can be found in the attached draft resolution (Attachment No. 1).

City Council Strategic Plan Consistency

The proposed Specific Plan is also consistent with City Council Strategic Plan Goal No. 5 to Champion Economic Development and Fiscal Sustainability. Specifically, the proposed Specific Plan addresses the Council's priority to "identify areas within the community that are appropriate for housing." PCH serves as a primary corridor through El Segundo. A range of business and services are complimented by residential units

- LA Metro Bus and Beach Cities Transit Bus lines that provide connections to nearby cities and to the LA Metro Green Line.
- LA Metro Green Line and Crenshaw Corridor Line. The nearest Green Line station to the PCC Specific Plan is half a mile away, at Mariposa and Nash. Once the Crenshaw Corridor project is completed (in 2022), it will connect the Green Line with the Expo Line and allow convenient transportation to Downtown Los Angeles and the West Los Angeles/Santa Monica area without using a car.

For the above reasons, the proposed PCC Specific Plan location meets the Council goal of identifying appropriate locations for housing.

Parking Discussion and Analysis

The applicant is providing enough on-site vehicular parking for the PCC project as required by ESMC Chapter 15-15 and the PCC Specific Plan. Based upon a parking demand study and shared parking analysis conducted by Fehr & Peers and peer-reviewed by Dudek, the City's consultant, the Specific Plan is requiring the mixed-use project to provide parking as described in Table No. 3 below.

Table No. 3: PCCSP Parking Requirements

Use/Unit Type	Minimum Number of Parking Spaces
Market Rate Units	
Studio	1.0
One-Bedroom	1.5
Two-Bedroom	2.0
Townhomes	2.0
Guest Parking	1/3 parking space per residential unit; may be shared with commercial uses; up to 5% of residential parking spaces within Specific Plan area may be shared with other uses.
Affordable Housing Units	
Studio	0.5
One-Bedroom	1.0
Two-Bedroom	1.5
Guest Parking	0.0
Non-Residential Uses	
Commercial, Restaurants, Hotel	Number of parking spaces to be determined by an approved parking demand study and shared use analysis

Compact Parking for Residential and Commercial Uses	Maximum of 20% of spaces
Tandem Parking for Residential Only	Maximum of 20% of spaces
Vehicle Lifts for Residential and Hotel Uses Only	Maximum of 10% of spaces

The PCC project provides 792 parking spaces within the three parking structures plus an additional 33 at-grade parking spaces on the Fairfield Inn and Suites site, 26 of which will remain after construction. Of the 792 parking spaces within the parking structures, the applicant is providing compact spaces and tandem spaces only in the PCC-North area (41 compact spaces, and 22 tandem spaces, which is less than the maximum allowed by the PCC Specific Plan and the ESMC). There are no compact spaces or tandem spaces in PCC-South and Fairfield Parking areas. Parking spaces for residential uses are reserved for the individual tenants, except for the 5% of residential spaces that may be shared with non-residential and guest parking. Residential parking within PCC-South and PCC-North meets the Specific Plan requirements as depicted in Table No. 4.

Table No. 4: Parking Compliance Analysis

Site	Use	Specific Plan Required Spaces	Parking Supply	Designated Residential Spaces
All Market Rate Units (257)				
PCC-South	<i>Hotel</i>	126*	336	165
	<i>Residential</i>	170		
	<i>Guest/Retail</i>	40*		
Fairfield Parking	<i>Hotel/Retail</i>	213*	215	0
PCC-North	<i>Residential</i>	194	241	189
	<i>Guest/Retail</i>	47*		
Total		790	792	354
225 Market Rate Units Plus 32 Affordable Units				
PCC-South	<i>Hotel</i>	126*	336	165
	<i>Residential</i>	140		
	<i>Guest/Retail</i>	35*		
Fairfield Parking	<i>Hotel/Retail</i>	213*	215	0

Table No. 5: Bicycle Parking

Site	Residential Use		Commercial Use	
	Code	Provided	Code	Provided
PCC-South	34	34	4	4
Fairfield Parking	0	0	4	4
PCC-North	24	24	4	4
Total	58	58	12	12
Aloft Hotel and Fairfield Inn & Suites			8*	8*

*These are existing bicycle spaces to be replaced as part of the development.

Bicycle parking for both residential and commercial uses are located on private property, with the exception of bicycle parking in the Fairfield Parking area where it is located in the public right-of-way, specifically on the public sidewalk adjacent to the store window. The applicant will be required to obtain an encroachment permit and enter into a maintenance agreement to place the commercial bicycle parking spaces in the public right-of-way.

In addition to the new residential and commercial bicycle parking spaces, the applicant is replacing 8 existing bicycle parking spaces located in front of the Fairfield banquet facility, which will be demolished in the first phase of construction. These 8 bicycle spaces will be used by hotel guests and employees and reallocated equally between the two hotel sites.

Landscape Plan Discussion and Analysis

The applicant has provided a conceptual Landscape Plan and Plant Palette (Attachment No. 5). A full set of Landscape and irrigation Plans will be developed prior to issuance of a building permit and is included as a Condition of Approval. Landscaping is provided in the street setback areas, the two central courtyards, around the parking structures, and within the two pool/roof decks. To provide a variety of sizes of landscaping, including trees that will quickly reach maturity, ESMC Section 15-2-14 requires the following minimum sizes for plant material:

Table No. 6 – Minimum Plant Material Sizes

Container Size	Required	Provided
Trees		
60" box	Not Required	4%
36" box	20%	62%
24" box	30%	34%
15 gallon	50%	-
Shrubs		
5 gallon	100%	100%

In lieu of providing the smaller 15-gallon trees, the applicant has proposed to meet the requirement with larger trees.

Generally, the interior of the site has limited landscaping, due to the compact nature of the development. The proposed landscaping consists primarily of medium size trees within street facing and interior setback areas between parcels within the Specific Plan and properties outside the Specific Plan.

One exception is a portion of the 15-foot setback between PCC North and the abutting residential properties to the west. Staff recommends and has included a condition of approval requiring the applicant to plant additional trees and other landscaping along the entire western setback area, with the tree species being subject to staff review and approval (see Site Plan Review discussion below).

Site Plan Review Discussion and Analysis

During project review, staff proposed several design modifications to the project; however, as part of the ongoing negotiation of the Development Agreement, these items were not included in the final development proposal in order to accomplish a financially feasible project, while providing the City's requested 12% affordable housing units. As such, staff recommends including certain conditions requiring non-structural design changes to further improve the project.

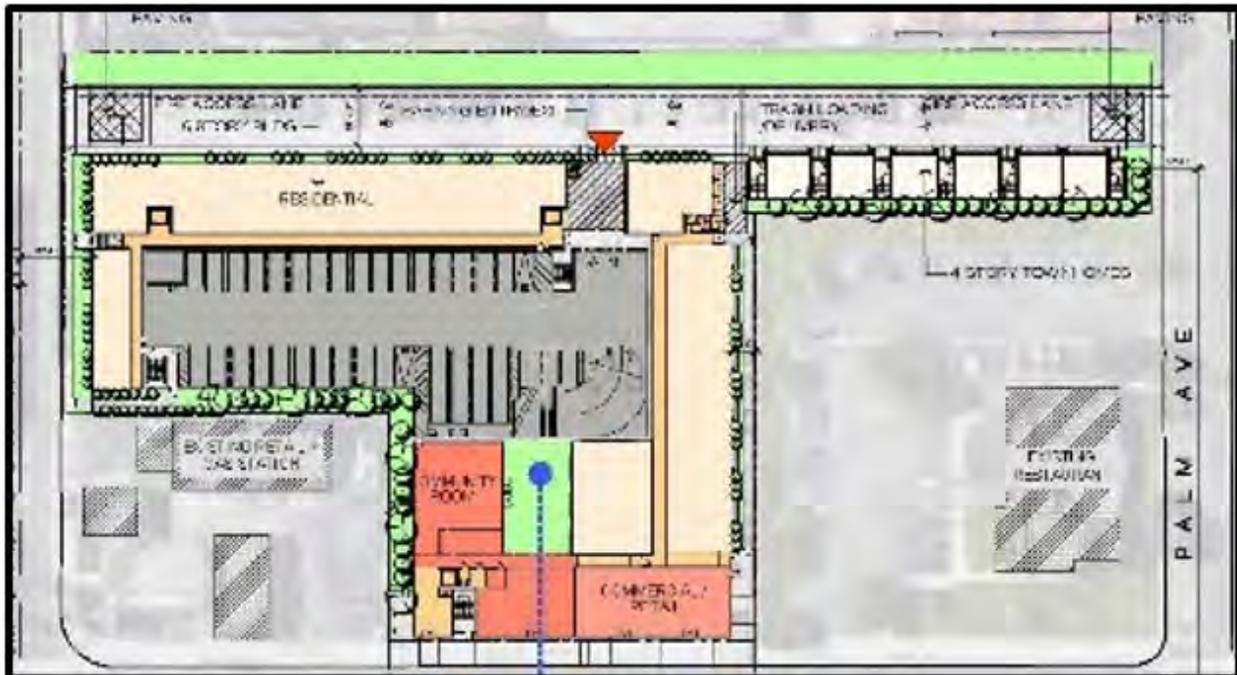
The following discussion is included to provide the Planning Commission a complete picture of the project review process and some concessions made to reach a draft agreement with the applicant. The discussion also highlights the major design modifications conceded during the review process and the minor design modifications recommended as conditions of approval.

PCC North and PCC South elevations:

The proposed elevations of both buildings provide a variety of colors and materials, as well as changes in building planes (step-backs) that provide visual relief from the ground level to the top of the structures. It is unclear from the plans how big those building plane variations are, because they are not fully dimensioned. Condition of approval No. 17 requires submittal of detailed, fully dimensioned drawings for Development Services Director review and approval clearly showing the extent of the building step-backs and various architectural elements. With adequate details on the plans, staff can better evaluate the buildings' architectural design features. Any changes to the design that staff requires would not substantially affect the overall design of the project. Further, this will ensure internal architectural consistency and compatibility.

PCC North and PCC South courtyards/plazas:

As mentioned in the site plan design guidelines discussion, the proposed mixed-use buildings do not include any courts or plazas along the PCH frontage that can serve as gathering spaces and encourage more pedestrian activity. Staff recommends that, at a



Townhome site layout:

The proposed six townhomes are arranged in a row north-to-south at the north end of the site. They have a very small ground floor footprint consisting only of a two-car garage space and a stairway leading to the upper floors. All garages are oriented west and take access directly off the firelane/access driveway that runs north-south between Palm Avenue and Mariposa Avenue. The firelane/access driveway does not have a sidewalk along this portion of the site, although there is a sidewalk adjacent to the apartment building directly south of this location.

To improve pedestrian mobility and add more landscaping along the access driveway, staff recommended a change to the townhome configuration. This would consist of reducing the number of townhomes to four and re-orienting the garages in a north-south direction so that they face each other. This would create more space between the townhome buildings and the fire lane to provide a sidewalk and landscaping, which would then extend from Mariposa Avenue all the way to Palm Avenue.

Staff does not recommend a substantial redesign of the project to re-orient or remove the townhomes. However, staff raised this issue during the project review process and development agreement negotiations to improve the project's design along the firelane without reducing the overall number of residential units.

Townhome Elevations:

The west elevations facing the firelane provide more variety in materials and building planes. This is partly because the garages, main entrances, and the balconies/decks on the upper levels are oriented toward the west. Staff believes that the east elevation should have a similar details and variety. Condition of approval No. 23 requires submittal of revised drawings for the townhome building that incorporate equal detail and variety in building planes and materials on all the elevations, subject to the Development Services Director review and approval that do not result in the loss of square footage. With additional architectural features, such as windows, balconies, etc., the east elevations will provide sufficient variety and interest without affecting the overall design substantially or structurally. Further, staff believes these features provide visual relief and minimize the apparent bulk and mass of the structure.

Figure No. 12 – Townhome Elevations



Additional Specific Plan Design Issues Considered

Circulation:

A potential improvement to the circulation within the Specific Plan area would be to extend Indiana Street from Mariposa Avenue to Palm Avenue as a public or a private street. The Specific Plan circulation plan currently contemplates a private access driveway/firelane at the same location with gates at either end restricting access only to the residential and commercial uses onsite. Removing the gates and adding a full-length sidewalk along this

to address them, including any potential implication on project design or impact to the number of affordable housing units, prior to making a decision on the project or including additional conditions when formulating a recommendation to City Council.

Dedications and Waiver Request

Chapter 24A of the Municipal Code requires certain right of way dedications in order for streets around the project site to meet the minimum standards in the Circulation Element of the General Plan. The required dedications based on the Circulation Element and the proposed dedications for the project are described in Table No. 7 below.

Table No. 7 – Required Dedications and Waiver Requests

Street Segment	Required Dedication	Requested Waiver	Net Proposed Dedication
Holly Avenue (North)	7 feet	0 feet	7 feet
Indiana Street (East)	7 feet	3 feet	4 feet*
Mariposa Avenue (South)	7 feet	3 feet	4-12 feet**
Mariposa Avenue (North)	7 feet	0 feet	7 feet
Palm Avenue (South)	12 feet	0 feet	12 feet

*Along Indiana Street, dedications are required only along the property frontage where new construction will occur (Fairfield Parking and PCC South Sites). No dedication is required along the existing hotel properties' frontage.

**The dedication width along the south side of Mariposa Avenue varies to accommodate the width of a proposed right-turn lane.

In accordance with ESMC Chapter 24A, the applicant has submitted a request to partially waive the dedications on two street segments, along Mariposa Avenue (South) and Indiana Street (East). After reviewing the requested waivers, the Public Works Director determined that the necessary findings can be made to approve the request. Specifically, even with the reduced dedications, both Indiana Street and Mariposa Avenue will maintain the minimum necessary width for emergency vehicle access and normal two-way operations, as well as maintain the minimum required public sidewalk widths. As a result, staff recommends that the Planning Commission recommend approval of the proposed dedication waivers to City Council. A more detailed discussion of the findings is provided in the attached draft resolution (Attachment No. 1).

Right Turn Lane:

The proposed project includes construction of a dedicated right-turn lane on eastbound Mariposa Avenue to southbound PCH. As a result, the east bound lanes of Mariposa Avenue at PCH would be reconfigured from one left-turn lane and one through-right lane, to one left-turn, one through, and one right-turn lane. The proposed right-turn lane is 10 feet wide and approximately 50 feet long (at full width) with a gradual (60-foot) taper. Based on the traffic analysis for the project, inclusion of the proposed right-turn lane will improve the operation and traffic flow at the Mariposa Avenue/PCH intersection.

Modifications to hotel CUP approvals

In 2014, the Planning Commission approved a Subdivision (SUB 14-05) to combine the underlying Hacienda Hotel site into two parcels to allow the Hacienda Hotel to be split into two hotels and remodeled. It also approved two conditional use permits (CUP 14-01 and CUP 14-02) to regulate the alcohol sales and service at each of the hotels. Resolutions Nos. 2759 and 2760 regulating the alcohol sales and service at each hotel also contain unrelated conditions regarding:

- a. Subdivision No. SUB 14-05;
- b. Off-site parking for the two hotels;
- c. A lot-tie covenant between the Fairfield hotel site and the parking lot north of Mariposa Avenue; and
- d. Construction conditions related to the 2014 remodel.

All these conditions (a-d) will be superseded with the approval of the proposed Pacific Coast Commons project, which contains conditions regarding sharing of access and parking between the proposed lots in the Specific Plan area. However, the existing CUPs and conditions regarding the alcohol sales and service need to remain in place. As a result, staff recommends that the Planning Commission approve resolutions Nos. 2906 and 2907 recommending City Council approve modifications to the existing CUPs to retain only those conditions related to the alcohol sales and service at each hotel.

Development Agreement Discussion and Analysis

City staff and applicant negotiated the attached Development Agreement to stipulate and to clarify the benefits, which each party is providing towards the completion and on-going implementation and maintenance of the PCC project. The term of the Development Agreement is 15 years and provides for an annual monitoring and reporting of good faith performance by both parties.

The Development Agreement stipulates that the applicant shall comply with this Agreement, and all Project approvals and EIR mitigation measures. The items contained in the Development Agreement are in addition to the code-required project development.

The applicant is providing the following additional development improvements, which are not required in either the City's General Plan, Zoning Ordinance, or PCC Specific Plan, and are considered to be of benefit to the community. The applicant is providing the following items as contained in the Development Agreement:

- **Affordable Housing:** The applicant agrees to provide 32 units of affordable housing for 55 years and to pay for an independent affordable housing consultant to monitor the implementation of the affordable housing program. The Affordable

Table No. 8 – Housing Element RHNA allocation

Income Category	5 th Cycle Carryover	6 th Cycle RHNA	Total RHNA	Percent
Very Low Income	18	189	207	39.7%
Low Income	11	88	99	19.0%
Moderate Income	0	84	84	6.1%
Above Moderate Income	0	131	131	25.1%
Total	29	492	521	100.0%

The above RHNA obligation for the 2021-2029 period is seven times larger than that for the previous planning period (2013-2021). As a result, finding an adequate number of potential housing locations in the City and incentivizing and/or requiring the construction of affordable units is imperative. The PCC project offers an opportunity for the City to make significant progress towards meeting its RHNA obligations. The 32 affordable units agreed to in the Development Agreement will meet a significant proportion of the City’s RHNA obligations in the low and very low-income categories. As part of the development agreement, the applicant will record two affordable housing agreements, one for each housing site (PCC South and PCC North). The two affordable housing agreements are attached to this report as Development Agreement Exhibits D1 and D2. Each agreement defines the affordability requirements, requires the affordable housing units to be equitably distributed throughout the two residential sites, provides the minimum number and type of apartment unit for each income category (summarized in Table No. 9 below), and identifies the annual monitoring requirements and reporting methodology.

Table No. 9 – Affordable Unit Types and Income Levels

Housing Site	Type of Unit	Affordable Housing Units (Sub-Set of Total)		Affordability Levels
		PCC South		
PCC South	Studios	44	9	1 Very Low/8 Low
	One Bedrooms	52	5	5 Low
	Two Bedrooms	24	1	1 Low
	Subtotals	120	15	1 Very Low/14 Low
PCC North	Studios	47	9	2 Very Low/7 Low
	One Bedrooms	67	6	6 Low
	Two Bedrooms	23	2	2 Low
	Subtotals	137	17	2 Very Low/15 Low
	Totals	257	32	3 Very Low/29 Low

Development Feasibility Analysis

The Development Agreement negotiations were informed by the findings of a Development Feasibility Analysis conducted by Keyser Marston Associates (KMA), the City's economic/financial consultant for this project. KMA based their analysis on construction pro forma information provided by the applicant, their own expertise in public and private real estate development, and market information on current rents and sales prices for real estate. For their analysis KMA also assumed that 10% (or 26) of the proposed residential units would have rents restricted at levels affordable to households with low incomes. The purpose of the analysis was to help determine whether the project would be financially feasible if it incorporates a certain percentage of affordable units and to what extent the City could gain additional benefits through the Development Agreement. KMA's analysis indicates that with 10% of the residential units set aside for low income households, the proposed development is feasible, but that there is little ability to negotiate for additional benefits to the City.

Fiscal Impact Analysis

In addition to the Development Feasibility Analysis, KMA peer reviewed a Fiscal Impact Analysis prepared by Stanley Hoffman Associates (SHA), a consultant retained by the applicant. The purpose of the Fiscal Impact Analysis was to determine the impact of the proposed project on the City budget through a comparison of the anticipated annual City revenues (taxes, service charges, etc.) with the anticipated annual City costs for services (Police, Fire, Recreation, etc.) from the project. KMA peer-reviewed the Fiscal Impact Analysis and agreed with its estimate that the proposed development would have a net negative impact on the City budget of \$127,631 annually. For contextual purposes, KMA indicated to staff that residential developments generally tend to have a more negative fiscal impact for cities compared to commercial developments.

ENVIRONMENTAL REVIEW

Notice of Preparation

Pursuant to the requirements of the California Environmental Quality Act (CEQA) and based on staff's review of the project and discussion with the applicant, City staff concluded that the project necessitated the preparation of an EIR. As such, on May 26, 2020, the City distributed a Notice of Preparation (NOP) for an EIR, initiating a 30-day public scoping period that concluded on June 25, 2020. The purpose of the NOP was to indicate formally that the City was preparing a Draft EIR for the PCC Project and, as Lead Agency, to solicit input regarding the scope and content of the Draft EIR. The City held a public scoping session on June 10, 2020 to provide the public with an opportunity to learn more about the PCC Project before submitting any written comments. The NOP was distributed to all Responsible Agencies, as well as other agencies; property owners and occupants within a 300-foot radius from the subject property, plus additional occupants of properties immediately east of Independence Park between Holly Avenue

Statement of Facts and Findings: The Statement of Facts and Findings identifies the significant impacts, presents facts supporting the conclusions reached in the analysis, makes one or more of the following three findings for each impact, and explains the reasoning behind the City's findings. The possible findings are as follows:

1. Changes or alteration have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.
2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
3. Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained works, make infeasible the mitigation measures or project alternatives identified in the Final EIR.

The attached Exhibit "4", titled "Findings of Fact and Statement of Overriding Considerations" provides draft findings for each of the impacts identified and provides the necessary supporting evidence. In summary, staff believes that Finding No. 3 can be adopted because:

- a. The proposed project would maintain the existing hotel uses while providing for a mixed-use multiple-family and commercial neighborhood.
- b. The proposed project would provide additional housing opportunities that support the goals of the Housing Element of the City's General Plan.
- c. The proposed project would improve the jobs/housing balance in the City of El Segundo, help address the regional housing shortage, and support and retain existing businesses by providing needed housing for employees.
- d. The proposed project would enhance bicycle and vehicular circulation through roadway intersection improvements that facilitate a safe and walkable community along PCH.
- e. The proposed project would eliminate surface parking lots and provide parking garages that allow for sharing among hotel, commercial, and residential land uses.
- f. The proposed project would reduce single-occupancy vehicle use by providing a mix of land uses in walkable proximity to the Metro C Line and the City's downtown.

Based upon the mitigation measures identified in the EIR document, this finding can be made and adopted.

Statement of Overriding Considerations: The Statement of Overriding Considerations is required when a project will cause an unavoidable significant impact that cannot be mitigated. The EIR prepared for the proposed project identifies potentially significant environmental impacts within one issue area related to Air Quality, which cannot be fully mitigated and is therefore considered significant and unavoidable. Specifically, in regards to Air Quality, the proposed project would conflict with the region's Air Quality Management Plan (AQMP) population and housing estimates. The project site is located within the South Coast Air Basin (SCAB), which is under the jurisdiction of the South Coast Air Quality Management District (SCAQMD). SCAQMD administers the Air Quality Management Plan for the region which relies on population growth estimates in the Final SCAG 2016 RTP/SCS for the 2012-2040 period. Using population and housing estimates from the California Department of Finance, the City has a household size of 2.35 persons per household (DOF 2020). Assuming a household size of 2.35 persons per household, the proposed Project's residential units would accommodate 618 individuals upon its anticipated full occupancy in 2025. Considering the population growth anticipated in the 2016 RTP/SCS of 600 individuals within the City between 2012 and 2040, the proposed Project would result in a population growth in the City that would exceed the growth assumptions in the 2016 RTP/SCS, and would thereby exceed the population growth assumptions in the AQMP. There are no feasible mitigation measures for population growth. As a result, for the purposes of CEQA analysis, the proposed Specific Plan will have a significant and unavoidable impact with regard to AQ.

As a result, a Statement of Overriding Considerations must be adopted, (ultimately, by the City Council for this project). In adopting a Statement of Overriding Considerations, Staff believes that the following finding can be made:

The proposed project's benefits outweigh the significant and unavoidable impacts and, therefore, those impacts are acceptable in light of the proposed project's benefits. Each of the following benefits is an overriding consideration, independent of the other benefits, that warrants approval of the proposed project notwithstanding the proposed project's significant and unavoidable impacts related to air quality. The proposed project would provide several public benefits, including, without limitation, the following:

1. The Project is consistent with the City's housing strategy to facilitate the development of affordable housing units and meet its Regional Housing Needs Allocation (RHNA).
2. The Project will physically improve two underutilized parking lots and a vacant 41,660 square-foot food and beverage building and replace them with 263 much needed housing units as well as 11,252 square feet of retail, service and restaurant uses to serve the neighboring residents and businesses.
3. The Project make land dedications and several improvements in the public right-of-way that will improve vehicular, bicycle, and pedestrian circulation in the area, including:

- 1) Legal firm Mitchell M. Tsai representing Southwest Regional Council of Carpenters (“Southwest Carpenters” or “SWRCC”) and
- 2) Legal firm Lozeau Drury, LLP representing Supporters Alliance For Environmental Responsibility (“SAFER”).

Due to the extent and substantive nature of the comments, the Planning Commission -at staff’s recommendation- continued the item to a date uncertain to give staff adequate time to review and respond to the comments. Prior to continuing the item, the Planning Commission also received oral testimony from several residents and interested parties who attended the December 9, 2021 meeting. The written correspondence, a summary of the oral testimony received, as well as responses to each of the comments, are attached as Exhibit No. 11.

Further, since the December 9, 2021 meeting, staff has received correspondence from residents expressing general concern on issues such as parking (during and after construction), traffic, and construction noise that are addressed in this report and the EIR. That written correspondence is attached as Exhibit No. 10.

ADDITIONAL INFORMATION:

Specific Plan Public Outreach/Participation

When the applicant initially approached staff with a development concept in 2019, staff suggested the applicant commence rigorous public outreach efforts due to the number of residential properties and neighborhoods that abut and are in close proximity to the specific plan area. Staff suggested the applicant also take a proactive approach to engage with the community, listen to their issues and concerns, and work with them to create a development project that is sensitive to those abutting communities. In response, the applicant conducted a community-wide open house meeting at the Fairfield Inn & Suites hotel and a virtual community meeting via Zoom. These meetings were advertised by sending individual mailers to residents living within 300’ of the specific plan boundaries and was further extended to the residents living west of the Freedom Park along Washington Street. The two meetings were attended by at least 56 participants. City staff also attended these two meetings to observe and note the feedback provided by the community. Generally, the feedback consisted of questions/concerns regarding traffic, parking, height, noise, and air quality impacts from the project’s construction and operation. The applicant also presented the project to four local community service organizations, including the Chamber of Commerce, El Segundo Kiwanis Club, El Segundo Rotary Club, and the El Segundo Unified School District Board. City staff were not present at these additional meetings/presentations. Information concerning the project, including renderings and plans, was also posted on the City’s website and the applicant’s website. The Specific Plan was posted on the website and copies were available for public review at the Development Services Department.

ORIGINATED BY: Paul Samaras, AICP, Principal Planner ^{AS}
REVIEWED BY: Eduardo Schonborn, AICP, Planning Manager ^{EAS}
APPROVED BY: Michael Allen, AICP, Director of Development Services ^{MA}

ATTACHED DOCUMENTS

1. Planning Commission Resolution No. 2905
 - Exhibit A – Conditions of Approval
 - Exhibit B – Ordinance
 - Ord. Exhibit A – Zoning Map Changes
 - Ord. Exhibit B – Pacific Coast Commons Specific Plan
 - Ord. Exhibit C – Development Agreement
 - Exhibit C – Amendment to General Plan Land Use Designations
 - Exhibit D – Amendment to General Plan Land Use Plan Northwest Quadrant subsection
 - Exhibit E – Amendment to 1992 General Plan Summary of Existing Trends Build-out
 - Exhibit F – Amendment to General Plan Land Use Map
 - Exhibit G – Vesting Tentative Map (VTM) No. 82806
 - Exhibit H – Parking Demand Study and Shared Parking Analysis
 - Exhibit I – Street Dedication Map
2. Pacific Coast Commons Specific Plan Environmental Impact Report (State Clearinghouse Document # 2020050508)
3. Mitigation Monitoring and Reporting Program
4. Environmental Findings of Fact and Statement of Overriding Considerations
5. Planning Commission Resolution No. 2906
 - Exhibit A – Conditions of Approval
6. Planning Commission Resolution No. 2907
 - Exhibit A – Conditions of Approval
7. Proposed Development Plans
8. Financial Feasibility Analysis
9. Fiscal Impact Analysis
10. Public communications
11. Responses to written comments and oral testimony received on December 8 and 9, 2021.



Pacific Coast Commons Specific Project Plans

The Project Plans for this project can be found at the following link:

<https://www.elsegundo.org/home/showpublisheddocument/5152/637825208793571608>

FEBRUARY 2022



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Public Hearings

Item Number: C.15

TITLE:

Smoky Hollow Specific Plan Amendment and Standard Works Creative Office Project at 1475 East El Segundo Boulevard and 1320 East Franklin Street

RECOMMENDATION:

1. Adopt a resolution adopting an Initial Study/Mitigate Negative Declaration (IS/MND).
2. Waive first reading and introduce an ordinance approving an amendment to the Smoky Hollow Specific Plan (SHSP) No. 21-02.
3. Adopt a resolution approving Environmental Assessment (EA) No. 1281, Community Benefit Plan (CBP) No. 19-02, Master Sign Program (MSP) 21-01 and Site Plan Review (SPR) No. 21-03 for a 44,604 square foot addition at 1475 East El Segundo Boulevard, resulting in a 63,915 square foot, three-story building with a maximum height of 59'-6" as measured from average grade to the top of the building.
4. Adopt a resolution approving Environmental Assessment (EA) No. 1282, Community Benefit Plan (CBP) No. 19-03, Master Sign Program (MSP) 21-01, and Site Plan Review (SPR) No. 21-04, a 44,802 square foot addition and a new pavilion building to serve the neighborhood with a café and gathering point at the entry of a new public park accessible by the public at 1320-1330 East Franklin Avenue, resulting in a 65,061 square foot, three-story building with a maximum height of 59'-6" as measured from average grade to the top of the building.

FISCAL IMPACT:

There are no fiscal impacts associated with approval of the proposed specific plan amendment or the proposed Standard Works Development project. Community Benefits Analysis Reports (prepared by Kosmont Companies, a financial consultant) for both sites show that the Project is expected to generate economic and community benefits in excess of the Project's value. Further, the reports indicate that the Project will provide

SHSP Amendment and Standard Works Creative Office Project

March 15, 2022

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certain fiscal and economic benefits such as: contributions to the General Fund including an increase in annual taxes, an increase in annual retail sales, and an increase in annual sales and business license fees further described below.

BACKGROUND:

Introduction

The proposed amendment to the Smoky Hollow Specific Plan (SHSP) and Standard Works Creative Office Project includes a community benefits plan to facilitate development of approximately 90,000 square feet of creative office at the project site resulting in two, 59'-6" high buildings. The associated environmental documents and all project applications were initially reviewed by the Planning Commission on February 10, 2022, at which time the Commission adopted resolutions (attached) recommending that City Council approve the Mitigated Negative Declaration for the Project; approve an amendment to the SHSP; and, approve the associated entitlement applications and community benefits plan to facilitate development of the associated Standard Works Creative Office Project. This item is a quasi-judicial decision in which the City Council is being asked to consider the Planning Commission's recommendation.

Planning Commission Recommendation

On February, 10, 2022, the Planning Commission reviewed all project components (i.e. architecture, design, lighting and signage, access, parking and loading, landscaping, and Community Benefits Plans) in consideration of the required findings associated with the General Plan, Smoky Hollow Specific Plan, and Site Plan Review, as outlined in the attached Planning Commission staff report, dated February 10, 2022. While the Planning Commission expressed overall support for both projects and ultimately recommended approval on a 5-0 vote, the Commission's discussion focused on the size of the proposed sub-area where the maximum structure height would increase to 59'-6" feet with approval of a Community Benefits Plan. The sub-area presented to the Commission included an area bounded by Center Street on the west, El Segundo Boulevard on the south, Pacific Coast Highway on the east, and East Franklin Avenue on the north. Specifically, the Commission expressed concerns with the sub-area boundaries and questioned whether the proposed sub-area is too large of an area to allow structures up to 59'-6" feet with approval of a Community Benefits Plan.

The Commission considered the existing areas abutting the proposed sub-area, including the perceived heights of existing structures, topography, parcel sizes, and proximity to residential uses. After discussion, the Planning Commission supported a reduction of the sub-area to modify the westerly boundary to be Oregon Street instead of Center Street, as illustrated in Figure 1 below. The Commission indicated that reducing the sub-area made it more appropriately sized for the SHSP area, and that the smaller lot sizes along the Center Street and Nevada Street blocks were not appropriate for additional height greater than what the SHSP already allows. With the

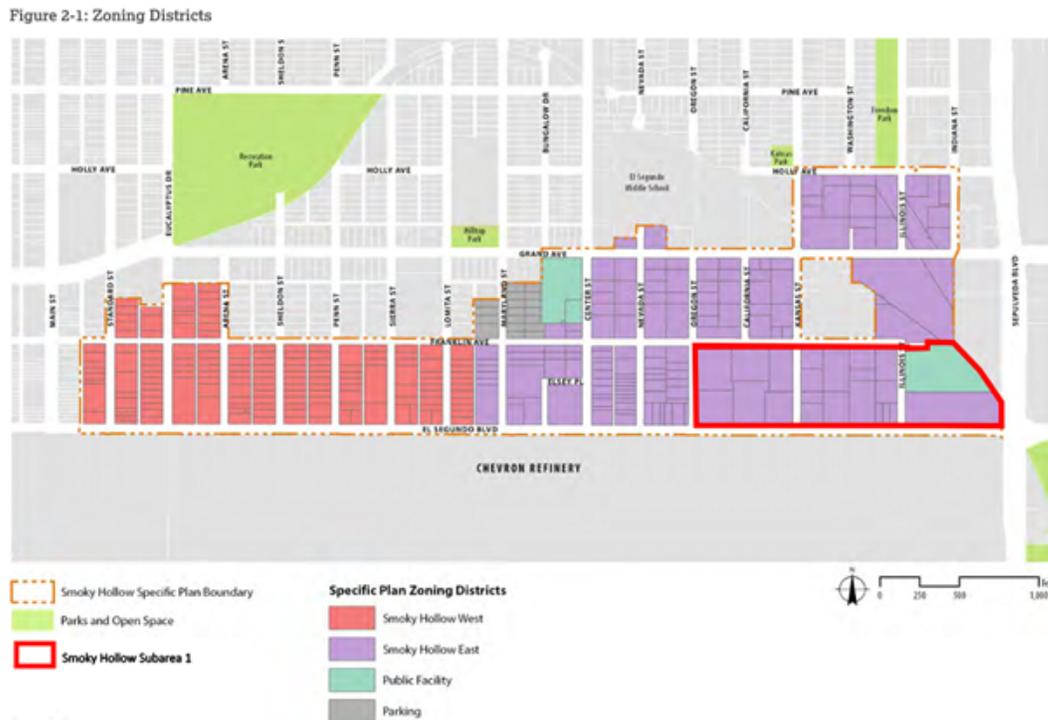
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Commission's recommendation to Council, the area of Center Street to Oregon Street between East Franklin Avenue and East El Segundo Boulevard is eliminated from the proposed sub-area boundaries.

Figure 1 - Proposed SHSP Sub-area



Concurrently, the Planning Commission reviewed the proposed development of the Standard Works site, which includes redeveloping two adjacent sites (identified as a South Site and a North Site). The South Site (located at 1475 East El Segundo Boulevard) includes a 44,604 square foot two-story addition to an existing one-story brick building, resulting in a 63,915 square foot (FAR = 1.45) three-story building with an overall height of 59'-6". The North Site (on a 1.07-acre portion of a 4.34-acre property at 1320-1330 East Franklin Avenue) includes a 44,802 square foot two-story addition to an existing one-story brick building, resulting in a 65,061 square foot (FAR = 0.95) three-story building with an overall height of 59'-6"; a new 766 square foot coffee pavilion with a maximum height of 23'-8"; and, a new 5,000-square foot public outdoor park with park seating, picnic tables, shade trees and landscaping.

Although the Planning Commission typically makes decisions on Mitigated Negative Declarations, and discretionary entitlement applications such as Site Plan Reviews, the proposed project includes a specific plan amendment and community benefits plan. Consequently, the Planning Commission's role in reviewing the project is advisory

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when concurrent with a related specific plan amendment and community benefits plan. Accordingly, the Planning Commission's role was to consider the project and make a recommendation to the City Council on the entire application package. The Planning Commission recommends approval of the projects with a recommendation to decrease the proposed boundaries of the sub-area.

DISCUSSION:

Project Description

The proposed development project requires the processing of the following applications:

- Environmental Assessment Nos. EA-1281/EA-1282 for an Initial Study/Mitigated Negative Declaration of environmental impacts resulting from project implementation;
- Specific Plan Amendment No. 21-01 amending the Smoky Hollow Specific Plan (SHSP) by creating a sub-area within the specific plan area where the maximum structure height of up to 60-feet may be allowed through a Community Benefits Plan and discretionary review;
- Site Plan Review Nos. SPR 21-03 and SPR 21-04 to allow substantial additions totaling approximately 90,000 square feet to two buildings at the project site, resulting in 59'-6" high structures, in accordance with the amended SHSP;
- Community Benefits Plan Nos. 19-02 and 19-03 to provide certain community benefits in exchange for allowing deviations from height and floor area ratio (FAR) from base development standards, in accordance with the amended SHSP;
- Master Sign Program No. 21-01 to approve signage for the Standard Works development site; and
- Offsite Parking Covenant.

Smoky Hollow Specific Plan Amendment

The SHSP currently allows CBP Tier II level qualifying projects to deviate from the SHSP base development standards. The current criteria for CBP Tier II projects are listed in SHSP Section 2.3.2, "Development Tiers and Community Benefits." In summary, CBP Tier II projects may allow for:

1. Building height deviation up to 50 feet;

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2. Floor Area Ratio (FAR) > 1.5;
3. Three or more deviations to standards (one of which is height or FAR) that exceed the minor deviation threshold (10%) allowed by SHSP Section 4.5.1, "Administrative Adjustment".

The proposed amendment to Tier II CBP applicable projects in the designated sub-area of the Smoky Hollow East (SH-E) zoning district will be to the permitted height as follows (added text underlined):

1. Building height deviation up to 50 feet except for the designated Sub-area of the Smoky Hollow East (SH-E) zoning district, which will have a height deviation of up to 60 feet;

With the Planning Commission amendment, a new sub-area will be designated (bounded by Oregon Street, El Segundo Boulevard, Pacific Coast Highway, and East Franklin Avenue) El Segundo where the maximum allowable height will increase to 60-feet with approval of a CBP, which allows the applicant the opportunity to move forward with a request for CBP approval to allow development at the Standard Works project site that will result in two, three-story buildings with a maximum height of 59'-6". The proposed development concept is summarized below.

Community Benefits Plan

Projects within the SHSP area can request deviations from current development standards with approval of a Tier I or Tier II CBP. The proposed building heights of 59'-6" on both project sites exceed the SHSP Base Standard height of 35 feet; while the proposed 1.5 floor area ratio (FAR) (an additional 21,983 square feet) on the South Site exceeds the SHSP Base Standard FAR of 1.0. Therefore, City Council approval of a CBP is required.

In exchange for the above deviations allowed by Tier II CBP, the applicant proposes the following community benefits and improvements, at the applicant's expense, pursuant to Smoky Hollow Specific Plan Section 4.5.2:

- Underground utilities (all electric power and low voltage phone and data lines) currently serve the buildings on the North and South Sites;
- Architectural public seating along the sidewalk area within the public right-of-way (ROW) facing E. Franklin Avenue and Kansas Street;
- Coffee Pavilion/Public Café on the North Site, including an associated outdoor dining area immediately adjacent to the E Franklin sidewalk to active the street and provide a convenient break location for local neighbors;

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- A landscaped pocket park/open space area measuring 5,000 square feet serves as a focal point of the Project and of the surrounding area;
- Architecture that enhances building character;
- Open space that facilitates gathering; and
- Landscaping and environmental design.

Full details and specifics are described in the attached Planning Commission report dated February 10, 2022.

Development Concept

At 1475 East El Segundo Boulevard (South Site), a 44,604 square foot two-story addition is proposed to an existing one-story brick building, which results in a 63,915 square foot (FAR = 1.45) three-story building with an overall height of 59'-6". As illustrated in Figure 2 below, the building incorporates elements that maintain the industrial style of the immediate vicinity and incorporates architectural elements for a 360-degree design. Specifically, the ground floor of the building will retain the existing brick and provide appropriately scaled pedestrian orientation including an easily identified front entrance, transparent window openings, downward facing light sconce fixtures, and a juxtaposition of building wall planes and materials. The upper floors incorporate CMU block wall treatments along with large window openings, a second-floor wrap around roof deck, and a third-floor balcony along the western half of the third floor, facing El Segundo Boulevard.

Figure 2 - El Segundo Boulevard Elevation, South Site

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On a 1.07-acre portion of a 4.34-acre property at 1320-1330 East Franklin Avenue (North Site), a 44,802 square foot two-story addition is proposed to an existing one-story brick building, resulting in a 65,061 square foot (FAR = 0.95) three-story building with an overall height of 59'-6"; a new 766 square foot coffee pavilion with a maximum height of 23'-8". As illustrated in Figure 3 below, the proposed building incorporates elements that maintain the industrial style of the immediate vicinity and incorporates architectural elements for a 360-degree design. Specifically, the ground floor of the building retains the existing brick with 6 larger window openings and a transparent prominent front entrance facing Franklin Avenue. The upper floors incorporate CMU block wall treatments along with large window openings as well on all elevations of the building. Overall, the ground floor front elevation provides 43% transparency into the building, which exceeds the minimum 15% requirement. Along the ground floor elevations, eight period wall sconce lighting fixtures are provided, wrapping the building and incorporated on all 4 sides of the building as shown on the project plans.

Figure 3 - Franklin Avenue Elevation, North Site

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Additional details and specifics of the development concept may be found in the attached February 10, 2022 Planning Commission staff report.

Analysis

SHSP Amendment

The proposed Specific Plan Amendment amends the text of the SHSP Tier II Community Benefit Plan to allow buildings up to 59'-6" feet high in a newly created Smoky Hollow Sub-area 1 of the SHSP. The proposed Smoky Hollow Sub-area 1 was identified within the SHSP area to provide a transitional area between residential neighborhoods to the north and the multi-story buildings in the immediate vicinity, including taller buildings farther east of the area along PCH, and the Chevron refinery structures to the south, which features a change in topography.

As the applicant proposes to retain the existing historic building on the first floor, additional height is required to provide the desired 3-story structure. Therefore, the proposed Specific Plan Amendment is necessary and will be entirely consistent with the Smoky Hollow Design Guidelines for enhancing building character, such as conveying a sense of old and new, building upon the existing context, conserving and retaining character-defining features, encouraging additions that differentiate and are secondary to the bulk and mass of existing buildings, and encouraging 360-degree architecture.

Community Benefits Plan

The SHSP contains 32 design guidelines in five categories: building character, open

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space, landscaping, connectivity, signage and public art. When reviewing a proposed CBP, the City must consider the project's compliance with these design guidelines. Although compliance with all 32 design guidelines is not required, compliance with at least 17 of the guidelines is required to be considered an exemplary project. The proposed Project incorporates 28 of the 32 design guidelines, far exceeding the minimum threshold for exemplary projects. In exchange for the above deviations allowed by Tier II CBP, the applicant proposes community benefits and improvements at the applicant's expense.

Kosmont Companies was retained by City staff to conduct an independent evaluation of the proposed CBP. Kosmont reviewed the Project development application, site plan, floor plans, building design, and community benefit proposal, and determined that the combined value of each building component (architectural enhancements, open space that facilitates gathering, landscaping and environmental design, wayfinding & signage, undergrounding utilities, and the addition of a coffee kiosk) results in a combined marginal cost increase of approximately \$4.07 million for the North Site, and \$3.52 million for the south site. These community benefit items add value to the Project by making it more attractive to tenants, while also providing exemplary design and services to the larger Smoky Hollow area and the public at large. The attached Community Benefits Analysis Reports for both sites assess how the Project is expected to generate economic and community benefits in excess of the Project's value. Further, the Kosmont reports indicate that the Project will provide certain fiscal and economic benefits such as: contributions to the General Fund including an increase in annual taxes, an increase in annual retail sales, and an increase in annual sales and business license fees.

Development Concept

Per ESMC 15-30-1, a Site Plan Review is required to confirm that the proposed Project is in conformance with the standards of the El Segundo Municipal Code including uses, density, approved FAR, and design guidelines. Both the South Site and the North Site have been evaluated for compliance, which is illustrated in the tables below for each site.

Site Plan Review SPR 21-03 (1457 East El Segundo Boulevard)

Standard	Compliance
Architecture/Design:	
-360 degree design	Yes: 360 degree design incorporated
-Building Transparency	Yes: Appropriate transparency incorporated
-Change in Materials	Yes: Variety of materials and architectural elements incorporated
-Lighting	Yes: Fixtures on all four sides and compatible with building design
-Identifiable Entrance	Yes: Prominent and transparent front entrance incorporated
Parking:	Yes: 42 on-site, 123 in new garage at 1310 E. Franklin

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	Avenue (parking covenant required)
Open Space/Landscaping:	
-10% required for lots greater than 22,400 square feet (4,397 required)	Yes: Project provides a total of 10,408 square feet (5,937 sf courtyard/park)
-Rooftop	Yes: Project incorporates 6,808 of open space/landscaping on the rooftop

Site Plan Review SPR 21-04–North Site (1320 & 1330 Franklin Avenue)

Standard	Compliance
Architecture/Design:	
-360 degree design	Yes: 360 degree design incorporated
-Building Transparency of 15%	Yes: 43% transparency incorporated
-Change in Materials	Yes: Variety of materials and architectural elements incorporated
-Lighting	Yes: Fixtures on all four sides and compatible with building design
-Identifiable Entrance	Yes: Prominent and transparent front entrance incorporated
Parking:	Yes: 38 on-site, 130 in new garage at 1310 E. Franklin Avenue
Open Space/Landscaping:	
-10% required for lots greater than 22,400 square feet	Yes: Project provides 11,847 square feet (5,937 sf courtyard/park)
-Rooftop	Yes: Project incorporates 5,910 of open space/landscaping on the rooftop

Planning Commission Review and Recommendation

During the Planning Commission’s review of the project and the various entitlement applications, the Planning Commission recommended reducing the boundaries of the proposed sub-area as illustrated in Figure 1 above. The Commission also determined that the proposed community benefits are sufficient to allow deviations from the SHSP development guidelines, and that the proposed development is compatible with the area and with the SHSP goal of preserving the character of Smoky Hollow. As detailed in the attached February 10, 2022 staff report to the Planning Commission, staff and the Planning Commission believe that the necessary findings can be made to approve the projects. Staff and the Planning Commission recommend approval of the specific plan amendment, the community benefits plan, and the associated development projects.

Environmental Review

Pursuant to the requirements of the California Environmental Quality Act (CEQA) an Initial Study and Negative Declaration was prepared for the Smoky Hollow Specific Plan Amendment and development project and found the project impacts to be less

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than significant, as reflected in the proposed resolution.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

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

PREPARED BY:

Eduardo Schonborn, AICP, Planning Manager

REVIEWED BY:

Michael Allen, AICP, Development Services Director

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance approving Smoky Hollow Specific Plan Amendment
2. Resolution Approving ISMND
3. Resolution Approving North Site Development
4. Resolution Approving South Site Development
5. Planning Commission Staff Report, dated February 10, 2022 (without attachments)
6. Kosmont Report, analysis of 1320 E Franklin (North Site)
7. Kosmont Report, analysis of 1475 E El Segundo (South Site)
8. Link to the Initial Study/Mitigated Negative Declaration
9. Proposed Development Plans (North)
10. Proposed Development Plans (South)
11. Master Sign Program

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING SPECIFIC PLAN AMENDMENT NO. 21-02 TO MODIFY PORTIONS OF THE SMOKY HOLLOW SPECIFIC PLAN TO ALLOW FOR INCREASED BUILDING HEIGHTS WITHIN A DESIGNATED SUBAREA OF THE SMOKY HOLLOW SPECIFIC PLAN AREA SUBJECT TO THE APPROVAL OF A TIER II COMMUNITY BENEFITS PLAN

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

SECTION 1: Recitals. The Council finds and declares as follows:

- A. On August 31, 2020, Mark Telesz of Smoky Hollow Industries, LLC, filed an application for amendment to the Smoky Hollow Specific Plan (SPA) 21-02.
- B. The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq.*, the "CEQA Guidelines");
- C. An Initial Study / Mitigated Negative Declaration (IS/MND) was prepared pursuant to the requirements of CEQA and the CEQA Guidelines;
- D. The Development Services Department completed its review and noticed a public hearing regarding the application before the Planning Commission for January 27, 2022
- E. On January 27, 2022, at the applicant's request, the Planning Commission continued the hearing to its regularly scheduled meeting on February 10, 2022.
- F. On February 10, 2022, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including, without limitation, information provided to the Planning Commission by city staff, and adopted Resolution No. 2913 recommending that the City Council approve the proposed Specific Plan Amendment with a recommendation to decrease the boundaries of the Designated Subarea by moving the eastern boundary to the west, from Center Street to Oregon Street;
- G. On March 15, 2022, the City Council held a duly-noticed public hearing and considered public testimony, the information provided by City staff, and all other evidence in the administrative record regarding this 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 March 15, 2022 hearing and the staff report submitted by the Development Services Department.

SECTION 2: Factual Findings and Conclusions. The City Council finds as follows:

- A. The Smoky Hollow Specific Plan (hereinafter, the “Specific Plan” or “SHSP”) covers approximately 120 acres located in the northwest quadrant of the City, generally bounded by Standard Street to the west, El Segundo Boulevard to the south, Pacific Coast Highway to the east and Grand Avenue to the north;
- B. The proposed amendment to the Specific Plan would amend the development standards to increase the maximum permissible height of buildings within a designated subarea of the SHSP Area from 50 feet to 60 feet. Specifically, the amendment would modify the height development standard for Tier II Community Benefit Plan qualifying projects within an approximate 20.9-acre area located in the Smoky Hollow East and Public Facility zoning districts bounded by Oregon Street to the west, E. Franklin Avenue to the north, Pacific Coast Highway [formerly Sepulveda Blvd.] to the east, and E. El Segundo Blvd. the south.

SECTION 3: Specific Plan and General Plan Consistency Findings. Based on the information in the staff report and in the administrative record as a whole, the City Council hereby finds that the proposed amendment to the Smoky Hollow Specific Plan will further the goals, policies and objectives of the General Plan and will not obstruct their attainment. More specifically:

- A. The proposed Specific Plan Amendment would make relatively minor changes to the SHSP, allowing for buildings up to 60 feet (an increase of 10 feet above the current maximum height of 50 feet) within a 20.9-acre subarea of the SHSP, subject to the approval of a Tier II Community Benefits Plan (a discretionary approval). The proposed Specific Plan Amendment would be consistent with the existing Smoky Hollow Design Guidelines for enhancing building character such as conveying a sense of old and new, building upon the existing context, conserving and retaining character defining features, encouraging additions that differentiate and are secondary to the bulk and mass of existing buildings, and encouraging 360-degree architecture.
- B. The Specific Plan Amendment will provide additional flexibility and options for advancing the goals and objectives of the Specific Plan itself, particularly for projects that propose to maintain the existing character of the area by preserve portions of existing buildings.

- C. The proposed amendment to the SHSP will directly advance the following objectives and policies of the General Plan:

Economic Development Element

Objective ED1-2: Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

The proposed amendment is consistent with the General Plan's Economic Development Element and directly implements and furthers the General Plan's goals, objectives and policies above because it promotes economic development, job creation, and improves the City's tax base through inclusion of office, and research and development land uses within the Smoky Hollow Specific Plan area.

Land Use Element

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

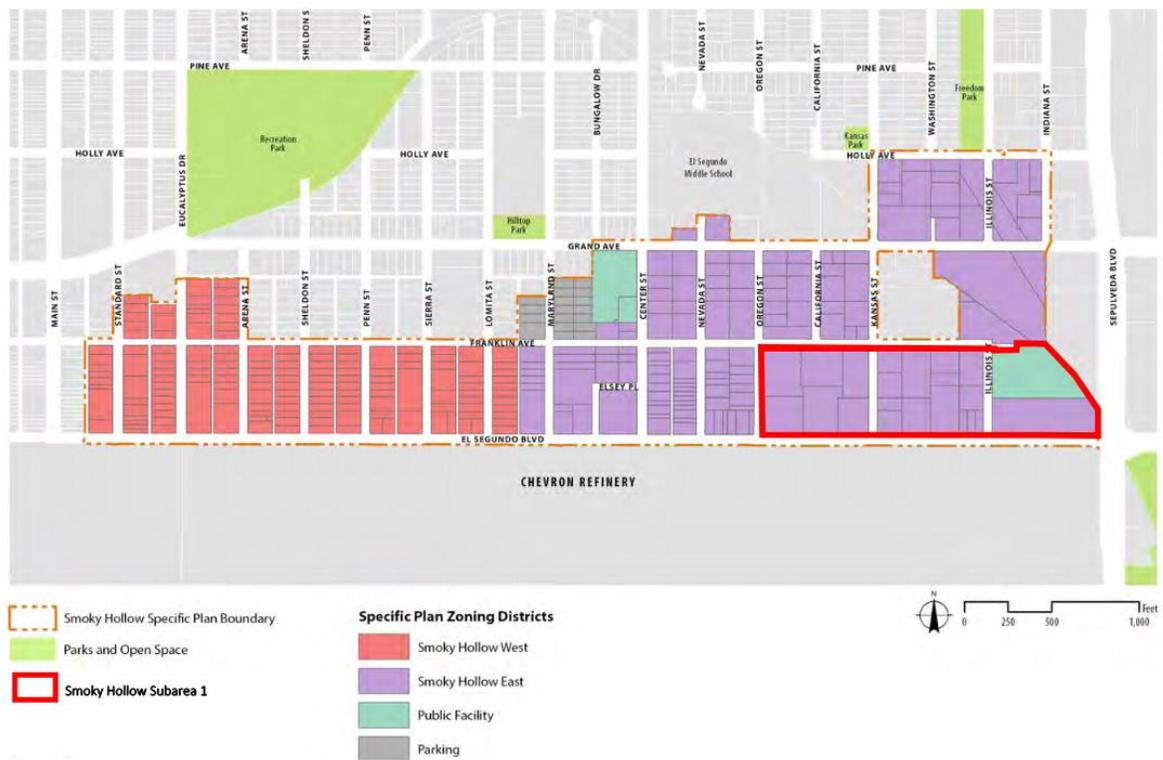
- D. The proposed amendment is consistent with the General Plan's Land Use Element and directly implements and furthers the General Plan's goals, objectives and policies above because the proposed 10 feet height increase would not detract from or create an impediment to the intent and implementation of the Smoky Hollow Specific Plan. By allowing the additional height, in conjunction with a Community Benefits Plan as required, the additional height will allow more flexibility in the design of new buildings and help promote the retention of the existing buildings to be incorporated into the design of substantial additions. Each new building would be evaluated on its own merit to ensure high quality design and for compatibility with its surroundings. The allowance of the additional height would also promote new uses and building into the context of the overall Smoky Hollow Specific Plan area and will introduce new architectural styles, enliven the area, and create positive direct and indirect economic impacts consistent with Objective LU4-4.

SECTION 4: Environmental Assessment. An Initial Study/Mitigated Negative (IS/MND) Declaration has been prepared to analyze the potential environmental effects of the

proposed Specific Plan Amendment. On February 10, 2022, the Planning Commission adopted Resolution No. 2912 recommending that the City Council approve the IS/MND. Prior to taking action on this Ordinance, the City Council adopted Resolution No. _____ approving the IS/MND and the corresponding Mitigation Monitoring and Reporting Program. The findings and conclusions of Resolution No. _____ are incorporated herein as though fully set forth.

SECTION 5: Figure 2-1 (Zoning Districts) of the SHSP is superseded and replaced with the revised Figure 2-1 below, which indicates the boundary of the newly-created Smoky Hollow Subarea 1 bounded on the west by Oregon Street, E. Franklin Ave to the north, Pacific Coast Highway (PCH) [formerly Sepulveda Blvd.] to the east, and E. El Segundo Blvd. to the south.

Figure 2-1: Zoning Districts



Section 6: The first paragraph of SHSP Section 2.3.2 (Development Tiers and Community Benefits) is hereby amended to delete the final sentence. The resulting paragraph reads as follows:

“The base development standards listed in Table 2-2 represent the minimum project requirements. New development that proposes to exceed the base standard for height, density, or any other development standard

beyond the minor deviation threshold allowed by Section 4.5.1 Administrative Adjustment shall in return provide community benefits that enhance Smoky Hollow’s character and experience.”

Section 7: Table 2-2 (Building Intensity and Height Standards by Zoning District) is superseded and replaced with the revised Table 2-2 set forth below, which adds development standards for the newly-created Smoky Hollow Subarea 1.

Table 2-2: Building Intensity and Height Standards by Zoning District

Development Standard		Smoky Hollow West	Smoky Hollow East	Smoky Hollow Subarea 1	Parking
A. FAR Standards					
1. Allowable Gross Floor Area Ratio (FAR) ¹	Base Standard	0.75	1.0		0.15 ²
	Community Benefits Tier I ³	1.5			N/A
	Community Benefits Tier II ³	>1.5			N/A
B. Height Standards					
1. Maximum Building Height	Base Standard	35 ft			
	Community Benefits Tier II ³	50 ft		60 ft ⁴	50 ft
2. Parapet Height		May exceed maximum building height by 5 ft			
Notes: sf = square feet; ft = feet 1. FAR shall be calculated using gross floor area of structures, as defined in Appendix A. 2. FAR in the P zone is applicable only to non-parking facility uses. 3. See 4.5.2: Community Benefits Plan. 4. See Figure 2-1: Zoning Districts for Subarea delineation.					

Section 8: Table 2-6 (Parking Standards by Zoning District) is superseded and replaced with the revised Table 2-6 below, which replaces the reference to the “2016 California Green Building Standards Code” in subsection H.4 (Bicycle Parking) with a reference to “the most current California Green Building Standards Code.”

Table 2-6: Parking Standards by Zoning District

Development Standard	Smoky Hollow West	Smoky Hollow East	Parking
H. Private Parking Standards			
1. New Construction and Change of Occupancy ¹	2.5 spaces per 1,000 sf gross floor area. Shall be on-site, off-site per covenanted agreement, or addressed through payment of in-lieu fees, per ESMC Section 15-15-6D.		
2. Additions to Buildings	2.5 spaces per 1,000 sf gross floor area (addition only). Shall be on-site, off-site per covenanted agreement, or addressed through payment of in-lieu fees, per ESMC Section 15-15-6D.		
3. Tandem Parking	Tandem spaces shall have a maximum length of 40 feet (parking for 2 vehicles maximum).		
4. Bicycle Parking ²	<p>Consistent with Section 5106.4 of the most current California Green Building Standards Code:</p> <p>New projects anticipated to generate visitor traffic shall provide one 2-bike capacity rack for 5% of new visitor motorized vehicle parking spaces being added, with a minimum of one 2-bike capacity rack. Additions or alterations that add 9 or fewer visitor vehicle parking spaces are excluded.</p> <p>New buildings with 10 or more tenant-occupants or additions or alterations that add 10 or more tenant vehicle parking spaces shall provide secure bicycle parking for 5% of the tenant vehicle parking spaces being added, with a minimum of one secure bicycle parking space. Acceptable parking facilities shall be convenient from the street and shall meet one of the following:</p> <ul style="list-style-type: none"> a. Covered, lockable enclosures with permanently anchored racks for bicycles; b. Lockable bicycle rooms with permanently anchored racks; or c. Lockable, permanently anchored bicycle lockers. 		
5. Other Parking Area Development Standards ¹	Refer to ESMC Sections 15-15-1 through 15-15-5.		
<p>Notes:</p> <ol style="list-style-type: none"> 1. Parking requirements in the Parking Zoning District apply only to non-parking uses. 2. Bicycle parking standards shall apply to new construction, additions, and alterations, but shall not apply to change of occupancy or use. 			

Section 9: Table 4-1 (Community Benefits Plan) of Section 4.5.2 of SHSP is superseded and replaced with the revised Table 4-1 below, which modifies the “Applicable Projects” and “Findings” columns for Tier II Community Benefits to indicate that a building height deviation of up to 60 feet is available within the newly-added SHSP Subarea 1.

Table 4-1: Community Benefits Plan

Community Benefits Tiers	Review/Approval Authority	Applicable Projects	Findings
Community Benefits Tier I	Planning Commission	Projects that include any of the following components shall be considered under the Tier I review process: <ul style="list-style-type: none"> A. FAR deviation up to 1.5 B. One or more deviations to standards that exceed the minor deviation threshold (10%) allowed by Section 4.5.1 Administrative Adjustment 	A Community Benefits Plan for Tier I may be approved if the following findings are made: <ul style="list-style-type: none"> A. The proposed additional building intensity or deviation from development standards would not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity; and B. The proposed community benefit provides exemplary project and/or streetscape design; and C. The proposed community benefit directly implements objectives of the Specific Plan.
Community Benefits Tier II	City Council	Projects that include any of the following components shall be considered under the Tier II review process: <ul style="list-style-type: none"> A. Building height deviation up to 50 feet (or 60 feet in Subarea 1 as delineated in Figure 2-1, Zoning Districts) B. FAR > 1.5 C. Three or more deviations to standards that exceed the minor deviation threshold (10%) allowed by Section 4.5.1 Administrative Adjustment 	A Community Benefits Plan for Tier II may be approved if the following findings are made: <ul style="list-style-type: none"> A. All findings in Tier I; and B. The proposed additional building height, intensity, or deviation from development standards would not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity; C. The value of the community benefits bear a relationship to the value generated by the project; and D. The community benefits proposed do not principally benefit the project or occupants of the project, but rather provide a district or area-wide benefit to the larger Smoky Hollow Plan area.

SECTION 10: A complete copy of the Smoky Hollow Specific Plan as amended herein is attached hereto as Exhibit A.

SECTION 11: 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 12: ENFORCEABILITY. Repeal of any provision of the SHSP 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 13: 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 SHSP or other city ordinance by this Ordinance will be rendered void and cause such previous SHSP provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 14: 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 15: 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 a summary thereof to be published or posted in accordance with California law.

SECTION 16: This Ordinance shall take effect 30 days after its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2022.

Drew Boyles, Mayor

APPROVED AS TO FORM:

By: _____
Mark D. Hensley, City Attorney

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:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

RESOLUTION NO. _____

**A RESOLUTION APPROVING AN INITIAL STUDY/MITIGATED
NEGATIVE DECLARATION (EA-1281/EA-1282) AND MITIGATION
MONITORING AND REPORTING PROGRAM FOR ENVIRONMENTAL
ASSESSMENT NOS. EA-1281 AND EA-1282 REGARDING AN
AMENDMENT TO THE SMOKY HOLLOW SPECIFIC PLAN AND THE
DEVELOPMENT OF A MULTI-PARCEL OFFICE CAMPUS ON
PROPERTY LOCATED AT 1320-1330 E. FRANKLIN AVENUE AND 1475
E. EL SEGUNDO BOULEVARD**

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

SECTION 1: Recitals. The City Council finds:

- A. On October 2, 2018, the El Segundo City Council adopted Ordinance No. 1573, certifying a Final Environmental Impact Report (EA-1011) for the Smoky Hollow Specific Plan (State Clearinghouse No. 2017031071) (the “SHSP EIR”) and a corresponding Mitigation Monitoring and Reporting Program. The Smoky Hollow Specific Plan area allows for 517,094 square feet of building area for office, commercial, and industrial uses, among other things. The SHSP EIR concluded that there were potential impacts on biological resources, cultural resources, and transportation that would require mitigation in connection with future development projects. Applicable mitigation measures adopted for the SHSP EIR are referenced here and incorporated into Exhibit A.
- B. On August 31, 2020, Mark Telesz of Smoky Hollow Industries, LLC filed applications for amendment to the Smoky Hollow Specific Plan (SPA) No. 21-02 ; Community Benefit Plan (CBP) No. 19-02, Site Plan Review (SPR) No. 21-03, and Environmental Assessment (EA) No. 1281 for a Tier II Community Benefits Plan and Site Plan Review of the proposed South Site of the Standard Works project at 1475 E. El Segundo Blvd.; CBP No. 19-03, Site Plan Review (SPR) No. 21-04, and Environmental Assessment (EA) No. 1282 for a Tier II Community Benefits Plan and Site Plan Review of the proposed North Site of the Standard Works project at 1320-1330 E. Franklin Ave.; Master Sign Program (MSP) 21-01; for development a multi-parcel office campus totaling approximately 128,976 square feet, surface parking lots, publicly accessible open space, and a public coffee shop/kiosk on a total 5.35 acres (hereinafter, the “Project” or “Standard Works Project”).
- C. Approval of the proposed Project is a subsequent discretionary action in furtherance of the SHSP and requires amendments to the SHSP.
- D. The applications have been reviewed by the City’s Development Services Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code (“ESMC”) and the SHSP.
- E. The Development Services Department commissioned MIG, Inc. to evaluate the environmental impact of the proposed Standard Works Project and amendments to

the SHSP in light of the standards for subsequent environmental review outlined in Public Resources Code section 21166 and California Environmental Quality Act (“CEQA”) Guidelines section 15162. Based on MIG’s evaluation of the potential environmental impacts of the proposed modifications to the SHSP project, an IS/MND was prepared pursuant to CEQA Guidelines section 15162.

- F. The IS/MND was circulated for public review/comment from December 15, 2021 through January 14, 2022. Only one comment letter (Caltrans) was received during the public review period.
- G. The Project was presented to the Planning Commission at a duly-noticed public hearing on January 27, 2022. The Planning Commission continued the hearing, at the request of the applicant, to February 10, 2022.
- H. On February 10, 2022, the Planning Commission held a continued public hearing to receive public testimony and other evidence regarding the proposed amendments, including, without limitation, information provided to the Planning Commission by City staff and public testimony.
- I. After the close of the public hearing on February 10, 2022, the Planning Commission voted to recommend that the City Council adopt the initial study/mitigated negative declaration for the Standard Works Project, together with the mitigation monitoring and reporting program.
- J. This Resolution and its findings are made based upon the totality of the evidence in the administrative record before the City Council at its March 15, 2022 public hearing.

SECTION 2: Findings. The City Council finds as follows:

- A. The IS/MND was presented to and considered by the City Council at a duly-noticed public hearing held on March 15, 2022.
- B. The Project involves both legislative and quasi-judicial components. The legislative component consists of an amendment to the Smoky Hollow Specific Plan (SHSP) that would increase by ten feet (from 50 feet to 60 feet) the maximum permissible height of structures within a designated subarea of the SHSP Area. The subarea in which the increased height would potentially be available is generally bounded by Oregon Street on the west, El Segundo Boulevard on the south, Franklin Avenue on the north, and Sepulveda Boulevard on the east. The additional ten feet of building height within the subarea could be allowed only in connection with the approval of a Tier II Community Benefits Plan pursuant to the SHSP. The quasi-judicial components of the Project include Community Benefit Plan (CBP) No. 19-02, Site Plan Review (SPR) No. 21-03, and Environmental Assessment (EA) No. 1281 for a Tier II Community Benefits Plan and Site Plan Review of the proposed South Site of the Standard Works Project at 1475 E. El Segundo Blvd.; CBP No. 19-03, Site Plan Review (SPR) No. 21-04, and Environmental Assessment (EA)

No. 1282 for a Tier II Community Benefits Plan and Site Plan Review of the proposed North Site of the Standard Works Project at 1320-1330 E. Franklin Ave.; and Master Sign Program (MSP) 21-01.

- C. The proposed project for the South Site would develop a 1.01-acre property located at 1475 E. El Segundo Boulevard. The existing 19,311 square-foot, one-story brick building on the site would be preserved with two new levels totaling 44,604 square feet added above it. This would result in a total floor area of 63,915 square feet (FAR=1.45) for R&D and office use. The new three-story building would have a maximum height of 59 feet and 6 inches from the average grade to the top of the building.
- D. The proposed project for the North Site would develop a 1.07-acre portion of a 4.4-acre property located at 1320-1330 E. Franklin Avenue. The existing 19,493 square-foot, one-story brick building located at 1330 E. Franklin Avenue would be preserved and two levels totaling 44,802 square feet would be added above it. In addition, a new, two-story pavilion building would be constructed and would include a public café. This would result in a total of 65,061 square feet of floor area for the North Site (FAR=0.95), including 64,295 square feet for R&D and office use and 766 square feet for the pavilion building. The three-story main building would have a maximum height of 59 feet and 6 inches from the average grade to the top of the building. The pavilion building will reach a maximum height of 23 feet and 8 inches. The South Site will also include construction of a new 5,000 square-foot public outdoor park with park seating, picnic tables, shade trees and landscaping.
- E. The City of El Segundo is the lead agency for the Project. The IS/MND was prepared for the Project in compliance with the requirements of CEQA and the CEQA Guidelines and is adequate and appropriate for the City's use as the lead agency.
- F. The Project will either have no impacts or less than significant impacts in the following areas: Aesthetics, Agriculture and Forestry Resources, Air Quality, Energy, Hydrology/Water Quality, Land Use/Planning, Mineral Resources, Noise, Population/Housing, Public Services, Recreation, Utilities/Service Systems, and Wildfire.
- G. Areas of concern were noted as potentially significant if not mitigated. Mitigation measures have been incorporated into the IS/MND and will be imposed of the Project through the City's adoption of a Mitigation Monitoring and Reporting Program ("MMRP") in compliance with CEQA Guideline 15074(d). These mitigation measures, several of which are carried over from the SHSP EIR, are imposed to address potential environmental effects with respect to: Biological Resources, Cultural Resources, Geology/Soils, Greenhouse Gas Emissions, Hazards & Hazardous Materials, Transportation, and Tribal Cultural Resources. With the implementation of this mitigation, all potential environmental effects will be reduced to a less than significant level. The MMRP is attached to this Resolution as Exhibit B and incorporated herein.

- H. The mitigation measures set forth in the MMRP are specific and enforceable. The MMRP adequately describes implementation procedures, monitoring responsibility, reporting actions, compliance schedules, and verification of compliance in order to ensure that the Project complies with the adopted mitigation measures.
- I. The mitigation measures contained in the MMRP will also be imposed as enforceable conditions of approval. All mitigation measures are capable of being fully implemented by the Project applicant.
- J. All Conditions and Mitigation Measures identified in the SHSP EIR (EA-1011), on file with the State of California (SCH No. 2017031071), remain in full force and effect.
- K. Pursuant to CEQA, the City Council has independently reviewed the Initial Study/Mitigated Negative Declaration together with all comments received regarding the Mitigated Negative Declaration and, based on the whole record before it, finds that the Mitigated Negative Declaration was prepared in compliance with CEQA and the CEQA Guidelines, that there is no substantial evidence that the Project will have a significant effect on the environment with the incorporation of mitigation, and the Mitigated Negative Declaration reflects the independent judgment and analysis of City Council. Accordingly, based upon the evidence presented to the City Council, the City need not prepare an environmental impact report for the proposed Project.

SECTION 3: Action. Based on the foregoing findings and the evidence in the administrative record as a whole, the City Council hereby approves and adopts the initial study/mitigated negative declaration for the Standard Works Project, together with the mitigation monitoring and reporting program.

SECTION 4: Reliance on Record. Each and every one of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 5: Severability. If any part of this Resolution 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 Resolutions are severable.

SECTION 6: 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 7: 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 8: Effective Date. This Resolution will take effect immediately.

SECTION 9: City Clerk Direction. 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, APPROVED 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 Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, attested to by the City Clerk of said City, all at a regular meeting of said Council hold 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 COUNCIL RESOLUTION NO. _____

Exhibit A

Summary of Mitigation Measures Draft Initial Study/MND

**denotes mitigation measure carried over from the Smoky Hollow Specific Plan EIR*

Biological Resources

BIO MM 7-1* To avoid impacts to nesting birds, construction activities and construction noise should occur outside the avian nesting season (prior to February 1 or after September 1). If construction and construction noise occurs within the avian nesting season (during the period from February 1 to September 1), areas within 100 feet of a development site shall be thoroughly surveyed for the presence of nests by a qualified biologist no more than five days before commencement of any vegetation removal. If it is determined that the Project Site is occupied by nesting birds covered under the Migratory Bird Treaty Act, mitigation measure 7-2 shall apply.

BIO MM 7-2* If pre-construction nesting bird surveys result in the location of active nests, no grading, vegetation removal, or heavy equipment activity shall take place within an appropriate setback from occupied nests as determined by a qualified biologist. Protective measures (e.g., established setbacks) shall be required to ensure compliance with the Migratory Bird Treaty Act and California Fish and Game Code requirements. The qualified biologist shall serve as a construction monitor during those periods when construction activities occur near active nest areas to ensure that no inadvertent impacts occur. A report of the findings, prepared by a qualified biologist, shall be submitted to the CDFW prior to construction-related activities that have the potential to disturb any active nests during the nesting season.

Cultural Resources

CUL MM 8-2* Prior to the commencement of grading or demolition of subsurface structures, a professional archaeologist who meets U.S. Secretary of the Interior's Professional Qualifications and Standards, shall conduct a brief archaeological and paleontological informational session for construction personnel. The training session may consist of an in-person meeting or a written handout describing: (1) how to identify archaeological and paleontological resources that may be encountered during earth-moving activities and (2) the procedures to be followed in such an event, including contact information for the appropriate entities if archaeological or paleontological resources are discovered.

CUL MM 8-3* In the event that archaeological or paleontological resources are unearthed during ground-disturbing activities, the ground-disturbing activities shall be halted or diverted away from the vicinity of the find so that the find can be evaluated. A buffer area of at least 50 feet shall be established around the find, where construction activities will not be allowed to continue until a

qualified archaeologist or paleontologist has examined the newly discovered artifact(s) and has evaluated the area of the find. Work shall be allowed to continue outside the buffer area. If the archaeologist identifies the find as a tribal cultural resource or suspects it to be a tribal cultural resource, the City will contact the Native American Heritage Commission (NAHC) to report the discovery, and will contact local Native American tribal representatives as directed by the NAHC. Should the newly discovered artifact(s) be determined to be a tribal cultural resource, Native American construction monitoring will be initiated. The City shall coordinate with the archaeologist and tribal representative(s) to develop an appropriate treatment plan for the resources.

