CITY OF DALY CITY

Regular Meeting - CITY COUNCIL

AGENDA

MONDAY, NOVEMBER 23, 2020
7:00 p.m.

Visit Daly City's virtual meeting website to watch the livestream of the City Council meeting and submit comment on agenda items, all in one place online:

https://bit.ly/dalycitynov23

Please note, the virtual meeting website will only be available during the meeting on **Monday, November 23, 2020 at 7:00 p.m.**

COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Daly City Council and staff will participate in this meeting via a teleconference. Members of the public are encouraged to watch the meeting via Livestream (City Council Meeting Livestream) at https://bit.ly/dalycitynov23 and to submit comments through the livestream website and/or submit public comments via email to cityclerk@dalycity.org prior to the public meeting.

To submit a comment in writing, please email cityclerk@dalycity.org and write "Public Comment" in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments. All comments received by 4:00 pm will be emailed to the City Council members and included as an "Add to Packet" on the City's website prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the City Council members for the public meeting.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078 as soon as possible.

CALL TO ORDER:

PLEDGE TO THE FLAG:

ROLL CALL:

PRESENTATIONS:

Grant Award from Daly City Public Library Associates (Victoria Magbilang, Executive Director)

C.L.E.A.N. Daly City (Leilani Ramos, Assistant to the City Manager)

AVAILABILITY OF PUBLIC RECORDS:

All public record to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk's Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.

APPROVAL OF MINUTES:

Regular Meeting of November 9, 2020

APPROVAL OF AGENDA:

CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and may be approved by one roll call vote of the City Council. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the City Council. If discussion is required, that item will be removed from the Consent Agenda and will be considered separately at the end of the Agenda.

Resolutions:

1. Authorizing the City Manager to Execute an Agreement for the Installation of a New Fire Station Alerting System

2. Setting Time and Place for a Public Hearing to Consider General Plan Amendment GPA-11-19-014331, Zone Change ZC-11-19-014332, and Design Review DR-11-19-014333 at 305 Eastmoor Avenue (APN 008-082-160) **Set Hearing: 12/14/20**

3. Accepting and Appropriating Measure A Local Shuttle Program Funds for the Daly City Bayshore Shuttle

4. Accepting and Appropriating $10,220 in grants from the Daly City Public Library Associates

5. Accepting and Appropriating a $5,000 Crisis Collections Grant from the California State Library

6. Adopting Resolutions for Salary and Benefits for Specific Executive Management Classifications

7. Amendment and Restatement of Easement Agreement between 2201 Junipero Serra LLC and the City of Daly City for Property Located Adjacent to 2201 Junipero Serra Boulevard, Daly City, CA

8. Authorizing the City Manager to Execute an Agreement for Financing of Two New Pierce Fire Engines

CONSENT AGENDA: (Continued)

Check Registers:

9. Check Registers for the Month of October 2020

END OF CONSENT AGENDA

PUBLIC HEARINGS:

10. Introduce Ordinance Repealing and Replacing Chapter 8.32 – Illegal Dumping and Littering

Staff: Ramos

Recommended Action: Open/Close Hearing

Recommended Action: Motion for City Attorney to Read by Title Only

Recommended Action: Councilmember Introduce Ordinance

11. Disposition and Development Agreement between 1837 Junipero Serra Hotel Development, LLC (Developer) and the City of Daly City for Property Located at 1837 Junipero Serra Boulevard, Daly City

Staff: Zimmerman/Mothershead

Recommended Action: Open/Close Hearing

Recommended Action: Adopt Resolution by Roll Call

12. Approval of a Resolution Approving Government Code Section 52201 and 53083 Summary Report in Connection with the Disposition and Development of Property by and Between the City of Daly City 1837 Junipero Serra Hotel Development, LLC located at 1837 Junipero Serra Boulevard, Daly City, CA

Staff: Mothershead/Zimmerman

Recommended Action: Open/Close Hearing

Recommended Action: Adopt Resolution by Roll Call

AWARD OF BIDS/CONTRACTS:

13. Appropriate Funds and Award of Construction Contract for the Central Corridor Bicycle and Pedestrian Safety Improvements Project

Staff: Chan

Recommended Action: Adopt Resolution by Roll Call

ORDINANCES:

14. Second Reading, Ordinance No 1440, Adding Section 5.92 of Title 15 of the Daly City Municipal Code Re: Short-Term Rentals

Staff: Zimmerman

Recommended Action: Adopt Ordinance by Roll Call

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

NOTE: Speakers are limited to two minutes, unless modified by the Mayor.
The Council cannot take action on any matter raised under this item.

APPOINTMENTS: Board/Commission Membership Committee Appointments

REPORTS:

15. Council Committee

A. Council Committee Meetings October 25 - November 22, 2020

16. City Council

17. Staff

ADJOURNMENT:

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
NOVEMBER 9, 2020

To view videos of the City Council meetings, visit http://yt.vu/+dalycitycouncil

Note on Public Comments: *For this meeting, members of the public were encouraged to watch the meeting via livestream at https://bit.ly/dalycitynov9 and to submit comments through the livestream website and/or submit public comments via email to cityclerk@dalycity.org prior to the public meeting. Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting were instructed to call the office of the City Clerk at 991-8078 prior to the meeting.*

The meeting was called to order by Mayor Sylvester at 8:11 P.M. by video conference call pursuant to Governor Gavin Newsom's Executive Order N-29-20.

ROLL CALL: Councilmembers Present:
Glenn R. Sylvester, Mayor
Juslyn C. Manalo, Vice Mayor
Raymond A. Buenaventura
Rod Daus-Magbual
Pamela DiGiovanni

Staff Present:
Stephen Stolte, Assistant City Manager
Rose L. Zimmerman, City Attorney
K. Annette Hipona, City Clerk

Staff Absent:
Shawnna Maltbie, City Manager

APPROVAL OF MINUTES:

Regular Meeting of October 26, 2020

It was moved by Vice Mayor Manalo, seconded by Councilmember DiGiovanni and carried to approve the minutes of the regular meeting of October 26, 2020.

APPROVAL OF AGENDA:

It was moved by Vice Mayor Manalo, seconded by Councilmember Daus-Magbual and carried to approve the agenda.

CONSENT AGENDA:

It was moved by Vice Mayor, seconded by Councilmember DiGiovanni and carried to approve the consent agenda.

Resolutions:

Appropriate Funds and Approve an Amendment to the Professional Services Agreement with Kittelson & Associates, Inc. for Travel Demand Modeling Services

Resolution 20-167, Authorizing Amendment to Professional Services Agreement with Kittelson & Associates, Inc. and Appropriating Funds

Setting Time and Place for Public Hearing on Community Development and Housing Needs

Resolution 20-168, Setting Time and Place of Public Hearing Re: Assessment of Community Development and Housing Needs

Setting Time and Place of Public Hearing – Proposed Ordinance Repealing and Replacing Chapter 8.32 – Illegal Dumping and Littering

Resolution 20-169, Setting Time and Place of Public Hearing Re: Proposed Ordinance: Repealing and Replacing Chapter 8.32 Of Title 8 of the Daly City Municipal Code Re: Illegal Dumping and Littering

Setting Time and Place of Public Hearing – Regarding Disposition of Property Located at 1837 Junipero Serra Boulevard that Promotes Economic Opportunity in Conformance with Government Code Section 52201

Resolution 20-170, Setting Time and Place of Public Hearing Regarding Disposition of Property Located at 1837 Junipero Serra Boulevard that Promotes Economic Opportunity in Conformance with Government Code Section 52201

Setting Time and Place of Public Hearing – Regarding Disposition and Development Agreement for 1837 Junipero Serra Boulevard, Daly City

Resolution 20-171, Setting Time and Place of Public Hearing Re: Consideration of Proposed Disposition and Development Agreement with Majestic Hospitality Group, Inc. & AF Canta, Inc. (1837 Junipero Serra Boulevard in Daly City, California)

END OF CONSENT AGENDA

PUBLIC HEARINGS:

Introduction of an Ordinance Adding Chapter 5.92 to the Daly City Municipal Code and Adoption of the Short-Term Rental Fees

Associate Planner Carmelisa Morales presented the revised ordinance for short-term rentals (STR), discussing its objectives, findings, and recommended changes from prior meetings. Ms. Morales summarized the main issues brought up in public comments, the key changes to the ordinance, and the recommended fee revisions. Ms. Morales addressed questions regarding accessory dwelling units (ADU), dealing with nuisance complaints and violations, contact information accessibility, and un-hosted stay limits.

Mayor Sylvester opened the public hearing.

Assistant City Manager Stephen Stolte read public comments. The following members of the public expressed concern with the proposed ordinance. Hosts listed various issues of concern including not having the opportunity to meet with the committee to give constructive input on the ordinance; the ordinance having prohibitive and oppressive restrictions for hosts; and passing the ordinance during the pandemic. Furthermore, commenters gave the following suggestions for the ordinance: to postpone to a later time; to delete the indemnification clause; to remove or relax the un-hosted stay limit; to grandfather those with existing business licenses to be exempt from certain restrictions; and to prolong an amnesty period until next year. Homeowners/hosts also mentioned the benefits of having STR's in Daly City.

Benjamin Butler	Linda Litehiser	Arthur Schekhtman
Glenn Treser	Joe Litehiser	

It was moved by Vice Mayor Manalo, seconded by Councilmember Daus-Magbual and carried to close the public hearing. Council discussed public concerns received, the terms of the proposed ordinance and negotiated the length of un-hosted stays.

It was moved by Vice Mayor Manalo, seconded by Councilmember Buenaventura and carried to amend the proposed ordinance to increase the limit of un-hosted stays to be a maximum of 100 days instead of 90 days.

It was moved by Mayor Sylvester, seconded by Councilmember Daus-Magbual and carried for the City Attorney to Read by Title Only.

Vice Mayor Manalo introduced the following ordinance:

Ordinance 1440, An Ordinance of the City Council of the City of Daly City Adding Section 5.92 Of Title 15 of the Daly City Municipal Code Re: Short Term Rentals

It was moved by Mayor Sylvester, seconded by Vice Mayor Manalo carried by unanimous roll call vote to adopt the following resolution:

Resolution 20-172, Adopting Short-Term Rental Permit Fees

COMMUNICATIONS:

Approval of Written Response to 2020 San Mateo County Civil Grand Jury Report: "Ransomware: It is Not Enough to Think You Are Protected"

Director of Finance and Administrative Services Tim Nevin requested Council to review and approve the draft written response to the Civil Grand Jury report and to authorize the City Manager to transmit the approved response to the Superior Court. According to Mr. Nevin, an internal report will be completed and provided to the Council by June 30, 2021.

It was moved by Mayor Sylvester, seconded by Councilmember DiGiovanni and carried by unanimous roll call to approve the Grand Jury Response.

AWARD OF BIDS/CONTRACTS:

Appropriate Funds and Award of Construction Contract for the Gellert Park Renovations Project

Engineer Alex Yuen recommended awarding a construction contract to Kingdom Pipelines, Inc. of San Francisco in the amount of $391,218, and appropriate $445,000 of Park Land Dedication Fees to fully fund the project. Mr. Yuen provided information on the bid analysis process. Mr. Chiu provided information on the outreach done for the bids and how the City is working on its procurement policy with regard to focusing on minority or disadvantaged businesses. Council thanked Supervisor Canepa for his support with Measure K funds which will be appropriated for the project.

It was moved by Vice Mayor Manalo, seconded by Councilmember DiGiovanni and carried by unanimous roll call to adopt the following resolution:

Resolution 20-173, Authorizing Execution of Construction Contract with Kingdom Pipelines, Inc. for the Gellert Park Renovations Project and Appropriation of Additional Funds

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

There were no public comments received.

REPORTS:

City Council

Councilmember Daus-Magbual announced the Arts and Culture Commission will be holding an artist dialogue with Kimberly Acebo Arteche on November 10th, which the public can participate by registering online. Councilmember DiGiovanni reminded everyone of the upcoming Veteran's Day holiday and thanked all veterans for their service and sacrifice in fighting for our freedom.

Staff

Assistant City Manager Stephen Stolte reported on the very favorable returns for local Measure Q which addresses the City's local recovery efforts including supporting residents and local businesses. Mr. Stolte thanked all residents who participated in this year's election.

ADJOURNMENT:

At 9:53 PM, Mayor Sylvester adjourned the meeting in memory of Tom Mohr, Elmer James Brewster, Antonio Maracha, Rylen Wyatt Medina Antone and Janet Marie DiGiacomo.

Approved as submitted, this 9th day of November, 2020.

____
City Clerk

____
Mayor

City Council Meeting Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: New Fire Station Alerting System

Recommended Action

Authorize the City Manager to execute an agreement with US Digital Designs for installation of new fire station alerting system.

Background

The current fire station emergency alerting infrastructure has become antiquated, lacks consistent support and repair options and verges on collapse. The complications with the current system also lack user programmable, expandable and monitoring options. The new proposed system will improve response times, firefighter health, and dispatcher call processing as well as more flexibility on expandability and program control options for the user. Therefore, replacement of the fire station alerting system is required.

Discussion

The replacement of the legacy fire station alerting system and infrastructure with the US Digital Designs Phoenix G2 System will provide a reliable, more capable and expandable modernized dispatch alerting system. The new system provides for National Fire Protection Association (NFPA) 1221 compliant redundancy with multiple pathway options. There are several key benefits not currently available with the legacy system:

- Dispatch, highly reliable automated capabilities reducing time and workload
- Firefighter health benefits through diverse programmable alerting options and features
- Network friendly with local control and remote configuration for better customer service
- Compliance with recommended standards with speed, redundancy and multiple applications (smart phone app, text, page & email), maintaining department wide situational awareness
- Flexible service and monitoring for user control and maintenance (plug and play)

The legacy system and service agreement has been replaced by the G2 system in other jurisdictions in the Bay Area with positive results and improved customer service.

Fiscal Impact

The cost of the new fire station alerting system is $432,000 to be funded through the Capital Improvement Plan (CIP) for fiscal year 2020-21.

<u>Summary/Conclusion</u>

The replacement of the legacy fire station alerting system and infrastructure with the US Digital Designs Phoenix G2 System will provide a reliable, more capable and expandable modernized dispatch alerting system, as well the new system provides for compliance with NFPA 1221. Staff recommends that the City Council authorize the City Manager to execute the agreement with US Digital Designs to install a new fire station alerting system in each fire station. Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Chuck Pomicpic
Deputy Fire Chief, Administrative Services Bureau

Attachments:

City Council Meeting Agenda Report **Item # _____**

Meeting Date: November 23, 2020

Subject: **Setting Time and Place for a Public Hearing to Consider General Plan Amendment GPA-11-19-014331, Zone Change ZC-11-19-014332, and Design Review DR-11-19-014333 at 305 Eastmoor Avenue (APN 008-082-160)**

Recommended Action

Set time and place for a public hearing on December 14, 2020, to consider General Plan Amendment GPA-11-19-014331, Zone Change ZC-11-19-014332, and Design Review DR-11-19-014333.

Background

The applicant, Jefferson Elementary School District, is requesting approval to construct 56 apartments within six two- and three-story buildings and associated surface parking at 305 Eastmoor Avenue. The entitlements necessary to construct the project include amending the General Plan to change the land use designation of the project site from Public Facilities to Residential – Medium Density, rezoning the project site from Sullivan Corridor – Public Facilities: Schools to Sullivan Corridor – Residential High Density, and design review approval.

Summary/Conclusion

Staff recommends that the City Council set December 14, 2020 at 7:00 p.m. as the date and time for a public hearing to consider the General Plan Amendment GPA-11-19-014331, Zone Change ZC-11-19-014332, and Design Review DR-11-19-014333.

Staff is available to provide any additional information desired by the Mayor or Council members.

Respectfully submitted,

Carmelisa Morales
Associate Planner

Tatum Mothershead
Director of Economic and Community Development

City Council Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: **Accept and Appropriate Measure A Local Shuttle Program Funds for the Daly City Bayshore Shuttle**

Recommended Action

Staff recommends the City Council:

1. Accept and appropriate $341,000 in New Measure A Local Shuttle Program Category funds (Measure A Funds) for the Daly City Bayshore Shuttle; and

2. Authorize the City Manager, or her designee, to execute the Funding Agreement for the grant from the San Mateo County Transportation Authority.

Background

Since 2014, the City has operated the Bayshore Shuttle in the Bayshore neighborhood using various grants to finance shuttle operations. The shuttle service connects residents within the Bayshore neighborhood to shopping, grocery, and medical destinations in Daly City, San Francisco and other areas of the Peninsula. The Bayshore Shuttle also provides access to various regional transportation facilities including Muni and SamTrans bus stops and BART stations to which Bayshore area residents have limited access. Many of the destinations served by the shuttle are difficult to reach by using the limited public transportation options currently available.

The Bayshore Shuttle has been funded by the San Mateo County Shuttle Program (Measure A Fund), a joint C/CAG and San Mateo County Transportation Authority (TA) program, and the Lifeline Transportation Program (LTP), a program initiated by the Metropolitan Transportation Commission (MTC) and administered through C/CAG. The annual cost for the Shuttle is estimated to be approximately $300,000 for FY 2020/2021 and $320,000 for FY 2021/2022 ($620,000 over two years) and includes shuttle operation costs, marketing, and administrative overhead.

In July 2018, Daly City received a Lifeline Transportation Program (LTP) grant from the Metropolitan Transportation Commission (MTC), through the City/County Association of Governments of San Mateo County (C/CAG) in the amount of $300,000. In February 2020, the City Council authorized staff to submit an application for Measure A grant funds to continue operation of the Daly City Bayshore Shuttle.

Discussion

In May 2020, the City of Daly City was selected to receive Measure A grant finds in the amount of $341,000. The Measure A funds will be used to continue the operation of the Bayshore Shuttle service, connecting Bayshore residents to shopping and grocery destinations in Daly City and San Francisco. The Bayshore Shuttle service is provided by a private contractor managed and supervised by SamTrans.

Fiscal Impact

There is no fiscal impact related to the Bayshore Shuttle operation. The shuttle is fully paid for by the two grants the City has been traditionally receiving. The matching funds required by the Measure A grant is met by the LTP grant. Similarly, staff leveraged the Measure A Funds as the matching funds for the LTP program. Measure A funds will cover 55% and the LTP grant will cover 45% of the cost to operate the shuttle for FY 2020/21 and FY 2021/22. No City funds are required for this project.

This action will appropriate $341,000 of Measure A Funds to FY 2020-21 CIP Account 28-310-551 Bayshore Shuttle project account to fund the operation of the Bayshore Shuttle.

Summary/Conclusion

Staff recommends the City Council:

1. Accept and appropriate $341,000 in New Measure A Local Shuttle Program Category funds (Measure A Funds) for the Daly City Bayshore Shuttle; and

2. Authorize the City Manager, or her designee, to execute the Funding Agreement for the grant from the San Mateo County Transportation Authority.

Staff is available to provide any additional information desired by the Mayor or City Council Members.

Respectfully submitted,

Shirley Chan
Senior Civil Engineer

Richard Chiu, Jr.
Director of Public Works

Attachment: Funding Agreement

FUNDING AGREEMENT

SAN MATEO COUNTY TRANSPORTATION AUTHORITY MEASURE A (LOCAL SHUTTLE PROGRAM) DALY CITY BAYSHORE SHUTTLE

This FUNDING AGREEMENT (Agreement) is made this_______day of___________, 2020 (Execution Date), by and between the San Mateo County Transportation Authority (TA) and the City of Daly City (Sponsor), together referred to herein as the "Parties."

RECITALS

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA of the Measure A half-cent transaction and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan, beginning January 1, 2009 (New Measure A); and

WHEREAS, Sponsor requested that the TA provide $341,000 of Measure A funds for the Daly City Bayshore Shuttle (Project); and

WHEREAS, the Project meets the intent of the 2004 Transportation Expenditure Plan and the TA's 2020-2024 Strategic Plan; and

WHEREAS, on May 7, 2020, the TA's Board of Directors programmed and allocated up to $341,000 from the New Measure A Local Shuttle Program Category (hereinafter "Measure A Funds") for the Project through Resolution 2020-08; and

WHEREAS, the TA and Sponsor desire to enter into this Agreement to establish the process, terms and conditions governing the allocation and expenditure of Measure A funds on the Project.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1: Project Oversight and Reporting

1.1 Sponsor Oversight; Work Plan. Sponsor is responsible for implementation of the Project as described in Exhibit A, "Route Description(s) and Information," which is attached to the Agreement and incorporated herein by this reference. Sponsor assumes responsibility for procuring and administering any professional service and/or other contracts entered into in connection with the Project. Though Sponsor may appoint a designee or engage contractor(s) to perform work necessary for Project implementation, Sponsor will remain ultimately responsible to the TA for performance of all responsibilities set forth herein.

1.2 Required Approvals. Prior to commencement of the Project, Sponsor or its designee (e.g., a consultant) will obtain all required local, state and federal approvals and permits for Project work. In addition, Sponsor must comply with all federal, state and local laws and regulations applicable to the Project.

1.3 Contract Award and Scope Changes. Sponsor must comply with state and local agency requirements for the award and amendment of any contract(s) for the implementation of the Project. Sponsor must advise the TA in writing (electronic mail is acceptable) as soon as possible of any contracts awarded and any amendments thereto, such as for any changes in service. Notice of any contracts and amendments provided to the TA will not constitute approval by the TA nor obligate the TA to provide funds in excess of its maximum contribution stated in Section 2.1 of this Agreement.

1.4 Monthly & Annual Operations Reports. Within eight (8) calendar days after the end of each month this Agreement is in effect, Sponsor or its agent must submit to the TA a monthly operations report (Operations Report) based on National Transit Database (NTD) reporting requirements, attached as Exhibit B, "National Transit Database Reporting Requirements." The Operations Report must include such items as the average daily ridership of the Shuttle, and the Shuttle's total boardings, total revenue miles, hours, vehicles in service, road calls, accidents and any other information pertinent to assess the performance of the service for purposes of local, state or federal reporting requirements for the month just ended. Any monthly service mileage and/or hours that were scheduled, but where service was not operated for any reason, must be deducted from monthly reporting totals. An explanation for all lost service miles and/or hours must be included in the monthly report. Sponsor or its agent must review all required reporting for accuracy prior to submittal to the TA. The form of all reports must be determined by the TA. Within eight (8) calendar days of the end of the term of this Agreement, and/or any extension thereof, Sponsor or its agent must submit to the TA an annual report on the same statistics. All Operations Reports must be submitted via Excel spreadsheet or other format as approved by the TA to **shuttles@samtrans.com**.

1.5 Quarterly Progress Reports. Sponsor must prepare and submit to the TA quarterly progress reports by January 31, April 30, July 31 and October 30 of each year during the entire term of the Project. Reports must be presented in the form provided as Exhibit C, "Quarterly/Annual Shuttle Program Progress Report Form," which is attached to this Agreement and incorporated herein by this reference. The reports must describe Project performance and expenditures during the previous quarter.

The reports must include actions expected to be taken and any projected changes in the service plan / schedule during the next quarter, and any other information requested by the TA. Additionally, each progress report must include information on any potential issues that may impact any of the performance measures set forth in Exhibit C as well as the ability of Sponsor to meet the conditions outlined in this Agreement.

1.6 Annual Report. By October 1 of each year, Sponsor must provide the TA with an annual report in the form provided as Exhibit C summarizing the quarterly progress reports from the prior fiscal year.

The reports must include actions expected to be taken and any projected changes in the service plan /schedule for the next year (if the Project is continuing), and any other information requested by the TA. Additionally, each Annual report must include information on any potential issues that may impact any of the performance measures set forth in Exhibit C as well as the ability of Sponsor to meet the conditions outlined in this Agreement for the next year (if the Project is continuing). If the Annual Report is submitted after the second year of the Time of Performance, the Annual Report should include written confirmation that no further reimbursements associated with the Project are anticipated and that all reimbursement requests have been made or are being submitted with the Annual Report.