CUL MM 8-4 If human remains are uncovered during Project grading, work must be halted in the immediate area of the find and the County Coroner notified in accordance with Health and Safety Code Section 7050.5. The Coroner must then determine whether the remains are of forensic interest. If the Coroner, with the aid of a supervising archaeologist, determines that the remains are or appear to be of a Native American, they must contact the Native American Heritage Commission for further investigations and proper recovery of such remains, if necessary. Further, pursuant to Public Resource Code Section 5097.98(b) remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the County Coroner determines the remains to be Native American, the Native American Heritage Commission shall be contacted within the period specified by law (24 hours). Subsequently, the Native American Heritage Commission shall identify the "most likely descendant". The most likely descendant shall then make recommendations and engage in consultation concerning the treatment of the remains as provided in Public Resources Code Section 5097.98. Human remains from other ethnic/cultural groups with recognized historical associations to the area shall also be subject to consultation between appropriate representatives from that group and the local jurisdiction/lead agency involved. This measure shall be implemented to the satisfaction of the City Planning Department.

Geology and Soils

MM GEO-1 Prior to issuance of any grading or building permits, the applicant shall demonstrate that all improvements and construction-related activities comply with the recommendations outlined in the Project geotechnical report (CWI 2017). This measure applies to all potential geologic and soil constraints that could affect one or both sites, including but not limited to seismic ground failure, strong seismic shaking, differential settlement, liquefaction, lateral spreading, and subsidence, and landslides/slope stability as appropriate. This measure shall be implemented to the satisfaction of the City Engineer.

Greenhouse Gas Emissions

EECAP 4.1 * *Encourage or Require Energy Efficiency Standards Exceeding Title 24.* This

measure will develop City staff to be resources in encouraging and implementing energy efficiency beyond that required by current Title 24 Standards.

EECAP 5.2* *Promote Water Efficiency Standards Exceeding SB X7-7.* In addition to SB X7-7, more actions are being studied or have been taken to exceed water efficiency standards. These efforts include education and outreach practices that could be combined with residential and commercial EECAP actions that emphasize the reuse of recycled/gray water and promote harvesting rainwater.

Hazards and Hazardous Materials

MM HAZ-1 Prior to issuance of a Certificate of Occupancy for the North Site (1330 E. Franklin Street), the applicant shall remove and properly decommission the vertical and lateral well network of the former vapor extraction system including abandonment of any groundwater monitoring wells and semi-permanent vapor probes on the property. This measure shall be implemented to the satisfaction of the City with input and regulatory oversight and written signoff by DTSC.

MM HAZ-2 Prior to issuance of a grading permit for the North Site (1330 E. Franklin Street), the applicant shall prepare and process a Soils Management Plan through the state Department of Toxic Substances Control (DTSC) for review and approval. Prior to issuance of a building permit, the applicant shall provide written confirmation from DTSC to the City that the Soil Management Plan has been implemented as approved.

MM HAZ-3 Prior to issuance of any demolition or building permits for South Site (1475 E. El Segundo Boulevard) or North Site (1330 E. Franklin Street), the applicant shall identify and effectively remediate any asbestos-containing materials (ACMs) associated with the onsite buildings. This remediation may be accomplished by either in-place encapsulation or removal as appropriate. The applicant shall retain a qualified asbestos contractor to conduct this work and shall provide the City with a final report within 45 days of completion of all remediation activities, including appropriate documentation of disposal of any onsite ACMs at an approved landfill. This measure shall be implemented to the satisfaction of the City Planning Department.

Transportation (VMT)

MM VMT-1 Unbundle Parking Cost. This measure implements workplace parking pricing and unbundles the cost of parking from the lease. The Project shall include parking in the access-controlled parking structure. The property owner shall include language in the lease agreement which provides reduced lease rates if parking is not required by the tenant. The developer shall implement a monthly cost for parking spaces by charging a parking fee per access card. The range of VMT reduction from this measure is between 2.6% and 13%. **Based on the calculations, a \$50 per month/employee parking cost will result in a VMT reduction of 5.1%.**

- MM VMT-2 Parking Management Strategies.** Strategies to encourage efficiency in parking facilities and improve the quality of service to parking users results in reduction of VMT. This includes signage and directions, providing preferential carpool/vanpool parking spaces closer to the building entrance to and from the destination, etc. This encourages carpooling/vanpooling and also reduces the amount of time patrons drive around to find the best parking area to minimize walking. **The maximum reduction from this measure is 3%.**
- MM VMT-3 Mandatory Travel Behavior Change Program, Promotions & Marketing.** This involves the development of a travel behavior change program that targets individuals' attitudes, goals, and travel behaviors, educating participants on the impacts of their travel choices and the opportunities to alter their habits. The project shall provide a web site that allows employees to research other modes of transportation for commuting. If a website is planned for the development, links to Google Transit, and/or local bus operators should be provided on the website. If a website is not planned, QR Codes could be provided in the parking structure and the building lobbies to enable users an easy way to access information about transit routes. **The maximum reduction due to this measure is 1%.**
- MM VMT-4 Implement Commute Trip Reduction Marketing.** This involves the use of marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive educational and promotional materials. The project shall implement marketing strategies to reduce commute trips. The project will implement marketing strategies to reduce commute trips. Information sharing and marketing are important components to successful commute trip reduction strategies. Implementing commute trip reduction strategies without a complementary marketing strategy will result in lower VMT reductions. Marketing strategies may include new employee orientation of trip reduction and alternative mode options, event promotions, and printed material. CAPCOA states that the range of reduction is between 0.8% to 4%, but states that in some literature, the VMT reduction has been as much as 15%, especially for urban areas. **For this project, a conservative reduction of 3% has been assumed.**
- MM VMT-5 Include Bike Parking in Excess of City Code.** This implements short and long-term bicycle parking to support safe and comfortable bicycle travel by providing parking facilities at destinations. Based on discussion with the applicant, bike parking in excess of City code shall be provided. The City's code requires a minimum of 4 spaces for non-residential buildings up to 15,000 square feet, plus a minimum of 5 percent of the required vehicle spaces for the portion above 15,000 square feet. The maximum number of bicycle parking required under City code is 25 spaces. For the project, the number of bicycle parking spaces required under code is 17 spaces, and therefore, it is recommended that the project provide at least 18 spaces. **This results in a VMT reduction of 0.625%.**
- MM VMT-6 Include Secure Bike Parking and Showers.** This implements additional

end-of-trip bicycle facilities to support safe and comfortable bicycle travel. Based on discussion with the applicant, each building shall include shower facilities and secure bike parking facilities shall be provided. **This results in a VMT reduction of 0.625%.**

Tribal Cultural Resources

MM-TCR-1 Native American Monitoring. Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleño Band of Mission Indians-Kizh Nation and the Gabrielino Tongva Indians of California, the tribes that consulted on this Project pursuant to AB 52 and SB 18 (the "Tribes" or the "Consulting Tribes"). Copies of the executed contracts shall be submitted to the City of El Segundo Development Services Department prior to the issuance of any permit necessary to commence a ground-disturbing activity.

The Tribal monitors shall only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribes as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the Project area. The Tribal Monitors shall complete daily monitoring logs that will provide descriptions of the day's grading and related earth-disturbing activities, including type and extent of construction activities, location of work, soil and any cultural materials identified, or other items potentially related to cultural resources. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitors have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.

Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribes approved Tribal monitors. If the resources are Native American in origin, the Consulting Tribes shall retain it/them in the form and/or manner the Tribes deem appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).

EXHIBIT B



Project: City of El Segundo Standard Works Project IS/MND

Date: January 18, 2022

* denotes mitigation measure is from the Smoky Hollow Specific Plan

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
Biological Resources	BIO MM 7-1* To avoid impacts to nesting birds, construction activities and construction noise should occur outside the avian nesting season (prior to February 1 or after September 1). If construction and construction noise occurs within the avian nesting season (during the period from February 1 to September 1), areas within 100 feet of a development site shall be thoroughly surveyed for the presence of nests by a qualified biologist no more than five days before commencement of any vegetation removal. If it is determined that the Project Site is occupied by nesting birds covered under the Migratory Bird Treaty Act, mitigation measure 7-2 shall apply.	Any vegetation removal or ground-disturbing activity February 1 to September 1	Planning Department	Retention and monitoring by qualified biologist with final report upon completion
Biological Resources	BIO MM 7-2* If pre-construction nesting bird surveys result in the location of active nests, no grading, vegetation removal, or heavy equipment activity shall take place within an appropriate setback from occupied nests as determined by a qualified biologist. Protective measures (e.g., established setbacks) shall be required to ensure compliance with the Migratory Bird Treaty Act and California Fish and Game Code requirements. The qualified biologist shall serve as a construction monitor during those periods when construction activities occur near active nest areas to ensure that no inadvertent impacts occur. A report of the findings, prepared by a qualified biologist, shall be submitted to the CDFW prior to	Provide setbacks if active nests are found per BIO MM 7-1	Planning Department	Monitoring by qualified biologist if needed during grading with final report upon completion

EXHIBIT B

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
	construction-related activities that have the potential to disturb any active nests during the nesting season.			
Cultural Resources	CUL MM 8-2* Prior to the commencement of grading or demolition of subsurface structures, a professional archaeologist who meets U.S. Secretary of the Interior’s Professional Qualifications and Standards, shall conduct a brief archaeological and paleontological informational session for construction personnel. The training session may consist of an in-person meeting or a written handout describing: (1) how to identify archaeological and paleontological resources that may be encountered during earth-moving activities and (2) the procedures to be followed in such an event, including contact information for the appropriate entities if archaeological or paleontological resources are discovered.	Prior to grading or other ground-disturbing activities	Planning Department	Qualified archaeologist provides proof of distributing handouts or conducting training for construction staff
Cultural Resources	CUL MM 8-3* In the event that archaeological or paleontological resources are unearthed during ground-disturbing activities, the ground-disturbing activities shall be halted or diverted away from the vicinity of the find so that the find can be evaluated. A buffer area of at least 50 feet shall be established around the find, where construction activities will not be allowed to continue until a qualified archaeologist or paleontologist has examined the newly discovered artifact(s) and has evaluated the area of the find. Work shall be allowed to continue outside the buffer area. If the archaeologist identifies the find as a tribal cultural resource or suspects it to be a tribal cultural resource, the City will contact the Native American Heritage Commission (NAHC) to report the discovery, and will contact local Native American tribal representatives as directed by the NAHC. Should the newly discovered artifact(s) be determined to be a tribal cultural resource, Native American construction monitoring will be initiated. The City	During grading or other ground-disturbing activities	Planning Department	Retention of and monitoring by qualified archaeologist with final report upon completion of grading

EXHIBIT B

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
	Project geotechnical report (CWI 2017). This measure applies to all potential geologic and soil constraints that could affect one or both sites, including but not limited to seismic ground failure, strong seismic shaking, differential settlement, liquefaction, lateral spreading, and subsidence, and landslides/slope stability as appropriate. This measure shall be implemented to the satisfaction of the City Engineer.			
Greenhouse Gas Emissions	EECAP 4.1* <i>Encourage or Require Energy Efficiency Standards Exceeding Title 24.</i> This measure will develop City staff to be resources in encouraging and implementing energy efficiency beyond that required by current Title 24 Standards.	Prior to issuance of building permits	Planning Department	Demonstrate that plans exceed energy requirements of Title 24
Greenhouse Gas Emissions	EECAP 5.2* <i>Promote Water Efficiency Standards Exceeding SB X7-7.</i> In addition to SB X7-7, more actions are being studied or have been taken to exceed water efficiency standards. These efforts include education and outreach practices that could be combined with residential and commercial EECAP actions that emphasize the reuse of recycled/gray water and promote harvesting rainwater.	Prior to issuance of building permits	Planning Department	Demonstrate that plans exceed established water conservation standards
Hazards and Hazardous Materials	MM HAZ-1 Prior to issuance of a Certificate of Occupancy for the North Site (1330 E. Franklin Street), the applicant shall remove and properly decommission the vertical and lateral well network of the former vapor extraction system including abandonment of any groundwater monitoring wells and semi-permanent vapor probes on the property. This measure shall be implemented to the satisfaction of the City with input and regulatory oversight and written signoff by DTSC.	Prior to issuance of a Certificate of Occupancy related to 1330 E. Franklin Street	Planning Department	Confirmation from DTSC that vapor extraction well network has been removed to DTSC satisfaction
Hazards and Hazardous Materials	MM HAZ-2 Prior to issuance of a grading permit for the North Site (1330 E. Franklin Street), the applicant shall prepare and process a Soils Management Plan through the state Department of Toxic Substances Control (DTSC) for review and approval.	Prior to issuance of a grading permit related to 1330 E. Franklin Street	Planning Department Planning Department	Demonstrate DTSC approval of Soils Management Plan

EXHIBIT B

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
	Prior to issuance of a building permit, the applicant shall provide written confirmation from DTSC to the City that the Soil Management Plan has been implemented as approved.	Prior to issuance of a building permit related to 1330 E. Franklin Street		Demonstrate Soils Management Plan has been implemented to DTSC satisfaction
Hazards and Hazardous Materials	MM HAZ-3 Prior to issuance of any demolition or building permits for South Site (1475 E. El Segundo Boulevard) or North Site (1330 E. Franklin Street), the applicant shall identify and effectively remediate any asbestos-containing materials (ACMs) associated with the onsite buildings. This remediation may be accomplished by either in-place encapsulation or removal as appropriate. The applicant shall retain a qualified asbestos contractor to conduct this work and shall provide the City with a final report within 45 days of completion of all remediation activities, including appropriate documentation of disposal of any onsite ACMs at an approved landfill. This measure shall be implemented to the satisfaction of the City Planning Department.	Prior to issuance of a demolition or grading permit	Planning Department	Demonstrate absence, removal, or treatment of ACMs as appropriate
Transportation	MM VMT-1 Unbundle Parking Cost. This measure implements workplace parking pricing and unbundles the cost of parking from the lease. The Project shall include parking in the access-controlled parking structure. The property owner shall include language in the lease agreement which provides reduced lease rates if parking is not required by the tenant. The developer shall implement a monthly cost for parking spaces by charging a parking fee per access card. The range of VMT reduction from this measure is between 2.6% and 13%. Based on the calculations, a \$50 per month/employee parking cost will result in a VMT reduction of 5.1%.	Within one year of issuance of Certificates of Occupancy for the North and South Sites	Planning Department	Demonstrate achievement of VMT reduction as appropriate
Transportation	MM VMT-2 Parking Management Strategies. Strategies to encourage efficiency in parking facilities and improve the quality of service to parking users results in reduction of VMT. This includes signage and directions, providing preferential carpool/vanpool parking spaces closer to the building entrance to and	Within one year of issuance of Certificates of Occupancy for the North and South Sites	Planning Department	Demonstrate achievement of VMT reduction as appropriate

EXHIBIT B

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
	from the destination, etc. This encourages carpooling/vanpooling and also reduces the amount of time patrons drive around to find the best parking area to minimize walking. The maximum reduction from this measure is 3%.			
Transportation	MM VMT-3 Mandatory Travel Behavior Change Program, Promotions & Marketing. This involves the development of a travel behavior change program that targets individuals' attitudes, goals, and travel behaviors, educating participants on the impacts of their travel choices and the opportunities to alter their habits. The project shall provide a web site that allows employees to research other modes of transportation for commuting. If a website is planned for the development, links to Google Transit, and/or local bus operators should be provided on the website. If a website is not planned, QR Codes could be provided in the parking structure and the building lobbies to enable users an easy way to access information about transit routes. The maximum reduction due to this measure is 1%.	Within one year of issuance of Certificates of Occupancy for the North and South Sites	Planning Department	Demonstrate achievement of VMT reduction as appropriate
Transportation	MM VMT-4 Implement Commute Trip Reduction Marketing. This involves the use of marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive educational and promotional materials. The project shall implement marketing strategies to reduce commute trips. The project will implement marketing strategies to reduce commute trips. Information sharing and marketing are important components to successful commute trip reduction strategies. Implementing commute trip reduction strategies without a complementary marketing strategy will result in lower VMT reductions. Marketing strategies may include new employee orientation of trip reduction and alternative mode options, event promotions, and printed material. CAPCOA states that the range of	Within one year of issuance of Certificates of Occupancy for the North and South Sites	Planning Department	Demonstrate achievement of VMT reduction as appropriate

EXHIBIT B

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
	reduction is between 0.8% to 4%, but states that in some literature, the VMT reduction has been as much as 15%, especially for urban areas. For this project, a conservative reduction of 3% has been assumed.			
Transportation	MM VMT-5 Include Bike Parking in Excess of City Code. This implements short and long-term bicycle parking to support safe and comfortable bicycle travel by providing parking facilities at destinations. Based on discussion with the applicant, bike parking in excess of City code shall be provided. The City’s code requires a minimum of 4 spaces for non-residential buildings up to 15,000 square feet, plus a minimum of 5 percent of the required vehicle spaces for the portion above 15,000 square feet. The maximum number of bicycle parking required under City code is 25 spaces. For the project, the number of bicycle parking spaces required under code is 17 spaces, and therefore, it is recommended that the project provide at least 18 spaces. This results in a VMT reduction of 0.625%.	Within one year of issuance of Certificates of Occupancy for the North and South Sites	Planning Department	Demonstrate achievement of VMT reduction as appropriate
Transportation	MM VMT-6 Include Secure Bike Parking and Showers. This implements additional end-of-trip bicycle facilities to support safe and comfortable bicycle travel. Based on discussion with the applicant, each building shall include shower facilities and secure bike parking facilities shall be provided. This results in a VMT reduction of 0.625%.	Within one year of issuance of Certificates of Occupancy for the North and South Sites	Planning Department	Demonstrate achievement of VMT reduction as appropriate
Tribal Cultural Resources	MM TCR-1 Native American Monitoring. Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleño Band of Mission Indians-Kizh Nation and the Gabrielino Tongva Indians of California, the tribes that consulted on this Project pursuant to AB 52 and SB 18 (the “Tribes” or the “Consulting Tribes”). Copies of the executed contracts shall be submitted to the City of El Segundo Development Services Department prior to the issuance of any permit necessary to commence a ground-disturbing activity.	Prior to grading or other ground-disturbing activities	Planning Department	Qualified tribal monitor retained and agreement in place

EXHIBIT B

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
	<p>The Tribal monitors shall only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribes as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the Project area. The Tribal Monitors shall complete daily monitoring logs that will provide descriptions of the day's grading and related earth-disturbing activities, including type and extent of construction activities, location of work, soil and any cultural materials identified, or other items potentially related to cultural resources. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitors have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.</p> <p>Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribes approved Tribal monitors. If the resources are Native American in origin, the Consulting Tribes shall retain it/them in the form and/or manner the Tribes deem appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be</p>			

EXHIBIT B

Impact Category	Mitigation Measures*	Implementation Timing	Responsible Monitoring Party	Monitoring/ Reporting Method
	treated alike per California Public Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).			

* denotes mitigation measure is from the Smoky Hollow Specific Plan



RESOLUTION NO. _____

A RESOLUTION APPROVING COMMUNITY BENEFIT PLAN (CBP) NO. 19-03, SITE PLAN REVIEW (SPR) NO. 21-04, MASTER SIGN PROGRAM (MSP) 21-01, ENVIRONMENTAL ASSESSMENT EA-1282, AND OFF-SITE PARKING COVENANT FOR THE NORTH SITE OF THE STANDARD WORKS PROJECT AT 1320-1330 E. FRANKLIN AVENUE.

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

SECTION 1. Recitals. The City Council finds:

- A. On August 31, 2020, Mark Telesz, of Smoky Hollow Industries, LLC filed an application for Community Benefit Plan (CBP) No. 19-03, Site Plan Review (SPR) No. 21-04, and Environmental Assessment (EA) No. 1282 for a Tier II Community Benefits Plan and Site Plan Review of the proposed South Site of the Standard Works project at 1320-1330 E. Franklin Avenue (the “Project”).
- B. On January 6, 2021, Mr. Telesz applied for an amendment to the Smoky Hollow Specific Plan which, if approved, would allow for a maximum building height of 60 feet within a designated subarea of the Smoky Hollow Specific Plan (“SHSP”), subject to the approval of a Tier II Community Benefits Plan. On the same date, a Master Sign Program was submitted for review on January 6, 2021.
- C. Approval of the proposed Project is a subsequent discretionary action in furtherance of the SHSP; and
- D. The application was reviewed by the City’s Development Services Department for, in part, consistency with the General Plan, and conformity with the El Segundo Municipal Code (“ESMC”) and the SHSP; and
- E. The Project was presented to the Planning Commission at a duly-noticed public hearing on January 27, 2022. At the applicant’s request, the Planning Commission continued the hearing to February 10, 2022.
- F. On February 10, 2022, the Commission held a continued public hearing to receive public testimony and other evidence regarding the application including, without limitation, information set forth in the staff report and information provided by the applicant and the public.
- G. At the February 10, 2022 meeting, the Commission recommended that the City Council approve the Smoky Hollow Specific Plan Amendment with modifications.
- H. On March 15, 2022, the City Council held a duly-noticed public hearing and considered all public testimony and other evidence presented, together with all other information in the administrative record. This Resolution, and its findings, are made based upon the totality of the evidence in the administrative record before the Commission at its March 15, 2022 public hearing.

SECTION 2. *Factual Findings and Conclusions.* The City Council finds and concludes:

- A. The project site is a 4.44-acre site developed with 3 separate buildings and a newly constructed 398 space parking structure.
- B. The existing building located at 140 Oregon Avenue (the northwest corner of the subject site) was approved (EA-1233) for a two-story addition atop the existing one-story structure, which exceeded height standards for the Smoky Hollow Specific Plan, with a Community Benefit Plan (18-01).
- C. The proposed project would develop a 1.07-acre portion of a larger 4.4-acre property located at 1320-1330 E. Franklin Avenue. The existing 19,493 square-foot, one-story brick building on the site would be preserved with two new levels totaling 44,802 square feet added above it. This would result in a total floor area of 64,295 square feet (FAR=0.94) for R&D and office use. The new three-story building would have a maximum height of 59 feet and 6 inches from the average grade to the rooftop of the building.
- D. The project site is located within a subarea of the Smoky Hollow Specific Plan that would be created upon the City Council's approval of the aforementioned Specific Plan Amendment. Said Amendment would allow for a maximum building height of 60 feet on the project site, subject to the approval of a Tier II Community Benefits Plan. The proposed building with a total of 64,295 square feet will be compliant with the Tier II floor area ratio, will be consistent with the Smoky Hollow Specific Plan design guidelines, open space and landscape, and parking requirements, and signage will be compliant with a Master Sign Program. The steel and glass structure will retain the existing red brick building on the first floor and proposes to construct a three-story structure. The project will also feature a passive public park and a two-story pavilion building that will house a public coffee shop. The application includes 11,847 square feet of landscaping and open space, divided between the ground level park and on the rooftop. Parking for the site is accessible in the newly constructed parking garage located at 1310 E. Franklin Avenue as a portion of the North site and satisfies the parking requirement of 163 spaces. 38 parking spaces will be provided on grade, with an additional 130 spaces within the parking garage. Further, the application includes a Master Sign Program which details signage provided for the entire Standard Works Campus, which entails the North and South site, as well as the under-construction building at 140 Oregon Street. The program features 15 types of identification sign, including tenant identification, wayfinding, parking, and monument signs to be placed across the campus.
- E. With regard to Community Benefits Plan Findings, The City Council finds:
 - 1. The proposed additional building height, intensity, or deviation from the development standards would not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

The proposed building height for the project is compatible with the neighborhood in that two-story buildings, tall petroleum storage drums, and 200-foot-tall distillation columns from the Chevron oil refinery are located in the immediate vicinity. The additional 25-foot building height from base height standard is not anticipated to be detrimental, as the project is consistent with development directly adjacent (for example, the recently approved development at 140 Oregon was approved at 55 feet) and is consistent with the vision for Smoky Hollow to allow for creative and exemplary office space.

The project is located in a developed area which contains all utilities and public infrastructure. Additionally, before the City issues building permits for the project, the applicant will submit detailed plans to the City for review for compliance with all applicable Building and Fire safety codes. Therefore, the project overall is not anticipated to be detrimental to the public health, safety, or welfare.

2. The proposed community benefit provides exemplary project and/or streetscape design.

The Specific Plan contains 32 specific design guidelines in five categories including, building character, open space, landscaping, connectivity, and signage and art. Compliance with at least 17 of the guidelines is required to consider a project exemplary in building and/or streetscape design. The proposed project incorporates 28 of the 32 guidelines as indicated and detailed on project plans dated January 20, 2022, incorporated herein by this reference.

3. The proposed community benefits directly implements objectives of the Specific Plan.
 - a. Part of the proposed community benefit consists of compliance with the Smoky Hollow design guidelines. Compliance with the guidelines directly implements the Smoky Hollow Design Objectives in Specific Plan Section 2.4.1 as follows:
 - b. The project design helps preserve Smoky Hollow's existing character by preserving existing brick materials for both projects and incorporating materials and colors that are consistent with existing buildings in the area and with the neighborhood's industrial character.
 - c. The projects incorporate sidewalk-oriented entries for both projects as well as pedestrian-oriented scale and design features such as lighting, windows, and signage. In addition, the project will make use of drought tolerant plant species in the landscaped areas, which will reduce the use of water for landscaping.
 - d. The entries are directly accessible from the public sidewalk and serves to

activate both Franklin Avenue and E. El Segundo Boulevard Street frontages and therefore create a vibrant atmosphere.

1. The proposed community benefit plan implements the goals and objectives of Specific Plan Chapter 3 regarding publicly owned rights-of-way and publicly accessible open spaces. The proposed community benefits plan includes public improvements to utilities in the public right-of-way, landscaping adjacent to the street, and open space, which will in turn help integrate cyclists, pedestrians, and transit users for businesses to flourish.
4. The value of the proposed community benefits bear a relationship to the value generated by the project.

The City retained Kosmont and Associates, Inc. (Kosmont) to prepare a comprehensive financial report of the proposed Tier II Community Benefits Plan for the project. The analysis indicates the value of the community benefits being offered and the financial gain by allowing an additional 10 feet of building height above the Tier II Community Benefit height limit of 50 feet. This height increase is an additional 25 feet in height above base standard, or 35 feet in height with the adoption of the Specific Plan Amendment. In compliance with the Smoky Hollow Specific Plan Tier II Community Benefit Plan requirements, the community benefits provided and incorporated into the project plans dated January 20, 2022, have been evaluated to quantify the total value of all community benefits. In this instance, the total value of the added 10 feet is shown to be \$1.77 million while the total of the community benefits are estimated to be \$4.07 million. Therefore, the value of the proposed community benefits bear a relationship to the value generated by the project.

5. The proposed community benefits do not principally benefit the project or the occupants of the project, but rather provide a district or area-wide benefit to the larger Smoky Hollow Plan area.
 - a. The project incorporates a range of community benefits in compliance with the prescribed Community Benefit categories of the Smoky Hollow Specific Plan. The following list of items benefit the public and not principally the occupants of the project:
 1. Transformative projects - significant investment for an architecturally expressive design that rehabilitates the original 1950s mid-century buildings for both the North and South sites, rather than demolishing. The unique design incorporates architectural elements such as exposed structural steel, large scale balconies and exterior decks, large mid-century like steel windows, and other period materials. The design will build upon the character of the smoky hollow neighborhood and help promote new designs by other developers.
 2. Preservation and rehabilitation - preservation and rehabilitation of the existing brick facades on both the North and South sites.

3. Streetscape improvements – new landscaping located directly along the frontage of each building on the North and South sites.
4. Utility improvements - removal of existing overhead utility lines along project frontage on East El Segundo Boulevard and Kansas Street will be removed and placed underground to beautify the streetscape views.
5. Lighting and wayfinding - period appropriate exterior lighting and directional signage for the project will be provided adjacent to the sidewalks facing Franklin Avenue.

The City Council finds that the project provides the aforementioned community benefits that do not principally benefit the occupants of the project, but rather, provide an area-wide benefit to the larger Smoky Hollow Plan area.

F. With regard to Site Plan Review Findings Under ESMC § 15-30, The City Council finds:

1. The proposed development is consistent with the goals, policies, and objectives of the El Segundo General Plan, the Smoky Hollow Specific Plan, and the El Segundo Zoning Code.

As previously indicated, the applicant has simultaneously applied for an amendment to the Smoky Hollow Specific Plan that would create a new subarea within which the maximum building height would be increased to 60 feet (from 50 feet), subject to the approval of a Tier II Community Benefits Plan. By way of a separate resolution (Resolution No. [REDACTED]), the City Council has approved the requested amendment to the Specific Plan. The project site is located within that proposed subarea.

The proposed Project complies with the Smoky Hollow Specific Plan as amended. The SHSP permits a mix of office, research and development, light industrial, and warehouse uses. Further, the SHSP sets standards to achieve high quality development, which includes design guidelines and development standards with criteria for site design, architecture, orientation and massing, parking and loading, landscaping, lighting, and connectivity. The proposed development has been evaluated in the context of the goals, policies and objectives from the SHSP. The project design helps preserve Smoky Hollow's existing character by preserving existing brick materials for both projects and incorporating materials and colors that are consistent with existing buildings in the area and with the neighborhood's industrial character. The project incorporates sidewalk-oriented entries for the project as well as pedestrian-oriented scale and design features such as lighting, windows, and signage. The proposed Project implements the goals and objectives of Specific Plan Chapter 3 regarding publicly owned rights-of-way and publicly accessible open spaces. The proposed Project includes public improvements to utilities in the public right-of-way, landscaping adjacent to the street, and open space, which

will in turn help integrate cyclists, pedestrians, and transit users for businesses to flourish.

Economic Development Element

General Plan Economic Development Element Goal ED1 outlines the City's objectives to create a strong, healthy economic community in which all diverse stakeholders may benefit.

The City's Economic Development Element of the General Plan specifies the following:

Objective ED1-1.1: To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo's economic base.

Policy ED1-1.1: Maintain economic development as one of the City's and the business and residential communities' top priorities, diversifying the City's economic base to meet quality of life goals, and results in job creation and growth potential.

Objective ED1-2: Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

Policy ED1-2.2: Maintain and promote land uses that improve the City's tax base, balancing economic development and quality of life goals.

The proposed project is consistent with the General Plan's Economic Development Element and directly implements and furthers the General Plan's goals, objectives and policies above because the project promotes economic development and improves the City's tax base through inclusion of office, research and development, and retail land uses within the Smoky Hollow Specific Plan area. The proposed project will not obstruct the attainment of any goal, policy or objective of the General Plan's Economic Development Element.

Land Use Element

General Plan Land Use Element Goal LU2 outlines the City's objectives to preserve and enhance the City's cultural heritage and buildings or sites that

are of cultural, historical, or architectural importance.

The City's Land Use Element of the General Plan specifies the following:

Objective LU2-1: Maintain the distinct character of the existing areas of the City.

The proposed project is consistent with the General Plan's Land Use Element and directly implements and furthers the General Plan's goals, objectives, and policies above because the proposed project design preserves the existing red brick building, to maintain the character of the post-war period architecture found within Smoky Hollow. The proposed project will not obstruct the attainment of any goal, policy, or objective of the General Plan's Land Use Element.

Circulation Element

The City's Circulation Element of the General Plan specifies the following:

Objective C1-1: Provide a roadway system that accommodates the City's existing and projected land use and circulation needs.

Policy C 1-1.14: Require a full evaluation of potential traffic impacts associated with proposed new developments prior to project approval. Further, require the implementation of appropriate mitigation measures prior to, or in conjunction with, project development.

The proposed project is consistent with the General Plan's Circulation Element and directly implements and furthers the General Plan's goals, objectives, and policies above because the project would not disturb or impact the existing roadway network immediately surrounding the project sites. Access to and from the projects are well established by Franklin Avenue, Kansas Street, Oregon Street, and El Segundo Boulevard. In compliance with SHSP EIR Mitigation Measure 18-1, a Traffic Impact Analysis was conducted to analyze any new impacts to the local street network from the Project, based on LOS standards per the General Plan, and calculate a fair share contribution for project traffic impacts. Based on the traffic impact analysis conducted, the proposed Project will not create traffic impacts greater than those identified in the TIA conducted for the SHSP EIR. The project applicant will be required to pay fair share for the improvements to the roadway network as identified in the SHSP EIR. The SHSP was adopted in 2018 and was found to be consistent with the City's General Plan. The proposed project will not obstruct the attainment of any goal, policy or objective of the General Plan's Circulation Element. Additionally, the project is consistent with the design and zoning standards as required by the SHSP. Specifically, with the approval of the proposed SHSP amendment to allow 60 feet for projects within Subarea 1, the project

would be compliant with all zoning standards including height, floor area ratio, setbacks, design standards, and landscape and open space standards. Parking for the project would be both surface parking and located within the on-site existing 398 space parking garage.

2. The proposed project is functionally compatible with the area in which it is located.

The City of El Segundo has distinctive land use patterns, which are divided into four quadrants by the intersection of Pacific Coast Highway and El Segundo Boulevard. Compatibility of an individual land use is determined mainly by its relationship to other uses within its quadrant. The SHSP area is located in the northwestern quadrant of the City of El Segundo which is west of Pacific Coast Highway and north of El Segundo Boulevard. The design and implementation of the Specific Plan relates directly to the goals and objectives of the Specific Plan and would be functionally compatible with other uses within the Specific Plan area. The SHSP includes a range of commercial and industrial uses that will contribute to job creation opportunities and balance growth with local resources and infrastructure capacity.

The proposed building height for the project is compatible with the area in that two-story buildings, tall petroleum storage drums, and 200-foot-tall distillation columns from the Chevron oil refinery are located in the immediate vicinity. The project is located in a developed area which contains all utilities and public infrastructure.

The project is within the Smoky Hollow East (SH-E) zoning district, which provides a transitional land use area between higher-intensity office uses east of PCH and the smaller, single-parcel industrial and creative businesses of the western portion of Smoky Hollow area. The SH-E zoning district accommodates development of incubator industrial, research, and technology uses; medium-sized light industrial and manufacturing; and creative office activities. The Standard Works development project is compatible and consistent with the types of development desired by the Smoky Hollow Specific Plan within the SH-E zoning district.

3. The proposed development will not adversely affect the general welfare of the City.

The SHSP development standards ensure that the Projects are developed in an orderly fashion with high quality architecture, building materials, and urban design. The Project's consistency with these standards, its design, and configuration result in a project that will not adversely affect the general welfare of the City. Before the City issues building permits for the project, the applicant will submit detailed plans to the City to review for compliance with all applicable Building and Fire safety codes. Further, the proposed project will promote the orderly development of property, the preservation of property values and preservation of the distinct character of Smoky Hollow. The project will be

consistent with surrounding development and will not adversely affect the value of neighboring properties. The proposed project is compatible with the neighborhood, and therefore is not anticipated to be detrimental to the public health, safety, or welfare.

- G. With regard to Master Sign Program Findings Under ESMC § 15-18, The City Council finds:
1. Is consistent with Chapter 15-18 of the ESMC in all regards including size, type, locations, prohibited signs, exempt signs, general sign standards, applications, permits, nonconforming conditions, substitutions, enforcement, and maintenance.
 2. Provides all Tenants a guideline for Tenant signage that is architecturally compatible with the campus wide architectural esthetic for the purposes of a unified campus standard in design, installation and otherwise as approved by the authorities having jurisdiction with the original construction of the project.
 3. Provides the appropriate process for review, submittal, approval, installation, maintenance and removal of all signage on the Standard Works campus.

SECTION 3. *Environmental Review.* Concurrent with its review of this Resolution, the City Council will consider adoption of an Initial Study/Mitigated Negative (IS/MND) Declaration prepared to analyze the potential environmental effects of the proposed project. The factual findings and conclusions set forth in such resolution are incorporated herein by reference.

SECTION 4. *Approval.* The City Council hereby approves Community Benefit Plan (CBP) No. 19-03 (attached hereto as Exhibit B and incorporated herein), Site Plan Review (SPR) No. 21-04, Master Sign Program (MSP) 21-01 (attached hereto as Exhibit C and incorporated herein), and Environmental Assessment No. 1282 for the development of 1320-1330 E. Franklin Avenue, Subject to the conditions listed on Exhibit A of this Resolution.

SECTION 5. *Reliance on Record.* Each and every one of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 6. *Severability.* If any part of this Resolution 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 Resolutions are severable.

SECTION 7. *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 8. *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 9. *Effective Date.* This Resolution will take effect immediately upon the effective date of Ordinance No. ____ approving an amendment to associated Smoky Hollow Specific Plan Amendment, and the Ordinances adoption and effectiveness are conditions precedent to this Resolution taking effect. Thereafter, this Resolution will remain effective unless repealed or superseded.

SECTION 10. *City Clerk Direction.* 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, APPROVED 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 Resolution No. ____ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, attested to by the City Clerk of said City, all at a regular meeting of said Council hold 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 COUNCIL RESOLUTION NO. _____

Exhibit A

CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code (“ESMC”) and all provisions of the Smoky Hollow Specific Plan, Mark Telesz and Smoky Hollow Industries, LLC (the “Applicant” or “Owner”) agrees to comply with the following provisions as conditions for the City of El Segundo’s approval of Community Benefit Plan CBP 19-03, Site Plan Review (SPR 21-04), and Environmental Assessment (EA) No. 1282 for a Tier II Community Benefits Plan and Site Plan Review of the proposed South Site of the Standard Works project at 1320-1330 E. Franklin Avenue. (“Project Conditions”):

Zoning Conditions

1. This approval is for the project as shown on the plans dated January 20, 2022 presented to and reviewed by the Planning Commission on February 10, 2022 and approved by City Council March 15, 2022, and on file with the Development Services Department.
2. Prior to issuance of any permit for the project, the applicant must submit plans, showing that the project substantially complies with the plans and conditions of approval on file with the Development Services Department. The Development Services Director is authorized to approve minor modifications to the approved plans or any of the conditions if such modifications achieve substantially the same results as would strict compliance with said plans and conditions. Any subsequent modification must be referred to the Development Services Director for a determination regarding the need for Planning Commission and/or City Council review and approval of the proposed modification.
3. This approval allows for construction of a new office facility at 1320-1330 E. Franklin Avenue. Specifically, the approved construction on the north site includes the following:
 - a. Construction of a 44,802-square foot addition to the existing building that would be structurally preserved in place, resulting in a total gross floor area of 65,061 square feet.
 - b. The maximum height of the resulting three-story building is limited to 59’-6” as measured from average grade to the rooftop of the building. Per the Smoky Hollow Specific Plan, building height does not include additional parapet height of 5’, or additional structures allowed per the CBC and ESCM Section 15-2-3.

A change in uses or changes in the allocation of square footages specified above must be referred to the Development Director for a determination regarding the need for Planning Commission and/or City Council review and approval of the proposed changes.

4. Signs proposed for the project, including monument signs, shall be designed in conformance with the approved Master Sign Program (MSP 21-01), which is included as Exhibit C of this Resolution. Any revisions to the Master Sign Program must be submitted and approved by the Development Services Director or designee prior to final building permit approval.
5. This approval shall not become effective unless and until the City Council adopts an ordinance approving the associated Smoky Hollow Specific Plan Amendment and said ordinance takes effect.
6. Before any building permits are issued, the applicant will be required to pay fair-share contribution to the City of El Segundo in compliance with Smoky Hollow Specific Plan EIR Mitigation Measure 18-1. The fair share contribution has been determined as follows:
 - a. 4.7% for PCH/Grand Avenue for a new right-turn overlap signal phase on all approaches. The total cost estimate for the improvement is \$80,788.00, of which \$3,797.04 is the project's fair share contribution.
 - b. 5.3% for PCH/El Segundo Boulevard for a Second eastbound left-turn lane, and new right-turn overlap signal phase at the northbound approach. The total cost estimate for improvements is \$2,553,500.00 of which the project's fair share contribution is \$135,335.50.
7. All rooftop mechanical equipment shall be architecturally screened in accordance with ESMC Section 15-2-8(C). Prior to permit final, the equipment shall be adequately screened to the satisfaction of the Development Services Director.
8. All building and drainage gutters, down spouts, vents and other protrusions shall be concealed from view within the exterior walls. Ladders for roof access shall be mounted on the inside of the building.
9. Mandatory solid waste disposal services shall be provided by a City approved waste hauler to all parcels/lots or uses affected by approval of this project.
10. The Applicant shall provide receptacles (bins) for the collection of refuse and recyclable materials, as well as a hose bib for washing collection areas. Prior to the issuance of building permits, the applicant shall provide documentation from a City approved waste hauler stating that the number and size of bins provided for the collection of refuse and recyclable materials generated by the project is adequate.
11. Prior to the issuance of building permits, the Applicant shall provide documentation from a City approved waste hauler stating that the dimensions of the refuse storage enclosure are of adequate size to accommodate containers consistent with the current methods of collection, are designed with a walk-in access component, and located and designed to facilitate trash truck access and pickup.

12. Trash enclosures on the property shall be either fully enclosed within the building or must be adequately screened by a trash enclosure per the ESMC. Further, the gates shall include architectural paneling or finishing that is consistent with the paneling or finishing of the building. Lastly, trash enclosure areas for the project shall have a non-combustible decorative cover that matches the building's architecture.
13. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.
14. The applicant shall submit a Landscape Plan in accordance with ESMC Section 15-15a.
15. At the applicant's expense, the open spaces approved within the project shall be maintained in accordance with the approved Landscape Plan.

Community Benefits Plan

16. The applicant must provide all the community benefits as stated in Exhibit B (Community Benefits Plan). If the project does not provide a benefit or ceases to provide one, the owner must submit a revised CBP including equivalent replacement benefit of an equal value to the Development Services Director for review and approval. The Director may at his discretion refer the revised CBP to the Planning Commission and City Council for review and approval.
17. The applicant must construct the public improvements indicated in the Community Benefits Plan, including, but not limited to, sidewalk, streetscape, landscaping, parking, open space, and other improvements within the public right-of-way.

IS/MND / CEQA

18. Applicant must comply with all applicable mitigation measures identified in the Final Environmental Impact Report prepared for the SHSP. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.
19. Prior to issuance of any demolition, grading or building permit or as otherwise appropriate, a matrix/spreadsheet shall be submitted to the City, as applicable, for review and compliance with:
 - a) The SHSP 2018 EIR (EA-1101) Mitigation Monitoring and Reporting Program (MMRP) as adopted by the City Council on October 2, 2018.
 - b) The Project IS/MND MMRP as adopted as part of City Council Resolution No. _____.

- c) All project conditions of approval.
20. Prior to Certificate of Occupancy, the project shall demonstrate compliance with all applicable mitigation measures in the MMRP for the SHSP EIR and project COA. A final mitigation and COA monitoring matrix/spreadsheet shall be submitted to the City.
21. All mitigation measures listed in Mitigation Monitoring and Reporting Program adopted as part of City Council Resolution No. ____ shall be complied with. This shall include:

*Denotes mitigation measure carried over from the Smoky Hollow Specific Plan EIR

Biological Resources

22. **BIO MM 7-1*** To avoid impacts to nesting birds, construction activities and construction noise should occur outside the avian nesting season (prior to February 1 or after September 1). If construction and construction noise occurs within the avian nesting season (during the period from February 1 to September 1), areas within 100 feet of a development site shall be thoroughly surveyed for the presence of nests by a qualified biologist no more than five days before commencement of any vegetation removal. If it is determined that the Project Site is occupied by nesting birds covered under the Migratory Bird Treaty Act, mitigation measure 7-2 shall apply.
23. **BIO MM 7-2*** If pre-construction nesting bird surveys result in the location of active nests, no grading, vegetation removal, or heavy equipment activity shall take place within an appropriate setback from occupied nests as determined by a qualified biologist. Protective measures (e.g., established setbacks) shall be required to ensure compliance with the Migratory Bird Treaty Act and California Fish and Game Code requirements. The qualified biologist shall serve as a construction monitor during those periods when construction activities occur near active nest areas to ensure that no inadvertent impacts occur. A report of the findings, prepared by a qualified biologist, shall be submitted to the CDFW prior to construction-related activities that have the potential to disturb any active nests during the nesting season.

Cultural Resources

24. **CUL MM 8-2*** Prior to the commencement of grading or demolition of subsurface structures, a professional archaeologist who meets U.S. Secretary of the Interior's Professional Qualifications and Standards, shall conduct a brief archaeological and paleontological informational session for construction personnel. The training session may consist of an in-person meeting or a written handout describing: (1) how to identify archaeological and paleontological resources that may be encountered during earth-moving activities and (2) the procedures to be followed in such an event, including contact information for the appropriate entities if archaeological or paleontological resources are discovered.

25. **CUL MM 8-3*** In the event that archaeological or paleontological resources are unearthed during ground-disturbing activities, the ground-disturbing activities shall be halted or diverted away from the vicinity of the find so that the find can be evaluated. A buffer area of at least 50 feet shall be established around the find, where construction activities will not be allowed to continue until a qualified archaeologist or paleontologist has examined the newly discovered artifact(s) and has evaluated the area of the find. Work shall be allowed to continue outside the buffer area. If the archaeologist identifies the find as a tribal cultural resource or suspects it to be a tribal cultural resource, the City will contact the Native American Heritage Commission (NAHC) to report the discovery, and will contact local Native American tribal representatives as directed by the NAHC. Should the newly discovered artifact(s) be determined to be a tribal cultural resource, Native American construction monitoring will be initiated. The City shall coordinate with the archaeologist and tribal representative(s) to develop an appropriate treatment plan for the resources.
26. **CUL MM 8-4** If human remains are uncovered during Project grading, work must be halted in the immediate area of the find and the County Coroner notified in accordance with Health and Safety Code Section 7050.5. The Coroner must then determine whether the remains are of forensic interest. If the Coroner, with the aid of a supervising archaeologist, determines that the remains are or appear to be of a Native American, they must contact the Native American Heritage Commission for further investigations and proper recovery of such remains, if necessary. Further, pursuant to Public Resource Code Section 5097.98(b) remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the County Coroner determines the remains to be Native American, the Native American Heritage Commission shall be contacted within the period specified by law (24 hours). Subsequently, the Native American Heritage Commission shall identify the "most likely descendant". The most likely descendant shall then make recommendations and engage in consultation concerning the treatment of the remains as provided in Public Resources Code Section 5097.98. Human remains from other ethnic/cultural groups with recognized historical associations to the area shall also be subject to consultation between appropriate representatives from that group and the local jurisdiction/lead agency involved. This measure shall be implemented to the satisfaction of the City Planning Department.

Geology and Soils

27. **MM GEO-1** Prior to issuance of any grading or building permits, the applicant shall demonstrate that all improvements and construction-related activities comply with the recommendations outlined in the Project geotechnical report (CWI 2017). This measure applies to all potential geologic and soil constraints that could affect one or both sites, including but not limited to seismic ground failure, strong seismic shaking, differential settlement, liquefaction, lateral spreading, and subsidence, and landslides/slope stability as appropriate. This measure shall be implemented to the satisfaction of the City Engineer.

Greenhouse Gas Emissions

28. **EECAP 4.1*** Encourage or Require Energy Efficiency Standards Exceeding Title 24. This measure will develop City staff to be resources in encouraging and implementing energy efficiency beyond that required by current Title 24 Standards.
29. **EECAP 5.2*** Promote Water Efficiency Standards Exceeding SB X7-7. In addition to SB X7-7, more actions are being studied or have been taken to exceed water efficiency standards. These efforts include education and outreach practices that could be combined with residential and commercial EECAP actions that emphasize the reuse of recycled/gray water and promote harvesting rainwater.

Hazards and Hazardous Materials

30. **MM HAZ-3** Prior to issuance of any demolition or building permits for South Site (1475 E. El Segundo Boulevard) or North Site (1320-1330 E. Franklin Avenue), the applicant shall identify and effectively remediate any asbestos-containing materials (ACMs) associated with the onsite buildings. This remediation may be accomplished by either in-place encapsulation or removal as appropriate. The applicant shall retain a qualified asbestos contractor to conduct this work and shall provide the City with a final report within 45 days of completion of all remediation activities, including appropriate documentation of disposal of any onsite ACMs at an approved landfill. This measure shall be implemented to the satisfaction of the City Planning Department.

Transportation (VMT)

31. **MM VMT-1 Unbundle Parking Cost.** This measure implements workplace parking pricing and unbundles the cost of parking from the lease. The Project shall include parking in the access-controlled parking structure. The property owner shall include language in the lease agreement which provides reduced lease rates if parking is not required by the tenant. The developer shall implement a monthly cost for parking spaces by charging a parking fee per access card. The range of VMT reduction from this measure is between 2.6% and 13%. Based on the calculations, a \$50 per month/employee parking cost will result in a VMT reduction of 5.1%.
32. **MM VMT-2 Parking Management Strategies.** Strategies to encourage efficiency in parking facilities and improve the quality of service to parking users results in reduction of VMT. This includes signage and directions, providing preferential carpool/vanpool parking spaces closer to the building entrance to and from the destination, etc. This encourages carpooling/vanpooling and also reduces the amount of time patrons drive around to find the best parking area to minimize walking. The maximum reduction from this measure is 3%.
33. **MM VMT-3 Mandatory Travel Behavior Change Program, Promotions & Marketing.** This involves the development of a travel behavior change program that targets individuals' attitudes, goals, and travel behaviors, educating participants on the

impacts of their travel choices and the opportunities to alter their habits. The project shall provide a web site that allows employees to research other modes of transportation for commuting. If a website is planned for the development, links to Google Transit, and/or local bus operators should be provided on the website. If a website is not planned, QR Codes could be provided in the parking structure and the building lobbies to enable users an easy way to access information about transit routes. The maximum reduction due to this measure is 1%.

34. **MM VMT-4 Implement Commute Trip Reduction Marketing.** This involves the use of marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive educational and promotional materials. The project shall implement marketing strategies to reduce commute trips. The project will implement marketing strategies to reduce commute trips. Information sharing and marketing are important components to successful commute trip reduction strategies. Implementing commute trip reduction strategies without a complementary marketing strategy will result in lower VMT reductions. Marketing strategies may include new employee orientation of trip reduction and alternative mode options, event promotions, and printed material. CAPCOA states that the range of reduction is between 0.8% to 4%, but states that in some literature, the VMT reduction has been as much as 15%, especially for urban areas. For this project, a conservative reduction of 3% has been assumed.
35. **MM VMT-5 Include Bike Parking in Excess of City Code.** This implements short and long-term bicycle parking to support safe and comfortable bicycle travel by providing parking facilities at destinations. Based on discussion with the applicant, bike parking in excess of City code shall be provided. The City's code requires a minimum of 4 spaces for non-residential buildings up to 15,000 square feet, plus a minimum of 5 percent of the required vehicle spaces for the portion above 15,000 square feet. The maximum number of bicycle parking required under City code is 25 spaces. For the project, the number of bicycle parking spaces required under code is 17 spaces, and therefore, it is recommended that the project provide at least 18 spaces. This results in a VMT reduction of 0.625%.
36. **MM VMT-6 Include Secure Bike Parking and Showers.** This implements additional end-of-trip bicycle facilities to support safe and comfortable bicycle travel. Based on discussion with the applicant, each building shall include shower facilities and secure bike parking facilities shall be provided. This results in a VMT reduction of 0.625%.

Tribal Cultural Resources

37. **MM-TCR-1 Native American Monitoring.** Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleño Band of Mission Indians-Kizh Nation and the Gabrielino Tongva Indians of California, the tribes that consulted on this Project pursuant to AB 52 and SB 18 (the "Tribes" or the "Consulting Tribes"). Copies of the executed contracts shall be submitted to the City of El Segundo Development Services

Department prior to the issuance of any permit necessary to commence a ground-disturbing activity.

The Tribal monitors shall only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribes as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the Project area. The Tribal Monitors shall complete daily monitoring logs that will provide descriptions of the day's grading and related earth-disturbing activities, including type and extent of construction activities, location of work, soil and any cultural materials identified, or other items potentially related to cultural resources. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitors have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.

Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribes approved Tribal monitors. If the resources are Native American in origin, the Consulting Tribes shall retain it/them in the form and/or manner the Tribes deem appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).

General Conditions

38. The project is subject to the Public Art or In-Lieu Fee Requirement (Cultural Development Program) established by City Council Ordinance 1594, which requires placement of public art on-site or payment of in-lieu fees to the Cultural Development Fund. Prior to issuance of a building permit, the applicant shall submit an application to the Community Services Department and shall either: a) enter into an agreement with the City of El Segundo to provide public art onsite; or, b) in-lieu of commissioning public art onsite, pay a fee equal to 1% of the project cost to the City's Cultural Development Fund.
39. A positive balance shall be always maintained in all project Reimbursement Accounts. If the balance of the Reimbursement Account(s) associated with the project becomes negative at any time, all work on the project shall be suspended, including the issuance of permits and project inspections, until such time as the sufficient funds are deposited to return the account(s) to a positive balance.

40. A weatherproof notice/sign to report dust, noise, or other construction-related impacts shall be posted and prominently displayed on the construction fencing clearly visible to the public from along the abutting street(s). The notice/sign shall set forth the name of the person(s) responsible for the construction site and a phone number(s) to be called in the event that a construction-related impact occurs.
41. Reclaimed water must be utilized for all landscaped areas.
42. Prior to issuance of any permit, landscaping plans must be submitted to the Development Services Department that conform to the City's Water Conservation in Landscaping requirements as set forth in ESMC Chapter 15.
43. All utilities lines installed to serve the new construction shall be placed underground.
44. The developer shall be responsible for the relocation of any existing utility necessary as a result of the development.
45. Pedestrian walkways within the project must include admixture colored concrete and/or design that enhance and complement the project.
46. The project site shall be fenced and screened during construction.
47. All areas within the project site shall be maintained free of trash and debris.
48. Prior to issuance of any permit, an erosion control plan shall be reviewed and approved by the Building Official and the Public Works Director.
49. Water spraying or other approved methods shall be used during grading operations to control fugitive dust. Recycled water shall be used for grading operations whenever available.
50. During the grading phase and as needed during the remainder of the construction phase, the owner or contractor must conduct daily street sweeping along the streets abutting the project site(s).
51. In the event that a Planning, Building, Public Works, Fire Department or Police Department requirement are in conflict, the stricter standard shall apply.

Impact Fee Conditions

52. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time library services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

53. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time fire services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
54. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit new Building C, the applicant must pay a one-time police services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
55. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time park services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
56. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time traffic mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

Building Safety Conditions

57. All projects shall comply with the El Segundo Municipal Code, and the California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, and the California Green Building Standards Code in effect at the time of the plan submittal to Building and Safety Division for plan review.
58. All projects shall comply with the El Segundo Municipal Code, and the 2019 editions of the California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, and the California Green Building Standards Code.
59. Construction projects must comply with Best Management Practices for construction and storm-water runoff requirements of the National Pollutant Discharge Elimination System MS4 Permit. Construction activity resulting in a land disturbance of one acre or more, or less than one acre but part of a larger common plan of development or sale must obtain the (SWPPP) Construction Activities Storm Water General Permit.
60. A site-specific soils and geotechnical report must be submitted to Building and Safety Division for review and approval. The report shall comply with the minimum requirements of Chapter 18 of the CBC and shall address the possible sulfate content of the soils.
61. A stamped setback certification by a Licensed Surveyor will be required to certify the location of the new construction in relation to the setbacks prior to the first foundation inspection and stamped setback certification by a Licensed Surveyor will be required to certify the height of the structures prior to issuance of Certificate of Occupancy.

62. The applicant shall obtain a building, grading, mechanical, plumbing, electrical, demolition permit for the project.
63. Plans submitted for plan check must be stamped by a State-licensed architect or engineer and shall include:
 - a. Complete structural calculations, details, notes and material specifications.
 - b. Complete Accessibility Plan with a statement from a California Certified Access Specialist (CAsp) indicating that a plan review has been performed and that it complies with the requirements of Chapter 11A & 11B of the CBC.
 - c. A stamped and signed Boundary and Topographic survey by a California licensed Land Surveyor.
 - d. A complete grading and drainage plan showing compliance with the Los Angeles Regional Water Quality Control Board (LARWQCB) Low Impact Development (LID) requirement. The Los Angeles County LID Manual may be used as a guideline for preparing the LID report.
 - e. Hydrology report along with hydraulic calculations.
 - f. Complete energy calculations, details, notes, and material specifications.
64. Applicant shall submit a site-wide New Address Issuance request to the Building Division. Approved building addresses to be shown on the submitted plans.
65. Applicant shall pay all development fees, including school district developer fees, prior to issuance of building permits.

Fire Department Conditions

66. The applicant must comply with the applicable requirements of the 2019 California Building and Fire Codes and the 2018 International Fire Code as adopted by the City of El Segundo and El Segundo Fire Department Regulations.
67. The applicant must submit and have approved by the Fire Department a Fire/Life Safety Plan, identifying fire safety precautions during demolition and construction, emergency site access during construction, permanent fire department access, fire hydrant locations and any existing or proposed fire sprinkler systems and fire alarm systems prior to issuance of the building permit.

Public Works Conditions

“City Engineer” = City Engineer or his/her designee throughout this document.

General

68. All work in the City's right-of-way or on City-owned and maintained facilities shall require review and approval of the City Engineer or his/her designee.
69. The applicant shall ensure that encroachment permits are secured from the Public Works Department/Engineering Division before commencing any and all work in the City's public right-of-way (ROW), including lane closures.
70. Construction inspection shall be coordinated with the Public Works Inspector and no construction shall deviate from the approved plans without approval of the City Engineer. If plan deviations are necessary, the applicant shall provide a revised plan or details of the proposed change for review and approval of the City Engineer prior to construction.
71. Prior to issuing of the Certificate of Occupancy, the applicant shall ensure installation of all improvements required by the Public Works Department are inspected and approved by the City Engineer.
72. All construction-related parking shall be accommodated on-site. No construction related parking shall be permitted off-site.
73. A grading and drainage plan shall be provided and stamped by a California (CA) State-licensed civil engineer as part of the Building Permit process.
74. A utility plan shall be provided that shows all existing and proposed utility lines and their sizes (sewer, water, gas, storm drain, electrical, etc.), including easements, within 200 feet of the project site boundary.
75. Easements shall be granted for all public utilities installed outside the public-right-of-way with 15 ft. wide minimum up to entering the public right-of-way.

Street Improvements & Traffic Control

76. All existing sidewalk, curb & gutter, driveway approaches, and curb ramps that are broken or not in conformance with the latest SPPWC or City standards shall be removed and constructed per the latest SPPWC and City standards.
77. PG-64-10 tack coat and hot mix asphalt shall be used for all slot paving required next to new concrete installations. Slot paving shall be 3 feet wide and 1 foot deep, consisting of 6 inches of asphalt over 6 inches of base.
78. The applicant shall coldmill 2" Asphalt Concrete (AC) pavement surface and overlay with 2" AC PG-64-10 the curb-to-centerline half street width of Kansas Street and El Segundo Boulevard fronting the property. AC mix specification shall conform to current

version of the Standard Specifications for Public Works Construction (SSPWC) "Greenbook", section 203-1.

79. Once the ROW improvements are accepted by the City Engineer, they are not to be used for staging building construction activities, including but not limited to, storage of construction materials and equipment. The street and sidewalks shall be kept free of construction debris, mud and other obstacles and shall remain open to traffic at all times. The applicant shall bear the entire cost of replacement or repair to any damage to improvements caused by its use, or its Contractors' and Subcontractors' use, of the improvements after acceptance by the City Engineer.
80. The proposed ingress/egress into the project site requires a traffic study to be prepared by a State-licensed Traffic Engineer to demonstrate the driveways will be in compliance with the requirements of the General Plan, subject to the review and approval of the Public Works Director or his designee.

Water

81. Any existing water meters, potable water service connections, fire backflow devices and potable water backflow devices must be upgraded to current City Water Division standards. These devices shall be placed or relocated onto private property.

Sewer

82. . The applicant must submit a sewer study to determine if there is a capacity deficiency in the affected sewer main lines and if so, sewer upgrades will be required. The sewer study shall be reviewed and approved by the City Engineer.
83. Prior to issuance of a Certificate of Occupancy, a \$60,551.30 sewer connection fee for this project must be paid to the City of El Segundo Public Works Department.
84. Any unused sanitary sewer laterals shall be abandoned and properly capped at the City main. The Contractor is to obtain necessary permits and licenses, and provide traffic control plans and shoring plans.

Storm Drain

85. Hydrologic and hydraulic calculations shall be submitted to size appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts. Refer to the most recent Los Angeles County Hydrology Manual. Instructions and the manual are available at the County website at <http://dpw.lacounty.gov/wrd/Publication/index.cfm>. Calculations shall be signed by a registered civil engineer.
86. The project shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements and shall provide Best Management Practices (BMPs) for sediment control, construction material control and erosion control.

Miscellaneous Conditions

- 87. Approval of this permit shall not be construed as a waiver of applicable and appropriate zoning regulations, or any Federal, State, County and/or City laws and regulations. Unless otherwise expressly specified, all other requirements of the ESMC shall apply.
- 88. Failure to comply with and adhere to all of these conditions of approval may be cause to revoke the approval of the project pursuant to the provisions of the ESMC.
- 89. In the event that any of these conditions conflict with the recommendations and/or requirements of another permitting agency or City Department, the stricter standard shall apply.
- 90. The applicant and its successors in interest shall indemnify, protect, defend (with legal counsel reasonably acceptable to the City), and hold harmless, the City, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs, and expenses of whatever nature, including reasonable attorney's fees and disbursements (collectively "Claims") arising out of or in any way relating this project, any discretionary approvals granted by the City related to the development of the project, or the environmental review conducted under California Environmental Quality Act, Public Resources Code Section 21000 et seq., for the project. If the City Attorney is required to enforce any conditions of approval, all costs, including attorney's fees, shall be paid for by the applicant. The Applicant agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "the City" includes the City of El Segundo's elected officials, appointed officials, officers, and employees.

AFFIDAVIT OF ACCEPTANCE OF CONDITIONS OF APPROVAL

_____ warrants that he is duly authorized to sign this Affidavit of Acceptance and to bind Smoky Hollow Industries, LLC to the same. By signing this document, _____, on behalf of Smoky Hollow Industries, LLC, certifies that he/she has read, understands, and agrees to the Project Conditions listed in this document.

Name, Title
Smoky Hollow Industries, LLC

{If Corporation or similar entity, needs two officer signatures or evidence that one signature binds the company}

CITY COUNCIL RESOLUTION NO. _____

Exhibit B

**Community Benefits Plan
1475 E. El Segundo Blvd. and 1320-1330 E. Franklin Ave**

Project description:

The development project at 1320-1330 E. Franklin Ave and 1475 E. El Segundo Blvd is subject to the following applications: Community Benefits Plan No. CBP 19-03 and CBP 19-04, Site Plan Review No. SPA 21-03 and SPA 21-04 and Environmental Assessment No. EA 1281 and EA 1282.

The proposed Project for the North Site includes developing a 1.07-acre portion of the 4.34-acre property located at 1320-1330 E. Franklin Avenue within the SHSP. The existing 19,493 square foot, one-story brick building will be preserved and two levels would be added above it, for a total of 64,295 square feet for R&D and office use. In addition, a 766 square foot pavilion building is proposed, which includes a public café, resulting in a total of 65,061 square feet of floor area for the North site (FAR = 0.95). Specifically, the proposed project on the North Site includes:

- Construction of a two-story 44,802-square foot addition to the existing building that would be structurally preserved in place, for a total floor area of 65,061 square feet (including the two-story pavilion noted below). The resulting three-story main building will measure 59'-6" in height, as measured from average grade to the rooftop of the building.
- Construction of a new two-story pavilion building to serve the neighborhood with a café and gathering point at the entry of a new public park accessible by the public. The new pavilion will have 766 square feet of floor area and will reach a maximum height of 23 feet and 8 inches.
- Construction of a new 5,000-square foot public outdoor park with park seating, picnic tables, shade trees and landscaping.

The development project deviates from the following Smoky Hollow Specific Plan (Specific Plan) development standards in Section 2.3:

1. Building Height.

The permitted building height is 35 feet. The proposed building height is up to 60 feet to the top of the roofline.

2. Allowable gross floor area ratio (FAR).

The permitted FAR is 1.5. The proposed FAR is up to 1.45.

Community benefits:

In exchange for the above deviations, the applicant offers the following community benefits and improvements, at the applicant's expense, as stated in pursuant to Smoky Hollow

Specific Plan Section 4.5.2:

Community Benefits Plan

The project is proposed as a campus, with multiple sites to be developed. The design of the building proposed on the North site exceeds the current base standard for building height in the SHSP, and the design of the building proposed on the South site exceeds the current base standards for building height and allowable Gross Floor Area Ratio (FAR). Projects within the SHSP area are allowed to request deviations from current City development standards with the approval of a Tier I or Tier II Community Benefits Plan. The proposed project would amend the SHSP to allow for an increase in the maximum permissible height for CBP Tier II qualifying projects. Allowable heights would increase to 60 feet from the current Tier II maximum of 50 feet. Approval of the SPA is required before the Development Sites can be permitted at a maximum height of 59.5 feet.

The Project requests the following deviations from the current development standards which require a Tier II Community Benefits Plan:

1. **Additional Building Height.** Proposed building heights of up to 59.5 feet on both Project sites would exceed the SHSP Base Standard height of 35 feet.
2. **Additional Building FAR.** Proposed 1.45 floor area ratio (FAR) on the South site exceeds the SHSP Base Standard FAR of 1.0. Proposed 0.94 floor area ratio (FAR) on the North site does not exceed the SHSP Base Standard FAR of 1.0.

In exchange for the above deviations allowed by Tier II CBP, the applicant is proposing the following community benefits and improvements, at the applicant's expense, pursuant to Smoky Hollow Specific Plan Section 4.5.2. The following Community Benefits are based on objectives and suggestions directly identified as development standards in the SHSP with the objective of benefiting the Smoky Hollow Specific Plan area. Additionally, the Specific Plan contains 32 design guidelines in five categories: building character, open space, landscaping, connectivity, signage and public art and Public Realm. Compliance with at least 17 of the guidelines is required to be considered as an exemplary project; the proposed Project incorporates 29 of the 32 design guidelines, far exceeding the minimum threshold for exemplary projects. A summary of the main community benefits that are proposed for the Project include the following:

1. **Underground Utilities.** The Project proposes to underground all electric power and low voltage phone and data lines that currently serve the buildings on East El Segundo Blvd and Kansas Street.
2. **Public Seating.** Proposed architectural seating will be provided along the sidewalk area within the public right-of-way (ROW) facing E. Franklin Avenue and Kansas Street.
3. **Coffee Pavilion/Public Café.** The proposed Project would also include a 276-square foot public café (Coffee Pavilion) and associated outdoor dining area immediately adjacent to the E Franklin sidewalk, in order to active the street and provide a convenient break location for local neighbors. The café is part of the

proposed 5,000-square foot public park that will be a landscaped focal point of the Project and of the surrounding area as well.

4. **Architecture that enhances building character.** See below under “Group A”.
5. **Open space that facilitates gathering.** See below under “Group B”.
6. **Landscaping and environmental design.** “See below under “Group C”.

In addition, the Development Project will provide the following specific community benefits as summarized from the CBP Tier II application scoring sheets:

Group A – Enhance Building Character

1. *Build on the quality industrial character:* Project has exposed steel beams and large industrial-style windows.
2. *Convey a sense of the old and new:* Project will preserve ground floor red brick exterior while adding two setback floors of a modern industrial building
3. *Build upon existing context:* Project stays within existing footprint but adds 2 floors with roof decks.
4. *Conserve and retain the character-defining features:* Project preserves ground floor red brick exterior and three historical building entrances.
5. *Encourage additions that complement the character-defining features:* Project has large industrial windows with exposed steel beams characteristic of mid-century architecture but stacked blond block with exposed aggregate and stain coloring to enhance the industrial appearance.
6. *Incorporate small, medium, and large scales:* Project includes several interlocking design elements of different scales for visual interest including large to small “nested” windows and balconies to break up the building facade into different sized elements.
7. *Enhance design at the pedestrian level:* Project will have extensive landscaping along all street frontages with pedestrian scale seating.
8. *Specify 360° architecture:* Project will have enhanced architecture on all four sides of each building.
9. *Enhance entry expression:* Project has new landscaping and a double high entry portal at the southwest corner.
10. *Encourage the use of roll-up doors and sliding walls at street frontage:* Roll-up doors are used in several main entrance locations.
11. *Orient secondary entries to alleys:* Some secondary access points are oriented toward local alleys.
12. *Incorporate different materials, colors, and textures:* Project includes a variety of materials, colors, and textures, including red brick, medium grey block, black steel, corten, architectural board formed concrete, and glass.

Group B – Facilitate Gathering

13. *Form an active street wall:* Project has a new two-story entry portal with enhanced landscaping along street frontages and distinctive entrances.
14. *Develop outdoor gathering spaces:* Project will have a pocket park with outdoor seating.

15. *Provide ease of access:* The Project will have multiple pedestrian and vehicular access points and ground floor tenants will have direct access to adjacent streets.
16. *Enhance surface parking:* Project will have shade coverings for surface parking lots plus stacked parking using current technology.
17. *Use enduring quality paving materials:* Project will have special paving materials to demarcate pedestrian walkways with integral color and crystal aggregate.
18. *Provide street furniture:* Project will provide street furniture for seating at the pocket park.
19. *Use exterior lighting to accentuate safety and design:* Project will provide period lighting on all sides of buildings for pedestrian safety.

Group C – Incorporate Landscaping and Environmental Design

20. *Design layered and lush landscaping:* Project will have extensive landscaping per landscaping plan.
21. *Select drought-tolerant and native plants:* Project landscape plan has drought-tolerant and native plants throughout.
22. *Utilize planters and pots to provide greenery:* Project has planters and pots on Level 2 and 3 decks and balconies and on the rooftop.
23. *Improve landscaping in parking areas:* Parking areas include landscaping on at least two sides (those facing the buildings).
24. *Use fences and walls as an extension of the architecture:* Project includes monument signs for both buildings that compliment and extend the building architecture.
25. *Use natural light:* Project has large windows for 2-story spaces with mezzanines to allow natural light in all interior spaces.

Group D – Encourage Connectivity

26. *Install bike facilities:* Two bike racks will be installed at each Project building.

Group E – Signage, Way Finding, and Public Art

27. *Design signs as an integral component:* Project includes integrated tenant signage.
28. *Incorporate way-finding through integral design:* Project has architecturally integrated signage for both pedestrians and vehicles.
29. *Encourage public art:* Project will have a large-scale art wall on the west side of the north building.

Public Realm

30. *Underground utilities:* The incoming power and low voltage cables for data and phone will be consolidated into one location and undergrounded.

CITY COUNCIL RESOLUTION NO. _____

Exhibit C

MASTER SIGN PROGRAM 21-01 FOR STANDARD WORKS PROJECT

RESOLUTION NO. _____

A RESOLUTION APPROVING COMMUNITY BENEFIT PLAN (CBP) NO. 19-02, SITE PLAN REVIEW (SPR) NO. 21-03, MASTER SIGN PROGRAM (MSP) 21-01, ENVIRONMENTAL ASSESSMENT EA-1281, AND OFF-SITE PARKING COVENANT FOR THE SOUTH SITE OF THE STANDARD WORKS PROJECT AT 1475 E. EL SEGUNDO BLVD.

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

SECTION 1. Recitals. The City Council finds:

- A. On August 31, 2020, Mark Telesz, of Smoky Hollow Industries, LLC filed an application for Community Benefit Plan (CBP) No. 19-02, Site Plan Review (SPR) No. 21-03, and Environmental Assessment (EA) No. 1281 for a Tier II Community Benefits Plan and Site Plan Review of the proposed South Site of the Standard Works project at 1475 E. El Segundo Blvd (the "Project").
- B. On January 6, 2021, Mr. Telesz applied for an amendment to the Smoky Hollow Specific Plan which, if approved, would allow for a maximum building height of 60 feet within a designated subarea of the Smoky Hollow Specific Plan ("SHSP"), subject to the approval of a Tier II Community Benefits Plan. On the same date, a Master Sign Program was submitted for review.
- C. Approval of the proposed Project is a subsequent discretionary action in furtherance of the SHSP; and
- D. The application was reviewed by the City's Development Services Department for, in part, consistency with the General Plan, and conformity with the El Segundo Municipal Code ("ESMC") and the SHSP; and
- E. The Project was presented to the Planning Commission at a duly-noticed public hearing on January 27, 2022. At the applicant's request, the Planning Commission continued the hearing to February 10, 2022.
- F. On February 10, 2022, the Commission held a continued public hearing to receive public testimony and other evidence regarding the application including, without limitation, information set forth in the staff report and information provided by the applicant and the public.
- G. At the February 10, 2022 meeting, the Commission recommended that the City Council approve the Smoky Hollow Specific Plan Amendment with modifications.
- H. On March 15, 2022, the City Council held a duly-noticed public hearing and considered all public testimony and other evidence presented, together with all other information in the administrative record. This Resolution, and its findings, are

made based upon the totality of the evidence in the administrative record before the City Council at its March 15, 2022 public hearing.

SECTION 2. *Factual Findings and Conclusions.* The City Council finds and concludes:

- A. The proposed project would develop a 1.01-acre property located at 1475 E. El Segundo Boulevard. The existing 19,311 square-foot, one-story brick building on the site would be preserved with two new levels totaling 44,604 square feet added above it. This would result in a total floor area of 63,915 square feet (FAR=1.45) for R&D and office use. The new three-story building would have a maximum height of 59 feet and 6 inches from the average grade to the top of the building.

- B. The project site is located within a subarea of the Smoky Hollow Specific Plan that would be created upon the City Council's approval of the aforementioned Specific Plan Amendment. Said Amendment would allow for a maximum building height of 60 feet on the project site, subject to the approval of a Tier II Community Benefits Plan. The proposed building with a total of 63,915 square feet will be compliant with the Tier II floor area ratio, will be consistent with the Smoky Hollow Specific Plan design guidelines, open space and landscape requirements, will meet parking requirements with a recorded off-site parking agreement, and signage will be compliant with a Master Sign Program. The glass and steel structure will preserve the existing red brick building and proposes three stories in total. Landscaping and open space are compliant with the provisions of the ESMC and SHSP design guidelines, provided both on the rooftop deck and ground floor elevation with landscaping provided via ground planters and vertical planting. Directional signage is proposed at the site access to provide direction and location for additional parking made available at the off-site parking structure located at 1310 E. Franklin Ave. Parking is provided through 41 surface parking spaces and car lifts will be used to provide additional vehicle storage. The required parking for the site is 160 spaces, and the applicant has elected to secure the additional parking via an off-site parking covenant located within the newly constructed parking structure at 1310 E. Franklin Avenue for 123 parking spaces. Further, the application includes a Master Sign Program which details signage provided for the entire Standard Works Campus, which entails the North and South site, as well as the under-construction building at 140 Oregon Street. The program features 15 types of identification sign, including tenant identification, wayfinding, parking, and monument signs to be placed across the campus.

- C. The subject site has entered into agreement to provide 123 off-site parking spaces through an offsite parking covenant with the property at 1310 E. Franklin Avenue. The offsite parking covenant is attached hereto as Exhibit D and incorporated herein by this reference.

- D. With regard to Community Benefits Plan findings, The City Council finds:
 - 1. The proposed additional building height, intensity, or deviation from the

development standards would not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

The proposed building height for the project is compatible with the neighborhood in that two-story buildings, tall petroleum storage drums, and 200-foot-tall distillation columns from the Chevron oil refinery are located in the immediate vicinity. The additional 25-foot building height from base height standard is not anticipated to be detrimental, as the project is consistent with development directly adjacent (for example, the recently approved development at 140 Oregon was approved at 55 feet) and is consistent with the vision for Smoky Hollow to allow for creative and exemplary office space.

The project is located in a developed area which contains all utilities and public infrastructure. Additionally, before the City issues building permits for the project, the applicant will submit detailed plans to the City for review for compliance with all applicable Building and Fire safety codes. Therefore, the project overall is not anticipated to be detrimental to the public health, safety, or welfare.

2. The proposed community benefit provides exemplary project and/or streetscape design.

The Specific Plan contains 32 specific design guidelines in five categories including, building character, open space, landscaping, connectivity, and signage and art. Compliance with at least 17 of the guidelines is required to consider a project exemplary in building and/or streetscape design. The proposed project incorporates 28 of the 32 guidelines as indicated and detailed on project plans dated January 20, 2022, incorporated herein by this reference.

3. The proposed community benefits directly implements objectives of the Specific Plan.
 - a. Part of the proposed community benefit consists of compliance with the Smoky Hollow design guidelines. Compliance with the guidelines directly implements the Smoky Hollow Design Objectives in Specific Plan Section 2.4.1 as follows:
 - b. The project design helps preserve Smoky Hollow's existing character by preserving existing brick materials for both projects and incorporating materials and colors that are consistent with existing buildings in the area and with the neighborhood's industrial character.
 - c. The projects incorporate sidewalk-oriented entries for both projects as well as pedestrian-oriented scale and design features such as lighting, windows, and signage. In addition, the project will make use of drought tolerant plant species in the landscaped areas, which will reduce the use of water for landscaping.

- d. The entries are directly accessible from the public sidewalk and serve to activate both Franklin Avenue and East El Segundo Boulevard street frontages and therefore create a vibrant atmosphere.
 - 1. The proposed community benefit plan implements the goals and objectives of Specific Plan Chapter 3 regarding publicly owned rights-of-way and publicly accessible open spaces. The proposed community benefits plan includes public improvements to utilities in the public right-of-way, landscaping adjacent to the street, and open space, which will in turn help integrate cyclists, pedestrians, and transit users for businesses to flourish.
- 4. The value of the proposed community benefits bear a relationship to the value generated by the project.

The City retained Kosmont and Associates, Inc. (Kosmont) to prepare a comprehensive financial report of the proposed Tier II Community Benefits Plan for the project. The analysis indicates the value of the community benefits being offered and the financial gain by allowing an additional 10 feet of building height above the Tier II Community Benefit height limit of 50 feet. This height increase is an additional 25 feet in height above base standard, or 35 feet in height with the adoption of the Specific Plan Amendment. In compliance with the Smoky Hollow Specific Plan Tier II Community Benefit Plan requirements, the community benefits provided and incorporated into the project plans dated January 20, 2022, have been evaluated to quantify the total value of all community benefits. In this instance, the total value of the added 10 feet is shown to be \$1.77 million while the total of the community benefits are estimated to be \$3.52 million. Therefore, the value of the proposed community benefits bear a relationship to the value generated by the project.

- 5. The proposed community benefits do not principally benefit the project or the occupants of the project, but rather provide a district or area-wide benefit to the larger Smoky Hollow Plan area.
 - a. The project incorporates a range of community benefits in compliance with the prescribed Community Benefit categories of the Smoky Hollow Specific Plan. The following list of items benefit the public and not principally the occupants of the project:
 - 1. Transformative projects - significant investment for an architecturally expressive design that rehabilitates the original 1950s mid-century buildings for both the North and South sites, rather than demolishing. The unique design incorporates architectural elements such as exposed structural steel, large scale balconies and exterior decks, large mid-century like steel windows, and other period materials. The design will build upon the character of the smoky hollow neighborhood and help promote new designs by other developers.

2. Preservation and rehabilitation - preservation and rehabilitation of the existing brick facades on both the North and South sites.
3. Streetscape improvements – new landscaping located directly along the frontage of each building on the North and South sites.
4. Utility improvements - removal of existing overhead utility lines along project frontage on East El Segundo Boulevard and Kansas Street will be removed and placed underground to beautify the streetscape views.
5. Lighting and wayfinding - period appropriate exterior lighting and directional signage for the project will be provided adjacent to the sidewalks facing Franklin Avenue.

The City Council finds that the project provides the aforementioned community benefits that do not principally benefit the occupants of the project, but rather, provide an area-wide benefit to the larger Smoky Hollow Plan area.

E. With regard to Site Plan Review Findings Under ESMC § 15-30, The City Council finds:

1. The proposed development is consistent with the goals, policies, and objectives of the El Segundo General Plan, the Smoky Hollow Specific Plan, and the El Segundo Zoning Code.

As previously indicated, the applicant has simultaneously applied for an amendment to the Smoky Hollow Specific Plan that would create a new subarea within which the maximum building height would be increased to 60 feet (from 50 feet), subject to the approval of a Tier II Community Benefits Plan. By way of a separate resolution (Resolution No.____), the City Council has approved the requested amendment to the Specific Plan. The project site is located within that proposed subarea.

The proposed Project complies with the Smoky Hollow Specific Plan as amended. The SHSP permits a mix of office, research and development, light industrial, and warehouse uses. Further, the SHSP sets standards to achieve high quality development, which includes design guidelines and development standards with criteria for site design, architecture, orientation and massing, parking and loading, landscaping, lighting, and connectivity. The proposed development has been evaluated in the context of the goals, policies and objectives from the SHSP. The project design helps preserve Smoky Hollow's existing character by preserving existing brick materials for both projects and incorporating materials and colors that are consistent with existing buildings in the area and with the neighborhood's industrial character. The project incorporates sidewalk-oriented entries for the project as well as pedestrian-oriented scale and design features such as lighting, windows, and signage. The proposed Project implements the goals and objectives of Specific Plan Chapter 3 regarding publicly owned rights-of-way and publicly accessible open spaces. The proposed Project includes public improvements to utilities in the public right-of-way, landscaping adjacent to the street, and open space, which will in turn help integrate cyclists, pedestrians, and transit users for businesses

to flourish.

Economic Development Element

General Plan Economic Development Element Goal ED1 outlines the City's objectives to create a strong, healthy economic community in which all diverse stakeholders may benefit.

The City's Economic Development Element of the General Plan specifies the following:

Objective ED1-1.1: To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo's economic base.

Policy ED1-1.1: Maintain economic development as one of the City's and the business and residential communities' top priorities, diversifying the City's economic base to meet quality of life goals, and results in job creation and growth potential.

Objective ED1-2: Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

Policy ED1-2.2: Maintain and promote land uses that improve the City's tax base, balancing economic development and quality of life goals.

The proposed project is consistent with the General Plan's Economic Development Element and directly implements and furthers the General Plan's goals, objectives and policies above because the project promotes economic development and improves the City's tax base through inclusion of office, research and development, and retail land uses within the Smoky Hollow Specific Plan area. The proposed project will not obstruct the attainment of any goal, policy or objective of the General Plan's Economic Development Element.

Land Use Element

General Plan Land Use Element Goal LU2 outlines the City's objectives to preserve and enhance the City's cultural heritage and buildings or sites that are of cultural, historical, or architectural importance.

The City's Land Use Element of the General Plan specifies the following:

Objective LU2-1: Maintain the distinct character of the existing areas of the City.

The proposed project is consistent with the General Plan's Land Use Element and directly implements and furthers the General Plan's goals, objectives and policies above because the proposed project design preserves the existing red brick building, to maintain the character of the post-war period architecture found within Smoky Hollow. The proposed project will not obstruct the attainment of any goal, policy or objective of the General Plan's Land Use Element.

Circulation Element

The City's Circulation Element of the General Plan specifies the following:

Objective C1-1: Provide a roadway system that accommodates the City's existing and projected land use and circulation needs.

Policy C 1-1.14: Require a full evaluation of potential traffic impacts associated with proposed new developments prior to project approval. Further, require the implementation of appropriate mitigation measures prior to, or in conjunction with, project development.

The proposed project is consistent with the General Plan's Circulation Element and directly implements and furthers the General Plan's goals, objectives, and policies above because the project would not disturb or impact the existing roadway network immediately surrounding the project sites. Access to and from the projects are well established by Franklin Avenue, Kansas Street, Oregon Street, and El Segundo Boulevard. In compliance with SHSP EIR Mitigation Measure 18-1, a Traffic Impact Analysis was conducted to analyze any new impacts to the local street network from the Project, based on LOS standards per the General Plan, and calculate a fair share contribution for project traffic impacts. Based on the traffic impact analysis conducted, the proposed Project will not create traffic impacts greater than those identified in the TIA conducted for the SHSP EIR. The project applicant will be required to pay fair share for the improvements to the roadway network as identified in the SHSP EIR. The SHSP was adopted in 2018 and was found to be consistent with the City's General Plan. The proposed project will not obstruct the attainment of any goal, policy or objective of the General Plan's Circulation Element. Additionally, the project is consistent with the design and zoning standards as required by the SHSP. Specifically, with the approval of the proposed SHSP amendment to allow 60 feet for projects within Subarea 1, the project would be compliant with all zoning standards including height, floor area

ratio, setbacks, design standards, and landscape and open space standards. Parking for the project would be both on-site and located off-site within the adjacent existing 398 space parking garage located at 1310 E. Franklin Avenue. While this parking is technically off-site, the garage is approximately 200 feet away from the project site and a parking covenant will be recorded with the County of Los Angeles to ensure that the required parking is provided for the life of the project.

2. The proposed project is functionally compatible with the area in which it is located.

The City of El Segundo has distinctive land use patterns, which are divided into four quadrants by the intersection of Pacific Coast Highway and El Segundo Boulevard. Compatibility of an individual land use is determined mainly by its relationship to other uses within its quadrant. The SHSP area is located in the northwestern quadrant of the City of El Segundo which is west of Pacific Coast Highway and north of El Segundo Boulevard. The design and implementation of the Specific Plan relates directly to the goals and objectives of the Specific Plan and would be functionally compatible with other uses within the Specific Plan area. The SHSP includes a range of commercial and industrial uses that will contribute to job creation opportunities and balance growth with local resources and infrastructure capacity.

The proposed building height for the project is compatible with the area in that two-story buildings, tall petroleum storage drums, and 200-foot-tall distillation columns from the Chevron oil refinery are located in the immediate vicinity. The project is located in a developed area which contains all utilities and public infrastructure.

The project is within the Smoky Hollow East (SH-E) zoning district, which provides a transitional land use area between higher-intensity office uses east of PCH and the smaller, single-parcel industrial and creative businesses of the western portion of Smoky Hollow area. The SH-E zoning district accommodates development of incubator industrial, research, and technology uses; medium-sized light industrial and manufacturing; and creative office activities. The Standard Works development project is compatible and consistent with the types of development desired by the Smoky Hollow Specific Plan within the SH-E zoning district.

3. The proposed development will not adversely affect the general welfare of the City.

The SHSP development standards ensure that the Projects are developed in an orderly fashion with high quality architecture, building materials, and urban design. The Project's consistency with these standards, its design, and configuration result in a project that will not adversely affect the general welfare of the City. Before the City issues building permits for the project, the

applicant will submit detailed plans to the City to review for compliance with all applicable Building and Fire safety codes. Further, the proposed project will promote the orderly development of property, the preservation of property values and preservation of the distinct character of Smoky Hollow. The project will be consistent with surrounding development and will not adversely affect the value of neighboring properties. The proposed project is compatible with the neighborhood, and therefore is not anticipated to be detrimental to the public health, safety, or welfare.

F. With regard to Master Sign Program Findings Under ESMC Chapter § 15-18, The City Council Finds:

1. Is consistent with Chapter 15-18 of the ESMC in all regards including size, type, locations, prohibited signs, exempt signs, general sign standards, applications, permits, nonconforming conditions, substitutions, enforcement and maintenance.
2. Provides all Tenants a guideline for Tenant signage that is architecturally compatible with the campus wide architectural esthetic for the purposes of a unified campus standard in design, installation and otherwise as approved by the authorities having jurisdiction with the original construction of the project.
3. Provides the appropriate process for review, submittal, approval, installation, maintenance and removal of all signage on the Standard Works campus.

G. With regard to the Off-Site Parking Findings Under ESMC Chapter § 15-15-3 (H)(4)(a)(1)-(4), the City Council Finds:

1. Proximity of the off-site parking facilities are with 750 feet, which is a reasonable maximum walking distance.
2. Ease of pedestrian access to the off-site parking facilities is provided using dedicated pedestrian walkways.
3. Provisions for transportation to and from the off-site parking are not necessary given that the parking is located directly adjacent to the project site and is within close distance of approximately 300 feet.
4. The type of use the off-site parking facilities are intended to serve is appropriate since it is an office use in an area with other similar uses.

SECTION 3. *Environmental Review.* Concurrent with its review of this Resolution, the City Council will consider adoption of an Initial Study/Mitigated Negative (IS/MND) Declaration prepared to analyze the potential environmental effects of the proposed project. The factual findings and conclusions set forth in such resolution are incorporated herein by reference.

SECTION 4. *Approval.* The City Council hereby approves Community Benefit Plan (CBP) No. 19-02 (attached hereto as Exhibit B and incorporated herein), Site Plan Review (SPR) No. 21-03, Master Sign Program (MSP) 21-01 (attached hereto as Exhibit C and incorporated herein), Environmental Assessment No. 1281, and the off-site parking covenant attached hereto as Exhibit D for the development of 1475 East El Segundo Boulevard, subject to the conditions listed on Exhibit A of this Resolution.

SECTION 5. *Reliance on Record.* Each and every one of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 6. *Severability.* If any part of this Resolution 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 Resolutions are severable.

SECTION 7. *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 8. *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 9. *Effective Date.* This Resolution will take effect immediately upon the effective date of Ordinance No. ____ approving an amendment to associated Smoky Hollow Specific Plan Amendment, and the Ordinances adoption and effectiveness are conditions precedent to this Resolution taking effect. Thereafter, this Resolution will remain effective unless repealed or superseded.

SECTION 10. *City Clerk Direction.* 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, APPROVED 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 Resolution No. was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, attested to by the City Clerk of said City, all at a regular meeting of said Council hold 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 COUNCIL RESOLUTION NO. _____

Exhibit A

CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code (“ESMC”) and all provisions of the Smoky Hollow Specific Plan, Mark Telesz and Smoky Hollow Industries, LLC (the “Applicant” or “Owner”) agrees to comply with the following provisions as conditions for the City of El Segundo’s approval of Community Benefit Plan CBP 19-03, Site Plan Review (SPR 21-03), and Environmental Assessment (EA) No. 1281 for a Tier II Community Benefits Plan and Site Plan Review of the proposed South Site of the Standard Works project at 1475 E. El Segundo Blvd. (“Project Conditions”):

Zoning Conditions

1. This approval is for the project as shown on the plans dated January 20, 2022 and presented to and reviewed by the Planning Commission on February 10, 2022 and approved by City Council on March 15, 2022, and on file with the Development Services Department.
2. Prior to issuance of any permit for the project, the applicant must submit plans, showing that the project substantially complies with the plans and conditions of approval on file with the Development Services Department. The Development Services Director is authorized to approve minor modifications to the approved plans or any of the conditions if such modifications achieve substantially the same results as would strict compliance with said plans and conditions. Any subsequent modification must be referred to the Development Services Director for a determination regarding the need for Planning Commission and/or City Council review and approval of the proposed modification.
3. This approval allows for construction of a new office facility at 1475 E. El Segundo Blvd. Specifically, the approved construction on the north site includes the following:
 - a. Construction of a 44,604-square foot addition to the existing building that would be structurally preserved in place, resulting in a total gross floor area of 63,915 square feet.
 - b. The maximum height of the resulting three-story building is limited to 59’-6” as measured from average grade to the rooftop of the building. Per the Smoky Hollow Specific Plan, building height does not include additional parapet height of 5’, or additional structures allowed per the CBC and ESCM Section 15-2-3.

A change in uses or changes in the allocation of square footages specified above must be referred to the Development Director for a determination regarding the need for Planning Commission and/or City Council review and approval of the proposed changes.

4. Signs proposed for the project, including monument signs, shall be designed in conformance with the approved Master Sign Program (MSP 21-01), which is included as Exhibit C of this Resolution. Any revisions to the Master Sign Program must be submitted and approved by the Development Services Director or designee prior to final building permit approval.
5. This approval shall not become effective unless and until the City Council adopts an ordinance approving the associated Smoky Hollow Specific Plan Amendment and said ordinance takes effect.
6. Before any building permits are issued, the applicant will be required to pay fair-share contribution to the City of El Segundo in compliance with Smoky Hollow Specific Plan EIR Mitigation Measure 18-1. The fair share contribution has been determined as follows:
 - a. 4.7% for PCH/Grand Avenue for a new right-turn overlap signal phase on all approaches. The total cost estimate for the improvement is \$80,788.00, of which \$3,797.04 is the project's fair share contribution.
 - b. 5.3% for PCH/El Segundo Boulevard for a Second eastbound left-turn lane, and new right-turn overlap signal phase at the northbound approach. The total cost estimate for improvements is \$2,553,500.00 of which \$135,335.50 is the project's fair share contribution.
7. All rooftop mechanical equipment shall be architecturally screened in accordance with ESMC Section 15-2-8(C). Prior to permit final, the equipment shall be adequately screened to the satisfaction of the Development Services Director.
8. All building and drainage gutters, down spouts, vents and other protrusions shall be concealed from view within the exterior walls. Ladders for roof access shall be mounted on the inside of the building.
9. Mandatory solid waste disposal services shall be provided by a City approved waste hauler to all parcels/lots or uses affected by approval of this project.
10. The Applicant shall provide receptacles (bins) for the collection of refuse and recyclable materials, as well as a hose bib for washing collection areas. Prior to the issuance of building permits, the applicant shall provide documentation from a City approved waste hauler stating that the number and size of bins provided for the collection of refuse and recyclable materials generated by the project is adequate.
11. Prior to the issuance of building permits, the Applicant shall provide documentation from a City approved waste hauler stating that the dimensions of the refuse storage enclosure are of adequate size to accommodate containers consistent with the current methods of collection, are designed with a walk-in access component, and located and designed to facilitate trash truck access and pickup.

12. Trash enclosures on the property shall be either fully enclosed within the building or must be adequately screened by a trash enclosure per the ESMC. Further, the gates shall include architectural paneling or finishing that is consistent with the paneling or finishing of the building. Lastly, trash enclosure areas for the project shall have a non-combustible decorative cover that matches the building's architecture.
13. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.
14. The applicant shall submit a Landscape Plan in accordance with ESMC Section 15-15a.
15. At the applicant's expense, the open spaces approved within the project shall be maintained in accordance with the approved Landscape Plan.

Community Benefits Plan

16. The applicant must provide all the community benefits as stated in Exhibit B (Community Benefits Plan). If the project does not provide a benefit or ceases to provide one, the owner must submit a revised CBP including equivalent replacement benefit of an equal value to the Development Services Director for review and approval. The Director may at his discretion refer the revised CBP to the Planning Commission and City Council for review and approval.
17. The applicant must construct the public improvements indicated in the Community Benefits Plan, including, but not limited to, sidewalk, streetscape, landscaping, parking, open space, and other improvements within the public right-of-way.

IS/MND / CEQA

18. Applicant must comply with all applicable mitigation measures identified in the Final Environmental Impact Report prepared for the SHSP. All mitigation measures and conditions of approval must be listed on the plans submitted for plan check and the plans for which a building permit is issued.
19. Prior to issuance of any demolition, grading or building permit or as otherwise appropriate, a matrix/spreadsheet shall be submitted to the City, as applicable, for review and compliance with:
 - a) The SHSP 2018 EIR (EA-1101) Mitigation Monitoring and Reporting Program (MMRP) as adopted by the City Council on October 2, 2018.
 - b) The Project IS/MND MMRP as adopted as part of City Council Resolution No.

c) All project conditions of approval.

20. Prior to Certificate of Occupancy, the project shall demonstrate compliance with all applicable mitigation measures in the MMRP for the SHSP EIR and project COA. A final mitigation and COA monitoring matrix/spreadsheet shall be submitted to the City.

21. All mitigation measures listed in Mitigation Monitoring and Reporting Program adopted as part of City Council Resolution No. _____ shall be complied with. This shall include:

*Denotes mitigation measure carried over from the Smoky Hollow Specific Plan EIR

Biological Resources

22. **BIO MM 7-1*** To avoid impacts to nesting birds, construction activities and construction noise should occur outside the avian nesting season (prior to February 1 or after September 1). If construction and construction noise occurs within the avian nesting season (during the period from February 1 to September 1), areas within 100 feet of a development site shall be thoroughly surveyed for the presence of nests by a qualified biologist no more than five days before commencement of any vegetation removal. If it is determined that the Project Site is occupied by nesting birds covered under the Migratory Bird Treaty Act, mitigation measure 7-2 shall apply.

23. **BIO MM 7-2*** If pre-construction nesting bird surveys result in the location of active nests, no grading, vegetation removal, or heavy equipment activity shall take place within an appropriate setback from occupied nests as determined by a qualified biologist. Protective measures (e.g., established setbacks) shall be required to ensure compliance with the Migratory Bird Treaty Act and California Fish and Game Code requirements. The qualified biologist shall serve as a construction monitor during those periods when construction activities occur near active nest areas to ensure that no inadvertent impacts occur. A report of the findings, prepared by a qualified biologist, shall be submitted to the CDFW prior to construction-related activities that have the potential to disturb any active nests during the nesting season.

Cultural Resources

24. **CUL MM 8-2*** Prior to the commencement of grading or demolition of subsurface structures, a professional archaeologist who meets U.S. Secretary of the Interior's Professional Qualifications and Standards, shall conduct a brief archaeological and paleontological informational session for construction personnel. The training session may consist of an in-person meeting or a written handout describing: (1) how to identify archaeological and paleontological resources that may be encountered during earth-moving activities and (2) the procedures to be followed in such an event, including contact information for the appropriate entities if archaeological or paleontological resources are discovered.

25. **CUL MM 8-3*** In the event that archaeological or paleontological resources are unearthed during ground-disturbing activities, the ground-disturbing activities shall be halted or diverted away from the vicinity of the find so that the find can be evaluated. A buffer area of at least 50 feet shall be established around the find, where construction activities will not be allowed to continue until a qualified archaeologist or paleontologist has examined the newly discovered artifact(s) and has evaluated the area of the find. Work shall be allowed to continue outside the buffer area. If the archaeologist identifies the find as a tribal cultural resource or suspects it to be a tribal cultural resource, the City will contact the Native American Heritage Commission (NAHC) to report the discovery, and will contact local Native American tribal representatives as directed by the NAHC. Should the newly discovered artifact(s) be determined to be a tribal cultural resource, Native American construction monitoring will be initiated. The City shall coordinate with the archaeologist and tribal representative(s) to develop an appropriate treatment plan for the resources.
26. **CUL MM 8-4** If human remains are uncovered during Project grading, work must be halted in the immediate area of the find and the County Coroner notified in accordance with Health and Safety Code Section 7050.5. The Coroner must then determine whether the remains are of forensic interest. If the Coroner, with the aid of a supervising archaeologist, determines that the remains are or appear to be of a Native American, they must contact the Native American Heritage Commission for further investigations and proper recovery of such remains, if necessary. Further, pursuant to Public Resource Code Section 5097.98(b) remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the County Coroner determines the remains to be Native American, the Native American Heritage Commission shall be contacted within the period specified by law (24 hours). Subsequently, the Native American Heritage Commission shall identify the "most likely descendant". The most likely descendant shall then make recommendations and engage in consultation concerning the treatment of the remains as provided in Public Resources Code Section 5097.98. Human remains from other ethnic/cultural groups with recognized historical associations to the area shall also be subject to consultation between appropriate representatives from that group and the local jurisdiction/lead agency involved. This measure shall be implemented to the satisfaction of the City Planning Department.

Geology and Soils

27. **MM GEO-1** Prior to issuance of any grading or building permits, the applicant shall demonstrate that all improvements and construction-related activities comply with the recommendations outlined in the Project geotechnical report (CWI 2017). This measure applies to all potential geologic and soil constraints that could affect one or both sites, including but not limited to seismic ground failure, strong seismic shaking, differential settlement, liquefaction, lateral spreading, and subsidence, and landslides/slope stability as appropriate. This measure shall be implemented to the satisfaction of the City Engineer.

Greenhouse Gas Emissions

28. **EECAP 4.1*** Encourage or Require Energy Efficiency Standards Exceeding Title 24. This measure will develop City staff to be resources in encouraging and implementing energy efficiency beyond that required by current Title 24 Standards.
29. **EECAP 5.2*** Promote Water Efficiency Standards Exceeding SB X7-7. In addition to SB X7-7, more actions are being studied or have been taken to exceed water efficiency standards. These efforts include education and outreach practices that could be combined with residential and commercial EECAP actions that emphasize the reuse of recycled/gray water and promote harvesting rainwater.

Hazards and Hazardous Materials

30. **MM HAZ-3** Prior to issuance of any demolition or building permits for South Site (1475 E. El Segundo Boulevard) or North Site (1330 E. Franklin Street), the applicant shall identify and effectively remediate any asbestos-containing materials (ACMs) associated with the onsite buildings. This remediation may be accomplished by either in-place encapsulation or removal as appropriate. The applicant shall retain a qualified asbestos contractor to conduct this work and shall provide the City with a final report within 45 days of completion of all remediation activities, including appropriate documentation of disposal of any onsite ACMs at an approved landfill. This measure shall be implemented to the satisfaction of the City Planning Department.

Transportation (VMT)

31. **MM VMT-1 Unbundle Parking Cost.** This measure implements workplace parking pricing and unbundles the cost of parking from the lease. The Project shall include parking in the access-controlled parking structure. The property owner shall include language in the lease agreement which provides reduced lease rates if parking is not required by the tenant. The developer shall implement a monthly cost for parking spaces by charging a parking fee per access card. The range of VMT reduction from this measure is between 2.6% and 13%. Based on the calculations, a \$50 per month/employee parking cost will result in a VMT reduction of 5.1%.
32. **MM VMT-2 Parking Management Strategies.** Strategies to encourage efficiency in parking facilities and improve the quality of service to parking users results in reduction of VMT. This includes signage and directions, providing preferential carpool/vanpool parking spaces closer to the building entrance to and from the destination, etc. This encourages carpooling/vanpooling and also reduces the amount of time patrons drive around to find the best parking area to minimize walking. The maximum reduction from this measure is 3%.
33. **MM VMT-3 Mandatory Travel Behavior Change Program, Promotions & Marketing.** This involves the development of a travel behavior change program that targets individuals' attitudes, goals, and travel behaviors, educating participants on the

impacts of their travel choices and the opportunities to alter their habits. The project shall provide a web site that allows employees to research other modes of transportation for commuting. If a website is planned for the development, links to Google Transit, and/or local bus operators should be provided on the website. If a website is not planned, QR Codes could be provided in the parking structure and the building lobbies to enable users an easy way to access information about transit routes. The maximum reduction due to this measure is 1%.

34. **MM VMT-4 Implement Commute Trip Reduction Marketing.** This involves the use of marketing and promotional tools to educate and inform travelers about site-specific transportation options and the effects of their travel choices with passive educational and promotional materials. The project shall implement marketing strategies to reduce commute trips. The project will implement marketing strategies to reduce commute trips. Information sharing and marketing are important components to successful commute trip reduction strategies. Implementing commute trip reduction strategies without a complementary marketing strategy will result in lower VMT reductions. Marketing strategies may include new employee orientation of trip reduction and alternative mode options, event promotions, and printed material. CAPCOA states that the range of reduction is between 0.8% to 4%, but states that in some literature, the VMT reduction has been as much as 15%, especially for urban areas. For this project, a conservative reduction of 3% has been assumed.
35. **MM VMT-5 Include Bike Parking in Excess of City Code.** This implements short and long-term bicycle parking to support safe and comfortable bicycle travel by providing parking facilities at destinations. Based on discussion with the applicant, bike parking in excess of City code shall be provided. The City's code requires a minimum of 4 spaces for non-residential buildings up to 15,000 square feet, plus a minimum of 5 percent of the required vehicle spaces for the portion above 15,000 square feet. The maximum number of bicycle parking required under City code is 25 spaces. For the project, the number of bicycle parking spaces required under code is 17 spaces, and therefore, it is recommended that the project provide at least 18 spaces. This results in a VMT reduction of 0.625%.
36. **MM VMT-6 Include Secure Bike Parking and Showers.** This implements additional end-of-trip bicycle facilities to support safe and comfortable bicycle travel. Based on discussion with the applicant, each building shall include shower facilities and secure bike parking facilities shall be provided. This results in a VMT reduction of 0.625%.

Tribal Cultural Resources

37. **MM-TCR-1 Native American Monitoring.** Prior to the commencement of any ground disturbing activity at the Project site, the Project applicant shall retain a Native American Monitor approved by the Gabrieleño Band of Mission Indians-Kizh Nation and the Gabrielino Tongva Indians of California, the tribes that consulted on this Project pursuant to AB 52 and SB 18 (the "Tribes" or the "Consulting Tribes"). Copies of the executed contracts shall be submitted to the City of El Segundo Development Services

Department prior to the issuance of any permit necessary to commence a ground-disturbing activity.

The Tribal monitors shall only be present on-site during the construction phases that involve ground-disturbing activities. Ground disturbing activities are defined by the Tribes as activities that may include, but are not limited to, pavement removal, potholing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the Project area. The Tribal Monitors shall complete daily monitoring logs that will provide descriptions of the day's grading and related earth-disturbing activities, including type and extent of construction activities, location of work, soil and any cultural materials identified, or other items potentially related to cultural resources. The on-site monitoring shall end when all ground-disturbing activities on the Project site are completed, or when the Tribal Representatives and Tribal Monitors have indicated that all upcoming ground-disturbing activities at the Project site have little to no potential for impacting Tribal Cultural Resources.

Upon discovery of any Tribal Cultural Resources, construction activities shall cease in the immediate vicinity of the find (not less than the surrounding 100 feet) until the find can be assessed. All Tribal Cultural Resources unearthed by Project activities shall be evaluated by the Consulting Tribes approved Tribal monitors. If the resources are Native American in origin, the Consulting Tribes shall retain it/them in the form and/or manner the Tribes deem appropriate, for educational, cultural and/or historic purposes. If human remains and/or grave goods are discovered or recognized at the Project site, all ground disturbance shall immediately cease, and the county coroner shall be notified per Public Resources Code Section 5097.98, and Health & Safety Code Section 7050.5. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2). Work may continue on other parts of the Project site while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5[f]).

General Conditions

38. The project is subject to the Public Art or In-Lieu Fee Requirement (Cultural Development Program) established by City Council Ordinance 1594, which requires placement of public art on-site or payment of in-lieu fees to the Cultural Development Fund. Prior to issuance of a building permit, the applicant shall submit an application to the Community Services Department and shall either: a) enter into an agreement with the City of El Segundo to provide public art onsite; or, b) in-lieu of commissioning public art onsite, pay a fee equal to 1% of the project cost to the City's Cultural Development Fund.
39. A positive balance shall be always maintained in all project Reimbursement Accounts. If the balance of the Reimbursement Account(s) associated with the project becomes negative at any time, all work on the project shall be suspended, including the issuance of permits and project inspections, until such time as the sufficient funds are deposited to return the account(s) to a positive balance.

40. A weatherproof notice/sign to report dust, noise, or other construction-related impacts shall be posted and prominently displayed on the construction fencing clearly visible to the public from along the abutting street(s). The notice/sign shall set forth the name of the person(s) responsible for the construction site and a phone number(s) to be called in the event that a construction-related impact occurs.
41. Reclaimed water must be utilized for all landscaped areas.
42. Prior to issuance of any permit, landscaping plans must be submitted to the Development Services Department that conform to the City's Water Conservation in Landscaping requirements as set forth in ESMC Chapter 15.
43. All utilities lines installed to serve the new construction shall be placed underground.
44. The developer shall be responsible for the relocation of any existing utility necessary as a result of the development.
45. Pedestrian walkways within the project must include admixture colored concrete and/or design that enhance and complement the project.
46. The project site shall be fenced and screened during construction.
47. All areas within the project site shall be maintained free of trash and debris.
48. Prior to issuance of any permit, an erosion control plan shall be reviewed and approved by the Building Official and the Public Works Director.
49. Water spraying or other approved methods shall be used during grading operations to control fugitive dust. Recycled water shall be used for grading operations whenever available.
50. During the grading phase and as needed during the remainder of the construction phase, the owner or contractor must conduct daily street sweeping along the streets abutting the project site(s).
51. In the event that a Planning, Building, Public Works, Fire Department or Police Department requirement are in conflict, the stricter standard shall apply.

Impact Fee Conditions

52. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time library services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

53. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time fire services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
54. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit new Building C, the applicant must pay a one-time police services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
55. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time park services mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.
56. Pursuant to ESMC §§ 15-27 A-1, et seq., prior to issuance of a building permit for new Building C, the applicant must pay a one-time traffic mitigation fee. The fee amount must be based upon the adopted fee at the time the building permit is issued.

Building Safety Conditions

57. All projects shall comply with the El Segundo Municipal Code, and the California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, and the California Green Building Standards Code in effect at the time of the plan submittal to Building and Safety Division for plan review.
58. All projects shall comply with the El Segundo Municipal Code, and the 2019 editions of the California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Energy Code, and the California Green Building Standards Code.
59. Construction projects must comply with Best Management Practices for construction and storm-water runoff requirements of the National Pollutant Discharge Elimination System MS4 Permit. Construction activity resulting in a land disturbance of one acre or more, or less than one acre but part of a larger common plan of development or sale must obtain the (SWPPP) Construction Activities Storm Water General Permit.
60. A site-specific soils and geotechnical report must be submitted to Building and Safety Division for review and approval. The report shall comply with the minimum requirements of Chapter 18 of the CBC and shall address the possible sulfate content of the soils.
61. A stamped setback certification by a Licensed Surveyor will be required to certify the location of the new construction in relation to the setbacks prior to the first foundation inspection and stamped setback certification by a Licensed Surveyor will be required to certify the height of the structures prior to issuance of Certificate of Occupancy.

62. The applicant shall obtain a building, grading, mechanical, plumbing, electrical, demolition permit for the project.
63. Plans submitted for plan check must be stamped by a State-licensed architect or engineer and shall include:
 - a. Complete structural calculations, details, notes and material specifications.
 - b. Complete Accessibility Plan with a statement from a California Certified Access Specialist (CASP) indicating that a plan review has been performed and that it complies with the requirements of Chapter 11A & 11B of the CBC.
 - c. A stamped and signed Boundary and Topographic survey by a California licensed Land Surveyor.
 - d. A complete grading and drainage plan showing compliance with the Los Angeles Regional Water Quality Control Board (LARWQCB) Low Impact Development (LID) requirement. The Los Angeles County LID Manual may be used as a guideline for preparing the LID report.
 - e. Hydrology report along with hydraulic calculations.
 - f. Complete energy calculations, details, notes, and material specifications.
64. Applicant shall submit a site-wide New Address Issuance request to the Building Division. Approved building addresses to be shown on the submitted plans.
65. Applicant shall pay all development fees, including school district developer fees, prior to issuance of building permits.

Fire Department Conditions

66. The applicant must comply with the applicable requirements of the 2019 California Building and Fire Codes and the 2018 International Fire Code as adopted by the City of El Segundo and El Segundo Fire Department Regulations.
67. The applicant must submit and have approved by the Fire Department a Fire/Life Safety Plan, identifying fire safety precautions during demolition and construction, emergency site access during construction, permanent fire department access, fire hydrant locations and any existing or proposed fire sprinkler systems and fire alarm systems prior to issuance of the building permit.

Public Works Conditions

“City Engineer” = City Engineer or his/her designee throughout this document.

General

68. All work in the City's right-of-way or on City-owned and maintained facilities shall require review and approval of the City Engineer or his/her designee.
69. The applicant shall ensure that encroachment permits are secured from the Public Works Department/Engineering Division before commencing any and all work in the City's public right-of-way (ROW), including lane closures.
70. Construction inspection shall be coordinated with the Public Works Inspector and no construction shall deviate from the approved plans without approval of the City Engineer. If plan deviations are necessary, the applicant shall provide a revised plan or details of the proposed change for review and approval of the City Engineer prior to construction.
71. Prior to issuing of the Certificate of Occupancy, the applicant shall ensure installation of all improvements required by the Public Works Department are inspected and approved by the City Engineer.
72. All construction-related parking shall be accommodated on-site. No construction related parking shall be permitted off-site.
73. A grading and drainage plan shall be provided and stamped by a California (CA) State-licensed civil engineer as part of the Building Permit process.
74. A utility plan shall be provided that shows all existing and proposed utility lines and their sizes (sewer, water, gas, storm drain, electrical, etc.), including easements, within 200 feet of the project site boundary.
75. Easements shall be granted for all public utilities installed outside the public-right-way with 15 ft. wide minimum up to entering the public right-of-way.

Street Improvements & Traffic Control

76. All existing sidewalk, curb & gutter, driveway approaches, and curb ramps that are broken or not in conformance with the latest SPPWC or City standards shall be removed and constructed per the latest SPPWC and City standards.
77. PG-64-10 tack coat and hot mix asphalt shall be used for all slot paving required next to new concrete installations. Slot paving shall be 3 feet wide and 1 foot deep, consisting of 6 inches of asphalt over 6 inches of base.
78. The applicant shall coldmill 2" Asphalt Concrete (AC) pavement surface and overlay with 2" AC PG-64-10 the curb-to-centerline half street width of Kansas Street and El Segundo Boulevard fronting the property. AC mix specification shall conform to the

current version of Standard Specifications for Public Works Construction (SSPWC) “Greenbook”, section 203-1.

79. Once the ROW improvements are accepted by the City Engineer, they are not to be used for staging building construction activities, including but not limited to, storage of construction materials and equipment. The street and sidewalks shall be kept free of construction debris, mud and other obstacles and shall remain open to traffic at all times. The applicant shall bear the entire cost of replacement or repair to any damage to improvements caused by its use, or its Contractors’ and Subcontractors’ use, of the improvements after acceptance by the City Engineer.
80. The proposed ingress/egress into the project site requires a traffic study to be prepared by a State-licensed Traffic Engineer to demonstrate the driveways will be in compliance with the requirements of the General Plan, subject to the review and approval of the Public Works Director or his designee.

Water

81. Any existing water meters, potable water service connections, fire backflow devices and potable water backflow devices must be upgraded to current City Water Division standards. These devices shall be placed or relocated onto private property.

Sewer

82. The applicant must submit a sewer study to determine if there is a capacity deficiency in the affected sewer main lines and if so, sewer upgrades will be required. The sewer study shall be reviewed and approved by the City Engineer.
83. Prior to issuance of a Certificate of Occupancy, a \$60,551.30 sewer connection fee for this project must be paid to the City of El Segundo Public Works Department.
84. Any unused sanitary sewer laterals shall be abandoned and properly capped at the City main. The Contractor is to obtain necessary permits and licenses and provide traffic control plans and shoring plans.

Storm Drain

85. Hydrologic and hydraulic calculations shall be submitted to size appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts. Refer to the most recent Los Angeles County Hydrology Manual. Instructions and the manual are available at the County website at <http://dpw.lacounty.gov/wrd/Publication/index.cfm>. Calculations shall be signed by a registered civil engineer.
86. The project shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements and shall provide Best Management Practices (BMPs) for sediment control, construction material control and erosion control.

Miscellaneous Conditions

- 87. Approval of this permit shall not be construed as a waiver of applicable and appropriate zoning regulations, or any Federal, State, County and/or City laws and regulations. Unless otherwise expressly specified, all other requirements of the ESMC shall apply.
- 88. Failure to comply with and adhere to all of these conditions of approval may be cause to revoke the approval of the project pursuant to the provisions of the ESMC.
- 89. In the event that any of these conditions conflict with the recommendations and/or requirements of another permitting agency or City Department, the stricter standard shall apply.
- 90. The applicant and its successors in interest shall indemnify, protect, defend (with legal counsel reasonably acceptable to the City), and hold harmless, the City, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs, and expenses of whatever nature, including reasonable attorney's fees and disbursements (collectively "Claims") arising out of or in any way relating this project, any discretionary approvals granted by the City related to the development of the project, or the environmental review conducted under California Environmental Quality Act, Public Resources Code Section 21000 et seq., for the project. If the City Attorney is required to enforce any conditions of approval, all costs, including attorney's fees, shall be paid for by the applicant. The Applicant agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "the City" includes the City of El Segundo's elected officials, appointed officials, officers, and employees.

AFFIDAVIT OF ACCEPTANCE OF CONDITIONS OF APPROVAL

_____ warrants that he is duly authorized to sign this Affidavit of Acceptance and to bind Smoky Hollow Industries, LLC to the same. By signing this document, _____, on behalf of Smoky Hollow Industries, LLC, certifies that he/she has read, understands, and agrees to the Project Conditions listed in this document.

Name, Title
Smoky Hollow Industries, LLC

{If Corporation or similar entity, needs two officer signatures or evidence that one signature binds the company}

CITY COUNCIL RESOLUTION NO. _____

Exhibit B

**Community Benefits Plan
1475 E. El Segundo Blvd. and 1320-1330 E. Franklin Ave**

Project description:

The development project at 1320-1330 E. Franklin Ave and 1475 E. El Segundo Blvd is subject to the following applications: Community Benefits Plan No. CBP 19-03 and CBP 19-04, Site Plan Review No. SPA 21-03 and SPA 21-04 and Environmental Assessment No. EA 1281 and EA 1282.

The proposed Project for the South Site would develop a 1.01-acre property located at 1475 E. El Segundo Boulevard within the SHSP. The existing 19,311 sf, one-story brick building located at 1475 E. El Segundo Boulevard would be preserved with two new levels added above it. This results in a total floor area of 63,915 square feet for the South Site (FAR = 1.45) for R&D and office use. The proposed construction activities on the South Site would include:

- Construction of a 44,604-square foot addition to the existing building that would be structurally preserved in place for a total building floor area of 63,915 square feet.
- The three-story building would have a maximum height of 59 feet and 6 inches from average grade to the top of the building.

The development project deviates from the following Smoky Hollow Specific Plan (Specific Plan) development standards in Section 2.3:

1. Building Height.

The permitted building height is 35 feet. The proposed building height is up to 60 feet to the top of the roofline.

2. Allowable gross floor area ratio (FAR).

The permitted FAR is 1.5. The proposed FAR is up to 1.45.

Community benefits:

In exchange for the above deviations, the applicant offers the following community benefits and improvements, at the applicant's expense, as stated in pursuant to Smoky Hollow Specific Plan Section 4.5.2:

Community Benefits Plan

The project is proposed as a campus, with multiple sites to be developed. The design of the building proposed on the North site exceeds the current base standard for building

height in the SHSP, and the design of the building proposed on the South site exceeds the current base standards for building height and allowable Gross Floor Area Ratio (FAR). Projects within the SHSP area are allowed to request deviations from current City development standards with the approval of a Tier I or Tier II Community Benefits Plan. The proposed project would amend the SHSP to allow for an increase in the maximum permissible height for CBP Tier II qualifying projects. Allowable heights would increase to 60 feet from the current Tier II maximum of 50 feet. Approval of the SPA is required before the Development Sites can be permitted at a maximum height of 59.5 feet.

The Project requests the following deviations from the current development standards which require a Tier II Community Benefits Plan:

1. **Additional Building Height.** Proposed building heights of up to 59.5 feet on both Project sites would exceed the SHSP Base Standard height of 35 feet.
2. **Additional Building FAR.** Proposed 1.45 floor area ratio (FAR) (an additional 21,983 square feet) on the South site exceeds the SHSP Base Standard FAR of 1.0.

In exchange for the above deviations allowed by Tier II CBP, the applicant is proposing the following community benefits and improvements, at the applicant's expense, pursuant to Smoky Hollow Specific Plan Section 4.5.2. The following Community Benefits are based on objectives and suggestions directly identified as development standards in the SHSP with the objective of benefiting the Smoky Hollow Specific Plan area. Additionally, the Specific Plan contains 32 design guidelines in five categories: building character, open space, landscaping, connectivity, signage and public art and Public Realm. Compliance with at least 17 of the guidelines is required to be considered as an exemplary project; the proposed Project incorporates 29 of the 32 design guidelines, far exceeding the minimum threshold for exemplary projects. A summary of the main community benefits that are proposed for the Project include the following:

1. **Underground Utilities.** The Project proposes to underground all electric power and low voltage phone and data lines that currently serve the buildings on East El Segundo Blvd and Kansas Street.
2. **Public Seating.** Proposed architectural seating will be provided along the sidewalk area within the public right-of-way (ROW) facing E. Franklin Avenue and Kansas Street.
3. **Coffee Pavilion/Public Café.** The proposed Project would also include a 276-square foot public café (Coffee Pavilion) and associated outdoor dining area immediately adjacent to the E Franklin sidewalk, in order to active the street and provide a convenient break location for local neighbors. The café is part of the proposed 5,000-square foot public park that will be a landscaped focal point of the Project and of the surrounding area as well.
4. **Architecture that enhances building character.** See below under "Group A".
5. **Open space that facilitates gathering.** See below under "Group B".
6. **Landscaping and environmental design.** "See below under "Group C".

In addition, the Development Project will provide the following specific community benefits as summarized from the CBP Tier II application scoring sheets:

Group A – Enhance Building Character

1. *Build on the quality industrial character:* Project has exposed steel beams and large industrial-style windows.
2. *Convey a sense of the old and new:* Project will preserve ground floor red brick exterior while adding two setback floors of a modern industrial building
3. *Build upon existing context:* Project stays within existing footprint but adds 2 floors with roof decks.
4. *Conserve and retain the character-defining features:* Project preserves ground floor red brick exterior and three historical building entrances.
5. *Encourage additions that complement the character-defining features:* Project has large industrial windows with exposed steel beams characteristic of mid-century architecture but stacked blond block with exposed aggregate and stain coloring to enhance the industrial appearance.
6. *Incorporate small, medium, and large scales:* Project includes several interlocking design elements of different scales for visual interest including large to small “nested” windows and balconies to break up the building facade into different sized elements.
7. *Enhance design at the pedestrian level:* Project will have extensive landscaping along all street frontages with pedestrian scale seating.
8. *Specify 360° architecture:* Project will have enhanced architecture on all four sides of each building.
9. *Enhance entry expression:* Project has new landscaping and a double high entry portal at the southwest corner.
10. *Encourage the use of roll-up doors and sliding walls at street frontage:* Roll-up doors are used in several main entrance locations.
11. *Orient secondary entries to alleys:* Some secondary access points are oriented toward local alleys.
12. *Incorporate different materials, colors, and textures:* Project includes a variety of materials, colors, and textures, including red brick, medium grey block, black steel, corten, architectural board formed concrete, and glass.

Group B – Facilitate Gathering

13. *Form an active street wall:* Project has a new two-story entry portal with enhanced landscaping along street frontages and distinctive entrances.
14. *Develop outdoor gathering spaces:* Project will have a pocket park with outdoor seating.
15. *Provide ease of access:* The Project will have multiple pedestrian and vehicular access points and ground floor tenants will have direct access to adjacent streets.
16. *Enhance surface parking:* Project will have shade coverings for surface parking lots plus stacked parking using current technology.
17. *Use enduring quality paving materials:* Project will have special paving materials to demarcate pedestrian walkways with integral color and crystal aggregate.

18. *Provide street furniture:* Project will provide street furniture for seating at the pocket park.
19. *Use exterior lighting to accentuate safety and design:* Project will provide period lighting on all sides of buildings for pedestrian safety.

Group C – Incorporate Landscaping and Environmental Design

20. *Design layered and lush landscaping:* Project will have extensive landscaping per landscaping plan.
21. *Select drought-tolerant and native plants:* Project landscape plan has drought-tolerant and native plants throughout.
22. *Utilize planters and pots to provide greenery:* Project has planters and pots on Level 2 and 3 decks and balconies and on the rooftop.
23. *Improve landscaping in parking areas:* Parking areas include landscaping on at least two sides (those facing the buildings).
24. *Use fences and walls as an extension of the architecture:* Project includes monument signs for both buildings that compliment and extend the building architecture.
25. *Use natural light:* Project has large windows for 2-story spaces with mezzanines to allow natural light in all interior spaces.

Group D – Encourage Connectivity

26. *Install bike facilities:* Two bike racks will be installed at each Project building.

Group E – Signage, Way Finding, and Public Art

27. *Design signs as an integral component:* Project includes integrated tenant signage.
28. *Incorporate way-finding through integral design:* Project has architecturally integrated signage for both pedestrians and vehicles.
29. *Encourage public art:* Project will have a large-scale art wall on the west side of the north building.

Public Realm

30. *Underground utilities:* The incoming power and low voltage cables for data and phone will be consolidated into one location and undergrounded.

CITY COUNCIL RESOLUTION NO. _____

Exhibit C

MASTER SIGN PROGRAM 21-01 FOR STANDARD WORKS PROJECT

CITY COUNCIL RESOLUTION NO. _____

Exhibit D

OFFSITE PARKING COVENANT BETWEEN 1475 E. EL SEGUNDO (APN: 4139-002-025) & 1310 E. FRANKLIN AVENUE (APN: 4139-002-056) FOR STANDARD WORKS PROJECT

Recorded a 350 Main Street, El Segundo, CA 90245-3813

(Name)

(Address)

Date of Recording:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**COVENANT AND AGREEMENT
REGARDING OFF-SITE PARKING SPACE**

The undersigned covenantor hereby certify that we are the owners of the hereinafter legally described real property located in the City of El Segundo and State of California:

Address: 1310 E. Franklin Avenue Legal Description: 4139-002-056
as recorded in Book 4139, Page 002, Records of Los Angeles County.

Covenantor hereby covenant with the following undersigned covenantee, and agree to provide 123 off-site parking space(s) on the covenantor's abovedescribed property for the benefit of and use by the covenantee's building located at 1475 E El Segundo Blvd and legally described 4139-002-025 as recorded in Book 4139, Page 002, Records of Los Angeles County.

This covenant and agreement shall run with both the covenantor(s) and covenantee(s) above described land, shall be binding upon the covenantor, the covenantor's future owners, encumbrances, and their successors, heirs, or assignees for the benefit of the covenantee and the covenantee's future owners, encumbrances, and their successors, heirs, or assignees and shall continue in effect until released in writing by the City of El Segundo's Director of the Development Services Department.

Signature of Covenantor and Parking Site Owner _____ Date _____

Signature of Covenantee _____ Date _____

**SIGNATURES MUST BE NOTARIZED
(Notary acknowledgement must be attached)**

FOR DEPARTMENT USE ONLY

MUST BE APPROVED BY the Planning Commission prior to recording

Covenant for City Department _____
To be completed for City owned property only.

APPROVED BY: _____ Date: _____



Planning Commission Agenda Statement

Meeting Date: February 10, 2022

Agenda Heading: Continued Business

TITLE:

Proposed Smoky Hollow Specific Plan Amendment, Tier II Community Benefits Plans, Site Plan Review, Master Sign Program, and Offsite Parking Covenant for the Construction of Substantial Additions to the Existing Buildings Located at 1475 East El Segundo Boulevard and 1320 East Franklin Street.

RECOMMENDATION:

It is recommended that Planning Commission:

- 1) Adopt Resolution No. 2912, recommending the City Council adopt an Initial Study/Mitigate Negative Declaration (IS/MND);
 - 2) Adopt Resolution No. 2913, recommending the City Council approve an Amendment to the Smoky Hollow Specific Plan (SP) No. 21-02
 - 3) Adopt Resolution No. 2914 recommending the City Council approve Environmental Assessment (EA) No. 1281, Community Benefit Plan (CBP) No. 19-02, Master Sign Program (MSP) 21-01 and Site Plan Review (SPR) No. 21-03 for a 44,604 square foot addition at 1475 East El Segundo Boulevard, resulting in a 63,915 square foot, three-story building with a maximum height of 59'-6" as measured from average grade to the top of the building.
 - 4) Adopt Resolution No. 2915 recommending the City Council approve Environmental Assessment (EA) No. 1282, Community Benefit Plan (CBP) No. 19-03, Master Sign Program (MSP) 21-01, and Site Plan Review (SPR) No. 21-04, a 44,802 square foot addition and a new pavilion building to serve the neighborhood with a café and gathering point at the entry of a new public park accessible by the public at 1320-1330 East Franklin Avenue, resulting in a 65,061 square foot, three-story building with a maximum height of 59'-6" as measured from average grade to the top of the building.
-

BACKGROUND

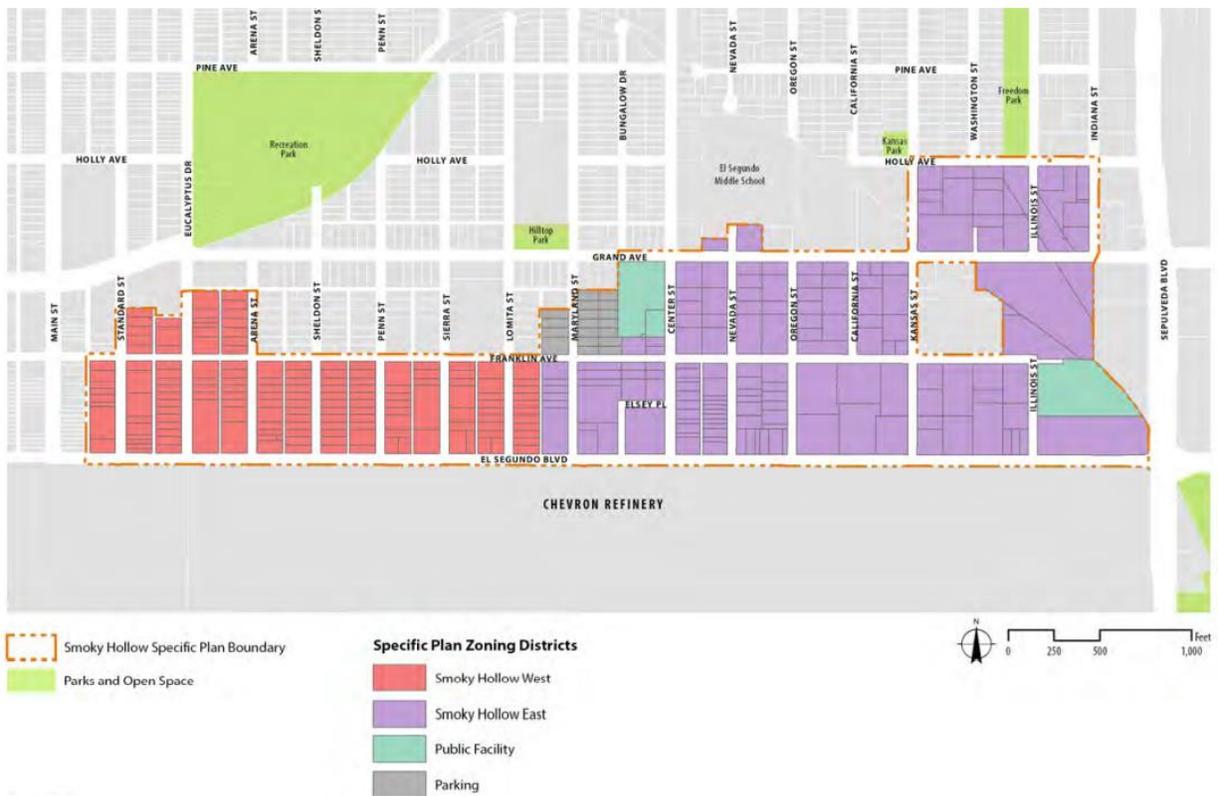
The Smoky Hollow Specific Plan (SHSP) was adopted in 1986. On October 2, 2018 the SHSP was updated with the intent of transforming the post war, industrial buildings and uses within the 120-acre area illustrated in Figure 1 below, centrally located in the City, west of Pacific Coast Highway and bordering the northern boundaries of the Chevron Oil Refinery.

The 2018 SHSP Update included an Environmental Impact Report, certified by the City in October 2018 (State Clearinghouse No. 2017031071 (EIR, SHSP EIR)).

SITE DESCRIPTION

The SHSP covers approximately 120 acres in the northwest quadrant of El Segundo, west of Pacific Coast Highway (PCH) and North of El Segundo Boulevard. The specific plan area is bounded by Grand Avenue to the north, PCH to the east, E. El Segundo Blvd to the south, and Main Street to the west. The Smoky Hollow Specific Plan area and the associated Zoning Districts are illustrated in Figure 1 below.

Figure 1: Smoky Hollow Specific Plan Map and Zoning District Boundaries



The applicant is requesting entitlements for substantial additions at two adjacent sites located within the specific plan area. These sites are part of the “Standard Works” development project, generally bounded by E. Franklin Ave to the north, Kansas St. to the east, E. El Segundo Blvd to the south, and Oregon St. to the west.

The Project Sites are presently developed with commercial and light industrial land uses. The Chevron Oil Refinery is located just south of the SHSP, the Los Angeles International

Airport (LAX) is a mile to the north, and the Pacific Ocean is approximately two miles to the west. Figure 2 illustrates the project site location in proximity to the SHSP area.

Figure 2: North and South Sites



South Site (1475 E. El Segundo Blvd):

The South Site is a 1.01-acre parcel (44,604 square feet) presently developed with a 19,311 square foot building. The applicant proposes to preserve the existing structure and add 44,604 square feet, for a total of 63,915 square feet. The total parcel floor area ratio (FAR) will be 1.45, in compliance with the maximum FAR of 1.5 for Tier II Community Benefits Plan projects. The site, and uses within the surrounding area, were originally designed as supporting uses for the oil and gas industry (Standard Oil). The entire lot outside of the building is paved with asphalt and used for surface parking. There is a slope across the property down from the northwest to the southeast. The site conditions are shown in Figure 3 below.

Figure 3: South Site 1475 E. El Segundo Blvd



North Site (1320-1330 E. El Segundo Blvd):

The North Site is a 4.4-acre parcel and includes 1325 East El Segundo, 140 Oregon, and 1320-1330 East Franklin Street. The subject lot is 1320-1330 E. Franklin Ave, which is a 1.07-acre parcel (19,493 square feet). Adjacent sites include a 19,493 square foot building at 1325 East El Segundo Boulevard, and the recently approved project at 140 Oregon (currently under construction), permitted for 86,921 square feet. With the proposed 65,061 square feet on the subject lot, the combined total floor area for the north site is 179,615 square feet. The total parcel FAR is 0.94, which is compliant with both the by-right FAR maximum of 1.0 for Tier 1 Community Benefits Plan projects and the maximum FAR of 1.5 for Tier II Community Benefits Plan projects. The site and surrounding sites were originally designed as supporting uses for the oil and gas industry (Standard Oil). The lot outside of the building is paved with asphalt and used for surface

parking. There is a recently completed four-story 398-car garage just south of the building. The site is flat with no slope across the property. The site conditions are shown in Figure 4 below.

Figure 4: North Site (1320-1330 E. Franklin Ave)



PROJECT DESCRIPTION

Requested Entitlements

1. Specific Plan Amendment SPA 21-02: Proposed modification to the height development standards for CBP Tier II qualifying projects in proposed Sub-area of the Smoky Hollow East (SH-E) and Public Facilities (PF) zoning districts within the SHSP Area. The proposed amendment will allow a maximum height of 60 feet where, presently, a deviation is permitted up to 50 feet for qualifying Tier II Community Benefit Plan projects. The proposed amendment to allow an additional 10 feet in height will apply to 30 of the 120 total acres of the SHSP area.

The applicant also requests a Specific Plan Amendment to create a Smoky Hollow Sub-area 1 (SPA Sub-area) located within the Smoky Hollow East (SH-E) and Public Facility (PF) zoning districts, bounded on the west by Center St, E. Franklin Ave to the north, Pacific Coast Highway (PCH) [formerly Sepulveda Blvd.] to the east, and E. El Segundo Blvd. to the south, as shown in Figure 5 below. The Development Sites are within the SH-E zoning district and the proposed SPA Sub-area.

Figure 5: SHSP Zoning Districts and Sub-Area



2. Tier II Community Benefit Plans (CBP) No. 19-02 for 1475 E. El Segundo Blvd & CBP 19-03 for 1320-1330 E. Franklin Ave: As set forth in the Specific Plan, a Community Benefits Plan is required to allow permit deviations from height and floor area ratio (FAR) from base development standards per the Specific Plan.
3. Site Plan Reviews SPR 21-03 & SPR 21-04 for 1475 E. El Segundo Blvd & 1320-1330 E. Franklin Ave: Site Plan Review to ensure that the Project is consistent with the goals, policies, and objectives of the General Plan and the El Segundo Municipal Code (ESMC).
4. Master Sign Program (MSP) 21-1: Proposed Master Sign Program to approve signage for the Standard Works development.

5. Offsite Parking Covenant for 1475 E. El Segundo Blvd: Per ESMC 15-15-3(H)(3), Planning Commission may approve an offsite parking covenant for offsite parking exceeding 20 spots or 20%. The applicant intends to secure an offsite parking covenant with the property located at 1310 E. Franklin Avenue for 123 parking spots.

Development Concept

South Site

The proposed Project for the South Site includes developing the 1.01-acre property located at 1475 E. El Segundo Boulevard within the SHSP. The existing 19,311 sf, one-story brick building will be preserved with two new stories measuring 44,604 square feet above, resulting in a 63,915 square foot (FAR = 1.45) Office and Research and Development (R&D) building. As illustrated in figure 6 below, the proposed project will result in three-story building with a maximum height of 59'-6" as measured from average grade to the rooftop of the building.

Figure 6: El Segundo Blvd Elevation of South Site



North Site

The proposed Project for the North Site includes developing an approximately 1.07-acre portion of the 4.4-acre property located at 1320-1330 E. Franklin Avenue within the SHSP. The existing 19,493 square foot, one-story brick building will be preserved, and two levels would be added above it, for a total of 64,295 square feet for R&D and office use. In addition, a 766 square foot pavilion building is proposed, which includes a public café, resulting in a total of 65,061 square feet of floor area for the North site (FAR = 0.94). Specifically, the proposed project on the North Site includes:

- Construction of a two-story 44,802-square foot addition to the existing building that would be structurally preserved in place, for a total floor area of 65,061 square feet (including the two-story pavilion noted below). The resulting three-story main building will measure 59'-6" in height, as measured from average grade to the rooftop of the building.
- Construction of a new two-story pavilion building to serve the neighborhood with a café and gathering point at the entry of a new public park accessible by the public. The new pavilion will have 766 square feet of floor area and will reach a maximum height of 23 feet and 8 inches. A rendering of the proposed kiosk may be found on page 6 of the proposed plans found in Attachment 5.
- Construction of a new 5,000-square foot passive park with park seating, picnic tables, shade trees and landscaping shown in Figure 7 below. Although on private property, the park will be open to the public. A rendering of the proposed park may be found on page 5 of the proposed plans found in Attachment 5.

Figure 7: North Site Open Space

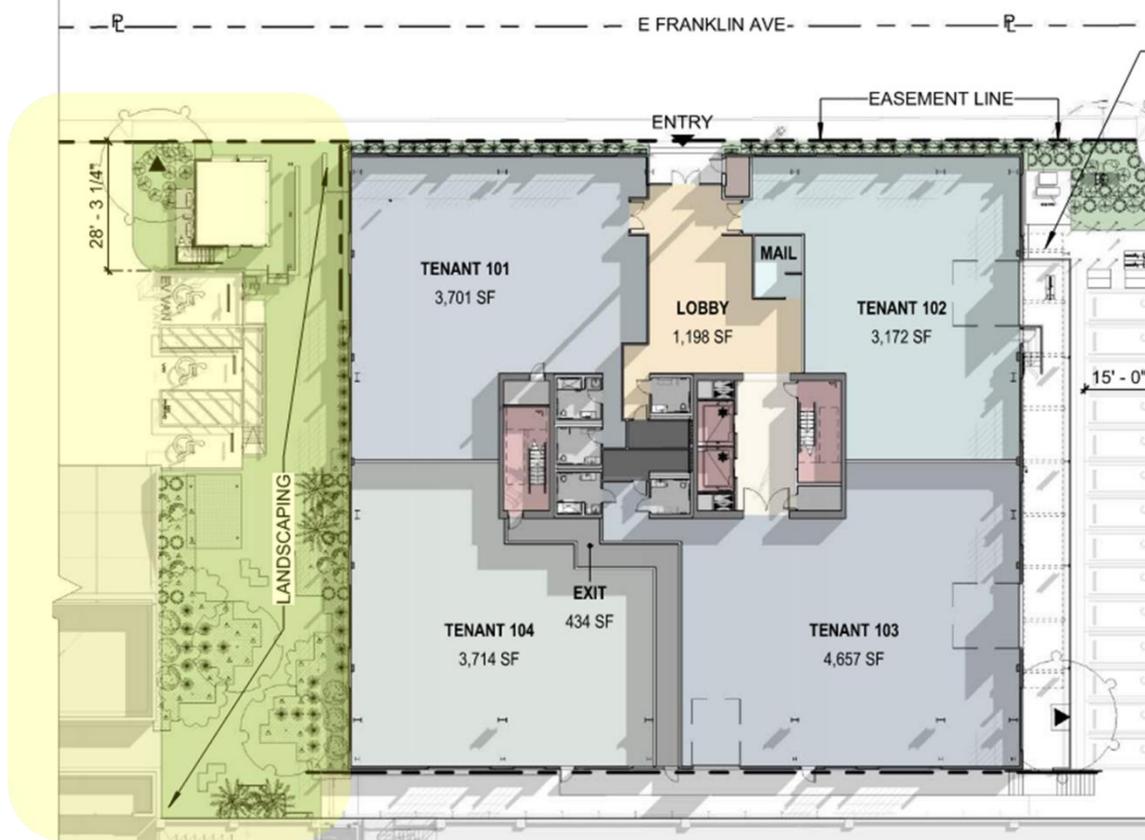


Figure 8: Franklin Ave Elevation (north site)



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STANDARD WORKS

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**1320 -1330 E
FRANKLIN AVE**

INITIAL SUBMITTAL	12.09.2019
REVISED SUBMITTAL	07.26.2021
FINAL SUBMITTAL	02.09.2022

PROJECT # 22-017

PERSPECTIVE

03

DISCUSSION:

Specific Plan Amendment

Implementation of the SHSP eventually shifts land uses from industrial to office and other related uses. The SHSP EIR concluded that policies, standards, and regulations outlined in the SHSP were consistent with existing City regulations and will not conflict with existing City General Plan policies.

The SHSP currently allows CBP Tier II level qualifying projects to deviate from maximum building height development standards up to a maximum height of 50 feet as measured to the building parapet, not including elevator equipment or architectural features. The current criteria for CBP Tier II projects are listed in the SHSP Section 2.3.2, "Development Tiers and Community Benefits." In summary, CBP Tier II projects may allow for:

- A. Building Height deviation up to 50 feet;
- B. Floor Area Ratio (FAR) > 1.5;

- C. Three or more deviations to standards (one of which is height or FAR,) that exceed the minor deviation threshold (10%) allowed by SHSP Section 4.5.1, “Administrative Adjustment”.

As analyzed within the Initial Study/Mitigated Negative Declaration for the proposed SHSP amendment and Standard Works project, the proposed Specific Plan Amendment (SPA) will create a new Sub-area within the SHSP area, specifically within the SH-E and PF zoning districts. Further, the proposed SPA will only modify the Height Development Standards for CBP Tier II qualifying projects within the proposed designated Sub-area of the Smoky Hollow East (SH-E) and Public Facilities (PF) Zoning districts of the Specific Plan. The proposed Sub-area (see Figure 5 above) occupies 30 of the 120 acres of the SHSP, and development under the proposed SPA will still be of the same type and overall locations as outlined in the SHSP.

The proposed amendment to Tier II CBP applicable projects in the designated Sub-area of the Smoky Hollow East (SH-E) zoning district will be the following:

- A. Building height deviation up to 50 feet except for the designated Sub-area of the Smoky Hollow East (SH-E) zoning district, which will have a height deviation of up to 60 feet;
- B. Floor Area Ratio (FAR) deviation > 1.5; **(no change to existing text)**
- C. Three or more deviations to standards that exceed the minor deviation threshold (10%) allowed by SHSP Section 4.5.1, “Administrative Adjustment”. **(no change to existing text)**

As currently permitted by the SHSP, both the South Site and the North Site have a base Floor Area Ratio (FAR) of 1.0 and may exceed the base FAR with approval of a Community Benefits Plan. Under the proposed Project, development of the North Site will result in a total of 65,061 square feet of floor area (FAR=0.94), which is within the permitted base FAR of 1.0. Development of the South Site will result in a total of 63,915 square feet of floor area (FAR=1.45), which is also permitted with the approval of a Community Benefits Plan. Although the development of the South Site would exceed the base FAR, the Project is still within and consistent with the overall growth limits allowed by the SHSP.

Under the SHSP, both the South Site and the North Site have a permitted base building height of 35-feet and may exceed the base building height (up to a maximum of 50-feet) with the approval of a Community Benefits Plan. With the SPA, this height maximum will increase to 60 feet as measured from the average grade to the top of the building for properties within the proposed Sub-area identified in Figure 5 above. Under the Proposed Project, both the South Site and the North Site will be within the proposed Sub-area and will be developed with three story buildings with a maximum height of 59’-6”.

Community Benefits Plan

A proposed project that exceeds development standards under the SHSP is required to submit a Community Benefits Plan and is considered through the review process described in SHSP Section 4.5.2: “Community Benefits Plan (CBP) for Tier I and Tier II applicable projects.”

A proposed CBP shall outline the request for flexibility from strict interpretation of the development standards and regulations of the SHSP, as well as the proposed public amenities, features, and improvements prioritized in the Specific Plan that will be provided. Examples of potential community benefits include, but are not limited to, publicly accessible open space, publicly accessible parking, enhanced accessibility improvements, and implementation and/or funding of streetscape improvements identified in the Specific Plan.

The design of the building proposed on the North site exceeds the current base standard for building height in the SHSP, and the design of the building proposed on the South site exceeds the current base standards for building height and allowable Gross Floor Area Ratio (FAR). Projects within the SHSP area can request deviations from current development standards with the approval of a Tier I or Tier II CBP. Upon approval of the SPA, the maximum allowable height with a Tier I or Tier II Community Benefits Plan will increase to 60-feet in the designated Sub-area. As such, the Project requests the following deviations with a Tier II CBP:

- **Additional Building Height.** Proposed building heights of up to 59'-6” on both Project sites will exceed the SHSP Base Standard height of 35 feet.
- **Additional Building FAR.** Proposed 1.5 floor area ratio (FAR) (an additional 21,983 square feet) on the South site exceeds the SHSP Base Standard FAR of 1.0.

The SHSP contains 32 design guidelines in five categories: building character, open space, landscaping, connectivity, signage and public art and Public Realm. When reviewing a proposed CBP, the City must consider the project’s compliance with these design guidelines. Although compliance with all 32 design guidelines is not required, compliance with at least 17 of the guidelines is required to be considered an exemplary project. The proposed Project incorporates 28 of the 32 design guidelines, far exceeding the minimum threshold for exemplary projects. In exchange for the above deviations allowed by Tier II CBP, the applicant proposes the following community benefits and improvements, at the applicant’s expense, pursuant to Smoky Hollow Specific Plan Section 4.5.2.

- **Underground Utilities.** The Project proposes to underground all electric power and low voltage phone and data lines that currently serve the buildings on East

Franklin Ave for the north site, and Kansas Street and E. El Segundo Blvd. for the south site.

- **Public Seating.** Proposed architectural seating will be provided along the sidewalk area within the public right-of-way (ROW) facing E. Franklin Avenue and Kansas Street.
- **Coffee Pavilion/Public Café.** The proposed North Site Project will also include a 276-square foot public café (Coffee Pavilion) and associated outdoor dining area immediately adjacent to the E Franklin sidewalk, in order to active the street and provide a convenient break location for local neighbors. The café is part of the proposed 5,000-square foot public park that will be a landscaped focal point of the Project and of the surrounding area as well.
- **Architecture that enhances building character.**
- **Open space that facilitates gathering.**
- **Landscaping and environmental design.**

In addition, the Development Project will provide the following specific community benefits as summarized from the CBP Tier II application scoring sheets:

Group A – Enhance Building Character

A1. *Build on the quality industrial character:* Project has exposed steel beams and large industrial-style windows.