1.7 Access to Records and Record Retention. At all reasonable times, Sponsor will permit the TA access to all reports, designs, drawings, plans, specifications, schedules and other materials prepared, or in the process of being prepared, for the Project by the Sponsor or any contractor or consultant of the Sponsor. Sponsor will also make available to the TA upon request any professional service agreements, amendments and any other agreements that are related to the Project. The Sponsor will provide copies of any documents described in this Section to the TA upon request. Sponsor will retain all records pertaining to the Project for at least three years after completion of the Project.

1.8 Audits.

a) The TA, or its authorized agents, may, at any reasonable time during business hours, conduct an audit of the Sponsor's performance under this Agreement. The Sponsor will permit the TA, or its authorized agents, to examine, inspect, make excerpts from, transcribe or photocopy books, documents, papers and other records of the Sponsor which the TA reasonably determines to be relevant to this Agreement.

b) Sponsor will transmit to the TA the Independent Auditor's Report prepared for Sponsor's Comprehensive Annual Financial Report within (30) days of receipt by Sponsor and highlight the section that pertains to the Measure Afunding.

SECTION 2: Funding and Payment

2.1 Funding Commitment. The TA has allocated to the Sponsor $341,000 for reimbursement of expenditures related to the Project (Project Costs) as provided in this Section 2. The Sponsor will contribute, or provide for the contribution of; the entire amount in excess of $341,000 needed to implement the Project and must provide at least 45% of the total Project Costs. The TA's funding commitment under this Agreement in no way establishes a right for the Sponsor to receive additional funding from the TA.

All funding obligations of the TA under this Agreement are subject to downward adjustment based on actual sales tax receipts for the fiscal years indicated, or if Sponsor receives funding for Project Costs from other sources which allow Sponsor to provide more than 45% of the total Project Costs over the term of the Agreement.

The Sponsor will assess and confirm its ability to implement the Project within budget as part of the quarterly reporting requirements established in Section 1.5, above. The Sponsor must further notify the TA between reporting cycles if the Sponsor determines that the budget will not be sufficient to implement the Project. The TA retains authority to suspend its funding obligation as set forth in Section 3.4 of this Agreement upon such notice, and until the Sponsor develops a credible funding plan acceptable to the TA to fund and implement the Project.

2.2 Use of Funds. Sponsor will use Measure A Funds only for direct Project Costs. Sponsor agrees to use Measure A Funds to supplement existing revenue. Sponsor will not use Measure A Funds to replace other local taxes or revenues already programmed and available for use for the same purpose.

If the TA determines that the Sponsor has used Measure A Funds other than for the approved Project, the TA will notify Sponsor of its determination. Within thirty (30) days of receipt of notification, Sponsor will either (a) repay such funds to the TA, or (b) explain in writing how the funds in question were spent for the approved Project. The TA will respond to the Sponsor's written explanation within thirty (30) days of receipt. Unless otherwise stated in the response, the TA's response will be final, and the Sponsor will repay any funds used other than for the approved Project within thirty (30) days.

2.3 Reimbursement Basis. Sponsor may seek reimbursement for Project Costs incurred on or after the Execution Date. Project Costs must be incurred and paid by the Sponsor prior to requesting reimbursement from the TA. Sufficient documentation must accompany all requests for reimbursement, including the submittal of all due operations and progress reports.

2.4 Accounting and Reimbursement Procedures. Sponsor, in coordination with and to the satisfaction of the TA, will establish procedures for Project accounting and requests for reimbursement. These procedures will track and reflect the accumulation of the TA's pro rata share of costs for the Project. Sponsor will detail the TA's pro rata share of Project Costs for all work funded under this Agreement with each "Reimbursement Claim Form" which is attached to this Agreement as Exhibit D and incorporated herein. Sponsor will maintain all necessary books and records in accordance with generally accepted accounting principles.

2.5 Invoices; Payments. Once per quarter following submission of the quarterly progress reports, Sponsor must prepare and submit billing statements consistent with the Reimbursement Claim Form with all required supporting documentation. Supporting documentation may include, but is not limited to, copies of associated vendor invoices, backup documentation, checks and payment advice.

Claims and supporting documentation for reimbursement may be submitted by e-mail to:

accountspayable@samtrans.com

OR by mail to:

Accounts Payable
San Mateo County Transportation Authority
P.O. Box 3006
San Carlos, CA 94070

The TA will endeavor to disburse reimbursements for approved Project Costs within thirty (30) days after the TA's approval of each claim, subject to the limits on the TA's maximum contribution as established in Section 2.1. The TA's obligation to reimburse Project Costs to the Sponsor as provided in this section is conditioned upon the TA's prompt receipt of reports from Sponsor pursuant to Sections 1.4–1.6, above.

SECTION 3: Term

3.1 Term.

a) The term of this Agreement will commence on July 1, 2018 and conclude upon the earliest of: (a) the TA's final reimbursement to Sponsor for work performed hereunder and submittal by Sponsor of the second Annual Operations Report and Annual Report as required in Sections 1.4 and 1.6, (b) termination by Sponsor or the TA pursuant to this Section 3, or (c) December 30, 2022.

b) The Project will operate from July 1, 2020 through June 30, 2022 (Time of Performance).

3.2 Sponsor's Right to Terminate; Repayment upon Termination. Sponsor may at any time terminate the Project by giving sixty (60) days' written notice to the TA of its election to do so. Sponsor will not be reimbursed for any Project Costs incurred after the end of the notice period. Sponsor must also indemnify the TA, its directors, officers, employees and agents from and against any and all losses, claims, liabilities, costs and expenses arising from said termination.

3.3 Termination by the TA. The TA may terminate this Agreement, with or without cause, by giving thirty-five (35) days' written notice of such termination. If the TA terminates the Agreement for Sponsor's failure to comply with the terms of this Agreement, Sponsor will reimburse the TA for all funds paid to the Sponsor in connection with the Project, minus those funds Sponsor expended in full compliance with this Agreement, within ninety (90) days of receipt of the termination notice.

If the TA terminates the Agreement for convenience, the TA is obligated to pay to Sponsor all costs and expenses incurred by Sponsor under this Agreement up to the date of notice of termination, as well as all reasonable costs and expenses incurred to effect such termination.

3.4 Expiration/Suspension of TA's Financial Obligations. Any and all financial obligations of the TA pursuant to this Agreement expire upon the expenditure of TA's maximum contribution to the Project as established in Section 2.1, or the conclusion of the Term as defined in Section 3.1, whichever occurs first. The TA reserves the right to suspend its financial obligation, with ten (10) days' advance notice if the Sponsor identifies a risk of not being able to implement the Project within budget for the full Time of Performance. If the Sponsor cannot provide a credible funding plan acceptable to the TA to fund and implement the Project for the full Time of Performance, the TA may terminate this agreement. If Sponsor identifies a risk of not being able to implement the Project during the full Time of Performance, failure to report such risk to the TA is cause for termination under Section 3.3.

SECTION 4: Indemnification and Insurance

4.1 Indemnity by Sponsor.

The Sponsor shall indemnify, keep and save harmless the TA (and, if the Project includes shuttle(s) with the Caltrain logo on the vehicle(s) or on any shuttle public information materials, the Peninsula Corridor Joint Powers Board and related agencies named in Section 4.2 (b), below) and each of its/their directors, officers, agents and employees against any and all suits, claims or actions related to the performance of this Agreement including, but not limited to, those arising out of any of the following:

a) Any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of the Project or implementation of this Agreement; or

b) Any allegation that materials or services developed, provided or used for the Project infringe or violate any copyright, trademark, patent, trade secret, or any other intellectual-property or proprietary right of any third party.

The Sponsor further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other costs and expenses of defenses as they are incurred. If any judgment is rendered, or settlement reached, against the TA or any of the other agencies or individuals enumerated above in any such action, the Sponsor shall, at its expense, satisfy and discharge the same.

This indemnification shall survive termination or expiration of the Agreement.

4.2 Insurance. For the purposes of this Insurance section, "Entity" is defined as any entity designing, approving designs and/or performing the Project funded by this Agreement. Entities may include Sponsor, a contractor of Sponsor, another body on behalf of which Sponsor submitted its funding application, and/or a contractor of such other body.

All Entities will provide the appropriate insurance covering the work being performed. The insurance requirements specified in this section will cover each Entity's own liability and any liability arising out of work or services of Entity subcontractors, subconsultants, suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations (hereinafter collectively referred to as Agents) working on the Project. If Sponsor itself is an Entity, Sponsor must also provide its own insurance meeting the requirements of this Section.

a) Minimum Types and Scope of Insurance. Each Entity is required to procure and maintain at its sole cost and expense insurance subject to the requirements set forth below. Such insurance will remain in full force and effect throughout the term of this Agreement. All policies will be issued by insurers acceptable to the TA (generally with a Best's Rating of A-10 or better). Each Entity is also required to assess the risks associated with work to be performed by Agents and to require that Agents maintain adequate insurance coverages with appropriate limits and endorsements to cover such risks. To the extent that its Agent does not procure and maintain such insurance coverage, an Entity is responsible for and assumes any and all costs and expenses that may be incurred in securing said coverage or in fulfilling Entity's indemnity obligations as to itself or any of its Agents in the absence of coverage. Entities may self-insure against the risks associated with the Project, but in such case, waive subrogation in favor of the TA respecting any and all claims that may arise.

   i. Workers' Compensation and Employer's Liability Insurance. Worker's Compensation coverage must meet statutory limits and Employer's Liability Insurance must have minimum limits of $1 (one) million. Insurance must include a Waiver of Subrogation in favor of the TA.

   ii. Commercial General Liability Insurance. The limit for Commercial General Liability Insurance in each contract and subcontract cannot be less than $10 (ten) million. Commercial General Liability Insurance must be primary to any other insurance, name the TA as an Additional Insured, include a Separation of Interests endorsement, and include a Waiver of Subrogation in favor of the TA.

   iii. Business Automobile Liability Insurance. The limit for Business Automobile Liability Insurance in each contract and subcontract cannot be less than $10 (ten) million. Insurance must cover all owned, non-owned and hired autos, and include a Waiver of Subrogation in favor of the TA.

   iv. Business Automobile Physical Damage Insurance. Insurance should cover Business Automobile Physical Damage, including Comprehensive and Collision coverage for all of Entity's vehicles used for the Project. Such insurance must include a Waiver of Subrogation in favor of the TA.

v. Professional Liability Insurance. If deemed appropriate by the Sponsor or an Entity in consideration of the work required for the Project, insurance should cover each Entity's and any Agent's professional work on the Project. The limit for Professional Liability Insurance in each appropriate contract and subcontract should not be less than $1 million.

vi. Contractors' Pollution Liability Insurance and/or Environmental Liability Insurance. If deemed appropriate by Sponsor or an Entity in consideration of the work required for the Project, insurance should cover potential pollution or environmental contamination or accidents. The limit for Pollution and/or Environmental Liability Insurance in each appropriate contract and subcontract should not be less than $1 million. Such insurance must name the TA as an Additional Insured and include a Waiver of Subrogation in favor of the TA.

vii. Railroad Protective Liability Insurance. Insurance is required if the Project will include any construction or demolition work within 50 feet of railroad tracks. The limit for Railroad Protective Liability Insurance in each appropriate contract and subcontract cannot be less than $2 million per occurrence and $6 million annual aggregate.

b) Special Requirement for Caltrain Shuttles. If Sponsor and/or Entity is operating shuttle(s) with the Caltrain logo on the vehicle(s) or on any shuttle public information materials, the Commercial General Liability, Business Automobile, and Pollution and/or Environmental Liability (if applicable) policies also must name as Additional Insureds: the Peninsula Corridor Joint Powers Board, the San Mateo County Transit District, the Santa Clara Valley Transportation Authority, the City and County of San Francisco, TransitAmerica Services, Inc. or any successor Operator of the Service, and the Union Pacific Railroad Company and their respective directors, officers, employees, volunteers and agents while acting in such capacity, and their successors or assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

c) Excess or Umbrella Coverage. Sponsor and/or any other Entity may opt to procure excess or umbrella coverage to meet the above requirements, but in such case, these policies must also satisfy all specified endorsements and stipulations for the underlying coverages and include provisions that the policy holder's insurance is to be primary without any right of contribution from the TA.

d) Deductibles and Retentions. Sponsor must ensure that deductibles or retentions on any of the above insurance policies are paid without right of contribution from the TA.

Deductible and retention provisions cannot contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the named insured is unacceptable.

In the event that any policy contains a deductible or self-insured retention, and in the event that the TA seeks coverage under such policy as an additional insured, Sponsor will ensure that the policy holder satisfies such deductible to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of the Entity or Agents, even if neither the Entity nor Agents are named defendants in the lawsuit.

e) Claims Made Coverage. If any insurance specified above is provided on a claim- made basis, then in addition to coverage requirements above, such policy must provide that:

i. Policy retroactive date coincides with or precedes the Entity's start of work (including subsequent policies purchased as renewals or replacements).

ii. Entity will make every effort to maintain similar insurance for at least three (3) years following Project completion, including the requirement of adding all additional insureds.

iii. If insurance is terminated for any reason, each Entity agrees to purchase an extended reporting provision of at least three (3) years to report claims arising from work performed in connection with this Agreement.

iv. Policy allows for reporting of circumstances or incidents that might give rise to future claims.

f) Failure to Procure Adequate Insurance. Failure by any Entity to procure sufficient insurance to financially support Section 4.1, Indemnity by Sponsor, of this Agreement does not excuse Sponsor from meeting all obligations of Section 4.1 and the remainder of this Agreement, generally.

Prior to beginning work under this Agreement, Sponsor must obtain, and produce upon request of the TA, satisfactory evidence of compliance with the insurance requirements of this section.

SECTION 5: Miscellaneous

5.1 Notices. All notices required or permitted to be given under this Agreement, excluding monthly/annual Operations Reports, quarterly progress reports, annual reports, and invoices, must be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or by personal delivery or overnight courier to the appropriate address indicated below or at such other place(s) that either party may designate in written notice to the other. Notices are deemed received upon delivery if personally served, one (1) day after mailing if delivered via overnight courier, or two (2) days after the mailing date if mailed as provided above.

To TA: San Mateo County Transportation Authority
1250 San Carlos Avenue
P.O. Box 3006
San Carlos, CA 94070-1306
Attn: Authority Secretary

To SPONSOR: City of Daly City
333 90th Street
Daly City, CA 94015
Attn: City Manager

5.2 No Waiver. No waiver of any default or breach of any covenant of this Agreement by either Party will be implied from any omission by either Party to take action on account of such default if such default persists or is repeated. Express waivers are limited in scope and duration to their express provisions. Consent to one action does not imply consent to any future action.

5.3 Assignment. Parties are prohibited from assigning, transferring or otherwise substituting their interests or obligations under this Agreement without the written consent of all other Parties.

5.4 Governing Law. This Agreement is governed by the laws of the State of California as applied to contracts that are made and performed entirely in California.

5.5 Compliance with Laws. In performance of this Agreement, the Parties must comply with all applicable Federal, State and local laws, regulations and ordinances.

5.6 Modifications. This Agreement may only be modified in a writing executed by both Parties.

5.7 Attorneys' Fees. In the event legal proceedings are instituted to enforce any provision of this Agreement, the prevailing Party in said proceedings is entitled to its costs, including reasonable attorneys' fees.

5.8 Relationship of the Parties. It is understood that this is an Agreement by and between Independent Contractors and does not create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship other than that of Independent Contractor.

5.9 Ownership of Work. All reports, designs, drawings, plans, specifications, schedules, studies, memoranda, and other documents assembled for or prepared by or for, in the process of being assembled or prepared by or for, or furnished to Sponsor under this Agreement are the joint property of the TA and the Sponsor, and will not be destroyed without the prior written consent of the TA.

The TA is entitled to copies and access to these materials during the progress of the Project and upon completion or termination of the Project or this Agreement. Sponsor may retain a copy of all material produced under this Agreement for its use in its general activities. This Section does not preclude additional shared ownership of work with other entities under contract with the Sponsor for funding of the Project.

5.10 Non-discrimination. Sponsor and any contractors performing services on behalf of Sponsor will not discriminate or permit discrimination against any person or group of persons on the basis of race, color, religion, national origin or ancestry, age, sex, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status, or in any manner prohibited by federal, state or local laws.

5.11 Accessibility of Services to Persons with Disabilities. The Project implementation must comply with, and not subject the TA or Sponsor to liability under, the Americans with Disabilities Act, the California Disabled Persons Act, or any other state or federal laws protecting the rights of persons with disabilities.

5.12 Warranty of Authority to Execute Agreement. Each Party to this Agreement represents and warrants that each person whose signature appears hereon is authorized and has the full authority to execute this Agreement on behalf of the entity that is a Party to this Agreement.

5.13 Severability. If any portion of this Agreement, or the application thereof, is held by a court of competent jurisdiction to be invalid, void or unenforceable, all remaining portions of this Agreement, or the application thereof will remain in full force and effect.

5.14 Counterparts. This Agreement may be executed in counterparts.

5.15 Attribution to the TA. Sponsor must include attribution that indicates work was funded with Measure A Funding from the TA. This provision applies to any project, or publication, that was funded in part or in whole by Measure A Funds. Acceptable forms of attribution include TA branding on Project-related documents, construction signs, public information materials, and any other applicable documents.

5.16 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to its subject matter and supersedes any prior or contemporaneous written or oral agreement between the Parties on the same subject.

IN WITNESS WHEREOF, the Parties have hereunder subscribed their names the day and year indicated below.

CITY OF DALY CITY

By: ______________________________________
Name:_____________________________________
Its: ______________________________________

Approved as to Form:

____
Legal Counsel for City of Daly City

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

By:_______________________________________
Name: Jim Hartnett
Its: Executive Director

ATTEST

____
TA Secretary Approved as to Form:

____
Legal Counsel for the TA

Exhibit A: Route Description and Information
Exhibit B: Marketing Plan
Exhibit C: National Transit Database Reporting Requirements
Exhibit D: Quarterly/Annual Progress Report Form
Exhibit E: Reimbursement Claim Form

Exhibit A: ROUTE DESCRIPTION AND INFORMATION

Exhibit A

San Mateo County Transportation Authority
Measure A Local Shuttle Program FY 2021 & FY 2022
Route Description and Information

Route Name:	Bayshore Shuttle
Sponsor Agency:	City of Daly City
Shuttle Contract Holder (if applicable):	
Contact person/ Title:	Shirley Chan/Traffic Engineer
Email / phone:	schan@dalycity.org / (650) 991-8231

1) Financial Information for the 2 -year funding period

a) **COST**

	FY 2021	FY 2022	Total
Operating Costs (i.e. Contract Service cost)	$286,000	$304,000	$590,000
Admin Costs (personnel expenses)	$10,000	$12,000	$22,000
Direct Costs (printing, marketing materials, etc.)	$4,000	$4,000	$8,000
Fuel Surcharge (if applicable)			$0
Other Costs (specify)			$0
Total Costs	**$300,000**	**$320,000**	**$620,000**

b) **FUNDING SOURCES**

	FY 2021	FY 2022	Total
Measure A Shuttle program	$165,000	$176,000	$341,000
Other (Lifeline Transportation Program - STA)	$135,000	$144,000	$279,000
Other (list)			$0
Other (list)			$0
Other (list)			$0
Total Funding	**$300,000**	**$320,000**	**$620,000**

2) Service Description

a) **Hours of Operation**

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total vehicle service hours (hh:mm):
(AM) Start time - End time		6:00 - 10:23	6:00 - 10:23	6:00 - 10:23	6:00 - 10:23	6:00 - 10:23		
(Midday) Start time - End time		11:30 - 15:18	11:30 - 15:18	11:30 - 15:18	11:30 - 15:18	11:30 - 15:18		
(PM) Start time - End time		16:25 - 20:03	16:25 - 20:03	16:25 - 20:03	16:25 - 20:03	16:25 - 20:03		
(Other) Start time - End time								
Total vehicle service hours (hh:mm):	**0**	**11:49:00**	**11:49:00**	**11:49:00**	**11:49:00**	**11:49:00**	**0**	

Route schedule is attached (if available): Yes

b) **Start and end dates of service** (if not July 1, 2021 - June 30, 2022)

c) **Frequency of service/headways** — 70 minutes

d) **# Miles for one complete service loop** — 13

(including service and deadhead miles, but excluding deadhead from originating yard)

e) **Daily service miles** (including service and deadhead miles, but excluding deadhead from originating yard) — 143

f) **Service type:** commuter, community, fixed route, on-demand, door to door, other (describe) — commuter/community

g) **Number and size of vehicles** (e.g. 2@ 24 passenger capacity) — 1@20 passenger capacity

h) **Passenger Fare structure, if applicable** (e.g. $2 adults, $20 monthly pass, $5 on-demand service, etc.) — free

i) **Route:** Map is attached: Yes / No (If not available, describe route below)

Yes, see attached map.

j) **Website/URL where the shuttle schedule is posted:** http://www.dalycity.org/Residents/Bayshore_Shuttle_Changes_9_6_16.htm

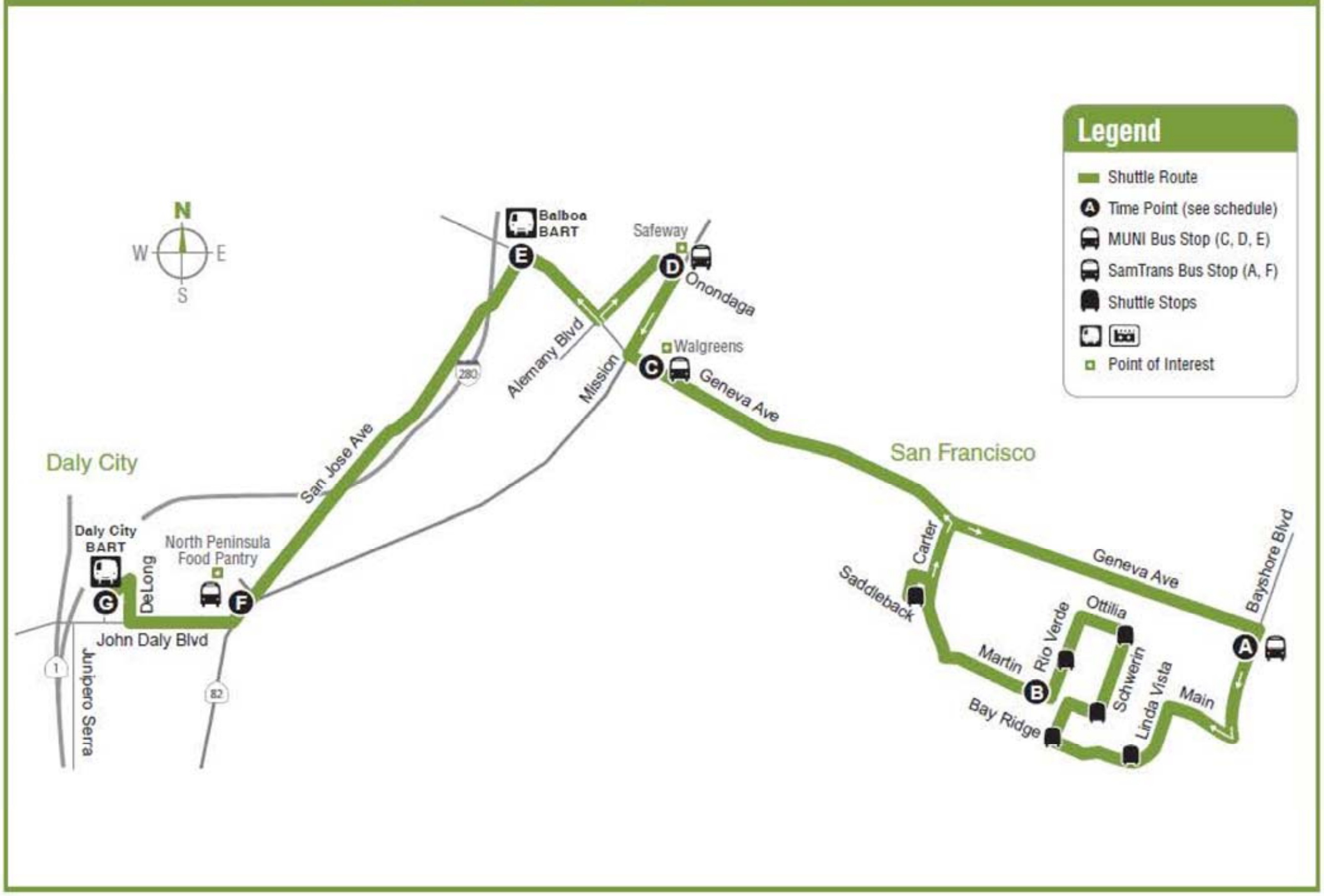
k) **Customer Feedback. The phone number, email, website and/or other contact information by which passengers can request information, comment, or complain.**

SamTrans customer service, 1-800-660-4287; http://www.dalycity.org/Residents/Bayshore_Shuttle_Changes_9_6_16.htm

l) **Marketing Plan: Attach a detailed Marketing Plan**

See attachment.

Daly City Bayshore Shuttle



*ROUTE SUBJECT TO ADJUSTMENT

Exhibit B: SHUTTLE MARKETING PLAN

Bayshore Shuttle Marketing Plan, FY 2021-22

Timeline	Objectives	Activity Planned	Channels
August 2020	Launch marketing campaign	Post shuttle schedule on social media	Daly Wire, Nextdoor
September 2020	Increase awareness of shuttle service	Print new flyers and mailers	Every Door Direct Mail
October 2020	Continue marketing campaign	Post on City's electronic newsletter	Daly Wire
October 2020	Continue marketing campaign	Distribute flyers to community centers, neighborhood groups, school district	Boys and Girls Club, Midway Village, Saddleback, Bayshore Elementary School District
January 2021	Continue marketing campaign	Internet Advertising	San Francisco Chronicle
March 2021	Continue marketing campaign	Post on City's electronic newsletter	Daly Wire
May 2021	Continue marketing campaign	Post on City's website, Nextdoor	Daly City website, Nextdoor
July 2021	Increase awareness of shuttle service	Print flyers and mailers	Printers
August 2021	Re-send marketing campaign	Mail marketing material	Every Door Direct Mail
	Re-send marketing campaign	Distribute flyers to community centers, neighborhood groups, school district	Boys and Girls Club, Midway Village, Saddleback, Bayshore Elementary School District
September 2021	Continue marketing campaign	Post on City's website, Nextdoor	Daly City website, Nextdoor
October 2021	Continue marketing campaign	Post on City's electronic newsletter	Daly Wire
January 2022	Continue marketing campaign	Post on Nextdoor	Nextdoor
March 2022	Continue marketing campaign	Post on City's electronic newsletter	Daly Wire
May 2022	Continue marketing campaign	Post on City's website, Nextdoor	Daly City website, Nextdoor

Exhibit C: NATIONAL TRANSIT DATABASE REPORTING REQUIREMENTS

The NTD was established by Congress to be the Nation's primary source for information and statistics on the transit systems of the United States. Recipients or beneficiaries of grants from the Federal Transit Administration (FTA) under the Urbanized Area Formula Program (§5307) or Other than Urbanized Area (Rural) Formula Program (§5311) are required by statute to submit data to the NTD. Over 660 transit providers in urbanized areas currently report to the NTD through the Internet-based reporting system. Each year, NTD performance data is used to apportion over $5 billion of FTA funds to transit agencies in urbanized areas (UZAs). Annual NTD reports are submitted to Congress summarizing transit service and safety data.

Below is a partial list of reported elements that may change at any time. For additional information, please go to the National Transit Database website at: **www.ntdprogram.gov/ntdprogram/index.htm**.

a) **Deadhead (Miles/Hours):** The miles and hours that a vehicle travels when out of revenue service.

   i) Deadhead includes:

      1) • Leaving or returning to the garage or yard facility;

      2) • Changing routes;

      3) • When there is no expectation of carrying revenue passengers;

   ii) However, deadhead does not include:

      1) • Charter service;

      2) • School bus service;

      3) • Operator training;

      4) • Maintenance training;

b) **Fuel Consumed:** The quantity of fuel consumed for the service (by fuel type);

c) **Mechanical System Failure - Major**: A failure of some mechanical element of the revenue vehicle that prevents the vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip because actual movement is limited or because of safety concerns;

d) **Mechanical System Failure - Other**: A failure of some other mechanical element of the revenue vehicle that, because of local agency policy, prevents the revenue vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip even though the vehicle is physically able to continue in revenue service. Any mechanical problem that delayed service more than five minutes, even if no Road Call was required;

e) **Passenger Miles Traveled (PMT)**: The cumulative sum of the distances ridden by each passenger;

f) **Reportable Incident:** A safety or security incident occurring on transit property or otherwise affecting revenue service that results in one or more of the following conditions:

i) A fatality confirmed within 30 days of the incident;

ii) An injury requiring immediate medical attention away from the scene for one or more persons;

iii) Property damage equal to or exceeding $25,000;

iv) An evacuation for life safety reasons; or

v) A mainline derailment.

g) **Revenue Service (Miles, Hours, and Trips):** The time when a vehicle is available to the general public and there is an expectation of carrying passengers. Vehicles operated in fare free service are considered in revenue service.

i) Revenue service includes:

1) • Layover / recovery time.

ii) Revenue service excludes:

1) • Deadhead

2) • Vehicle maintenance testing

3) • School bus service, and

4) • Charter service.

h) **Total Service (Miles or Hours):** The time or miles from when a transit vehicle starts (pull-out) from a garage to go into revenue service to the time or miles it returns to the garage (pull-in) after completing its revenue service.

i) Since total service covers the time or miles between:

1) • Pullout; and

2) • Pull-in;

ii) It therefore includes both:

1) • Deadhead; and

2) • Revenue service;

i) **Unlinked Passenger Trips (UPT):** The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

Exhibit D: QUARTERLY/ANNUAL PROGRESS REPORT FORM

San Mateo County Transportation Authority
Quarterly/Annual Shuttle Program Progress Report Form
Reporting Period: FY 2021

(Please complete all highlighted/shaded cells)

Shuttle Route Name:	
Oversight Agency:	
Sponsor:	
SMCTA Project ID:	
Person Completing Form	
Date:	

	$Cost/Pax	Boardings/Hr
Q1		-
Q2		-
Q3		-
Q4		-
ANNUAL		-

1) Cost (Totals for Reporting Period)

	FY 2021 Q1	FY 2021 Q2	FY 2021 Q3	FY 2021 Q4	FY 2021 Total
Operating Costs					
Insurance					
Fuel Surcharge (if any)					
Admin Costs (personnel expenses)					
Other Direct Costs					
Other Costs (specify)					
TOTAL OPERATING COST					

2) Funding (Totals for Reporting Period)

	FY 2021 Q1		FY 2021 Q2		FY 2021 Q3		FY 2021 Q4		FY 2021 Total	
Funding Sources	Annual	Percent	Annual	Percent	Annual	Percent	Annual	Percent	Annual	Percent
SMCTA Meas. A (Shuttle)										
SMCTA Meas. A (Local)										
C/CAG										
ADMINISTRATION										
City										
Employers										
JPB										
AB 434 (TFCA)										
Total										

3) Service Description

a) Hours of Operation

Q1	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
AM Hours of operation							
Mid Hours of operation							
PM Hours of operation							
Total passenger service-hours/day							

Total passenger service-hours/week:

TOTAL ACTUAL PASSENGER SERVICE-HOURS FOR REPORTING PERIOD:

Q2	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
AM Hours of operation							
Mid Hours of operation							
PM Hours of operation							
Total passenger service-hours/day							

Total passenger service-hours/week:

TOTAL ACTUAL PASSENGER SERVICE-HOURS FOR REPORTING PERIOD:

Q3	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
AM Hours of operation							
Mid Hours of operation							
PM Hours of operation							
Total passenger service-hours/day							

Total passenger service-hours/week:

TOTAL ACTUAL PASSENGER SERVICE-HOURS FOR REPORTING PERIOD:

Q4	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
AM Hours of operation							
Mid Hours of operation							
PM Hours of operation							
Total passenger service-hours/day							

Total passenger service-hours/week:

TOTAL ACTUAL PASSENGER SERVICE-HOURS FOR REPORTING PERIOD:

	Q1	Q2	Q3	Q4
b) **Start and end dates of service** (if not a continuation of service)				
c) **Headways** fixed route				
on-demand (e.g. 180 min service/3 calls (on avergae) = 60 min headways)				
d) **Service Provider**				
e) **Service type** (On demand, fixed route, etc)				
f) **Number and size of vehicles** (e.g. 2@21 pass)				
g) **Passenger Fare structure** (e.g. $2 adults, $1 seniors, $5 on-demand service, etc.)				
h) **Is this a Commuter, Community or On-demand Service?**				

i) **Please attach a current schedule and map of service. Describe any service changes during the reporting period.**

Q1:

Q2:

Q3:

Q4:

4) Performance

a) **Total passengers by month**

Q1			Q2			Q3			Q4		
Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
										ANNUAL PASSENGERS:	

b) **Average Boardings**

Q1			Q2			Q3			Q4		
Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday
								ANNUAL AWR:			

	FY 2021 Q1	FY 2021 Q2	FY 2021 Q3	FY 2021 Q4	FY 2021 Total
c) **Total vehicle hours/qtr** (includes deadhead)					-
d) **Service vehicle hours/qtr** (revenue only)					-
e) **Total vehicle miles/qtr** (includes deadhead)					-
f) **Service vehicle miles/qtr** (revenue only)					-
g) **On-time performance** (%)					-

h) **Provide data collection source and information (e.g. manual counts performed every day by driver, automated person counters used, independent survey performed by TDS on 4/13-4/18). Attach sheets if applicable.**

i) **Customer Complaints. Report any complaints that this service has received during the reporting period. Please include the type (missed pick-up, on-time performance, etc.) of complaint and the number of each. Attach sheets if applicable.**

Q1:

Q2:

Q3:

Q4:

j) **Media: Attach any copies of media articles, press releases, newsletter articles, or publicity materials regarding the Project.**

Q1:

Q2:

Q3:

Q4:

k) **Marketing: In addition to media activities listed above, what efforts were taken to implement submitted marketing plan? (attach additional pages as needed)**

Q1:

Q2:

Q3:

Q4:

l) **Benchmarks: If performance benchmarks for op. cost per passenger and/or passenger per service hour weren't met, what actions were/will be taken to improve them? (attach additional pages as needed)**

Q1:

Q2:

Q3:

Q4:

Exhibit E: REIMBURSEMENT CLAIM FORM

Exhibit E
REIMBURSEMENT CLAIM
San Mateo County Measure A Funds

Purchase Order #:
SMCTA Project ID:
SMCTA Project Allocation: $0.00
Claim Date: (date completing this claim)
Claim Number: (start from 1, and re-number with each new claim)
Claim Period: (period of incurred expenses, e.g. July - Sept 2016)
Claim Amount: **$0.00**

Consultant/Contractor/ Vendor	Invoice #	Invoice Total	Fund Source1	% of Ttl	Fund Source2	% of Ttl	Measure A	% of Ttl	Prior Total Measure A $	Life to Date Measure A $	Measure A Budget Balance
				#DIV/0!		#DIV/0!		#DIV/0!			
				#DIV/0!		#DIV/0!		#DIV/0!			
				#DIV/0!		#DIV/0!		#DIV/0!			
				#DIV/0!		#DIV/0!		#DIV/0!			
Total		-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	$ -	-	-

(Columns Fund Source1 through % of Ttl after Measure A are grouped under "Funding Source".)

Quarterly Shuttle Progress Report for Shuttle included? Y/N

Please issue check payable to: *Agency*
Contact person
Address

City Council Meeting Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: Accepting and Appropriating $10,220 in grants from the Daly City Public Library Associates

Recommended Action

It is recommended the City Council accept two grants totaling $10,220 from the Daly City Public Library Associates and appropriate this amount for circulating technology.

Background/Discussion

The first grant of $5,220, awarded to the DCPLA by the Town of Colma, was provided to fund the purchase of additional hotspots and Chromebooks to be checked out by residents in need of internet access at home or while traveling.

A second grant of $5,000 was made to fund the purchase of Playaway Launchpad tablets to add to the Library's circulating technology collection. These tablets will further the early literacy mission of the library, providing young children and their families with a safe, user-friendly device designed to build specific skills. Each tablet comes pre-loaded with between 10 and 20 subject or theme-based apps. The tablets are durable and secure. They do not require Wi-Fi and outside content can never be downloaded or added onto the tablets. With this grant, the library will be able to purchase thirty of them.

Fiscal Impact

The $10,220 grant revenue from the Daly City Public Library Associates was received and will be expended in Fiscal Year 2020-21.

Summary/Conclusion

Staff is available to provide any additional information desired by the Mayor or City Council.

Respectfully submitted,

Chela Anderson
Library Services Manager

City Council Meeting Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: Accepting and Appropriating a $5,000 Crisis Collections Grant from the California State Library

Recommended Action

It is recommended the City Council accept a grant of $5,000 from the California State Library and appropriate this amount for e-materials.

Background/Discussion

The California State Library Crisis Collections project provides support for public libraries to build library collections that will help their communities recover from natural or other disasters. The Daly City Public Library was invited to participate in this funding opportunity in the amount of $5,000 to address the increased demand from our community for eResources as people practice physical distancing and library buildings are closed due to COVID-19. This is the second round of funding. The Library received funding in both rounds.

The Daly City Public Library is committed to meeting the educational and recreational needs of our community throughout these challenging times. Residents can use their library cards to download eBooks and audio books, watch streaming video, read electronic magazines, and much more.

Fiscal Impact

The $5,000 grant revenue from the California State Library was received and will be expended in Fiscal Year 2020-21.

Summary/Conclusion

Staff is available to provide any additional information desired by the Mayor or City Council.

Respectfully submitted,

Chela Anderson
Library Services Manager

Meeting Date: November 23, 2020

Subject: Adopting Resolutions for Salary and Benefits for Specific Executive Management Classifications

Recommended Action

Staff recommends that the City Council adopt resolutions to implement salary adjustments and welfare benefits with amendments to Employment Agreements (City Manager and City Attorney) for specific Executive Management classifications.

Discussion

After completing market surveys for all Executive Management classifications, the City Council has authorized the following salary adjustments and welfare benefits for specific Executive Management classifications significantly behind market as follows:

1) Director of Water & Wastewater Resources (25.31% behind average maximum salary)

    Educational Incentive

    - Effective the first full pay period after adoption of this resolution, the Director of Water & Wastewater Resources shall be eligible for educational incentive pay for possession of a State Water Resources Control Board (SWRCB)/ California Water Environment Association (CWEA) certificate at the rate of 2% per grade (maximum 10%), consistent with the educational incentive pay that the Miscellaneous/Unrepresented Employees they supervise receive. The Educational Incentive Pay shall compound from one SWCRCB/CWEA certificate grade to the next. For example, the Director of Water & Wastewater Resources will be eligible for the educational incentive pay that the Collection System Managers or Chief of Operations are eligible for.

    - Effective the first full pay period of October 2021 educational incentive pay shall increase to 4% per grade (maximum 20%)

2) Police Chief (2.49% behind average maximum salary. There is a compaction issue between the Police Chief and Police Captain as there is currently only 6.92% between positions and by year 2 only 5.93% between positions.)

    Equity Adjustment:

    - 3% equity adjustment effective the first full pay period of October 2020
    - 3% equity adjustment effective the first full pay period of October 2021

3) (2/3) Deputy Fire Chief (20.42% behind average maximum salary and (1) Fire Chief (12.58% behind average maximum salary)

Equity Adjustment:
- 3% equity adjustment effective the first full pay period October 2020
- 3% equity adjustment effective the first full pay period of October 2021

Holiday in Lieu Pay

Effective the first full pay period after adoption of this resolution, in recognition of the essential nature of services provided by the Deputy Fire Chief and Fire Chief, these classifications shall receive 7.5% of employee's base salary plus supplemental educational incentive pay earned in the previous six-month period in lieu of observing City Holidays. Such payments shall be made on the first payday after December 1 and the first payday after June 1.

The Deputy Fire Chief and Fire Chief will receive 7.5% holiday-in-lieu pay for the following holidays:

New Year's Day, January 1	Veterans' Day (Celebrated)
Martin Luther King, Jr. Holiday (Celebrated)	Thanksgiving Day (Actual)
President's Day (Celebrated)	Day following Thanksgiving
Memorial Day (Celebrated)	Christmas Eve, December 24 (four hours)
Independence Day, July 4	Christmas Day, December 25
Labor Day, (Celebrated)	New Year's Eve (four hours)

Educational Incentive

Effective the first full pay period of October 2020 employees who have completed the following education courses, certificates and/or degrees which enhance their ability to do their job will receive educational incentive pay as follows:

1) Job Enhancing Certifications or Degrees (equivalent to Fire Management Group)

   - Level 1 Incentive – 5% of base salary
     Possession of California Chief Officer's Certificate (Completion of California State Fire Training Chief Officer Class Series Original curriculum or post 2018 curriculum is acceptable) **or** BA/BS Degree
   - Level 2 Incentive – 7.5% of base salary

Possession of California Chief Officer's Certificate (Completion of California State Fire Training Chief Officer Class Series Original curriculum or post 2018 curriculum is acceptable) **and** possession of BA/BS Degree

- Level 3 Incentive – 10% of base salary
  Possession California Chief Officer's Certificate (Completion of California State Fire Training Chief Officer Class Series Original curriculum or post 2018 curriculum is acceptable), BA/BS Degree **and** Master's Degree

2) Job Enhancing Course Work (equivalent to Fire Management Group)

   - 5% of base salary for employees who successfully complete 40 hours of course work approved by the Chief or Chief's designee. Approved subjects include, but are not limited to:
     - Management/Supervision
     - Human Resources Development
     - Instructional Techniques
     - Emergency Medical Services
     - Strategy and Tactics
     - County Chief Officer Continuing Education Classes

Longevity Pay

- 2.5% of base salary for completion of fifteen (15) years of service with the City of Daly City effective the first pay period of October 2020

4) City Manager (12.62% behind average total compensation)

Salary Adjustment

- 13% increase effective the first full pay period of October 2020
- 13% increase effective the first full pay period of October 2021

Deferred Compensation

- $1000 per month contribution effective the first full pay period of October 2020

5) City Attorney (8.26% behind average total compensation)

Salary Adjustment

- 13% increase effective the first full pay period of October 2020
- 13% increase effective the first full pay period of October 2021

Fiscal Impact

For the Director of Water and Wastewater Resources classification, the Sanitation Fund will absorb 100% of the proposed increase. There would be no increase to General Fund expenditures as a result of this action. The first year increase will be approximately $15k, and the second year increase will be approximately $32k.

For the Fire Chief and two Deputy Fire Chief classifications, approximately 40% of the increase will be paid through the JPA of the North County Fire Authority. Approximately 60% of the increase will be paid out of the General Fund. The first year General Fund increase will be approximately $138k for both classifications, and the second year General Fund increase will be approximately $171k.

For the Police Chief, City Manager, and City Attorney classifications, the increases will be paid out of the General Fund. The first year increase will be approximately $129k for the three classifications combined, and the second year increase will be approximately $202k.

Summary/Conclusion

Staff recommends that the City Council adopt resolutions approving salary adjustments and welfare benefits with amendments for Employment Agreements (City Attorney and City Manager) for specific Executive Management classifications.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Natalie Sakkal
Director of Human Resources

Leilani Ramos
Assistant to the City Manager

City Council Meeting Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: **Amendment and Restatement of Easement Agreement between 2201 Junipero Serra LLC and the City of Daly City for Property Located Adjacent to 2201 Junipero Serra Boulevard, Daly City, CA**

Recommended Action

Adopt a Resolution amending and restating an Easement Agreement between 2201 Junipero Serra LLC and the City of Daly City for Property Located Adjacent to 2201 Junipero Serra Boulevard, Daly City, CA.

Background

In April 2007, the City of Daly City and the "Former" Daly City Redevelopment Agency approved an Easement Agreement between the City Of Daly City, "Former" the Daly City Redevelopment Agency ("Agency") and SPI 2201 Daly City, L.P., to allow an easement for parking purposes on approximately 23,350 square feet of land owned by the City and the Agency. Granting of a long-term Parking Easement Agreement (55 years plus 2 ten-year extensions) at that time allowed the land owned by the City and the Agency to be developed for parking to serve the future uses on the Dunn-Edwards property at 2201 Junipero Serra.

Since that time, the current property owner, 2201 Junipero Serra LLC, has been successful keeping the existing building leased. One of the tenants, Blue Pearl Pet Hospital, requested to expand an existing 24-hour emergency veterinary hospital into the mezzanine of the existing building. The proposed expansion requires the provision of additional parking and the property owner proposed a 26-space parking lot expansion to the south of the existing parking lot that serves the subject building. The property on which this parking lot was proposed is owned by the City of Daly City and is directly adjacent to the existing parking easement.

Discussion

The Easement would be limited to the right to use all or any portion of the Easement Area for the purpose of vehicular parking and for vehicular and pedestrian ingress and egress to and from Citrus Avenue to the 2201 Junipero Serra Property. The proposed Amended and Restated Easement Agreement allows for landscaping, paving, grading, utility and slope stability work for the purposes of creating additional parking. This proposed work is subject to review and approval pursuant to City's design review process, building permit process, and engineering site improvement permit and will be constructed at 2201 Junipero Serra LLC's sole cost and expense.

The existing Easement Agreement commenced May 16, 2007, and this Easement shall commence on the Effective Date and would terminate forty-two (42) years thereafter, at which 2201 Junipero Serra LLC would have two (2) options to extend such term for additional periods of ten (10) years each.

In consideration for the grant of the existing 23,350 square foot Easement and the 2201 JSP options to extend its term, SPI paid to City a lump sum payment in the amount of $269,933.18 in 2007. 2201 Junipero Serra LLC proposes to pay the City additional payments in the cumulative amount of $121,000 for the 10,000 square foot expanded easement area, payable as follows (a) $41,000 prior to recordation of this Amended and Restated Easement Agreement, (b) $40,000 on or before the first anniversary of recordation of this Amended and Restated Easement Agreement and (c) $40,000 on or before the second anniversary of recordation of this proposed Amended and Restated Easement Agreement. (Attachment 1, Draft Amended and Restated Easement Agreement).

Summary/Conclusion

It is recommended that the City Council adopt a Resolution amending and restating an easement agreement between 2201 Junipero Serra LLC and the City of Daly City.

Staff is available to provide any additional information desired by the Mayor or Council members.

Respectfully submitted,

Tatum Mothershead
Director, Economic and Community Development

Rose Zimmerman
City Attorney

Attachment

Draft Amendment and Restatement Easement Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Daly City
333 90th St
Daly City, California 94015
Attention: City Clerk

(Space Above This Line for Recorder's Use Only)
Exempt from recording fee per Gov. Code § 27383.