A2. *Convey a sense of the old and new:* Project will preserve ground floor red brick exterior while adding two setback floors of a modern industrial building

A3. *Build upon existing context:* Project stays within existing footprint but adds 2 floors with roof decks.

A4. *Conserve and retain the character-defining features:* Project preserves ground floor red brick exterior and three historical building entrances.

A5. *Encourage additions that complement the character-defining features:* Project has large industrial windows with exposed steel beams characteristic of mid-century architecture but stacked blond block with exposed aggregate and stain coloring to enhance the industrial appearance.

A6. Incorporate small, medium, and large scales: Project includes several interlocking design elements of different scales for visual interest including large to small “nested” windows and balconies to break up the building facade into different sized elements.

A7. Enhance design at the pedestrian level: Project will have extensive landscaping along all street frontages with pedestrian scale seating.

A8. Specify 360° architecture: Project will have enhanced architecture on all four sides of each building.

A9. Enhance entry expression: Project has new landscaping and a double high entry portal at the southwest corner.

A10. Encourage the use of roll-up doors and sliding walls at street frontage: Roll-up doors are used in several main entrance locations.

A11. Orient secondary entries to alleys: Some secondary access points are oriented toward local alleys.

A12. Incorporate different materials, colors, and textures: Project includes a variety of materials, colors, and textures, including red brick, medium grey block, black steel, corten, architectural board formed concrete, and glass.

Group B – Facilitate Gathering

B1. Form an active street wall: Project has a new two-story entry portal with enhanced landscaping along street frontages and distinctive entrances.

B3. Develop outdoor gathering spaces: Project will have a pocket park with outdoor seating.

B5. Provide ease of access: The Project will have multiple pedestrian and vehicular access points and ground floor tenants will have direct access to adjacent streets.

B6. Enhance surface parking: Project will have shade coverings for surface parking lots plus stacked parking using current technology.

B7. Use enduring quality paving materials: Project will have special paving materials to demarcate pedestrian walkways with integral color and crystal aggregate.

B8. Provide street furniture: Project will provide street furniture for seating at the pocket park.

B9. Use exterior lighting to accentuate safety and design: Project will provide period lighting on all sides of buildings for pedestrian safety.

Group C – Incorporate Landscaping and Environmental Design

C1. Design layered and lush landscaping: Project will have extensive landscaping per landscaping plan.

C2. Select drought-tolerant and native plants: Project landscape plan has drought-tolerant and native plants throughout.

C3. Utilize planters and pots to provide greenery: Project has planters and pots on Level 2 and 3 decks and balconies and on the rooftop.

C4. Improve landscaping in parking areas: Parking areas include landscaping on at least two sides (those facing the buildings).

C5. Use fences and walls as an extension of the architecture: Project includes monument signs for both buildings that compliment and extend the building architecture.

C6. Use natural light: Project has large windows for 2-story spaces with mezzanines to allow natural light in all interior spaces.

Group D – Encourage Connectivity

D1. Install bike facilities: Two bike racks will be installed at each Project building.

Group E – Signage, Way Finding, and Public Art

E1. Design signs as an integral component: Project includes integrated tenant signage.

E2. Incorporate way-finding through integral design: Project has architecturally integrated signage for both pedestrians and vehicles.

E3. Encourage public art: Project will have a large-scale art wall on the west side of the north building.

Public Realm

PR1. Underground utilities: The incoming power and low voltage cables for data and phone will be consolidated into one location and undergrounded.

Community Benefit Analysis for CBP No. 19-03 & CBP No. 19.04

Kosmont Companies was retained by City staff to conduct an independent evaluation of the proposed CBP. The Consultant reviewed the Site development application, site plan, floor plans, building design, and preliminary community benefit proposal. It was determined that the combined value of each building component (architectural enhancements, open space that facilitates gathering, landscaping and environmental design, wayfinding & signage, undergrounding utilities, and the addition of a coffee kiosk) will result in a combined marginal cost increase of approximately \$4.07 million for the north site, and \$3.52 million for the south site. These community benefit items will add value to the Project by making it more attractive to tenants, while also providing exemplary design and services to the larger Smoky Hollow area. The attached Community Benefits Analysis Reports (Attachments 7 & 8) for both sites shows that the Project is expected to generate economic and community benefits in excess of the Projects value as built as a Tier II CBP. Further, the Kosmont report indicates that the Project will provide certain fiscal and economic benefits such as: contributions to the General Fund, an increase in annual taxes, an increase in annual retail sales, and an increase in annual sales and business license taxes.

Site Plan Reviews

Per ESMC 15-30-1, Site Plan Review is required to confirm that the proposed Project is in conformance with the standards of the El Segundo Municipal Code including uses, density, approved FAR, and design guidelines. Both the South Site and the North Site have been evaluated for compliance.

Site Plan Review SPR 21-03– South Site (1475 El Segundo Boulevard)

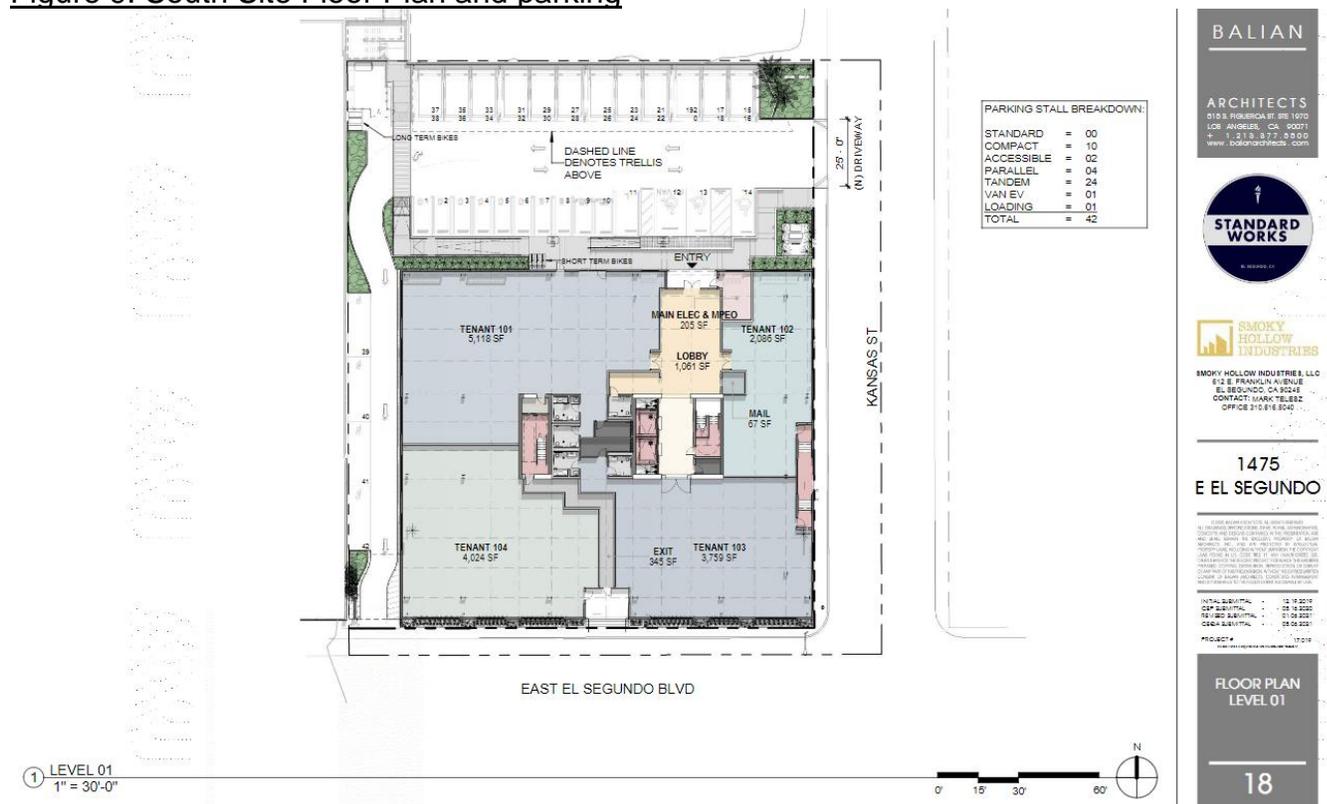
The proposed project consists of a 44,406 square feet addition to an existing 19,311 square feet of building area, for a total building size of 63,915 square feet. The construction is proposed to be 3 stories and approximate 59'-6" in height.

Architecture/Design: The proposed building incorporates elements that are in keeping with the industrial style of the immediate vicinity and incorporates architectural elements for a 360-degree design. Specifically, the ground floor of the building will retain the existing brick and provide appropriately scaled pedestrian orientation including an easily

identified front entrance, transparent window openings, downward facing light sconce fixtures, and a juxtaposition of building wall planes and materials. The upper floors incorporate CMU block wall treatments along with large window openings, a second-floor wrap around roof deck, and a third-floor balcony along the western half of the third floor, facing El Segundo Boulevard.

Parking: The site includes 165 dedicated parking spaces on-site and complies with the 160 minimum parking spaces required. Specifically, 42 new surface level vehicle parking spaces and 5 bike parking spaces are located on the north side and west side of the building and accessed from Kansas Street. Of the 42 new parking spaces, 24 spaces are within a parking lift system along the north property line of the south site, shown clearly on page 9 of the project plans. Another 118 parking spaces are available in the newly completed parking garage located behind (to the south) of 1320-1330 E. Franklin Avenue. The parking garage contains a total of 398 parking spaces. Per ESMC 15-15-3(H)(3), Planning Commission may approve an offsite parking covenant for offsite parking exceeding 20 spots or 20%. The applicant intends to secure an offsite parking covenant with the property located at 1310 E. Franklin Avenue for 123 parking spots.

Figure 9: South Site Floor Plan and parking



Open Space/Landscaping: The SHSP requires a minimum 10% open space for lots greater than 22,400 square feet. Since the South Site measures 43,966 square feet, a minimum of 4,397 square feet of open space is required. The SHSP allows for open space on building rooftops to be counted towards the minimum requirement, provided that at least 50% of the requisite open space be directly accessible from the existing ground floor elevation. The applicant proposes a total of 10,408 square feet (21%) of open space within the South Site, including 408 square feet of vertical planted landscape (along the west side elevation of the building); 3,120 square feet of at-grade open space; and 6,808 square feet of open space (4,765 square feet) / landscaping (2,043 square feet) on the rooftop, accessible from the ground floor elevation via two stairwells and two separate elevators located in the middle of the structure.

Site Plan Review SPR 21-04–North Site (1320 & 1330 Franklin Avenue)

The Project consists of a 45,568 square foot addition to an existing 19,463 square feet of building area, for a total building size of 65,061 square feet. The Project is proposed to be 3 stories, approximately 59'-6" in height. To the west side of the building and along the Franklin Avenue frontage, the applicant proposes a separate, 766 square foot, two-story kiosk building measuring 23'-8" in height. The ground floor of the kiosk building includes a 295 square foot tenant space for a coffee retailer.

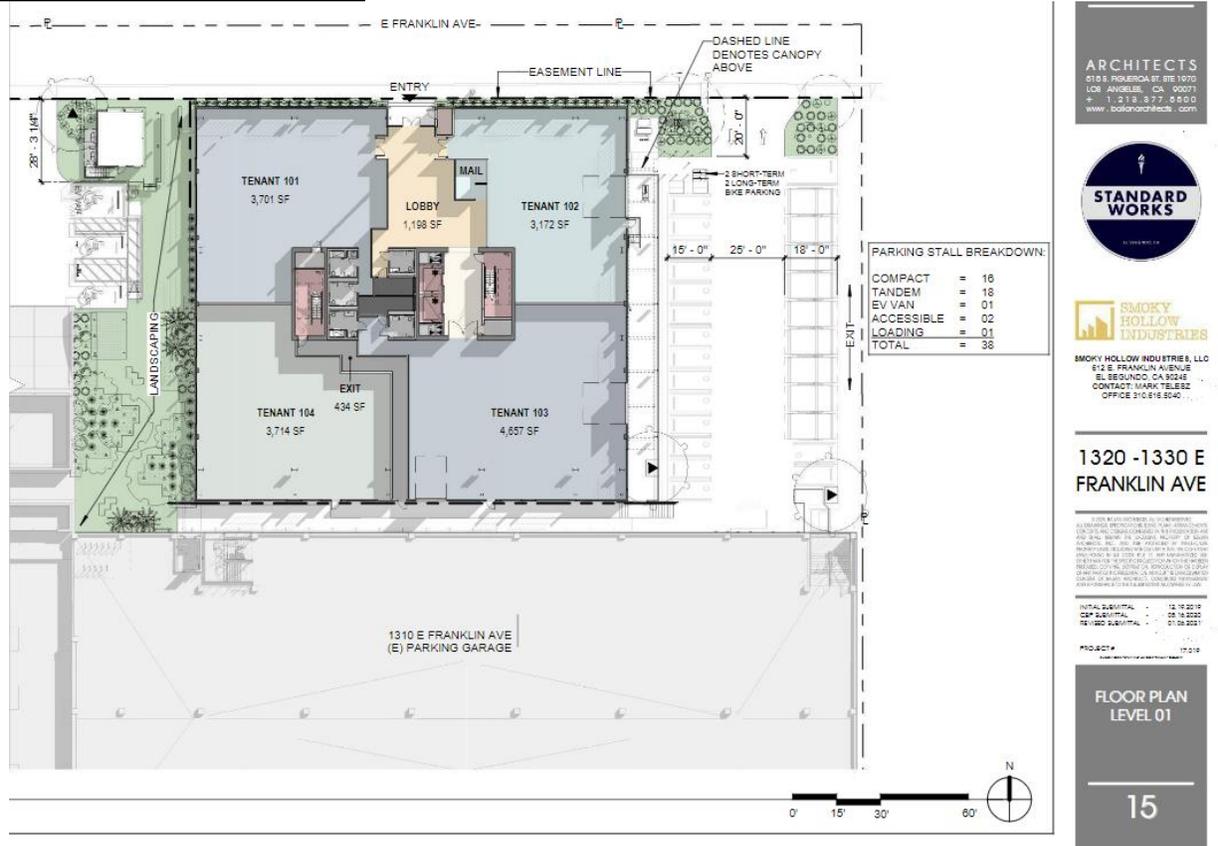
Architecture/Design: The proposed building incorporates elements that are in keeping with the industrial style of the immediate vicinity and incorporates architectural elements for a 360-degree design. Specifically, the ground floor of the building retains the existing brick with 6 larger window openings and a transparent prominent front entrance. The upper floors incorporate CMU block wall treatments along with large window openings as well on all elevations of the building. Overall, the ground floor front elevation provides 43% transparency into the building, which exceeds the minimum 15% requirement. Along the ground floor elevations, eight period wall sconce lighting fixtures are provided wrapping the building and incorporated on all 4 sides of the building as shown on the project plans.

Parking: The site maintains a total of 168 parking spaces on-site, in compliance with the minimum parking requirements. Specifically, 38 surface level parking spaces are located on the west side of the building and accessed from Franklin Street and another 130 parking spaces are available in the newly completed parking garage located to behind (to the south) of 1320-1330 E Franklin Street. This parking garage contains a total of 398 parking spaces.

Open Space/Landscaping: The SHSP requires a minimum of 10% open space for lots greater than 22,400 square feet. This requirement was previously met for the North Site parcel with 19,189 square feet of open space/landscaping for the 191,896 square foot (4.4-acre) site approved via Council Resolution 5205 (for 140 Oregon Street Community Benefits Plan), which satisfies the open space requirement for the North site parcel as a whole. As the North Site proposes development of approximately 1.07-acre portion, the applicant is providing an additional 11,847 square feet of landscaping and open space, in

excess of what is required. The SHSP allows for open space on building rooftops to be counted towards the minimum requirement, provided that at least 50% of the requisite open space be directly accessible from the existing ground floor elevation. The applicant proposes a total of 11,847 square feet (29%) of open space to be incorporated within the North Site, which includes a 5,937 square foot landscaped courtyard/pocket park on the west side of the building with direct ground floor access and accessible from along Franklin Avenue; and 5,910 square feet of open space/ landscaping on the rooftop, which is accessible from the ground floor elevation via a two stairwells and two elevators located in the middle of the structure.

Figure 10: North Site Plan



FINDINGS

In considering the proposed project, the Planning Commission reviews components of each requested application and considers the merits of the project(s) to make a recommendation for City Council's consideration. This will include recommending that the project is consistent with the findings associated with the General Plan, Specific Plan, Community Benefits Plan, and Site Plan Review. The following are the findings in **boldface**, following by staff's analysis in normal type.

Specific Plan Amendment

The proposed amendment is consistent with goals, objectives and policies of the General Plan:

Economic Development Element

The City's Economic Development Element of the General Plan specifies the following:

Objective ED1-2: Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

Staff believes the proposed amendment is consistent with the General Plan's Economic Development Element and directly implements and furthers the General Plan objectives and policies above because it promotes economic development, job creation, and improves the City's tax base through inclusion of office, and research and development land uses within the Smoky Hollow Specific Plan area. Further, Kosmont, the City's consulting economic consultant, reviewed the project and determined that it will result in fiscal and economic benefits such as: contributions to the General Fund, an increase in annual taxes, an increase in annual retail sales, and an increase in annual sales and business license taxes.

Land Use Element

The City's Land Use Element of the General Plan specifies the following:

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

Staff believes the proposed amendment is consistent with the General Plan Land Use Element and directly implements and furthers the General Plan objective above because the proposed 10-foot height increase would not detract from or create an impediment to the intent and implementation of the Smoky Hollow Specific Plan. By allowing the additional height, in conjunction with a Community Benefits Plan as required, the additional height will allow more flexibility in the design of new buildings and help promote the retention of the existing buildings to be incorporated into the design of substantial additions. Each new building would be evaluated on its own merit to ensure high quality design and for compatibility with its surroundings. The allowance of the additional height

would also promote new uses and building into the context of the overall Smoky Hollow Specific Plan area and will introduce new architectural styles, enliven the area, and create positive direct and indirect economic impacts consistent with Objective LU4-4. Further, the project incorporates comprehensive features for site layout, building design, architecture, landscape, signs, and lighting, consistent with the General Plan and Specific Plan.

The proposed Specific Plan Amendment will amend the text of the SHSP Tier II Community Benefit Plan to allow buildings up to 60-feet high in a newly created Smoky Hollow Sub-area 1 of the SHSP. The proposed Smoky Hollow Sub-area 1 was identified within the SHSP area to provide a transitional area between residential neighborhoods to the north and the multi-story buildings in the immediate vicinity, including taller buildings farther east of the area along PCH, and the Chevron refinery structures to the south, which features a change in topography.

As the applicant proposes to retain the existing historic building on the first floor, additional height is required to provide the 3-story structure desired. Therefore, the proposed Specific Plan Amendment is necessary and will be entirely consistent with the Smoky Hollow Design Guidelines for enhancing building character such as conveying a sense of old and new, building upon the existing context, conserving and retaining character defining features, encouraging additions that differentiate and are secondary to the bulk and mass of existing buildings, and encouraging 360-degree architecture.

Community Benefits Plan 19-02 and 19-03

A. The proposed additional building height, intensity, or deviation from the development standards would not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity.

The proposed building height for the project is compatible with the neighborhood in that multi-story buildings, tall petroleum storage drums, and 200-foot-tall distillation columns at the Chevron oil refinery are located in the immediate vicinity. The additional 25-foot building height from base height standard is not anticipated to be detrimental, as staff believes the project will be compatible and consistent with development on abutting sites (such as the recently approved development at 140 Oregon, which is 55 feet in height) and is consistent with the vision for Smoky Hollow to allow for creative and exemplary office space.

Further, the project is located in a developed area that contains all utilities and public infrastructure. Additionally, before the City issues building permits for the project, the applicant will submit detailed plans to the City for review to ensure compliance with all applicable Building and Fire safety codes.

Lastly, as evidenced by the community benefits analyses prepared by Kosmont, the CBP provides open space and public gathering areas, a public coffee kiosk with outdoor

seating, and enhanced architecture to Smoky Hollow. These community benefits will make a positive impact on Smoky Hollow by attracting high-quality businesses and tenants, providing landscaping and open space that will serve the public nearby and will provide an example of the high-quality design desired by the Smoky Hollow Specific Plan. Therefore, staff believes the project will not be detrimental to the public health, safety, or welfare, and this finding can be made.

B. The proposed community benefit provides exemplary project and/or streetscape design.

The Specific Plan contains 32 specific design guidelines in five categories including, building character, open space, landscaping, connectivity, and signage and art. Compliance with at least 17 of the guidelines is required to consider a project exemplary in building and/or streetscape design. Since the proposed project incorporates 28 of the 32 guidelines, the CBP and related project is considered an exemplary project, and this finding can be made.

C. The proposed community benefits directly implements objectives of the Specific Plan.

Part of the proposed community benefit consists of complying with the Smoky Hollow design guidelines. Compliance with the guidelines directly implements the Smoky Hollow Design Objectives in Specific Plan Section 2.4.1 as follows:

- a. Preserve Smoky Hollow's existing character through the use of compatible architectural features, materials, and details.

The project design helps preserve Smoky Hollow's existing character by preserving existing brick materials for both projects and incorporating materials and colors that are consistent with existing buildings in the area and with the neighborhood's industrial character. As such, staff believes the project implements this design objective.

- b. Insist upon streetscape and landscape amenities that allow for small-scale, informal gathering, both within sites and along public rights-of-way, especially sidewalks, street corners, and along Franklin Avenue; Encourage active and passive design strategies that conserve natural resources.

The projects incorporate sidewalk-oriented entries for both projects as well as pedestrian-oriented scale and design features such as lighting, windows, and signage. In addition, the project will make use of drought tolerant plant species in the landscaped areas, which will reduce the use of water for landscaping. As such, staff believes the project implements this design objective.

- c. Develop more accessible and street-side open space. Buildings fronting public sidewalks, and specifically buildings fronting along Franklin Avenue, shall provide sidewalk-oriented entries and small-scale gathering opportunities.

The proposed project includes entries that are directly accessed from the public sidewalk and serves to activate both Franklin Avenue and E. El Segundo Boulevard street frontages, thereby creating a vibrant atmosphere. As such, staff believes the project implements this design objective.

- d. Project designs, orientation, and spaces should anticipate and facilitate emerging sidewalk and pedestrian activity, reuse of alleys, and access to all transit modes.

The proposed community benefit plan implements the goals and objectives of Specific Plan Chapter 3 regarding publicly owned rights-of-way and publicly accessible open spaces. The proposed community benefits plan includes public improvements to utilities in the public right-of-way, landscaping adjacent to the street, and open space, which will in turn help integrate cyclists, pedestrians, and transit users for businesses to flourish. As such, staff believes the project implements this design objective.

D. The value of the proposed community benefits bear a relationship to the value generated by the project.

The City contracted Kosmont and Associates, Inc. (Kosmont) to prepare a comprehensive financial report of the proposed Tier II Community Benefits Plan for the project (attachments 7 and 8). Kosmont evaluated the value of the community benefits being offered and the financial gain to the applicant by allowing additional building height of 10-feet above the Tier II Community Benefit height limit of 50-feet, which is an additional building height of 25 feet above base height standard.

Staff believes the proposed benefits are adequate because the benefits are not exclusively to the benefit of the applicant and future tenants. The proposed benefits will provide additional services to the public and surrounding area, while also providing open space to an area of the City that is underrepresented in this category. Further, the proposed Project will provide an aesthetic improvement along El Segundo Blvd, Kansas Street, and E. Franklin Street by removing unsightly data and power lines. Therefore, since the value of the proposed benefits bear a relationship to the value generated by the project, staff believes this finding can be made.

E. The proposed community benefits do not principally benefit the project occupants of the project, but rather provide a district or area-wide benefit to the larger Smoky Hollow Plan area.

The applicant is providing the following list of improvements intended to benefit the public directly, and not principally the occupants of the project:

1. Public open space – publicly accessible open space provided on the North Site along the West side of the building with a direct connection to the Franklin Avenue sidewalk. The space will be designed with pedestrian scaled elements and will promote public use in connection with a café space within a kiosk building locate at the Franklin Avenue frontage.
2. Transformative projects - significant investment for an architecturally expressive design that rehabilitates the original 1950s mid-century buildings for both the North and South sites, rather than demolishing. The unique striking design will become a landmark for the neighborhood and possibly the city. The cost for striking architectural elements such as exposed structural steel, large scale balconies and exterior decks, massive mid-century like steel windows and other period materials will build upon the character of the smoky hollow neighborhood and inspire equally striking designs by other developers.
3. Preservation and rehabilitation - preservation and rehabilitation of the existing brick facades on both the North and South sites.
4. Streetscape improvements – new landscaping located directly along the frontage of each building on the North and South sites.
5. Utility improvements - removal of existing overhead utility lines along project frontage on East Franklin Avenue (North Site), East El Segundo Boulevard and Kansas Street (South Site) will be removed and placed underground to beautify the streetscape views.
6. Lighting and wayfinding - period appropriate exterior lighting and directional signage for the project will be provided adjacent to the sidewalks facing Franklin Avenue.

This information was provided in support of Finding B in Tier II that requires the evaluation of these values. The proposed benefits are deemed by Staff to be adequate as the benefits provided are not exclusively for the benefit of the applicant and future tenants. The proposed architectural upgrades to the structure will implement the vision of the SHSP. The Project will also have district-wide benefits to the public through provision of a coffee shop and outdoor seating, open space and right of way improvements to Franklin, Kansas, and El Segundo Blvd, and therefore staff believes this finding can be made.

Site Plan Review 21-03 and Site Plan Review 21-04

The El Segundo Municipal Code (ESMC) provides criteria for reviewing and approving Site Plan Review applications. The Municipal Code indicates that the Planning Commission, or City Council on appeal, has the authority to approve a site plan review application if certain findings can be made in support of the projects. Among the criteria for consideration are site and design considerations and zoning standards including, but not limited to, parcel orientation and shape, building height, placement of buildings, setbacks, building materials and design, parking, and signage.

In consideration of these criteria, ESMC Section 15-30-4(D) states that the Commission may approve or conditionally approve a Site Plan if it makes the following three findings (findings in **boldface**, following by staff's analysis in normal type):

Site Plan Review 21-03 and 21-04 Findings pursuant to ESMC Section 15-30.

A. The proposed development is consistent with the goals, policies, and objectives of the El Segundo General Plan, the Smoky Hollow Specific Plan, and the El Segundo Zoning Code.

The proposed Project complies with the approved Smoky Hollow Specific Plan, which has also been found to be consistent with the General Plan. The SHSP permits a mix of office, research and development, light industrial, and warehouse uses. Further, the SHSP sets standards to achieve high quality development, which includes design guidelines and development standards with criteria for site design, architecture, orientation and massing, parking and loading, landscaping, lighting, and connectivity. The proposed development has been evaluated in the context of the goals, policies and objectives from the SHSP. The project design helps preserve Smoky Hollow's existing character by preserving existing brick materials for both projects and incorporating materials and colors that are consistent with existing buildings in the area and with the neighborhood's industrial character. The project incorporates sidewalk-oriented entries for the project as well as pedestrian-oriented scale and design features such as lighting, windows, and signage. The proposed Project implements the goals and objectives of Specific Plan Chapter 3 regarding publicly owned rights-of-way and publicly accessible open spaces by including public improvements to utilities in the public right-of-way, landscaping adjacent to the street, and open space, which will in turn help integrate cyclists, pedestrians, and transit users for businesses to flourish.

General Plan Economic Development Element Goal ED1 outlines the City's objectives to create a strong, healthy economic community in which all diverse stakeholders may benefit.

Economic Development Element

The City's Economic Development Element of the General Plan specifies the following:

Objective ED1-1.1: To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo's economic base.

Policy ED1-1.1: Maintain economic development as one of the City's and the business and residential communities' top priorities, diversifying the City's economic base to meet quality of life goals, and results in job creation and growth potential.

Objective ED1-2: Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

Policy ED1-2.2: Maintain and promote land uses that improve the City's tax base, balancing economic development and quality of life goals.

The proposed project is consistent with the General Plan's Economic Development Element and directly implements and furthers the General Plan's goals, objectives and policies above because the project promotes economic development and improves the City's tax base through inclusion of office, research and development, and retail land uses within the Smoky Hollow Specific Plan area.

General Plan Land Use Element Goal LU2 outlines the City's objectives to preserve and enhance the City's cultural heritage and buildings or sites that are of cultural, historical, or architectural importance.

Land Use Element

The City's Land Use Element of the General Plan specifies the following:

Objective LU2-1: Maintain the distinct character of the existing areas of the City.

The proposed project is consistent with the General Plan's Land Use Element and directly implements and furthers the General Plan's goals, objectives and policies above because the proposed project design preserves the existing red brick building, to maintain the character of the post-war period architecture found within Smoky Hollow.

Circulation Element

The City's Circulation Element of the General Plan specifies the following:

Objective C1-1 Provide a roadway system that accommodates the City's existing and projected land use and circulation needs.

Policy C 1-1.14 Require a full evaluation of potential traffic impacts associated with proposed new developments prior to project approval. Further, require the implementation of appropriate mitigation measures prior to, or in conjunction with, project development.

The proposed project is consistent with the General Plan's Circulation Element and directly implements and furthers the General Plan's goals, objectives, and policies above because the project would not disturb or impact the existing roadway network immediately surrounding the project sites. Access to and from the projects are well established by Franklin Avenue, Kansas Street, Oregon Street, and El Segundo Boulevard. In compliance with SHSP EIR Mitigation Measure 18-1, a Traffic Impact Analysis was conducted to analyze any new impacts to the local street network from the Project, based on LOS standards per the General Plan, and calculate a fair share contribution for project traffic impacts. Based on the traffic impact analysis conducted, the proposed Project will not create traffic impacts greater than those identified in the TIA conducted for the SHSP EIR. The project applicant will be required to pay fair share for the improvements to the roadway network as identified in the SHSP EIR. The policies and objectives provide evidence that the proposed development is consistent with the goals, policies, and objectives of the General Plan, Smoky Hollow Specific Plan, and the El Segundo Zoning Code. Therefore, based upon the analysis above, Staff believes that this finding can be made.

B. The proposed project is functionally compatible with the area in which it is located.

The City of El Segundo has distinctive land use patterns, which are divided into four quadrants by the intersection of Pacific Coast Highway and El Segundo Boulevard. Compatibility of an individual land use is determined mainly by its relationship to other uses within its quadrant. The SHSP area is in the northwestern quadrant of the City of El Segundo which is west of Pacific Coast Highway and north of El Segundo Boulevard. The design and implementation of the Specific Plan relates directly to the goals and objectives of the Specific Plan and would be functionally compatible with other uses within the Specific Plan area. The SHSP includes a range of commercial and industrial uses that will contribute to job creation opportunities and balance growth with local resources and infrastructure capacity.

The proposed building height for the project is compatible with the area in that multi-story buildings, tall petroleum storage drums, and 200-foot-tall distillation columns from the Chevron oil refinery are located in the immediate vicinity. The project is located in a developed area which contains all utilities and public infrastructure.

The project is within the Smoky Hollow East (SH-E) zoning district, which provides a transitional land use area between higher-intensity office uses east of PCH and the smaller, single-parcel industrial and creative businesses of the western portion of Smoky Hollow area. The SH-E zoning district accommodates development of incubator industrial, research, and technology uses; medium-sized light industrial and manufacturing; and creative office activities. The Standard Works development project is compatible and consistent with the types of development desired by the Smoky Hollow Specific Plan within the SH-E zoning district. Therefore, based upon the analysis above,

Staff believes that the proposed project is functionally compatible with the area in which it is located, and this finding can be made.

C. The proposed development will not adversely affect the general welfare of the City.

The SHSP development standards ensure that the Projects are developed in an orderly fashion with high quality architecture, building materials, and urban design. The Project's consistency with these standards, its design, and configuration result in a project that will not adversely affect the general welfare of the City. Before the City issues building permits for the project, the applicant will submit detailed plans to the City to review for compliance with all applicable Building and Fire safety codes. Further, the proposed project will promote the orderly development of property, the preservation of property values and preservation of the distinct character of Smoky Hollow. The project will be consistent with surrounding development and will not adversely affect the value of neighboring properties. Staff believes that the finding can be made, as the proposed project is compatible with the neighborhood, and therefore is not anticipated to be detrimental to the public health, safety, or welfare.

ENVIRONMENTAL REVIEW

In October 2018, a Final Environmental Impact Report was certified by the City for the 2018 Smoky Hollow Specific Plan Update. Although the EIR was prepared as a Program EIR, pursuant to Section 15168 of the California Environmental Quality Act (CEQA) Guidelines, project specific impacts can also be evaluated to determine whether there are any new or unforeseen impacts on the environment consistent with CEQA Guidelines 15168(c), which is intended to evaluate later development activity from the program level EIR.

To evaluate the full potential impacts from the proposed project (SHSP amendment and related development), an Initial Study/ Mitigated Negative Declaration (IS/MND) was prepared. The IS/MND concluded that there are some potential impacts from the proposed projects; however, the impacts can be mitigated to a level of less than significant. The mitigation measures adopted for the SHSP would continue to apply to the Project along with additional Project-specific mitigation measures recommended as part of the IS/MND document prepared for the Project.

Traffic Impact Analysis

Based on the traffic impact analysis conducted, the proposed Project will not create traffic impacts greater than those identified in the TIA conducted for the SHSP EIR. In compliance with SHSP EIR Mitigation Measure 18-1, a Traffic Impact Analysis Memo dated January 21, 2022 (Attachment 9) was prepared to analyze any new impacts to the local street network from the Project, based on LOS standards per the General Plan, and calculate a fair share contribution and preliminary cost estimate for the identified

improvements. The analysis concluded that the Project will have no additional new impacts and the project's total fair share contribution will be:

- 4.7% for PCH/Grand Avenue for a new right-turn overlap signal phase on all approaches. The total cost estimate for the improvement is \$80,788.00, in which \$3,797.04 is the project's fair share contribution.
- 5.3% for PCH/El Segundo Boulevard for a Second eastbound left-turn lane, and new right-turn overlap signal phase at the northbound approach. The total cost estimate for improvements is \$2,553,500.00 in which \$135,335.50 is the project's fair share contribution.

The City shall have the responsibility of ensuring that the improvements will be constructed at the time the City determines that such improvements are needed to maintain desired service levels. With implementation of the traffic improvements identified as Mitigation Measure 18-1 in the SHSP EIR, traffic impacts of the Project will remain at less than significant based on the General Plan requirements. Conditions of approval have been added to the project draft Resolutions to require the applicant to pay fair share contribution for the project prior to issuance of any Certificate of Occupancy.

RECOMMENDATION

The proposed projects involve new, substantial additions to two separate sites located at 1457 East El Segundo Boulevard and 1320-1330 E. Franklin Avenue. As concluded in the analysis above, the Projects comply with the development standards as set forth in the Smoky Hollow Specific Plan. Furthermore, based on the Initial Study/Mitigated Negative Declaration prepared for this project, the Projects will not create significant adverse impacts on the environment with the incorporation of mitigation measures. Therefore, it is recommended that the Planning Commission adopt Resolution 2912 recommending City Council approve an Initial Study/Mitigated Negative Declaration for projects located at 1457 East El Segundo Boulevard (South Site) and 1320-30 Franklin Street (North Site); adopt Resolution 2913 recommending City Council adopt an Amendment to the Smoky Hollow Specific Plan (SPA); adopt Resolution No. 2914 recommending City Council approval of Environmental Assessment 1281, Community Benefits Plan 19-02, Site Plan Review (SPR) No. 21-03, Master Sign Program MSP 21-01, and Offsite parking covenant for development of a 46,000 square foot addition to the building located at 1475 East El Segundo Boulevard (South Site); and adopt Resolution No. 2915 recommending City Council approval of Environmental Assessment 1282, Community Benefits Plan 19-03, Site Plan Review (SPR) No. 21-04, and Master Sign Program MSP 21-01 for 44,000 square foot addition to the building located at 1320-1330 Franklin Street (North Site).

ORIGINATED BY: Bradley J. Misner, AICP, Contract Planner

REVIEWED BY: Eduardo Schonborn, AICP, Planning Manager *EAS*

APPROVED BY: Michael Allen, AICP, Director of Development Services *MA*

ATTACHED SUPPORTING DOCUMENTS:

1. Planning Commission Resolution No. 2912
Exhibit A – Initial Study/Mitigated Negative Declaration
Exhibit B – Mitigation and Monitoring Reporting Program
2. Planning Commission Resolution No. 2913
Exhibit A – Draft Ordinance approving the Specific Plan Amendment
3. Planning Commission Resolution No. 2914 (South Site Development)
Exhibit A – Conditions of Approval
4. Planning Commission Resolution No. 2915 (North Site Development)
Exhibit A – Conditions of Approval
5. North Site Proposed Development Plans/Exhibits dated January 20, 2022
6. South Site Proposed Development Plans/Exhibits dated January 20, 2022
7. Community Benefits Analysis for 1320 E Franklin Ave., prepared by Kosmont,
dated November 2021
8. Community Benefits Analysis for 1475 E El Segundo Blvd., prepared by Kosmont,
dated November 2021
9. Traffic Memo dated January 21, 2022

CITY OF EL SEGUNDO

Community Benefits Analysis 1320 E. Franklin Ave.



Prepared By:

Kosmont Companies
1601 N. Sepulveda Blvd. #382
Manhattan Beach, CA 90266
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November, 2021

Background and Methodology

Kosmont & Associates, Inc. doing business as Kosmont Companies (“Consultant” or “Kosmont”), operating under the master consulting agreement with the City of El Segundo (“City”) for Smoky Hollow Community Benefit Analysis is pleased to submit this report on the comprehensive community benefits as required by the Tier 1 and Tier 2 application process for the proposed redevelopment application at 1320 E. Franklin Ave. in El Segundo (“Site”)

Kosmont was asked to review the Site development application site plan, floor plan and building design and preliminary community benefit proposal. The proposed project is a 67,200 square foot office building that retains the historic integrity of the existing brick building (“Project”).

Kosmont reviewed the City’s Smoky Hollow Specific Plan (“Specific Plan”) to identify planned district wide public improvements and met with City staff to understand:

1. the City’s perspective on how the Project design components address those improvements,
2. what other improvements that the City considered community benefits, as opposed to standard development requirements.

The Project has 67,200 gross building area and remains within the 1.5 FAR limit. However, the design exceeds the Specific Plan height limit of 35 feet by approximately 24 feet 6 inches with a proposed height of 59 feet six inches.

Project Value Add Analysis

Kosmont gathered construction cost data from the Project Applicant. Kosmont performed high level market research to estimate current land value and baseline rent for “as is” use, future market rent for the proposed new tenant spaces, and building valuation assumptions. This will inform a financial pro forma model that Kosmont developed to analyze the incremental development profit above the estimated profit from the “by right” permitted development. For example, an increase in gross building area would require an analysis of the marginal increase in operating income and stabilized investment value. Marginal costs of construction would be deducted to derive the incremental profit.

Community Benefits Analysis

Kosmont **has not yet** reviewed proposed Project components with City staff to confirm project elements that are eligible as a community benefit. Staff will request a complete project description before finalizing the report. The community benefits are based on information provided by the Applicant and some items were adjusted by Kosmont. It is important to recognize that the Applicant will realize some financial benefits from many of these items.



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

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Fiscal/Economic Benefits Analysis

Kosmont also analyzed the proposed Project to estimate construction period jobs, as well as stabilized operation jobs, and incremental City General Fund tax revenues (i.e. increase in property tax, sales tax, business taxes) above current use. In order to estimate the value of economic benefits for comparison to the development profit added, Kosmont used a financial cash flow approach assuming a 25-year life.

The attached report analyzes the increased financial benefits received from exceeding the Specific Plan limits, compared against the estimated the value of proposed community benefits, as well as fiscal/economic benefits. We are available to answer any questions regarding our methodology and conclusions.

Disclaimer

This Analysis is confidential and client privileged and is not to be used for any purpose other than for negotiating an acceptable Community Benefit Agreement. This Analysis is based on estimated figures and Kosmont's professional opinion, using available market and development cost information. Actual results may differ from those expressed in this analysis, as results are difficult to predict as a function of market conditions, natural disasters, pandemics, significant economic impacts, legislation and administrative actions.



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Executive Summary

The City Planning Division received an application to allow the construction of a 46,000 square-foot addition on the Site. The Applicant is requesting to exceed the maximum height of 35 feet up to 54 feet 6 inches through the Specific Plan Community Benefit process.

As shown in the following report, the Project is expected to generate economic and community benefits in excess of the Project value added accruing to the Applicant resulting from the requested height variance. Per the City’s request Kosmont has illustrated the fiscal and economic benefits from the incremental development, as well as for the entire Project as proposed.

Summary of Value Add / City Benefits

Project Value Added	Proposed Community Benefits	Fiscal Benefits	Economic Benefits Const & Perm Jobs
\$964,000	\$4,070,000	\$902,000	150+190 jobs
Incremental above	35 foot height limit	\$293,000	60+70 jobs

Source: Kosmont Companies

Project Value Add

Kosmont has prepared an illustrative development pro forma to show the stabilized value under three scenarios:

1. As Is Building (19,493 Sq. Ft.)
2. As Proposed (65,061 Sq. Ft. – 56,400 Sq. Ft. rentable)
3. As Permitted by Specific Plan (42,900 Sq. Ft. – 36,400 Sq. Ft. rentable)

Based on the estimated land value and development costs, the proforma analysis indicates a Project value add of approximately \$0.96 million over a similar building within the allowable 35-foot height.

Community Benefits

Kosmont estimated the marginal cost associated with the following community benefit items to be \$4.07 million, with the vast majority coming from the transformative architecture treatments, as summarized below:

- Architecture that enhances building character (\$2.8 million)
- Open space that facilitates gathering (\$750,000)
- Landscaping and environmental design (\$180,000)



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- Wayfinding & Signage (\$60,000)
- Undergrounding utilities (\$150,000)
- Coffee kiosk (\$130,000)

It is important to note that many of these items also provide value to the project by making the building more attractive to new tenants.

Fiscal Benefits

The existing 1320 E. Franklin Ave. office/industrial building had a 2019 assessed value of \$1,013,000. It houses two different tenants with approximately 30 employees. Following redevelopment, Kosmont estimates the assessed value will increase by \$23.5 million based on the construction budget, yielding \$14,100 per year to the City General Fund. The incremental assessed value from building above the 35 foot would be \$9.4 million, yielding \$5,600 in annual taxes.

The new building is expected to house 220 professional office/design employees, for a net increase of 190 employees. These employees are estimated to generate approximately \$900,000 in incremental annual retail sales at City establishments. The onsite coffee kiosk is estimated to generate \$300,000 in annual sales for a total of \$12,000 in annual sales taxes. In addition to retail sales taxes, the Project will generate additional business license taxes from the office tenancy, estimated at almost \$34,000 per year for a total annual surplus of \$56,800.

Over a 25-year period with 3% inflation, the Project will generate an estimated \$1,893,000 in City tax revenue, with a net present value of approximately \$903,000. The *incremental* fiscal benefit generated by building above 35-foot height limit is estimated to be \$614,000 over the 25-year period with an NPV of approximately \$293,000.

Economic Benefits

Development of the new creative office/commercial building will generate an estimated 150 full time equivalent (“FTE”) jobs during construction period, including direct, indirect and induced, generating \$13 million in labor income. At stabilized occupancy, the Project tenants are expected to employ 220 full time positions, an increase of 190 jobs over current level.

The *incremental* economic benefit generated by building above 35 foot height limit is estimated to be 60 FTE jobs during construction period, providing \$5 million in labor income.

Project Description

The City Planning Division received an application for Environmental Assessment No. EA-1282 and Tier II Community Benefit Plan No. 19-03 to allow the construction of a 46,000 square-foot addition to exceed the maximum permitted building height by approximately 25 feet. The Site is located at 1320 E. Franklin Ave., in the Smoky Hollow East (SHE) zone within the Specific Plan.

The subject 1320 Franklin Site is located within a larger parcel totaling 191,000 square foot (4.4 acres). The Site contains three mid-century Industrial brick buildings. The current building uses at the are light industrial with warehouse, general office, and research and development. The Site was purchased by the current owner in 2015.

Exhibit 1 – Site Plan



Off-Street Parking

Vehicular access to a new five-story parking structure is provided from a 28-foot wide driveway facing Franklin Avenue. The Specific Plan requires one parking space for every 400 square feet of gross floor area. The completed Project will have 168 spaces, with 34 surface parking spaces and 134 spaces (from the existing 398 space parking structure).allocated to 1320 E. Franklin Ave. The new building's 134 spaces in the structure have an allocated cost of \$2.6 million.

Tier II Community Benefits Plan

The Applicant is requesting to exceed the maximum height of 35 feet in the Specific Plan. The Applicant is requesting 25 additional feet (total of 60 feet) in order to build a 3rd story with mezzanine. The Project will not exceed the FAR of 1.5. Projects proposed at a building height must provide a Community Benefits Plan which requires approval from the City Council. In order to approve the project the City Council must find the value of the proposed Tier II Community Benefits adequate in implementing the objectives of the Specific Plan, in exchange for allowing the additional height, and must make the required findings indicated in the Smoky Hollow Specific Plan.

Exhibit 2 Elevation Illustration



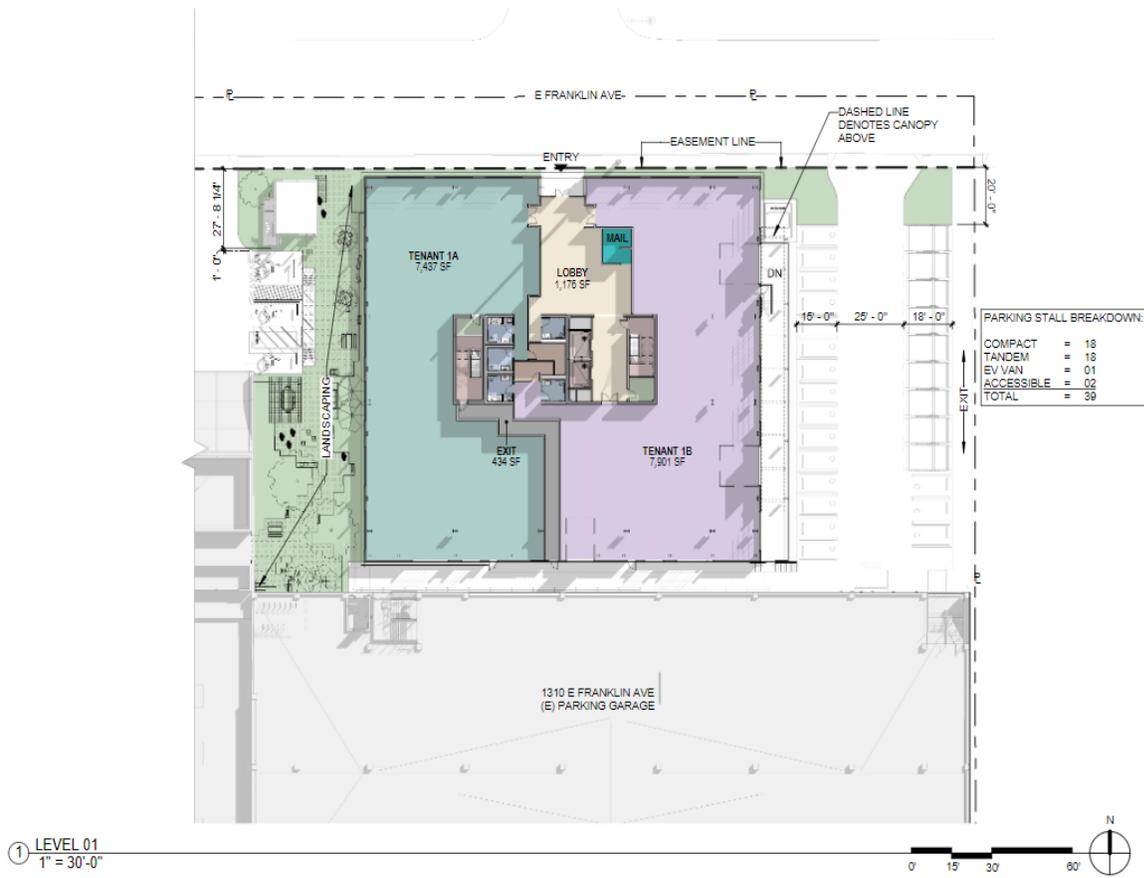
Environmental Review

A Historic Resource Evaluation Report was prepared by a qualified professional to assess the building located at 1320 E. Franklin Ave., since the existing one-story industrial brick building was constructed in the 1950's and is greater than 50 years of age. None of the three buildings on the property are listed under the national historic, state or local landmark programs. City Staff concluded that none of the buildings appear eligible for individual listing in any Historic Register or eligible for local designation as a cultural resource.

Floor Plan

The proposed addition to the building is 46,000 square feet for a gross building area of 65,061 square feet. The additional floor area is for creative office uses that engage in research, with some accessory retail, and a coffee kiosk containing a small outdoor seating area. See ground floor plan below. Level 3 floor plan/mezzanine level are illustrated in Exhibit 4 on the following page.

**Exhibit 3
 Ground Floor Plan**



The City rules for mezzanine space limits total area to less than 50% of the 22,600 square foot main floor area, or 10,000 square feet. However, due to the extensive vertical penetration for stairways, elevators and restrooms the net rentable area is only 7,600 square feet.

Exhibit 4 3rd Floor & Mezzanine



Project Value Add

Capital investment in real estate development is a high-risk private sector venture. In order to obtain financing commitments, developers must be able to demonstrate sufficient financial returns to offset the risks related to construction cost overruns and changes in the local economy during the construction period that could affect market rents and occupancy following construction. The key development cost components include land, site development, building construction, permits and fees, design and other soft costs, and financing costs. The Net Operating Income (NOI) calculation accounts for gross rents, vacancy factor, and all operating expenses.

To estimate the Project value added, as a result of the Specific Plan variance requested, Kosmont developed a financial feasibility simulation model in Excel for this Analysis to provide a reasonable estimate of expected development costs and annual net operating income a project would earn. It also shows the value at completion, which after deducting the total development costs, yields the developer profit.

Kosmont's analysis shows the stabilized value under three scenarios:

- As Is Building (19,493 Sq. Ft.)
- As Proposed (65,061 Sq. Ft. – 56,400 Sq. Ft. rentable)
- As Permitted by Specific Plan (42,900 Sq. Ft. – 36,400 Sq. Ft. rentable)

Key Assumptions

Rental Income

Kosmont surveyed local real estate brokers to estimate market rents for the new creative office space planned. Unimproved mezzanine levels are primarily used as amenity space:

- Monthly rent of \$2.85 psf triple net are most likely for high quality office space
- Monthly rent for mezzanine space would be \$2.00 psf triple net
- Structured parking for 2.5 employees per 1,000 square feet is included in base rent

To determine potential rental income, we calculated the net rentable area for each level from the detailed floor plans as summarized below:

- Ground floor – 15,300 sq. ft. (excludes lobby and restrooms)
- Level 2 – 13,800 sq. ft. (plus Mezzanine 6,500 sq. ft.)
- Level 3 – 13,500 sq. ft. (plus Mezzanine 6,500 sq. ft.)



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Development Costs

Kosmont reviewed development cost estimates provided by Applicant and architect. Total allocated costs for the new building are estimated at \$26.1 million broken down as follows:

- \$18.7 million for base building plus
- \$1.5 million in soft costs plus
- \$1.8 million in landscape and hardscape costs plus
- \$1.6 million for future tenant improvements plus
- \$2.5 million for the 134 allocated parking structure spaces.

Capitalization Rates

Capitalization rate is an economic measure of the average annual return on total costs expected by investors. It varies by type of property and geographic location. In order to estimate value of the new Project at completion, the estimated stabilized net operating income is divided by the capitalization rate. For this analysis the capitalization rate was estimated at 5.0%.

Development Value

As shown in the pro forma in Exhibit 5 on the following page, the As Is value for existing building is estimated at approximately \$2.8 million. This establishes the opportunity cost of land for the redevelopment analysis.

The Project “as proposed” has an estimated value of \$33.1 million at stabilized occupancy. Reducing that value by the estimated \$2.8 million “as is” land value and the total development costs totaling \$29 million, yields estimated development profit of \$4.13 million, or 14.3% of costs.

A hypothetical project subject to the 35-foot height limit has an estimated value of \$21.7 million, reflecting the loss of 24,300 square feet from the 3rd level. The development costs are reduced by \$10.5 million, reflecting the loss of rentable area and a reduction in the community benefits, resulting in an estimated development profit of \$3.17 million, or 17.1% of costs.

Project Value Add Conclusion

Based on the land value and development costs, the proforma analysis indicates the Project has a value add of approximately \$0.96 million over a similar building within the allowable 35-foot height (\$4.13 million - \$3.17 million).

Disclaimer

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The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

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Exhibit 5
1320 E. Frankin Ave
Pro Forma Comparison

	As Is	As Proposed	Per SP
Gross SF	19,493	65,061	42,900
Industrial SF	10,428	-	-
Coffee Kiosk		770	770
Office Rentable SF	9,065	42,600	29,100
Mezzanine Rentable SF	-	13,000	6,500
Industrial Rent PSF	\$1.00	\$0.00	\$0.00
Kiosk Rent	\$0.00	\$2.00	\$2.00
Office rent	\$1.00	\$2.85	\$2.85
Mezzanine Rent	\$0.00	\$2.00	\$2.00
Vacancy Rate	10%	7.5%	7.5%
Mthly Parking Income	\$0	\$0	\$0
Net Operating Income	\$210,524	\$1,654,731	\$1,083,359
Cap Rate	7.5%	5.00%	5.00%
Stabilized value	\$2,810,000	\$33,090,000	\$21,670,000
Land Value Contribution	<i>n/a</i>	\$2,810,000	\$2,810,000
Parking Structure Pro Rata %	<i>n/a</i>	\$2,546,000	\$1,530,000
Financing, Marketing & Overhead	<i>n/a</i>	\$1,500,000	\$900,000
Design & Hard Costs	<i>n/a</i>	\$20,300,000	\$12,180,000
Landscaping & Hardscaping	<i>n/a</i>	\$1,800,000	\$1,080,000
Total Development Costs	<i>n/a</i>	\$28,956,000	\$18,500,000
Development Profit	<i>n/a</i>	\$4,134,000	\$3,170,000
Profit as % of Costs		14.3%	17.1%

Source: Kosmont Companies, Applicant



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Community Benefits

The Specific Plan requires new development to provide 3% of the lot as open space and if the lot exceeds 22,400 square feet, a minimum of 10% of the lot. Lots greater than 22,400 square feet must provide a minimum of 1 tree for every 4 at grade surface parking spaces open-to-the-sky and each tree must be a minimum of 24-inch box tree. The proposed front and side yard setbacks contain soft landscaping areas, which complies with the minimum required open space and number of trees.

List of Benefits

As part of the Applicant's submittal package, they identified numerous physical improvements that were considered eligible Community Benefits. Kosmont reviewed with the Applicant to gather data to estimate the marginal cost (i.e. value) of each item.

- Architecture that enhances building character (\$2.8 million)
- Open space that facilitates gathering (\$750,000)
- Landscaping and environmental design (\$180,000)
- Wayfinding & Signage (\$60,000)
- Undergrounding utilities (\$150,000)
- Coffee kiosk (\$150,000)

Architectural Enhancements

The architectural design incorporates 1950's era materials, large scale steel windows, exterior balconies and exposed steel structural systems. Based on Kosmont's review of the plans and discussions with the architect, Kosmont estimates these features represent 15% of the \$18.7 million in direct construction costs, or \$2.8 million.

Open Space and Public Gathering

The proposed design provides three pedestrian entryways and two vehicular entries. The design includes a large public park and a raised shaded deck area. It also provides street furniture at the public park and near the coffee kiosk. The design includes period lighting on all sides and throughout the site. The applicants estimated cost for these improvement is \$1.5 million. Given that some open space/public gathering is required for a basic office building, Kosmont assumed a 50% factor for extraordinary improvements of \$750,000.

Landscaping

The design includes horizontal and vertical landscaping with drought tolerant and native plants throughout, including balcony and rooftop and along the parking areas. The estimated cost for these improvement is \$180,000.



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Wayfinding & Signage

The project design provides integrated tenant signage and architecturally integrated signage for pedestrian and vehicular traffic at an estimated cost of \$60,000.

Undergrounding Utilities

Incoming power and data cables will be consolidated into a single location and undergrounded with an estimated cost of \$150,000.

Coffee Kiosk

Applicant indicates providing a 770 square foot coffee kiosk with outdoor seating to serve the business community. Kosmont estimates that such space will cost over \$600 per square foot to build or a total of \$460,000. Assuming a monthly rent of \$2.00 per square foot, Kosmont estimates it would yield a capitalized value of \$330,000, resulting in a subsidy of \$130,000.

Total Value of Community Benefits

Combining the value of each building component listed above, results in a combined marginal cost increase of approximately \$4.07 million. It is important to note that many of the community benefit items also add value to the Project by making the building more attractive to tenants.

Fiscal Benefits

In addition to the Project-specific Community Benefits, the City has requested an analysis of the incremental fiscal revenues expected from the stabilized operation of the Project. In order to quantify the value of economic benefits for comparison to the development profit added, Kosmont used a discounted financial cash flow approach assuming a 25-year life.

This Analysis is based on information provided by the Applicant, the City, Los Angeles County (“County”) Property Tax Auditor-Controller’s Office, California Department of Finance (“DOF”), California Board of Equalization (“BOE”), U.S. Census, U.S. Bureau of Labor Statistics (“BLS”), and ESRI.

General Assumptions

Unless otherwise noted, the subsequent analysis maintains the following assumptions.

- Dollar amounts are expressed in 2021 dollars.
- Fiscal impacts are estimated at stabilized occupancy.
- Employment figures are permanent FTE jobs.

Fiscal Revenue Analysis

Property Tax

Secured property tax revenues are estimated based on the anticipated assessed value of the Project upon full build-out and the applicable property tax rates for the City. Existing value was not included as part of the analysis, as the subject property is already on the tax rolls.

The City general fund receives an approximate 6% share of the annual 1.0% secured property tax general levy placed by the County on the assessed value of the property (\$0.06 of each \$1.00 of secured property tax revenue).

Unsecured property taxes are collected based on the assessed value of real property not affixed to the underlying land, such as business fixtures, and some types of vehicles. The rate of taxation and apportionment is generally the same as for secured property taxes.

The 2019 assessed value of the Site was \$1.13 million. Market value of the property is significantly higher, but until there is a change in ownership no reassessment is likely to occur. The total development cost for the building and the pro rata allocated cost of the parking structure totals approximately \$26.1 million. Assuming a 90% assessed value taxable factor, there will be a \$23.5 million increase in assessed value, for which the City would receive approximately \$14,100 in additional annual property taxes. (*Incremental* property taxes from the larger building are estimated at \$5,600 per year).



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If at some point in the future, the Site is sold, the estimated market value would be approximately \$33 million in 2021 dollars, increasing the assessed value by approximately \$10 million.

Sales Tax (On-Site / Direct)

None of the new business tenants are expected to generate taxable retail sales, except for the approximate 769 square foot coffee kiosk designed to provide takeout food. Based on annual sales of \$400 psf, Kosmont estimates annual sales of \$300,000, yielding \$3,000 in sales taxes to the City General Fund.

Offsite Sales Tax (Indirect)

In addition to onsite sales, employees and business owners will generate off-site / indirect sales. Kosmont utilized ICSC surveys of employee spending near places of work to estimate \$5,000 in annual sales per employee. At stabilized occupancy the Project is expected to result in approximately \$900,000 in annual offsite taxable sales, which would result in \$9,000 in annual sales tax revenues for the City. (*Incremental* offsite sales taxes from the larger building are estimated at \$3,000 per year).

Business Taxes

Current business tax rates are assessed based on the number of employees and square footage. The first 10 employees and initial 5,000 SF are charged a flat fee base tax of \$104.40. The business is then charged for each additional employee over 10, at a rate of \$129.35 per employee. Additionally, the employer is charged \$0.25 for each square foot over 5,000 SF. Assuming three different tenants and a total of 225 employees and approximately 65,000 SF for the proposed office use (less existing 30 employees), Kosmont projects an annual increase in business tax of approximately \$33,000. (*Incremental* taxes from the larger building are estimated at \$11,000 per year).

Incremental General Fund Tax Revenues

In summary the full Project will likely result in a total increase of \$55,800 per year above the existing baseline. The *incremental* benefit by building above 35 foot limit is estimated to be \$18,100.

Over a 25-year period with 2% inflation, as shown in Exhibit 6, the Project will generate \$1,892,000 in revenue, with a net present value of \$902,000. The *incremental* fiscal benefit generated by building above 35-foot height limit is estimated to be \$614,000 over the 25-year period with an NPV of approximately \$293,000.

Exhibit 6							
1320 E. Franklin							
Public Revenue Projection							
Project Year	Incremental Assessed Value	City Share Property tax	Direct/ind. Sales Tax	Business Tax	Gross City Revenues	Incremental Revenues /1	
Const	2023	\$23,500,000	0	0	0		
1	2024		14,100	12,000	33,000	59,100	19,200
2	2025		14,382	12,240	33,660	60,282	19,600
3	2026		14,670	12,485	34,333	61,488	20,000
4	2027		14,963	12,734	35,020	62,717	20,400
5	2028		15,262	12,989	35,720	63,972	20,800
6	2029		15,568	13,249	36,435	65,251	21,200
7	2030		15,879	13,514	37,163	66,556	21,600
8	2031		16,196	13,784	37,907	67,887	22,100
9	2032		16,520	14,060	38,665	69,245	22,500
10	2033		16,851	14,341	39,438	70,630	23,000
11	2034		17,188	14,628	40,227	72,043	23,400
12	2035		17,532	14,920	41,031	73,483	23,900
13	2036		17,882	15,219	41,852	74,953	24,400
14	2037		18,240	15,523	42,689	76,452	24,800
15	2038		18,605	15,834	43,543	77,981	25,300
16	2039		18,977	16,150	44,414	79,541	25,900
17	2040		19,356	16,473	45,302	81,132	26,400
18	2041		19,743	16,803	46,208	82,754	26,900
19	2042		20,138	17,139	47,132	84,409	27,400
20	2043		20,541	17,482	48,075	86,098	28,000
21	2044		20,952	17,831	49,036	87,819	28,500
22	2045		21,371	18,188	50,017	89,576	29,100
23	2046		21,798	18,552	51,017	91,367	29,700
24	2047		22,234	18,923	52,038	93,195	29,822
25	2048		22,679	19,301	53,078	95,059	30,419
Total			\$451,627	\$384,364	\$1,057,000	\$1,892,991	\$614,341
NPV @ 6%			215,340	183,268	503,987	\$902,596	\$293,146
/1 revenues above those estimated from a project within the 35-ft height limit							

Source: Kosmont Companies



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Economic Benefits

Construction Budget

The total development costs for the construction of the approximately 65,000 gross square foot of creative office and the allocated cost for approximately 130 parking spaces within the new parking structure is estimated at \$26.1 million, including soft and hard costs.

IMPLAN Modeling

This analysis uses the IMPLAN (IMpact analysis for PLANning) econometric input/output model developed by the IMPLAN Group to quantify the economic impact to the local region from Project construction / renovation and ongoing operations. This proprietary model estimates the economic benefits on the industries in a given geographic area based on known economic inputs, such as construction costs. The model estimates direct, indirect, and induced benefits expressed in terms of increased economic activity, earnings (“labor income”), and job creation.

Direct Economic Benefits: Direct benefits refer to the short-term business activity of general contractors involved in Project construction and the ongoing business activities of Project tenants.

Indirect Economic Benefits: Indirect benefits will result when local firms directly impacted by the Project purchase materials, supplies or services from other firms.

Induced Economic Benefits: Induced benefits relate to the consumption spending of employees of firms that are directly or indirectly affected by the Project. These would include all of the goods and services normally associated with household consumption (e.g. retail purchases, services).

Inputs for the IMPLAN economic benefit analysis include the development budget provided by the Developer and permanent on-site employment information estimated by Kosmont. The permanent full-time employment estimates were derived from similar projects and industry standard per-square-foot employment densities for corresponding land use types.

Construction Related Economic Benefits

During the construction period, the Project is expected to produce approximately 150 Full Time Equivalent jobs and \$13 million in labor income across Los Angeles County, including direct, indirect and induced impacts.

The *incremental* economic benefit generated by building above 35 foot height limit is estimated to be 60 FTE jobs during construction period, providing \$5 million in labor income

CITY OF EL SEGUNDO

Community Benefits Analysis 1475 E. El Segundo Blvd.



Prepared By:

Kosmont Companies
1601 N. Sepulveda Blvd. #382
Manhattan Beach, CA 90266
www.kosmont.com

November, 2021

Background and Methodology

Kosmont & Associates, Inc. doing business as Kosmont Companies (“Consultant” or “Kosmont”), operating under the master consulting agreement with the City of El Segundo (“City”) for Smoky Hollow Community Benefit Analysis is pleased to submit this report on the comprehensive community benefits as required by the Tier 1 and Tier 2 application process for the proposed redevelopment application at 1475 E. El Segundo Blvd. in El Segundo (“Site”)

Kosmont was asked to review the Site development application site plan, floor plan and building design and preliminary community benefit proposal. The proposed project is a 63,900 square foot office building that retains the historic integrity of the existing brick building (“Project”).

Kosmont reviewed the City’s Smoky Hollow Specific Plan (“Specific Plan”) to identify planned district wide public improvements and met with City staff to understand:

1. the City’s perspective on how the Project design components address those improvements,
2. what other improvements that the City considered community benefits, as opposed to standard development requirements.

The Project has 63,915 gross building area and remains within the 1.5 FAR limit. However, the design exceeds the Specific Plan height limit of 35 feet by approximately 24 feet 6 inches with a proposed height of 59 feet six inches.

Project Value Add Analysis

Kosmont gathered construction cost data from the Project Applicant. Kosmont performed high level market research to estimate current land value and baseline rent for “as is” use, future market rent for the proposed new tenant spaces, and building valuation assumptions. This will inform a financial pro forma model that Kosmont developed to analyze the incremental development profit above the estimated profit from the “by right” permitted development. For example, an increase in gross building area would require an analysis of the marginal increase in operating income and stabilized investment value. Marginal costs of construction would be deducted to derive the incremental profit.

Community Benefits Analysis

Kosmont **has not yet** reviewed proposed Project components with City staff to confirm project elements that are eligible as a community benefit. The community benefits are based on information provided by the Applicant and some items were adjusted by Kosmont. It is important to recognize that the Applicant will realize some financial benefits from many of these items.



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Fiscal/Economic Benefits Analysis

Kosmont also analyzed the proposed Project to estimate construction period jobs, as well as stabilized operation jobs, and incremental City General Fund tax revenues (i.e. increase in property tax, sales tax, business taxes) above current use. In order to estimate the value of economic benefits for comparison to the development profit added, Kosmont used a financial cash flow approach assuming a 25-year life.

The attached report analyzes the increased financial benefits received from exceeding the Specific Plan limits, compared against the estimated the value of proposed community benefits, as well as fiscal/economic benefits. We are available to answer any questions regarding our methodology and conclusions.

Disclaimer

This Analysis is confidential and client privileged and is not to be used for any purpose other than for negotiating an acceptable Community Benefit Agreement. This Analysis is based on estimated figures and Kosmont's professional opinion, using available market and development cost information. Actual results may differ from those expressed in this analysis, as results are difficult to predict as a function of market conditions, natural disasters, pandemics, significant economic impacts, legislation and administrative actions.



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Executive Summary

The City Planning Division received an application to allow the construction of a 44,600 square-foot addition on the Site. The Applicant is requesting to exceed the maximum height of 35 feet up to 54 feet 6 inches through the Specific Plan Community Benefit process.

As shown in the following report, the Project is expected to generate economic and community benefits in excess of the Project value added accruing to the Applicant resulting from the requested height variance. Per the City’s request Kosmont has illustrated the fiscal and economic benefits from the incremental development, as well as for the entire Project as proposed.

Summary of Value Add / City Benefits

Project Value Added	Proposed Community Benefits	Fiscal Benefits	Economic Benefits Const & Perm Jobs
\$1,770,000	\$3,520,000	\$878,000	145+200 jobs
Incremental above	35 foot height limit	\$285,000	60+70 jobs

Source: Kosmont Companies

Project Value Add

Kosmont has prepared an illustrative development pro forma to show the stabilized value under three scenarios:

1. As Is Building (19,311 Sq. Ft.)
2. As Proposed (63,915 Sq. Ft. – 55,000 Sq. Ft. rentable)
3. As Permitted by Specific Plan (42,000 Sq. Ft. – 34,500 Sq. Ft. rentable)

Based on the estimated land value and development costs, the proforma analysis indicates a Project value add of approximately \$1.77 million over a similar building within the allowable 35-foot height.

Community Benefits

Kosmont estimated the marginal cost associated with the following community benefit items to be \$3.52 million, with the vast majority coming from the transformative architecture treatments, as summarized below:

- Architecture that enhances building character (\$2.8 million)
- Open space that facilitates gathering (\$400,000)
- Landscaping and environmental design (\$160,000)



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- Wayfinding & Signage (\$50,000)
- Undergrounding utilities (\$110,000)

It is important to note that many of these items also provide value to the project by making the building more attractive to new tenants.

Fiscal Benefits

The existing 1475 E. El Segundo Blvd. office/industrial building had a 2019 assessed value of \$1,157,000. It houses one tenant with approximately 20 employees. Following redevelopment, Kosmont estimates the assessed value will increase by \$22.5 million based on the construction budget, yielding \$13,500 per year to the City General Fund. The incremental assessed value from building above the 35 foot would be \$9 million, yielding \$5,400 in annual taxes.

The new building is expected to house 220 professional office/design employees, for a net increase of 190 employees. These employees are estimated to generate approximately \$900,000 in incremental annual retail sales at City establishments. The onsite coffee kiosk is estimated to generate \$300,000 in annual sales for a total of \$12,000 in annual sales taxes. In addition to retail sales taxes, the Project will generate additional business license taxes from the office tenancy, estimated at almost \$34,000 per year for a total annual surplus of \$56,800.

Over a 25-year period with 3% inflation, the Project will generate an estimated \$1,841,000 in City tax revenue, with a net present value of approximately \$878,000. The *incremental* fiscal benefit generated by building above 35-foot height limit is estimated to be \$598,000 over the 25-year period with an NPV of approximately \$285,000.

Economic Benefits

Development of the new creative office/commercial building will generate an estimated 150 full time equivalent (“FTE”) jobs during construction period, including direct, indirect and induced, generating \$13 million in labor income. At stabilized occupancy, the Project tenants are expected to employ 220 full time positions, an increase of 190 jobs over current level.

The *incremental* economic benefit generated by building above 35 foot height limit is estimated to be 60 FTE jobs during construction period, providing \$5 million in labor income.

Project Description

The City Planning Division received an application for Environmental Assessment No. EA-1281 and Tier II Community Benefits Plan No. 19-02 to allow the construction of a 44,600 square-foot addition to exceed the maximum permitted building height of 35 feet by approximately 25 feet. The Site is located at 1475 E. El Segundo Blvd., in the Smoky Hollow East (SHE) zone within the Specific Plan.

The subject Site is located in a parcel totaling 43,969 square feet. The Site contains mid-century Industrial brick buildings. The current building uses at the are light industrial with warehouse, general office, and research and development. The Site was purchased by the current owner in 2019.

Exhibit 1 – Site Plan



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Off-Street Parking

Vehicular access to a new five-story parking structure is provided from a 28-foot wide driveway facing Franklin Avenue. The Specific Plan requires one parking space for every 400 square feet of gross floor area. The completed Project will have 169 spaces, with 41 surface parking spaces and 128 spaces (from the existing 398 space parking structure).allocated to 1475 E. El Segundo Blvd. The new building's 128 spaces in the structure have an allocated cost of \$2.4 million.

Tier II Community Benefits Plan

The Applicant is requesting to exceed the maximum height of 35 feet in the Specific Plan. The Applicant is requesting 25 additional feet (total of 60 feet) in order to build a 3rd story with mezzanine. The Project will not exceed the FAR of 1.5. Projects proposed at a building height must provide a Community Benefits Plan which requires approval from the City Council. In order to approve the project the City Council must find the value of the proposed Tier II Community Benefits is adequate in implementing the objectives of the Specific Plan in exchange for allowing the additional height and must make the required findings indicated in the Smoky Hollow Specific Plan

Exhibit 2 Elevation Illustration



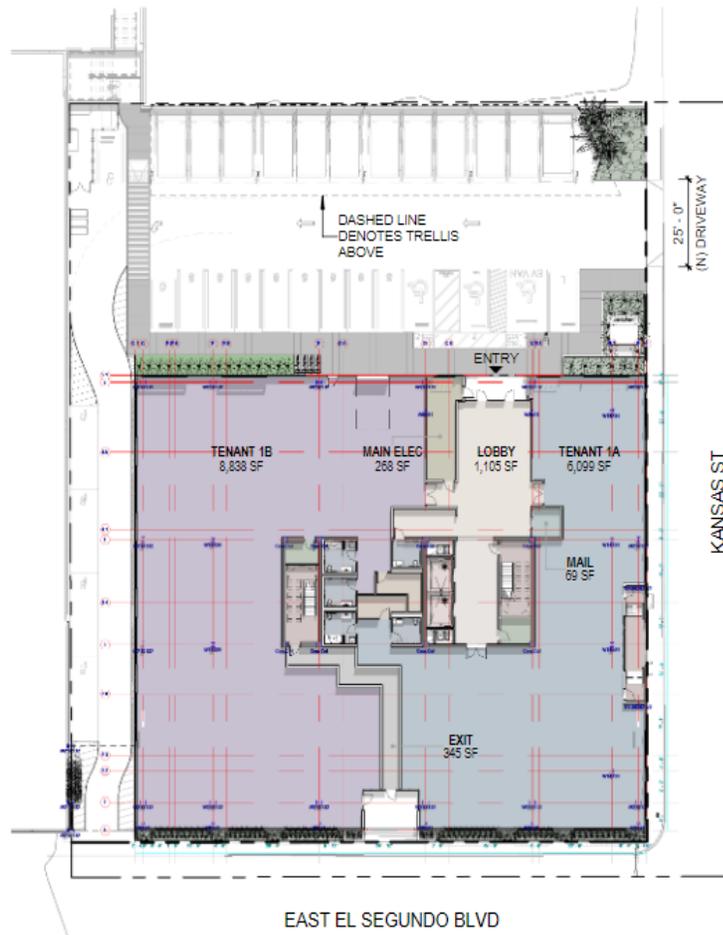
Environmental Review

A Historic Resource Evaluation Report was prepared by a qualified professional to assess the building, since the existing one-story industrial brick building was constructed in the 1950's and is greater than 50 years of age. None of the three buildings on the property are listed under the national historic, state or local landmark programs. City Staff concluded that none of the buildings appear eligible for individual listing in any Historic Register or eligible for local designation as a cultural resource.