AMENDMENT AND RESTATEMENT OF EASEMENT AGREEMENT

THIS AMENDED AND RESTATED EASEMENT AGREEMENT ("**Amended and Restated Easement Agreement**"), dated ________________, 2020 (the "**Effective Date**"), is by and between the CITY OF DALY CITY, a municipal corporation ("**City**"), and 2201 JUNIPERO SERRA LLC., a Delaware limited liability Company **("2201 JSP").**

Recitals

A. 2201 JSP is the owner of certain real property in the City of Daly City commonly known as 2201 Junipero Serra Boulevard and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the **"2201 JSP Property").**

B. City is the owner of certain real property located adjacent to the SPI Property, which adjacent property is described in Exhibit "B" attached hereto and incorporated herein by this reference (the **"Easement Area").**

C. On April 24, 2007, SPI 2201 Daly City, L.P. ("**SPI**"), City and its Redevelopment Agency entered into an Easement Agreement (the "**Existing Easement Agreement**") which was recorded as Document 2007-076108 in the official records of the county of San Mateo on May 16, 2007 to facilitate the acquisition of an easement for parking, access and utilities (the "**Existing Easement**"). The Existing Easement benefits the 2201 JSP Property; the easement area for the Existing Easement ("**Existing Easement Area**") does not include the entire Easement Area described in this Amended and Restated Easement Agreement. This Amended and Restated Easement Agreement adds approximately 10,000 square feet (the "**Additional Easement Area**") to the Existing Easement Area; for the avoidance of doubt, the Existing Easement Area and the Additional Easement Area together form the entirety of the Easement Area in this Amended and Restated Easement Agreement.

D. 2201 JSP is the successor in title to SPI 2201 Daly City, L.P. as the owner of the 2201 JSP Property.

E. To facilitate its planned improvements to the 2201 JSP Property, 2201 JSP desires to acquire an easement for parking, access and utilities in favor of the 2201 JSP Property on, over, under, and across the Easement Area, and City is willing to grant such an easement on the terms set forth below.

F. 2201 JSP and City intend to expand the area of the Easement to the Easement

Area as provided in, and subject to the terms of this Amended and Restated Easement Agreement.

Agreement

1. Amendment and Restatement of Agreement. As of the Effective Date, the Existing Easement Agreement is amended and restated in its entirety as provided in this Amended and Restated Easement Agreement.

2. Grant. City, for and in consideration of the payment, the covenants and the agreements set forth herein, hereby grants to 2201 JSP the parking, access and utility easement hereinafter described (the **"Easement")**.

3. Location. The Easement shall be located on, over, under and across the Easement Area, as described in Exhibit "B".

4. Description. The Easement shall be limited to the right to use all or any portion of the Easement Area for the purpose of vehicular parking and for vehicular and pedestrian ingress and egress to and from Citrus Avenue to the 2201 JSP Property. Additionally, provided that 2201 JSP does not interfere with any City utilities now or in the future installed in the Easement Area, and subject to getting the City's prior approval as to the location thereof and conformance with City's engineering standards, 2201 JSP, at 2201 JSP's sole expense, shall have the right to install, maintain, operate, repair, reconstruct, and relocate underground any utilities within the Easement Area necessary to develop and use the 2201 JSP Property. The right to use the Easement for access and vehicular parking shall extend to 2201 JSP's employees and tenants, and their customers, invitees, agents and contractors, and 2201 JSP's successors, transferees and assigns. 2201 JSP's rights hereunder shall also include the right to enter the Easement Area for purposes of constructing parking and related improvements on the Easement Area and the 2201 JSP Property, and for purposes of maintaining and repairing such improvements.

5. Term and Extension. Subject to City's limited right to terminate, as set forth in Section 13 below, the Existing Easement Agreement commenced May 16, 2007, and this Easement shall commence on the Effective Date and shall terminate forty-two (42) years thereafter, 2201 JSP shall have two (2) options to extend such term for additional periods of ten (10) years each. Such option rights may be exercised by written notice from 2201 JSP to City, which shall be given at least 90 days prior to the expiration of the then-current Easement term.

6. Character. The Easement shall be appurtenant to the 2201 JSP Property. Use of the Easement for vehicular parking shall be exclusive to 2201 JSP, but solely for the employees and tenants, and their customers, invitees, agents and contractors, and 2201 JSP's successors, transferees and assigns of the 2201 JSP Property, which customers and invitees shall not be charged for the use of such parking. The Easement shall be non-exclusive as to access and utilities. City expressly reserves the right to use the Easement Area for (i) current and future utilities, and (ii) for access to any property now and in the future owned by City south of the Easement Area. The Easement shall also be subject to all previously recorded easements and encumbrances affecting the Easement Area. The Easement area shall not be used for storage, to and including vehicular or container storage.

7. Payments to City. In consideration for the grant of this Easement and the 2201

JSP options to extend its term, SPI paid to City a lump sum payment in the amount of $269,933.18, and 2201 JSP shall pay to City additional payments in the cumulative amount of $121,000 payable as follows (a) $41,000 prior to recordation of this Amended and Restated Easement Agreement, (b) $40,000 on or before the first anniversary of recordation of this Amended and Restated Easement Agreement and (c) $40,000 on or before the second anniversary of recordation of this Amended and Restated Easement Agreement.

8. Compliance with Laws. 2201 JSP shall comply with all laws, regulations, ordinances, orders and other requirements of federal, state and municipal governmental authorities applicable to its activities, to and including construction, use, signage, maintenance and repairs within the Easement Area.

9. Insurance.

A. Obligations of 2201 JSP. During the Term of this Agreement, 2201 JSP shall at its expense, procure, carry, and maintain in full force and effect in a form acceptable to City insurance coverage by the following policies of insurance:

(i) Workers' Compensation Insurance, in accordance with the law;

(ii) Liability Insurance with a minimum combined single-limit coverage of Three Million Dollars ($3,000,000) on an occurrence basis and Five Million ($5,000,000) combined single limit, arising out of or resulting from: (i) personal injury, death, or property damage sustained or alleged to have been sustained by any person for any reason on the Easement Area is or as a result of business or activity at the Easement Area; or (ii) personal injury, death, or property damage sustained or alleged to have been sustained by operation, ownership, or use of automobiles, including owned, non-owned, and hired automobiles.

(iii) [Deleted].

(iv) All policies of liability insurance obtained and maintained by 2201 JSP in accordance with this section shaft name the City as additional insureds and shall further provide that the insurance policy so endorsed will be the primary insurance providing coverage for City.

(v) All insurance provided under this section (a),be periodically reviewed by the parties for the purpose of mutually increasing the minimum limits of such insurance, from time to time, to amounts which may be reasonable and customary for similar facilities of like size and operation; and (b) effected under policies issued; by insurance of recognized responsibility, licensed or permitted to do business in the State of California.

B. Certificates. Certificates of Insurance shall be furnished by 2201 JSP to City and shall provide that no cancellation, reduction or modification of coverage will occur without thirty (30) days' prior written notice to City. In the event 2201 JSP does not comply with the requirements of this Section, City may, at its option, purchase insurance coverage to protect the City and 2201 JSP shall reimburse for all reasonable sums paid under this section within thirty (30) days after written notice is received from City of amount expended.

C. Waiver of Subrogation. 2201 JSP releases City from any claims for damage to any person or to the Easement Area that is caused by or results from risks insured against under any insurance policies carried by 2201 JSP and in force at the time of any such damage. 2201 JSP shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against City in connection with any damage covered by any policy:

10. Indemnification.

The City shall not be liable at any time for any loss, damage, or injury to the property or person of any person whomsoever at any time occasioned by or arising out of any act or omission of 2201 JSP, or of anyone holding under the 2201 JSP or the occupancy or use of the Easement Area or any part thereof by or under the 2201 JSP, or directly or indirectly from any state or condition of the Easement Area or any part thereof during the Term of this. Agreement except for the willful misconduct or the gross negligence of the City.

Notwithstanding anything to the contrary under this Agreement, and irrespective of any insurance carried by 2201 JSP for the benefit of the City, 2201 JSP agrees to protect, defend, indemnify and hold the City harmless from any and-all damages or liabilities of whatsoever nature arising under the terms of this Agreement or arising out of or in connection with the Easement Area during the Term of this Agreement.

The foregoing indemnity shall survive termination of this Agreement. The foregoing indemnity shall not apply to: (i) any claim for injury to person or property arising from the gross negligence or willful misconduct of the City or their respective officers, employees, agents or contractors; (ii) to any claim that arises solely by reason of the actions or omissions of an unrelated third party or in connection with the Easement Area; (iii) any claim that arises solely by reason of the design of the improvements on the Easement Area to the extent that the design has been approved by the City and the design element is one normally approved by the City for public facilities; or (iv) any claim to the extent arising front: the City's activities in maintaining, repairing and/or constructing the City Facilities described in Section 10 below. An "unrelated third party" is a person or entity who is not directly or indirectly an employee, officer, agent, representative, tenant, contractor or subcontractor of 2201 JSP.

11. Repair of City Facilities. City has certain water, communication, storm drain and other utility lines installed underground within the Easement Area and, pursuant to Section 5 above, may add additional water, communication, storm drain and other utility lines in the Easement Area (all such current and/or future water, communication, storm drain and other utility lines are referred to herein as the **"City Facilities"**). City reserves the right to enter upon the Easement Area for the purpose of installing and making repairs to the City Facilities at its sole cost and expense. In doing so, City shall exercise commercially reasonable efforts not to unreasonably interfere with 2201 JSP's use of the Easement Area and shall exercise reasonable care not to damage 2201 JSP's improvements. However, 2201 JSP acknowledges that in making such installations and repairs, it may be necessary for. Daly City to tear up paving and/or other improvements installed by 2201 JSP in the Easement Area and that. City shall have no obligation to repair or restore any such damage resulting from its installation of and/or repairs to the City Facilities. It is expressly understood and agreed that any required restoration and repair to 2201 JSP's improvements shall be completed by 2201 JSP at its sole cost and expense.

12. 2201 JSP's Use of Easement Area Restricted to C-1 Purposes. 2201 JSP's right to

use the Easement Area for vehicular parking shall be incidental to 2201 JSP's operation on the 2201 JSP Property of a retail store and/or other uses permitted in a C-1 zoning district within the City of Daly City, subject to the provisions set forth in Section 12 below, and except for the following uses: residential, churches, private non-commercial clubs or lodges, massage establishments, tanning salons, fortune telling or related uses, adult entertainment establishments, automobile repair/body shops, tattoo establishments, pawnshops, commercial parking lots, car wash businesses, any open storage of materials or equipment, building materials yard and contractor's yard; provided further that any eating and drinking establishments, drive-in establishments and banks may be permitted subject to conceptual approval by the City. Failure to comply with this Section of this Agreement constitutes a substantial breach of this Agreement by 2201 JSP, and will constitute independent and sufficient grounds for termination of this Agreement by City.

13. Certain Covenants of the 2201 JSP. Without limiting 2201 JSP's other obligations hereunder, 2201 JSP shall not do, or permit or authorize others to do any of the following:

a. Operate or use the Easement Area in any manner or for any purposes other than as herein set forth;

b. Knowingly or intentionally engage in any act which would, to an ordinarily prudent person in the position of 2201 JSP, be reasonably foreseeable to cause material damage to the Easement Area;

c. Abandon the Easement Area during the Term of this Agreement; provided however that temporary cessation of use shall not be deemed abandonment;

d. Knowingly use or occupy, or knowingly permit the Easement Area or any part thereof to be used or occupied, for any unlawful, disreputable or ultra-hazardous use (including the prohibited or unauthorized use, storage or disposal of hazardous material), or operate of conduct the business of the Easement Area in any manner known to constitute or give rise to a nuisance of any kind;

e. Without the prior consent of the City, make, authorize or permit any material modifications or alterations to the Easement Area except as expressly authorized by this Agreement;

f. Enter into or amend any contract or agreement affecting the Easement Area that conflicts in any material respect with the terms of this Agreement or that does not contain an express provision that it will terminate automatically upon the expiration or earlier termination of this Agreement.

14. Improvements to 2201 JSP's Property and Easement Area; Termination for Failure to Complete. As a material inducement to City to grant the Existing Easement SPI made certain landscaping, paving and related site improvements to the 2201 JSP Property and the Existing Easement Area covered by the Existing Easement and made certain improvements to the building on 2201 JSP's Property, substantially as shown in the building elevations attached hereto as Exhibit "D. As a material inducement to City to grant an easement over the Additional Easement Area added by this Amended and Restated Easement Agreement, subject to review and approval pursuant to City's design review process, building permit process, and engineering

site improvement permit process, 2201 JSP agrees to make landscaping, paving, grading, utility, slope stability and related site improvements to the Additional Easement Area substantially, as shown on Exhibit "C" attached hereto and incorporated herein " (collectively, the "**Additional Improvements**"). After completing said City design review and approval, subject to the City's building permit process, and engineering site improvement permit process, the Additional Improvements shall be constructed at 2201 JSP's sole cost and expense. Upon 2201 JSP's completion of the Additional Improvements, City shall at 2201 JSP's request record a notice confirming that 2201 JSP has satisfied its obligations under this Section 14 (the "**Satisfaction Notice**") provided however, if 2201 JSP does not substantially complete the Additional Improvements on or before June 30, 2021, City may give written notice of such failure to 2201 JSP and if 2201 JSP does not complete the Additional Improvements within 90 days after its receipt of such notice, City may record a written notice of termination, thereby terminating the Easement as to the Additional Easement Area. Before commencement of the Additional Improvements to the Easement Area, 2201 JSP shall, at its own expense, secure or cause to be secured any and all permits which may be required by City or any other governmental agency affected by such construction, development or work. Also, prior to the commencement of the Additional Improvements in the Easement Area and until recordation of the Satisfaction Notice, 2201 JSP shall furnish or cause to be furnished to City certificates evidencing bodily injury and property damage insurance policies in the amount of at least $5,000,000 for any person, $5,000,000 for any occurrence and $500,000 property damage, naming the City of Daly City, and their respective officers, members, agents and employees, as additional or coinsured.

15. Ownership of Improvements. During the term of this Agreement, all improvements constructed on the Easement Area by 2201 JSP shall be owned by 2201 JSP. Upon expiration or termination of this Agreement, ownership of such 2201 JSP improvements shall revert to the City; provided however that upon such expiration or termination, at the City's request in its sole discretion, 2201 JSP, at 2201 JSP's sole expense shall demolish and or take down any and all improvements and/or additions constructed by 2201 JSP on the Easement Area.

16. Liens on Easement Area. 2201 JSP shall not place or allow to be placed on the Easement Area any mortgage, deed of trust, encumbrance or lien; provided however that any deed of trust that encumbers the 2201 JSP Property may also encumber 2201 JSP's interest in this Easement. 2201 JSP shall remove or have removed any levy or attachment made on the Easement Area arising from 2201 JSP's Additional Improvements or other 2201 JSP activities thereon; provided that nothing herein contained shall prohibit 2201 JSP from contesting the validity or amounts of any lien, nor limit the remedies available to 2201 JSP in respect thereto.

17. Payment of Taxes. To the extent that City or 2201 JSP are assessed real or personal property takes, general and special assessments, or other charges against the Easement Area or personal property thereon, 2201 JSP shall pay such taxes, fees, charges and other governmental impositions prior to delinquency and before any fine, interest or penalty shall become due or be imposed by operations of law for their nonpayment.

18. Notices. Notices which either party is required or desires to give to the other shall be given in writing by certified mail, return receipt requested with appropriate postage paid, by personal delivery, or by private overnight courier service to the address provided by the respective party. Notices shall be deemed served upon personal delivery or, if mailed as set forth above, three (3) days after deposit in the United States Postal Office.

City:	City of Daly City 333 90th Street Daly City, California 94015 Attn: City Manager
2201 JSP:	2201 JUNIPERO SERRA, LLC c/o Gaetani Real Estate 4444 Geary Blvd., Suite 100 San Francisco, CA 94118 Attn: Benjamin Stefancic Email: bstefancic@gmail.com Phone: 415-407-6771

Any party shall have the right to change the place to which notice shall be sent or delivered or to specify additional addresses to which copies of notices may be sent, in either case by similar notice sent or delivered in like manner to the other party. Furthermore, upon the request of a Lender (as defined in Section 23 below), City shall provide copies of notices to 2201 JSP concurrently to such Lender.

19. <u>No Discrimination.</u> No party shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, mortgaging, or occupancy of its property, or a part thereof, to any person on account of race, color, creed, religion, sex, sexual orientation, marital, status, ancestry, national origin, familial status, handicap, or disability.

20. <u>Charges for Use.</u> 2201 JSP, or its tenants, assignees or subsequent owners shall not impose or permit the imposition of any charge for the use of the Easement Area without the consent of City.

21. <u>Hazardous Materials</u>

During the Term of this Agreement, neither 2201 JSP nor its tenants shall be in violation of any federal, state or local law, ordinance or regulation relating to industrial- hygiene, soil, water, or environmental conditions on, under or about the Easement Area including, but not limited to, Hazardous Material Laws.

During the Term of this Agreement, there shall be no use, presence, disposal, storage, generation, release, or threatened release of Hazardous Materials by 2201 JSP or its tenants on, from or under the Easement Area in violation of any Hazardous Material Laws.

2201 JSP shall, at its sole cost and expense, be responsible for the removal and/or remediation (as set forth below) of all toxic or hazardous materials brought upon, maintained or caused to be brought onto the Easement Area by 2201JSP or its tenants.

Remediation shall include both structural and non-structural work and encompass inspection, monitoring, testing, contesting, making safe, removing, and otherwise dealing with toxic or hazardous materials. Further, in the event generation, transportation, storage, release, disposal or use of Hazardous Materials by 2201 JSP or its tenants in, on, under or about the Easement Area results in (a) contamination of the Easement Area, any soil, subsoil; groundwater, surface water or ambient air, or (b) any loss, injury, damage or contamination of the Easement

Area or any other property or injury or death to any persons, then 2201 JSP agrees to respond in accordance with the following. 2201 JSP agrees (a) to notify City immediately of any claim of contamination, contamination, release, loss, injury, damage or death or otherwise, (b) after consultation with and approval by the City (which approval may be given or withheld in their reasonable discretion), 2201 JSP shall, at its sole cost and expense, remove, clean up, repair or revitalize, in full compliance with all Hazardous Material• Laws, any resulting contamination, loss, injury, damage or other problem, and (c) to indemnify, defend and hold City, their board members, officers, agents, servants and employees, harmless for, from and against all resulting claims, suits, actions, causes of action, cost§, professional fees, attorneys' fees, liabilities or obligations arising from or connected with any such contamination or loss, injury or damage or otherwise. The provisions of this subsection shall survive termination or expiration of the Agreement and shall continue'• thereafter.

For the purpose of this Agreement, "Hazardous Materials" means any substance, product, waste, or other material of any nature whatsoever:

which is or becomes listed; regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42, U.S.C. section 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. section 1801, et seq. ("HMTA"); the Resource Conversation and Recovery Act, 42 U.S.C. section 6901, et seq. ("RCRA"); the Toxic Substance Control Act, 15 U.S.C. section 2601, et seq. ("TSCA"); the Clean Air Act, 42 U.S.C. section 7401, et seq. ("CAA"); the Clean Water Act, 33 U.S.C. section 1251, et seq. ("CWA"); the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. section 136, et seq. ("FIFRA"); the Atomic Energy Act of 1954 ("AEA") and Low-Level Radioactive Waste Policy Act ("LLRWPA"), 42 U.S.C. section 2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. section 10101 et seq. ("NWPA"); the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. section 11001 et seq. ("EPCRA"); the California Hazardous Waste Control Act; Health and Safety Code; Division 20, Chapter 6.5, section 25100 et seq.; the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code, Division 20, Chapter 6.6, section 25249.5 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act, Health and Safety Code, Division 20, Chapter 6.8; section 25300 et seq.; California Health and Safety Code Division 20, Chapter. 6.95, section25501, et seq. ("Hazardous Materials Release Response Plans and Inventory"); or the Porter Cologne Water Quality Control Act, California Water Code section 13000, et seq., all as amended; or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to or imposing liability (including; but not limited to, response, removal and remediation costs) or standards of conduct or performance concerning any hazardous, extremely hazardous, toxic, dangerous, restricted; or designated waste, substance or material, as now or at any time hereafter may be in effect, or

which is explosive, corrosive, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous to human health or the environment and is regulated by any governmental authority (or by executive of judicial order) as a hazardous material; or

which is or contains oil, gasoline, diesel fuel or other petroleum hydrocarbons; or

which is or contains polychlorinated biphenyls, asbestos, urea formaldehyde foam insulation, radioactive materials; or which is radon gas.

The term "Hazardous Materials" shall not include the following, so long as such materials and substances are stored, used and disposed of in compliance with all applicable Hazardous Materials Laws: (i) construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of commercial properties, buildings and grounds, or (ii) certain substances which may contain chemicals listed by the State of California pursuant to California Health and Safety Code Section 225249.8 et seq., which substances are commonly used by a significant portion of the population living within the region of the Easement Area.

Hazardous Materials Laws means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Easement Area or any portion thereof.

22. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity, or unenforceability shall not affect the other terms and provisions hereof, which terms and provisions shall remain binding and enforceable, and to the extent possible all of such other provisions shall remain in full force and effect.

23. Default and Termination. In the event of a breach or default under this Agreement by 2201 JSP which City asserts would give rise to City's right to terminate this Agreement (a **"Material Breach"),** City shall provide 2201 JSP with written notice specifying, such Material Breach and the action that 2201 JSP must take to cure the Material Breach, provided however that 2201 JSP shall not be in default and City shall not have the right to terminate this Agreement if 2201 JSP initiates action to cure the Material Breach within said 30 day period and thereafter diligently completes the cure of such Material Breach. Furthermore, City agrees that if it has the right to terminate this Agreement due to an uncured Material Breach by 2201 JSP, City shall not exercise such right until it has given written notice to any institutional lender who has made a loan to 2201 JSP and has requested notices of default hereunder (a **"Lender"**), and the Lender has failed, within thirty (30) days after both receipt of such notice and the date when it shall have become entitled to remedy the same, to commence to cure such Material Breach and thereafter diligently prosecute such cure to completion.

24. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed and supersedes all prior negotiations, agreements and understandings of the parties with respect thereto. This Agreement may not be modified, amended, supplemented or otherwise changed except by a. writing executed by each of the parties.

25. Attorneys' Fees. Should either party institute any action or proceeding to enforce any provision of this Agreement, or for damages by reason of an alleged breach of any provision hereof, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be entitled to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such action or proceedings.

26. Binding Effect; Interpretation. The provisions of this Agreement shall run with the property subject to this Agreement and shall benefit and be binding on the heirs, personal representatives, executors, administrators, successors, transferees and assigns of the parties hereto. 2201 JSP shall provide City notice of any assignment, transfer, or conveyance of this Agreement, and shall thereafter be released from any and all obligations set forth in this Agreement as the same pertains to that portion of the 2201 JSP Property assigned, transferred or conveyed. This Agreement shall be governed by and construed under California law, without regard to principles of conflicts of law. This Agreement shall be interpreted without regard to any presumption regarding its drafter, since each party has participated fully in its drafting.

27. Counterparts. This Agreement may be executed in one or more counterparts and by different parties on separate counterparts, all of which shall be considered one and the same agreement, and each of which shall be deemed an original.

28. Further Assurances. Each party agrees to execute, acknowledge and deliver such further instruments and documents, and take any further action that may be reasonably necessary to effectuate the purposes and intent 'of this Agreement

29. Covenants to Run With the Land. The burden and the benefits of the covenants set forth herein shall run with and be for the benefit of the land (within the meaning of Section 1460 of the California Civil Code) and shall burden and be binding upon and shall inure to the benefit of all persons having or acquiring any right, title or interest in therein and their successors and assigns.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CITY:

CITY OF DALY CITY, a municipal corporation

By: ______________________________

Name: ____________________________

Its: ______________________________

2201 JSP:

2201 Junipero Serra LLC., a Delaware limited liability company

By: ______________________________
Benjamin Louis Stefancic, Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validitv of that document.

STATE OF CALIFORNIA
COUNTY OF ____________

On ______________, 20__, before me______________________________, Notary Public, (here insert name and title of the officer) personally appeared _______________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________________

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF ____________

On ______________, 20__, before me______________________________, Notary Public, (here insert name and title of the officer) personally appeared ____________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________________

Exhibit A

Legal Description of 2201 JSP

Legal Description

Real property in the City of Daly City, County of San Mateo, State of California, described as follows:

PARCEL ONE:

ADJUSTED LOT 13 AS SHOWN ON LOT LINE ADJUSTMENT EVIDENCED BY DOCUMENT RECORDED MAY 16, 2007 AS INSTRUMENT NO. 2007-076104 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF PARCEL D AS SHOWN ON THE "PARCEL MAP OF LANDS OF THE DALY CITY REDEVELOPMENT AGENCY", RECORDED JUNE 29, 1988 IN VOLUME 60 OF PARCEL MAPS AT PAGE 96, RECORDS OF SAN MATEO COUNTY; THENCE ALONG THE WESTERN BOUNDARY OF SAID PARCEL D, SOUTH 00° 13' 54" WEST 169.58 FEET; THENCE, LEAVING SAID BOUNDARY, NORTH 89° 07' EAST 31.05 FEET TO A POINT ON THE EASTERN BOUNDARY OF SAID PARCEL D; THENCE, ALONG SAID EASTERN BOUNDARY, SOUTH 00° 53' EAST 179.82 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL D; THENCE SOUTH 89° 07' WEST 2.75 FEET; THENCE, SOUTH 00° 53' EAST 16.88 FEET; THENCE SOUTH 89° 07' WEST 14.78 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE JUNIPERO SERRA FREEWAY; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY, ALONG A CURVE TO THE LEFT, TANGENT AT THE LINE BEARING NORTH 16° 17' 38" WEST, WITH A RADIUS OF 475.04 FEET, SUBTENDING A CENTRAL ANGLE OF 2° 51' 39", AN ARC LENGTH OF 23.72 FEET; THENCE NORTH 31° 31' 19" WEST 121.45 FEET; THENCE NORTH 19° 09' 17" WEST 230.84 FEET; THENCE ALONG A CURVE TO THE RIGHT, TANGENT TO LAST SAID LINE, WITH A RADIUS OF 458.03 FEET, SUBTENDING A CENTRAL ANGLE OF 2° 48' 57", AN ARC LENGTH OF 22.51 FEET; THENCE NORTH 89° 49' 10" EAST 137.45 FEET TO THE POINT OF BEGINNING.

Exhibit B

Legal Description of Existing Easement

Legal Description of New Easement

Plat Map—Existing and New Easements

PARKING EASEMENT – PARCEL E

CITY OF DALY CITY AND DALY CITY REDEVELOPMENT AGENCY TO DUNN EDWARDS

BEGINNING AT THE NORTHWEST CORNER OF PARCEL D AS SHOWN ON THE "PARCEL MAP OF LANDS OF THE DALY CITY REDEVELOMENT AGENCY" RECORDED JUNE 29,1988 IN VOLUME 60 OF PARCEL MAPS AT PAGE 96, RECORDS OF SAN MATEO COUNTY; THENCE ALONG THE NORTH PROLONGATION OF THE WESTERN LINE OF SAID PARCEL D, NORTH 00°13'54" EAST 25.00 FEET TO A POINT ON THE NORTHERN LINE OF DALY CITY, PARCEL 1, RECORDED SEPTEMBER 27, 1991, DOCUMENT 91127914;

THENCE NORTH 89°49'10" EAST ALONG SAID LINE 54.52 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 1;

THENCE ALONG THE EASTERLY LINE OF SAID PARCEL SOUTH 00°53'00" EAST 190.16 FEET;

THENCE LEAVING SAID LINE SOUTH 45°53'00" EAST 31.11 FEET;

THENCE SOUTH 00°53'00" EAST 219.54 FEET;

THENCE SOUTH 89°07'00" WEST 48.00 FEET;

THENCE NORTH 30°53'00" WEST 26.08 FEET;

THENCE NORTHWESTERLY ALONG A CURVE TO THE LEFT, TANGENT TO A LINE BEARING NORTH 13°57'32" WEST, WITH A RADIUS OF 476.04 FEET SUBTENDING A CENTRAL ANGLE OF 2°18'06" AN ARC LENGTH OF 19.12 FEET;

THENCE NORTH 89°07'00" EAST 16.49 FEET;

THENCE NORTH 00°53'00" WEST 16.88 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL D;

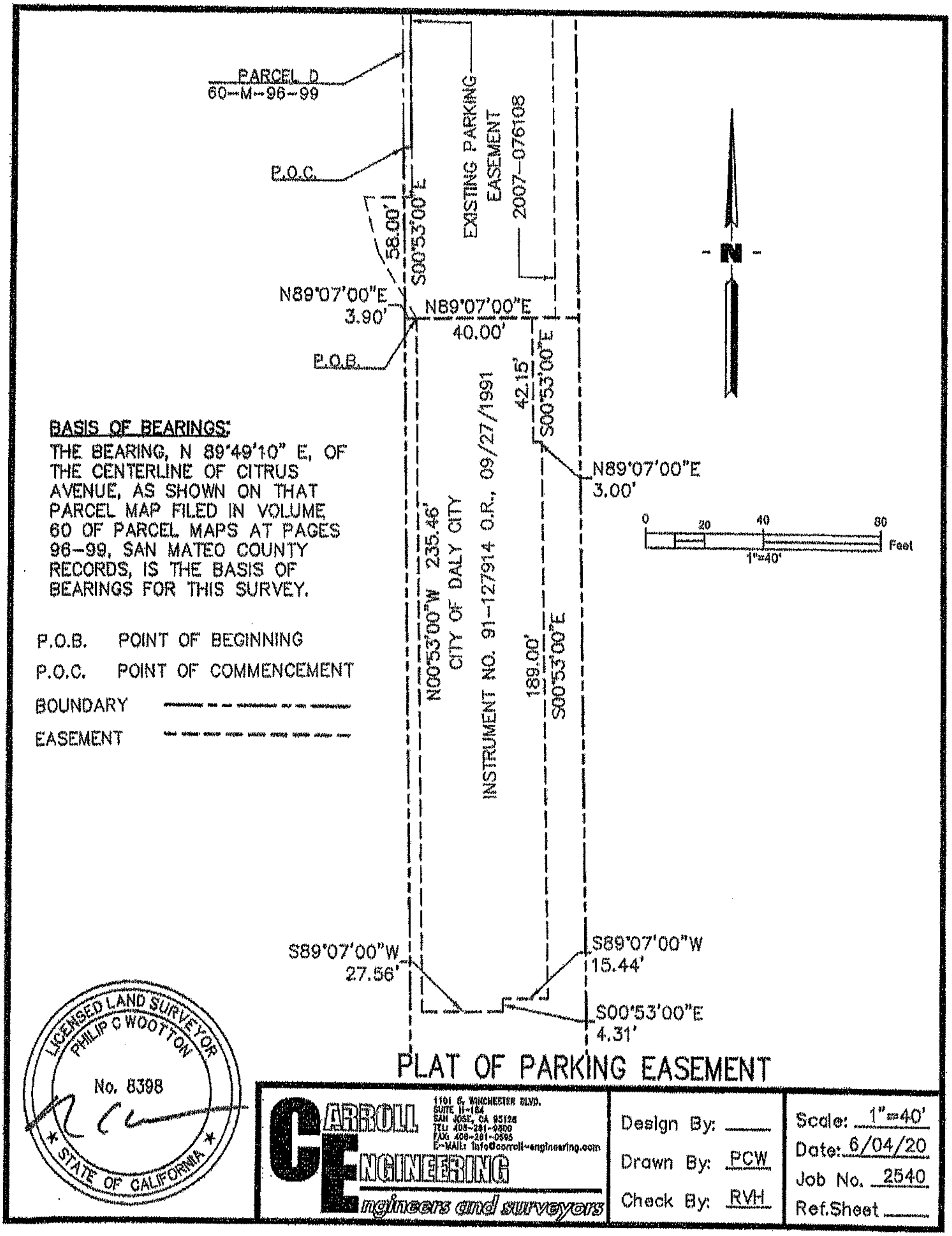
THENCE ALONG THE EASTERN LINE OF PARCEL D, NORTH 00°53'00" WEST 179.82 FEET;

THENCE SOUTH 89°07'00" WEST 31.05 FEET TO A POINT ON THE WESTERN LINE OF PARCEL D;

THENCE ALONG SAID WESTERN LINE, NORTH 00°13'54" EAST 169.58 FEET TO THE POINT OF BEGINNING.

CONTAINING 22,887 SQ FT, MORE OR LESS

LICENSED LAND SURVEYOR
PHILIP C. WOOTTON
LS 8398
STATE OF CALIFORNIA



PARCEL D
60-M-96-99
P.O.C.
58.00'
S00°53'00"E
EXISTING PARKING EASEMENT
2007-076108
N89°07'00"E
3.90'
N89°07'00"E
40.00'
P.O.B.
42.15'
S00°53'00"E
N89°07'00"E
3.00'
N00°53'00"W 235.46'
CITY OF DALY CITY
INSTRUMENT NO. 91-127914 O.R., 09/27/1991
189.00'
S00°53'00"E
S89°07'00"W
27.56'
S89°07'00"W
15.44'
S00°53'00"E
4.31'
N
0 20 40 80 Feet
1"=40'
BASIS OF BEARINGS:
THE BEARING, N 89°49'10" E, OF THE CENTERLINE OF CITRUS AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN VOLUME 60 OF PARCEL MAPS AT PAGES 96-99, SAN MATEO COUNTY RECORDS, IS THE BASIS OF BEARINGS FOR THIS SURVEY.
P.O.B. POINT OF BEGINNING
P.O.C. POINT OF COMMENCEMENT
BOUNDARY
EASEMENT
PLAT OF PARKING EASEMENT
LICENSED LAND SURVEYOR
PHILIP C WOOTTON
No. 8398
STATE OF CALIFORNIA
CARROLL ENGINEERING
engineers and surveyors
1101 S. WINCHESTER BLVD.
SUITE H-184
SAN JOSE, CA 95128
TEL: 408-261-9800
FAX: 408-261-0595
E-MAIL: info@carroll-engineering.com
Design By:
Drawn By: PCW
Check By: RVH
Scale: 1"=40'
Date: 6/04/20
Job No. 2540
Ref.Sheet

PARKING EASEMENT

BEING A PORTION OF THE LANDS OF THE CITY OF DALY CITY, AS SAID LANDS ARE DESCRIBED IN THAT DOCUMENT FILED AS INSTRUMENT NO. 91-127914 OF OFFICIAL RECORDS ON SEPTEMBER 27, 1991, SAN MATEO COUNTY RECORDS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF PARCEL D AS SHOWN ON THE "PARCEL MAP OF LANDS OF THE DALY CITY REDEVELOPMENT AGENCY' RECORDED JUNE 29, 1988 IN VOLUME 60 OF PARCEL MAPS AT PAGES 96-99, SAN MATEO COUNTY RECORDS AND THENCE ALONG THE WESTERLY LINE OF SAID LANDS OF DALY CITY (91-127914), SOUTH 0°53'00" EAST 58.00 FEET, THENCE LEAVING SAID WESTERLY LINE, NORTH 89°07'00" EAST 3.90 FEET TO THE **POINT OF BEGINNING;**

THENCE, FROM SAID **POINT OF BEGINNING,** NORTH 89°07'00" EAST 40.00 FEET;

THENCE SOUTH 0°53'00" EAST 42.15 FEET;

THENCE NORTH 89°07'00" EAST 3.00 FEET;

THENCE SOUTH 0°53'00" EAST 189.00 FEET;

THENCE SOUTH 89°07'00" WEST 15.44 FEET:

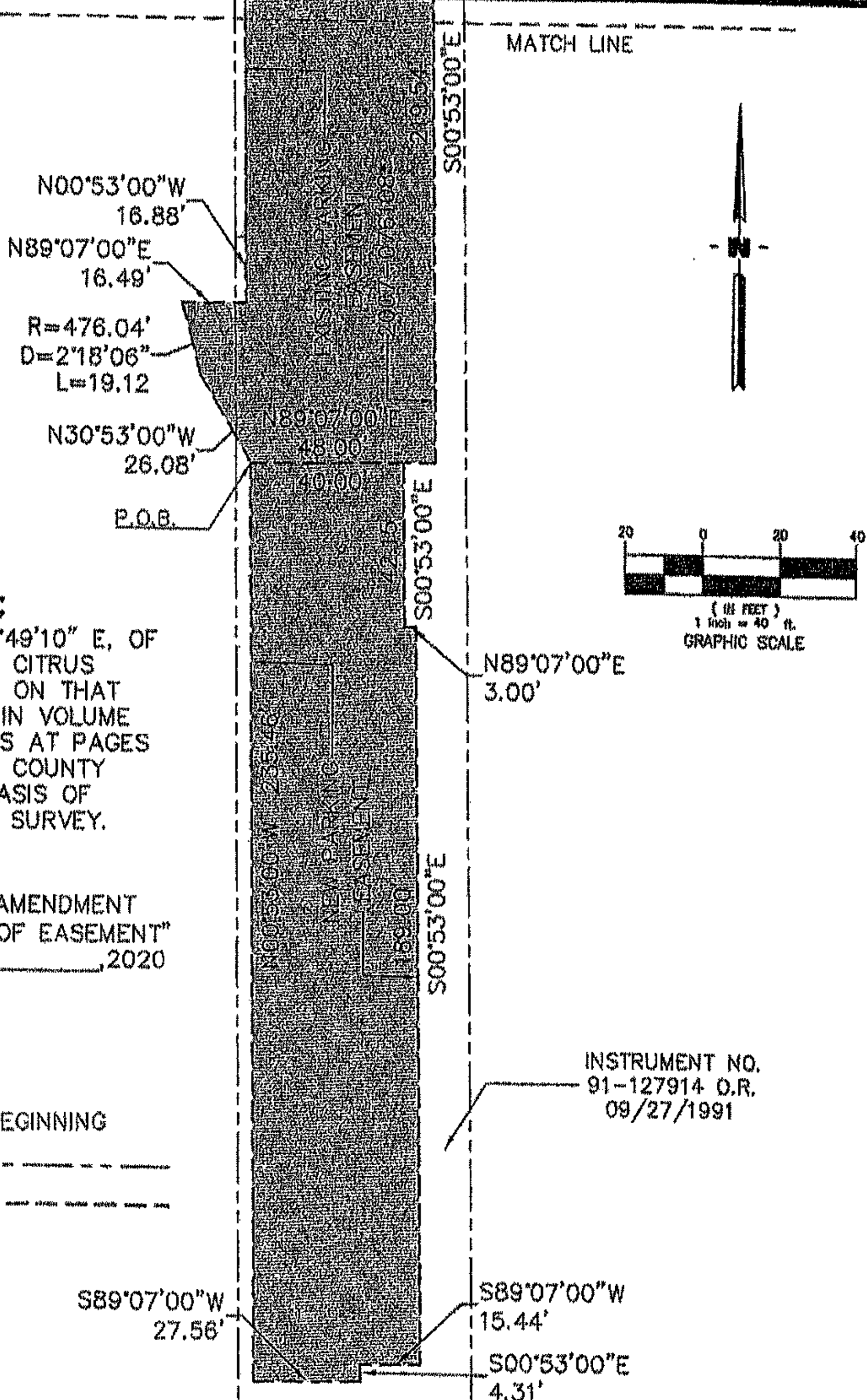
THENCE SOUTH 0°53'00" EAST 4.31 FEET;

THENCE SOUTH 89°07'00" WEST 27.56 FEET;

THENCE PARALLEL WITH AND 3.90 FEET DISTANT EASTERLY FROM THE WESTERLY LINE OF SAID LANDS OF DALY CITY (91-127914), NORTH 0°53'00" WEST 235.46 FEET TO THE **POINT OF BEGINNING.**

CONTAINS 9932 SQUARE FEET, MORE OR LESS.

LICENSED LAND SURVEYOR
PHILIP C. WOOTTON
LS 8398
STATE OF CALIFORNIA



BASIS OF BEARINGS:

THE BEARING, N 89°49'10" E, OF THE CENTERLINE OF CITRUS AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN VOLUME 60 OF PARCEL MAPS AT PAGES 96-99, SAN MATEO COUNTY RECORDS, IS THE BASIS OF BEARINGS FOR THIS SURVEY.

***NOTE:**

AMENDED BY THE "AMENDMENT AND RESTATEMENT OF EASEMENT" DATED______________,2020

P.O.B. POINT OF BEGINNING

BOUNDARY ——— — — ———

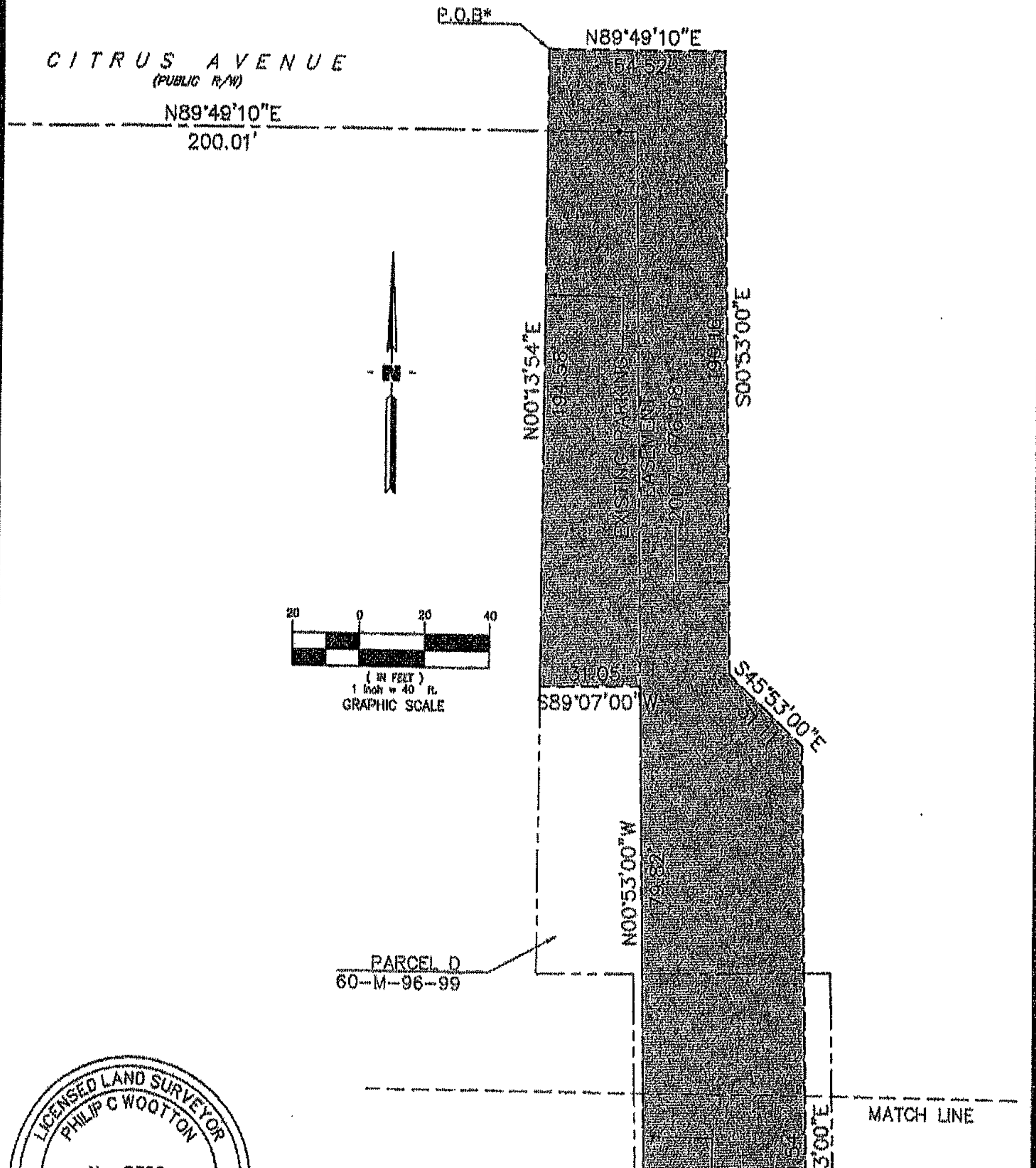
EASEMENT — — — — — — —

LICENSED LAND SURVEYOR
PHILIP C WOOTTON
No. 8398
STATE OF CALIFORNIA

CARROLL ENGINEERING
engineers and surveyors

1101 S. WINCHESTER BLVD.
SUITE H-184
SAN JOSE, CA 95128
TEL: 408-261-9800
FAX: 408-261-0595
E-MAIL: info@carroll-engineering.com

Design By: ______	Scale: 1"=40'
Drawn By: PCW	Date: 11/13/20
Check By: RVH	Job No. 2540
	Sheet 1 OF 2



CARROLL ENGINEERING
engineers and surveyors

1101 S. WINCHESTER BLVD,
SUITE H-104
SAN JOSE, CA 95128
TEL: 408-261-9800
FAX: 408-261-0595
E-MAIL: info@carroll-engineering.com

Design By:	Scale: 1"=40'
Drawn By: PCW	Date: 11/13/20
Check By: RVH	Job No. 2540
	Sheet 2 OF 2

Exhibit C

New Easement Improvements

Parking Calculation with Second Floor Retail

Tenant Space	Area SF	Parking Req'd	Ratio	Spaces Required
Suite A (DaVita)	7,602	1/300	0.0033	25.087
Suite B (DaVita Storage)	1,875	1/300	0.0033	6.258
Suite C (Blue Pearl Vet)	4,050	1/300	0.0033	13.365
Suite D (Dunn Edwards)	5,677	1/750	0.0013	7.380
Suite E (Retail)	10,681	1/300	0.0033	35.247
		Total Parking Required		87.257
		Total Parking Provided		85
		Disabled Accessible Req'd		4
		Disabled Accessible Provided		5