Floor Plan

The proposed addition to the building is 44,600 square feet for a gross building area of 63,915 square feet. The additional floor area is for creative office uses that engage in research, with some accessory retail, and a coffee kiosk containing a small outdoor seating area. See ground floor plan in Exhibit 3. Level 3 plan and mezzanine are illustrated in Exhibit 4 on the following page.

**Exhibit 3
Ground Floor Plan**



The City rules for mezzanine space limits total area to less than 50% of the 22,600 square foot main floor area, or 10,000 square feet. However, due to the extensive vertical penetration for stairways, elevators and restrooms the net rentable area is only 7,600 square feet.

Exhibit 4
3rd Floor & Mezzanine



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Project Value Add

Capital investment in real estate development is a high-risk private sector venture. In order to obtain financing commitments, developers must be able to demonstrate sufficient financial returns to offset the risks related to construction cost overruns and changes in the local economy during the construction period that could affect market rents and occupancy following construction. The key development cost components include land, site development, building construction, permits and fees, design and other soft costs, and financing costs. The Net Operating Income (NOI) calculation accounts for gross rents, vacancy factor, and all operating expenses.

To estimate the Project value added, as a result of the Specific Plan variance requested, Kosmont developed a financial feasibility simulation model in Excel for this Analysis to provide a reasonable estimate of expected development costs and annual net operating income a project would earn. It also shows the value at completion, which after deducting the total development costs, yields the developer profit.

Kosmont's analysis shows the stabilized value under three scenarios:

1. As Is Building (19,311 Sq. Ft.)
2. As Proposed (63,915 Sq. Ft. – 55,000 Sq. Ft. rentable)
3. As Permitted by Specific Plan (42,000 Sq. Ft. – 34,500 Sq. Ft. rentable)

Key Assumptions

Rental Income

Kosmont surveyed local real estate brokers to estimate market rents for the new creative office space planned. Unimproved mezzanine levels are primarily used as amenity space:

- Monthly rent of \$2.85 psf triple net are most likely for high quality office space
- Monthly rent for mezzanine space would be \$2.00 psf triple net
- Structured parking for 2.5 employees per 1,000 square feet is included in base rent

To determine potential rental income, we calculated the net rentable area for each level from the detailed floor plans as summarized below:

- Ground floor – 14,900 sq. ft. (excludes lobby and restrooms)
- Level 2 – 13,100 sq. ft. (plus Mezzanine 6,500 sq. ft.)
- Level 3 – 14,000 sq. ft. (plus Mezzanine 6,500 sq. ft.)



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Development Costs

Kosmont reviewed development cost estimates provided by Applicant and architect. Total allocated costs for the new building are estimated at \$25.0 million broken down as follows:

- \$18.4 million for base building plus
- \$1.6 million in soft costs plus
- \$1.0 million in landscape and hardscape costs plus
- \$1.6 million for future tenant improvements plus
- \$2.4 million for the 128 allocated parking structure spaces.

Capitalization Rates

Capitalization rate is an economic measure of the average annual return on total costs expected by investors. It varies by type of property and geographic location. In order to estimate value of the new Project at completion, the estimated stabilized net operating income is divided by the capitalization rate. For this analysis the capitalization rate was estimated at 5.0%.

Development Value

As shown in the pro forma in Exhibit 5 on the following page, the As Is value for existing building is estimated at approximately \$2.8 million. This establishes the opportunity cost of land for the redevelopment analysis.

The Project “as proposed” has an estimated value of \$32.4 million at stabilized occupancy. Reducing that value by the estimated \$2.8 million “as is” land value and the total development costs totaling \$25.0 million, yields an estimated development profit of \$4.6 million, or 16.7% of costs.

A hypothetical project subject to the 35-foot height limit has an estimated value of \$20.6 million, reflecting the loss of 24,300 square feet from the 3rd level. The development costs are reduced by \$10 million, reflecting the loss of rentable area and a reduction in the community benefits, resulting in an estimated development profit of \$2.85 million, or 16.1% of costs.

Project Value Add Conclusion

Based on the land value and development costs, the proforma analysis indicates the Project has a value add of approximately \$1.77 million over a similar building within the allowable 35-foot height (\$4.62 million - \$2.85 million).

Disclaimer

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Exhibit 5
1475 E. El Segundo Ave
Pro Forma Comparison

	As Is	As Proposed	Per SP
Gross SF	19,311	63,915	42,000
Industrial SF	12,064	-	-
Office Rentable SF	7,247	42,000	28,000
Mezzanine Rentable SF	-	13,000	6,500
Industrial Rent PSF	\$1.00	\$0.00	\$0.00
Office rent	\$1.00	\$2.85	\$2.85
Mezzanine Rent	\$0.00	\$2.00	\$2.00
Vacancy Rate	10%	7.5%	7.5%
Mthly Parking Income (Net)	\$0	\$0	\$0
Net Operating Income	\$208,559	\$1,617,270	\$1,030,080
Cap Rate	7.5%	5.00%	5.00%
Stabilized value	\$2,780,000	\$32,350,000	\$20,600,000
Land Value Contribution	<i>n/a</i>	\$2,780,000	\$2,780,000
Parking Structure Pro Rata %	<i>n/a</i>	\$2,451,000	\$1,470,600
Financing , Marketing & Overhead	<i>n/a</i>	\$1,500,000	\$900,000
Design & Hard Costs	<i>n/a</i>	\$20,000,000	\$12,000,000
Lnadscaping & Hardscaping	<i>n/a</i>	\$1,000,000	\$600,000
Total Development Costs	<i>n/a</i>	\$27,731,000	\$17,750,600
Development Profit	<i>n/a</i>	\$4,619,000	\$2,849,400
Profit as % of Costs		16.7%	16.1%

Source: Kosmont Companies, Applicant



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Community Benefits

The Specific Plan requires new development to provide 3% of the lot as open space and if the lot exceeds 22,400 square feet, a minimum of 10% of the lot. Lots greater than 22,400 square feet must provide a minimum of 1 tree for every 4 at grade surface parking spaces open-to-the-sky and each tree must be a minimum of 24-inch box tree. The proposed front and side yard setbacks contain soft landscaping areas, which complies with the minimum required open space and number of trees.

List of Benefits

As part of the Applicant's submittal package, they identified numerous physical improvements that were considered eligible Community Benefits. Kosmont reviewed with the Applicant to gather data to estimate the marginal cost (i.e. value) of each item.

- Architecture that enhances building character (\$2.8 million)
- Open space that facilitates gathering (\$400,000)
- Landscaping and environmental design (\$160,000)
- Wayfinding & Signage (50,000)
- Undergrounding utilities (\$110,000)

Architectural Enhancements

The architectural design incorporates 1950's era materials, large scale steel windows, exterior balconies and exposed steel structural systems. Based on Kosmont's review of the plans and discussions with the architect, Kosmont estimates these features represent 15% of the \$18.4 million in direct construction costs, or \$2.8 million.

Open Space and Public Gathering

The proposed design provides three pedestrian entryways and two vehicular entries. The design includes a pocket park with public seating at the NE corner. The design includes period lighting on all sides and throughout the site. The applicants estimated cost for these improvement is \$800,000. Given that some open space/public gathering is required for a basic office building, Kosmont assumed a 50% factor for extraordinary improvements of \$400,000.

Landscaping

The design includes horizontal and vertical landscaping with drought tolerant and native plants throughout, including balcony and rooftop and along the parking areas. The design includes an architectural monument wall for signage. The estimated cost for these improvement is \$160,000.

Wayfinding & Signage

The project design provides integrated tenant signage and architecturally integrated signage for pedestrian and vehicular traffic at an estimated cost of \$50,000.

Undergrounding Utilities

Incoming power and data cables will be consolidated into a single location and undergrounded with an estimated cost of \$110,000.

Total Value of Community Benefits

Combining the value of each building component listed above, results in a combined marginal cost increase of approximately \$3.52 million. It is important to note that many of the community benefit items also add value to the Project by making the building more attractive to tenants.



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Fiscal Benefits

In addition to the Project-specific Community Benefits, the City has requested an analysis of the incremental fiscal revenues expected from the stabilized operation of the Project. In order to quantify the value of economic benefits for comparison to the development profit added, Kosmont used a discounted financial cash flow approach assuming a 25-year life.

This Analysis is based on information provided by the Applicant, the City, Los Angeles County (“County”) Property Tax Auditor-Controller’s Office, California Department of Finance (“DOF”), California Board of Equalization (“BOE”), U.S. Census, U.S. Bureau of Labor Statistics (“BLS”), and ESRI.

General Assumptions

Unless otherwise noted, the subsequent analysis maintains the following assumptions.

- Dollar amounts are expressed in 2021 dollars.
- Fiscal impacts are estimated at stabilized occupancy.
- Employment figures are permanent FTE jobs.

Fiscal Revenue Analysis

Property Tax

Secured property tax revenues are estimated based on the anticipated assessed value of the Project upon full build-out and the applicable property tax rates for the City. Existing value was not included as part of the analysis, as the subject property is already on the tax rolls.

The City general fund receives an approximate 6% share of the annual 1.0% secured property tax general levy placed by the County on the assessed value of the property (\$0.06 of each \$1.00 of secured property tax revenue).

Unsecured property taxes are collected based on the assessed value of real property not affixed to the underlying land, such as business fixtures, and some types of vehicles. The rate of taxation and apportionment is generally the same as for secured property taxes.

The 2019 assessed value of the Site was \$1.16 million. Market value of the property is significantly higher, but until there is a change in ownership no reassessment is likely to occur. The total development cost for the building and the pro rata allocated cost of the parking structure totals approximately \$25.0 million. Assuming a 90% assessed value taxable factor, there will be a \$22.5 million increase in assessed value, for which the City would receive approximately \$13,500 in additional annual property taxes. (*Incremental* property taxes from the larger building are estimated at \$5,400 per year).



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

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If at some point in the future, the Site is sold, the estimated market value would be approximately \$33 million in 2021 dollars, increasing the assessed value by approximately \$10 million.

Sales Tax (On-Site / Direct)

None of the new business tenants are expected to generate taxable retail sales.

Offsite Sales Tax (Indirect)

Employees and business owners will generate off-site / indirect sales. Kosmont utilized ICSC surveys of employee spending near places of work to estimate \$5,000 in annual sales per employee. At stabilized occupancy the Project is expected to result in approximately \$1 million in annual offsite taxable sales, which would result in \$10,000 in annual sales tax revenues for the City. (*Incremental* offsite sales taxes from the larger building are estimated at \$3,500 per year).

Business Taxes

Current business tax rates are assessed based on the number of employees and square footage. The first 10 employees and initial 5,000 SF are charged a flat fee base tax of \$104.40. The business is then charged for each additional employee over 10, at a rate of \$129.35 per employee. Additionally, the employer is charged \$0.25 for each square foot over 5,000 SF. Assuming three different tenants and a total of 225 employees and 65,000 SF of square footage for the proposed office use (less existing 20 employees), Kosmont projects an annual increase in business tax of approximately \$34,000. (*Incremental* taxes from the larger building are estimated at \$11,000 per year).

Incremental General Fund Tax Revenues

In summary the full Project will likely result in a total increase of \$54,500 per year above the existing baseline. The *incremental* benefit by building above 35 foot is estimated to be \$17,700.

Over a 25-year period with 2% inflation, as shown in Exhibit 6, the Project will generate \$1,842,000 in revenue, with a net present value of \$878,000. The *incremental* fiscal benefit generated by building above 35-foot height limit is estimated to be \$598,000 over the 25-year period with an NPV of approximately \$285,000.

Exhibit 6							
1475 E. El Segundo							
Public Revenue Projection							
Project Year	Incremental Assessed Value	City Share Property tax	Direct/ind. Sales Tax	Business Tax	Gross City Revenues	Incremental Revenues /1	
Const	2023	\$22,500,000	0	0	0		
1	2024		13,500	10,000	34,000	57,500	18,700
2	2025		13,770	10,200	34,680	58,650	19,100
3	2026		14,045	10,404	35,374	59,823	19,400
4	2027		14,326	10,612	36,081	61,019	19,800
5	2028		14,613	10,824	36,803	62,240	20,200
6	2029		14,905	11,041	37,539	63,485	20,600
7	2030		15,203	11,262	38,290	64,754	21,000
8	2031		15,507	11,487	39,055	66,049	21,500
9	2032		15,817	11,717	39,836	67,370	21,900
10	2033		16,134	11,951	40,633	68,718	22,300
11	2034		16,456	12,190	41,446	70,092	22,800
12	2035		16,786	12,434	42,275	71,494	23,200
13	2036		17,121	12,682	43,120	72,924	23,700
14	2037		17,464	12,936	43,983	74,382	24,200
15	2038		17,813	13,195	44,862	75,870	24,700
16	2039		18,169	13,459	45,760	77,387	25,200
17	2040		18,533	13,728	46,675	78,935	25,700
18	2041		18,903	14,002	47,608	80,514	26,200
19	2042		19,281	14,282	48,560	82,124	26,700
20	2043		19,667	14,568	49,532	83,767	27,200
21	2044		20,060	14,859	50,522	85,442	27,800
22	2045		20,461	15,157	51,533	87,151	28,300
23	2046		20,871	15,460	52,563	88,894	28,900
24	2047		21,288	15,769	53,615	90,672	29,015
25	2048		21,714	16,084	54,687	92,485	29,595
Total			\$432,409	\$320,303	\$1,089,030	\$1,841,742	\$597,710
NPV @ 6%			206,177	152,723	519,260	\$878,160	\$285,089

/1 revenues above those estimated from a project within the 35-ft height limit

Source: Kosmont Companies



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Economic Benefits

Construction Budget

The total development costs for the construction of the approximately 63,900 gross square foot of creative office and the allocated cost for approximately 128 parking spaces within the new parking structure is estimated at \$25.0 million, including soft and hard costs.

IMPLAN Modeling

This analysis uses the IMPLAN (IMpact analysis for PLANning) econometric input/output model developed by the IMPLAN Group to quantify the economic impact to the local region from Project construction / renovation and ongoing operations. This proprietary model estimates the economic benefits on the industries in a given geographic area based on known economic inputs, such as construction costs. The model estimates direct, indirect, and induced benefits expressed in terms of increased economic activity, earnings (“labor income”), and job creation.

Direct Economic Benefits: Direct benefits refer to the short-term business activity of general contractors involved in Project construction and the ongoing business activities of Project tenants.

Indirect Economic Benefits: Indirect benefits will result when local firms directly impacted by the Project purchase materials, supplies or services from other firms.

Induced Economic Benefits: Induced benefits relate to the consumption spending of employees of firms that are directly or indirectly affected by the Project. These would include all of the goods and services normally associated with household consumption (e.g. retail purchases, services).

Inputs for the IMPLAN economic benefit analysis include the development budget provided by the Developer and permanent on-site employment information estimated by Kosmont. The permanent full-time employment estimates were derived from similar projects and industry standard per-square-foot employment densities for corresponding land use types.

Construction Related Economic Benefits

During the construction period, the Project is expected to produce approximately 145 Full Time Equivalent jobs and \$12.5 million in labor income across Los Angeles County, including direct, indirect and induced impacts.

The *incremental* economic benefit generated by building above 35 foot height limit is estimated to be 60 FTE jobs during construction period, providing \$5 million in labor income

To view the Initial Study/Mitigated Negative Declaration for the project,
please click the following link

<https://www.elsegundo.org/home/showpublisheddocument/4612/637750065267370000>



Standard Works Proposed Development Plans (North Site)

The Proposed Development Plans (North Site) for this project can be found at the following link:

<https://www.elsegundo.org/home/showpublisheddocument/5144/637825208181204382>

FEBRUARY 2022



Standard Works Proposed Development Plans (South Site)

The Proposed Development Plans (South Site) for this project can be found at the following link:

<https://www.elsegundo.org/home/showpublisheddocument/5146/637825208201673352>

FEBRUARY 2022



Standard Works Master Sign Program

The Master Sign Program for this project can be found at
thefollowing link:

<https://www.elsegundo.org/home/showpublisheddocument/5142/637825208166672849>

FEBRUARY 2022



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Staff Presentations

Item Number: D.16

TITLE:

Urho Saari Swim Stadium (“The Plunge”) Project Engineering and Design Agreement

RECOMMENDATION:

1. Authorize the City Manager to execute a Professional Services Agreement with IBI Group for \$765,000 for the architectural and engineering design of the Urho Saari Swim Stadium project and authorize an additional \$75,000 for design related contingencies.
2. Authorize the City Manager to execute a Professional Services Agreement with Westberg White for \$75,000 to provide advising services as needed for preparation of the architectural and engineering plans for the design of the Urho Saari Swim Stadium.

FISCAL IMPACT:

Amount Budgeted: \$1,000,000

Current Balance: \$962,000

Additional Appropriation: None

Account Number(s): 301-400-8186-8236 (Plunge Rehabilitation 2020)

The estimated project cost for renovating the Urho Saari Swim Stadium building based on the conceptual design presented to City Council in June 2021 ranges approximately between \$4M to \$10M based on the level of work selected. In addition to the budget of \$962,000 currently available, approximately \$4,500,000 is available for this project as follows:

- The lesser of 24% of the facility renovation cost, or \$1,000,000, regardless of the total facility renovation cost, is provided by ESUSD (Agreement #5586)
- \$3,000,000 is provided by the Amended Development Agreement #11-02 for the El Segundo South Campus Specific Plan (Ordinance #1631)
- \$500,000 Chevron contribution as part of community fundraising

Urho Saari Swim Stadium (“The Plunge”) Project

March 15, 2022

Page 2 of 4

BACKGROUND:

The Urho Saari Swim Stadium (“The Plunge”) is named after a highly regarded swim coach who came to El Segundo in 1941 and coached US Olympic water polo and swim teams. Originally built in 1940 by the Works Progress Administration (WPA), the larger pool has eight lanes and is 25 yards long. There is also a separate junior pool. The Urho Saari Swim Stadium is typically programmed year-round for recreation swim, lap swim, fitness classes, swim lessons, practices, and competitions.

For the conceptual phase in FY20-21, the City partnered with Mithun Architect consultant, and hosted community surveys, a virtual community meeting, and stakeholder meetings with staff and Recreation and Parks Commission members to assist in guiding the conceptual design based on the results of the needs assessment. The proposed conceptual design identified code compliance issues, ADA requirements, mechanical, electrical, and plumbing upgrades, and needed enhancements for CO2 systems and pool system controllers, while incorporating architectural enhancements that assist in approving the overall appearance and feeling of the facility.

The Recreation and Parks Commission discussed the needs assessment and conceptual design at its meetings on April 21 and May 19, 2021. On May 19, the Recreation and Parks Commission voted 5-0 to recommend the City Council move forward with Mithun’s enhanced conceptual design for the Urho Saari Swim Stadium. The full presentation of the conceptual design was presented in more detail to City Council on June 1, 2021 and City Council authorized staff to negotiate a fee proposal with Mithun for the design services related to the renovation of the Urho Saari Swim Stadium.

Staff requested and received a proposal from Mithun to provide the design services required for the full renovation of the facility. After staff’s comments on the submitted proposal were provided to Mithun for consideration, Mithun could not accommodate all of staff’s comments and voluntarily withdrew the proposal. At the direction of the City Council, staff solicited proposals from qualified engineering and architectural consulting firms for the design of the Urho Saari Swim Stadium.

DISCUSSION:

The RFP for the project was published in October 2021, with six proposals received on January 12, 2022 from the following consulting firms:

1. ELS Architecture and Urban Design (Los Angeles, CA)
2. HED Design (Los Angeles, CA)
3. IBI Group (Los Angeles, CA)

Urho Saari Swim Stadium (“The Plunge”) Project

March 15, 2022

Page 3 of 4

4. SCDS Consulting Design (Gardena, CA)
5. SVA Architects, Inc. (Santa Ana, CA)
6. Westberg White Architecture (Tustin, CA)

All six proposals were evaluated and ranked based on consultant team qualifications, project understanding and approach, overall experience, and project deliverables. ELS Architecture and Urban Design, HED Design, IBI Group, and Westberg White Architecture were ranked the top four firms and were interviewed by a panel on February 3, 2022. IBI Group was selected and a fee proposal was negotiated with the firm.

Additionally, due to the complexity and specialized nature of renovating a pool facility, staff recommends contracting with Westberg White as an independent advisor to provide technical expertise in reviewing the design plans and providing oversight during the design phase.

Staff respectfully recommends City Council approve the recommendations as noted. With City Council authorization, the design of the project is expected to be completed by April 2023.

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.

Objective 4B: El Segundo's technology supports effective, efficient, and proactive operations.

Goal 5: Champion Economic Development and Fiscal Sustainability

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

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

PREPARED BY:

Cheryl Ebert, Senior Civil Engineer

REVIEWED BY:

Elias Sassoon, Public Works Director

APPROVED BY:

Barbara Voss, Deputy City Manager

Urho Saari Swim Stadium (“The Plunge”) Project

March 15, 2022

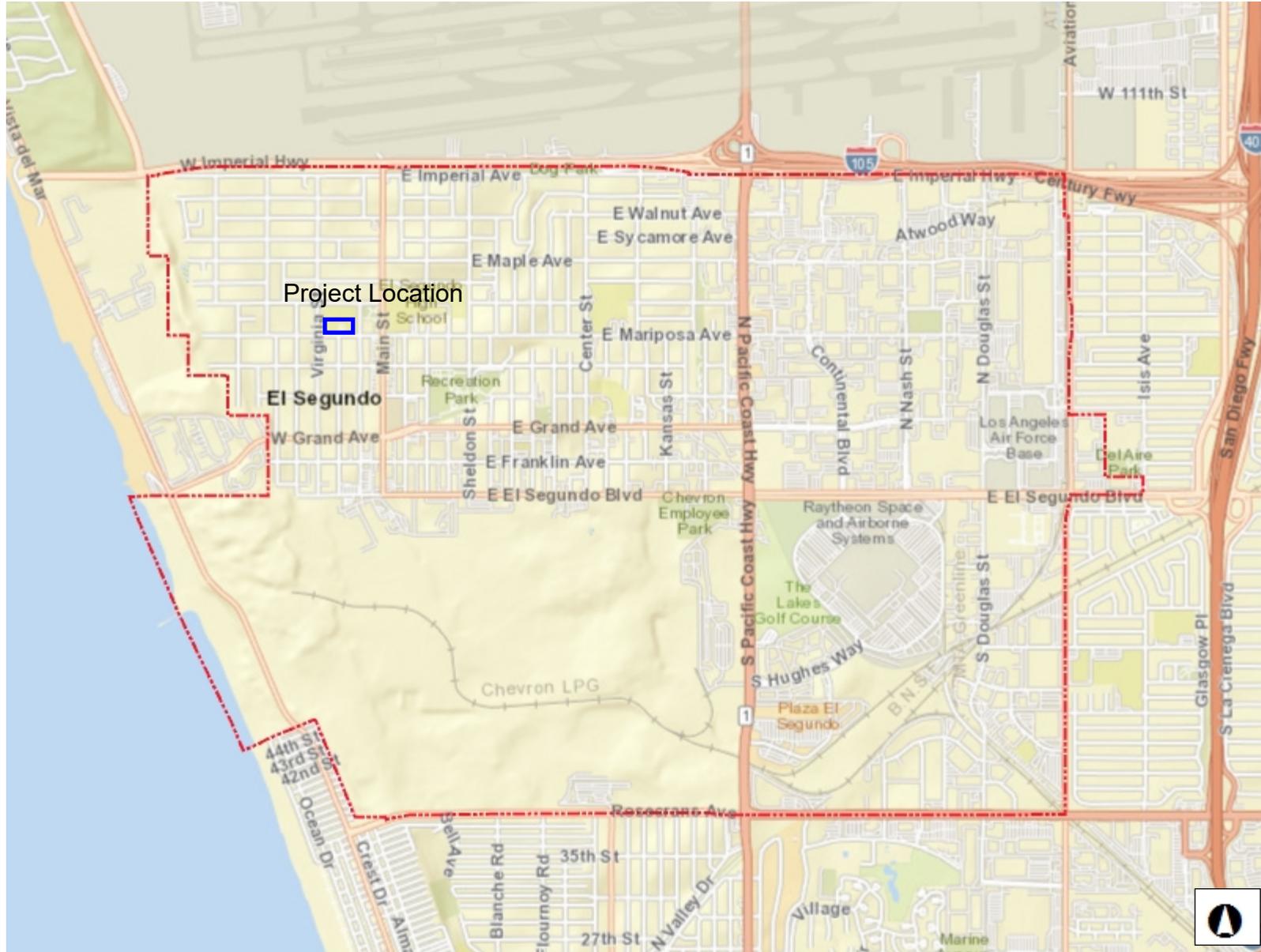
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ATTACHED SUPPORTING DOCUMENTS:

1. Urho Saari Swim Stadium Vicinity Map
2. Urho Saari Swim Stadium Location Map



Vicinity Map Urho Saari "Plunge" Swim Stadium



WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.



Location Map

Urho Saari "The Plunge" Swim Stadium



376.2 0 188.08 376.2 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Staff Presentations

Item Number: D.17

TITLE:

FY 2021-2022 Mid-Year Citywide Budget Report and Recommended Adjustments

RECOMMENDATION:

1. Receive FY 2021-2022 Citywide Mid-Year Budget Update.
2. Amend FY 2021-2022 General Fund Revenues from \$74,802,700 to \$75,132,700 and Appropriations from \$77,651,553 to \$78,801,553 (\$1,150,000 increase - See Exhibit A for the line item details);.

FISCAL IMPACT:

Staff is requesting an additional appropriation of \$1,150,000 for the General Fund (line item details are attached in Exhibit A), as well as increasing the General Fund Revenues by \$330,000. Solid Waste revenues are increasing by \$500,000 (via a transfer-in from the General Fund - the 25% City subsidy for FY 2020-21 and FY 2021-22).

Account Number(s): See Exhibit A for account number details

BACKGROUND:

On June 15, 2021, City Council adopted the FY 2021-2022 Citywide Operating and Capital Budget of \$160,038,672 for all funds. Of this amount, \$77,651,553 was allocated to the General Fund Budget. The General Fund pays for the majority of the City's basic operations, services, and general capital improvement projects. Sample General Fund services include: public safety (police, fire, paramedics, emergency services), public works (highways, streets, engineering), community services (parks, recreation programs, senior programs, teen programs, library, arts & culture), development services (planning, building services, zoning, housing), support services (City Clerk, City Treasurer, finance, information technology, human resources), and general governance and administration (City Council, City Manager, City Attorney).

FY 2021-2022 Mid-Year Citywide Budget Report and Recommended Adjustments

March 15, 2022

Page 2 of 2

DISCUSSION:

The memo from the City Chief Financial Officer provides in-depth discussion and analysis of the Citywide Mid-Year Budget update and will be delivered under separate cover.

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:

Joseph Lillio, Chief Financial Officer

REVIEWED BY:

Joseph Lillio, Chief Financial Officer

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Staff Presentations

Item Number: D.18

TITLE:

Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2021

RECOMMENDATION:

1. Receive and file the Annual Comprehensive Financial Report for fiscal year ending June 30, 2021.

FISCAL IMPACT:

None

BACKGROUND:

The Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2021, is submitted to the City Council for review. A representative from the City's audit firm, Clifton Larsen Allen LLP (CLA) will provide a brief virtual presentation on the audit and will be available to answer questions.

DISCUSSION:

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (MD&A - current portion), the basic financial statements, *optional* combining statements for non-major governmental funds, and required supplementary information. The MD&A discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$49,036,930 as of the current fiscal year end (*total net position*). The City had an unrestricted net position of (\$93,201,484). This negative unrestricted net position is the result of GASB 68 implementation in FY 2014-15 that required all government entities to place their unfunded pension liabilities onto their agencies Statement of Net Position.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,908,689. Of this amount, \$35,682,057 (*unrestricted fund balance per GASB 54*) is available for spending at the City's discretion.

Governmental Activities Net Position

The City's net position from governmental activities increased \$11,297,412. The increase in net position is attributed to a decrease in expenses in governmental funds due to the Covid pandemic and the City changing the 2021 fiscal year to a nine-month fiscal year in anticipation of permanently changing the City's fiscal year to a July 1st to June 30th fiscal year.

The cost of all governmental activities for the year was \$53.5 million. The taxes that ultimately financed these activities were only \$51.5 million and a portion of the costs were paid by those who directly benefited from the programs (\$6.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$4.5 million).

Overall, the City's governmental program revenues were \$11.5 million; of the remaining "public benefit" governmental activities, \$11.8 million were paid with business license taxes, utility user taxes of \$4.0 million, sales and use taxes of \$8.3 million, property taxes of \$12.3 million, franchise taxes of \$2.9 million, transient occupancy tax of \$4.4 million and other revenues and taxes of \$9.5 million.

In summary, the following primary contributing items have impacted the overall net position:

- Sales Taxes increased by \$2.4 million primarily due to a growing local economy, the continued trend of retail shopping moving towards online transactions which has resulted in the City receiving additional dollars from the County pool, as well as the State moving to a new reporting system which has caused a reconciliation to the City of prior year Sales Tax due in the amount of \$1 million;
- Use of Money (Investments) and Property increased by \$1.6 million due to an

increase in interest income as a result of a greater overall return on the City's investments;

- Property Taxes increased by \$.7 million due to reassessed values granted to properties changing ownership, continuous restorations and remodels that increase the assessed value, and the Prop. 13 CPI increase (maximum of 2%) applied to assessed values by the Assessor's Office;
- Transient Occupancy Taxes increased by \$.7 million primarily due to a new hotel reporting for a full year;
- Charges for Services increased by \$.6 million due to City Council approving a study to update the cost allocation plan and update the City's master fee schedule, as well as applying an annual inflation adjustment to the Citywide master fee schedule;
- Business License Tax increased by \$.5 million primarily due to the annual CPI increase; and
- Total expenditures decreased by \$1.3 million primarily due to Citywide vacancies.

Auditor's Opinion

CLA LLP completed the audit of the City and issued an unmodified ("clean") opinion on the City's financial statements for the year ending June 30, 2021.

Copies of the audit were provided to the City Council Members on March 11 in electronic format, as well as included with their agenda packages. Other interested individuals may obtain a copy of the audit from the Finance Department or through the City's website at www.ELSEGUNDO.org or <https://www.elsegundo.org/government/departments/finance/financial-reports>.

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.

ACFR for fiscal year ending June 30, 2021.

March 15, 2022

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PREPARED BY:

Joseph Lillio, Chief Financial Officer

REVIEWED BY:

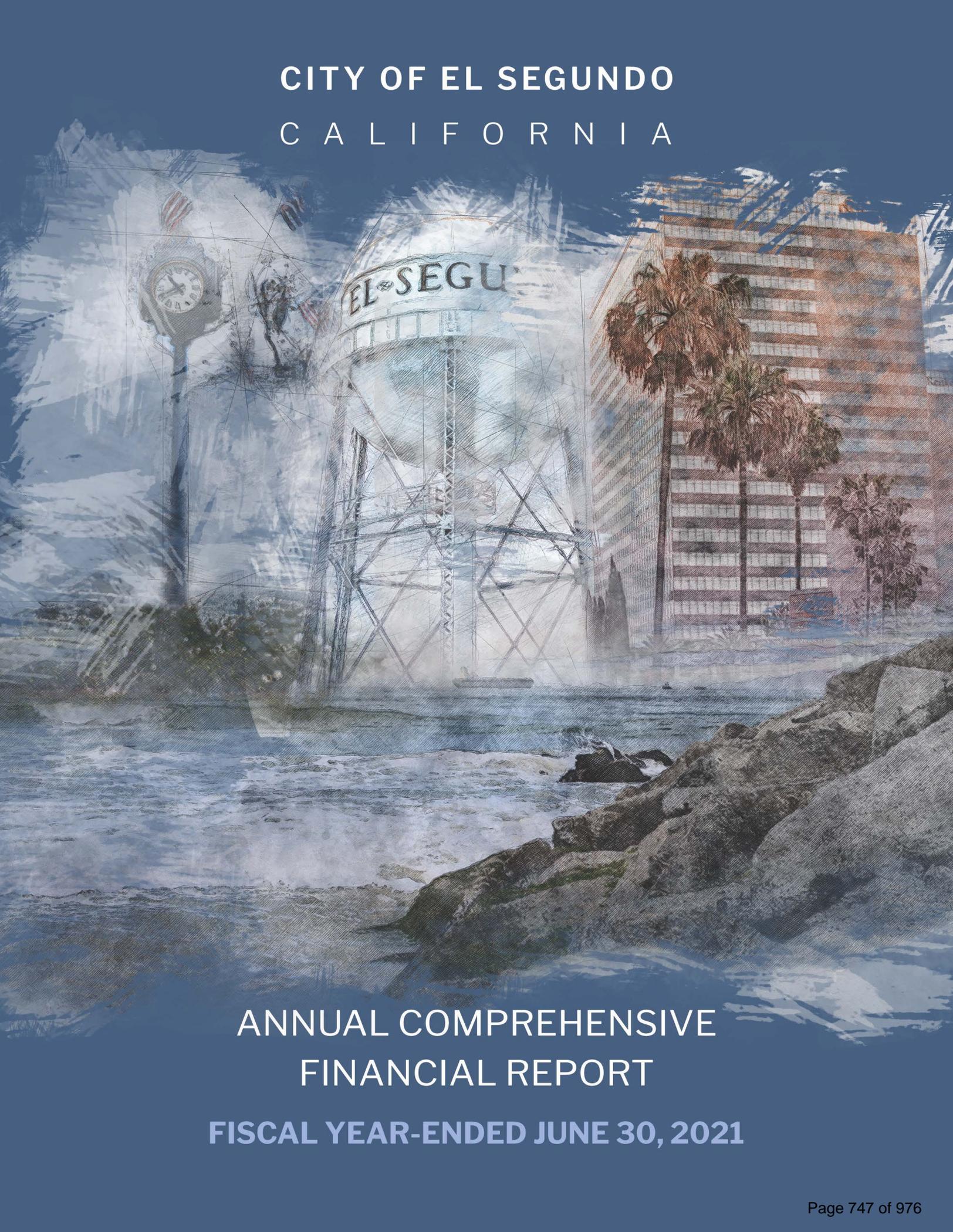
Joseph Lillio, Chief Financial Officer

APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. City of El Segundo ACFR 2021



CITY OF EL SEGUNDO
C A L I F O R N I A

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FISCAL YEAR-ENDED JUNE 30, 2021

CITY OF EL SEGUNDO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
NINE MONTHS ENDED JUNE 30, 2021
PREPARED BY THE CITY'S FINANCE DEPARTMENT

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City of El Segundo

March 4, 2022

Honorable Mayor, Members of the City Council, City Manager, and citizens of El Segundo:

State law requires that every general-purpose local government publish each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP (CLA), formerly White Nelson Diehl Evans LLP (WNDE), an Independent CPA Firm, has issued an unmodified (“clean”) opinion on the City of El Segundo’s financial statements for the year ending June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follow the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City of El Segundo Profile

The City of El Segundo is located 14 miles southwest of downtown Los Angeles, adjacent to the City of Los Angeles International Airport. The City was incorporated January 18, 1917, as a General Law city, with the Standard Oil Company of California refinery as the major industrial taxpayer and employer. The substantial petroleum base of the local economy remains evident, although the defense industry emerged as a major segment during World War II. Aerospace experienced rapid growth during the early 1980’s and accounted for a significant share of El Segundo’s industrial growth during those years. A downturn in the aerospace/defense industry began in the late 1980’s, and the industry’s recovery took place through consolidation and diversification into commercial endeavors. The available commercial/industrial space has been attracting new business-to-business retail services segments, and providing opportunities to diversify and enhance the revenue source of the City.

The City has operated under the Council-Manager Form of Government since 1917. Policy-making and legislative authority are vested in the City Council (governing body) consisting of the Mayor and four Councilmembers, all elected on a non-partisan basis. The Council appoints the government's City Manager, who serves as the organization's Chief Executive Officer (CEO) and in turn, appoints the heads of the departments. Council members serve four-year terms and are elected at-large. The election schedule alternates with two seats open during one election cycle and three seats open the next election cycle. The Mayor is selected by the seated City Council every two years.

The City provides a full range of municipal services, including police and fire protection; highway, street and infrastructure maintenance and construction; water and wastewater operations; library services; planning, zoning and code enforcement; recreational and cultural activities; and general administration. This report includes all funds of the City and those component units controlled by, and dependent on the City. Accordingly, this report incorporates financial data for the El Segundo Senior Citizen Housing Corporation.

City Council is required to adopt a final budget by no later than the close of the previous fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Police). Department Heads may transfer resources within a department. Transfers between departments, however, must be approved by the City Manager. Any transfers between funds must be approved by the City Council.

Local economy

El Segundo celebrated its centennial anniversary in 2017, commemorating 100 years of innovation, leadership, and growth. In 1911, Standard Oil (Chevron) opened its second refinery in California in what is now El Segundo. The city was incorporated 1917 with its foundation as home to workers in the petroleum industry. Over the last 100 years, El Segundo has become a thriving business center, home to AT&T, Los Angeles Times, Los Angeles Lakers and Los Angeles Kings, DaVita Healthcare, and Mattel.

Los Angeles Air Force Base and the Aerospace Corporation are located in El Segundo, and the City has a longstanding tradition of innovation in Aerospace. Boeing, Northrop Grumman, Lockheed Martin and Raytheon, are among the many prestigious Fortune 500 companies with facilities in El Segundo. Over half of all satellites and vehicles in space were manufactured in El Segundo. Global Positioning Satellite Systems, Global Hawk's unmanned aerial vehicle surveillance aircraft, and the FA-18 were also developed and conceived in El Segundo.

In addition to aerospace and petroleum, the local economy is comprised of many high-growth industries, including: bioscience, emerging technology, creative services, sports, entertainment, and professional services. El Segundo is also home to inventive and growing companies that will shape our future economy, such as Kite Pharma, JustFab, Beyond Meat, Millenium Space Systems, and WPromote. El Segundo has been recognized as the Most Business-Friendly City in Los Angeles County twice, and offers low tax rates, convenient access to transportation, and a highly skilled workforce.

Long-term financial planning

The City's financial security is fundamental to the administration of City policies and practices. City Council has always been and continues to take a conservative approach in maintaining a strong financial position by limiting the growth of spending and acquiring additional debt. It has established a General Fund Reserve, Economic Uncertainty Reserve Fund, and Capital Improvement Fund to meet the needs of unforeseen circumstances that may occur in the future.

The City has traditionally implemented a strategy of adopting a Citywide Strategic Plan that is reviewed and updated each year by the City's management and the City Council. Toward the end of FY 2016-17, the City conducted a series of strategic planning sessions that resulted in the City's first multi-year Strategic Plan. The current Strategic Plan is a three-year outlook covering 2020-2022. The Strategic Plan will be used as a guideline to set priorities and in development of the budget. A new four-year Strategic Plan will be developed during FY 2021-2022 and will be implemented for FY 2022-2023 through FY 2025-2026.

On January 19, 2021, City Council approved the issuance and sale of taxable POBs to refund the pension obligations of the City of El Segundo and authorized the execution of a Trust Agreement which then began the judicial validation proceedings relating to the issuance of the POBs. The Los Angeles Superior Court approved the validation in April 2021, setting the stage for the City to ultimately issue the POBs in June 2021.

The City's POB Finance Team (City staff, Municipal Advisor, Underwriters, Bond Counsel, Disclosure Counsel, and Trustee), met with Standard & Poor's (S&P) staff on May 10, 2021 for a bond rating presentation. The meeting was successful and resulted in a strong AA+ bond rating. This is an excellent rating, particularly in the economic environment that exists with COVID-19 still having negative impacts on the economy. S&P provided a write-up of the rating meeting with guidance on how to possibly achieve a AAA rating in the near future.

On May 18, 2021, City Council formally approved issuing the POBs at 95% of the current UAL with CalPERS. Once in the marketplace, the POBs were 4.5x over subscribed which helped to lower the POB interest rate to 2.568%. This was the second lowest rate of any POBs issued in the State of California over the last two years, including POBs with a AAA rating. This exceptional interest rate resulted in savings to the City of approximately \$82.2 million over the next 19 years.

Through the issuance of pension obligation bonds to prepay the existing UAL, along with a series of other forward-thinking actions taken by City Council over the past few years (including: Reduced "Fresh Start" Amortization Period; Past additional discretionary UAL payments; Prepaid UAL payments; Creation of a Pension Trust Fund; Requiring "Classic " employees to pay their full "employee share", Adoption of formal UAL Policies; and, the Topgolf Revenue Allocation Policy), the City is well-positioned to meet its present and future pension obligations over the next 19 years.

The annual \$9.8 million payment on the POBs represents a much lower recurring pension cost to the City than what would have been the case without the POBs. The City now has control over its pension costs through July 1, 2040. After 2040, the City's pensions will be fully funded and the recurring pension costs should drop significantly. After years of stress and uncertainty, the City now has more clarity and predictability in managing its pension obligations.

City Council is commended for taking a proactive approach to address the City's rising pension costs to reduce the City's overall pension liabilities, saving millions of dollars.

Relevant financial policies

The City's general fund reserve policy in FY 2020-21 was 20% of the City's current general fund expenditures for its operating reserves, as well as funding up to \$2 million in a separate Economic Uncertainty Reserve Fund. The goal is to maintain the reserve for the General Fund at 20% and possibly increase the reserve up to 25% in subsequent years, as well as maintain a reserve of \$2 million in the Economic Uncertainty Fund, per current City Council policy direction.

The City takes a conservative approach in relation to incurring debt with a “pay-as-you-go” approach. It is currently funding 100% of the actuarial required contribution (ARC) for its other (than pension) post-employment benefits (OPEB).

The elected City Treasurer is charged with managing and investing cash for the City along with support from the Investment Advisory Committee.

Major initiatives

The City currently has a Capital Infrastructure Plan (CIP) that includes the following projects:

- Annual Sidewalk, ADA ramp installation, Curb and Gutter Restoration Program
- City Hall improvements
- City-wide HVAC Replacement
- Gateway beautification project
- Library Improvements (Elevator & HVAC)
- Local street rehabilitation and slurry seal
- Park Place gap closure project (design phase)
- Park Vista Senior Housing Improvement Projects
- Plunge replacement scope assessment
- Recreation Park Projects
- Sewer main repairs
- Water infrastructure improvements
- Water meter conversion
- Various smaller projects that have provided enhanced benefits to the community

Acknowledgements

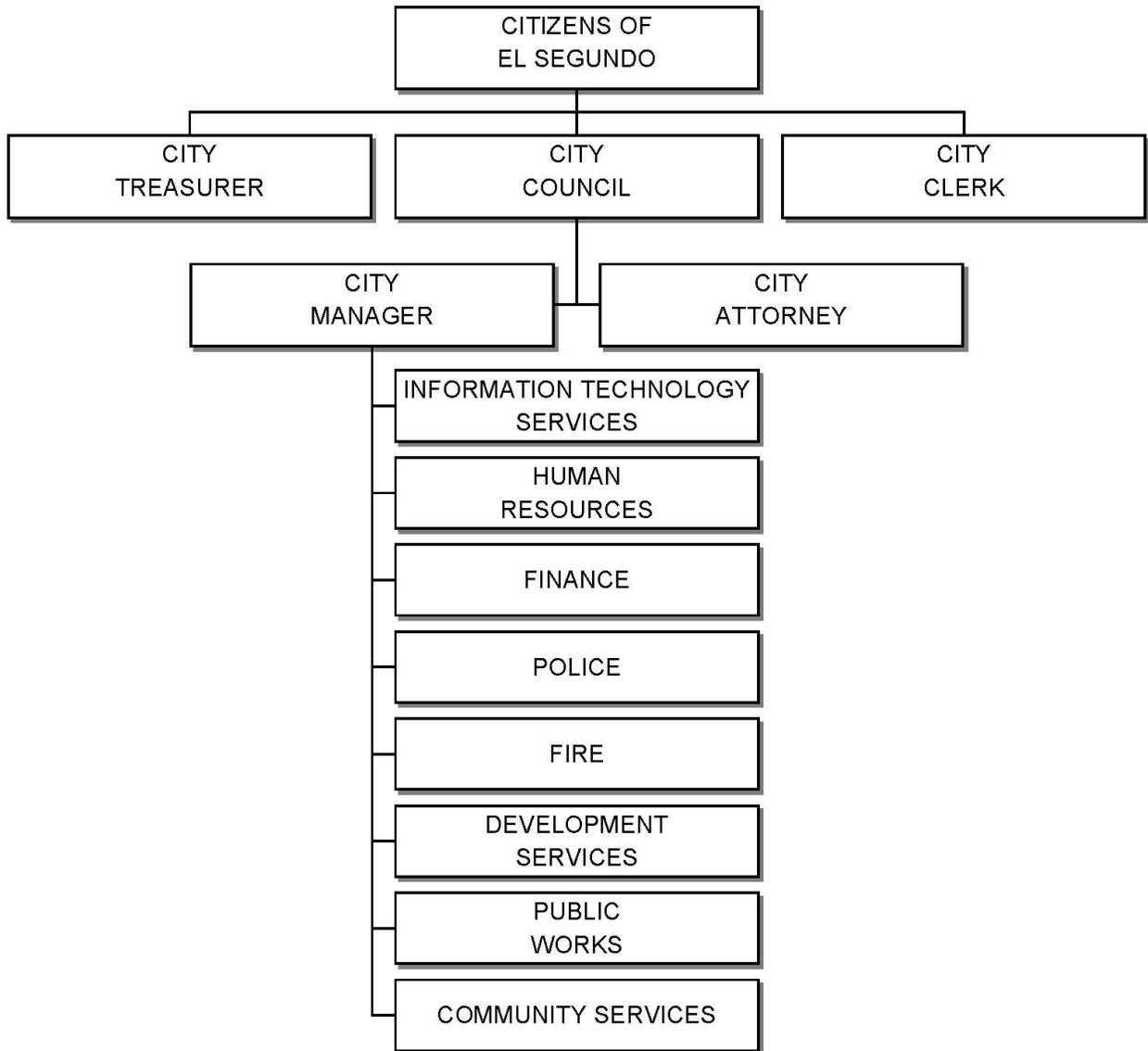
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of El Segundo’s finances.

Respectfully submitted,



Joseph Lillio
Chief Financial Officer

CITY OF EL SEGUNDO



**CITY OF EL SEGUNDO
OFFICIALS OF THE CITY
JUNE 30,2021**

CITY COUNCIL MEMBERS

<u>Name</u>		<u>Term Expires</u>
Drew Boyles	Mayor	November 2024
Chris Pimentel	Mayor Pro Tem	November 2022
Carol Pirsztuk	Council Member	November 2024
Lance Giroux	Council Member	November 2022
Scot Nicol	Council Member	November 2022

CITY OFFICIALS

Scott Mitnick	City Manager
Mark Hensley	City Attorney
Matthew Robinson	City Treasurer
Tracy Weaver	City Clerk

CITY ADMINISTRATION

Joseph Lillio	Chief Financial Officer
Rebecca Redyk	Director of Human Resources
Bill Whalen	Chief of Police
Deena Lee	Fire Chief
Melissa McCollum	Director of Community Services
Michael Allen	Director of Development Services
Elias Sassoon	Director of Public Works
Charles Mallory	Director of Information Systems



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Reporting

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**City of El Segundo
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrell

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of El Segundo
El Segundo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Segundo, California (the City), as of June 30, 2021, and for the nine month period of October 1, 2020 to June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the El Segundo Senior Citizen Housing Corporation (dba: Park Vista), which represents 100% of the assets, net position, and revenues of the El Segundo Senior Citizen Housing Corporation enterprise fund. Those statements for the year ended December 31, 2020 were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for El Segundo Senior Citizen Housing Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the El Segundo Senior Citizen Housing Corporation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the and for the nine month period of October 1, 2020 to June 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

The City of El Segundo changed its fiscal year end from September 30 to June 30. As a result, the financial statements present nine months of activities. In addition, as discussed in Note 16 to the financial statements, the net position and fund balance as of July 1, 2020, was restated. Our opinions were not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison schedule, schedules of changes in net pension liabilities and related ratios - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of the City’s proportionate share of the net pension liability and related ratios - CalPERS safety rate plan, schedule of contributions - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of changes in total OPEB liability and related ratios, and schedule of contributions – OPEB be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, the general fund combining schedules and the combining and individual nonmajor fund financial statements and budgetary comparison schedules (collectively, the supplementary information), and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Mayor and Members of the City Council
City of El Segundo

The supplementary information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
March 3, 2022

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**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

As management of the City of El Segundo, California (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of El Segundo for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$49,036,930 as of the current fiscal year end (*total net position*). The City had an unrestricted net position of (\$93,201,484). This negative unrestricted net position is the result of GASB 68 implementation in FY 2014-15 that required all government entities to place their unfunded pension liabilities onto their agencies Statement of Net Position.

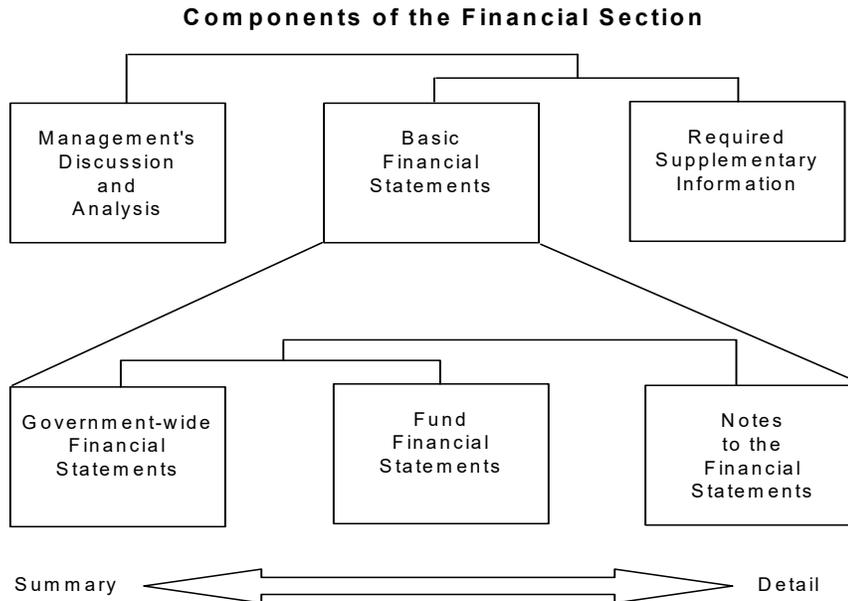
As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,908,689. Of this amount, \$35,682,057 (*unrestricted fund balance per GASB 54*) is available for spending at the City's discretion.

At the end of the current year, unrestricted fund balance per GASB 54 for the general fund was \$31,671,778 which represents 19% of total general fund expenditures, net of transfer out, for fiscal year 2020-21.

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (MD&A - current portion), the basic financial statements, optional combining statements for non-major governmental funds, and required supplementary information. The MD&A discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**



Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. These statements include all assets and liabilities of the City.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover some or all of their costs through user fees and charges (*business-type activities*).

Governmental activities: Most of the City's basic services are reported in this category, including the general administration (city manager, city clerk, administrative services, etc.), police and fire protection, public works and community development. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Business-type activities: The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Water and Sewer utilities, the Solid Waste and Golf Course operations and the Senior Housing Corporation are reported in this category.

The government-wide financial statements can be found beginning on page 20 of this report.

Fund Financial Statements: The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. However, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The City's governmental funds in fiscal year 2021 are General Fund and Non-major Governmental Funds. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

In addition to the major funds reported separately on the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, the City also maintains 24 special revenue funds, one capital project fund and two debt service funds. Data from these funds are combined into a single, aggregated presentation referred to as *other governmental funds*.

Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget. This comparison can be found beginning on page 98 of this report.

The governmental fund financial statements can be found beginning on page 28 of this report.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Proprietary funds: When the City charges customers for the services it provides, these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer, Solid Waste, Golf Course activities and the Senior Housing Corporation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement cost and general liability and workers' compensation cost. Because these services predominantly benefit governmental rather than business-type functions, these funds have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements except that more detail is presented. The proprietary fund financial statements provide separate information for the Water, Sewer and Golf Course operations, all of which are considered major funds of the City. The Senior Housing Corporation are not considered major funds of the City. The City's internal service fund is shown separately under the heading of *governmental activities*.

The proprietary fund financial statements can be beginning on page 34 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 47 of this report.

Other information: The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 116 of this report.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Government-wide Financial Analysis

As was referenced earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets exceeded total liabilities by \$49,036,930 at the close of 2021 fiscal year. A summary of the government-wide *statement of net position* follows:

	Governmental		Business		Total	
	Activities		Activities		Primary Government	
	<u>2021</u>	<u>2020 as Restated</u>	<u>2021</u>	<u>2020 as Restated</u>	<u>2021</u>	<u>2020 as Restated</u>
Assets:						
Current and other assets	\$ 79,500,993	\$ 77,432,243	\$ 40,837,574	\$ 35,214,291	\$ 120,338,567	\$ 112,646,534
Noncurrent assets	<u>103,416,647</u>	<u>104,449,468</u>	<u>28,282,853</u>	<u>31,955,831</u>	<u>131,699,500</u>	<u>136,405,299</u>
Total assets	<u>182,917,640</u>	<u>181,881,711</u>	<u>69,120,427</u>	<u>67,170,122</u>	<u>252,038,067</u>	<u>249,051,833</u>
Deferred Outflows of Resources	168,444,292	15,277,112	4,677,998	195,400	173,122,290	15,472,512
Liabilities:						
Current and other liabilities	20,661,255	13,204,687	4,638,456	5,262,253	25,299,711	18,466,940
Noncurrent liabilities	<u>329,560,427</u>	<u>196,357,291</u>	<u>9,498,459</u>	<u>5,524,929</u>	<u>339,058,886</u>	<u>201,882,220</u>
Total liabilities	<u>350,221,682</u>	<u>209,561,978</u>	<u>14,136,915</u>	<u>10,787,182</u>	<u>364,358,597</u>	<u>220,349,160</u>
Deferred Inflows of Resources	11,326,717	9,080,724	438,113	320,258	11,764,830	9,400,982
Net assets:						
Net investment in capital assets	93,360,733	91,747,670	27,259,225	31,118,997	120,619,958	122,866,667
Restricted	21,618,456	21,263,102	-	-	21,618,456	21,263,102
Unrestricted	<u>(125,165,656)</u>	<u>(134,494,651)</u>	<u>31,964,172</u>	<u>25,139,085</u>	<u>(93,201,484)</u>	<u>(109,355,566)</u>
Total net position	<u>\$ (10,186,467)</u>	<u>\$ (21,483,879)</u>	<u>\$ 59,223,397</u>	<u>\$ 56,258,082</u>	<u>\$ 49,036,930</u>	<u>\$ 34,774,203</u>

It should be kept in mind while reviewing these schedules that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. These assets are used to provide services to its citizens and are *not* available for future spending.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

A summary of the government-wide *statement of activities* follows:

	Governmental		Business		Total	
	Activities		Activities		Primary Government	
	2021	2020 as Restated	2021	2020 as Restated	2021	2020 as Restated
Revenues						
Program revenues:						
Charges for services	\$6,940,974	\$7,221,812	\$29,765,020	\$32,846,356	\$36,705,994	\$40,068,168
Operating grants and contributions	2,120,276	2,932,318	-	-	2,120,276	2,932,318
Capital grants and contributions	2,421,429	7,691,323	-	-	2,421,429	7,691,323
General revenues:						
Property taxes	12,348,994	11,816,366	-	-	12,348,994	11,816,366
Transient Occupancy taxes	4,416,020	8,760,763	-	-	4,416,020	8,760,763
Sales taxes	8,339,284	12,006,731	-	-	8,339,284	12,006,731
Utility user taxes	4,019,510	5,458,167	-	-	4,019,510	5,458,167
Franchise taxes	2,940,024	3,350,323	-	-	2,940,024	3,350,323
Business license taxes	11,761,998	12,313,710	-	-	11,761,998	12,313,710
Other taxes	7,675,557	6,937,601	-	-	7,675,557	6,937,601
Motor vehicles in lieu	-	-	-	-	-	-
Use of money and property, unrestricted	457,980	3,420,790	427,834	300,048	885,814	3,720,838
Other	<u>1,405,086</u>	<u>1,926,516</u>	<u>-</u>	<u>-</u>	<u>1,405,086</u>	<u>1,926,516</u>
Total revenues	64,847,132	83,836,420	30,192,854	33,146,404	95,039,986	116,982,824
Expenses						
General government	15,339,955	18,698,011	-	-	15,339,955	18,698,011
Public safety	21,813,534	43,330,009	-	-	21,813,534	43,330,009
Public works	8,868,760	11,961,463	-	-	8,868,760	11,961,463
Community & cultural	7,026,812	10,058,912	-	-	7,026,812	10,058,912
Interest on long-term debt	500,659	324,830	-	-	500,659	324,830
Water	-	-	18,520,750	25,014,972	18,520,750	25,014,972
Sewer	-	-	3,430,966	4,978,350	3,430,966	4,978,350
Golf Course	-	-	4,678,672	1,553,159	4,678,672	1,553,159
El Segundo Senior Citizen Housing Corp.	-	-	<u>597,152</u>	<u>576,442</u>	<u>597,152</u>	<u>576,442</u>
Total expenses	<u>53,549,720</u>	<u>84,373,225</u>	<u>27,227,540</u>	<u>32,122,923</u>	<u>80,777,260</u>	<u>116,496,148</u>
Increase (decrease) in net position	11,297,412	(536,805)	2,965,314	1,023,481	14,262,726	486,676
Net position at beginning of year	<u>(21,483,879)</u>	<u>(20,947,074)</u>	<u>56,258,083</u>	<u>55,234,602</u>	<u>34,774,204</u>	<u>34,287,528</u>
Net position at end of year	<u>\$(10,186,467)</u>	<u>\$(21,483,879)</u>	<u>\$59,223,397</u>	<u>\$56,258,083</u>	<u>\$49,036,930</u>	<u>\$34,774,204</u>

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Governmental Activities

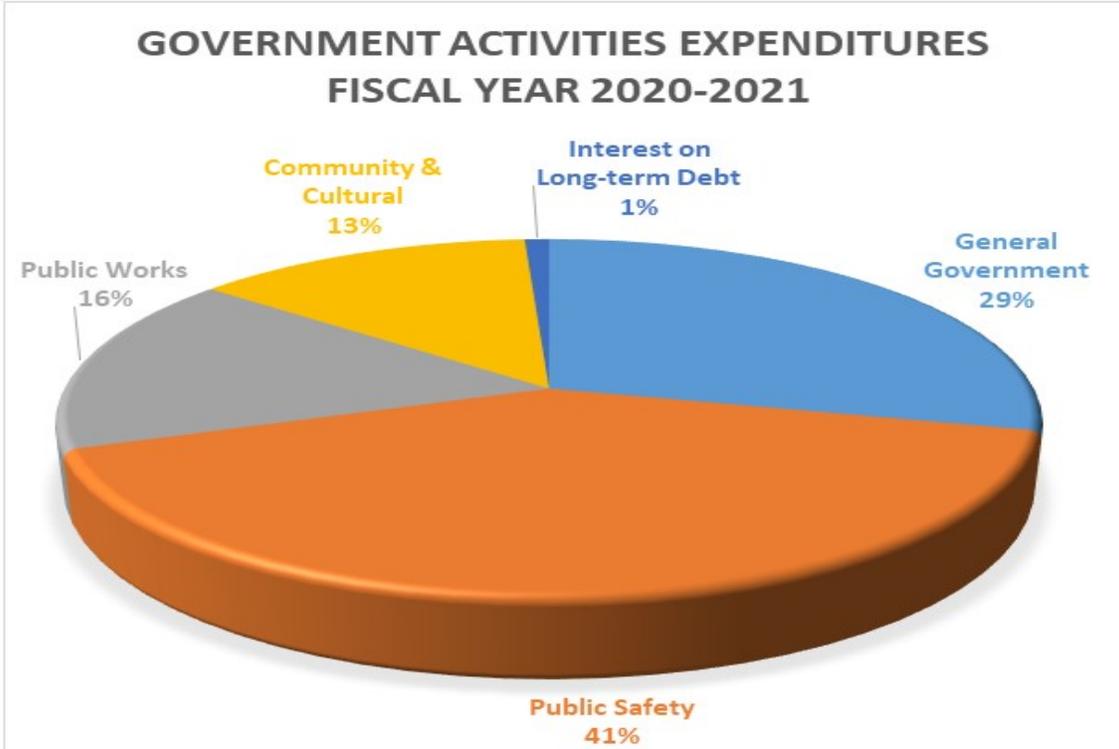
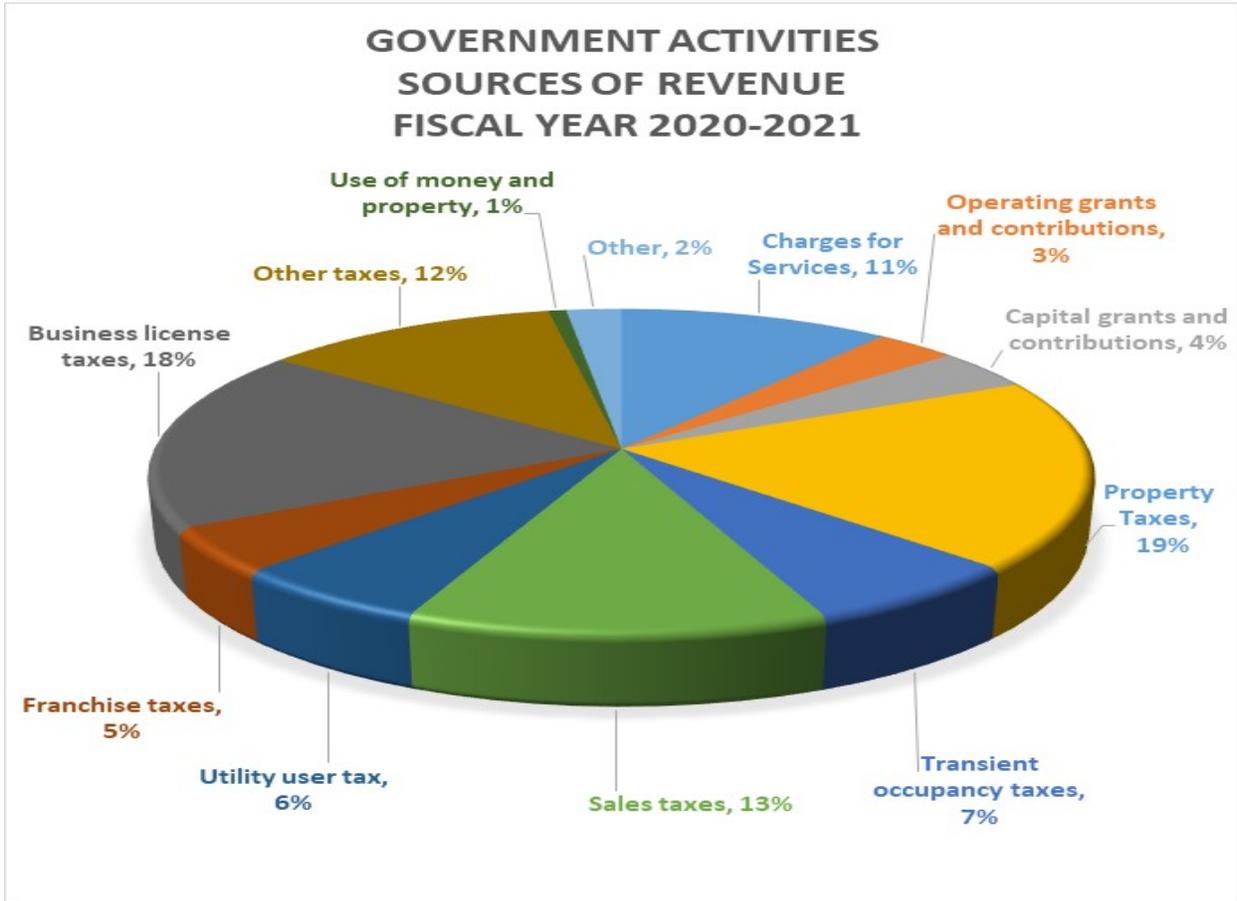
The City's net position from governmental activities increased \$11,297,412. The increase in net position is attributed to a decrease in expenses in governmental funds due to the Covid pandemic and the City changing the 2021 fiscal year to a nine month fiscal year in anticipation of permanently changing the City's fiscal year to a July 1st to June 30th fiscal year.

- In summary:
 - Charges for services decreased \$281 thousand due to the Covid pandemic;
 - Grants and contributions decreased \$5.3 million;
 - Property taxes increased \$533 thousand due to increased property values;
 - Transient Occupancy taxes decreased \$4.3 million due to the Covid pandemic and the shortened fiscal year;
 - Sales taxes decreased \$3.7 million due to the Covid pandemic and the shortened fiscal year;
 - Utility Users taxes decreased \$1.4 million due to the Covid pandemic and the shortened fiscal year;
 - Franchise taxes decreased \$410 thousand due to the shortened fiscal year;
 - Business license taxes decreased by \$552 thousand due to the Covid pandemic;
 - Interest and rentals decreased \$3.0 million investment returns and the shortened fiscal year;
 - General government expenses decreased by \$3.4 million due to vacancies and the shortened fiscal year;
 - Public safety expenses decreased by \$21.5 million primarily due to vacancies and the shortened fiscal year;
 - Public works expenses decreased by \$3.1 million due to the shortened fiscal year;
 - Community & cultural expenses decreased by \$3.0 million due to vacancies and the shortened fiscal year;

The cost of all governmental activities for the year was \$53.5 million. The taxes that ultimately financed these activities were only \$51.5 million and a portion of the costs were paid by those who directly benefited from the programs (\$6.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$4.5 million).

Overall, the City's governmental program revenues were \$11.5 million; of the remaining "public benefit" governmental activities, \$11.8 million were paid with business license taxes, utility user taxes of \$4.0 million, sales and use taxes of \$8.3 million, property taxes of \$12.3 million, franchise taxes of \$2.9 million, transient occupancy tax of \$4.4 million and other revenues and taxes of \$9.5 million.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**



**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Business-Type Activities

The programs for the business-type activities include the water, sewer, golf course operations and the Senior Housing corporation.

The City's net position from business-type activities increased by \$2,965,315. The cost of all Proprietary (Business Type) activities this year was \$27,227,540.

Charges for services are the major revenue source for the City's business-type activities, accounting for \$30,192,854 of total business-type activity revenue.

The Water Utility net cost of service of \$6,459,325 is attributable to an increase in revenues due to an increase in potable and recycled rates during the year.

The Sewer Utility net cost of service of \$(99,856) is attributable to an increase in expenses due to an increase in personnel and an increase in repairs and maintenance costs during the year.

The Golf Course net cost of service of \$(3,579,755) is attributable to loss on disposal of capital assets due to the closure of operations due to the contract with TopGolf.

The Senior Housing Corporation net cost of service of \$185,600 is attributable to an increase in revenues and lower repair and maintenance costs.

Financial Analysis of the Government's Funds

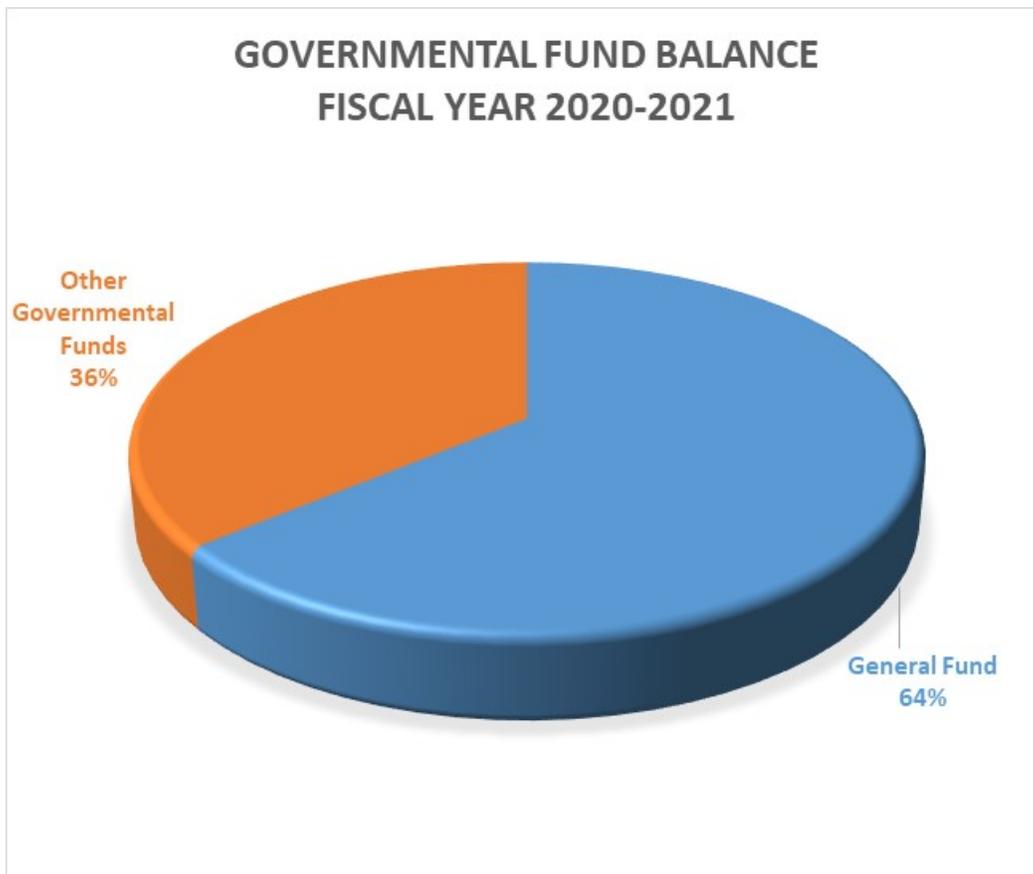
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,908,689, an increase of \$2.5 million or 4.5% from the previous year. The increase is primarily due to a decrease in expenditures due to vacancies related to the Covid pandemic. The City's General Fund increased \$1.2 million due to a decrease in expenditures due to vacancies related to the Covid pandemic. The remaining amount is an increase in the non-major Governmental funds of \$1.3 million which is largely due to unspent funds in the Capital Improvement fund and various grant funds. The portion of fund balance that is unreserved, undesignated for all governmental funds is \$29.1 million which represents amounts available for spending at the government's discretion.

Additionally, there are portions of the identified combined ending fund balance that are classified to indicate (1) it represents nonspendable amounts for inventory, receivables and prepaid costs \$163,037, (2)) for a variety of other restricted and assigned purposes \$7,705,493. More details can be found in Note 15.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**



Major Funds: There is one major fund on the balance sheet for governmental funds. This is the general fund, the chief operating fund of the City. At the end of the current fiscal year, the available fund balance (assigned and unassigned) was \$31,671,778 which represents 86% of total fund balance of \$36,979,271. As a measure of the general fund's available resources, it may be useful to compare restricted and total fund balance to total fund expenditures. The available fund balance represents 16% of total general fund expenditures, net of transfer out, while total general fund balance represents 19% of that same amount.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements but in greater detail.

Ending unrestricted net position for the proprietary funds is \$31,521,900 for the Water Utility Fund, \$4,191,296 for the Sewer Utility Fund, a negative \$5,150,415 for the Golf Course Fund and \$1,401,391 for the Senior Housing Corporation. The total change in net position for the City's four proprietary funds is as follows:

- The Water Utility's net position increased by \$6,459,325 or an increase of 18% over net position of the prior year due to an increase in revenues;

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

- The Sewer Utility's net position decreased \$99,856 or a decrease of 1% over net position of the prior year due to an increase in expenses;
- The Golf Course net position decreased \$3,579,755 or a net decrease of 81% over the prior year due to the disposal of obsolete assets.
- The Senior Housing Corporation's net position increased by \$185,600 or an increase of 11% over net position of the prior year due to an increase in revenues and lower repair and maintenance costs.

Other factors concerning the finances of these four funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year, with the recommendation from the City's staff, the City Council revised the expenditure City budget several times. Adjustments were made as the City's staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or the estimated cost at the beginning of the project was underestimated. All amendments that resulted in a net increase in appropriations are approved by the City Council.

Appropriations

Differences between the original budget and the final amended budget of the General Fund resulted in an increase in appropriations of \$1,416,154, or a net decrease in budgetary fund balance of \$1,416,154.

- General Government encumbrances increased \$1,041,000.
- Public Safety encumbrances increased \$144,188.
- Public Works encumbrances increased \$244,466.
- Capital Outlay encumbrances decreased \$13,500.