B Vicinity Map
No Scale

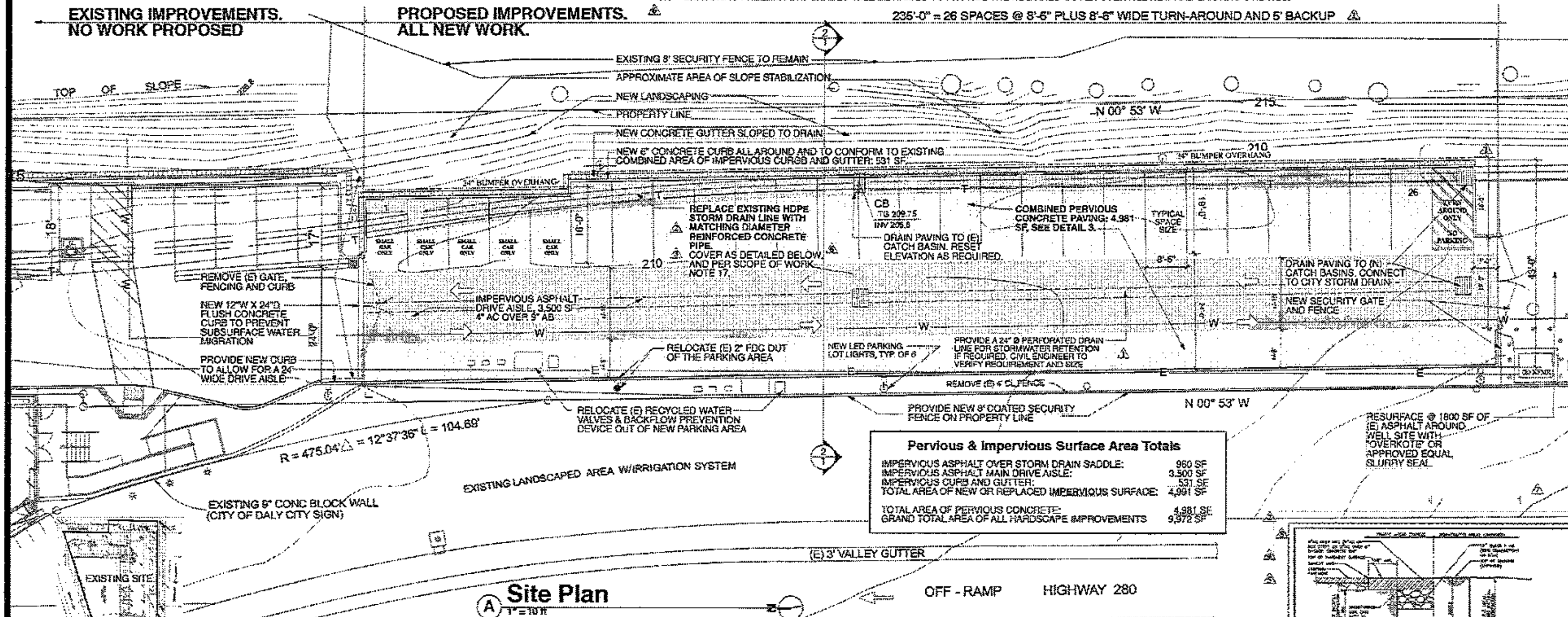
SCOPE OF WORK

1. GRADING OF THE SITE, INCLUDING REMOVAL OR RELOCATION OF APPROXIMATELY 400-500 CY OF SOIL AND ASPHALT.
2. PROVIDE SLOPE STABILIZATION AS RECOMMENDED BY GEOTECHNICAL ENGINEER.
3. REPLACEMENT OF THE 33"Ø HDPE STORM DRAIN LINE WITH REINFORCED CONCRETE PIPE.
4. PROTECTION OF THE EXISTING TELEMETRY, ELECTRICAL AND WATER LINES ASSOCIATED WITH THE WELL ON THE SITE.
5. RELOCATION OF THE EXISTING FIRE DEPARTMENT CONNECTION, WATER METERS AND BACKFLOW PREVENTION EQUIPMENT.
6. PROVIDE UNDER-DRAIN SYSTEM TO DETAIN WATER IF REQUIRED. CONNECT TO THE CITY STORM WATER SYSTEM ON SITE.
7. CREATION OF A CONCRETE DIVERSION DRAIN AT THE BOTTOM OF THE SLOPE TO PREVENT UPHILL RUNOFF FROM ENTERING THE SITE.
8. CREATION OF A 6" CURB ALL AROUND THE NEW PARKING FIELD CONTAINING 26 NEW SPACES AND STRIPE AS SHOWN.
9. PLACEMENT OF APPROXIMATELY 400-500 CY OF FREE DRAINING GRAVEL AND PERVIOUS CONCRETE PAVEMENT.
10. INSTALLATION OF SECURITY FENCING, GATES AND SIGNAGE AROUND THE SITE AND WELL.
11. RESURFACE @ 1600 SF (E) ASPHALT AROUND WELL SITE WITH CLASS II SLURRY SEAL.
12. INSTALLATION OF LANDSCAPING AND IRRIGATION AROUND THE PARKING AREA.
13. INSTALLATION OF LIGHTING AND SECURITY CAMERAS AROUND THE SITE AND PROVISIONS FOR VIDEO MONITORING.
14. A GEOTECHNICAL REPORT FROM THE PREVIOUS WORK IS AVAILABLE, AN ADDENDUM TO ADDRESS THE PROPOSED WORK WILL BE PROVIDED.
15. THE LOCATIONS AND DEPTHS OF EXISTING UTILITIES WILL BE MARKED ON SITE. POTHOLING AS REQUIRED WILL BE PERFORMED.
16. DUE TO THE USE OF PERVIOUS PAVING, THE COUNTY C.3 ON-SITE POST CONSTRUCTION STORM WATER TREATMENT FACILITIES WILL NOT BE REQUIRED.
17. **GRADING IS PRELIMINARY. GRADES WILL BE RAISED TO PROVIDE THE REQUIRED COVER OVER ALL NEW AND EXISTING UTILITIES.**

SHEET INDEX

1. Site Plan & Scope Of Work
2. Preliminary Landscape Plan
3. Aerial Plan
4. Photos
5. Topographic Survey
6. Existing Parking Plan

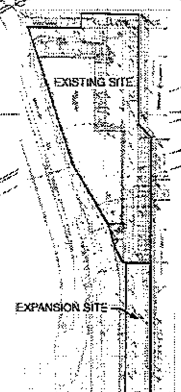
A.P.N. 003-281-050



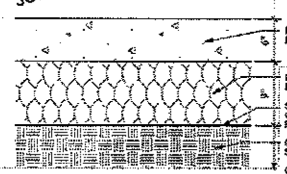
Pervious & Impervious Surface Area Totals

IMPERVIOUS ASPHALT OVER STORM DRAIN SADDLE:	960 SF
IMPERVIOUS ASPHALT MAIN DRIVE AISLE:	3,500 SF
IMPERVIOUS CURB AND GUTTER:	531 SF
TOTAL AREA OF NEW OR REPLACED IMPERVIOUS SURFACE:	4,991 SF
TOTAL AREA OF PERVIOUS CONCRETE:	4,981 SF
GRAND TOTAL AREA OF ALL HARDSCAPE IMPROVEMENTS	9,972 SF

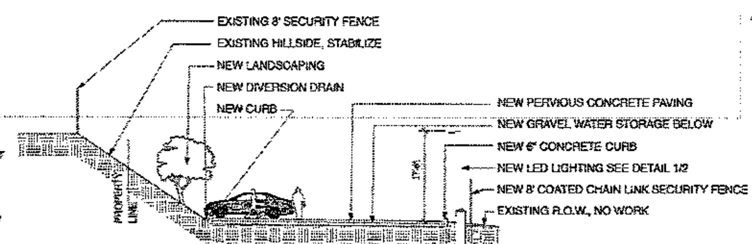
A Site Plan
1" = 10 ft



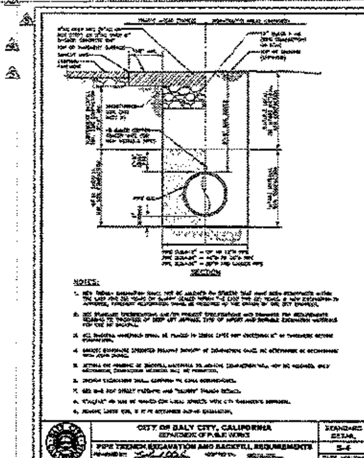
C Location Map
1" = 100'-0"



3 Pervious Pavement Section
1 1/2" = 1'-0"



2 Section Through Site
1" = 10 ft



Douglas R. Mighell
Architect
20820 5th St. East
Sonoma, CA
95476
707-939-2741
Doug@Mighell.com
www.dougmighell.com

Proposed Parking Lot Expansion

2201 Junipero Serra Blvd. Daly City, CA

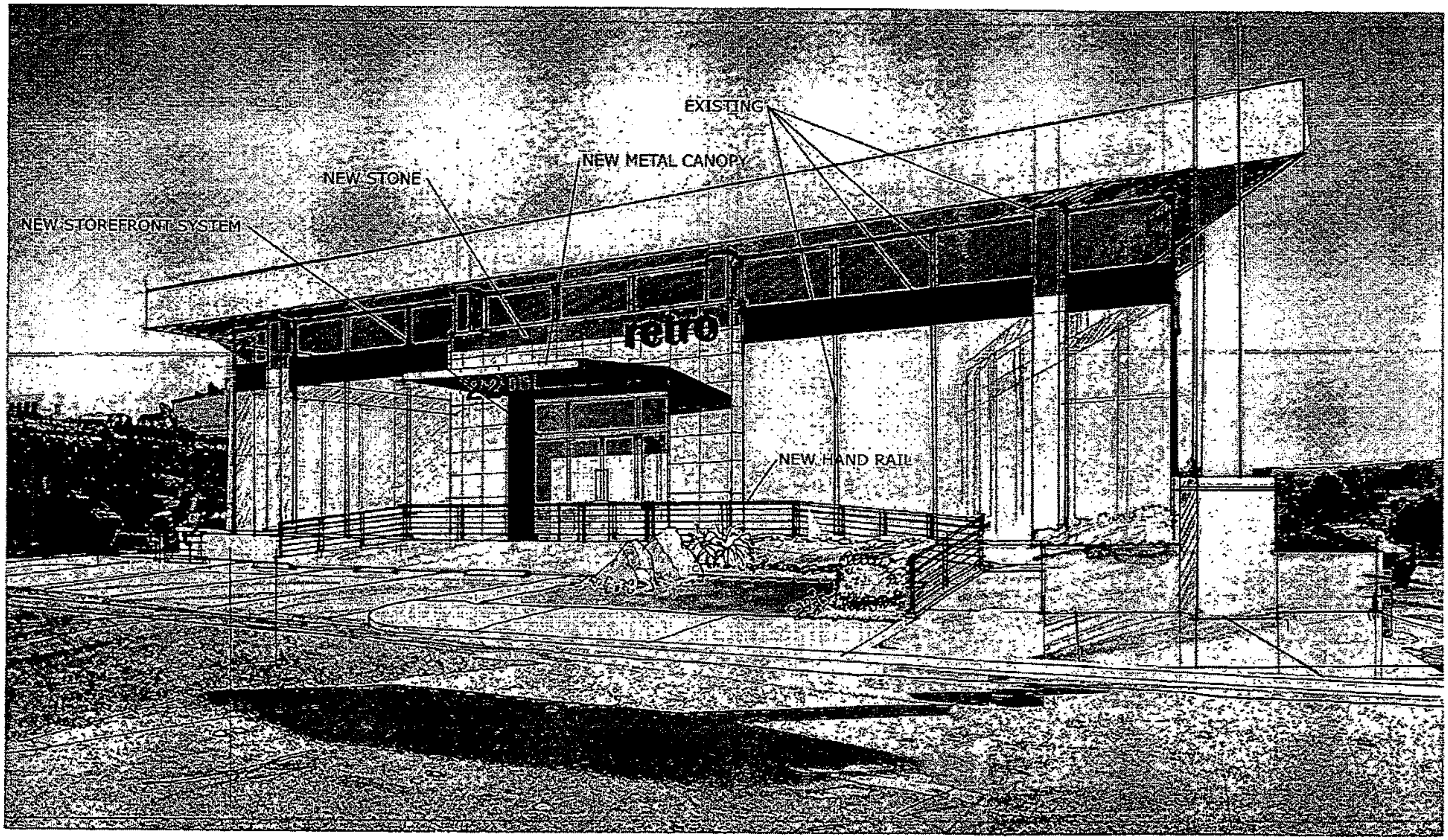
Revisions
20 DEC 19
19 MAY 20
5 JUL 20
28 JUL 20
31 JUL 20
03 AUG 20
04 AUG 20
04 AUG 20
04 AUG 20

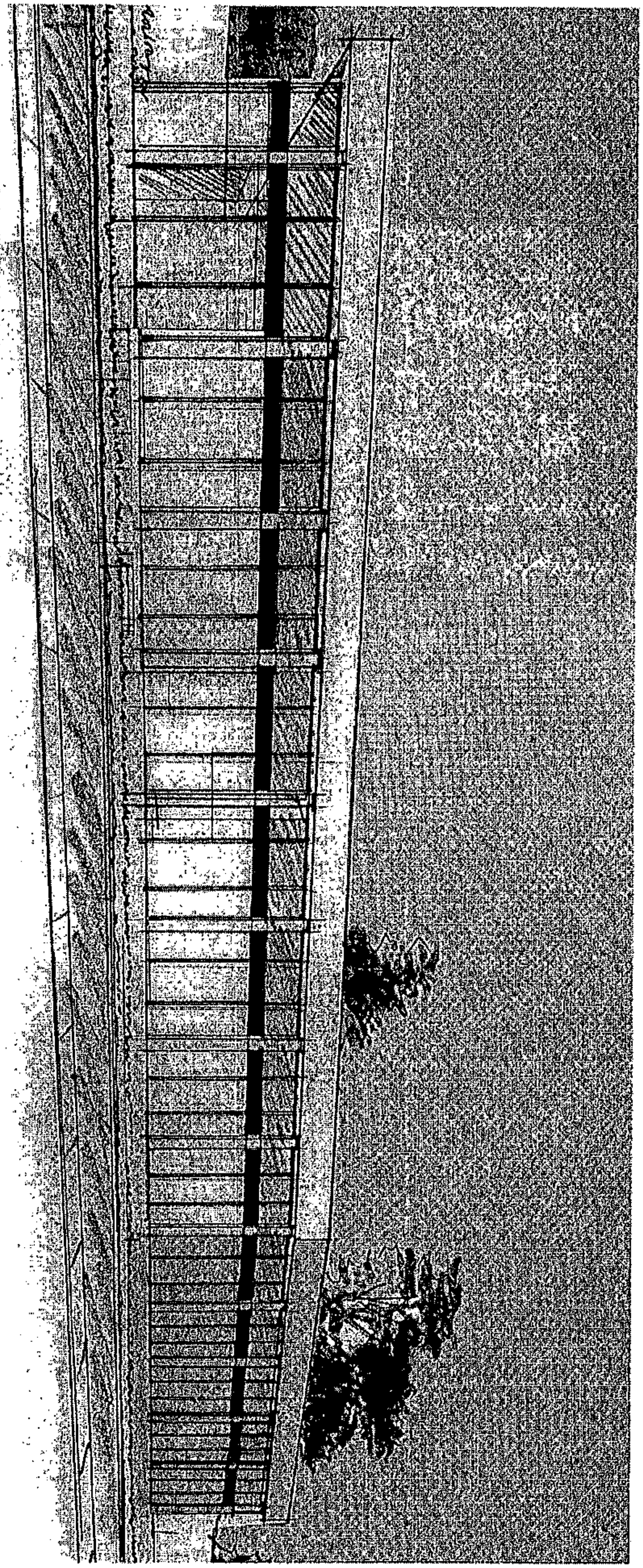
Site Plan & Scope of Work

1

Exhibit D

Building Improvements Completed as part of Existing Easement Agreement


EXISTING
NEW METAL CANOPY
NEW STONE
NEW STOREFRONT SYSTEM
retro
NEW HAND RAIL



City Council Meeting Agenda Report

Item# ___

Meeting Date: November 23, 2020

Subject: Purchase of Two New Pierce Fire Engines

Recommended Action

Authorize the City Manager to execute an agreement with Community Leasing Partners for the financing of two new Pierce fire engines.

Background

Two new fire engines from the Pierce Fire Apparatus Company are needed in the fleet. Historically, fire apparatus purchases have been made up front, with the half the total paid upfront and the other half at the time of delivery. The North County Fire Authority looked into various options for financing the new engines. Staff then engaged Community Leasing Partners out of Manhattan, KS regarding financing options.

Discussion

Two Pierce Enforcer engines were identified for purchase from Golden State Fire Apparatus, Inc. out of Sacramento. The proposal for the two engines came out to $1,483,056.08. The new fire engines will replace two 2006 fire engines as front-line apparatus. The two 2006 fire engines will be placed into reserve status, and two current reserves will be eliminated from the fleet.

Financing options were identified, in collaboration with the Finance Department, and a seven-year financing agreement was chosen. The first payment for the engines will not be due until 12 months after the financing contract is finalized. The interest rate within the financing agreement will be 2.67%, and the annual payment will be $235,123.90.

Fiscal Impact

The cost of the two new Pierce fire engines is $235,123.90 annually for seven years, to be funded through the Fire Apparatus Fund. There is no penalty to pay off the balance due prior to the end of the seven-year term.

Summary/Conclusion

The acquisition of two new fire engines will be an enhancement to the fleet. The financing of the engines will eliminate the upfront costs needed. Staff recommends that the City Council authorize the City Manager to execute the agreement with Community Leasing Partners for the financing of two new fire engines.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted ,

Barry Biermann
Deputy Fire Chief, Support Services Bureau

Timothy J. Nevin
Director of Finance and Administrative Services

CITY OF DALY CITY
CHECK REGISTERS
FOR THE MONTH OF OCTOBER 2020

10/13/2020
CHASE CREDIT CARD - N/A – Electronic Payment

10/15/2020
CHECKS ISSUED - #386456 TO 386741
CANCELED CHECK - NONE
VOID CHECK - NONE

10/30/2020
CHECKS ISSUED - #386742 TO 387009
CANCELED CHECK - NONE
VOID CHECK - NONE

AUDITED ______________________ FINANCE DIRECTOR

APPROVED ______________________ CITY MANAGER

APPROVED ______________________ MAYOR

APPROVED ______________________ VICE MAYOR

ACCOUNTS PAYABLE CHECK RUN SUMMARY
FISCAL YEAR 2020-2021

	MONTH		TOTAL
2020	July	$	11,852,440.75
	August		6,866,234.63
	September		5,968,221.41
	October		6,274,831.45
	November		
	December		
2021	January		
	February		
	March		
	April		
	May		
	June		
	TOTAL	**$**	**30,961,728.24**

OCTOBER 2020 BREAK DOWN OF EXPENSES BY FUND

Fund	**Total for Month**	**Total for Year**	**% of Total**
General Fund	$ 2,017,469.77	$ 10,306,593.18	33.3%
Gas Tax Fund	438,629.49	4,706,183.86	15.2%
Utility/Enterprise Funds	3,818,732.19	15,948,951.20	51.5%
Total:	**$ 6,274,831.45**	**$ 30,961,728.24**	100.0%

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
CB00101320	49024	JP MORGAN CHASE BANK N	10/13/20	29,265.02	HW	TR		Hand Written