Over-all, the general fund was over budget when comparing budget to actual. This was due to additional expenditures due to the Covid pandemic and the issuance of pension obligation bonds. The reasons for the variance follows:

- The General Government Departments came in \$15,442,087 over budget, due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the miscellaneous employees.
- The Public Safety Departments came in \$110,875,574 over budget due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the safety employees.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

- The Public Works Departments came in \$4,999,942 over budget due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the miscellaneous employees.
- The Community and Cultural Departments came in \$6,476,462 over budget due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the miscellaneous employees.
- Capital Outlay expenditures came in \$850,000 under budget.

Revenue

Differences between the final budget and the actual revenues resulted in an increase of \$2,883,438, or an 5% increase in budgeted revenues.

Some significant variances between the final budget and actual revenues are as follows:

- Business License fees increased \$1,329,000 due to increased license renewals than expected.
- Property Taxes increased \$892,000 above the final budget is attributable to an increase in property values.
- Franchise Taxes increased \$690,000 above the final budget is due to the City budgeting a conservative budget expecting a reduction in commodity prices.
- Utility Users Taxes increased \$519,000 above the final budget is mainly attributable to an increase in electric utility taxes.
- The Gas Resolution Agreement with Chevron increased \$678,000 above the final budget due to a decrease in other taxes Chevron owed the City.
- Other licenses and Permits increased \$588,000 above the final budget due to increased building and electrical permits.
- Charges for Services increased \$615,000 above the final budget is mainly attributable to an increase in accelerated plan check fees and recreation and park activities.
- Other revenues increased \$357,000 above the final budget is attributable to an increase in developer contributions and staff reimbursements.
- Transient Occupancy Tax decreased \$2,631,000 due to lower hotel occupancy due to the pandemic.
- Interest and Rentals decreased \$242,000 below the final budget due to the lower overall effective yield on the investment portfolio.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

For the City's general fund, amounts available for appropriation of \$58,103,024 was \$2,883,438 lower than actual revenues of \$60,986,462. Actual ending expenditures not including transfers out were \$198,078,128 which was \$137,151,192 more than the final budget of \$60,926,936, not including transfer out. The \$137,151,192 shortfall was offset by bond proceeds of \$140,095,398. The net effect of these variances between actual and budgeted was an increase in budgetary fund balance of \$5,973,600. Therefore, there was an increase in ending fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$125,275,258 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, park facilities, roads, highways, streets and bridges.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Capital assets not being depreciated						
Land	\$29,522,040	\$29,522,040	\$ 5,999,980	\$ 5,999,980	\$ 35,522,020	\$ 35,522,020
Construction in progress	<u>692,638</u>	<u>163,898</u>	<u>1,248,988</u>	<u>296,936</u>	<u>1,941,626</u>	<u>460,834</u>
Total capital assets not being depreciated	<u>30,214,678</u>	<u>29,685,938</u>	<u>7,248,968</u>	<u>6,296,916</u>	<u>37,463,646</u>	<u>35,982,854</u>
Capital assets being depreciated, net						
Buildings and improvements	17,455,318	18,053,074	399,722	2,565,624	17,855,040	20,618,698
Vehicles and equipment	6,458,703	7,128,070	33,408	15,498	6,492,111	7,143,568
Infrastructure	<u>44,143,492</u>	<u>45,100,023</u>	<u>19,754,099</u>	<u>21,789,945</u>	<u>63,897,591</u>	<u>66,889,968</u>
Total capital assets being depreciated, net	<u>68,057,513</u>	<u>70,281,167</u>	<u>20,187,229</u>	<u>24,371,067</u>	<u>88,244,742</u>	<u>94,652,234</u>
Total capital assets, net	<u>\$98,272,191</u>	<u>\$99,967,105</u>	<u>\$27,436,197</u>	<u>\$30,667,983</u>	<u>\$125,708,388</u>	<u>\$130,635,088</u>

Additional information on the City's capital assets can be found in Note 6 of the Notes to Financial Statements in this report.

Long-term debt: The City's governmental activities total debt increased by \$143,244,307. Which is attributed to the issuance of \$140,095,398 in pension obligation bonds, the increase in claims and judgements of \$3,261,000 and the Capital parking structure lease decreased by \$43,200. The City's business-type activities total debt increased by \$3,999,042, which is attributable to the issuance of \$4,039,602 in pension obligation bonds. City-wide, compensated absences decreased by \$109,451.

**CITY OF EL SEGUNDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Compensated absences	\$5,036,020	\$5,104,911	\$176,146	\$216,706	\$5,212,166	\$5,321,617
Claims and judgments	16,187,000	12,926,000	-	-	16,187,000	12,926,000
Capital lease parking structure	1,981,703	2,024,903	-	-	1,981,703	2,024,903
Pension Obligation Bonds	140,095,398	-	4,039,602	-	144,135,000	-
Facility lease	<u>6,178,064</u>	<u>6,178,064</u>	<u>-</u>	<u>-</u>	<u>6,178,064</u>	<u>6,178,064</u>
Total long-term debt	<u>\$169,478,185</u>	<u>\$ 26,233,878</u>	<u>\$4,215,748</u>	<u>\$ 216,706</u>	<u>\$173,693,933</u>	<u>\$ 26,450,584</u>

Additional information on the City's long-term debt can be found in Note 7 of the Notes to Financial Statements in this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the budget for 2020-2021 the following economic factors significantly impacted the budget process:

- Increase cost in CalPERS retirement benefits for employees and funding of GASB 68 liability.
- Performance of national, state and primarily local economy and its impact on El Segundo's major revenue sources.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of El Segundo's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department at the City of El Segundo, 350 Main Street, El Segundo, CA 90245.

FINANCIAL STATEMENTS

**CITY OF EL SEGUNDO
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Cash and Investments	\$ 67,384,971	\$ 42,319,119	\$ 109,704,090
Receivables:			
Taxes	4,969,656	-	4,969,656
Accounts	682,320	4,032,556	4,714,876
Interest	177,724	-	177,724
Notes and Loans	55,447	-	55,447
Internal Balances	5,577,910	(5,577,910)	-
Due from Other Governments	495,970	-	495,970
Inventories	115,484	35,910	151,394
Prepays and Other Assets	41,511	27,899	69,410
Total Current Assets	<u>79,500,993</u>	<u>40,837,574</u>	<u>120,338,567</u>
NONCURRENT ASSETS			
Restricted Cash	5,144,456	846,656	5,991,112
Capital Assets, not Being Depreciated	30,214,678	7,248,968	37,463,646
Capital Assets, Net of Depreciation	<u>68,057,513</u>	<u>20,187,229</u>	<u>88,244,742</u>
Total Noncurrent Assets	<u>103,416,647</u>	<u>28,282,853</u>	<u>131,699,500</u>
 Total Assets	 182,917,640	 69,120,427	 252,038,067
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	166,459,522	4,575,277	171,034,799
Deferred Outflows of Resources Related to OPEB	<u>1,984,770</u>	<u>102,721</u>	<u>2,087,491</u>
Total Deferred Outflows of Resources	<u>168,444,292</u>	<u>4,677,998</u>	<u>173,122,290</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CURRENT LIABILITIES			
Accounts Payable	\$ 3,353,954	\$ 4,014,988	\$ 7,368,942
Accrued Liabilities	1,978,596	64,452	2,043,048
Retention Payable	39,363	28,526	67,889
Accrued Interest	339,096	-	339,096
Unearned Revenue	30,868	25,366	56,234
Deposits Payable	1,466,818	193,230	1,660,048
Long-Term Liabilities - Due Within One Year	13,452,560	311,894	13,764,454
Total Current Liabilities	<u>20,661,255</u>	<u>4,638,456</u>	<u>25,299,711</u>
NONCURRENT LIABILITIES			
Long-Term Liabilities - Due in More Than One Year	156,025,625	3,903,854	159,929,479
Aggregate Net Pension Liability	148,991,592	4,324,384	153,315,976
Net Other Postemployment Benefit Liability	24,543,210	1,270,221	25,813,431
Total Noncurrent Liabilities	<u>329,560,427</u>	<u>9,498,459</u>	<u>339,058,886</u>
 Total Liabilities	 350,221,682	 14,136,915	 364,358,597
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	3,178,806	16,422	3,195,228
Deferred Inflows of Resources Related to OPEB	8,147,911	421,691	8,569,602
Total Deferred Outflows of Resources	<u>11,326,717</u>	<u>438,113</u>	<u>11,764,830</u>
NET POSITION			
Net Investment in Capital Assets	93,360,733	27,259,225	120,619,958
Restricted for:			
Public Safety	1,709,470	-	1,709,470
Public Works	3,012,961	-	3,012,961
Economic Developemnt	215,126	-	215,126
Community and Cultural	9,911,555	-	9,911,555
Debt Services	1,624,888	-	1,624,888
Pension	5,144,456	-	5,144,456
Unrestricted (Deficit)	(125,165,656)	31,964,172	(93,201,484)
Total Net Position	<u>\$ (10,186,467)</u>	<u>\$ 59,223,397</u>	<u>\$ 49,036,930</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
STATEMENT OF ACTIVITIES
NINE MONTHS ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total Program Revenues</u>
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	
GOVERNMENTAL ACTIVITIES					
General Government	\$ 15,339,955	\$ 266,496	\$ -	\$ -	\$ 266,496
Public Safety	21,813,534	980,145	300,185	904,277	2,184,607
Public Works	8,868,760	54,669	1,084,535	1,434,677	2,573,881
Community and Cultural	7,026,812	5,639,664	735,556	82,475	6,457,695
Interest on Long-Term Debt	500,659	-	-	-	-
Total Governmental Activities	<u>53,549,720</u>	<u>6,940,974</u>	<u>2,120,276</u>	<u>2,421,429</u>	<u>11,482,679</u>
BUSINESS-TYPE ACTIVITIES					
Water	18,520,750	24,626,599	-	-	24,626,599
Sewer	3,430,966	3,266,685	-	-	3,266,685
Golf Course	4,678,672	1,098,917	-	-	1,098,917
El Segundo Senior Citizen Housing Corp.	597,152	772,819	-	-	772,819
Total Business-Type Activities	<u>27,227,540</u>	<u>29,765,020</u>	<u>-</u>	<u>-</u>	<u>29,765,020</u>
Total Primary Government	<u>80,777,260</u>	<u>36,705,994</u>	<u>2,120,276</u>	<u>2,421,429</u>	<u>41,247,699</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
STATEMENT OF ACTIVITIES (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ (15,073,459)	\$ -	\$ (15,073,459)
Public Safety	(19,628,927)	-	(19,628,927)
Public Works	(6,294,879)	-	(6,294,879)
Community and Cultural	(569,117)	-	(569,117)
Interest on Long-Term Debt	(500,659)	-	(500,659)
Total Governmental Activities	(42,067,041)	-	(42,067,041)
BUSINESS-TYPE ACTIVITIES			
Water	-	6,105,849	6,105,849
Sewer	-	(164,281)	(164,281)
Golf Course	-	(3,579,755)	(3,579,755)
El Segundo Senior Citizen Housing Corp.	-	175,667	175,667
Total Business-Type Activities	-	2,537,480	2,537,480
Total Primary Government	(42,067,041)	2,537,480	(39,529,561)
GENERAL REVENUES			
Taxes			
Property Taxes, Levied for General Purpose	12,348,994	-	12,348,994
Transient Occupancy Taxes	4,416,020	-	4,416,020
Sales Taxes	8,339,284	-	8,339,284
Utility User Taxes	4,019,510	-	4,019,510
Franchise Taxes	2,940,024	-	2,940,024
Business Licenses Taxes	11,761,998	-	11,761,998
Other Taxes	7,675,557	-	7,675,557
Total Taxes	51,501,387	-	51,501,387
Use of Money and Property, Unrestricted	457,980	427,834	885,814
Other	1,405,086	-	1,405,086
Total General Revenues	53,364,453	427,834	53,792,287
CHANGE IN NET POSITION	11,297,412	2,965,314	14,262,726
Net Position - Beginning of Year, as Restated	(21,483,879)	56,258,083	34,774,204
NET POSITION - END OF YEAR	\$ (10,186,467)	\$ 59,223,397	\$ 49,036,930

See accompanying Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

General Fund – To account for and report all financial resources not accounted for and reported in another fund.

Nonmajor Governmental Funds – To account for the aggregate of all the nonmajor governmental funds.

**CITY OF EL SEGUNDO
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

ASSETS	General	Nonmajor Governmental Funds	Total
Cash and Investments	\$ 30,616,147	\$ 22,100,458	\$ 52,716,605
Restricted Cash	5,144,456	-	5,144,456
Receivables:			
Taxes	4,969,656	-	4,969,656
Accounts	625,803	16,745	642,548
Interest	177,672	52	177,724
Notes and Loans	6,042	49,405	55,447
Due from Other Funds	304,851	-	304,851
Due from Other Governments	119,869	376,101	495,970
Inventories	115,484	-	115,484
Prepays	41,511	-	41,511
Total Assets	\$ 42,121,491	\$ 22,542,761	\$ 64,664,252
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,019,497	\$ 687,123	\$ 2,706,620
Accrued Liabilities	1,883,837	23,472	1,907,309
Retentions Payable	2,336	37,027	39,363
Due to Other Funds	-	304,851	304,851
Unearned Revenue	30,868	-	30,868
Deposits Payable	1,162,428	304,390	1,466,818
Total Liabilities	5,098,966	1,356,863	6,455,829
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	43,254	256,480	299,734
Total Deferred Inflows of Resources	43,254	256,480	299,734
FUND BALANCES			
Nonspendable	163,037	-	163,037
Restricted	5,144,456	16,919,139	22,063,595
Assigned	2,561,037	4,314,909	6,875,946
Unassigned (Deficit)	29,110,741	(304,630)	28,806,111
Total Fund Balances	36,979,271	20,929,418	57,908,689
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,121,491	\$ 22,542,761	\$ 64,664,252

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
NINE MONTHS ENDED JUNE 30, 2021**

Total Fund Balances -Total Governmental Funds		\$ 57,908,689
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Amount Reported in Government-Wide Statement of Position:		
Capital Assets, Nondepreciable	\$ 30,214,678	
Capital Assets, Depreciable, Net (Net of \$3,860,432- reported in ISF)	64,197,081	
		94,411,759
Interest is recognized when due, and therefore, interest payable is not reported in the governmental funds.		(339,096)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet.		
Capital Lease and Facility Lease		(8,159,767)
Pension Obligation Bonds		(140,095,398)
Compensated Absences		(5,036,020)
Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds. (net of \$119,853 reported in ISF)		(24,423,357)
OPEB related deferred outflows of resources are not reported in the governmental funds but are reported in the government-wide financial statements. (net of \$9,692 reported in ISF)		1,975,078
OPEB related deferred inflows of resources are not reported in the governmental funds but are reported in government- wide financial statements. (net of \$39,789 reported in ISF)		(8,108,122)
Aggregate net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds. (net of \$798,637 reported in ISF)		(148,192,955)
Pensions related deferred outflows of resources are not reported in the governmental funds but are reported in the government-wide financial statements. (net of \$102,082 reported in ISF)		166,357,440
Pensions related deferred inflows of resources are not reported in the governmental funds but are reported in government- wide financial statements. (net of \$3,032 reported in ISF)		(3,175,774)
Certain revenues in the governmental funds are unavailable because they are collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.		299,734
Internal service funds are used by management to charge the costs of general liability, workers' compensation and health benefit claims to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-Wide Statement of Net Position.		6,391,322
Net Position of Governmental Activities		\$ (10,186,467)

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
NINE MONTHS ENDED JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total
REVENUES			
Taxes	\$ 40,187,419	\$ 29,137	\$ 40,216,556
Licenses and Permits	13,560,370	8,177	13,568,547
Intergovernmental	-	3,165,467	3,165,467
Charges for Services	4,357,840	478,714	4,836,554
Use of Money and Property	326,274	131,709	457,983
Fines and Forfeitures	266,634	31,068	297,702
Developer Fees	207,838	769,985	977,823
Miscellaneous	2,080,087	168,719	2,248,806
Total Revenues	<u>60,986,462</u>	<u>4,782,976</u>	<u>65,769,438</u>
EXPENDITURES			
Current			
General Government	32,183,298	-	32,183,298
Public Safety	141,967,680	113,604	142,081,284
Public Works	12,736,945	269,040	13,005,985
Community and Cultural	11,213,078	1,403,853	12,616,931
Capital Outlay	-	3,008,119	3,008,119
Debt Service			
Principal Retirement	43,200	-	43,200
Interest	102,300	88,655	190,955
Total Expenditures	<u>198,246,501</u>	<u>4,883,271</u>	<u>203,129,772</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(137,260,039)</u>	<u>(100,295)</u>	<u>(137,360,334)</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	140,095,398	-	140,095,398
Transfers In	25,000	1,780,956	1,805,956
Transfers Out	(1,395,956)	(425,000)	(1,820,956)
Total Other Financing Sources (Uses)	<u>138,724,442</u>	<u>1,355,956</u>	<u>140,080,398</u>
NET CHANGE IN FUND BALANCES	1,464,403	1,255,661	2,720,064
Fund Balances - Beginning of year, as Restated	<u>35,514,868</u>	<u>19,673,757</u>	<u>55,188,625</u>
FUND BALANCES - END OF YEAR	<u>\$ 36,979,271</u>	<u>\$ 20,929,418</u>	<u>\$ 57,908,689</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
NINE MONTHS ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 2,720,064
Amounts reported for governmental activities in the Statement of Activities are different because:	
Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the current period:	
Capital Outlay	1,781,130
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds.	
	(2,859,983)
Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the change in long-term compensated absences was not reported in the governmental funds.	
	68,890
Other postemployment benefits and pension expenses were reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in other postemployment benefits liability and net pension liabilities were not reported as an expenditure in the governmental funds.	
OPEB credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as OPEB expense in the governmental fund.	
	1,346,373
Pension credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as pension expense in the governmental fund.	
	153,297,238
Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Principal repayment of leases was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Pension Obligation Bond Proceeds	(140,095,398)
Principal Repayments of Long-Term Debt	43,200
Interest Accrual on Capital Lease and Facility Lease	(309,704)
Certain revenues in the governmental funds are unavailable if they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.	
	(922,306)
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	
	(3,772,092)
Change in net Net Position of Governmental Activities	\$ 11,297,412

See accompanying Notes to Financial Statements.

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PROPRIETARY FUNDS FINANCIAL STATEMENTS

Water Fund – To account for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City’s water distribution system.

Sewer Fund – To account for user charges, fees and all operating costs associated with the operation, maintenance, upgrade and periodic reconstructions of the City’s wastewater collection system.

Golf Course Fund – to account for revenues from user fees and expenses incurred for the operation and maintenance of “The Lakes at El Segundo” golf facility.

Nonmajor Enterprise Funds - to account for the aggregate of all the nonmajor enterprise funds.

Internal Service Funds – To account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

**CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2020
	Water	Sewer	Golf Course	
ASSETS				
Current Assets				
Cash and Investments	\$ 35,518,623	\$ 5,760,370	\$ 449,317	\$ 590,809
Accounts Receivable	3,306,535	726,021	-	-
Inventories	35,910	-	-	-
Prepaid Items	-	-	-	27,899
Total Current Assets	<u>38,861,068</u>	<u>6,486,391</u>	<u>449,317</u>	<u>618,708</u>
Noncurrent Assets				
Advances to Other Funds	-	-	-	-
Restricted Cash	-	-	-	846,656
Capital Assets, not Being Depreciated	864,755	384,233	5,999,980	-
Capital Assets, Being Depreciated	<u>9,867,804</u>	<u>9,886,295</u>	<u>-</u>	<u>433,130</u>
Total Noncurrent Assets	<u>10,732,559</u>	<u>10,270,528</u>	<u>5,999,980</u>	<u>1,279,786</u>
Total Assets	49,593,627	16,756,919	6,449,297	1,898,494
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	2,838,445	1,736,832	-	-
Deferred Outflows of Resources Related to OPEB	<u>57,845</u>	<u>44,876</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,896,290</u>	<u>1,781,708</u>	<u>-</u>	<u>-</u>

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds Total	Governmental Activities- Internal Service Funds
ASSETS		
Current Assets		
Cash and Investments	\$ 42,319,119	\$ 14,668,366
Accounts Receivable	4,032,556	39,772
Inventories	35,910	-
Prepaid Items	27,899	-
Total Current Assets	46,415,484	14,708,138
Noncurrent Assets		
Advances to Other Funds	-	5,577,910
Restricted Cash	846,656	-
Capital Assets, not Being Depreciated	7,248,968	-
Capital Assets, Being Depreciated	20,187,229	3,860,432
Total Noncurrent Assets	28,282,853	9,438,342
 Total Assets	 74,698,337	 24,146,480
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Related to Pension	4,575,277	102,082
Deferred Outflows of Resources Related to OPEB	102,721	9,692
Total Deferred Outflows of Resources	4,677,998	111,774

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2020
	Water	Sewer	Golf Course	
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 3,971,849	\$ 38,182	\$ -	\$ 4,957
Accrued Liabilities	38,442	26,010	-	-
Retentions Payable	28,526	-	-	-
Unearned Revenue	-	-	21,822	3,544
Deposits Payable	137,758	-	-	55,472
Due to Other Funds	-	-	-	-
Claims and Judgments, Current Portion	-	-	-	-
Compensated Absences, Current Portion	36,810	91,931	-	-
Pension Obligation Bonds, Current Portion	113,616	69,537	-	-
Total Current Liabilities	<u>4,327,001</u>	<u>225,660</u>	<u>21,822</u>	<u>63,973</u>
Noncurrent Liabilities				
Advances from Other Funds	-	-	5,577,910	-
Claims and Judgments, Net of Current	-	-	-	-
Compensated Absences, Net of Current	47,405	-	-	-
Pension Bonds Payable	2,392,278	1,464,171	-	-
Aggregate Net Pension Liability	2,682,795	1,641,589	-	-
Net Other Postemployment Benefit Liability	715,297	554,924	-	-
Total Noncurrent Liabilities	<u>5,837,775</u>	<u>3,660,684</u>	<u>5,577,910</u>	<u>-</u>
Total Liabilities	10,164,776	3,886,344	5,599,732	63,973
DEFERRED INFLOWS OF REOSURCES				
Deferred Inflows of Resources Related to Pensions	10,188	6,234	-	-
Deferred Inflows of Resources Related to OPEB	237,466	184,225	-	-
Total Deferred Inflows of Resources	<u>247,654</u>	<u>190,459</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	10,555,587	10,270,528	5,999,980	433,130
Unrestricted (Deficit)	31,521,900	4,191,296	(5,150,415)	1,401,391
Total Net Position	<u>\$ 42,077,487</u>	<u>\$ 14,461,824</u>	<u>\$ 849,565</u>	<u>\$ 1,834,521</u>

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds Total	Governmental Activities- Internal Service Funds
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 4,014,988	\$ 647,334
Accrued Liabilities	64,452	71,287
Retentions Payable	28,526	-
Unearned Revenue	25,366	-
Deposits Payable	193,230	-
Due to Other Funds	-	-
Claims and Judgments, Current Portion	-	2,909,007
Compensated Absences, Current Portion	128,741	-
Pension Obligation Bonds, Current Portion	183,153	-
Total Current Liabilities	4,638,456	3,627,628
Noncurrent Liabilities		
Advances from Other Funds	5,577,910	-
Claims and Judgments, Net of Current	-	13,277,993
Compensated Absences, Net of Current	47,405	-
Pension Bonds Payable	3,856,449	-
Aggregate Net Pension Liability	4,324,384	798,637
Net Other Postemployment Benefit Liability	1,270,221	119,853
Total Noncurrent Liabilities	15,076,369	14,196,483
Total Liabilities	19,714,825	17,824,111
DEFERRED INFLOWS OF REOSURCES		
Deferred Inflows of Resources Related to Pensions	16,422	3,032
Deferred Inflows of Resources Related to OPEB	421,691	39,789
Total Deferred Inflows of Resources	438,113	42,821
NET POSITION		
Net Investment in Capital Assets	27,259,225	3,848,183
Unrestricted (Deficit)	31,964,172	2,543,139
Total Net Position	\$ 59,223,397	\$ 6,391,322

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS
NINE MONTHS ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2020
OPERATING REVENUES				
Sales and Service Charges	\$ 24,613,985	\$ 3,266,685	\$ 781,217	\$ 767,784
Interdepartmental Charges	-	-	-	-
Lease Revenue	-	-	79,071	-
Miscellaneous	12,614	-	238,629	5,035
Total Operating Revenues	<u>24,626,599</u>	<u>3,266,685</u>	<u>1,098,917</u>	<u>772,819</u>
OPERATING EXPENSES				
Personnel Services	860,195	937,898	259,147	-
Materials and Supplies	86,212	49,989	55,998	-
Purchased Water/Utilities	15,783,033	-	58,596	124,204
Insurance and Claims	747,225	231,075	20,172	17,948
Contractual Services	78,069	1,260,247	4,215	175,500
Repairs and Maintenance	290,716	290,334	48,204	143,533
Administrative Cost	542,657	302,604	106,833	95,568
Depreciation	132,643	358,819	103,015	40,399
Total Operating Expenses	<u>18,520,750</u>	<u>3,430,966</u>	<u>656,180</u>	<u>597,152</u>
OPERATING INCOME (LOSS)	6,105,849	(164,281)	442,737	175,667
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	353,476	64,425	-	9,933
Loss on Disposal of Capital Assets	-	-	(4,022,492)	-
Total Nonoperating Revenues (Expenses)	<u>353,476</u>	<u>64,425</u>	<u>(4,022,492)</u>	<u>9,933</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	6,459,325	(99,856)	(3,579,755)	185,600
TRANSFERS				
Transfers In	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	6,459,325	(99,856)	(3,579,755)	185,600
Net Position - Beginning of Year	<u>35,618,162</u>	<u>14,561,680</u>	<u>4,429,320</u>	<u>1,648,921</u>
NET POSITION - END OF YEAR	<u>\$ 42,077,487</u>	<u>\$ 14,461,824</u>	<u>\$ 849,565</u>	<u>\$ 1,834,521</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Sales and Service Charges	\$ 29,429,671	\$ -
Interdepartmental Charges	-	4,963,415
Lease Revenue	79,071	-
Miscellaneous	256,278	499,067
Total Operating Revenues	<u>29,765,020</u>	<u>5,462,482</u>
OPERATING EXPENSES		
Personnel Services	2,057,240	379,624
Materials and Supplies	192,199	258,849
Purchased Water/Utilities	15,965,833	-
Insurance and Claims	1,016,420	7,995,040
Contractual Services	1,518,031	-
Repairs and Maintenance	772,787	-
Administrative Cost	1,047,662	-
Depreciation	634,876	616,061
Total Operating Expenses	<u>23,205,048</u>	<u>9,249,574</u>
OPERATING INCOME (LOSS)	6,559,972	(3,787,092)
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	427,834	-
Loss on Disposal of Capital Assets	(4,022,492)	-
Total Nonoperating Revenues (Expenses)	<u>(3,594,658)</u>	<u>-</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	2,965,314	(3,787,092)
TRANSFERS		
Transfers In	-	15,000
Total Transfers	<u>-</u>	<u>15,000</u>
CHANGES IN NET POSITION	2,965,314	(3,772,092)
Net Position - Beginning of Year	<u>56,258,083</u>	<u>10,163,414</u>
NET POSITION - END OF YEAR	<u>\$ 59,223,397</u>	<u>\$ 6,391,322</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 24,314,682	\$ 2,988,314	\$ 1,068,040	\$ 773,046
Receipts of Lease Payments	-	-	79,071	-
Payments for Insurance Claims	-	-	-	-
Payments to Suppliers	(17,471,823)	(2,641,629)	(286,222)	(587,720)
Payments to Employees	(3,786,267)	(2,333,581)	(259,147)	-
Net Cash Provided (Used) by Operating Activities	<u>3,056,592</u>	<u>(1,986,896)</u>	<u>601,742</u>	<u>185,326</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Receipts from (Payments to) Other Funds	-	-	-	-
Due to (from) Other Funds	-	-	(160,432)	-
Proceeds from Bonds	<u>2,505,894</u>	<u>1,533,708</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,505,894</u>	<u>1,533,708</u>	<u>(160,432)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	<u>(716,286)</u>	<u>(235,766)</u>	<u>-</u>	<u>(22,515)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(716,286)</u>	<u>(235,766)</u>	<u>-</u>	<u>(22,515)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>353,476</u>	<u>64,425</u>	<u>-</u>	<u>9,933</u>
Net Cash Provided by Investing Activities	<u>353,476</u>	<u>64,425</u>	<u>-</u>	<u>9,933</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>5,199,676</u>	<u>(624,529)</u>	<u>441,310</u>	<u>172,744</u>
Cash and Cash Equivalents - Beginning of Year	<u>30,318,947</u>	<u>6,384,899</u>	<u>8,007</u>	<u>1,264,721</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 35,518,623</u></u>	<u><u>\$ 5,760,370</u></u>	<u><u>\$ 449,317</u></u>	<u><u>\$ 1,437,465</u></u>
CASH AND CASH EQUIVALENTS				
Cash and Investments	\$ 35,518,623	\$ 5,760,370	\$ 449,317	\$ 590,809
Restricted Cash	-	-	-	846,656
	<u><u>\$ 35,518,623</u></u>	<u><u>\$ 5,760,370</u></u>	<u><u>\$ 449,317</u></u>	<u><u>\$ 1,437,465</u></u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 29,144,082	\$ 5,462,710
Receipts of Lease Payments	79,071	-
Payments for Insurance Claims	-	(2,338,059)
Payments to Suppliers	(20,987,394)	(347,370)
Payments to Employees	(6,378,995)	(168,849)
Net Cash Provided (Used) by Operating Activities	1,856,764	2,608,432
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Receipts from (Payments to) Other Funds	-	15,000
Due to (from) Other Funds	(160,432)	-
Proceeds from Bonds	4,039,602	-
Net Cash Provided (Used) by Noncapital Financing Activities	3,879,170	15,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(974,567)	-
Net Cash Used by Capital and Related Financing Activities	(974,567)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	427,834	-
Net Cash Provided by Investing Activities	427,834	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,189,201	2,623,432
Cash and Cash Equivalents - Beginning of Year	37,976,574	12,044,934
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 43,165,775	\$ 14,668,366
CASH AND CASH EQUIVALENTS		
Cash and Investments	\$ 42,319,119	\$ 14,668,366
Restricted Cash	846,656	-
	\$ 43,165,775	\$ 14,668,366

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 6,105,849	\$ (164,281)	\$ 442,737	\$ 175,667
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	132,643	358,819	103,015	40,399
(Increase) Decrease in:				
Accounts Receivable	(311,917)	(278,371)	51,280	-
Inventory	(7,107)	-	25,422	-
Prepaid Items	121,897	75,335	-	(23,063)
Deferred Outflows of Resources - Pension	(2,758,996)	(1,699,666)	-	-
Deferred Outflows of Resources - OPEB	(13,479)	(10,457)	-	-
Increase (Decrease) in:			\$	
Accounts Payable	(105,255)	(571,566)	(17,626)	(7,484)
Accrued Liabilities	(23,001)	(11,149)	-	-
Retentions Payable	28,526	-	-	-
Unearned Revenue	-	-	(3,086)	227
Deposits Payable	41,028	-	-	(420)
Claims and Judgements	-	-	-	-
Compensated Absences Payable	(31,881)	(8,679)	-	-
Net Pension Liability	(95,401)	341,954	-	-
Net Other Postemployment Liability	(91,792)	(71,212)	-	-
Deferred Inflows of Resources - Pension	(362)	1,299	-	-
Deferred Inflows of Resources - OPEB	65,840	51,078	-	-
Total Adjustments	<u>(3,049,257)</u>	<u>(1,822,615)</u>	<u>159,005</u>	<u>9,659</u>
Net Cash Provided by Operating Activities	<u>\$ 3,056,592</u>	<u>\$ (1,986,896)</u>	<u>\$ 601,742</u>	<u>\$ 185,326</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds Total	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 6,559,972	\$ (3,787,092)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	634,876	616,061
(Increase) Decrease in:		
Accounts Receivable	(539,008)	228
Inventory	18,315	-
Prepaid Items	174,169	1,737,867
Deferred Outflows of Resources - Pension	(4,458,662)	(87,942)
Deferred Outflows of Resources - OPEB	(23,936)	(2,258)
Increase (Decrease) in:		
Accounts Payable	(701,931)	475,215
Accrued Liabilities	(34,150)	94,378
Retentions Payable	28,526	-
Unearned Revenue	(2,859)	-
Deposits Payable	40,608	-
Claims and Judgements	-	3,261,000
Compensated Absences Payable	(40,560)	-
Net Pension Liability	246,553	304,169
Net Other Postemployment Liability	(163,004)	(15,380)
Deferred Inflows of Resources - Pension	937	1,154
Deferred Inflows of Resources - OPEB	116,918	11,032
Total Adjustments	<u>(4,703,208)</u>	<u>6,395,524</u>
Net Cash Provided by Operating Activities	<u>\$ 1,856,764</u>	<u>\$ 2,608,432</u>

See accompanying Notes to Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS

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**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of El Segundo, California (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

Financial Reporting Entity

The City was incorporated on January 18, 1917, under the laws of the state of California and enjoys all the rights and privileges applicable to a general law city. The City is governed by an elected five-member board.

Blended Component Unit

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The El Segundo Senior Citizen Housing Corporation, dba: Park Vista (the Corporation), is a California nonprofit public benefit corporation created by the City of El Segundo in 1984 to operate a low income senior apartment complex. The apartment complex was built and funded by the City. In 1987, the complex was ready for occupancy. Rather than operate the complex as a fund of the City, the City elected to form the Corporation to facilitate better communication with the residents who live there. The Corporation is managed by a seven-member Board of Directors, appointed by the City Council, all of whom are unpaid volunteers. The City is financially accountable and has the ability to impose its will on the Corporation which has the potential to provide specific financial benefits to, or impose specific financial burdens on, the City. The City is the sole corporate member of the Corporation, as identified in the Corporation's articles of incorporation. As a result, the activities of the Corporation have been presented as a blended component unit in the proprietary fund financial statements as a nonmajor enterprise fund as of June 30, 2021. In previous years, the Corporation was presented as a discretely presented component unit.

The Corporation's fiscal year end is December 31, which is different than the City's fiscal year-end. Separate financial statements may be obtained at City Hall, City of El Segundo, 350 Main Street, El Segundo, CA 90245.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The City has items related to pensions and OPEB that qualify for reporting in this category.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time. The City has items related to unavailable revenues, pensions and OPEB that qualify for reporting in this category.

Government – Wide Financial Statements

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Accounting and Measurement Focus (Continued)

Government – Wide Financial Statements (Continued)

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Transfers in and out

Governmental Fund Financial Statements

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the Government-Wide Financial Statements are provided to explain the differences.

Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

The City reports the following major governmental fund:

- General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The City's fund structure also includes the following fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise committed for specific purposes.

Capital Projects Funds are used to account for resources restricted or assigned for capital improvements.

Debt Service Funds are used to account for resources restricted or assigned for expenditure of principal and interest.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the Government-Wide Financial Statements. The City's internal service funds include three individual funds which provide services directly to other City funds. These areas of service include general liability, workers' compensation, and equipment replacement.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following proprietary funds:

Enterprise Funds

- **Water Fund** - The Water Fund, which is reported as a major fund, accounts for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City's water distribution system.
- **Sewer Fund** - The Sewer Fund, which is reported as a major fund, accounts for user charges, fees and all operating costs associated with the operation, maintenance, upgrade and periodic reconstructions of the City's wastewater collection system.
- **Golf Course Fund** - The Golf Course Fund, which is reported as a major fund, accounts for revenues from user fees and expenses incurred for the operation and maintenance of "The Lakes at El Segundo" golf facility.
- **Nonmajor Enterprise Funds** - Accounts for revenues and expenses of the aggregate nonmajor enterprise funds.

Internal Service Funds

The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

Investments are stated at fair value (quoted market price or best available estimate thereof).

Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value Measurement (Continued)

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances”.

Inventories and Prepaid Items

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflect the consumption method of recognizing inventory-related expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute “available spendable resources”, even though they are a component of current assets.

Capital Assets

In the Government-Wide Financial Statements, capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are valued at their acquisition value. City policy has set the capitalization threshold for reporting capital assets at \$5,000.

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include streets, bridges, sidewalks, drainage systems, and lighting systems, etc. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes are as follows:

Buildings/Structures and Improvements	50 Years
Vehicles and Equipment	5 to 50 Years
Infrastructure	25 to 100 Years

Compensated Absences

It is the City's policy to accrue annual leave when incurred in the Government-Wide Financial Statements and the proprietary funds. In governmental funds, the costs for annual leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and reported as a liability of the governmental fund only if they have matured.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination benefits, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Pensions (Continued)

The following timeframes are used for pension reporting:

CalPERS

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

PARS

Valuation Date	June 30, 2019
Measurement Date	September 30, 2020
Measurement Period	October 1, 2019 to September 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Other Postemployment Benefits (OPEB) Plan

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 9). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting: OPEB

Valuation Date	June 30, 2019
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Other Postemployment Benefits (OPEB) Plan (Continued)

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Claims Payable

Claims payable in the Internal Service Fund represents estimates of claims against the City. The estimated claims payable represents the City's best estimate of the amount to be paid on workers' compensation and general liability claims. Losses for claims incurred but not reported are also recorded if the probable amount of loss can be reasonably estimated.

Long-Term Debt

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premium and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

The governmental fund financial statements do not present long-term liabilities. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Property Taxes

Property taxes are attached as an enforceable lien on property at January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. Any unpaid amounts at the end of the fiscal year are recorded as accounts receivable. The County of Los Angeles bills and collects the property taxes and substantially remits the amount due to the City in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied. The County is permitted by state law (Article XIII A of the California Constitution) to levy taxes at 1% of full market value (at time of purchase) and can increase the property's value no more than 2% per year.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position and Fund Balances

In the Government-Wide Financial Statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred outflows and inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the Governmental Fund Financial Statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized by resolution the City Finance Officer for that purpose.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position and Fund Balances (Continued)

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

Use of Estimates

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84 – Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

New Accounting Pronouncements (Continued)

The City adopted GASB 84 in the current fiscal year. The implementation of this statement resulted in reclassification of the previously report Agency Funds, which no longer qualifies as fiduciary activity, to the City's General Fund.

NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES

Excess of Expenditures Over Appropriations

The following funds had expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures over Appropriations</u>
Major Governmental Funds:			
General Fund			
General Government:			
City Treasurer	\$ 154,701	\$ 155,235	\$ (534)
City Clerk	422,157	1,028,962	(606,805)
City Manager	2,109,586	4,606,984	(2,497,398)
Administrative Services	5,007,089	17,033,249	(12,026,160)
Nondepartmental	5,155,391	6,740,921	(1,585,530)
Public Safety:			
Police	16,376,802	74,489,662	(58,112,860)
Fire	13,068,393	66,123,938	(53,055,545)
Public Works:			
Administration	203,730	5,560,000	(5,356,270)
Government Buildings	1,560,051	1,585,669	(25,618)
Equipment Maintenance	909,498	984,825	(75,327)
Community and Cultural:			
Library	1,783,414	9,223,223	(7,439,809)
Debt Service:			
Principal Retirement	-	43,200	(43,200)
Interest	-	102,300	(102,300)
Nonmajor Governmental Funds:			
Federal Grants Special Revenue Fund			
Community and Cultural	250,000	356,978	(106,978)
Senior Housing Special Revenue Fund			
Community and Culture	15,500	96,769	(81,269)

Deficit Net Positions and Fund Balance

Funds with deficit fund balances and net position at June 30, 2021 are as follows:

	<u>Deficit</u>
Federal Grants Special Revenue Fund	\$ 206,426
State Grants Special Revenue Fund	98,204
Liability Insurance Internal Service Fund	3,324,493
Workers' Compensation Internal Service Fund	5,906,523

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES (CONTINUED)

Excess of Expenditures Over Appropriations

The City expects to eliminate the Special Revenue Fund deficits when future reimbursements are received from granting agencies. The Liability Insurance and Workers' Compensation Internal Service Fund deficits are expected to be eliminated through future interdepartmental charges.

For the nine months ended June 30, 2021, the Governmental Activities of the City reported a deficit unrestricted net position of \$(124,749,270). This deficit is largely a result of the implementation of GASB Statement No. 68 in 2015 and GASB Statement No. 75 in 2018 that required the City to report aggregate net pension liabilities and net OPEB liability on the financial statements. The City's aggregate net pension liability at June 30, 2021 is \$153,315,976, of which \$148,991,592 is payable from Governmental Activities. The City's net OPEB liability at June 30, 2021 is \$25,813,431, of which \$24,543,210 is payable from Governmental Activities.

NOTE 3 CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds.

Primary Government

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position		
	Governmental Activities	Business-Type Activities	Total
Cash and Investments	\$ 67,384,971	\$ 42,319,119	\$ 109,704,090
Restricted Cash	5,144,456	846,656	5,991,112
Total Cash and Investments	\$ 72,529,427	\$ 43,165,775	\$ 115,695,202

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments, excluding cash held by the El Segundo Senior Citizen Housing Corporation, as of June 30, 2021, consist of the following:

Cash and Cash Equivalents:	
Petty Cash	\$ 12,052
Demand Deposits	21,928,328
Cash with Custodial Agent	252,659
Restricted cash in PARS 115 Trust	5,144,456
Total Cash and Cash Equivalents	<u>27,337,495</u>
Investments:	
Money Market Mututal Funds	4,637
CAMP	84,415
Corporate Notes	12,824,304
Negotiable Certificates of Deposit	17,911,601
Local Agency Investment Fund	40,227,745
State Obligations	7,156,133
Supranational Obligations	1,262,613
U.S. Government Sponsored Enterprise Securities	8,295,450
Total Investments	<u>87,766,898</u>
Total Cash and Investments	<u>\$ 115,104,393</u>

Blended Component Unit

Cash held by the El Segundo Senior Citizen Housing Corporation as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	<u>\$ 590,809</u>
--------------------------------------	-------------------

Deposits

The carrying amounts of the City's demand deposits were \$21,928,328 at June 30, 2021. Bank balances at that date were \$22,557,951, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The City did not waive the collateral requirement for deposits insured by FDIC.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The City follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances.

Investments

Under the provision of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio *</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 Years	No Limit	No Limit
U.S. Government Sponsored Enterprise Securities	5 Years	No Limit	No Limit
State and Local Agency Bonds	5 Years	10%	No Limit
Bankers' Acceptances	180 Days	40%	No Limit
Commercial Paper	270 Days	10%	3%
Negotiable Certificates of Deposit	5 Years	30%	No Limit
Local Agency Investment Fund (LAIF)	N/A	No Limit	\$75M
Nonnegotiable Certificates of Deposits	5 Years	No Limit	No Limit
Medium-Term Notes	5 Years	15%	3%
Mutual Funds	N/A	5%	10%
Money Market Mutual Funds	N/A	5%	10%
Supranational Obligations	5 Years	10%	No Limit
Joint Powers Authority Pool	N/A	30%	No Limit

N/A - Not Applicable

* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The City's investments with LAIF at June 30, 2021, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had \$40,227,745 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities. The fair value of the City's portion in the pool is the same as the value of the pool shares.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investment in Section 115 Pension Trust

The City established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City's CalPERS pension plans. The Section 115 Pension Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

Investment in California Asset Management Program (CAMP)

The City is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

Fair Value Measurement

As of June 30, 2021, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2021:

<u>Investment Type</u>	<u>Measurement Input</u>		
	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Uncategorized</u>	<u>Total</u>
Money Market Mutual Funds	\$ -	\$ 4,637	\$ 4,637
CAMP	-	84,415	84,415
Corporate Notes ⁽¹⁾	12,824,304	-	12,824,304
Negotiable Certificates of Deposit ⁽¹⁾	17,911,601	-	17,911,601
Local Agency Investment Fund	-	40,227,745	40,227,745
State Obligations ⁽¹⁾	7,156,133	-	7,156,133
Supranational Obligations ⁽¹⁾	1,262,613	-	1,262,613
U.S. Government Sponsored Enterprise Securities ⁽¹⁾	8,295,450	-	8,295,450
Total	<u>\$ 39,154,651</u>	<u>\$ 40,316,797</u>	<u>\$ 87,766,898</u>

⁽¹⁾ Pricing based on Interactive Data Corporation

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Risk Disclosures

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2021, the City had the following investment maturities:

Investment Type	Investment Maturities (in Years)					
	Fair Value	Less Than				
		1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years
Money Market Mutual Funds	\$ 4,637	\$ 4,637	\$ -	\$ -	\$ -	\$ -
CAMP	84,415	84,415	-	-	-	-
Corporate Notes	12,824,304	2,021,865	3,238,549	518,445	2,108,525	4,936,920
Negotiable Certificates of Deposit	17,911,601	4,907,500	-	4,513,806	4,639,012	3,851,283
Local Agency Investment Fund	40,227,745	40,227,745	-	-	-	-
State Obligations	7,156,133	558,385	1,856,883	3,160,515	1,580,350	-
Supranational Obligations	1,262,613	1,262,613	-	-	-	-
U.S. Government Sponsored Enterprise Securities	8,295,450	2,006,235	3,097,160	2,654,935	537,120	-
Total	\$ 87,766,898	\$ 51,073,395	\$ 8,192,592	\$ 10,847,701	\$ 8,865,007	\$ 8,788,203

Custodial Credit Risk - For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The City did not have any investments in any one issuer that represent 5% or more of the City's total investments as of June 30, 2021.

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating (by Standard & Poor's) as of year-end for each investment type:

Investment Type	Minimum Legal Rating	Rating					
		Total	AAA	AA	A	BBB	Unrated
Money Market Mutual Funds	A	\$ 4,637	\$ 4,637	\$ -	\$ -	\$ -	\$ -
CAMP	N/A	84,415	84,415	-	-	-	-
Corporate Notes	A	12,824,304	-	2,727,279	5,366,570	4,730,455	-
Negotiable Certificates of Deposit	A	17,911,601	-	-	-	-	17,911,601
Local Agency Investment Fund	N/A	40,227,745	-	-	-	-	40,227,745
State Obligations	N/A	7,156,133	529,650	4,515,333	1,581,255	-	529,895
Supranational Obligations	AA	1,262,613	761,438	-	-	-	501,175
U.S. Government Sponsored Enterprise Securities	N/A	8,295,450	-	7,780,255	-	-	515,195
Total		\$ 87,766,898	\$ 1,380,140	\$ 15,022,867	\$ 6,947,825	\$ 4,730,455	\$ 59,685,611

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 NOTES AND LOANS RECEIVABLES

Loans to Employees

The balance of notes receivable in the General Fund consists of loans made to employees for computer purchases. Participants in the computer loan program is eligible for an initial, interest free loan in the amount of \$4,000. Subsequent loans or amount in excess of the above maximum interest free loan, would be at the currently interest rate of 3%. All loans would include a 36-month repayment term. The balance at June 30, 2021 was \$6,042.

Residential Rehabilitation Program

The balance of notes receivable in the other governmental funds consists of minor home repair loans made to qualifying homeowners residing within the City. The balance at June 30, 2021 was \$49,405.

	Balance October 1, 2020	Additions	Deletions	Balance June 30, 2021
Residential Rehabilitation Program				
CDBG Loans	\$ 49,405	\$ -	\$ -	\$ 49,405
Total	\$ 49,405	\$ -	\$ -	\$ 49,405

NOTE 5 INTERFUND ACTIVITIES

Fund Financial Statements

Due From/To Other Funds - At June 30, 2021, the City had the following due from/to other funds:

	Due From Other Funds
<u>Due to Other Funds</u>	General Fund
Nonmajor Governmental Funds	\$ 304,851

The interfund amounts from the General Fund to the Nonmajor Governmental Funds and the Nonmajor Enterprise Fund are for short-term loans to cover operations.

Advance From/To Other Funds - At June 30, 2021, the City has the following advance from/advance to other funds, which represents the advance from Equipment Replacement Fund to the Golf Course Enterprise Fund to address negative cash:

	Advance From Other Funds
<u>Advance to Other Funds</u>	Golf Course
Equipment Replacement Internal Service	\$ 5,577,910

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 INTERFUND ACTIVITIES

Transfers In/Out - At June 30, 2021, the City had the following transfers in/out, which arise in the normal course of operations:

	Transfers In			
Transfers Out	Governmental Funds		Internal Service Funds	Total
Governmental Funds:	General Fund	Nonmajor Governmental Funds		
Major Funds:				
General Fund	\$ -	\$ 1,380,956	\$ 15,000	\$ 1,395,956
Nonmajor Governmental Funds	25,000	400,000	-	425,000
Total	\$ 25,000	\$ 1,780,956	\$ 15,000	\$ 1,820,956

Administratively, resources may be transferred from one City fund to another. The City made the following transfers:

- The General Fund transferred \$1,376,319 to Capital Improvement Nonmajor Capital Projects Fund and \$15,000 to Internal Service Funds to fund capital projects.
- The General Fund transferred \$4,637 of cash to the Pension Obligation Bonds Nonmajor Debt Service Fund. This is cash remaining in the Pension Obligation Bonds' cash with fiscal agent account.
- The Cultural Development Nonmajor Special Revenue Fund transferred \$400,000 to Capital Improvement Capital Projects Fund to fund capital projects.
- The Traffic Safety Nonmajor Special Revenue Fund transferred \$25,000 to the General Fund for eligible expenditures.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 CAPITAL ASSETS

Governmental Activities

A summary of changes in capital assets for the governmental activities for the nine months ended June 30, 2021 was as follows:

	Governmental Activities			Balance June 30, 2021
	Balance October 1, 2020	Additions	Deletions	
Capital Assets, not Being Depreciated:				
Land and Rights of Way	\$ 29,522,040	\$ -	\$ -	\$ 29,522,040
Construction in Progress	163,898	1,781,130	(1,252,390)	692,638
Total Capital Assets, not Being Depreciated	29,685,938	1,781,130	(1,252,390)	30,214,678
Capital Assets, Being Depreciated:				
Buildings and Improvements	38,548,209	-	-	38,548,209
Vehicles and Equipment	24,107,347	334,779	-	24,442,126
Infrastructure	93,893,697	917,611	-	94,811,308
Total Capital Assets, Being Depreciated	156,549,253	1,252,390	-	157,801,643
Less Accumulated Depreciation:				
Buildings and Improvements	(20,495,135)	(597,756)	-	(21,092,891)
Vehicles and Equipment	(16,979,277)	(1,004,146)	-	(17,983,423)
Infrastructure	(48,793,674)	(1,874,142)	-	(50,667,816)
Total Accumulated Depreciation	(86,268,086)	(3,476,044)	-	(89,744,130)
Total Capital Assets, Being Depreciated, Net	70,281,167	(2,223,654)	-	68,057,513
Governmental Activities Capital Assets, Net	<u>\$ 99,967,105</u>	<u>\$ (442,524)</u>	<u>\$ (1,252,390)</u>	<u>\$ 98,272,191</u>

Depreciation expenses were charged to functions/programs of the governmental activities for the nine months ended June 30, 2021 as follows:

General Government	\$ 213,870
Public Safety	495,086
Public Works	2,090,697
Community and Cultural	676,391
Total Depreciation Expense	<u>\$ 3,476,044</u>

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

A summary of changes in capital assets for the business-type activities, not including the El Segundo Senior Citizen Housing Corporation, for the nine months ended June 30, 2021 was as follows:

	Business-Type Activities, Not Including the Corporation			
	Balance			Balance
	October 1, 2020	Additions	Deletions	June 30, 2021
Capital Assets, not Being Depreciated:				
Land	\$ 5,999,980	\$ -	\$ -	\$ 5,999,980
Construction in Progress	296,936	952,052	-	1,248,988
Total Capital Assets, not Being Depreciated	6,296,916	952,052	-	7,248,968
Capital Assets, Being Depreciated:				
Buildings and Improvements	8,755,787	-	(5,461,282)	3,294,505
Improvements Other Than Buildings	418,161	-	(418,161)	-
Vehicles and Equipment	1,095,337	-	(242,330)	853,007
Infrastructure	64,172,830	-	(5,452,594)	58,720,236
Total Capital Assets, Being Depreciated	74,442,115	-	(11,574,367)	62,867,748
Less Accumulated Depreciation:				
Buildings and Improvements	(6,434,444)	(54,916)	3,194,855	(3,294,505)
Improvements Other Than Buildings	(173,880)	(10,512)	184,392	-
Vehicles and Equipment	(1,079,839)	(15,496)	242,328	(853,007)
Infrastructure	(42,382,885)	(513,553)	3,930,301	(38,966,137)
Total Accumulated Depreciation	(50,071,048)	(594,477)	7,551,876	(43,113,649)
Total Capital Assets, Being Depreciated, Net	24,371,067	(594,477)	(4,022,491)	19,754,099
Business-Type Activities Capital Assets, Net	<u>\$ 30,667,983</u>	<u>\$ 357,575</u>	<u>\$ (4,022,491)</u>	<u>\$ 27,003,067</u>

Depreciation expenses for business-type activities, not including the Corporation, for the nine months ended June 30, 2021, was charged as follows:

Water	\$ 132,643
Sewer	358,819
Golf Course	103,015
Total Depreciation Expense	<u>\$ 594,477</u>

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Blended Component Unit

A summary of changes in capital assets for the El Segundo Senior Citizen Housing Corporation for the year ended December 31, 2020 was as follows:

	El Segundo Senior Citizen Housing Corporation			
	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2021
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 1,046,041	\$ -	\$ -	\$ 1,046,041
Furniture and Equipment	298,542	22,515	-	321,057
Total Capital Assets, Being Depreciated	1,344,583	22,515	-	1,367,098
Less Accumulated Depreciation:				
Buildings and Improvements	(611,193)	(35,126)	-	(646,319)
Furniture and Equipment	(282,376)	(5,273)	-	(287,649)
Total Accumulated Depreciation	(893,569)	(40,399)	-	(933,968)
 Total Capital Assets, Being Depreciated, Net	 451,014	 (17,884)	 -	 433,130
 Total Capital Assets, Net	 \$ 451,014	 \$ (17,884)	 \$ -	 \$ 433,130

Depreciation expenses for the Corporation for the fiscal year ended December 31, 2020 was \$40,399.

NOTE 7 LONG-TERM LIABILITIES

Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the nine months ended June 30, 2021 was as follows:

	Balance October 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in more than One Year
	<i>Direct Borrowings:</i>					
Capital Lease Obligation:						
2003 Parking Structure Lease	\$ 2,024,903	\$ -	\$ 43,200	\$ 1,981,703	\$ 61,126	\$ 1,920,577
Facility Lease Obligation:						
2005 Douglas Street Gap Closure Project	6,178,064	-	-	6,178,064	335,351	5,842,713
Other Long-Term Debt:						
Pension Obligation Bonds	-	140,095,398	-	140,095,398	6,351,847	133,743,551
Claims Payable	12,926,000	5,839,050	2,578,050	16,187,000	2,909,007	13,277,993
Compensated Absences	5,104,911	163,290	232,181	5,036,020	3,795,229	1,240,791
Total	\$ 26,233,878	\$ 146,097,738	\$ 2,853,431	\$ 169,478,185	\$ 13,452,560	\$ 156,025,625

Typically, the General Fund has been used to liquidate the liability for compensated absences, and the capital lease obligation. The Liability Insurance and Workers' Compensation Internal Service Funds has been used to liquidate claims payable. The Nonmajor Facility Lease Debt Service Fund has been used to liquidate the facility lease obligation. The Nonmajor Pension Obligation Bonds Debt Service Fund has been used to liquidate the Pension Obligation Bonds.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Capital Lease Obligation

2003 Parking Structure Lease

On June 18, 2002, the City entered into a capital lease agreement with 612 Twin Holdings, LLC to acquire a two story, three level parking structure and certain retail space. The terms of the lease include an initial payment of \$1,100,000, monthly lease payments of \$16,167 with an imputed interest rate of 6.80% for 408 months, and a purchase option for \$200,000 due on January 1, 2039. The capital asset acquired had a present value of \$3,688,222 (\$1,659,700 and \$2,028,522 for the building structure and the land, respectively) with an annual depreciation of \$33,194 and accumulated depreciation totaling \$589,101 as of June 30, 2021.

The amount outstanding at June 30, 2021 totaled \$1,981,703. The annual debt service requirements on the capital lease are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 61,126	\$ 132,874	\$ 194,000
2023	65,415	128,585	194,000
2024	70,004	123,996	194,000
2025	74,916	119,084	194,000
2026	80,172	113,828	194,000
2027-2031	613,975	550,025	1,164,000
2032-2036	741,351	228,649	970,000
2037-2038	274,744	8,090	282,834
Total	<u>\$ 1,981,703</u>	<u>\$ 1,405,131</u>	<u>\$ 3,386,834</u>

Facility Lease Obligation

2005 Douglas Street Gap Closure Project

On September 1, 2005, the City entered into a facility lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of \$10,000,000 to finance the Douglas Street Gap Closure Project. The City will make rental lease payments over a 30-year period starting on February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

2005 Douglas Street Gap Closure Project (Continued)

The amount outstanding at June 30, 2021 totaled \$6,178,064. The annual debt service requirements on the facility lease are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 335,351	\$ 172,498	\$ 507,849
2023	344,975	162,735	507,710
2024	354,876	152,693	507,569
2025	365,061	142,361	507,422
2026	375,538	131,734	507,272
2027-2031	2,045,683	488,268	2,533,951
2032-2036	2,356,580	172,911	2,529,491
Total	<u>\$ 6,178,064</u>	<u>\$ 1,423,200</u>	<u>\$ 7,601,264</u>

Pension Obligation Bonds

On May 26, 2021, the City issued \$144,135,000 of Taxable Pension Obligation Bonds, Series 2021 (POB), to fund a portion of the City's obligations to CalPERS for the unfunded actuarial accrued liability with respect to the City's miscellaneous and safety defined benefit pension plans. The City allocated the POB between governmental activities and business-type activities as follows:

Governmental Activities	\$ 140,095,397
Business-Type Activities	4,039,603
	<u>\$ 144,135,000</u>

The POB is due from 2022 through 2040 in annual principal installments of \$6,535,000 to \$9,265,000. Interest rates range from 0.191% to 2.897% and interest is payable semiannually on January 1 and July 1. The total outstanding principal as of June 30, 2021, is \$144,135,000. The total annual debt service requirements on the POB are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 1,617,543	\$ 1,617,543
2023	6,535,000	3,135,688	9,670,688
2024	6,735,000	3,023,796	9,758,796
2025	6,760,000	2,990,144	9,750,144
2026	6,805,000	2,937,614	9,742,614
2027-2031	35,365,000	13,187,452	48,552,452
2032-2036	39,215,000	9,134,041	48,349,041
2037-2042	42,720,000	3,206,508	45,926,508
Total	<u>\$ 144,135,000</u>	<u>\$ 39,232,786</u>	<u>\$ 183,367,786</u>

The annual debt service requirements will be allocated 97% to governmental activities and 3% to business-type activities.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

The following is a summary of changes in long-term liabilities for business-type activities for the nine months ended June 30, 2021:

	Balance October 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in more than One Year
Compensated Absences	\$ 216,706	\$ 35,550	\$ 76,110	\$ 176,146	\$ 128,741	\$ 47,405
Pension Obligation Bonds	-	4,039,602	-	4,039,602	183,153	3,856,449
Total	<u>\$ 216,706</u>	<u>\$ 4,075,152</u>	<u>\$ 76,110</u>	<u>\$ 4,215,748</u>	<u>\$ 311,894</u>	<u>\$ 3,903,854</u>

Compensated absences are typically liquidated by the Water and Sewer Enterprise Funds.

NOTE 8 RETIREMENT PLANS

Summary

The following is the summary of net pension liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2021 and pension expense for the year then ended.

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Miscellaneous	\$ 32,363,760	\$ 4,575,277	\$ 36,939,037
Safety	134,088,642	-	134,088,642
PARS	7,120	-	7,120
Total Deferred Outflows of Resources	<u>\$ 166,459,522</u>	<u>\$ 4,575,277</u>	<u>\$ 171,034,799</u>
Aggregate Net Pension Liabilities:			
Miscellaneous	\$ 29,930,247	\$ 4,324,384	\$ 34,254,631
Safety	118,102,353	-	118,102,353
PARS	958,992	-	958,992
Total Aggregate Net Pension Liabilities	<u>\$ 148,991,592</u>	<u>\$ 4,324,384</u>	<u>\$ 153,315,976</u>
Deferred Inflows of Resources:			
Miscellaneous	\$ 113,658	\$ 16,422	\$ 130,080
Safety	3,046,383	-	3,046,383
PARS	18,765	-	18,765
Total Deferred Inflows of Resources	<u>\$ 3,178,806</u>	<u>\$ 16,422</u>	<u>\$ 3,195,228</u>
Pension Expense:			
Miscellaneous	\$ 3,537,045	\$ 511,040	\$ 4,048,085
Safety	31,032,350	-	31,032,350
PARS	71,900	-	71,900
Total Pension Expense	<u>\$ 34,641,295</u>	<u>\$ 511,040</u>	<u>\$ 35,152,335</u>

The City elected to join PARS as a means to provide additional funding for the CalPERS Miscellaneous and Safety defined benefit pension plans. The General Fund contains the Section 115 Trust balance restricted cash balance of \$5,144,456 as of June 30, 2021.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS)

General Information about the Pension Plan

Plan Descriptions

The City contribution to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple- employer defined benefit plan for safety employees. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for service retirement upon attainment of age 50 with at least five years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act (PEPRA) went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% of average final 12 months compensation. Retirement benefit for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of average final 36 months.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plan

Benefits Provided (Continued)

Following are the benefit provision for each plan:

	Miscellaneous		
	Miscellaneous Rate Plan	Miscellaneous Second Tier Rate Plan	PEPRA Miscellaneous Rate Plan
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013 Classic Member	On or After January 1, 2013 New Member
Benefit Formula	2% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	Minimum 50 Years	Minimum 50 Years	Minimum 52 Years
	Safety - Police/Fire		
	Safety Rate Plan	Safety Second Tier Rate Plan	PEPRA Safety Rate Plan
Hire Date	Prior to October 6, 2012	Between October 6, 2012 to December 31, 2012 Classic Member	On or After January 1, 2013 New Member
Benefit Formula	Police - 3% @ 50 Fire - 3% @ 55	Police - 3% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	Minimum 50 Years	Minimum 50 Years	Minimum 50 Years

Participants are eligible for nonindustrial disability retirement if the participant becomes disabled and has at least five years of credited service. There is no special age requirement. The standard nonindustrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50% of final compensation.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plan

Benefits Provided (Continued)

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

Employee Covered by Benefit Terms

At June 30, 2020, the measurement date, the following employees were covered by the benefit terms under the miscellaneous plans:

	Miscellaneous Plans
Active Employees	176
Transferred and Terminated Employees	312
Retired Employees and Beneficiaries	359
Total	847

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified in the pension plan terms as plan member contribution requirements are classified as plan member contributions.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plan (Continued)

Contributions (Continued)

The required contribution rates are as follows:

	Measurement Period Ended June 30, 2020	
	Miscellaneous Plans	
	Classic	PEPRA
Employer Contribution Rate	9.395%	9.395%
Employee Contribution Rate	7.000%	6.250%

	Measurement Period Ended June 30, 2020				
	Safety Plans				
	Police - Tier 1	Police - Tier 2	Police PEPRA	Fire - Tier 1	Fire - PEPRA
Employer Contribution Rate	25.829%	23.558%	13.884%	21.757%	13.884%
Employee Contribution Rate	9.000%	9.000%	13.75%	9.000%	13.75%

Employer contributions for the miscellaneous and safety plans for the nine months ended June 30, 2021, was \$33,525,869 and \$112,915,194, respectively.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures.

Actuarial Methods and Assumption Used to Determine Total Pension Liability

A summary of principal assumptions and methods used to determine the net pension liability of the miscellaneous and safety plans are as follows:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	(1)
Post Retirement Benefit Increase	(2)

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(2) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Net Pension Liability (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

<u>Asset Class 1</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 -10 ²</u>	<u>Real Return Years 11+ ²</u>
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.92
Liquidity	1.00	-	(0.92)
	<u>100.00 %</u>		

¹ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.0% and 2.92% used for years 1-10 and years 11+, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the City's Miscellaneous Plan recognized over the measurement period.

	<u>Miscellaneous Plan</u>		
	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019 (Measurement Date)	\$ 120,807,009	\$ 88,056,385	\$ 32,750,624
Changes Recognized for the Measurement Period:			
Service Cost	2,088,245	-	2,088,245
Interest on the Total Pension Liability	8,447,044	-	8,447,044
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(221,184)	-	(221,184)
Plan to Plan Resource Movement	-	3,966	(3,966)
Contributions from the Employer	-	3,584,857	(3,584,857)
Contributions from Employee	-	946,546	(946,546)
Net Investment Income	-	4,398,867	(4,398,867)
Benefit Payments, Including Refunds of Employee Contributions	(6,978,924)	(6,978,924)	-
Administrative Expense	-	(124,138)	124,138
Net Changes	<u>3,335,181</u>	<u>1,831,174</u>	<u>1,504,007</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 124,142,190</u>	<u>\$ 89,887,559</u>	<u>\$ 34,254,631</u>

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City's safety plan's proportionate share of the risk pool collective net pension liability over the measure period.

	<u>Safety Plan</u>
	<u>Proportionate</u>
	<u>Share of Net</u>
	<u>Pension Liability</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 118,102,353</u>

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)
Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2019). The risk pool's fiduciary net position (FNP) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2020). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2020 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2019-2020).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of market value assets.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City's NPL as a percentage of the total plan's NPL.

The City's proportionate share of the net pension liability was as follows:

	<u>Safety Plan</u>
June 30, 2019 measurement date	1.7839 %
June 30, 2020 measurement date	1.7727
Change - Increase (Decrease)	0.0112 %

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	\$ 49,708,803	\$ 34,254,631	\$ 21,450,265
Safety Plan	\$ 159,830,180	\$ 118,102,353	\$ 83,860,722

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report. See CalPERS website for additional information.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement date of June 30, 2020, the City recognized pension expense in the amounts of \$4,048,085 and \$31,032,350 for the miscellaneous plans and safety plans, respectively.

As of measurement date of June 30, 2020, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Made After Measurement Date	\$ 36,322,817	\$ -
Difference Between Expected and Actual Experience	-	(130,080)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	616,220	-
Total	\$ 36,939,037	\$ (130,080)

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)
Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Made After Measurement Date	\$ 122,118,094	\$ -
Difference Between Expected and Actual Experience	9,158,238	-
Changes of Assumptions	-	(393,401)
Difference Between Projected and Actual Earnings on Pension Plan Investments	2,566,861	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	245,449	(2,652,982)
Total	\$ 134,088,642	\$ (3,046,383)

\$36,322,817 and \$122,118,094 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

<u>Measurement Period Ending June 30.</u>	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
	Measurement Plan	Safety Plan
2022	\$ (499,109)	\$ 1,028,864
2023	181,017	3,783,776
2024	445,771	2,825,384
2025	358,461	1,286,141
Thereafter	-	-
Total	\$ 486,140	\$ 8,924,165

Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amount of contributions to the pension plan required for the nine months ended June 30, 2021.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS)

General Information about the Pension Plan

Plan Description

On September 1, 2008, the City approved the establishment of a Retirement Enhancement Plan (the Plan) for eligible employees of the Supervisory and Professional Employees' Association of the City, effective October 1, 2008. Effective November 3, 2015 (Freeze Date), both benefits service and final pay are frozen. The Plan provides a supplemental retirement benefit in addition to the employees' current CalPERS retirement plan. The Plan is an agent multiple-employer defined benefit plan. The Plan will provide for 0.5% at age 55 for employees who retire from the City under CalPERS on or after September 30, 2008 and have 15 years of continuous City service.

The City's Finance Director is the Plan Administrator and is responsible for taking the necessary actions to implement and administer the Plan in compliance with the Plan Document and applicable legal requirements. Public Agency Retirement Services (PARS) is the Trust Administrator and is responsible for Plan accounting, coordinating benefit distributions with the Trustee, and communicating Plan provisions. Union Bank of California is the Trustee and is responsible for receiving and investing Plan contributions, safeguarding Plan assets, and distributing benefits to eligible Plan participants or beneficiaries at the direction of the Plan Administrator and pursuant to the Plan Document.

The amounts of the benefit payments are calculated by the Trust Administrator and all accounting and reporting functions are performed by the Trust Administrator. Plan assets are considered to be held by the third-party administrator on behalf of the employees and are therefore excluded from the accompanying financial statements. The City's responsibilities for this Plan are not sufficient administrative involvement to constitute a "holding of assets" by the City in a pension trust fund. The year ended September 30, 2009, was the first year of the Plan.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the Trust Administrator at the following address or telephone number:

Public Agency Retirement Services,
PARS Trust Administrator
PO Box 12919
Newport Beach, CA 92658-2919
(800) 540-6369

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)
General Information about the Pension Plan (Continued)

Benefits Provided

Below is the benefits summary provided by the Plan.

Eligibility	Supervisory and Professional employees Full-time employees in the group between August 5, 2008 and October 1, 2012 Before Plan Freeze: <ul style="list-style-type: none"> • Retire from City under CalPERS on or after September 30, 2008 • Age 55 with 15 years continuous City service After Plan Freeze: <ul style="list-style-type: none"> • Retire from CalPERS • Age 55 • Does not need to retire directly from the City
Retirement Benefit	Target of 2.5% @ 55 less CalPERS 2% @ 55 City service from hire date through Freeze Date
Final Pay	Highest consecutive 12-month pay as of Freeze Date PERSable pay including EPMC
COLA	2% after retirement
Normal Form of Benefit	Single life annuity
Termination/Disability/	100% vesting as of Freeze Date
Pre-Retirement Death Benefit	Greater of the following: <ul style="list-style-type: none"> • Refund of employee contributions with 4.25% interest • Deferred retirement benefit

Employees Covered by Benefit Terms

At September 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Active Employees	8
Terminated Employees	6
Retired Employees and Beneficiaries	13
Total	27

Contributions and Funding Policy

The City's funding policy is to make the contribution as determined by the Plan's actuary. There was no employee contribution after Freeze Date. Members may elect to receive lump sum refund of employee contributions with 4.25% interest in lieu of annuity upon termination / retirement / disability / death. Employer contributions are determined by actuarial study performed at least every two years. The Plan's annual pension contribution for the measurement date ended September 30, 2020, was based on an actuarial valuation as of June 30, 2020. For the measurement date ended September 30, 2020, the City made contributions of \$158,000 to the Plan, which was a contribution to the PARS trust. For the nine months ended June 30, 2021, no contributions were made.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of September 30, 2020, using an actuarial valuation as of June 30, 2020. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.75%
Investment Return	5.75%
Inflation	2.75%
Mortality, Disability, and Termination	CalPERS 1997-2015 experience study Projected fully generational with Scale MP-2020
Service Retirement	CalPERS 1997-2015 Experience Study. Benefit: Modified 2.5% @ 55. Adding 1/3 of sum of the rates for ages 50-54 to the rate for age 55
Post Retirement Cost of Living Adjustment	2.00%

Discount Rate

The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows utilized to determine the discount rate assumed that contributions from the City would be made at the actuarially determined contribution amount. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The table below reflects target allocation and expected real rate of return by asset classes for the moderate portfolio selected by the City:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	58.00 %	4.82 %
Fixed Income	35.00	1.47
REITs	2.00	3.76
Cash	5.00	0.06
	<u>100.00 %</u>	
Assumed Long-Term Rate of Inflation		2.75 %
Expected Long-Term Net Rate of Return, Rounded		5.75 %

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

Net Pension Liability (Continued)

Discount Rate (Continued)

The City elected to use 5.75% investment return assumption.

Confidence Level	50%	55%
Net Return after Expenses	6.25 %	6.00 %
Plan Non-Investment Expense ¹	(0.50)	(0.50)
Net Return	5.75 %	5.50 %

¹ Based on expected long term non-investment expenses

Changes in Assumptions

The mortality improvement scale was updated to Scale MP-2020 in the June 30, 2020, actuarial valuation.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

Changes in Net Pension Liability

The table on the following page shows the changes in net pension liability recognized over the measurement period:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at September 30, 2019	\$ 2,270,964	\$ 1,196,457	\$ 1,074,507
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	127,254	-	127,254
Differences Between Expected and Actual Experience	12,206	-	12,206
Changes of Assumptions	(18,261)	-	(18,261)
Contributions from the Employer	-	158,000	(158,000)
Net Investment Income	-	84,790	(84,790)
Benefit Payments, Including Refunds of Employee Contributions	(115,700)	(115,700)	-
Administrative Expense	-	(6,076)	6,076
Net Changes	5,499	121,014	(115,515)
Balance at September 30, 2020 (Measurement Date)	\$ 2,276,463	\$ 1,317,471	\$ 958,992

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 5.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (4.75%) or one percentage- point higher (6.75%) than the current rate:

	Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate 1% (6.75%)
Plan's Net Pension Liability	\$ 1,208,123	\$ 958,992	\$ 746,947

Pension Plan Fiduciary Net Position

Detailed information about the PARS California defined benefit pension program's fiduciary net position as of June 30, 2020, the most recent available audited information, is as follows: total assets: \$422,728,992 (cash and cash equivalents of \$25,961,241, contributions receivable of \$551,373, investments of \$396,082,912, and investment income receivable of \$133,466); total accrued liabilities: \$39,956; and, fiduciary net position: \$422,689,036. This audited information is on an accrual basis of accounting and investments are reported at fair value.

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ended September 30, 2020, the City incurred pension expense of \$71,900 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 7,120	\$ -
Changes of Assumptions	-	(10,652)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	(8,113)
Total	\$ 7,120	\$ (18,765)

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ending September 30.</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2021	\$ (10,584)
2022	(1,070)
2023	1,482
2024	(1,473)
Thereafter	-
Total	<u>\$ (11,645)</u>

Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amount of contributions to the pension plan required for the nine months ended June 30, 2021.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS

At June 30, 2021, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources	\$ 1,984,770	\$ 102,721	\$ 2,087,491
Net Other Postemployment Benefit Liability	\$ 24,543,210	\$ 1,270,221	\$ 25,813,431
Deferred Inflows of Resources	\$ 8,147,911	\$ 421,691	\$ 8,569,602
OPEB Expense	\$ 1,274,457	\$ 65,959	\$ 1,340,416

General Information About the OPEB Plan

Plan Description

The City provides postretirement medical benefits under an agent multiple-employer defined benefit plan to employees who retire directly from the City under CalPERS with age and service requirements that vary by bargaining unit. For eligible retirees, the City contributes a portion of the premium for the medical plan selected by the retiree.

Benefit provisions for CalPERS are established and amended through negotiations between the city and the respective unions. The plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained from CalPERS on their website www.calpers.ca.gov or by writing or calling the plans at the following address or telephone number:

CalPERS Member Services Division
P.O. Box 942704 Sacramento, CA 94229-2704
1-888-225-7377

The City has entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the City's net OPEB liability.

Funding Policy and Contributions

The contribution requirements of plan members and the City are established and may be amended by City Council. The annual contribution is based on the actuarially determined contribution. For the nine months ended June 30, 2021, the City's contributions totaled \$2,819,754.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

General Information About the OPEB Plan

Employees Covered

At June 30, 2021, the measurement date, membership in the Plan consisted of the following:

Inactive Plan Member Currently Receiving Benefits	343
Inactive Plan Members Entitled to but not yet Receiving Benefits	24
Active Plan Members	<u>229</u>
Total	<u><u>596</u></u>

Net OPEB Liability

The City's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2021 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method Actuarial Assumption:	Entry Age Method
Discount Rate	6.25% - Pre-funded through CalPERS CERBT Asset Strategy #1
Inflation	2.50%
Salary Increases	2.75% per year
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2019
Medical Trend	Non-Medicare: 7.00% for 2021, decreasing to an ultimate rate of 3.75% in 2076. Medicare: 6.1% for 2021, decreasing to an ultimate rate of 3.75% to 2076.

The actuarial assumptions used in the June 30, 2019 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of CERBT, and the expected yields are taken from a recent CalPERS publication for the pension fund:

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

Actuarial Methods and Assumptions (Continued)

<u>Asset Class</u>	<u>Allocation</u>	<u>of Return</u>
CERBT:		
Global Equity	59.00 %	4.82 %
Fixed Income	25.00	0.78
TIPS	5.00	(0.08)
Commodities	3.00	1.22
REITs	8.00	4.06
Total	<u>100.00 %</u>	

Assumed Long-Term Rate of Inflation	2.50%
Expected Long-Term Net Rate of Return, Rounded	6.25%

Discount Rate

The discount rate used to measure the total OPEB liability is 6.25%. This is the expected long-term rate of return on City assets using investment strategy 1 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) Liability/(Asset) (c) = (a) - (b)</u>
Balance at June 30, 2020 (Measurement Date)	\$ 55,187,829	\$ 26,061,814	\$ 29,126,015
Changes Recognized for the Measurement Period:			
Service Cost	1,313,607	-	1,313,607
Interest on the Net OPEB Liability	3,687,577	-	3,687,577
Changes of Assumptions	2,584,513	-	2,584,513
Contributions from the Employer	-	3,749,757	(3,749,757)
Net Investment Income	-	7,171,637	(7,171,637)
Benefit Payments, Including Refunds of Employee Contributions	(3,741,312)	(3,741,312)	-
Administrative Expense	-	(23,113)	23,113
Net Changes	<u>3,844,385</u>	<u>7,156,969</u>	<u>(3,312,584)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 59,032,214</u>	<u>\$ 33,218,783</u>	<u>\$ 25,813,431</u>

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Changes in Net OPEB Liability (Continued)

Change in Assumptions

From measurement date June 30, 2020, to June 30, 2021, the discount rate changed from 6.75% to 6.25%, inflation changed from 2.75% to 2.50%, salary increase changed from 3.00% to 2.75%, and the trend rate decreased by 0.25%.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (5.75%) or one-percentage-point higher (7.75%) than the current discount rate:

Net OPEB Liability (Assets)		
Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
\$ 33,112,407	\$ 25,813,431	\$ 19,779,750

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower (6.00% and 5.10% for 2021 for Non-Medicare and Medicare, respectively, decreasing to an ultimate rate of 2.75% in 2076) or one-percentage-point higher (8.00% and 7.10% for 2021 for Non-Medicare and Medicare, respectively, decreasing to an ultimate rate of 4.75% in 2076) than the current healthcare cost trend rates:

Net OPEB Liability (Assets)		
Healthcare Cost Trend Rate -1%	Current Rate	Healthcare Cost Trend Rate +1%
\$ 22,225,123	\$ 25,813,431	\$ 29,262,473

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the nine months ended June 30, 2021, the City' recognized OPEB expense of \$1,340,416. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ 3,904,739
Change of Assumptions	2,087,491	814,185
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	3,850,678
Total	<u>\$ 2,087,491</u>	<u>\$ 8,569,602</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources OPEB Plan</u>
2022	\$ (1,925,203)
2023	(1,876,710)
2024	(1,899,099)
2025	(880,502)
2026	99,403
Total	<u>\$ (6,482,111)</u>

Payable to the OPEB Plan

At June 30, 2021, the City had no outstanding amount of contributions to the OPEB plan required for the nine months ended June 30, 2021.

NOTE 10 DEFERRED COMPENSATION PLAN

For the benefit of its employees, the City has established a deferred compensation plan in accordance with the Internal Revenue Code (IRC) Section 457. Generally, the amount of compensation subject to deferral by a participant may not exceed the legal limits set by the IRC. Funds may be withdrawn by participants upon termination of employment, retirement, death or an unforeseeable emergency. The City's contributions to this plan for the nine months ended June 30, 2021, was \$17,904. The deferred compensation plan assets are held in a trust account for the sole benefit of the employees and their beneficiaries and have been excluded from the City's reported assets accordingly.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains self-insurance programs for workers' compensation and general liability up to a maximum of \$500,000 and \$750,000 per occurrence, respectively. General liability claims, which exceed the limit, are insured through Independent Cities Risk Management Authority (ICRMA) up to \$30,000,000 with a maximum per incident of \$3,000,000. Workers compensation claims that exceed the limit are insured by ICRMA up to the California statutory limits for workers' compensation.

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 15 California cities. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for information of the ICRMA provides that the pool will be self-sustaining through member premiums. The City continues to carry commercial companies for all other risks of loss, which include property insurance, and cyber liability insurance.

Estimates for all liabilities, up to the self-insured levels, have been accrued in the Workers' Compensation and the General Liability Self-Insurance Internal Service Funds including an estimate for incurred but not reported claims. Estimates are based on recommended reserves established by the City's third-party administrators who administer the City's claims and insurance programs. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

The ICRMA has published its own financial report for the year ended June 30, 2021, which can be obtained from Independent Cities Risk Management Authority, 14156 Magnolia Park, Sherman Oaks, California.

Changes in the balances of claims liabilities for the current and the last two fiscal years follow:

<u>Fiscal Year Ending</u>	Claims Payable				
	Annual Claims Payable Beginning	Current Year Claims and Changes in Estimates	Current Year Claims Payments	Balance Ending	Due within One Year
September 30, 2019	\$ 12,277,006	\$ 1,693,379	\$ (2,670,385)	\$ 11,300,000	\$ 1,887,705
September 30, 2020	11,300,000	4,437,986	(2,811,986)	12,926,000	2,502,181
June 30, 2021	12,926,000	5,191,595	(1,930,595)	16,187,000	2,909,007

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 JOINT POWERS AGREEMENT

Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force

The City is a member of the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. L.A. Impact was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from asset seizures based on their respective resource contribution to the effort. The City does not have a measurable equity interest in LA IMPACT. The net position of LA IMPACT represents a temporary holding of funds to be distributed to various law enforcement jurisdictions. The distribution of these funds is not determinable until action has been taken by the courts or the LA IMPACT board of directors with respect to the use of these funds.

Complete financial statements for L.A. IMPACT may be obtained at its administrative office at 5700 South Eastern Avenue Commerce, CA, 90040-2924.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Litigation

The City is currently a party to various claims and legal proceedings. In management's opinion, the ultimate liabilities, if any, resulting from such claims and proceedings, will not materially affect the City's financial position.

Federal and State Grants

The City participates in a number of federal and state assisted grant programs, which are subject to program compliance audits by the grantors or their representatives. Final closeout audits of these programs have not yet been completed. Accordingly, the City's ultimate compliance with applicable grant requirements will be established at some future date. Expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition. Management is actively monitoring the impact of the global situation on its financial condition.

CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 GROUND LEASE AGREEMENT

The City gave notice of termination of contract to Lane Donovan (previous operator of The Lakes Golf Course) in December 2020. The City (Lessor) and ES CenterCal, LLC, a Delaware limited liability company (Lessee), entered into a ground lease agreement dated February 6, 2021. The ground lease includes an initial term of 20 years. ES CenterCal will then have six options to extend the agreement by five- year increments, resulting in a potential total agreement term of 50 years.

ES CenterCal will make the following payments: (1) \$1,300,000 annual ground lease payment for the driving range once the facility opens to the public (anticipated to be May 2022), with a 10% adjustment every five years, (2) \$200,000 annual payment to the City's General Fund as a community benefit contribution once the facility opens to the public, (3) \$200,000 minimum golf course and driving range capital contribution, and (4) \$20,000 annual ground lease payment for the golf course with a 10% adjustment every five years. Additionally, ES CenterCal will pay the City 3% of gross revenues received from beverage sales at the driving range and golf courses with a minimum guarantee of \$200,000 annually, with a 10% adjustment every five years.

ES CenterCal and TG Holding I, LLC, a Delaware limited liability company (Topgolf Guarantor) will collectively invest over \$40 million in capital improvements on City-owned properties and for the operating period, per the lease agreement.

Topgolf took possession of The Lakes golf course and the entire City owned property, which includes the driving range, clubhouse, parking lot, and maintenance yard, on February 14, 2021. The Golf Course Fund's infrastructure and equipment was fully disposed as of June 30, 2021. The construction of the premises and improvements will take over a year and did not begin until August 2021. The anticipated opening date of the new Topgolf facility is May 2022.

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 15 CLASSIFICATION OF FUND BALANCES

At June 30, 2021, fund balances are classified in the governmental funds as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Nonspendable:			
Notes and Loans Receivable	\$ 6,042	\$ -	\$ 6,042
Inventories	115,484	-	115,484
Prepays	41,511	-	41,511
Total Nonspendable	<u>163,037</u>	<u>-</u>	<u>163,037</u>
Restricted:			
Police	-	1,652,310	1,652,310
Fire	-	502,299	502,299
Public Works	-	3,012,961	3,012,961
Economic Development	-	215,126	215,126
Community and Cultural	-	9,911,555	9,911,555
Debt Service	-	1,624,888	1,624,888
Pension	5,144,456	-	5,144,456
Total Restricted	<u>5,144,456</u>	<u>16,919,139</u>	<u>22,063,595</u>
Assigned:			
Police	174,373	-	174,373
Fire	333,589	-	333,589
Public Works	56,926	-	56,926
Tobacco License	33,573	-	33,573
Economic Development	1,449,292	-	1,449,292
Parks and Recreation	193,863	-	193,863
Library	75,236	-	75,236
Computer Refresh	244,185	-	244,185
Capital Outlay	-	4,314,909	4,314,909
Total Assigned	<u>2,561,037</u>	<u>4,314,909</u>	<u>6,875,946</u>
Unassigned:			
	<u>29,110,741</u>	<u>(304,630)</u>	<u>28,806,111</u>
Total Fund Balance	<u><u>\$ 36,979,271</u></u>	<u><u>\$ 20,929,418</u></u>	<u><u>\$ 57,908,689</u></u>

**CITY OF EL SEGUNDO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 16 RESTATEMENT OF NET POSITION AND FUND BALANCE

The balance of net position and fund balance as of July 1, 2020, has been restated due to a change in the reporting of certain funds as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position at July 1, 2020, as Originally Reported	\$ (21,235,867)	\$ 54,361,150
Reclassification of the El Segundo Senior Citizen Housing Corporation from a discretely presented component unit to a nonmajor enterprise fund.	-	1,648,921
Reclassification of the Solid Waste Fund from a nonmajor enterprise fund to a component of the General Fund	(248,012)	248,012
Net Position at July 1, 2020, as Restated	<u>\$ (21,483,879)</u>	<u>\$ 56,258,083</u>

	<u>General Fund</u>	<u>Nonmajor Enterprise Fund</u>
Fund Balance and Net Position at July 1, 2020, as Originally Reported	\$ 35,762,880	\$ (248,012)
Reclassification of the El Segundo Senior Citizen Housing Corporation from a discretely presented component unit to a nonmajor enterprise fund.	-	1,648,921
Reclassification of the Solid Waste Fund from a nonmajor enterprise fund to a component of the General Fund	(248,012)	248,012
Fund Balance and Net Position at July 1, 2020, as Restated	<u>\$ 35,514,868</u>	<u>\$ 1,648,921</u>

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

**CITY OF EL SEGUNDO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 40,257,922	\$ 40,257,922	\$ 40,187,419	\$ (70,503)
Licenses and Permits	11,643,129	11,643,129	13,560,370	1,917,241
Intergovernmental	-	-	-	-
Charges for Services	3,442,159	3,442,159	4,357,840	915,681
Use of Money and Property	585,000	585,000	326,274	(258,726)
Fines and Forfeitures	294,000	294,000	266,634	(27,366)
Developer Fees	-	-	207,838	207,838
Miscellaneous	1,880,814	1,880,814	2,080,087	199,273
Total Revenues	<u>58,103,024</u>	<u>58,103,024</u>	<u>60,986,462</u>	<u>2,883,438</u>
EXPENDITURES				
Current:				
General Government				
City Council	260,903	260,903	251,947	8,956
City Treasurer	154,701	154,701	155,235	(534)
City Clerk	421,157	422,157	1,028,962	(606,805)
City Manager	1,909,586	2,109,586	4,606,984	(2,497,398)
City Attorney	561,950	561,950	527,127	34,823
Planning	1,744,415	1,844,415	858,705	985,710
Building and Safety	1,354,019	1,225,019	980,168	244,851
Administrative Services	4,921,589	5,007,089	17,033,249	(12,026,160)
Nondepartmental	4,371,891	5,155,391	6,740,921	(1,585,530)
Public Safety:				
Police	16,232,614	16,376,802	74,489,662	(58,112,860)
Fire	13,068,393	13,068,393	66,123,938	(53,055,545)
Animal Control	91,041	91,041	33,040	58,001
Communications Center	1,555,870	1,555,870	1,321,040	234,830
Public Works:				
Administration	203,730	203,730	5,560,000	(5,356,270)
Government Buildings	1,590,051	1,560,051	1,585,669	(25,618)
Engineering	518,410	702,744	659,248	43,496
Streets	3,431,476	3,431,476	3,228,500	202,976
Solid Waste	622,394	622,394	555,404	66,990
Storm Drain	246,978	307,110	163,299	143,811
Equipment Maintenance	879,498	909,498	984,825	(75,327)
Community and Cultural:				
Recreation and Parks	2,953,202	2,953,202	1,989,855	963,347
Library	1,783,414	1,783,414	9,223,223	(7,439,809)
Capital Outlay	863,500	850,000	-	850,000
Debt Service:				
Principal Retirement	-	-	43,200	(43,200)
Interest	-	-	102,300	(102,300)
Total Expenditures	<u>59,740,782</u>	<u>61,156,936</u>	<u>198,246,501</u>	<u>(137,089,565)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,637,758)	(3,053,912)	(137,260,039)	(134,206,127)
OTHER FINANCING USES				
Debt Proceeds	-	-	140,095,398	140,095,398
Transfers In	25,000	25,000	25,000	-
Transfers Out	(1,250,000)	(1,250,000)	(1,395,956)	145,956
Total Other Financing Uses	<u>(1,225,000)</u>	<u>(1,225,000)</u>	<u>138,724,442</u>	<u>140,241,354</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,862,758)</u>	<u>\$ (4,278,912)</u>	<u>1,464,403</u>	<u>\$ 6,035,227</u>
Fund Balance - Beginning of Year			35,514,868	
FUND BALANCE - END OF YEAR			<u>\$ 36,979,271</u>	

See Note to the Budgetary Comparison Schedule.

**CITY OF EL SEGUNDO
NOTE TO BUDGETARY COMPARISON SCHEDULE
NINE MONTHS ENDED JUNE 30, 2021**

NOTE 1 BUDGETARY CONTROL AND ACCOUNTING POLICY

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds and the Capital Projects Funds except for the Pension Obligation Bonds Debt Service Fund.

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. Budgets and adopted supplemental appropriations, where required during the period, are also approved by the City Council. Intradepartmental budget changes are approved by the City Manager. The legal level of control, that is defined as the level at which City Council approval is required for changes, is at the department level for the General Fund and functional level for all other funds. During the year, several supplementary appropriations were necessary. All operating budget appropriations lapse at year-end.

**CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN
LAST TEN MEASUREMENT PERIODS¹**

California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Measurement Period and Fiscal Year	2019-20	2018-19	2017-18
Total Pension Liability			
Service Cost	\$ 2,088,245	\$ 2,026,099	\$ 2,002,276
Interest on Total Pension Liability	8,447,044	8,219,352	7,976,930
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	-	(464,769)
Differences Between Expected and Actual Experience	(221,184)	(38,811)	8,203
Benefit Payments, Including Refunds of Employee Contributions	(6,978,924)	(6,762,739)	(6,360,824)
Net Change in Total Pension Liability	3,335,181	3,443,901	3,161,816
Total Pension Liability - Beginning	120,807,009	117,363,108	114,201,292
Total Pension Liability - Ending (a)	<u>\$ 124,142,190</u>	<u>\$ 120,807,009</u>	<u>\$ 117,363,108</u>
Pension Fiduciary Net Position			
Contributions - Employer	\$ 3,584,857	\$ 3,597,197	\$ 3,291,215
Contributions - Employee	946,546	878,016	905,313
Net Investment Income	4,398,867	5,537,029	6,839,662
Benefit Payments, Including Refunds of Employee Contributions	(6,978,924)	(6,762,739)	(6,360,824)
Net Plan to Plan Resource Movement	3,966	(127,504)	(198)
Administrative Expense	(124,138)	(60,654)	(125,728)
Other Miscellaneous Expense	-	198	(238,760)
Net Change in Plan Fiduciary Net Position	1,831,174	3,061,543	4,310,680
Plan Fiduciary Net Position - Beginning	88,056,385	84,994,842	80,684,162
Plan Fiduciary Net Position - Ending (b)	<u>\$ 89,887,559</u>	<u>\$ 88,056,385</u>	<u>\$ 84,994,842</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 34,254,631</u>	<u>\$ 32,750,624</u>	<u>\$ 32,368,266</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>72.41%</u>	<u>72.89%</u>	<u>72.42%</u>
Covered Payroll	<u>\$ 14,212,445</u>	<u>\$ 12,851,508</u>	<u>\$ 12,875,891</u>
Plan Net Pension Liability as a Percentage of Covered Payroll	<u>241.02%</u>	<u>254.84%</u>	<u>251.39%</u>

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no significant changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED
RATIOS – CALPERS MISCELLANEOUS RATE PLAN (CONTINUED)
LAST TEN MEASUREMENT PERIODS ¹**

California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Measurement Period and Fiscal Year	2016-17	2015-16	2014-15	2013-14
Total Pension Liability				
Service Cost	\$ 2,022,687	\$ 1,836,590	\$ 1,892,820	\$ 1,992,358
Interest on Total Pension Liability	7,747,566	7,584,214	7,355,288	7,137,756
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	6,199,889	-	(1,728,307)	-
Differences Between Expected and Actual Experience	(813,832)	(899,552)	(1,400,892)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,830,361)	(5,534,415)	(5,121,477)	(4,825,880)
Net Change in Total Pension Liability	9,325,949	2,986,837	997,432	4,304,234
Total Pension Liability - Beginning	104,875,343	101,888,506	100,891,074	96,586,840
Total Pension Liability - Ending (a)	<u>\$ 114,201,292</u>	<u>\$ 104,875,343</u>	<u>\$ 101,888,506</u>	<u>\$ 100,891,074</u>
Pension Fiduciary Net Position				
Contributions - Employer	\$ 2,381,409	\$ 2,189,606	\$ 1,990,762	\$ 2,229,759
Contributions - Employee	975,818	850,845	883,340	1,271,008
Net Investment Income	8,294,674	375,088	1,743,059	11,605,717
Benefit Payments, Including Refunds of Employee Contributions	(5,830,361)	(5,534,415)	(5,121,477)	(4,825,880)
Net Plan to Plan Resource Movement	(31,271)	(256)	161,952	-
Administrative Expense	(110,739)	(47,032)	(86,704)	-
Other Miscellaneous Expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,679,530	(2,166,164)	(429,068)	10,280,604
Plan Fiduciary Net Position - Beginning	75,004,632	77,170,796	77,599,864	67,319,260
Plan Fiduciary Net Position - Ending (b)	<u>\$ 80,684,162</u>	<u>\$ 75,004,632</u>	<u>\$ 77,170,796</u>	<u>\$ 77,599,864</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 33,517,130</u>	<u>\$ 29,870,711</u>	<u>\$ 24,717,710</u>	<u>\$ 23,291,210</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>70.65%</u>	<u>71.52%</u>	<u>75.74%</u>	<u>76.91%</u>
Covered Payroll	<u>\$ 13,007,635</u>	<u>\$ 12,983,105</u>	<u>\$ 13,129,083</u>	<u>\$ 13,163,041</u>
Plan Net Pension Liability as a Percentage of Covered Payroll	<u>257.67%</u>	<u>230.07%</u>	<u>188.27%</u>	<u>176.94%</u>

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no significant changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS – CALPERS SAFETY RATE PLAN
LAST TEN MEASUREMENT PERIODS¹**

California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Measurement Period and Fiscal Year	2015-16	2014-15	2013-14
Total Pension Liability			
Service Cost	\$ 3,906,152	\$ 4,017,009	\$ 4,084,900
Interest	18,561,546	18,050,364	17,643,395
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	(4,336,187)	-
Differences Between Expected and Actual Experience	(2,593,008)	(4,610,542)	-
Benefit Payments, Including Refunds of Employee Contributions	(13,146,807)	(12,326,846)	(11,753,968)
Net Change in Total Pension Liability	6,727,883	793,798	9,974,327
Total Pension Liability - Beginning	249,847,921	249,054,123	239,079,796
Total Pension Liability - Ending (a)	<u>\$ 256,575,804</u>	<u>\$ 249,847,921</u>	<u>\$ 249,054,123</u>
Pension Fiduciary Net Position			
Contributions - Employer	\$ 6,497,421	\$ 6,155,214	\$ 5,466,181
Contributions - Employee	1,288,776	1,697,612	1,556,189
Net Investment Income	792,070	3,716,152	25,110,451
Benefit Payments, Including Refunds of Employee Contributions	(13,146,807)	(12,326,846)	(11,753,968)
Net Plan to Plan Resource Movement	256	568	-
Administrative Expense	(101,008)	(186,524)	-
Net Change in Plan Fiduciary Net Position	(4,669,292)	(943,824)	20,378,853
Plan Fiduciary Net Position - Beginning	165,737,083	166,680,907	146,302,054
Plan Fiduciary Net Position - Ending (b)	<u>\$ 161,067,791</u>	<u>\$ 165,737,083</u>	<u>\$ 166,680,907</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 95,508,013</u>	<u>\$ 84,110,838</u>	<u>\$ 82,373,216</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>62.78%</u>	<u>66.34%</u>	<u>66.93%</u>
Covered Payroll	<u>\$ 14,438,355</u>	<u>\$ 14,977,101</u>	<u>\$ 14,757,054</u>
Plan Net Pension Liability as a Percentage of Covered Payroll	<u>661.49%</u>	<u>561.60%</u>	<u>558.20%</u>

¹ The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost Sharing Multiple Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years GASB 68 were in effect and prior to the conversion of the plan.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**CITY OF EL SEGUNDO
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN
LAST TEN MEASUREMENT PERIODS ¹**

California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Measurement Period and Fiscal Year	2019-20	2018-19	2017-18	2016-17
City Proportion of the Net Pension Liability	1.7727%	1.7839%	1.1081%	1.0764%
City's Proportionate Share of the net Pension Liability	<u>\$ 118,102,353</u>	<u>\$ 111,360,318</u>	<u>\$ 106,775,573</u>	<u>\$ 106,751,685</u>
City's Covered Payroll	<u>\$ 13,583,547</u>	<u>\$ 12,490,385</u>	<u>\$ 12,742,792</u>	<u>\$ 12,697,818</u>
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>869.45%</u>	<u>891.57%</u>	<u>837.93%</u>	<u>840.71%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>75.10%</u>	<u>75.26%</u>	<u>75.26%</u>	<u>73.31%</u>

¹ The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost Sharing Multiple Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years the plan was converted to a cost sharing plan.

Changes in Assumptions:

From measurement period and fiscal year 2016-17 to 2017-18:
From measurement period and fiscal year 2017-18 to 2018-19:

The discount rate was reduced from 7.65% to 7.15%.
There were no significant changes in assumptions.

**CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN
LAST TEN MEASUREMENT PERIODS ¹**

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2020-21	2019-20	2018-19	2017-18
Measurement Period	2019-20	2018-19	2017-18	2016-17
Total Pension Liability				
Service Cost	\$ -	\$ -	\$ -	\$ -
Interest	127,254	126,122	115,441	119,000
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	(18,261)	-	(62,152)	-
Differences Between Expected and Actual Experience	12,206	-	187,849	-
Benefit Payments, Including Refunds of Employee Contributions	(115,700)	(97,156)	(196,140)	(174,000)
Net Change in Total Pension Liability	5,499	28,966	44,998	(55,000)
Total Pension Liability - Beginning	2,270,964	2,241,998	2,197,000	2,252,000
Total Pension Liability - Ending (a)	<u>\$ 2,276,463</u>	<u>\$ 2,270,964</u>	<u>\$ 2,241,998</u>	<u>\$ 2,197,000</u>
Pension Fiduciary Net Position				
Contributions - Employer	\$ 158,000	\$ 158,000	\$ 158,000	\$ 236,000
Contributions - Employee	-	-	-	-
Net Investment Income	84,790	53,443	69,282	91,000
Benefit Payments, Including Refunds of Employee Contributions	(115,700)	(97,156)	(196,140)	(174,000)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(6,076)	(5,517)	(5,455)	(5,000)
Other Miscellaneous Expense ¹	-	-	-	-
Net Change in Plan Fiduciary Net Position	121,014	108,770	25,687	148,000
Plan Fiduciary Net Position - Beginning ²	1,196,457	1,087,687	1,062,000	914,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,317,471</u>	<u>\$ 1,196,457</u>	<u>\$ 1,087,687</u>	<u>\$ 1,062,000</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 958,992</u>	<u>\$ 1,074,507</u>	<u>\$ 1,154,311</u>	<u>\$ 1,135,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>57.87%</u>	<u>52.68%</u>	<u>48.51%</u>	<u>48.34%</u>
Covered Payroll	N/A	N/A	N/A	N/A
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Changes in Assumptions:

Actuarial Valuation Date	June 30, 2020
Fiscal Year	2020-21
Measurement Period	October 1, 2019, to September 30, 2020
Discount Rate	5.75%
Rate of Return on Assets	5.75%
Inflation Rate	2.75%
Mortality, Retirement, Disability, and Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	Scale MP-2020

**CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN (CONTINUED)
LAST TEN MEASUREMENT PERIODS ¹**

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2016-17	2015-16	2014-15
Measurement Period	2015-16	2014-15	2013-14
Total Pension Liability			
Service Cost	\$ -	\$ -	\$ 54,000
Interest	121,000	113,000	110,000
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	140,000	-
Differences Between Expected and Actual Experience	-	93,000	-
Benefit Payments, Including Refunds of Employee Contributions	(141,000)	(81,000)	(37,000)
Net Change in Total Pension Liability	(20,000)	265,000	127,000
Total Pension Liability - Beginning	2,272,000	2,007,000	1,880,000
Total Pension Liability - Ending (a)	<u>\$ 2,252,000</u>	<u>\$ 2,272,000</u>	<u>\$ 2,007,000</u>
Pension Fiduciary Net Position			
Contributions - Employer	\$ -	\$ -	\$ -
Contributions - Employee	16,000	167,000	193,000
Net Investment Income	72,000	(11,000)	52,000
Benefit Payments, Including Refunds of Employee Contributions	(141,000)	(81,000)	(37,000)
Net Plan to Plan Resource Movement	-	-	-
Administrative Expense	(5,000)	(5,000)	(5,000)
Other Miscellaneous Expense ¹	-	-	-
Net Change in Plan Fiduciary Net Position	(58,000)	70,000	203,000
Plan Fiduciary Net Position - Beginning ²	972,000	902,000	699,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 914,000</u>	<u>\$ 972,000</u>	<u>\$ 902,000</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 1,338,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,105,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>40.59%</u>	<u>42.78%</u>	<u>44.94%</u>
Covered Payroll	N/A	N/A	N/A
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN
LAST TEN FISCAL YEARS¹**

California Public Employees’ Retirement System (CalPERS) – Miscellaneous Rate Plan

Fiscal Year	2020-21 ²	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ 965,277	\$ 3,695,146	\$ 3,421,223	\$ 2,712,223
Contributions in Relation to the Actuarially Determined Dontribution	<u>(33,525,869)</u>	<u>(3,695,146)</u>	<u>(3,728,014)</u>	<u>(3,291,215)</u>
Contribution Deficiency (Excess)	<u>\$ (32,560,592)</u>	<u>\$ -</u>	<u>\$ (306,791)</u>	<u>\$ (578,992)</u>
Covered Payroll	<u>\$ 10,498,129</u>	<u>\$ 14,446,483</u>	<u>\$ 13,136,731</u>	<u>\$ 12,842,526</u>
Contributions as a Percentage of Covered Payroll	319.35%	25.58%	28.38%	25.63%

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

² Determined for the nine month period ended on June 30 (fiscal year end).

Notes to Schedule:

Valuation date	6/30/2018	6/30/2018	6/30/2017	6/30/2016
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Methods and Assumptions Used to Determine Contribution Rates:

	Entry age	Entry age	Entry age	Entry age
Actuarial cost method	(1)	(1)	(1)	(1)
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair value	Fair value	Fair value
Inflation	2.50%	2.50%	2.625%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 2% @ 55, 2% @ 60, and 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN (CONTINUED)
LAST TEN FISCAL YEARS¹**

California Public Employees’ Retirement System (CalPERS) – Miscellaneous Rate Plan

Fiscal Year	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	\$ 2,360,497	\$ 2,267,956	\$ 2,047,988	\$ 2,631,370
Contributions in Relation to the Actuarially Determined Dontribution	<u>(2,360,497)</u>	<u>(2,267,956)</u>	<u>(2,047,988)</u>	<u>(2,631,370)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 11,980,872</u>	<u>\$ 12,484,558</u>	<u>\$ 12,279,995</u>	<u>\$ 12,782,090</u>
Contributions as a Percentage of Covered Payroll	19.70%	18.17%	16.68%	20.59%

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Valuation date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Fair value	Fair value	Fair value	Market value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 2% @ 55, 2% @ 60, and 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN
LAST TEN FISCAL YEARS¹**

California Public Employees’ Retirement System (CalPERS) – Safety Rate Plan

Fiscal Year	2020-21 ²	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ 1,955,086	\$ 10,830,665	\$ 9,186,753	\$ 8,480,050
Contributions in Relation to the Actuarially Determined Contribution	<u>(112,915,194)</u>	<u>(10,830,665)</u>	<u>(10,424,853)</u>	<u>(8,500,586)</u>
Contribution Deficiency (Excess)	<u>\$ (110,960,108)</u>	<u>\$ -</u>	<u>\$ (1,238,100)</u>	<u>\$ (20,536)</u>
Covered Payroll	<u>\$ 10,018,467</u>	<u>\$ 13,606,528</u>	<u>\$ 12,668,674</u>	<u>\$ 12,614,944</u>
Contributions as a Percentage of Covered Payroll	1127.07%	79.60%	82.29%	67.39%

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

² Determined for the nine month period ended on June 30 (fiscal year end).

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2018	6/30/2017	6/30/2016
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair value	Fair value	Fair value
Inflation	2.50%	2.50%	2.625%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 3% @ 50, 3% @ 55, and 2.7% @ 57

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN (CONTINUED)
LAST TEN FISCAL YEARS¹**

California Public Employees’ Retirement System (CalPERS) – Safety Rate Plan

Fiscal Year	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	\$ 5,282,029	\$ 6,581,713	\$ 6,355,099	\$ 6,316,752
Contributions in Relation to the Actuarially Determined Contribution	<u>(5,282,029)</u>	<u>(6,581,713)</u>	<u>(6,355,099)</u>	<u>(6,316,752)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 12,410,252</u>	<u>\$ 13,711,733</u>	<u>\$ 13,863,160</u>	<u>\$ 14,420,062</u>
Contributions as a Percentage of Covered Payroll	42.56%	48.00%	45.84%	43.81%

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to

Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair value	Fair value	Fair value	Market value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 3% @ 50, 3% @ 55, and 2.7% @ 57

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY
RETIREMENT SYSTEM DEFINED BENEFIT PLAN
LAST TEN FISCAL YEARS¹**

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2020-21	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ 158,000	\$ 158,000	\$ 158,000	\$ 158,000
Contributions in Relation to the Actuarially Determined Contribution	(158,000)	(158,000)	(158,000)	(158,000)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2018	6/30/16	6/30/16
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Methods and Assumptions Used to

Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Asset valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	3.00%	3.00%
Investment Rate of Return	5.75%	5.75%	5.50%	5.50%
Mortality, Retirement, Disability, and Termination	(2)	(2)	(1)	(1)
Mortality Improvement Scale	(4)	(4)	(3)	(3)

(1) CalPERS 1997-2015 Experience Study

(2) CalPERS 1997-2011 Experience Study

(3) Scale MP-2014

(4) Scale MP-2020

**CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY RETIREMENT
SYSTEM DEFINED BENEFIT PLAN (CONTINUED)
LAST TEN FISCAL YEARS¹**

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2016-17	2015-16	2014-15
Actuarially Determined Contribution	\$ 118,000	\$ 118,000	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>(236,000)</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ (118,000)</u>	<u>\$ 118,000</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A

¹ Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS ¹

Other Postemployment Benefits (OPEB) Plan

Measurement Period and Fiscal Year	2020-21	2019-20	2018-19	2017-18
Total OPEB Liability				
Service Cost	\$ 1,313,607	\$ 1,325,398	\$ 1,428,884	\$ 1,387,266
Interest	3,687,577	4,096,818	4,265,776	4,137,853
Changes of Benefit Terms	-	-	(4,289,232)	-
Changes of Assumptions	2,584,513	(1,323,051)	-	-
Differences Between Expected and Actual Experience	-	(6,345,201)	-	-
Benefit Payments, Including Refunds	(3,741,312)	(3,868,684)	(3,741,351)	(3,601,811)
Net Change in Total OPEB Liability	3,844,385	(6,114,720)	(2,335,923)	1,923,308
Total OPEB Liability - Beginning	55,187,829	61,302,549	63,638,472	61,715,164
Total OPEB Liability - Ending (a)	<u>\$ 59,032,214</u>	<u>\$ 55,187,829</u>	<u>\$ 61,302,549</u>	<u>\$ 63,638,472</u>
OPEB Fiduciary Net Position				
Contributions - Employer	\$ 3,749,757	\$ 4,425,712	\$ 4,399,351	\$ 4,026,811
Net Investment Income	7,171,637	884,584	1,431,779	1,634,752
Benefit Payments, Including Refunds of Employee Contributions	(3,741,312)	(3,868,684)	(3,741,351)	(3,601,811)
Administrative Expense	(23,113)	(21,262)	(4,901)	(38,164)
Net Change in Plan Fiduciary Net Position	7,156,969	1,420,350	2,084,878	2,021,588
Plan Fiduciary Net Position - Beginning	26,061,814	24,641,464	22,556,586	20,534,998
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,218,783</u>	<u>\$ 26,061,814</u>	<u>\$ 24,641,464</u>	<u>\$ 22,556,586</u>
Plan Net OPEB Liability - Ending (a) - (b)	<u>\$ 25,813,431</u>	<u>\$ 29,126,015</u>	<u>\$ 36,661,085</u>	<u>\$ 41,081,886</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	56.27%	47.22%	40.20%	35.44%
Covered Payroll ²	<u>\$ 36,507,956</u>	<u>\$ 32,938,247</u>	<u>\$ 25,506,339</u>	<u>\$ 25,512,342</u>
Plan Net OPEB Liability as a Percentage of Covered Payroll	<u>70.71%</u>	<u>88.43%</u>	<u>143.73%</u>	<u>161.03%</u>

¹ Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

² For the twelve month period ended on June 30 (Measurement Date).

Changes in Benefit Terms:

From measurement period ended June 30, 2018 to June 30, 2019:

- Management and Conf: Monthly cap and maximum cap changed from \$1,200/\$1,600 to \$782/\$585.
- Executive: Monthly cap and maximum cap changed from \$1,200/\$1,600 to \$782/\$782.
- PMA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,575 for 2020, \$1,650 for 2021). Maximum cap increased from \$1,200 to \$1,650.
- PSSEA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,450 2019, \$1,500 for 2020, \$1,600 for 2021, \$1,650 for 2022). Maximum cap increased from \$1,200 to \$1,650.
- SPEA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,500 for 2019, \$1,550 for 2020, \$1,600 for 2021, \$1,650 for 2022). Maximum cap increased from \$1,200 to \$1,650.
- CEA: Monthly Cap changed from \$1,115.67 to average HMO family premium but no more than active cap (\$1,500 for 2020, \$1,550 for 2022, \$1,600 for 2023).
- Police & Fire: Monthly Cap (Average HMO family) but no more than active cap (\$1,500 for 2019, \$1,575 for 2020, \$1,650 for 2021); Fire Maximum Cap increased from \$1,600 to \$1,800.

Changes in Assumptions

From measurement period ended June 30, 2019 to June 30, 2020:

The mortality improvement scale was updated to Scale MP-2019 from MP-2017. The healthcare trend changed from 7.50% non-medicare and 6.50% medicare to 7.25% non-medicare and 6.3% medicare.

From measurement period ended June 30, 2020 to June 30, 2021:

The discount rate changed from 6.75% to 6.25%, inflation changed from 2.75% to 2.50%, salary increase changed from 3.00% to 2.75%, and the trend rate decreased by 0.25%.

**CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – OPEB PLAN
LAST TEN FISCAL YEARS¹**

Other Postemployment Benefits (OPEB) Plan

Fiscal Years	2020-21 ³	2019-20 ²	2018-19 ²	2017-18 ²
Actuarially Determined Contribution	\$ 2,551,000	\$ 4,436,000	\$ 4,306,000	\$ 3,876,000
Contributions in Relation to the Actuarially Determined Contribution	(2,819,754)	(4,455,502)	(4,435,351)	(4,044,912)
Contribution Deficiency (Excess)	<u>\$ (268,754)</u>	<u>\$ (19,502)</u>	<u>\$ (129,351)</u>	<u>\$ (168,912)</u>
Covered Payroll	\$ 37,380,967	\$ 34,151,544	\$ 26,049,352	\$ 25,382,610
Contributions as a Percentage of Covered Payroll	7.54%	13.05%	17.03%	15.94%

¹ Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

² Determined for the twelve month period ended on September 30 (fiscal year end).

³ Determined for the nine month period ended on June 30 (fiscal year end).

Notes to Schedule:

Valuation Date 6/30/2019 6/30/2017 6/30/2017 6/30/2015

Methods and Assumptions Used to

Determine Contribution Rates:

Actuarial Cost Method		Entry Age		
Amortization Method		Level percentage of payroll		
Amortization Period	21 years	22 years	23 years	25 years
Asset Valuation Method		Investment gains and losses spread over 5-year		
Discount Rate	6.75%	6.75%	6.75%	7.50%
General Inflation	2.75%	2.75%	2.75%	3.00%
Medical Trend	(3)	(2)	(2)	(1)
Mortality, Withdrawal, Disability	(6)	(5)	(5)	(4)

(1) 6.5% (Non-Medicare) and 6.7% (Medicare) for 2018, decreasing to an ultimate rate of 5.0% in 2021.

(2) 7.5% (Non-Medicare) and 6.5% (Medicare) for 2019, decreasing to an ultimate rate of 4.0% in 2076.

(3) 7.25% (Non-Medicare) and 6.3% (Medicare) for 2021, decreasing to an ultimate rate of 4.0% in 2076.

(4) CalPERS 1997-2011 experience study. Mortality Improvement Scale MP-2014.

(5) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2017.

(6) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2019.

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SUPPLEMENTARY INFORMATION

**CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET – GENERAL FUND COMPONENTS
JUNE 30, 2021**

ASSETS	<u>General</u>	<u>Economic Uncertainty Fund</u>	<u>Hyperion Mitigation Fund</u>
Cash and Investments	\$ 26,805,438	\$ 1,076,296	\$ 102,731
Restricted Cash	5,144,456	-	-
Receivables:			
Taxes	4,969,656	-	-
Accounts	597,424	-	-
Interest	177,672	-	-
Notes and Loans	6,042	-	-
Due from Other Funds	721,236	-	-
Due from Other Governments	119,869	-	-
Inventories	115,484	-	-
Prepays	41,511	-	-
	<u>38,698,788</u>	<u>1,076,296</u>	<u>102,731</u>
Total Assets	<u>\$ 38,698,788</u>	<u>\$ 1,076,296</u>	<u>\$ 102,731</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,780,431	\$ -	\$ 653
Accrued Liabilities	1,883,837	-	-
Retentions Payable	2,336	-	-
Due to Other Funds	-	-	-
Unearned Revenue	30,868	-	-
Deposits Payable	640,149	-	-
Total Liabilities	4,337,621	-	653
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	43,254	-	-
Total Deferred Inflows of Resources	43,254	-	-
FUND BALANCES			
Nonspendable	163,037	-	-
Restricted	5,144,456	-	-
Assigned	1,111,745	-	-
Unassigned	27,898,675	1,076,296	102,078
Total Fund Balances	34,317,913	1,076,296	102,078
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38,698,788</u>	<u>\$ 1,076,296</u>	<u>\$ 102,731</u>

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET – GENERAL FUND COMPONENTS (CONTINUED)
JUNE 30, 2021

ASSETS	Project Deposits Fund	Solid Waste Fund	Intrafund Eliminations	Total
Cash and Investments	\$ 2,631,682	\$ -	\$ -	\$ 30,616,147
Restricted Cash	-	-	-	5,144,456
Receivables:				
Taxes	-	-	-	4,969,656
Accounts	28,379	-	-	625,803
Interest	-	-	-	177,672
Notes and Loans	-	-	-	6,042
Due from Other Funds	-	-	(416,385)	304,851
Due from Other Governments	-	-	-	119,869
Inventories	-	-	-	115,484
Prepays	-	-	-	41,511
	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,511</u>
Total Assets	<u><u>\$ 2,660,061</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (416,385)</u></u>	<u><u>\$ 42,121,491</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 238,413	\$ -		\$ 2,019,497
Accrued Liabilities	-	-		1,883,837
Retentions Payable	-	-		2,336
Due to Other Funds	-	416,385	(416,385)	-
Unearned Revenue	-	-		30,868
Deposits Payable	522,279	-		1,162,428
Total Liabilities	<u>760,692</u>	<u>416,385</u>	<u>(416,385)</u>	<u>5,098,966</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-		43,254
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,254</u>
FUND BALANCES				
Nonspendable	-	-	-	163,037
Restricted	-	-	-	5,144,456
Assigned	1,449,292	-	-	2,561,037
Unassigned	450,077	(416,385)	-	29,110,741
Total Fund Balances	<u>1,899,369</u>	<u>(416,385)</u>	<u>-</u>	<u>36,979,271</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 2,660,061</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (416,385)</u></u>	<u><u>\$ 42,121,491</u></u>

**CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GENERAL FUND COMPONENTS
NINE MONTHS ENDED JUNE 30, 2021**

	General	Economic Uncertainty Fund	Hyperion Mitigation Fund
REVENUES			
Taxes	\$ 40,187,419	\$ -	\$ -
Licenses and Permits	13,560,370	-	-
Intergovernmental	-	-	-
Charges for Services	4,121,056	-	-
Use of Money and Property	325,167	-	1,107
Fines and Forfeitures	266,634	-	-
Developer Fees	207,838	-	-
Miscellaneous	2,080,087	-	-
Total Revenues	<u>60,748,571</u>	<u>-</u>	<u>1,107</u>
EXPENDITURES			
Current			
General Government	32,058,014	-	-
Public Safety	141,967,680	-	-
Public Works	12,563,099	-	5,473
Community and Cultural	11,213,078	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	43,200	-	-
Interest and Fiscal Charges	102,300	-	-
Total Expenditures	<u>197,947,371</u>	<u>-</u>	<u>5,473</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(137,198,800)</u>	<u>-</u>	<u>(4,366)</u>
OTHER FINANCING USES			
Debt Proceeds	140,095,398	-	-
Transfers In	25,000	-	-
Transfers Out	(472,248)	(923,708)	-
Total Other Financing Uses	<u>139,648,150</u>	<u>(923,708)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,449,350	(923,708)	(4,366)
Fund Balance - Beginning of Year	<u>31,868,563</u>	<u>2,000,004</u>	<u>106,444</u>
FUND BALANCE - END OF YEAR	<u>\$ 34,317,913</u>	<u>\$ 1,076,296</u>	<u>\$ 102,078</u>

**CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GENERAL FUND COMPONENTS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021**

	Project Deposits Fund	Solid Waste Fund	Intrafund Eliminations	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 40,187,419
Licenses and Permits	-	-	-	13,560,370
Intergovernmental	-	-	-	-
Charges for Services	236,784	-	-	4,357,840
Use of Money and Property	-	-	-	326,274
Fines and Forfeitures	-	-	-	266,634
Developer Fees	-	-	-	207,838
Miscellaneous	-	-	-	2,080,087
Total Revenues	<u>236,784</u>	<u>-</u>	<u>-</u>	<u>60,986,462</u>
EXPENDITURES				
Current				
General Government	125,284	-	-	32,183,298
Public Safety	-	-	-	141,967,680
Public Works	-	168,373	-	12,736,945
Community and Cultural	-	-	-	11,213,078
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	43,200
Interest and Fiscal Charges	-	-	-	102,300
Total Expenditures	<u>125,284</u>	<u>168,373</u>	<u>-</u>	<u>198,246,501</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>111,500</u>	<u>(168,373)</u>	<u>-</u>	<u>(137,260,039)</u>
OTHER FINANCING USES				
Debt Proceeds	-	-	-	140,095,398
Transfers In	-	-	-	25,000
Transfers Out	-	-	-	(1,395,956)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,724,442</u>
NET CHANGE IN FUND BALANCES	111,500	(168,373)	-	1,464,403
Fund Balance - Beginning of Year	<u>1,787,869</u>	<u>(248,012)</u>	<u>-</u>	<u>35,514,868</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,899,369</u>	<u>\$ (416,385)</u>	<u>\$ -</u>	<u>\$ 36,979,271</u>

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

State Gas Tax Fund - Accounts for a share of revenues derived from the State Highway Users' Tax under Sections 2105, 2106, 2107, and 2107.5. The revenue is derived from a share of the gasoline taxes and is used for the construction and maintenance of the road network system of the City.

Residential Sound Insulation Program Fund - Accounts for the grants received from the Federal Aviation Administration (FAA) and the Los Angeles World Airports (LAWA). The fund is used to provide acoustical treatment of homes in El Segundo that are within the extreme airport noise impact zone, in order to create a better sound environment inside the home.

Certified Unified Program Agency - Accounts for revenues and expenditures for the Endorsement and Emergency Response Program (EERP), a consolidation of six environmental programs at the local level.

Community Development Block Grant (CDBG) - Accounts for revenues received from the Department of Housing & Urban Development (HUD). These revenues must be expended to accomplish one of the following objectives: elimination of slum or blight to low and moderate income persons; or, to meet certain urgent community development needs.

Asset Forfeiture Fund - Accounts for receipt and disbursement of narcotic forfeitures received from the County, State, and Federal agencies pursuant to Section 11470 of State Health & Safety Code and Federal Statute 21 USC Section 881.

Prop "A" Transportation Fund - Accounts for the one-half (1/2) cent Sales Tax approved by the voters of Los Angeles County to be used for local transportation purposes. These revenues are collected by the State and a portion is funneled to the City through the Los Angeles County Transportation Commission. The City of El Segundo uses this fund to participate in CTIP/MAX, a regional commuter service and to provide Dial-a-Ride; beach shuttles; and various transportation services.

Prop "C" Transportation Fund - Accounts for the one-half (1/2) cent Sales Tax approved by the voters of Los Angeles County in November 1990. Collection of the tax began in April 1991. Proceeds are to be used to improve transit services and operations; reduce traffic congestion; improve air quality; operate and improve the condition of the streets and freeways utilized by public transit; and reduce foreign oil dependence.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued):

Traffic Safety Fund - Accounts for a portion of the Vehicle Code violation fines and penalties collected by the Los Angeles County Municipal Court. By State law, this money must be used for traffic safety related expenditures including traffic enforcement and capital projects.

Air Pollution Reduction Fund - Accounts for the City's share of funds received under the Health & Safety Code Section 44223 (AB 2766) to finance mobile source air pollution reduction programs consistent with the California Clean Air Act of 1988. The fund, derived from additional vehicle registration fee, is used to support the South Coast Air Quality Management District's (SCAQMD) program to reduce air pollution from motor vehicles.

TDA Article 3/SB 821 Bikeway Fund - Accounts for the monies the City receives from the Transportation Development Act Article 3 which are to be specifically used for construction or repair of bikeways, sidewalks, or handicapped accesses.

COPS Fund - Accounts for receipt and disbursement of funds received under the State Citizens' Option for Public Safety (COPS) program allocated pursuant to Government Code Section 30061 enacted by AB 3229, Chapter 134 of the 1996 Statutes. This fund, also known as the Supplemental Law Enforcement Services Fund (SLESF), is allocated based on population and can only be spent for "front line municipal police services" such as local crime prevention and community-oriented policing, per Government Code Section 30061 (c)(2).

MTA Grant Fund - Accounts for receipt and disbursement of funds received from the exchange of Federal Surface Transportation Program - Local Funds for Local Transportation Funds from Los Angeles County Metropolitan Transportation Authority.

Measure R Fund - Accounts for the one-half (1/2) Sales Tax approved by the voters of Los Angeles County to be used for local transportation needs. These revenues are received by the State and a portion is funneled to the City through the Los Angeles County Metropolitan Transportation Authority. The City of El Segundo uses these funds for street improvements.

Federal Grants Fund - Accounts for revenues and expenditures for each Federal grant awarded to the City.

State & County Grants Fund - Accounts for revenues and expenditures for each State or County grant awarded to the City.

PSAF Property Tax Public Safety Fund - Accounts for the one-half (1/2) cent Sales Tax approved by the voters in November 1993 under Prop 172. These revenues must be spent for public safety (police and fire services) purposes only.

Senior Housing Fund - Accounts for the revenues and expenditures from the El Segundo Senior Citizen Housing Corporation.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued):

Measure M Fund - Accounts for the one-half (1/2) cent Sales Tax approved by the voters of Los Angeles County in November 2016. These revenues are received by the State and a portion is funneled to the City. These revenues must be spent to ease traffic congestion.

SB 1 Fund - Accounts for the revenues and expenditures from the Road Repair and Accountability Act of 2017. These revenues must be spent for local streets and roads.

Certified Access Specialist Program ("CASP") - Accounts for the fees collected to increase disability access and compliance with construction related accessibility requirements.

Affordable Housing - Accounts for the revenue and expenditures related to the construction and purchase of affordable housing.

Cultural Development - Accounts for the 1% in-lieu fee imposed on new developments over \$2 million to meet the public art requirement. These revenues must be spent on design, acquisition, commission, installation, improvement, maintenance and insurance of artwork or sponsoring and supporting artistic and cultural services in the City.

Special Revenue/Donations Special Revenue Fund - To account for donations received from private individuals or entities that are to be spent on specific activities or programs not funded by the City.

County Storm Water Program - Accounts for the revenues and expenditures related to Measure W, the Los Angeles County Safe, Clean Water Program.

Debt Service Fund:

Facility Lease Fund - Accounts for the lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of \$10 million to finance the Douglas Street Gap Closure Project. The City will make rental lease payments over a 30-year period starting February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year. Base rental payments will be mailed to the City reflecting the actual amount owed prior to each base rental payment due date.

Pension Obligation Bonds - Accounts for the payments of interest and principal of the pension obligation bond.

Capital Projects Fund:

Capital Improvement Fund - Accounts for construction of capital facilities typically financed by the City's General Fund and any grant not accounted for in a special revenue fund.

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CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds				
	State Gas Tax	Residential Sound Insulation	Certified Union Program Agencies	Community Development Block Grant	Asset Forfeiture
ASSETS					
Cash and Investments	\$ 217,216	\$ 458,101	\$ 396,266	\$ -	\$ 1,194,237
Receivables:					
Accounts	-	-	-	-	-
Interest	-	52	-	-	-
Notes and Loans	-	-	-	49,405	-
Due from Other Governments	44,023	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	\$ 261,239	\$ 458,153	\$ 396,266	\$ 49,405	\$ 1,194,237
LIABILITIES					
Accounts Payable	\$ 19,333	\$ -	\$ 65,626	\$ -	\$ 23,612
Accrued Liabilities	5,201	-	14,462	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	10,664	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	24,534	-	80,088	10,664	23,612
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	236,705	458,153	316,178	38,741	1,170,625
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	236,705	458,153	316,178	38,741	1,170,625
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 261,239	\$ 458,153	\$ 396,266	\$ 49,405	\$ 1,194,237

**CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)
JUNE 30, 2021**

	Special Revenue Funds				
	Prop A	Prop C	Traffic Safety	Air Pollution Reduction	SB 821 Bikeway
ASSETS					
Cash and Investments	\$ 1,106,945	\$ 889,486	\$ 48,884	\$ 114,327	\$ 59,320
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	3,472	5,570	-
Prepays	-	-	-	-	-
Total Assets	<u>\$ 1,106,945</u>	<u>\$ 889,486</u>	<u>\$ 52,356</u>	<u>\$ 119,897</u>	<u>\$ 59,320</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 2,718	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	-	2,718	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	1,106,945	886,768	52,356	119,897	59,320
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	<u>1,106,945</u>	<u>886,768</u>	<u>52,356</u>	<u>119,897</u>	<u>59,320</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,106,945</u>	<u>\$ 889,486</u>	<u>\$ 52,356</u>	<u>\$ 119,897</u>	<u>\$ 59,320</u>

**CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)
JUNE 30, 2021**

	Special Revenue Funds				
	C.O.P.S.	MTA Grant	Measure R	Federal Grants	State Grants
ASSETS					
Cash and Investments	\$ 392,011	\$ 31,908	\$ 1,039,588	\$ -	\$ -
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	-	256,480	-
Prepays	-	-	-	-	-
Total Assets	<u>\$ 392,011</u>	<u>\$ 31,908</u>	<u>\$ 1,039,588</u>	<u>\$ 256,480</u>	<u>\$ -</u>
LIABILITIES					
Accounts Payable	\$ 12,141	\$ -	\$ 12,215	\$ -	\$ 10,443
Accrued Liabilities	-	-	-	-	-
Retentions Payable	-	14,711	-	-	-
Due to Other Funds	-	-	-	206,426	87,761
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	<u>12,141</u>	<u>14,711</u>	<u>12,215</u>	<u>206,426</u>	<u>98,204</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	256,480	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,480</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	379,870	17,197	1,027,373	-	-
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	(206,426)	(98,204)
Total Fund Balances	<u>379,870</u>	<u>17,197</u>	<u>1,027,373</u>	<u>(206,426)</u>	<u>(98,204)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 392,011</u>	<u>\$ 31,908</u>	<u>\$ 1,039,588</u>	<u>\$ 256,480</u>	<u>\$ -</u>

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)
JUNE 30, 2021

	Special Revenue Funds				Certified Access Specialist Program
	PSAF Property Tax Public Safety	Senior Housing	Measure M	SB 1	
ASSETS					
Cash and Investments	\$ 157,485	\$ 1,193,046	\$ 932,375	\$ 499,561	\$ 94,975
Receivables:					
Accounts	-	1,445	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	9,879	-	-	56,677	-
Prepays	-	-	-	-	-
	<u>167,364</u>	<u>1,194,491</u>	<u>932,375</u>	<u>556,238</u>	<u>94,975</u>
Total Assets	<u>\$ 167,364</u>	<u>\$ 1,194,491</u>	<u>\$ 932,375</u>	<u>\$ 556,238</u>	<u>\$ 94,975</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 3,188	\$ -	\$ 324,402	\$ 4
Accrued Liabilities	-	420	-	-	1,465
Retentions Payable	-	-	-	15,851	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	304,390	-	-	-
Total Liabilities	<u>-</u>	<u>307,998</u>	<u>-</u>	<u>340,253</u>	<u>1,469</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	167,364	886,493	932,375	215,985	93,506
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	<u>167,364</u>	<u>886,493</u>	<u>932,375</u>	<u>215,985</u>	<u>93,506</u>
	<u>\$ 167,364</u>	<u>\$ 1,194,491</u>	<u>\$ 932,375</u>	<u>\$ 556,238</u>	<u>\$ 94,975</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 167,364</u>	<u>\$ 1,194,491</u>	<u>\$ 932,375</u>	<u>\$ 556,238</u>	<u>\$ 94,975</u>

**CITY OF EL SEGUNDO
 COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
 (CONTINUED)
 JUNE 30, 2021**

	Special Revenue Funds				Debt Service Fund
	Affordable Housing	Cultural Development	Special Revenues / Donations	County Storm Water Program	Facility Lease
ASSETS					
Cash and Investments	\$ 5,323,759	\$ 213,740	\$ 1,146,593	\$ 497,030	\$ 1,620,251
Receivables:					
Accounts	-	-	15,300	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>5,323,759</u>	<u>213,740</u>	<u>1,161,893</u>	<u>497,030</u>	<u>1,620,251</u>
Total Assets	<u>\$ 5,323,759</u>	<u>\$ 213,740</u>	<u>\$ 1,161,893</u>	<u>\$ 497,030</u>	<u>\$ 1,620,251</u>
LIABILITIES					
Accounts Payable	\$ 450	\$ 208	\$ 58,230	\$ 7,210	\$ -
Accrued Liabilities	-	1,924	-	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	<u>450</u>	<u>2,132</u>	<u>58,230</u>	<u>7,210</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	5,323,309	211,608	1,103,663	489,820	1,620,251
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	<u>5,323,309</u>	<u>211,608</u>	<u>1,103,663</u>	<u>489,820</u>	<u>1,620,251</u>
	<u>\$ 5,323,759</u>	<u>\$ 213,740</u>	<u>\$ 1,161,893</u>	<u>\$ 497,030</u>	<u>\$ 1,620,251</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,323,759</u>	<u>\$ 213,740</u>	<u>\$ 1,161,893</u>	<u>\$ 497,030</u>	<u>\$ 1,620,251</u>

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(CONTINUED)
JUNE 30, 2021

	<u>Debt</u> <u>Service Fund</u>	<u>Capital</u> <u>Projects Fund</u>	
	<u>Pension</u> <u>Obligation</u> <u>Bonds</u>	<u>Capital</u> <u>Improvement</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 4,637	\$ 4,468,717	\$ 22,100,458
Receivables:			
Accounts	-	-	16,745
Interest	-	-	52
Notes and Loans	-	-	49,405
Due from Other Governments	-	-	376,101
Prepays	-	-	-
	<u>4,637</u>	<u>4,468,717</u>	<u>22,542,761</u>
Total Assets	<u>\$ 4,637</u>	<u>\$ 4,468,717</u>	<u>\$ 22,542,761</u>
LIABILITIES			
Accounts Payable	-	\$ 147,343	\$ 687,123
Accrued Liabilities	-	-	23,472
Retentions Payable	-	6,465	37,027
Due to Other Funds	-	-	304,851
Unearned Revenue	-	-	-
Deposits Payable	-	-	304,390
Total Liabilities	<u>-</u>	<u>153,808</u>	<u>1,356,863</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	256,480
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>256,480</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	4,637	-	16,919,139
Assigned	-	4,314,909	4,314,909
Unassigned (Deficit)	-	-	(304,630)
Total Fund Balances	<u>4,637</u>	<u>4,314,909</u>	<u>20,929,418</u>
	<u>\$ 4,637</u>	<u>\$ 4,468,717</u>	<u>\$ 22,542,761</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,637</u>	<u>\$ 4,468,717</u>	<u>\$ 22,542,761</u>

**CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
NINE MONTHS ENDED JUNE 30, 2021**

	Special Revenue Funds				
	State Gas Tax	Residential Sound Insulation	Certified Union Program Agencies Fund	Community Development Block Grant	Asset Forfeiture
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	8,177	-	-
Intergovernmental	310,296	-	-	-	546,162
Charges for Services	-	-	458,188	-	-
Use of Money and Property	1,912	5,134	1,748	-	8,016
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>312,208</u>	<u>5,134</u>	<u>468,113</u>	<u>-</u>	<u>554,178</u>
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	106,534
Public Works	208,217	-	-	-	-
Community and Cultural	-	608	471,019	-	-
Capital Outlay	-	-	-	-	2,246
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>208,217</u>	<u>608</u>	<u>471,019</u>	<u>-</u>	<u>108,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	103,991	4,526	(2,906)	-	445,398
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	103,991	4,526	(2,906)	-	445,398
Fund Balances - Beginning of Year	<u>132,714</u>	<u>453,627</u>	<u>319,084</u>	<u>38,741</u>	<u>725,227</u>
FUND BALANCES - END OF YEAR	<u>\$ 236,705</u>	<u>\$ 458,153</u>	<u>\$ 316,178</u>	<u>\$ 38,741</u>	<u>\$ 1,170,625</u>

CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021

	Special Revenue Funds				
	Prop A	Prop C	Traffic Safety	Air Pollution Reduction	SB 821 Bikeway
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	259,647	215,233	-	21,907	-
Charges for Services	-	-	-	-	-
Use of Money and Property	10,496	9,699	-	1,084	623
Fines and Forfeitures	-	-	31,068	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>270,143</u>	<u>224,932</u>	<u>31,068</u>	<u>22,991</u>	<u>623</u>
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Community and Cultural	64,135	350	-	-	-
Capital Outlay	-	220,175	-	-	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>64,135</u>	<u>220,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	206,008	4,407	31,068	22,991	623
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(25,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	206,008	4,407	6,068	22,991	623
Fund Balances - Beginning of Year	<u>900,937</u>	<u>882,361</u>	<u>46,288</u>	<u>96,906</u>	<u>58,697</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,106,945</u>	<u>\$ 886,768</u>	<u>\$ 52,356</u>	<u>\$ 119,897</u>	<u>\$ 59,320</u>

CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021

	Special Revenue Funds				
	C.O.P.S.	MTA Grant	Measure R	Federal Grants	State Grants
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	100,000	294,218	161,753	196,669	6,638
Charges for Services	-	-	-	-	-
Use of Money and Property	3,979	3,101	10,050	-	-
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>103,979</u>	<u>297,319</u>	<u>171,803</u>	<u>196,669</u>	<u>6,638</u>
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	7,070
Public Works	-	-	-	-	-
Community and Cultural	-	-	-	356,978	199,016
Capital Outlay	56,583	294,218	24,372	-	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>56,583</u>	<u>294,218</u>	<u>24,372</u>	<u>356,978</u>	<u>206,086</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	47,396	3,101	147,431	(160,309)	(199,448)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	47,396	3,101	147,431	(160,309)	(199,448)
Fund Balances - Beginning of Year	<u>332,474</u>	<u>14,096</u>	<u>879,942</u>	<u>(46,117)</u>	<u>101,244</u>
FUND BALANCES - END OF YEAR	<u>\$ 379,870</u>	<u>\$ 17,197</u>	<u>\$ 1,027,373</u>	<u>\$ (206,426)</u>	<u>\$ (98,204)</u>

CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021

	Special Revenue Funds				Certified Access Specialist Program
	PSAF Property Tax Public Safety	Senior Housing	Measure M	SB 1	
REVENUES					
Taxes	\$ 29,137	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	183,159	257,299	-
Charges for Services	-	-	-	-	20,526
Use of Money and Property	1,544	3,040	8,687	5,316	895
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>30,681</u>	<u>3,040</u>	<u>191,846</u>	<u>262,615</u>	<u>21,421</u>
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Community and Cultural	-	96,769	-	-	-
Capital Outlay	-	-	-	700,855	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>96,769</u>	<u>-</u>	<u>700,855</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	30,681	(93,729)	191,846	(438,240)	21,421
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	30,681	(93,729)	191,846	(438,240)	21,421
Fund Balances - Beginning of Year	<u>136,683</u>	<u>980,222</u>	<u>740,529</u>	<u>654,225</u>	<u>72,085</u>
FUND BALANCES - END OF YEAR	<u>\$ 167,364</u>	<u>\$ 886,493</u>	<u>\$ 932,375</u>	<u>\$ 215,985</u>	<u>\$ 93,506</u>

CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021

	Special Revenue Funds				Debt Service Fund
	Affordable Housing	Cultural Development	Special Revenues / Donations	County Storm Water Program	Facility Lease
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	612,486	-
Charges for Services	-	-	-	-	-
Use of Money and Property	56,143	-	-	242	-
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	91,370	-	-	678,615
Miscellaneous	-	-	143,719	-	-
Total Revenues	<u>56,143</u>	<u>91,370</u>	<u>143,719</u>	<u>612,728</u>	<u>678,615</u>
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	60,823	-
Community and Cultural	30,584	8,818	175,576	-	-
Capital Outlay	-	-	-	62,085	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	88,655
Total Expenditures	<u>30,584</u>	<u>8,818</u>	<u>175,576</u>	<u>122,908</u>	<u>88,655</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	25,559	82,552	(31,857)	489,820	589,960
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	(400,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	25,559	(317,448)	(31,857)	489,820	589,960
Fund Balances - Beginning of Year	5,297,750	529,056	1,135,520	-	1,030,291
FUND BALANCES - END OF YEAR	<u>\$ 5,323,309</u>	<u>\$ 211,608</u>	<u>\$ 1,103,663</u>	<u>\$ 489,820</u>	<u>\$ 1,620,251</u>

CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
NINE MONTHS ENDED JUNE 30, 2021

	Debt Service Fund	Capital Projects Fund	
	Pension Obligation Bonds	Capital Improvement	Total
REVENUES			
Taxes	\$ -	\$ -	\$ 29,137
Licenses and Permits	-	-	8,177
Intergovernmental	-	-	3,165,467
Charges for Services	-	-	478,714
Use of Money and Property	-	-	131,709
Fines and Forfeitures	-	-	31,068
Developer Fees	-	-	769,985
Miscellaneous	-	25,000	168,719
Total Revenues	-	25,000	4,782,976
EXPENDITURES			
Current			
General Government	-	-	-
Public Safety	-	-	113,604
Public Works	-	-	269,040
Community and Cultural	-	-	1,403,853
Capital Outlay	-	1,647,585	3,008,119
Debt Service			
Principal Retirement	-	-	-
Interest	-	-	88,655
Total Expenditures	-	1,647,585	4,883,271
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,622,585)	(100,295)
OTHER FINANCING SOURCES (USES)			
Transfers In	4,637	1,776,319	1,780,956
Transfers Out	-	-	(425,000)
Total Other Financing Sources (Uses)	4,637	1,776,319	1,355,956
NET CHANGE IN FUND BALANCES	4,637	153,734	1,255,661
Fund Balances - Beginning of Year	-	4,161,175	19,673,757
FUND BALANCES - END OF YEAR	\$ 4,637	\$ 4,314,909	\$ 20,929,418

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – STATE GAS TAX SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 310,296	\$ 35,296
Use of Money and Property	10,000	10,000	1,912	(8,088)
Total Revenues	285,000	285,000	312,208	27,208
EXPENDITURES				
Current				
Public Works	478,221	478,221	208,217	270,004
Capital Outlay	225,000	225,000	-	225,000
Total Expenditures	703,221	703,221	208,217	495,004
NET CHANGE IN FUND BALANCES	\$ (418,221)	\$ (418,221)	103,991	\$ 522,212
Fund balance (Deficit) - Beginning of Year			132,714	
FUND BALANCE (DEFICIT) - END OF YEAR			\$ 236,705	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – RESIDENTIAL SOUND INSULATION SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 1,500	\$ 1,500	\$ 5,134	\$ 3,634
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>5,134</u>	<u>3,634</u>
EXPENDITURES				
Current:				
Community and Cultural	800	800	608	192
Total Expenditures	<u>800</u>	<u>800</u>	<u>608</u>	<u>192</u>
NET CHANGE IN FUND BALANCES	<u>\$ 700</u>	<u>\$ 700</u>	4,526	<u>\$ 3,826</u>
Fund Balance - Beginning of Year			<u>453,627</u>	
FUND BALANCE - END OF YEAR			<u>\$ 458,153</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET
AND ACTUAL – CERTIFIED UNION PROGRAM AGENCIES SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 2,000	\$ 2,000	\$ 8,177	\$ 6,177
Charges for Services	321,000	321,000	458,188	137,188
Use of Money and Property	-	-	1,748	1,748
Fines and Forfeitures	40,000	40,000	-	(40,000)
Total Revenues	<u>363,000</u>	<u>363,000</u>	<u>468,113</u>	<u>105,113</u>
EXPENDITURES				
Current				
Community and Cultural	<u>521,407</u>	<u>521,407</u>	<u>471,019</u>	<u>50,388</u>
Total Expenditures	<u>521,407</u>	<u>521,407</u>	<u>471,019</u>	<u>50,388</u>
NET CHANGE IN FUND BALANCES	<u>\$ (158,407)</u>	<u>\$ (158,407)</u>	<u>(2,906)</u>	<u>\$ 155,501</u>
Fund Balance - Beginning of Year			<u>319,084</u>	
FUND BALANCE - END OF YEAR			<u>\$ 316,178</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET
AND ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Capital Outlay	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>-</u>	<u>\$ 100,000</u>
Fund Balance - Beginning of Year			<u>38,741</u>	
FUND BALANCE - END OF YEAR			<u>\$ 38,741</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – ASSET FORFEITURE SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 546,162	\$ 546,162
Use of Money and Property	-	-	8,016	8,016
Total Revenues	-	-	554,178	554,178
EXPENDITURES				
Current:				
Public Safety	316,000	316,000	106,534	209,466
Capital Outlay	650,000	650,000	2,246	647,754
Total Expenditures	966,000	966,000	108,780	857,220
NET CHANGE IN FUND BALANCES	\$ (966,000)	\$ (966,000)	445,398	\$ 1,411,398
Fund Balance - Beginning of Year			725,227	
FUND BALNCE - END OF YEAR			\$ 1,170,625	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – PROP A SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 226,000	\$ 226,000	\$ 259,647	\$ 33,647
Use of Money and Property	1,000	1,000	10,496	9,496
Total Revenues	<u>227,000</u>	<u>227,000</u>	<u>270,143</u>	<u>43,143</u>
EXPENDITURES				
Current				
Community and Cultural	244,067	244,067	64,135	179,932
Total Expenditures	<u>244,067</u>	<u>244,067</u>	<u>64,135</u>	<u>179,932</u>
NET CHANGE IN FUND BALANCES	<u>\$ (17,067)</u>	<u>\$ (17,067)</u>	206,008	<u>\$ 223,075</u>
Fund Balance - Beginning of Year			<u>900,937</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,106,945</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – PROP C SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 215,233	\$ 15,233
Use of Money and Property	1,500	1,500	9,699	8,199
Total Revenues	<u>201,500</u>	<u>201,500</u>	<u>224,932</u>	<u>23,432</u>
EXPENDITURES				
Current				
Community and Cultural	70,502	70,502	350	70,152
Capital Outlay	420,000	420,000	220,175	199,825
Total Expenditures	<u>490,502</u>	<u>490,502</u>	<u>220,525</u>	<u>269,977</u>
NET CHANGE IN FUND BALANCES	<u>\$ (289,002)</u>	<u>\$ (289,002)</u>	4,407	<u>\$ 293,409</u>
Fund Balance - Beginning of Year			<u>882,361</u>	
FUND BALNCE - END OF YEAR			<u>\$ 886,768</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – TRAFFIC SAFETY SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Fines and Forfeitures	39,835	39,835	31,068	(8,767)
Total Revenues	<u>41,335</u>	<u>41,335</u>	31,068	(10,267)
OTHER FINANCING SOURCES				
Transfer Out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 16,335</u>	<u>\$ 16,335</u>	6,068	<u>\$ (10,267)</u>
Fund Balance - Beginning of Year			<u>46,288</u>	
FUND BALANCE - END OF YEAR			<u>\$ 52,356</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – AIR POLLUTION REDUCTION SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 21,907	\$ 6,907
Use of Money and Property	500	500	1,084	584
Total Revenues	<u>15,500</u>	<u>15,500</u>	<u>22,991</u>	<u>7,491</u>
EXPENDITURES				
Capital Outlay	<u>90,000</u>	<u>90,000</u>	-	<u>90,000</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	-	<u>90,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ (74,500)</u>	<u>\$ (74,500)</u>	22,991	<u>\$ 97,491</u>
Fund Balance - Beginning of Year			<u>96,906</u>	
FUND BALANCE - END OF YEAR			<u>\$ 119,897</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SB 821 SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 623	\$ 623
Total Revenues	-	-	623	623
EXPENDITURES				
Capital Outlay	45,000	103,137	-	103,137
Total Expenditures	45,000	103,137	-	103,137
NET CHANGE IN FUND BALANCES	\$ (45,000)	\$ (103,137)	623	\$ 103,760
Fund Balance - Beginning of Year			58,697	
FUND BALANCE - END OF YEAR			\$ 59,320	

**CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – C.O.P.S. SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Use of Money and Property	1,000	1,000	3,979	2,979
Total Revenues	<u>101,000</u>	<u>101,000</u>	<u>103,979</u>	<u>2,979</u>
EXPENDITURES				
Current:				
Public Safety	100,000	100,000	-	100,000
Capital Outlay	175,000	175,000	56,583	118,417
Total Expenditures	<u>275,000</u>	<u>275,000</u>	<u>56,583</u>	<u>218,417</u>
NET CHANGE IN FUND BALANCES	<u>\$ (174,000)</u>	<u>\$ (174,000)</u>	47,396	<u>\$ 221,396</u>
Fund Balance - Beginning of Year			<u>332,474</u>	
FUND BALANCE - END OF YEAR			<u>\$ 379,870</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – MTA GRANT SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 294,218	\$ 294,218
Use of Money and Property	-	-	3,101	3,101
Total Revenues	-	-	297,319	297,319
EXPENDITURES				
Capital Outlay	-	295,000	294,218	782
Total Expenditures	-	295,000	294,218	782
NET CHANGE IN FUND BALANCES	\$ -	\$ (295,000)	3,101	\$ 298,101
Fund Balance - Beginning of Year			14,096	
FUND BALANCE - END OF YEAR			\$ 17,197	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – MEASURE R SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 161,753	\$ 6,753
Use of Money and Property	2,000	2,000	10,050	8,050
Total Revenues	<u>157,000</u>	<u>157,000</u>	<u>171,803</u>	<u>14,803</u>
EXPENDITURES				
Capital Outlay	5,000,000	5,000,000	24,372	4,975,628
Total Expenditures	<u>5,000,000</u>	<u>5,000,000</u>	<u>24,372</u>	<u>4,975,628</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,843,000)</u>	<u>\$ (4,843,000)</u>	147,431	<u>\$ 4,990,431</u>
Fund Balance - Beginning of Year			<u>879,942</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,027,373</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – FEDERAL GRANTS SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 196,669	\$ 172,669
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>196,669</u>	<u>172,669</u>
EXPENDITURES				
Current				
Community and Cultural	250,000	250,000	356,978	(106,978)
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>356,978</u>	<u>(106,978)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (226,000)</u>	<u>\$ (226,000)</u>	(160,309)	<u>\$ 65,691</u>
Fund Balance - Beginning of Year			<u>(46,117)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (206,426)</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – STATE GRANTS SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 6,638	\$ (188,362)
Total Revenues	<u>195,000</u>	<u>195,000</u>	<u>6,638</u>	<u>(188,362)</u>
EXPENDITURES				
Current				
Public Safety	9,000	9,000	7,070	1,930
Community and Cultural	219,000	219,000	199,016	19,984
Total Expenditures	<u>228,000</u>	<u>228,000</u>	<u>206,086</u>	<u>21,914</u>
NET CHANGE IN FUND BALANCE	<u>\$ (33,000)</u>	<u>\$ (33,000)</u>	<u>(199,448)</u>	<u>\$ (166,448)</u>
Fund Balance - Beginning of Year			<u>101,244</u>	
FUND BALANCE - END OF YEAR			<u>\$ (98,204)</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET
AND ACTUAL – PSAF PROPERTY TAX PUBLIC SAFETY SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ 29,137	\$ 9,137
Use of Money and Property	-	-	1,544	1,544
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>30,681</u>	<u>10,681</u>
EXPENDITURES				
Current				
Public Safety	125,000	125,000	-	125,000
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>	30,681	<u>\$ 135,681</u>
Fund Balance - Beginning of Year			<u>136,683</u>	
FUND BALANCE - END OF YEAR			<u>\$ 167,364</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SENIOR HOUSING SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ 10,000	\$ 10,000	\$ 3,040	\$ (6,960)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>3,040</u>	<u>(6,960)</u>
EXPENDITURES				
Current				
Community and Cultural	15,500	15,500	96,769	(81,269)
Capital Outlay	60,000	60,000	-	60,000
Total Expenditures	<u>75,500</u>	<u>75,500</u>	<u>96,769</u>	<u>(21,269)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (65,500)</u>	<u>\$ (65,500)</u>	(93,729)	<u>\$ (28,229)</u>
Fund Balance - Beginning of Year			<u>980,222</u>	
FUND BALANCE - END OF YEAR			<u>\$ 886,493</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – MEASURE M SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 165,000	\$ 165,000	\$ 183,159	\$ 18,159
Use of Money and Property	1,000	1,000	8,687	7,687
Total Revenues	<u>166,000</u>	<u>166,000</u>	<u>191,846</u>	<u>25,846</u>
EXPENDITURES				
Capital Outlay	550,000	550,000	-	550,000
Total Expenditures	<u>550,000</u>	<u>550,000</u>	<u>-</u>	<u>550,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ (384,000)</u>	<u>\$ (384,000)</u>	191,846	<u>\$ 575,846</u>
Fund Balance - Beginning of year			<u>740,529</u>	
FUND BALANCE - END OF YEAR			<u>\$ 932,375</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SB 1 SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 257,299	\$ 107,299
Use of Money and Property	1,000	1,000	5,316	4,316
Total Revenues	151,000	151,000	262,615	111,615
EXPENDITURES				
Capital Outlay	500,000	1,150,000	700,855	449,145
Total Expenditures	500,000	1,150,000	700,855	449,145
NET CHANGE IN FUND BALANCES	\$ (349,000)	\$ (999,000)	(438,240)	\$ 560,760
Fund Balance - Beginning of Year			654,225	
FUND BALANCE - END OF YEAR			\$ 215,985	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET
AND ACTUAL – CERTIFIED ACCESS SPECIALIST PROGRAM SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 18,000	\$ 18,000	\$ 20,526	\$ 2,526
Use of Money and Property	150	150	895	(745)
Total Revenues	<u>18,150</u>	<u>18,150</u>	<u>21,421</u>	<u>1,781</u>
EXPENDITURES				
Current				
Community and Cultural	40,000	40,000	-	40,000
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ (21,850)</u>	<u>\$ (21,850)</u>	21,421	<u>\$ 41,781</u>
Fund Balance - Beginning of Year			<u>72,085</u>	
FUND BALANCE - END OF YEAR			<u>\$ 93,506</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – AFFORDABLE HOUSING SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 56,143	\$ 56,143
Total Revenues	-	-	56,143	56,143
EXPENDITURES				
Current				
Community and Cultural	200,000	200,000	30,584	169,416
Total Expenditures	200,000	200,000	30,584	169,416
NET CHANGE IN FUND BALANCES	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	25,559	<u>\$ 225,559</u>
Fund Balance - Beginning of Year			<u>5,297,750</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 5,323,309</u></u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CULTURAL DEVELOPMENT SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer Fees	\$ -	\$ -	\$ 91,370	\$ 91,370
Total Revenues	-	-	91,370	91,370
EXPENDITURES				
Current:				
Community and Cultural	486,850	486,850	8,818	478,032
Total Expenditures	486,850	486,850	8,818	478,032
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(486,850)	(486,850)	82,552	569,402
OTHER FINANCING SOURCES				
Transfer Out	-	-	(400,000)	(400,000)
NET CHANGE IN FUND BALANCES	<u>\$ (486,850)</u>	<u>\$ (486,850)</u>	(317,448)	<u>\$ 169,402</u>
Fund Balance - Beginning of Year			<u>529,056</u>	
FUND BALANCE - END OF YEAR			<u>\$ 211,608</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – SPECIAL REVENUES AND DONATIONS SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 143,719	\$ 143,719
Total Revenues	-	-	143,719	143,719
EXPENDITURES				
Current:				
Public Safety	5,000	5,000	-	5,000
Community and Cultural	585,000	585,000	175,576	409,424
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	600,000	600,000	175,576	424,424
NET CHANGE IN FUND BALANCE	<u>\$ (600,000)</u>	<u>\$ (600,000)</u>	(31,857)	<u>\$ 568,143</u>
Fund Balance - Beginning of Year			<u>1,135,520</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,103,663</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – COUNTY STORM WATER PROGRAM SPECIAL REVENUE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 850,000	\$ 850,000	\$ 612,486	\$ (237,514)
Use of Money and Property	-	-	242	242
Total Revenues	<u>850,000</u>	<u>850,000</u>	<u>612,728</u>	<u>(237,272)</u>
EXPENDITURES				
Current				
Public Works	850,000	611,232	60,823	550,409
Capital Outlay	-	238,768	62,085	176,683
Total Expenditures	<u>850,000</u>	<u>850,000</u>	<u>122,908</u>	<u>727,092</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	489,820	<u>\$ 489,820</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ 489,820</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – FACILITY LEASE DEBT SERVICE FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer Fees	\$ 137,000	\$ 137,000	\$ 678,615	\$ 541,615
Total Revenues	<u>137,000</u>	<u>137,000</u>	<u>678,615</u>	<u>541,615</u>
EXPENDITURES				
Current				
General Government	30,000	30,000	-	30,000
Debt Service				
Principal Retirement	320,000	320,000	-	320,000
Interest	195,000	195,000	88,655	106,345
Total Expenditures	<u>545,000</u>	<u>545,000</u>	<u>88,655</u>	<u>456,345</u>
NET CHANGE IN FUND BALANCES	<u>\$ (408,000)</u>	<u>\$ (408,000)</u>	589,960	<u>\$ 997,960</u>
Fund Balance - Beginning of Year			<u>1,030,291</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,620,251</u>	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
NINE MONTHS ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 25,000	\$ 25,000
Total Revenues	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
EXPENDITURES				
Capital Outlay	1,250,000	5,799,060	1,647,585	4,151,475
Total Expenditures	<u>1,250,000</u>	<u>5,799,060</u>	<u>1,647,585</u>	<u>4,151,475</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(1,250,000)	(5,799,060)	(1,622,585)	4,176,475
OTHER FINANCING SOURCES:				
Transfers In	1,250,000	1,250,000	1,776,319	526,319
Total Other Financing Sources	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,776,319</u>	<u>526,319</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (4,549,060)</u>	153,734	<u>\$ 4,702,794</u>
Fund Balance - Beginning of Year			<u>4,161,175</u>	
FUND BALANCE - END OF YEAR			<u>\$ 4,314,909</u>	

INTERNAL SERVICE FUNDS

Internal Service Funds:

Equipment Replacement Fund - Accounts for in-house charges to City departments to accumulate funding for future replacement of equipment used by the departments. The Fund also accounts for the proceeds from sale of surplus equipment.