G R A N D   T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	0.00	Number of Checks Processed:	0
Total Hand Written	29,265.02	Number of Checks Processed:	1
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
Total EPAYs	0.00	Number of EPAYs Processed:	0
G R A N D T O T A L	29,265.02		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386456	46218R	24/7 ROOTER & PLUMBING SERVIC	10/15/20	8,000.00	MW	OH		
AP00386457	25627	A S F ELECTRIC INC	10/15/20	2,992.50	MW	OH		
AP00386458	47324JPA	ABD INSURANCE AND FINANCIAL S	10/15/20	20,406.00	MW	OH		
AP00386459	50236	ABM BUILDING SOLUTIONS SAN FR	10/15/20	6,023.76	MW	OH		
AP00386460	45730	ACCESS COMMUNICATIONS INC	10/15/20	3,070.97	MW	OH		
AP00386461	52558	ACCOUNTEMPS	10/15/20	4,792.00	MW	OH		
AP00386462	55819R	ACME BUILDERS	10/15/20	3,000.00	MW	OH		
AP00386463	1514	ADAM HILL COMPANY, THE	10/15/20	11,702.70	MW	OH		
AP00386464	32391R	AGUIRRE III, BALTAZAR	10/15/20	782.20	MW	OH		
AP00386465	42259R	AKM CONSTRUCTION	10/15/20	3,850.32	MW	OH		
AP00386466	1465	ALBERTSONS SAFEWAY	10/15/20	262.84	MW	OH		
AP00386467	1025	ALHAMBRA	10/15/20	439.42	MW	OH		
AP00386468	37095	ALL INDUSTRIAL ELECTRIC SUPPL	10/15/20	4,173.36	MW	OH		
AP00386469	22544	ALLSTAR FIRE EQUIPMENT INC	10/15/20	1,638.75	MW	OH		
AP00386470	37116	ALPHA ANALYTICAL LABORATORIES	10/15/20	10,688.25	MW	OH		
AP00386471	45439JREN	AMERICAN MEDICAL RESPONSE	10/15/20	500.00	MW	OH		
AP00386472	38846	AMERICAN MESSAGING	10/15/20	29.23	MW	OH		
AP00386473	2547	AMERICAN PUBLIC WORKS ASSOCIA	10/15/20	239.20	MW	OH		
AP00386474	14988	AMERICAN TOWER CORPORATION	10/15/20	8,055.50	MW	OH		
AP00386475	35696	AMERIPRIDE	10/15/20	1,116.95	MW	OH		
AP00386476	26986R	ANDERSON ROOFING AND SHEET ME	10/15/20	275.00	MW	OH		
AP00386477	24868	ANIXTER INC	10/15/20	2,546.71	MW	OH		
AP00386478	46585	ANTHEM BLUE CROSS	10/15/20	87.90	MW	OH		
AP00386479	46585	ANTHEM BLUE CROSS	10/15/20	100.10	MW	OH		
AP00386480	1259	ARAMARK UNIFORM SERVICES INC	10/15/20	453.75	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386481	55821R	ARGILLA, MELANIE	10/15/20	1,475.00	MW	OH		
AP00386482	1101	AT&T	10/15/20	256.63	MW	OH		
AP00386483	47003	AT&T	10/15/20	94.85	MW	OH		
AP00386484	6413	AT&T	10/15/20	38.50	MW	OH		
AP00386485	6413	AT&T	10/15/20	2,162.93	MW	OH		
AP00386486	6413	AT&T	10/15/20	7.55	MW	OH		
AP00386487	6413	AT&T	10/15/20	1,675.94	MW	OH		
AP00386488	6413	AT&T	10/15/20	972.57	MW	OH		
AP00386489	6413	AT&T	10/15/20	3,175.64	MW	OH		
AP00386490	6413	AT&T	10/15/20	327.66	MW	OH		
AP00386491	6413	AT&T	10/15/20	557.14	MW	OH		
AP00386492	6413	AT&T	10/15/20	152.98	MW	OH		
AP00386493	6413	AT&T	10/15/20	580.31	MW	OH		
AP00386494	44649	ATLAS COPCO COMPRESSORS LLC	10/15/20	2,455.35	MW	OH		
AP00386495	29643	AUTO COLLISION CENTER	10/15/20	1,588.51	MW	OH		
AP00386496	53625	AVENU MUNISERVICES LLC	10/15/20	600.00	MW	OH		
AP00386497	1232	BAKER & TAYLOR COMPANY INC	10/15/20	5,047.02	MW	OH		
AP00386498	26804R	BARRERA, JOSE	10/15/20	40.00	MW	OH		
AP00386499	1562	BAY AREA WATER SUPPLY & CONSE	10/15/20	2,500.00	MW	OH		
AP00386500	19200	BIRITE FOODSERVICE DISTRIBUTO	10/15/20	3,355.41	MW	OH		
AP00386501	48840	BK TECHNOLOGIES INC	10/15/20	621.98	MW	OH		
AP00386502	55827	BRAGATO PAVING CO INC	10/15/20	4,600.00	MW	OH		
AP00386503	21300	BRISBANE RECYCLING CO INC	10/15/20	1,131.62	MW	OH		
AP00386504	3349	BROADMOOR LANDSCAPE SUPPLY	10/15/20	802.56	MW	OH		
AP00386505	21239R	BROWN, DENISE	10/15/20	674.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386506	44468	BUDGET CONFERENCING INC	10/15/20	698.77	MW	OH		
AP00386507	48259	BWNVT MOTORS INC	10/15/20	4,021.69	MW	OH		
AP00386508	33981	CAGWIN & DORWARD	10/15/20	345.00	MW	OH		
AP00386509	42973	CAL SIGNAL CORP	10/15/20	4,342.05	MW	OH		
AP00386510	1289	CALIFORNIA DEPARTMENT OF TAX	10/15/20	3,120.00	MW	OH		
AP00386511	9481	CALIFORNIA DEPARTMENT OF TAX	10/15/20	572.00	MW	OH		
AP00386512	1196	CALIFORNIA WATER SERVICE COMP	10/15/20	185.50	MW	OH		
AP00386513	43533	CAPE	10/15/20	50.00	MW	OH		
AP00386514	28636	CDW GOVERNMENT INC	10/15/20	42,901.01	MW	OH		
AP00386515	10299JPA	CENTRAL COUNTY FIRE DEPARTMEN	10/15/20	22,231.67	MW	OH		
AP00386516	55826R	CHOW, STEVEN	10/15/20	1,503.51	MW	OH		
AP00386517	48727	CINTAS CORPORATION	10/15/20	765.94	MW	OH		
AP00386518	3678	CINTAS CORPORATION #464	10/15/20	4,319.43	MW	OH		
AP00386519	35395	CITY AUTO SUPPLY	10/15/20	5,234.79	MW	OH		
AP00386520	3073	CITY CLERKS ASSOCIATION OF CA	10/15/20	85.00	MW	OH		
AP00386521	46465JPA	CITY OF BELMONT	10/15/20	5,357.50	MW	OH		
AP00386522	6649JPA	CITY OF BRISBANE	10/15/20	3,389.33	MW	OH		
AP00386523	25602	CITY OF DALY CITY	10/15/20	2,646.38	MW	OH		
AP00386524	43155JPA	CITY OF DALY CITY	10/15/20	13,677.42	MW	OH		
AP00386525	5342JPA	CITY OF FOSTER CITY	10/15/20	5,892.42	MW	OH		
AP00386526	6034JPA	CITY OF PACIFICA	10/15/20	4,888.00	MW	OH		
AP00386527	55405JPA	CITY OF REDWOOD CITY	10/15/20	10,204.75	MW	OH		
AP00386528	20562JPA	CITY OF SAN BRUNO	10/15/20	3,568.58	MW	OH		
AP00386529	46083JPA	CITY OF SAN CARLOS	10/15/20	6,008.67	MW	OH		
AP00386530	25816JPA	CITY OF SAN MATEO	10/15/20	14,993.58	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386531	40147	CITY TOYOTA	10/15/20	171.51	MW	OH		
AP00386532	54186	CIVICPLUS INC	10/15/20	920.00	MW	OH		
AP00386533	25819JPA	COLMA FIRE PROTECTION DISTRIC	10/15/20	2,968.08	MW	OH		
AP00386534	47244	COMCAST	10/15/20	90.23	MW	OH		
AP00386535	48645	COMCAST	10/15/20	112.25	MW	OH		
AP00386536	51804	COMCAST	10/15/20	344.83	MW	OH		
AP00386537	52453	COMCAST	10/15/20	115.06	MW	OH		
AP00386538	30109	CORELOGIC SOLUTIONS LLC	10/15/20	226.97	MW	OH		
AP00386539	24777	COUNTY OF SAN MATEO AIRPORT C	10/15/20	1,500.00	MW	OH		
AP00386540	40976R	COUNTY ROOFING COMPANY	10/15/20	550.00	MW	OH		
AP00386541	42324	CRIME SCENE CLEANERS INC	10/15/20	440.00	MW	OH		
AP00386542	48323	CRYSTAL CREAMERY	10/15/20	426.60	MW	OH		
AP00386543	28906	CSG CONSULTANTS INC	10/15/20	18,327.50	MW	OH		
AP00386544	22147R	CUSING, GEORGE L	10/15/20	2,375.00	MW	OH		
AP00386545	55820R	CUSTOM COOLING OF CALIFORNIA	10/15/20	21,425.00	MW	OH		
AP00386546	1836	DAILY JOURNAL CORPORATION	10/15/20	592.94	MW	OH		
AP00386547	36807	DALY CITY TEST ONLY	10/15/20	160.00	MW	OH		
AP00386548	55809	DAVE BANG ASSOCIATES INC OF C	10/15/20	7,431.50	MW	OH		
AP00386549	48981	DC FROST ASSOCIATES INC	10/15/20	1,630.17	MW	OH		
AP00386550	55823R	DEE, JEFFREY	10/15/20	672.97	MW	OH		
AP00386551	25323	DEPARTMENT OF TOXIC SUBSTANCE	10/15/20	0.32	MW	OH		
AP00386552	55817R	DERAS INC	10/15/20	3,000.00	MW	OH		
AP00386553	52039	DIPIETRO AND ASSOCIATES INC	10/15/20	300.00	MW	OH		
AP00386554	46826	DIRECTV LLC	10/15/20	31.99	MW	OH		
AP00386555	14374	DOOLEY ENTERPRISES INC	10/15/20	4,571.51	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386556	1061	DUNN EDWARDS CORPORATION	10/15/20	1,696.91	MW	OH		
AP00386557	55807	EAGLE ENGRAVING INC	10/15/20	1,290.00	MW	OH		
AP00386558	48177	EAST BAY TIRE CO	10/15/20	448.61	MW	OH		
AP00386559	40611	ECMS INC	10/15/20	2,082.72	MW	OH		
AP00386560	53583	ECOHERO SHOW LLC, THE	10/15/20	9,200.00	MW	OH		
AP00386561	55579	EDWARDS & SONS EQUIPMENT SERV	10/15/20	569.55	MW	OH		
AP00386562	3786	ENVIRONMENTAL RESOURCE ASSOCI	10/15/20	2,124.80	MW	OH		
AP00386563	55743	EVOLUTION BUSINESS TECHNOLOGI	10/15/20	2,236.49	MW	OH		
AP00386564	55021	EVOQUA WATER TECHOLOGIES LLC	10/15/20	19,090.00	MW	OH		
AP00386565	26327	EWING IRRIGATION PRODUCTS INC	10/15/20	944.02	MW	OH		
AP00386566	7839R	EXCELSIOR ROOFING COMPANY INC	10/15/20	275.00	MW	OH		
AP00386567	52678	FERGUSON GROUP LLC, THE	10/15/20	6,500.00	MW	OH		
AP00386568	34698	FERROGROUP INC DBA	10/15/20	783.37	MW	OH		
AP00386569	1765	FIDELITY NATIONAL TITLE INSUR	10/15/20	145.00	MW	OH		
AP00386570	37459	FIRE CONNECTION INC, THE	10/15/20	3,575.53	MW	OH		
AP00386571	47182	FLAG STORE USA	10/15/20	308.00	MW	OH		
AP00386572	G-HERNANDEZ	FRANCHISE TAX BOARD	10/15/20	496.79	MW	OH		
AP00386573	G-HOLMES	FRANCHISE TAX BOARD	10/15/20	200.00	MW	OH		
AP00386574	48009	GALE CENGAGE LEARNING	10/15/20	200.08	MW	OH		
AP00386575	26781	GARCIA, JOSE	10/15/20	136.73	MW	OH		
AP00386576	48247	GCS ENVIRONMENTAL EQUIPMENT S	10/15/20	1,087.79	MW	OH		
AP00386577	30509	GOODYEAR COMMERCIAL TIRE & SE	10/15/20	4,279.87	MW	OH		
AP00386578	31925	GOVCONNECTION INC	10/15/20	231.83	MW	OH		
AP00386579	1754	GRAINGER INC	10/15/20	16,725.46	MW	OH		
AP00386580	1571	GRANITEROCK	10/15/20	1,161.16	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386581	1123	GRAYBAR ELECTRIC CO	10/15/20	125.79	MW	OH		
AP00386582	22404	GREG'S TRUCKING SERVICE INC	10/15/20	1,956.00	MW	OH		
AP00386583	30894	GRM	10/15/20	462.42	MW	OH		
AP00386584	51118R	GROGAN, GREGORY	10/15/20	284.00	MW	OH		
AP00386585	2223	HACH COMPANY	10/15/20	4,916.91	MW	OH		
AP00386586	50087	HANNA INSTRUMENTS USA INC	10/15/20	205.84	MW	OH		
AP00386587	3702	HARRINGTON INDUSTRIAL PLASTIC	10/15/20	340.86	MW	OH		
AP00386588	1980	HARRISON & BONINI INC	10/15/20	446.07	MW	OH		
AP00386589	12013	HARTZELL, BRADLEY	10/15/20	6,936.09	MW	OH		
AP00386590	55667	HAZEN AND SAWYER	10/15/20	1,458.50	MW	OH		
AP00386591	30684	HD SUPPLY CONSTRUCTION AND	10/15/20	112.49	MW	OH		
AP00386592	9049	HI TECH EVS INC	10/15/20	287.05	MW	OH		
AP00386593	15857	HOME DEPOT CREDIT SERVICES	10/15/20	11,446.04	MW	OH		
AP00386594	54590	HOME DEPOT PRO, THE	10/15/20	6,761.48	MW	OH		
AP00386595	2665	HSQ TECHNOLOGY CORP	10/15/20	57,730.21	MW	OH		
AP00386596	55094	III GENERATION FENCE	10/15/20	218.50	MW	OH		
AP00386597	53167R	IN AND OUT PLUMBING	10/15/20	2,000.00	MW	OH		
AP00386598	48933	INFOSEND INC	10/15/20	5,038.15	MW	OH		
AP00386599	51901	INTEGRATED COMMUNICATION SYST	10/15/20	23,235.00	MW	OH		
AP00386600	1072	IRVINE & JACHENS INC	10/15/20	52.44	MW	OH		
AP00386601	24233	JACOBS ASSOCIATES	10/15/20	169,844.15	MW	OH		
AP00386602	39604	KIMBALL MIDWEST	10/15/20	373.85	MW	OH		
AP00386603	49414	KITTELSON & ASSOCIATES INC	10/15/20	1,707.62	MW	OH		
AP00386604	36720	KONECRANES INC	10/15/20	1,342.44	MW	OH		
AP00386605	48573	KOSMONT COMPANIES	10/15/20	1,214.20	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386606	1108	L N CURTIS AND SONS	10/15/20	4,340.76	MW	OH		
AP00386607	8614	LC ACTION POLICE SUPPLY LTD	10/15/20	7,842.40	MW	OH		
AP00386608	55812	LEE, YU K	10/15/20	2,367.98	MW	OH		
AP00386609	29200	LEGAL SHIELD	10/15/20	295.12	MW	OH		
AP00386610	37094	LEXISNEXIS RISK DATA MANAGEME	10/15/20	510.00	MW	OH		
AP00386611	12906LAW	LIEBERT CASSIDY WHITMORE	10/15/20	75.00	MW	OH		
AP00386612	52256	LIFTOFF LLC	10/15/20	5,280.00	MW	OH		
AP00386613	14431	LINDE INC	10/15/20	24,935.85	MW	OH		
AP00386614	29332	LORAL LANDSCAPING	10/15/20	22,186.07	MW	OH		
AP00386615	49874	LOU'S GLOVES INC	10/15/20	823.00	MW	OH		
AP00386616	55830R	LUIS & EMILY ROZARIO	10/15/20	500.00	MW	OH		
AP00386617	55828R	LUKASIEWICZ, TIM	10/15/20	150.00	MW	OH		
AP00386618	55825R	MAGALING, BENITO	10/15/20	940.78	MW	OH		
AP00386619	27066	MANAGED HEALTH NETWORK	10/15/20	1,857.60	MW	OH		
AP00386620	25805JPA	MENLO PARK FIRE PROTECTION DI	10/15/20	19,454.83	MW	OH		
AP00386621	23949	METRO MOBILE COMMUNICATIONS	10/15/20	1,989.35	MW	OH		
AP00386622	48672	METTLER TOLEDO RAININ LLC	10/15/20	406.00	MW	OH		
AP00386623	50996	MICHAEL BAKER INTERNATIONAL I	10/15/20	2,662.05	MW	OH		
AP00386624	22863	MIDWEST TAPE INC	10/15/20	148.20	MW	OH		
AP00386625	26163	MIKE BROWN ELECTRIC	10/15/20	106,905.06	MW	OH		
AP00386626	49436REN	MKD CEDAR HILL LLC	10/15/20	6,157.22	MW	OH		
AP00386627	55818	MORENO, VERONICA	10/15/20	7,001.15	MW	OH		
AP00386628	42663	MUNICIPAL CODE CORPORATION	10/15/20	396.73	MW	OH		
AP00386629	15210	MUNICIPAL MAINTENANCE EQUIPME	10/15/20	197.43	MW	OH		
AP00386630	35339	MYERS, RON D	10/15/20	33,936.86	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386631	25761	NORTHERN SAFETY CO INC	10/15/20	93.61	MW	OH		
AP00386632	52305	NRC ENVIRONMENTAL SERVICES IN	10/15/20	3,049.85	MW	OH		
AP00386633	47093	O'REILLY AUTOMOTIVE INC	10/15/20	5.39	MW	OH		
AP00386634	15337	OFFICE DEPOT	10/15/20	642.68	MW	OH		
AP00386635	42500	OFFICE DEPOT	10/15/20	2,693.84	MW	OH		
AP00386636	18994	OTC BRANDS INC	10/15/20	127.32	MW	OH		
AP00386637	42838	PACE SUPPLY CORP	10/15/20	1,240.96	MW	OH		
AP00386638	1216	PACIFIC GAS & ELECTRIC	10/15/20	36,380.72	MW	OH		
AP00386639	29252	PACIFIC PRODUCE INC	10/15/20	657.15	MW	OH		
AP00386640	20794	PELCO SALES & SERVICE INC	10/15/20	5,213.30	MW	OH		
AP00386641	27473	PENWORTHY COMPANY, THE	10/15/20	3,828.23	MW	OH		
AP00386642	49521R	PEREUR, ANTHONY	10/15/20	121.55	MW	OH		
AP00386643	55811	PERFORMANCE AWARDS CENTER	10/15/20	860.00	MW	OH		
AP00386644	19678	PERS LONG TERM CARE PROGRAM	10/15/20	194.99	MW	OH		
AP00386645	51799	PET FOOD EXPRESS	10/15/20	81.93	MW	OH		
AP00386646	47044	PETERSON TRUCKS INC	10/15/20	548.80	MW	OH		
AP00386647	31384	PFEIFER, JAMES	10/15/20	1,850.00	MW	OH		
AP00386648	32428R	PICCOLOTTI, THOMAS	10/15/20	483.94	MW	OH		
AP00386649	54331	PIIAN SYSTEMS LLC	10/15/20	11,046.49	MW	OH		
AP00386650	25817JPA	POINT MONTARA HALF MOON BAY F	10/15/20	9,857.25	MW	OH		
AP00386651	36106	POLYDYNE INC	10/15/20	24,717.42	MW	OH		
AP00386652	52406	POWER WORKS INC	10/15/20	937.37	MW	OH		
AP00386653	16440	PRAXAIR DISTRIBUTION INC	10/15/20	1,027.78	MW	OH		
AP00386654	53942	PREFERRED ALLIANCE INC	10/15/20	433.81	MW	OH		
AP00386655	30986	PUBLIC RISK MANAGEMENT ASSOCI	10/15/20	275.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386656	55814R	PUNO, RICARDO	10/15/20	65.00	MW	OH		
AP00386657	55815R	QUESADA, MNYMOSYNNE DELA CRUZ	10/15/20	10.00	MW	OH		
AP00386658	1115	R & B COMPANY	10/15/20	2,071.95	MW	OH		
AP00386659	14449	R & S ERECTION OF SAN MATEO	10/15/20	245.80	MW	OH		
AP00386660	12539	R A METAL PRODUCTS INC	10/15/20	1,366.66	MW	OH		
AP00386661	38804	RADAR SHOP, THE	10/15/20	790.00	MW	OH		
AP00386662	48668JPA	RAVNTECH CORPORATION	10/15/20	6,136.33	MW	OH		
AP00386663	50803	READYREFRESH BY NESTLE	10/15/20	10.91	MW	OH		
AP00386664	2439	RECORDED BOOKS INC	10/15/20	248.44	MW	OH		
AP00386665	1687	RED WING SHOES	10/15/20	696.01	MW	OH		
AP00386666	41528	REDFLEX TRAFFIC SYSTEMS INC	10/15/20	20,000.00	MW	OH		
AP00386667	54706R	REDWOOD ROOFING COMPANY	10/15/20	275.00	MW	OH		
AP00386668	32503R	REES, JOSHUA	10/15/20	583.58	MW	OH		
AP00386669	4186	REGENTS UNIVERSITY OF CALIF	10/15/20	1,758.64	MW	OH		
AP00386670	55810R	REPERYASH, TANYA	10/15/20	869.02	MW	OH		
AP00386671	1200	REPUBLIC SERVICES OF NORTH AM	10/15/20	1,345,440.00	MW	OH		
AP00386672	51931	ROADPOST USA INC	10/15/20	654.41	MW	OH		
AP00386673	53532	ROBERT HALF TECHNOLOGY	10/15/20	4,177.25	MW	OH		
AP00386674	55816R	ROSARIO, MANUEL	10/15/20	45.00	MW	OH		
AP00386675	52843R	S F UNDERGROUND	10/15/20	4,000.00	MW	OH		
AP00386676	1087	SAFETY KLEEN SYSTEMS INC	10/15/20	1,919.46	MW	OH		
AP00386677	12544	SAN MATEO COUNTY CONTROLLERS	10/15/20	259,409.59	MW	OH		
AP00386678	1643	SAN MATEO COUNTY ENVIRONMENTA	10/15/20	5,992.25	MW	OH		
AP00386679	43158JPA	SAN MATEO COUNTY FIRE COUNTY	10/15/20	16,570.00	MW	OH		
AP00386680	G-BLACKMAN3	SAN MATEO COUNTY SHERIFF	10/15/20	312.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386681	9666	SAN MATEO LAWN MOWER SHOP	10/15/20	1,692.50	MW	OH		
AP00386682	55607	SANTANA, BRUNO	10/15/20	1,500.00	MW	OH		
AP00386683	54717	SANTANA, VALERIA CRISTINA	10/15/20	5,900.00	MW	OH		
AP00386684	46427	SAVE OUR SKIN INC	10/15/20	382.94	MW	OH		
AP00386685	55315	SCHOOL SPORT INC	10/15/20	9,265.00	MW	OH		
AP00386686	1111	SF - WATER	10/15/20	715,987.02	MW	OH		
AP00386687	55757	SHARK PLUMBING SUPPLY INC	10/15/20	423.68	MW	OH		
AP00386688	31449	SHARP ELECTRONICS CORPORATION	10/15/20	7,401.69	MW	OH		
AP00386689	23742	SHOE DEPOT INC	10/15/20	1,929.75	MW	OH		
AP00386690	49695	SHRED IT USA	10/15/20	131.60	MW	OH		
AP00386691	52666	SHRED WORKS INC	10/15/20	25.00	MW	OH		
AP00386692	51615R	SKYROOF INC	10/15/20	275.00	MW	OH		
AP00386693	32237	SMART & FINAL STORES LLC	10/15/20	160.40	MW	OH		
AP00386694	1985	SMCPCSA	10/15/20	1,000.00	MW	OH		
AP00386695	37458	SOLUTIONWERKS INC	10/15/20	8,014.87	MW	OH		
AP00386696	26862	SOUTH BAY REGIONAL PUBLIC SAF	10/15/20	377.00	MW	OH		
AP00386697	2055	SOUTH CITY LUMBER & SUPPLY	10/15/20	715.05	MW	OH		
AP00386698	32055	SPRINT	10/15/20	100.00	MW	OH		
AP00386699	45112JPA	STATE COMPENSATION INSURANCE	10/15/20	272.25	MW	OH		
AP00386700	36511	STELLA, ROBERT	10/15/20	195.00	MW	OH		
AP00386701	54631	STEPHEN CREVELLI SPORTFISHING	10/15/20	800.00	MW	OH		
AP00386702	40900	STEVENS BAY AREA DIESEL SERVI	10/15/20	4,821.77	MW	OH		
AP00386703	49665	STRONGER BUILDING SERVICES	10/15/20	40,852.00	MW	OH		
AP00386704	18334	SUPERION LLC	10/15/20	13,003.75	MW	OH		
AP00386705	55822R	TANG, SONNY	10/15/20	4,288.35	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386706	43479	TEAM NORTH CONSTRUCTION SERVI	10/15/20	700.00	MW	OH		
AP00386707	40420	TECHNOFLO SYSTEMS	10/15/20	3,759.72	MW	OH		
AP00386708	13852	TELECOMMUNICATIONS ENGINEERIN	10/15/20	657.80	MW	OH		
AP00386709	1201	THOMSON REUTERS WEST	10/15/20	2,548.59	MW	OH		
AP00386710	55831R	TOM, BRANDON	10/15/20	500.00	MW	OH		
AP00386711	43839R	TONI'S CONSTRUCTION INC	10/15/20	1,715.00	MW	OH		
AP00386712	55829R	TRAFFIC SOLUTIONS	10/15/20	1,000.00	MW	OH		
AP00386713	53970	TRIDENT K9 CONSULTING	10/15/20	600.00	MW	OH		
AP00386714	55488	TRITECH SOFTWARE SYSTEMS	10/15/20	495.00	MW	OH		
AP00386715	55759	TRUE BLUE AUTOMATION SERVICES	10/15/20	8,792.32	MW	OH		
AP00386716	43932	TSI INCORPORATED	10/15/20	13,788.84	MW	OH		
AP00386717	54173	TTI POLYGRAPH	10/15/20	1,200.00	MW	OH		
AP00386718	26803	TURBO DATA SYSTEMS INC	10/15/20	19,406.12	MW	OH		
AP00386719	12621	U S RUBBER TECH INC	10/15/20	86.32	MW	OH		
AP00386720	55813R	UMPHRESS, DEYNE	10/15/20	45.00	MW	OH		
AP00386721	28123	UNITED RENTALS NORTH AMERICA	10/15/20	124.38	MW	OH		
AP00386722	50490	UNITEDHEALTHCARE INSURANCE CO	10/15/20	326.97	MW	OH		
AP00386723	32209	UNIVAR USA INC	10/15/20	23,911.64	MW	OH		
AP00386724	3904	UPS	10/15/20	90.45	MW	OH		
AP00386725	55787	US AIR PURIFIERS LLC	10/15/20	19,417.02	MW	OH		
AP00386726	46998	UTILITY TELECOM GROUP LLC	10/15/20	1,595.44	MW	OH		
AP00386727	3376	VERITIV OPERATING COMPANY	10/15/20	2,393.86	MW	OH		
AP00386728	29329	VERIZON WIRELESS SERVICES LLC	10/15/20	2,844.21	MW	OH		
AP00386729	41056R	VIOLA, ANNA MARIE	10/15/20	769.50	MW	OH		
AP00386730	55824R	VIZCON CONSTRUCTION CO INC	10/15/20	1,175.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386731	1579	VWR INTERNATIONAL LLC	10/15/20	1,430.89	MW	OH		
AP00386732	36355	WASTEWATER SOLUTIONS INC	10/15/20	4,125.00	MW	OH		
AP00386733	50485	WAVE BROADBAND	10/15/20	1,543.40	MW	OH		
AP00386734	3691	WECO INDUSTRIES LLC	10/15/20	236.81	MW	OH		
AP00386735	29517	WEST-LITE SUPPLY COMPANY INC	10/15/20	1,211.01	MW	OH		
AP00386736	48425MED	WILLIAM J FEISTER PH D	10/15/20	1,350.00	MW	OH		
AP00386737	54330	WILLIAMS SCOTSMAN INC	10/15/20	531.86	MW	OH		
AP00386738	53692	WINDOW AND DOOR SHOP INC, THE	10/15/20	3,207.26	MW	OH		
AP00386739	18388JPA	WOODSIDE FIRE PROTECTION DIST	10/15/20	11,273.92	MW	OH		
AP00386740	55706R	YBJ CONSTRUCTION SERVICES	10/15/20	21,425.00	MW	OH		
AP00386741	12694R	ZALINSKIS, KLAUS	10/15/20	721.54	MW	OH		