Liability Insurance Fund - Accounts for charges to departments for their share of general liability claims and the administration cost of the self-insurance program.

Workers' Compensation Insurance Fund - Accounts for charges to the departments for their share of workers' compensation claims and administrative costs of the self-insurance program.

CITY OF EL SEGUNDO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
ASSETS				
Current Assets				
Cash and Investments	\$ 6,196,245	\$ 701,830	\$ 7,770,291	\$ 14,668,366
Accounts Receivable	-	39,772	-	39,772
Total Current Assets	<u>6,196,245</u>	<u>741,602</u>	<u>7,770,291</u>	<u>14,708,138</u>
Noncurrent Assets				
Advance to Other Funds	5,577,910	-	-	5,577,910
Capital Assets, Being Depreciated	3,860,432	-	-	3,860,432
Total Noncurrent Assets	<u>9,438,342</u>	<u>-</u>	<u>-</u>	<u>9,438,342</u>
Total Assets	15,634,587	741,602	7,770,291	24,146,480
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	-	41,178	60,904	102,082
Deferred Outflows of Resources Related to OPEB	-	5,047	4,645	9,692
Total Deferred Outflows of Resources	<u>-</u>	<u>46,225</u>	<u>65,549</u>	<u>111,774</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	12,249	634,807	278	647,334
Accrued Liabilities	-	-	71,287	71,287
Claims and Judgments, Current Portion	-	637,701	2,271,306	2,909,007
Total Current Liabilities	<u>12,249</u>	<u>1,272,508</u>	<u>2,342,871</u>	<u>3,627,628</u>
Noncurrent Liabilities				
Claims and Judgments, Net of Current	-	2,433,299	10,844,694	13,277,993
Aggregate Net Pension Liability	-	322,156	476,481	798,637
Net Other Postemployment Benefit Liability	-	62,414	57,439	119,853
Total Noncurrent Liabilities	<u>-</u>	<u>2,817,869</u>	<u>11,378,614</u>	<u>14,196,483</u>
Total Liabilities	12,249	4,090,377	13,721,485	17,824,111
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	-	1,223	1,809	3,032
Deferred Inflows of Resources Related to OPEB	-	20,720	19,069	39,789
Total Deferred Inflows of Resources	<u>-</u>	<u>21,943</u>	<u>20,878</u>	<u>42,821</u>
NET POSITION (DEFICIT)				
Investment in Capital Assets	3,848,183	-	-	3,848,183
Unrestricted (Deficit)	11,774,155	(3,324,493)	(5,906,523)	2,543,139
Total Net Position (Deficit)	<u>\$ 15,622,338</u>	<u>\$ (3,324,493)</u>	<u>\$ (5,906,523)</u>	<u>\$ 6,391,322</u>

CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION – INTERNAL SERVICE FUNDS
NINE MONTHS ENDED JUNE 30, 2021

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES				
Interdepartmental Charges	\$ 994,379	\$ 1,418,300	\$ 2,550,736	\$ 4,963,415
Miscellaneous	408,952	39,772	50,343	499,067
Total Operating Revenues	<u>1,403,331</u>	<u>1,458,072</u>	<u>2,601,079</u>	<u>5,462,482</u>
OPERATING EXPENSES				
Personnel Services	-	124,613	255,011	379,624
Materials and Supplies	258,849	-	-	258,849
Insurance and Claims	-	4,232,889	3,762,151	7,995,040
Depreciation	616,061	-	-	616,061
Total Operating Expenses	<u>874,910</u>	<u>4,357,502</u>	<u>4,017,162</u>	<u>9,249,574</u>
OPERATING INCOME	<u>528,421</u>	<u>(2,899,430)</u>	<u>(1,416,083)</u>	<u>(3,787,092)</u>
INCOME (LOSS) BEFORE TRANSFERS				
TRANSFERS				
Transfers In	15,000	-	-	15,000
Total Transfers	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	543,421	(2,899,430)	(1,416,083)	(3,772,092)
Net Position - Beginning of the Year	<u>15,078,917</u>	<u>(425,063)</u>	<u>(4,490,440)</u>	<u>10,163,414</u>
NET POSITION - END OF YEAR	<u>\$ 15,622,338</u>	<u>\$ (3,324,493)</u>	<u>\$ (5,906,523)</u>	<u>\$ 6,391,322</u>

**CITY OF EL SEGUNDO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
NINE MONTHS ENDED JUNE 30, 2021**

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Users	\$ 1,443,331	\$ 1,418,300	\$ 2,601,079	\$ 5,462,710
Payments for Insurance and Claims	-	(991,019)	(1,347,040)	(2,338,059)
Payments to Suppliers	(347,370)	-	-	(347,370)
Payments to Employees	-	(74,859)	(93,990)	(168,849)
Net Cash Provided (Used) by Operating Activities	<u>1,095,961</u>	<u>352,422</u>	<u>1,160,049</u>	<u>2,608,432</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received from (Paid to) Other Funds	15,000	-	-	15,000
Net Cash Provided by Noncapital Financing Activities	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,110,961	352,422	1,160,049	2,623,432
Cash and Cash Equivalents - Beginning of Year	<u>5,085,284</u>	<u>349,408</u>	<u>6,610,242</u>	<u>12,044,934</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,196,245</u>	<u>\$ 701,830</u>	<u>\$ 7,770,291</u>	<u>\$ 14,668,366</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED) BY OPERATING ACTIVITIES:				
Operating Income	\$ 528,421	\$ (2,899,430)	\$ (1,416,083)	\$ (3,787,092)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	616,061	-	-	616,061
(Increase) Decrease in:				
Accounts Receivable	40,000	(39,772)	-	228
Prepaid Items	-	882,106	855,761	1,737,867
Deferred Outflows of Resources - Pension	-	(34,463)	(53,479)	(87,942)
Deferred Outflows of Resources - OPEB	-	(1,176)	(1,082)	(2,258)
Increase (Decrease) in:				
Accounts Payable	(88,521)	563,503	233	475,215
Accrued Liabilities	-	59,261	35,117	94,378
Claims and Judgments	-	1,737,000	1,524,000	3,261,000
Net Pension Liability	-	87,326	216,843	304,169
Net Other Postemployment Liability	-	(8,009)	(7,371)	(15,380)
Deferred Inflows of Resources - Pension	-	331	823	1,154
Deferred Inflows of Resources - OPEB	-	5,745	5,287	11,032
Total Adjustments	<u>567,540</u>	<u>3,251,852</u>	<u>2,576,132</u>	<u>6,395,524</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,095,961</u>	<u>\$ 352,422</u>	<u>\$ 1,160,049</u>	<u>\$ 2,608,432</u>

STATISTICAL SECTION

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**CITY OF EL SEGUNDO
DESCRIPTION OF STATISTICAL SECTION CONTENTS**

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.	170
Revenue Capacity These schedules contain information to help the reader assess the city’s most significant local revenue source, the property tax.	178
Debt Capacity These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	183
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.	190
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.	192

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF EL SEGUNDO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities:					
Net investment in capital assets	92,822,442	94,098,755	93,534,776	90,783,595	90,014,262
Restricted	10,941,373	6,276,645	8,054,083	8,922,448	8,562,915
Unrestricted	<u>14,728,936</u>	<u>15,050,409</u>	<u>22,170,866</u>	<u>(89,732,982)</u>	<u>(86,756,004)</u>
Total governmental activities net position	<u><u>118,492,751</u></u>	<u><u>115,425,809</u></u>	<u><u>123,759,725</u></u>	<u><u>9,973,061</u></u>	<u><u>11,821,173</u></u>
Business-type activities:					
Net investment in capital assets	21,009,889	20,675,297	21,771,266	22,657,797	25,387,562
Restricted	-	-	-	-	-
Unrestricted	<u>3,362,263</u>	<u>7,484,917</u>	<u>11,652,989</u>	<u>12,247,482</u>	<u>12,855,184</u>
Total business-type activities net position	<u><u>24,372,152</u></u>	<u><u>28,160,214</u></u>	<u><u>33,424,255</u></u>	<u><u>34,905,279</u></u>	<u><u>38,242,746</u></u>
Primary government:					
Net investment in capital assets	113,832,331	114,774,052	115,306,042	113,441,392	115,401,824
Restricted	10,941,373	6,276,645	8,054,083	8,922,448	8,562,915
Unrestricted	<u>18,091,199</u>	<u>22,535,326</u>	<u>33,823,855</u>	<u>(77,485,500)</u>	<u>(73,900,820)</u>
Total primary government net position	<u><u>142,864,903</u></u>	<u><u>143,586,023</u></u>	<u><u>157,183,980</u></u>	<u><u>44,878,340</u></u>	<u><u>50,063,919</u></u>

**CITY OF EL SEGUNDO
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental activities:					
Net investment in capital assets	92,615,618	93,775,527	93,823,843	91,747,670	93,360,733
Restricted	7,372,369	7,882,394	11,082,956	21,263,102	21,618,456
Unrestricted	<u>(91,119,511)</u>	<u>(129,410,242)</u>	<u>(125,853,873)</u>	<u>(134,494,651)</u>	<u>(125,165,656)</u>
Total governmental activities net position	<u>8,868,476</u>	<u>(27,752,321)</u>	<u>(20,947,074)</u>	<u>(21,483,879)</u>	<u>(10,186,467)</u>
Business-type activities:					
Net investment in capital assets	27,679,609	30,800,645	31,244,813	30,667,983	27,259,225
Restricted	-	-	-	-	-
Unrestricted	<u>15,808,634</u>	<u>10,485,483</u>	<u>22,534,785</u>	<u>23,941,178</u>	<u>31,964,172</u>
Total business-type activities net position	<u>43,488,243</u>	<u>41,286,128</u>	<u>53,779,598</u>	<u>54,609,161</u>	<u>59,223,397</u>
Primary government:					
Net investment in capital assets	120,295,227	124,576,172	125,068,656	122,415,653	120,619,958
Restricted	7,372,369	7,882,394	11,082,956	21,263,102	21,618,456
Unrestricted	<u>(75,310,877)</u>	<u>(118,924,759)</u>	<u>(103,319,088)</u>	<u>(110,553,473)</u>	<u>(93,201,484)</u>
Total primary government net position	<u>52,356,719</u>	<u>13,533,807</u>	<u>32,832,524</u>	<u>33,125,282</u>	<u>49,036,930</u>

**CITY OF EL SEGUNDO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses:					
Governmental activities:					
General government	12,537,230	12,048,465	11,813,797	14,984,299	14,165,449
Public safety	32,238,620	32,790,373	31,891,478	41,422,188	35,612,565
Public works	7,988,435	9,123,850	8,459,550	9,150,452	7,440,438
Community development	13,877,815	15,681,868	12,065,582	21,038,253	9,298,275
Interest on long-term debt	16,182	(15,914)	457,655	457,994	441,712
Total governmental activities expenses	<u>66,658,282</u>	<u>69,628,642</u>	<u>64,688,062</u>	<u>87,053,186</u>	<u>66,958,439</u>
Business-type activities:					
Water	22,452,371	21,988,089	23,946,676	25,035,801	25,454,732
Wastewater	2,528,839	2,908,241	2,980,026	3,484,104	3,517,640
Golf Course	1,973,712	2,017,716	2,091,413	2,190,195	2,136,456
El Segundo Senior Citizen Housing Corp.	-	-	-	-	-
Total business-type activities expenses	<u>26,954,922</u>	<u>26,914,046</u>	<u>29,018,115</u>	<u>30,710,100</u>	<u>31,108,828</u>
Total primary government expenses	<u>93,613,204</u>	<u>96,542,688</u>	<u>93,706,177</u>	<u>117,763,286</u>	<u>98,067,267</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	581,718	419,008	421,649	635,350	631,274
Public safety	1,568,107	1,663,384	1,522,081	1,948,464	1,637,884
Public works	15,190	14,262	50,489	267,748	11,199
Community development	5,081,885	5,030,006	5,796,983	6,733,395	5,708,772
Operating grants and contributions	1,508,499	2,699,324	2,629,490	2,052,527	1,808,463
Capital grants and contributions	7,815,458	7,646,118	7,469,236	14,487,783	2,174,898
Total governmental activities program revenues	<u>16,570,857</u>	<u>17,472,102</u>	<u>17,889,928</u>	<u>26,125,267</u>	<u>11,972,490</u>
Business-type activities:					
Charges for services:					
Water	23,344,919	25,048,713	28,032,902	29,304,012	28,281,456
Wastewater	3,236,359	3,574,272	3,389,450	3,568,042	4,090,187
Golf Course	1,919,435	2,111,937	2,045,652	1,939,165	1,828,549
El Segundo Senior Citizen Housing Corp.	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>28,500,713</u>	<u>30,734,922</u>	<u>33,468,004</u>	<u>34,811,219</u>	<u>34,200,192</u>
Total primary government program revenues	<u>45,071,570</u>	<u>48,207,024</u>	<u>51,357,932</u>	<u>60,936,486</u>	<u>46,172,682</u>
Net revenues (expenses):					
Governmental activities	(50,087,425)	(52,156,540)	(46,798,134)	(60,927,919)	(54,985,949)
Business-type activities	1,545,791	3,820,876)	4,449,889)	4,101,119)	3,091,364)
Total net revenues (expenses)	<u>(48,541,634)</u>	<u>(48,335,664)</u>	<u>(42,348,245)</u>	<u>(56,826,800)</u>	<u>(51,894,585)</u>
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	7,365,363	7,910,980	8,452,120	8,380,084	8,884,423
Sales tax	10,623,237	9,099,745	10,297,709	11,442,632	12,089,552
Transient occupancy taxes	4,735,585	5,156,080	5,964,403	5,423,972	7,597,007
Other taxes	18,587,882	25,314,387	28,809,018	27,765,133	26,730,933
Motor vehicle in lieu, unrestricted	8,754	7,245	6,998	-	6,859
Investment income	393,719	113,173	324,825	331,238	646,338
Other general revenues	1,692,208	1,487,988	1,277,597	813,211	1,396,608
Total governmental activities	<u>43,406,748</u>	<u>49,089,598</u>	<u>55,132,670</u>	<u>54,156,270</u>	<u>57,351,720</u>
Business-type activities:					
Investment income	99,690	21,378	152,874	254,662	222,348
Other	63,795	35,600	42,379	19,730	23,755
Total business-type activities	<u>163,485</u>	<u>56,978</u>	<u>195,253</u>	<u>274,392</u>	<u>246,103</u>
Total primary government	<u>43,570,233</u>	<u>49,146,576</u>	<u>55,327,923</u>	<u>54,430,662</u>	<u>57,597,823</u>
Changes in net position:					
Governmental activities	(6,680,677)	(3,066,942)	8,334,536	(6,771,649)	2,365,771
Business-type activities	1,709,276	3,877,854)	4,645,142)	4,375,511)	3,337,467)
Total primary government	<u>(4,971,401)</u>	<u>810,912</u>	<u>12,979,678</u>	<u>(2,396,138)</u>	<u>5,703,238</u>

**CITY OF EL SEGUNDO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
Expenses:					
Governmental activities:					
General government	14,869,930	16,215,039	17,788,600	18,698,011	15,339,955
Public safety	42,891,455	44,847,122	40,878,258	43,330,009	21,813,534
Public works	7,474,391	9,413,340	9,534,893	11,961,463	8,868,760
Community development	11,407,811	10,442,877	11,321,339	10,058,912	7,026,812
Interest on long-term debt	361,470	242,750	337,350	324,830	500,659
Total governmental activities expenses	<u>77,005,057</u>	<u>81,161,128</u>	<u>79,860,440</u>	<u>84,373,225</u>	<u>53,549,720</u>
Business-type activities:					
Water	26,508,256	27,907,911	26,525,468	25,014,972	18,520,750
Wastewater	4,048,104	4,164,437	3,336,645	4,978,350	3,430,966
Golf Course	2,017,104	1,990,092	1,674,851	1,553,159	4,678,672
El Segundo Senior Citizen Housing Corp.	-	-	-	-	597,152
Total business-type activities expenses	<u>32,573,464</u>	<u>34,062,440</u>	<u>31,536,964</u>	<u>31,546,481</u>	<u>27,227,540</u>
Total primary government expenses	<u>109,578,521</u>	<u>115,223,568</u>	<u>111,397,404</u>	<u>115,919,706</u>	<u>80,777,260</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	445,394	371,345	364,486	258,538	266,496
Public safety	1,523,519	2,058,888	1,624,718	1,545,947	980,145
Public works	16,643	1,201	-	26,524	54,669
Community development	6,516,792	6,477,503	7,473,096	5,390,803	5,639,664
Operating grants and contributions	1,189,900	1,858,256	4,148,187	2,932,318	2,120,276
Capital grants and contributions	1,737,376	1,197,981	2,580,996	7,691,323	2,421,429
Total governmental activities program revenues	<u>11,429,624</u>	<u>11,965,174</u>	<u>16,191,483</u>	<u>17,845,453</u>	<u>11,482,679</u>
Business-type activities:					
Charges for services:					
Water	31,626,637	27,779,828	33,824,119	26,404,788	24,626,599
Wastewater	4,275,264	4,348,849	4,475,896	4,194,630	3,266,685
Golf Course	1,604,258	1,650,376	1,643,682	1,484,846	1,098,917
El Segundo Senior Citizen Housing Corp.	-	-	-	-	772,819
Capital grants and contributions	-	-	375,000	-	-
Total business-type activities program revenues	<u>37,506,159</u>	<u>33,779,053</u>	<u>40,318,697</u>	<u>32,084,264</u>	<u>29,765,020</u>
Total primary government program revenues	<u>48,935,783</u>	<u>45,744,227</u>	<u>56,510,180</u>	<u>49,929,717</u>	<u>41,247,699</u>
Net revenues (expenses):					
Governmental activities	(65,575,433)	(69,195,954)	(63,668,957)	(66,527,772)	(42,067,041)
Business-type activities	4,932,695	(283,387)	8,781,733	537,783	2,537,480
Total net revenues (expenses)	<u>(60,642,738)</u>	<u>(69,479,341)</u>	<u>(54,887,224)</u>	<u>(65,989,989)</u>	<u>(39,529,561)</u>
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	9,093,795	10,444,931	11,138,625	11,816,366	12,348,994
Sales tax	12,201,208	10,636,769	13,023,091	12,006,731	8,339,284
Transient occupancy taxes	12,876,631	13,885,312	14,598,200	8,760,763	4,416,020
Other taxes	27,021,575	29,498,067	28,391,959	28,059,801	26,397,089
Motor vehicle in lieu, unrestricted	7,461	-	-	-	-
Investment income	532,728	760,598	2,440,102	3,420,790	457,980
Other general revenues	889,337	1,954,399	1,682,211	1,926,516	1,405,086
Total governmental activities	<u>62,622,735</u>	<u>67,180,076</u>	<u>71,274,188</u>	<u>65,990,967</u>	<u>53,364,453</u>
Business-type activities:					
Investment income	170,178	176,212	1,139,315	291,780	427,834
Other	142,624	16,929	23,926	-	-
Total business-type activities	<u>312,802</u>	<u>193,141</u>	<u>1,163,241</u>	<u>291,780</u>	<u>427,834</u>
Total primary government	<u>62,935,537</u>	<u>67,373,217</u>	<u>72,437,429</u>	<u>66,282,747</u>	<u>53,792,287</u>
Changes in net position:					
Governmental activities	(2,952,698)	(2,015,878)	7,605,231	(536,805)	11,297,412
Business-type activities	5,245,497	(90,246)	9,944,974	829,563	2,965,314
Total primary government	<u>2,292,799</u>	<u>(2,106,124)</u>	<u>17,550,205</u>	<u>292,758</u>	<u>14,262,726</u>

**CITY OF EL SEGUNDO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
General fund:					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	1,884,602	1,873,812	3,380,264	2,575,497	2,017,346
Restricted	-	-	-	-	-
Assigned	445,114	2,049,483	2,876,450	3,129,606	2,939,325
Unassigned	7,839,124	12,664,755	14,075,307	14,587,023	17,987,731
Total general fund	<u>10,168,840</u>	<u>16,588,050</u>	<u>20,332,021</u>	<u>20,292,126</u>	<u>22,944,402</u>
All other governmental funds:					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	80	5,772	-	-
Restricted	5,798,068	4,196,184	7,373,435	5,005,452	6,963,441
Assigned	3,690,657	1,548,572	1,416,473	5,031,396	3,301,813
Unassigned	(2,752,409)	(3,779,255)	(1,577,594)	(78,071)	(1,326,041)
Total all other governmental funds	<u>6,736,316</u>	<u>1,965,581</u>	<u>7,218,086</u>	<u>9,958,777</u>	<u>8,939,213</u>

Notes: ¹ The City of El Segundo implemented GASB Statement No. 54 during the fiscal year ended September 30, 2011. This statement eliminated the previous fund balance categories (reserved and unreserved) and replaced them with for new categories (nonspendable, restricted, assigned, unassigned). Fund balance amounts as of September 30, 2011 are stated to present the new categories; however, all previous fiscal years are presented using the old categories.

**CITY OF EL SEGUNDO
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
General fund:					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	7,373,109	6,256,640	7,004,769	7,937,643	163,037
Restricted	-	1,000,000	2,643,380	4,482,363	5,144,456
Assigned	3,608,509	2,210,602	2,663,037	2,534,891	2,561,037
Unassigned	17,660,917	24,432,049	26,625,368	20,559,971	29,110,741
Total general fund	<u>28,642,535</u>	<u>33,899,291</u>	<u>38,936,554</u>	<u>35,514,868</u>	<u>36,979,271</u>
All other governmental funds:					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	115,844	85,049	-
Restricted	6,312,687	6,882,394	8,404,718	15,473,650	16,919,139
Assigned	3,159,860	3,231,083	5,289,298	4,161,175	4,314,909
Unassigned	(971,152)	(333,731)	(177,229)	(46,117)	(304,630)
Total all other governmental funds	<u>8,501,395</u>	<u>9,779,746</u>	<u>13,632,631</u>	<u>19,673,757</u>	<u>20,929,418</u>

**CITY OF EL SEGUNDO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues:					
Taxes	31,218,273	37,452,888	42,638,899	42,132,274	43,410,318
Licenses and permits	11,855,052	11,624,026	12,725,503	12,973,204	13,989,221
Intergovernmental	4,596,724	9,811,864	11,931,067	8,919,841	7,751,363
Charges for services	5,220,234	4,958,310	5,172,579	6,197,552	5,214,048
Use of money and property	452,022	133,291	590,605	615,862	682,140
Fines and forfeitures	1,050,832	791,650	914,036	903,172	1,249,820
Developers Fees	-	-	-	432,810	296,427
Other	1,826,973	2,074,386	1,877,562	2,960,332	1,729,917
Total revenues	<u>56,220,110</u>	<u>66,846,415</u>	<u>75,850,251</u>	<u>75,135,047</u>	<u>74,323,254</u>
Expenditures					
Current:					
General government	12,575,953	11,724,215	12,677,731	14,523,141	14,200,855
Public safety	31,291,236	31,145,703	33,576,082	33,694,064	33,166,579
Public works	5,126,634	6,300,670	5,676,244	5,574,118	6,325,541
Community and cultural	13,190,255	14,451,893	12,277,418	19,523,563	8,951,898
Capital outlay	1,607,702	2,015,459	2,133,639	1,021,033	3,389,585
Debt service:					
Principal retirement	-	-	275,092,000	282,987	291,109
Interest and fiscal charges	-	-	237,569,000	229,674	221,552
Total expenditures	<u>63,791,780</u>	<u>65,637,940</u>	<u>66,853,775</u>	<u>74,848,580</u>	<u>66,547,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,571,670)</u>	<u>1,208,475</u>	<u>8,996,476</u>	<u>286,467</u>	<u>7,776,135</u>
Other financing sources (uses):					
Transfers in	3,163,394	8,455,512	3,048,087	10,138,836	2,687,843
Transfers out	(2,263,394)	(8,015,512)	(3,048,087)	(10,338,840)	(2,887,847)
Debt proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>900,000</u>	<u>440,000</u>	<u>-</u>	<u>(200,004)</u>	<u>(200,004)</u>
Net change in fund balances	<u>(6,671,670)</u>	<u>1,648,475</u>	<u>8,996,476</u>	<u>86,463</u>	<u>7,576,131</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.79%	0.69%	0.81%

**CITY OF EL SEGUNDO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues:					
Taxes	49,986,183	53,125,853	55,018,471	47,767,783	40,216,556
Licenses and permits	13,131,485	13,695,476	14,559,036	14,237,723	13,568,547
Intergovernmental	2,805,424	2,400,010	3,635,668	2,391,795	3,165,467
Charges for services	5,811,835	6,053,614	6,179,231	4,817,551	4,836,554
Use of money and property	552,662	781,402	2,465,235	3,472,256	457,983
Fines and forfeitures	444,188	831,067	659,653	367,045	297,702
Developers Fees	329,474	262,346	824,075	6,293,956	977,823
Other	2,785,946	2,541,114	4,031,022	3,359,551	2,248,806
Total revenues	<u>75,847,197</u>	<u>79,690,882</u>	<u>87,372,391</u>	<u>82,707,660</u>	<u>65,769,438</u>
Expenditures					
Current:					
General government	14,905,246	15,738,556	18,177,843	18,964,880	32,183,298
Public safety	34,682,695	37,595,758	38,014,581	40,124,678	142,081,284
Public works	6,296,743	6,533,963	7,331,278	7,630,503	13,005,985
Community and cultural	10,259,037	9,274,383	10,923,487	9,499,235	12,616,931
Capital outlay	3,930,500	3,426,202	3,328,392	3,162,263	3,008,119
Debt service:					
Principal retirement	299,464	355,461	367,627	380,281	43,200
Interest and fiscal charges	213,197	244,223	339,035	326,380	190,955
Total expenditures	<u>70,586,882</u>	<u>73,168,546</u>	<u>78,482,243</u>	<u>80,088,220</u>	<u>203,129,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,260,315</u>	<u>6,522,336</u>	<u>8,890,148</u>	<u>2,619,440</u>	<u>(137,360,334)</u>
Other financing sources (uses):					
Transfers in	2,668,046	3,556,821	4,490,751	1,389,000	1,805,956
Transfers out	(2,668,046)	(3,556,821)	(4,490,751)	(1,389,000)	(1,820,956)
Debt proceeds	-	-	-	-	140,095,398
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,080,398</u>
Net change in fund balances	<u>5,260,315</u>	<u>6,522,336</u>	<u>8,890,148</u>	<u>2,619,440</u>	<u>2,720,064</u>
Debt service as a percentage of noncapital expenditures	0.77%	0.86%	0.94%	0.92%	0.12%

**CITY OF EL SEGUNDO
PRINCIPAL SALES TAX PRODUCERS
CURRENT YEAR AND NINE YEARS AGO**

2020-21		2011-12	
Taxpayer	Business Type	Taxpayer	Business Type
Aerospace Corporation	Misc. Vehicle Sales	Accuvant	Office Equipment
Best Buy Stores	Furniture/Appliance	Aerospace Corporation	Misc. Vehicle Sales
Calportland Company	Bldg.Matls-Whsle	Aref & Associates	Miscellaneous Retail
Chevron Service Stations	Service Stations	Best Buy Stores	Furniture/Appliance
Chick-Fil-A	Restaurants	Bobs Union	Service Station
Circle K Food Stores	Food Markets	Chevron Service Stations	Service Stations
Dick's Sporting Goods	Recreation Products	Circle K Food Stores	Food Markets
Homegoods	Furniture/Appliance	Dick's Sporting Goods	Apparel Stores
Insight Direct USA	I.T. Infrastructure	Directv	Leasing
Jaannu	Apparel Stores	Fleming's Prime Steakhouse	Restaurants
Karl Storz Endoscopy	Office Equipment	Homegoods	Furniture/Appliance
Los Angeles Times Communications	Light Industry	Jim and Jacks	Auto Parts/Repair
Luna Cycles	Recreation Products	Karl Storz Endoscopy	Office Equipment
Meaningful Beauty	Miscellaneous Retail	Lululemon	Apparel Stores
Nordstrom Department Store	Department Stores	Munters Corporation	Heavy Industry
Osata Enterprises	Apparel Stores	Murad Skin Research Laboratories	Miscellaneous Retail
Patterson Dental Supply	Light Industry	P.F.Changs's China Bistro	Restaurants
PCM Gov	Office Equipment	Patterson Dental Supply	Light Industry
Petsmart	Miscellaneous Retail	Petsmart	Miscellaneous Retail
Ralph's Grocery Company	Food Markets	Primary Color Systems	Light Industry
Raytheon Company	Electronic Equipment	Salt Creek Grille	Restaurants
The Body Firm	Misc. Vehicle Sales	Sensa Products	Miscellaneous Retail
The Boeing Company	Auto Parts/Repair	The Boeing Company	Misc. Vehicle Sales
The Container Store	Furniture/Appliance	Trace 3	Light Industry
Whole Foods Market	Food Markets	Whole Foods Market	Food Markets

Source: Avenu Insights & Analytics

**CITY OF EL SEGUNDO
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020-21		2011-12	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Chevron Usa Inc	2,600,334,658	16.88%	1,993,205,189	21.41%
Sof Xi Pct Two Tower Owner Llc	629,920,583	4.09%		
Raytheon Company	521,035,318	3.38%	257,351,950	2.76%
The Boeing Company	438,918,088	2.85%	322,200,846	3.46%
Aerospace Corporation	324,522,252	2.11%	280,919,278	3.02%
Sfii Flyte Llc	174,299,900	1.13%		
Pes Partners Llc	174,022,673	1.13%	148,875,831	1.60%
LVA5 El Segundo 777 Aviation LP	173,400,000	1.13%		
2121 Park Place Fee Owner Ca Llc	156,032,594	1.01%		
TA 101 Continental LLC	141,270,000	0.92%		
Northrop Grumman Systems Corp	132,397,917	0.86%	96,728,399	1.04%
Gateway El Segundo Fee Owner LLC	127,344,958	0.83%		
Kilroy Realty Finance Ptnshp	125,097,473	0.81%	168,423,944	1.81%
Rar2 Campus 2100 Llc	121,885,840	0.79%		
800 Apollo Fee Owner Ca Llc	121,708,671	0.79%		
Street Retail Inc	114,979,375	0.75%		
Direct TV LLC	106,397,942	0.69%	61,676,157	0.66%
Trea Pacific Coast Highway LLC	95,370,000	0.62%		
400 Cg Owner Llc	90,859,148	0.59%		
Bsrep li Grand Avenue Llc	90,562,843	0.59%		
Hughes Aircraft Co	89,189,534	0.58%	305,371,626	3.28%
La4 Llc	88,206,408	0.57%	109,353,063	1.17%
HC Hornet Way LLC	86,488,452	0.56%		
300 Cg Owner Llc	86,275,744	0.56%		
Ocotillo La Mariposa LLC	84,000,000	0.55%		
Continental Atrium Corporation			284,878,605	3.06%
Pacific Corp Towers Llc			162,058,456	1.74%
Hines Reit El Segundo Lp			123,029,395	1.32%
Continental Grand Lp			108,300,000	1.16%
Air Liquidelarge Industries U			77,900,711	0.84%
Digital 2260 East El Segundo L			72,707,087	0.78%
300 N Sepulveda Assoc Llc			71,000,000	0.76%
Plaza Cp Llc			70,241,197	0.75%
Mattel Realty Corp			64,880,068	0.70%
101 Continental Partners Llc			52,910,988	0.57%
Realty Assoc Fund IX LP			50,650,000	0.54%
Brcp 2160 Grand Avenue Llc			48,533,251	0.52%
Mattel Inc.			41,911,006	0.45%
Lax Granada Assoc			41,794,491	0.45%
Time Warner Ny Cable Llc Time			38,684,382	0.42%
Total Top 25 Taxpayers	6,894,520,371	44.77%	5,053,585,920	54.27%
Total Taxable Value	15,403,646,060	100.00%	9,307,783,047	100.00%

Source: County Assessor data, Avanu Insights & Analytics

Unitary value is included in the total taxable value.

**CITY OF EL SEGUNDO
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY¹
 LAST TEN FISCAL YEARS**

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Unsecured Property	Less Tax-Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)	Assessed Value as a Percentage of Actual Value
2011-12	-	-	-	8,082,672	1,241,746	-	9,324,418	1.115400	-	-	-
2012-13	-	-	-	8,278,135	1,423,110	-	9,701,245	1.115200	-	-	-
2013-14	-	-	-	8,446,568	1,862,068	-	10,308,636	1.115200	-	-	-
2014-15	-	-	-	8,433,859	1,604,574	-	10,038,433	1.115200	-	-	-
2015-16	-	-	-	8,919,245	1,736,530	-	10,655,775	1.115200	-	-	-
2016-17	-	-	-	9,408,029	1,565,767	-	10,973,796	1.115200	-	-	-
2017-18	2,695,443,946	4,056,923,408	1,526,293,700	2,501,109,520	1,480,982,133	34,490,981	12,226,261,726	1.202225	17,863,020,753	1.461037	68.44%
2018-19	2,901,889,931	4,452,614,029	1,785,769,246	2,418,895,212	1,556,962,904	48,412,749	13,067,718,573	1.205652	22,816,281,059	1.746003	57.27%
2019-20	3,059,827,370	5,145,402,602	2,011,925,385	2,466,641,048	1,552,123,561	50,366,079	14,185,553,887	1.202446	22,800,483,319	1.607303	62.22%
2020-21	3,272,541,827	5,624,003,706	1,806,225,832	3,050,851,815	1,682,078,566	32,055,686	15,403,646,060	1.178940	20,376,825,371	1.322857	75.59%

Source: County Assessor data, Avenu Insights & Analytics

Source: 2016-17 and prior, previous published ACFR report

State unitary property of \$15,610,462 is included in Other Property.

1.) Other property for 2016-17 and prior years represent the Secured Values.

2.) Total direct tax rate is represented by TRA 09-849.

3.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

(-) No data available.

**CITY OF EL SEGUNDO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
General										
COUNTY OF LOS ANGELES	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812
CITY OF EL SEGUNDO	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
Metropolitan Water District	0.003700	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
County Flood Control	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
El Segundo Unified School District	0.111700	0.111700	0.111700	0.111700	0.111700	0.111700	0.177526	0.179923	0.177391	0.151816
Community College	-	-	-	-	-	-	0.021199	0.022229	0.021555	0.023624
TOTAL	0.115400	0.115200	0.115200	0.115200	0.115200	0.115200	0.202225	0.205652	0.202446	0.178940
TOTAL TAX RATE	<u>1.115400</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.202225</u>	<u>1.205652</u>	<u>1.202446</u>	<u>1.178940</u>

Source: County Auditor/Controller data, Avenu Insights & Analytics

Source: 2016-17 and prior, previous published ACFR report

Tax Rate as represented by TRA 09-849

**CITY OF EL SEGUNDO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy
2012	6,006,864	5,990,455	99.73%	-	5,990,455	99.73%
2013	6,277,523	6,144,309	97.88%	-	6,144,309	97.88%
2014	6,680,795	6,558,427	98.17%	-	6,558,427	98.17%
2015	6,538,375	6,438,118	98.47%	55,500	6,493,618	99.32%
2016	6,728,811	6,637,510	98.64%	59,028	6,696,538	99.52%
2017	6,853,422	6,773,927	98.84%	39,950	6,813,877	99.42%
2018	7,672,612	7,659,388	99.83%	(4,958)	7,654,430	99.76%
2019	8,185,486	8,169,815	99.81%	610,801	8,780,616	107.27%
2020	8,929,004	8,183,987	91.66%	1,237,541	9,421,528	105.52%
2021	9,684,760	8,520,268	87.98%	-	8,520,268	87.98%

Source: Los Angeles County Auditor Controller's Office

**CITY OF EL SEGUNDO
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year Ended ¹ September 30	Outstanding General Bonded Debt					Total	Percent of Assessed Value ²	Per Capita
	General Obligation	Tax Allocation	Certificates of Participation	Pension Obligation				
	Bonds	Bonds						
2012	-	-	-	-	-	-	0.000%	-
2013	-	-	-	-	-	-	0.000%	-
2014	-	-	-	-	-	-	0.000%	-
2015	-	-	-	-	-	-	0.000%	-
2016	-	-	-	-	-	-	0.000%	-
2017	-	-	-	-	-	-	0.000%	-
2018	-	-	-	-	-	-	0.000%	-
2019	-	-	-	-	-	-	0.000%	-
2020	-	-	-	-	-	-	0.000%	-
2021	-	-	-	140,095,398	140,095,398	140,095,398	909.500%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Fiscal Years 2000 - current are 12 month reporting periods ending on September 30.

² Assessed value has been used because the actual value of taxable property is not

**CITY OF EL SEGUNDO
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year Ended September 30	Governmental Activities					Total Governmental Activities
	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Pension Obligation	Leases/ Loans	
2012	-	-	-	-	10,916,677	10,916,677
2013	-	-	-	-	10,615,488	10,615,488
2014	-	-	-	-	10,303,635	10,303,635
2015	-	-	-	-	9,982,592	9,982,592
2016	-	-	-	-	9,650,093	9,650,093
2017	-	-	-	-	9,306,335	9,306,335
2018	-	-	-	-	8,950,875	8,950,875
2019	-	-	-	-	8,583,247	8,583,247
2020	-	-	-	-	8,202,967	8,202,967
2021	-	-	-	140,095,398	8,159,767	148,255,165

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Office of Economic Development (data shown is for Los Angeles County)

**CITY OF EL SEGUNDO
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year Ended September 30	Business-type Activities				Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
	Leases/ Loans	Certificates of Participation	Pension Obligation	Total Business-type Activities			
2012	-	-	-	-	10,916,677	1.5%	254
2013	-	-	-	-	10,615,488	1.4%	239
2014	-	-	-	-	10,303,635	1.4%	227
2015	-	-	-	-	9,982,592	1.3%	214
2016	-	-	-	-	9,650,093	1.2%	203
2017	-	-	-	-	9,306,335	1.1%	187
2018	-	-	-	-	8,950,875	1.0%	169
2019	-	-	-	-	8,583,247	0.9%	154
2020	-	-	-	-	8,202,967	0.8%	141
2021	-	-	4,039,602	4,039,602	152,294,767	14.6%	2,430

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Office of Economic Development (data shown is for Los Angeles County)

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**CITY OF EL SEGUNDO
DIRECT AND OVERLAPPING BONDED DEBT
LAST TEN FISCAL YEARS**

2020-21 Assessed Valuation: \$15,418,644,304

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/21	% Applicable (1)	City's Share of Debt 6/30/21
Metropolitan Water District	\$ 26,830,000	0.472%	\$ 126,638
El Camino Community College District	442,085,306	12.141	53,673,577
El Segundo Unified School District	84,955,859	100.	84,955,859
Manhattan Beach Unified School District	188,696,414	0.002	3,774
Wiseburn Unified School District	115,767,787	72.617	84,067,094
Centinela Valley Union High School District	227,890,955	35.198	80,213,058
Centinela Valley Union High School District School Facilities Improvement District No. 2016-1	182,565,000	39.630	<u>72,350,510</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$375,390,510
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,618,507,256	0.902%	\$23,618,935
Los Angeles County Superintendent of Schools Certificates of Participation	4,565,373	0.902	41,180
Los Angeles County Sanitation District No. 5 Authority	4,100,179	6.545	268,357
Los Angeles County Sanitation District South Bay Cities Authority	698,865	0.040	280
City of El Segundo General Fund Obligations	8,159,762	100.	8,159,762
City of El Segundo Pension Obligation Bonds	144,135,000	100.	<u>144,135,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$176,223,514
 <u>SUBTOTALS:</u>			
TOTAL DIRECT DEBT			\$152,294,762
TOTAL OVERLAPPING DEBT			\$399,319,262
 <u>TOTALS:</u>			
COMBINED TOTAL DIRECT AND OVERLAPPING DEBT			\$551,614,024 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Also excludes accreted value of capital appreciation bonds.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.43%
Total Direct Debt (\$152,294,762).....	0.99%
Combined Total Debt	3.58%

**CITY OF EL SEGUNDO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Assessed valuation	\$ 9,324,417,663	\$ 9,701,244,855	\$ 10,308,636,196	\$ 10,038,433,763	\$ 10,655,775,000
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	2,331,104,416	2,425,311,214	2,577,159,049	2,509,608,441	2,663,943,750
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	349,665,662.36	363,796,682	386,573,857	376,441,266.11	399,591,563
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 349,665,662	\$ 363,796,682	\$ 386,573,857	\$ 376,441,266	\$ 399,591,563
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: California Municipal Statistics, Inc.
Los Angeles County Tax Assessor's Office

**CITY OF EL SEGUNDO
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2016-17	2017-18	2018-19	2019-20	2020-21
Assessed valuation	\$ 10,973,796,359	\$ 12,226,261,726	\$ 13,067,718,573	\$ 14,185,553,887	\$ 15,403,646,060
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	2,743,449,090	3,056,565,432	3,266,929,643	3,546,388,472	3,850,911,515
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	411,517,363	458,484,815	490,039,446	531,958,271	577,636,727
Total net debt applicable to limit: General obligation bonds	-	-	-	-	133,743,551
Legal debt margin	\$ 411,517,363	\$ 458,484,815	\$ 490,039,446	\$ 531,958,271	\$ 577,636,727
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	23.2%

**CITY OF EL SEGUNDO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	City Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Median Age (3)	City Unemployment Rate (%) (4)
2011-12	16,708	717,659	42,953	-	12.3%
2012-13	16,720	743,605	44,474	-	11.0%
2013-14	16,815	761,888	45,310	-	9.9%
2014-15	16,897	787,958	46,633	-	8.2%
2015-16	16,646	790,452	47,486	38.9	3.7%
2016-17	16,717	832,029	49,771	38.9	2.9%
2017-18	16,784	888,503	52,938	39.0	3.3%
2018-19	17,066	952,927	55,838	38.7	3.2%
2019-20	16,777	974,307	58,074	38.7	23.5%
2020-21	16,660	1,044,326	62,685	37.3	13.8%

Source: Avenu Insights & Analytics

Source: 2014-15 and prior, previously published ACFR Report

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Median Age is provided by US Census data.
- 4.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

**CITY OF EL SEGUNDO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Business Name	2020-21		2009-10
	Number of Employees	Percent of Total Employment (%)	Number of Employees
Boeing Satellite Systems*	12,005	127.71%	5,167
Raytheon Space & Airborne Syst	6,000	63.83%	7,268
Northrop Grumman Corporation (1)	2,422	25.77%	5,219
Aerospace Corporation	2,180	23.19%	3,002
Mattel Inc	1,545	16.44%	1,635
Chevron Products Company/USA inc	1,187	12.63%	1,179
Internet Brands Inc	661	7.03%	-
Infineon Technologies Americas Corp (formerly International Rectifier)	498	5.30%	-
Karl Storz Endoscopy America Inc	421	4.48%	-
Big 5 Sporting Goods**	290	3.09%	-
The Direct TV Group Inc.	-	0.00%	1,866
Accenture (2)	-	0.00%	713
Rhythm & Hues	-	0.00%	703
International Rectifier Corporation	-	0.00%	537
Total Top 10 Employers	27,209	289.47%	27,289
Total City Labor Force (3)	9,400		

Source: Avenu Insights & Analytics

2010-11 based on previously published CAFR

Results based on direct correspondence with city's local businesses.

*Employee Count is statewide, employment levels are not available by site.

** Includes Corporate office and retail store.

(1) Accenture no longer has office space in El Segundo.

(2) Total City Labor Force provided by EDD Labor Force Data.

**CITY OF EL SEGUNDO
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1,718	1,718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	13	13	13	13	13
Number of Acres	91	91	91	91	91

Source: City of El Segundo

**CITY OF EL SEGUNDO
CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1,718	1,718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	13	14	14	14	14
Number of Acres	91	91	91	91	91

Source: City of El Segundo



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Staff Presentations

Item Number: D.19

TITLE:

Discussion and Direction for Association of Pickleball Professionals Proposal for Pickleball Tournament June 23–26, 2022 at Recreation Park

RECOMMENDATION:

1. Review and discuss the proposed Association of Pickleball Professionals (APP) Tournament.
2. Provide direction to staff regarding a possible fee waiver.

FISCAL IMPACT:

The tournament would generate revenue from rental fees. There may also be revenue loss due to area closures in Recreation Park associated with the tournament. Those areas would not be available for regular daily or drop-in use. The potential cost to the City for waiving partial to full fees would be up to \$38,173.

BACKGROUND:

Pickleball is one of the fastest growing sports in the United States. It was invented in 1965 by a Congressman and businessman who were looking for an activity that the entire family could play. Through the 1960's and 1970's the sport would gain more popularity. In 1967, the first permanent pickleball court was constructed and in 1976, the first tournament was held in Washington. Currently, pickleball has approximately a little over 3 million in the United States.

In 2019, the City of El Segundo Recreation and Parks Department launched their first Pickleball program. The department converted one of the tennis courts (Court 7) to provide mixed use for both tennis and Pickleball. Once reconfigured, the court provided a tennis court and four Pickleball courts. After several months, the sport proved to be a growing success and consistent space became pertinent. To accommodate the demand, the department decided to make the four pickleball courts permanent. The Community Services Department continues to see a remarkable

Proposal from the Association of Pickleball Professionals to offer a Pickleball Tournament June 23 – 26, 2022 at Recreation Park

March 15, 2022

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growth with the sport. From 2019 to 2022, we continue to see the number of participants grow. (*2022 as of February)

Pickleball Growth Participation by Year				
Year	2019	2020	2021	2022*
# of Participants	472	5988	34468	5956

The department has provided additional opportunities to our community by implementing activities which include Pickleball leagues, clinics, tournaments, drop-in classes, and round robins have been popular and well-attended by both residents and non-residents.

DISCUSSION:

This year, the sport has now presented another opportunity to grow here in the City of El Segundo by hosting the city’s first professional Pickleball tournament. Ken Herrmann is the CEO and creative founder of the Association of Pickleball Professionals (APP) which is the first sanctioned pickleball tour for amateurs and professionals in the United States. With the exploding popularity of pickleball, Ken's vision was to advance the sport of pickleball globally, support the careers of those who play it, and deliver an incomparable fan experience by creating a sanctioned tour environment while adhering to all USA Pickleball guidelines.

Ken is a former USTA High Performance professional tennis coach and player and established the APP Tour in June 2019. Along with a few trusted colleagues, he built the tour from scratch, which started as a single tournament in 2020 and has evolved into a robust schedule in 2022 with at least 30 domestic and international stops. Ken and his team select locations for the tour stops which provide a great player and spectator experience as well as unique venues which allow them to give back to the local communities.

Staff received a detailed proposal from Ken Herrmann on Friday, March 4, 2022. (Attached) In this proposal it states that El Segundo would be the 15th stop on the tour circuit and the tournament will take place Thursday, June 23rd - Sunday, June 26th of 2022. They will also need a prep day on Wednesday, June 22nd to ready the courts for the tournament. It is estimated that approximately 650 players will participate in the Pickleball tournament over the course of the four (4) tournament days. Many participants will be traveling to the City of El Segundo from all over the country. The increased number of visitors is expected to have a favorable Economic Development impact on the City, as most of the visitors will likely stay in the local hotels, visit local businesses, and dine at the restaurants over the duration of the tournament. The event is expected to be covered by a Livestream provider like that of ESPN so it will also

Proposal from the Association of Pickleball Professionals to offer a Pickleball Tournament June 23 – 26, 2022 at Recreation Park
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attract spectators from surrounding cities.

In the proposal, the operator is requesting use of the following courts from 8 am – 9 pm from June 23rd-June 26th:

- Tennis Courts 1-6 (Court 3*)
- Pickleball Courts 1-4
- Paddle Tennis Court
- Volleyball Courts 1-2
- Basketball Court*
- Lawn Bowling area

In addition, the proponent is requiring that Tennis Court 3 and the basketball court be completely resurfaced to serve as their main broadcasting area. This will require Tennis Court 3 and the Basketball Court to be closed for resurfacing 7 days prior to the tournament dates and returned to their original configuration after the tournament. The estimated rental costs for the above-mentioned areas at the non-resident rate is \$38,173, taking into consideration all of court down time needed for the resurfacing.

Staff have met with proponent to discuss this proposal and have shared this estimated rental costs. In our discussions with the proponent regarding the estimated costs, staff believe that this rental value may be higher than the proponent expects to pay. In addition, staff shared some concern with the impact to parking in and around our local neighborhoods and the proponent stated that they have a plan for this. Staff are asking the City Council to discuss and give staff direction with regards to the possibility of a fee waiver and more details about the parking plan.

Attached is a map of Recreation Park and the submitted proposal.

Ken Herrmann and Connie Thrasher will provide a thorough presentation about the APP tournament at the meeting.

CITY STRATEGIC PLAN COMPLIANCE:

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

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

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

**Proposal from the Association of Pickleball Professionals to offer a Pickleball
Tournament June 23 – 26, 2022 at Recreation Park
March 15, 2022
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PREPARED BY:

Arecia Hester, Recreation Superintendent

REVIEWED BY:

John Jones, Interim Community Services Director

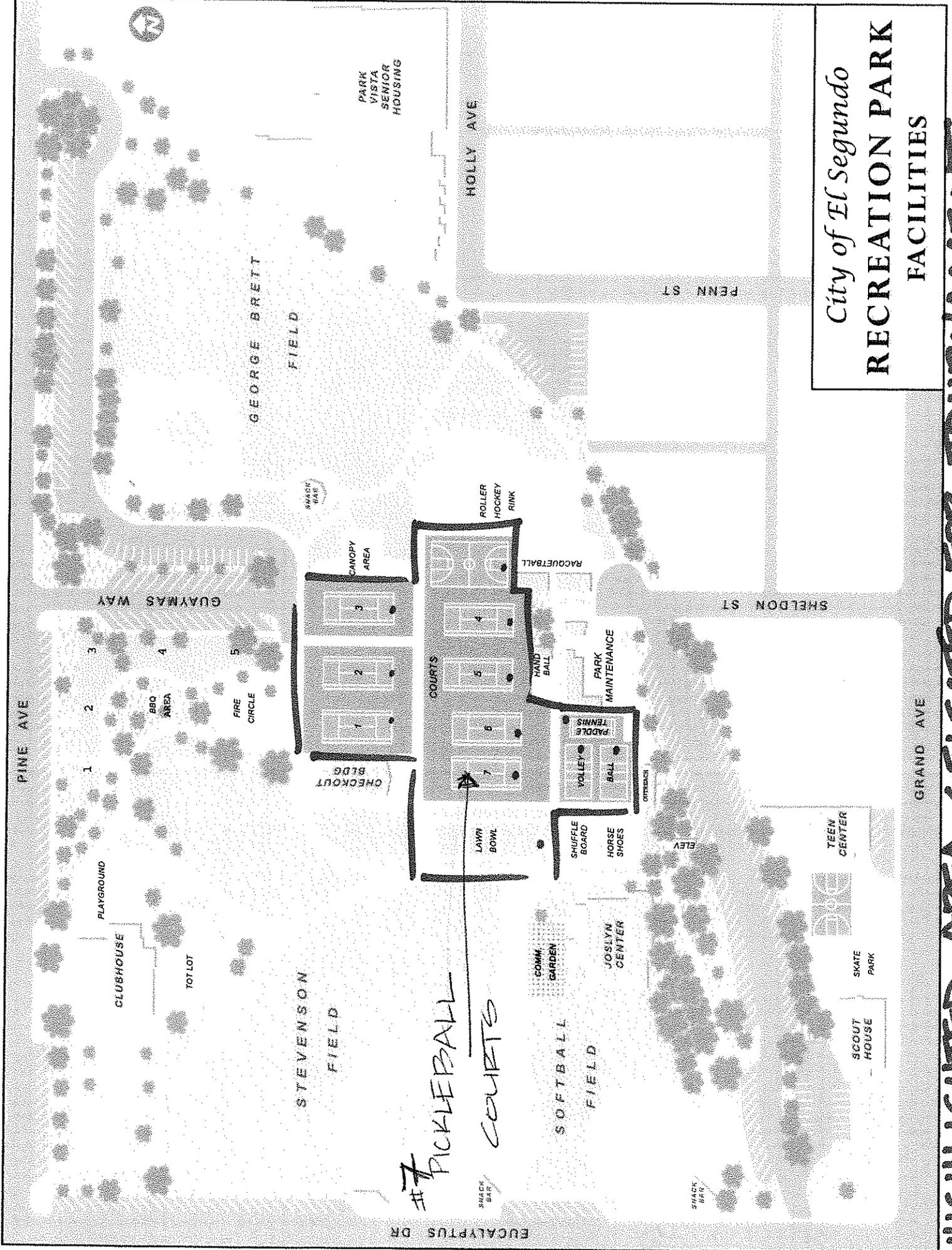
APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. RecPark Map
2. Basic Proposed PBall Plan

City of El Segundo
RECREATION PARK
FACILITIES



PICKLEBALL
 COURTS

*** HIGHLIGHTED AREA SELECTED FOR TOURNAMENT ***

Association of Pickleball Professionals Tournament Proposed Plan

Tournament Name:	APP Los Angeles Open, El Segundo, CA
Tournament Dates:	June 23 – June 26
Tournament Hours:	8am – 9pm Thursday – Sunday
Type of tournament:	Pro and Amateur Pickleball Tournament
Number of participants:	650 players over the 4 day period / ave 160 per day
Participant makeup:	40% of players fly in for the event, 60% are within 2 hours of venue
Number of spectators:	400 over the 4 day period / average 100 per day
Staffing:	APP staff 10-13 including production Plus local volunteers
Parking:	Estimated need for 198 parking spots daily / use of parking spaces surrounding the park, street parking and currently in discussions with 3 local businesses for use of their lots which are within walking distance to venue The parking need is slightly higher that what is used for pickleball leagues currently which does not impact residents Shuttle service provided by hotels to venue
Facility Rental Dates:	June 22 – June 26 (2 exceptions listed below)
Space Rental Request:	Tennis courts 1-6 Pickleball Courts 1-4 Volleyball Courts 1 & 2 Paddle Tennis Court Basketball Court Lawn Bowling Area
Rental date Exception:	Tennis Court 3 and the Basketball court will be professionally resurfaced and painted into Pickleball courts and returned to the original state. Requires 3 days pre & 3 days tournament dates
Staffing:	APP staff, 10-13 including production Local volunteers, 25 daily primarily ES and South Bay
APP sponsors:	8 APP sponsors will set up 10'x10' canopies in lawn bowling area
Broadcasting:	Livestreaming of event for pro match's on center court located on the Basketball court
Set up:	June 22 - will include prepping courts, seating, player areas, broadcast booth, 10'x10' sponsor canopies, APP canopies and registration. APP Event coordinator will work with city for any permits required
Breakdown:	June 26 – completed by 9pm
Lodging:	El Segundo hotels will be utilized for the event

Food: Utilize 1 food truck for tournament days – will follow ES requirements
Local El Segundo restaurants and bars

All El Segundo negotiated hotels and restaurants will be promoted on the tournament registration site

Security: Private security will be contracted from 9pm – 8am daily

First Aid/Medic: Onsite certified professional will be onsite during tournament play.

Event Impact for Consideration: Lodging
Transportation
Food & Beverage
Retail
Recreation
Space Rental
Business services for organizer

Soft Impact Considerations: Marketing and social media exposure for El Segundo
Live streaming of event
Catalyst for continue growth of Pickleball programs in ES



City Council Agenda Statement

Meeting Date: March 15, 2022

Agenda Heading: Committees, Commissions and Boards
Presentations

Item Number: E.20

TITLE:

Library Board of Trustees Presentation for Consideration of Eliminating Adult Overdue Fines

RECOMMENDATION:

1. Receive and file the Library Board of Trustees Recommendation for Eliminating Overdue Fines.

FISCAL IMPACT:

Elimination of adult overdue fines would reduce the Library's General Fund revenue by approximately \$3,000 per fiscal year.

BACKGROUND:

Historically, library overdue fines have been used as a tool to enforce the return of late items. Application of these fines has been blind to whether a borrower is able to pay or not, and in some cases creates a financial barrier to continued library use. Fines most affect lower income users, those who might not be able to pay for late items yet still need access to additional materials. Where fines were once considered beneficial and necessary to library operations, they are now considered by many to be putative measures that ultimately could prove detrimental to services. All too often people in these circumstances do not return to the library and keep the overdue items that they cannot pay for. There has been no evidence that overdue fines enforce the on-time return of library material.

San Francisco Public Library was one of the first to eliminate children's fines in 1974 and subsequently eliminated all overdue fines in 2019. Leading up to this action, San Francisco determined that elimination of fines would enable increased access to the library's materials and services, improve staff efficiency, reduce the inequality between those who can pay and those who cannot, and improve the relationship between the library and its constituents. San Francisco's elimination of fines was part of a nationwide movement; currently over 500 public library systems in the United States are

Library Board of Trustees Recommendation to Eliminate Overdue Fines

March 15, 2022

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fine-free, including the libraries of Chicago, Denver, New York, Oakland, San Diego, and more. Locally, the El Segundo Public Library is one of 40 members of the Southern California Library Cooperative, with sixteen members being fine-free and another three working toward being fine-free. Some of the fine-free SCLC libraries include Altadena, Azusa, Burbank, the City of Los Angeles, the County of Los Angeles, Inglewood, Monterey Park, Pasadena, Simi Valley, Thousand Oaks, Torrance, and Ventura County.

During the April 2019 "Fines Forgiveness Month," 246 adult accounts were cleared of fines at the account holders' request, demonstrating that a significant number of people with fines wanted to remain in good standing with the Library. Later that year, with City Council approval, the El Segundo Public Library eliminated overdue fines for children's items. Coupled with a new automatic notice and renewal system, this saw a 50% decrease in late notices being sent out and approximately a 60% decrease in fines revenue. Staff no longer hear complaints that children are unable to borrow materials due to late fees. Currently adult fines revenues account for less than 2% of the Library budget, with a nominal \$2,800 received from June 2021 to date.

The El Segundo Public Library is dedicated to providing quality service to all of its customers and continues to look for new and innovative ways to carry this out. Staff recommend the complete elimination of overdue fines, which will bring equity to those who are prevented financially from borrowing additional materials, will serve to enhance the Library's image with its users, and will be aligned with other fine-free libraries. Charges for lost items will remain in effect for cost recovery and replacement of the items. After reviewing information presented by staff at the November 9, 2021, Library Board of Trustees meeting, Board members voted to approve elimination of overdue fines and recommend to City Council to approve elimination of overdue fines.

DISCUSSION:

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:

Mark Herbert, Library Manager

REVIEWED BY:

John Jones, Interim Community Services Director

APPROVED BY:

Library Board of Trustees Recommendation to Eliminate Overdue Fines

March 15, 2022

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Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Library Board of Trustees Presentation on Eliminating Fines



Moving Forward:

A Fine-Free El Segundo Public Library

-Fee Elimination Discussion-

- **In 2019 City Council approved the elimination of Children's Fines.**
- **Recently the Library Board of Trustees revisited the fines discussion and voted to eliminate all fines.**
- **It is our hope Council will agree with our recommendation and allow the El Segundo Public Library to go Fine Free.**



Why Eliminate Library Fines?



First ask – What is the purpose of charging Library Fines?



- To ensure items are returned?
 - Library fines were once considered a way of ensuring items were returned, but fines are now perceived as more of a scare tactic.
 - Charging fines is seen as a barrier to a customer returning their overdue items if that customer cannot pay.
 - Sadly, in many cases both the overdue item and the customer are lost as that customer fears financial repercussions for library use.
- To generate revenue for the library?
 - Last year between January-October, fines only brought in \$2,700.
 - At various levels of the Library staff time and associated costs are involved in processing, mailing, and collecting these minimal fines.



In addition, from an equality standpoint, charging fines often excludes lower-income individuals from fully engaging with the library, more so than others.

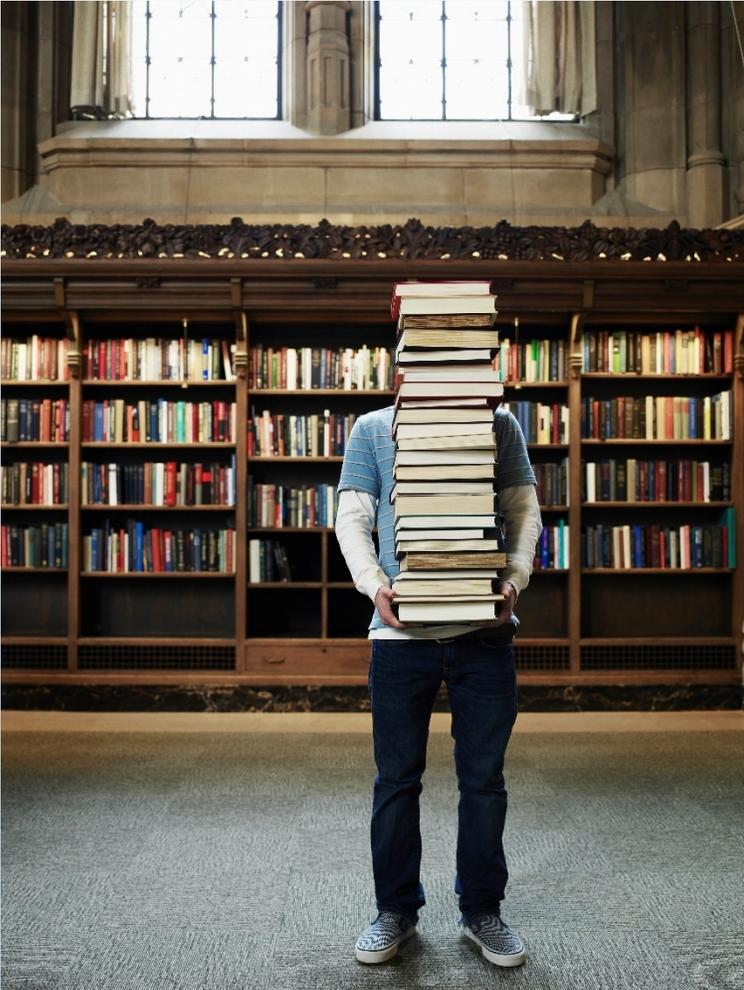


The El Segundo Public Library is one of 40 member libraries of the Southern California Library Cooperative.

Sixteen SCLC libraries are currently fine-free, with an additional three working toward being fine-free. These libraries include:

- Altadena
- Azusa
- Burbank
- City of Los Angeles
- County of Los Angeles
- Inglewood
- Monterey Park
- Pasadena
- Simi Valley
- Thousand Oaks
- Torrance
- Ventura County

500 Library Systems nationwide are now fine free, including:



- Chicago Public Library
- New York Public Library
- Oakland Public Library
- San Diego Public Library
- San Francisco Public Library

- San Francisco Public Library was one of the first to eliminate fines for children in 1974, and completely eliminated fines in 2019.
- A recent SFPL survey found that eliminating ALL fines would result in:
 - Increased customer access to materials and services.
 - Improve staff efficiency.
 - Reduce inequality for those who could pay versus those who could not.
 - Improve the relationships between the public and the library.



- With the removal of Children's Fines and the addition of the library catalog's autorenewal feature, ESPL has seen a significant drop in the fines money brought in.
- These fines that are only a very small fraction of ESPL's and the City's budget.



Charges & Fees That Would Remain in Place Despite Going Fine Free:

Borrowed materials that are not returned or are returned damaged.

DVD's that are not returned.





Therefore, The Library Board of Trustees respectfully requests that Council vote to eliminate all daily overdue fines.