G R A N D T O T A L S:

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	3,739,685.40	Number of Checks Processed:	286
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
Total EPAYs	0.00	Number of EPAYs Processed:	0
G R A N D T O T A L	3,739,685.40		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386742	29794R	ABELSON, JOEL	10/30/20	142.42	MW	OH		
AP00386743	50236	ABM BUILDING SOLUTIONS SAN FR	10/30/20	1,991.52	MW	OH		
AP00386744	52558	ACCOUNTEMPS	10/30/20	7,188.00	MW	OH		
AP00386745	53561	ACTION TOWING	10/30/20	312.50	MW	OH		
AP00386746	15226	AFSCME DISTRICT COUNCIL 57	10/30/20	3,834.24	MW	OH		
AP00386747	29880	AIRGAS USA LLC	10/30/20	34.37	MW	OH		
AP00386748	1465	ALBERTSONS SAFEWAY	10/30/20	324.63	MW	OH		
AP00386749	1025	ALHAMBRA	10/30/20	430.44	MW	OH		
AP00386750	36102R	ALL FOUR SEASONS ROOFING	10/30/20	275.00	MW	OH		
AP00386751	37095	ALL INDUSTRIAL ELECTRIC SUPPL	10/30/20	499.87	MW	OH		
AP00386752	40755	AMAZON	10/30/20	783.61	MW	OH		
AP00386753	2083	AMERICA COPY & PRINTING CO	10/30/20	802.99	MW	OH		
AP00386754	38846	AMERICAN MESSAGING	10/30/20	147.42	MW	OH		
AP00386755	42310	AMERINAT	10/30/20	407.70	MW	OH		
AP00386756	24868	ANIXTER INC	10/30/20	531.83	MW	OH		
AP00386757	55841	AQUA-METRIC SALES CO	10/30/20	5,899.50	MW	OH		
AP00386758	55837	ARAGON VETERINARY CLINIC	10/30/20	549.55	MW	OH		
AP00386759	55833	ARAMARK	10/30/20	1,001.39	MW	OH		
AP00386760	6314	ARNOTT, SANDIE	10/30/20	17,093.03	MW	OH		
AP00386761	32577	AT&T	10/30/20	10,431.43	MW	OH		
AP00386762	32577	AT&T	10/30/20	1,625.59	MW	OH		
AP00386763	32577	AT&T	10/30/20	385.74	MW	OH		
AP00386764	45195	AT&T	10/30/20	325.00	MW	OH		
AP00386765	47003	AT&T	10/30/20	101.71	MW	OH		
AP00386766	47003	AT&T	10/30/20	91.01	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386767	6413	AT&T	10/30/20	40.24	MW	OH		
AP00386768	6413	AT&T	10/30/20	40.24	MW	OH		
AP00386769	6413	AT&T	10/30/20	17.70	MW	OH		
AP00386770	6413	AT&T	10/30/20	764.56	MW	OH		
AP00386771	6413	AT&T	10/30/20	4,485.54	MW	OH		
AP00386772	6413	AT&T	10/30/20	804.80	MW	OH		
AP00386773	44649	ATLAS COPCO COMPRESSORS LLC	10/30/20	11,364.00	MW	OH		
AP00386774	29643	AUTO COLLISION CENTER	10/30/20	9,558.64	MW	OH		
AP00386775	1232	BAKER & TAYLOR COMPANY INC	10/30/20	5,120.41	MW	OH		
AP00386776	1562	BAY AREA WATER SUPPLY & CONSE	10/30/20	24,309.00	MW	OH		
AP00386777	54911	BAYSIDE COLLISION CENTER	10/30/20	2,774.38	MW	OH		
AP00386778	52276R	BELL PLUMBING OF SAN MATEO IN	10/30/20	34.90	MW	OH		
AP00386779	38585	BFI OF CALIFORNIA INC	10/30/20	2,573.78	MW	OH		
AP00386780	19200	BIRITE FOODSERVICE DISTRIBUTO	10/30/20	2,675.13	MW	OH		
AP00386781	22205	BLACKSTONE PUBLISHING	10/30/20	500.00	MW	OH		
AP00386782	51161	BLUE ARCHER INC	10/30/20	600.00	MW	OH		
AP00386783	3349	BROADMOOR LANDSCAPE SUPPLY	10/30/20	1,086.26	MW	OH		
AP00386784	55849R	BROKEN ARROW COMMUNICATIONS	10/30/20	2,637.54	MW	OH		
AP00386785	3064	BROWN & CALDWELL INC	10/30/20	41,330.37	MW	OH		
AP00386786	44468	BUDGET CONFERENCING INC	10/30/20	425.46	MW	OH		
AP00386787	17997	C.L.E.A.	10/30/20	2,254.00	MW	OH		
AP00386788	33981	CAGWIN & DORWARD	10/30/20	345.00	MW	OH		
AP00386789	42973	CAL SIGNAL CORP	10/30/20	1,037.24	MW	OH		
AP00386790	36927	CALCON SYSTEMS INC	10/30/20	14,257.50	MW	OH		
AP00386791	42619	CALIFORNIA BUILDING STANDARDS	10/30/20	2,857.50	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386792	1196	CALIFORNIA WATER SERVICE COMP	10/30/20	90.83	MW	OH		
AP00386793	55839R	CALSTATE SOLAR INC	10/30/20	700.00	MW	OH		
AP00386794	17888	CARL WARREN & COMPANY INC	10/30/20	1,630.70	MW	OH		
AP00386795	13564	CARPENTER RIGGING & SUPPLY	10/30/20	293.50	MW	OH		
AP00386796	48351	CAVENDISH SQUARE PUBLISHING	10/30/20	777.46	MW	OH		
AP00386797	28636	CDW GOVERNMENT INC	10/30/20	2,075.06	MW	OH		
AP00386798	2930	CED CONTRACTORS SF	10/30/20	640.15	MW	OH		
AP00386799	55846R	CHANG LO, LOUIS	10/30/20	3,725.00	MW	OH		
AP00386800	3678	CINTAS CORPORATION #464	10/30/20	6,604.06	MW	OH		
AP00386801	13126	CITY OF BRISBANE	10/30/20	684.18	MW	OH		
AP00386802	25602	CITY OF DALY CITY	10/30/20	3,965.05	MW	OH		
AP00386803	40147	CITY TOYOTA	10/30/20	146.14	MW	OH		
AP00386804	55760R	CITY VENTURES HOMEBUILDING LL	10/30/20	13,499.97	MW	OH		
AP00386805	20045	CLEANSMART SOLUTIONS INC	10/30/20	706.51	MW	OH		
AP00386806	51356	COLLEGE OF ALAMEDA	10/30/20	175.00	MW	OH		
AP00386807	34153	COMCAST	10/30/20	28.70	MW	OH		
AP00386808	48517	COMCAST	10/30/20	224.19	MW	OH		
AP00386809	49055	COMCAST	10/30/20	30.11	MW	OH		
AP00386810	51634	COMCAST	10/30/20	69.95	MW	OH		
AP00386811	52652	COMCAST	10/30/20	165.06	MW	OH		
AP00386812	12578	COMPLETE LINEN SERVICE INC	10/30/20	213.84	MW	OH		
AP00386813	52070	CONCORD UNIFORMS	10/30/20	737.05	MW	OH		
AP00386814	2599	CONTINUING EDUCATION OF THE B	10/30/20	2,840.00	MW	OH		
AP00386815	30109	CORELOGIC SOLUTIONS LLC	10/30/20	300.00	MW	OH		
AP00386816	14930	COUNTY OF SAN MATEO	10/30/20	6,982.16	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386817	43157JPA	COUNTY OF SAN MATEO	10/30/20	1,364.21	MW	OH		
AP00386818	42324	CRIME SCENE CLEANERS INC	10/30/20	70.00	MW	OH		
AP00386819	35048	CROMER EQUIPMENT	10/30/20	206.08	MW	OH		
AP00386820	48323	CRYSTAL CREAMERY	10/30/20	327.78	MW	OH		
AP00386821	28906	CSG CONSULTANTS INC	10/30/20	25,351.70	MW	OH		
AP00386822	53761	CT WEST INC	10/30/20	491.63	MW	OH		
AP00386823	7274	CUMMINS SALES AND SERVICE	10/30/20	813.01	MW	OH		
AP00386824	19907	CWEA-TCP	10/30/20	101.00	MW	OH		
AP00386825	1042	D C LOCK & SECURITY SERVICE	10/30/20	275.48	MW	OH		
AP00386826	1836	DAILY JOURNAL CORPORATION	10/30/20	1,228.30	MW	OH		
AP00386827	1414	DALY CITY CENTRAL CASHIER	10/30/20	1,724.55	MW	OH		
AP00386828	1937	DALY CITY FIREFIGHTERS UNION	10/30/20	14,396.00	MW	OH		
AP00386829	48520	DALY CITY PARTNERSHIP	10/30/20	62,361.00	MW	OH		
AP00386830	30935	DALY CITY POLICE OFFICERS BEN	10/30/20	1,663.45	MW	OH		
AP00386831	9290	DALY CITY POLICE OFFICERS ASS	10/30/20	1,880.00	MW	OH		
AP00386832	9290	DALY CITY POLICE OFFICERS ASS	10/30/20	14,632.04	MW	OH		
AP00386833	1124	DALY CITY SAW & LAWNMOWER	10/30/20	45.67	MW	OH		
AP00386834	36807	DALY CITY TEST ONLY	10/30/20	120.00	MW	OH		
AP00386835	3364	DEPARTMENT OF CONSERVATION	10/30/20	9,468.60	MW	OH		
AP00386836	42371	DIAL GLASS AND WINDOW COMPANY	10/30/20	9,650.00	MW	OH		
AP00386837	54557	DKF SOLUTIONS GROUP LLC	10/30/20	400.00	MW	OH		
AP00386838	55835R	DOUGLAS R MIGHELL ARCHITECT	10/30/20	1,425.00	MW	OH		
AP00386839	30629LAW	DOWNEY BRAND ATTORNEYS LLP	10/30/20	17,390.50	MW	OH		
AP00386840	48177	EAST BAY TIRE CO	10/30/20	2,310.75	MW	OH		
AP00386841	51834	EMERGENCY REPORTING	10/30/20	667.58	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386842	55313	ENVENT CORPORATION	10/30/20	39,026.11	MW	OH		
AP00386843	55021	EVOQUA WATER TECHOLOGIES LLC	10/30/20	26,417.00	MW	OH		
AP00386844	1383	FEDEX	10/30/20	77.71	MW	OH		
AP00386845	17884	FEDEX	10/30/20	17.40	MW	OH		
AP00386846	10971	FEDEX OFFICE	10/30/20	345.64	MW	OH		
AP00386847	19787	FIRST CHOICE COFFEE SERVICES	10/30/20	49.02	MW	OH		
AP00386848	55845R	FONG, CHAN K	10/30/20	40.00	MW	OH		
AP00386849	47590	FOSTER FLOW CONTROL	10/30/20	557.84	MW	OH		
AP00386850	23380R	FOX, MATTHEW	10/30/20	384.09	MW	OH		
AP00386851	G-HERNANDEZ	FRANCHISE TAX BOARD	10/30/20	496.79	MW	OH		
AP00386852	G-HERNANDEZ	FRANCHISE TAX BOARD	10/30/20	503.60	MW	OH		
AP00386853	G-HOLMES	FRANCHISE TAX BOARD	10/30/20	200.00	MW	OH		
AP00386854	G-HOLMES	FRANCHISE TAX BOARD	10/30/20	200.00	MW	OH		
AP00386855	39908	G BORTOLOTTO AND COMPANY INC	10/30/20	64,963.51	MW	OH		
AP00386856	48009	GALE CENGAGE LEARNING	10/30/20	33.20	MW	OH		
AP00386857	26781	GARCIA, JOSE	10/30/20	156.24	MW	OH		
AP00386858	21638R	GARRISON PROPERTIES	10/30/20	725.00	MW	OH		
AP00386859	48247	GCS ENVIRONMENTAL EQUIPMENT S	10/30/20	2,778.36	MW	OH		
AP00386860	30509	GOODYEAR COMMERCIAL TIRE & SE	10/30/20	1,374.07	MW	OH		
AP00386861	31925	GOVCONNECTION INC	10/30/20	1,311.42	MW	OH		
AP00386862	52777	GOVERNMENT STAFFING SERVICES	10/30/20	17,640.00	MW	OH		
AP00386863	18532	GOW SUPPLY COMPANY INC	10/30/20	436.95	MW	OH		
AP00386864	1754	GRAINGER INC	10/30/20	3,288.32	MW	OH		
AP00386865	1571	GRANITEROCK	10/30/20	1,703.87	MW	OH		
AP00386866	29425	GRAPHTECH GRAPHICS	10/30/20	448.62	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386867	37554R	GREGORIO, JOYCE	10/30/20	443.88	MW	OH		
AP00386868	51118R	GROGAN, GREGORY	10/30/20	493.72	MW	OH		
AP00386869	31949R	GUZMAN, OMAR	10/30/20	180.00	MW	OH		
AP00386870	54235	HARRIS COMPUTER SYSTEMS	10/30/20	1,732.50	MW	OH		
AP00386871	1980	HARRISON & BONINI INC	10/30/20	695.88	MW	OH		
AP00386872	30684	HD SUPPLY CONSTRUCTION AND	10/30/20	382.64	MW	OH		
AP00386873	49850	HELLO HOUSING	10/30/20	20,062.50	MW	OH		
AP00386874	9049	HI TECH EVS INC	10/30/20	8,606.51	MW	OH		
AP00386875	54590	HOME DEPOT PRO, THE	10/30/20	2,290.90	MW	OH		
AP00386876	40241R	HUBER, LARRY	10/30/20	103.05	MW	OH		
AP00386877	48013	HYLAND SOFTWARE INC	10/30/20	8,670.03	MW	OH		
AP00386878	55072	IDN WILCO	10/30/20	1,472.87	MW	OH		
AP00386879	55852R	INFINITY PLUMBING & ROOTER	10/30/20	2,784.40	MW	OH		
AP00386880	48171	INNOVATIVE CONSTRUCTION & DES	10/30/20	25,200.00	MW	OH		
AP00386881	1072	IRVINE & JACHENS INC	10/30/20	142.03	MW	OH		
AP00386882	55027	JOHN THE SIGN GUY LLC	10/30/20	329.56	MW	OH		
AP00386883	25311	JOHNSON CONTROLS SECURITY SOL	10/30/20	464.34	MW	OH		
AP00386884	47002MED	KAISER PERMANENTE	10/30/20	2,482.55	MW	OH		
AP00386885	55836	KAISER PRECISION LLC	10/30/20	2,493.04	MW	OH		
AP00386886	46590	KRAMER WORKPLACE INVESTIGATIO	10/30/20	9,515.00	MW	OH		
AP00386887	31870R	KRAUSS, GREGORY	10/30/20	160.07	MW	OH		
AP00386888	1108	L N CURTIS AND SONS	10/30/20	1,319.45	MW	OH		
AP00386889	13776	LANGUAGE LINE SERVICES	10/30/20	888.11	MW	OH		
AP00386890	51315R	LAUDERDALE, SHANE	10/30/20	25,065.00	MW	OH		
AP00386891	45566	LAVEZZO, RONALD F	10/30/20	750.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386892	1148	LAWSON PRODUCTS INC	10/30/20	504.33	MW	OH		
AP00386893	8614	LC ACTION POLICE SUPPLY LTD	10/30/20	1,646.92	MW	OH		
AP00386894	33497	LEGACY MECHANICAL & ENERGY SE	10/30/20	9,855.00	MW	OH		
AP00386895	45083	LEHR	10/30/20	36.10	MW	OH		
AP00386896	53869	LEW EDWARDS GROUP, THE	10/30/20	6,500.00	MW	OH		
AP00386897	14431	LINDE INC	10/30/20	11,089.68	MW	OH		
AP00386898	49874	LOU'S GLOVES INC	10/30/20	278.00	MW	OH		
AP00386899	55842R	LUEDEMAN, COLE	10/30/20	40.00	MW	OH		
AP00386900	36784	MALLORY SAFETY AND SUPPLY LLC	10/30/20	612.90	MW	OH		
AP00386901	55192	MARQUEE FIRE PROTECTION	10/30/20	7,385.00	MW	OH		
AP00386902	55840R	MARTIN, MATTHEW	10/30/20	816.40	MW	OH		
AP00386903	18738	MATTOS, KEITH	10/30/20	146.90	MW	OH		
AP00386904	26465	MID PENINSULA BOYS & GIRLS CL	10/30/20	12,500.00	MW	OH		
AP00386905	22863	MIDWEST TAPE INC	10/30/20	574.03	MW	OH		
AP00386906	55761	MII TRAINING INNOVATIONS LLC	10/30/20	475.00	MW	OH		
AP00386907	55843R	MIRANDA CORTEZ, YAOSKA	10/30/20	65.00	MW	OH		
AP00386908	15396	MOSS RUBBER & EQUIPMENT CORP	10/30/20	182.38	MW	OH		
AP00386909	54686	MOTOPORT USA	10/30/20	8,148.67	MW	OH		
AP00386910	32422	MUFG UNION BANK N A	10/30/20	2,507.00	MW	OH		
AP00386911	42663	MUNICIPAL CODE CORPORATION	10/30/20	650.00	MW	OH		
AP00386912	52901	MUNIQUIP LLC	10/30/20	16,235.14	MW	OH		
AP00386913	52244	NEUWASTE BUSINESS RECYCLING I	10/30/20	4,519.00	MW	OH		
AP00386914	53628	NEW ALPHA TWO INC	10/30/20	100.00	MW	OH		
AP00386915	55245	NOR CAL FIRE PROTECTION INC	10/30/20	795.00	MW	OH		
AP00386916	20019	NORCAL FPO	10/30/20	80.30	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386917	15763	NORTH COAST COUNTY WATER DIST	10/30/20	58.61	MW	OH		
AP00386918	55490	NORTHSTAR CHEMICAL	10/30/20	12,102.90	MW	OH		
AP00386919	54672	OCEAN TREASURES SERVICING INC	10/30/20	321.70	MW	OH		
AP00386920	40765RJPA	ODLE, JOHN	10/30/20	135.28	MW	OH		
AP00386921	1055	OFFICE DEPOT	10/30/20	501.72	MW	OH		
AP00386922	15337	OFFICE DEPOT	10/30/20	159.64	MW	OH		
AP00386923	42500	OFFICE DEPOT	10/30/20	1,437.69	MW	OH		
AP00386924	43700R	ORNELAS, DANA	10/30/20	1,333.39	MW	OH		
AP00386925	52445R	ORTIZ, RANDY	10/30/20	510.95	MW	OH		
AP00386926	55844R	OVANDO, JORGE SR	10/30/20	45.00	MW	OH		
AP00386927	55555	OVERDRIVE INC	10/30/20	1,021.32	MW	OH		
AP00386928	42838	PACE SUPPLY CORP	10/30/20	1,065.90	MW	OH		
AP00386929	1216	PACIFIC GAS & ELECTRIC	10/30/20	292,549.54	MW	OH		
AP00386930	5564	PACIFIC GAS & ELECTRIC	10/30/20	11,155.00	MW	OH		
AP00386931	29252	PACIFIC PRODUCE INC	10/30/20	951.25	MW	OH		
AP00386932	9815	PENINSULA CONFLICT RESOLUTION	10/30/20	7,293.30	MW	OH		
AP00386933	1936	PENINSULA PEACE OFFICERS ASSO	10/30/20	264.60	MW	OH		
AP00386934	29738	PENINSULA UNIFORMS & EQUIPMEN	10/30/20	471.13	MW	OH		
AP00386935	10255MED	PERMANENTE MEDICAL GROUP INC	10/30/20	4,189.00	MW	OH		
AP00386936	55834R	PERMIT SERVICES	10/30/20	161.34	MW	OH		
AP00386937	19678	PERS LONG TERM CARE PROGRAM	10/30/20	389.98	MW	OH		
AP00386938	51799	PET FOOD EXPRESS	10/30/20	198.86	MW	OH		
AP00386939	47044	PETERSON TRUCKS INC	10/30/20	678.57	MW	OH		
AP00386940	54331	PIIAN SYSTEMS LLC	10/30/20	10,862.07	MW	OH		
AP00386941	45947	PLUS TECHNOLOGIES LLC	10/30/20	10,809.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386942	36106	POLYDYNE INC	10/30/20	34,294.89	MW	OH		
AP00386943	54462	PORAC RETIREE MEDICAL TRUST	10/30/20	18,600.00	MW	OH		
AP00386944	53664	PROPRINT	10/30/20	40,698.79	MW	OH		
AP00386945	22005	QUADIENT INC	10/30/20	994.36	MW	OH		
AP00386946	1115	R & B COMPANY	10/30/20	8,618.97	MW	OH		
AP00386947	27398	R & S ERECTION NORTH PENINSUL	10/30/20	418.50	MW	OH		
AP00386948	12539	R A METAL PRODUCTS INC	10/30/20	181.09	MW	OH		
AP00386949	40424R	RB ROOFING COMPANY	10/30/20	275.00	MW	OH		
AP00386950	50803	READYREFRESH BY NESTLE	10/30/20	179.70	MW	OH		
AP00386951	2439	RECORDED BOOKS INC	10/30/20	7.59	MW	OH		
AP00386952	1687	RED WING SHOES	10/30/20	297.14	MW	OH		
AP00386953	14608	REEVES COMPANY INC	10/30/20	27.95	MW	OH		
AP00386954	45900R	REYES, IGNACIO	10/30/20	695.56	MW	OH		
AP00386955	53532	ROBERT HALF TECHNOLOGY	10/30/20	434.00	MW	OH		
AP00386956	50491	RON TURLEY ASSOCIATES INC	10/30/20	937.19	MW	OH		
AP00386957	41460	SABRE BACKFLOW LLC	10/30/20	271.98	MW	OH		
AP00386958	1087	SAFETY KLEEN SYSTEMS INC	10/30/20	27,909.38	MW	OH		
AP00386959	26957	SAN FRANCISCO BUSINESS TIMES	10/30/20	140.00	MW	OH		
AP00386960	43156JPA	SAN MATEO COUNTY	10/30/20	453,449.82	MW	OH		
AP00386961	1643	SAN MATEO COUNTY ENVIRONMENTA	10/30/20	8,294.25	MW	OH		
AP00386962	1074	SAN MATEO COUNTY FIRE CHIEFS	10/30/20	1,500.00	MW	OH		
AP00386963	18047	SAN MATEO COUNTY PUBLIC	10/30/20	384,402.75	MW	OH		
AP00386964	35246	SAN MATEO COUNTY SHERIFFS OFF	10/30/20	10,027.00	MW	OH		
AP00386965	G-BLACKMAN3	SAN MATEO COUNTY SHERIFF	10/30/20	312.00	MW	OH		
AP00386966	G-BLACKMAN3	SAN MATEO COUNTY SHERIFF	10/30/20	312.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386967	49441	SC FUELS	10/30/20	19,476.01	MW	OH		
AP00386968	52262R	SCHUMACKER, DARIN	10/30/20	110.00	MW	OH		
AP00386969	53213	SEAMLESSDOCS	10/30/20	7,267.26	MW	OH		
AP00386970	53448	SEROLOGICAL RESEARCH INSTITUT	10/30/20	10,355.00	MW	OH		
AP00386971	44095	SERVICE PRESS INC	10/30/20	238.84	MW	OH		
AP00386972	50625R	SF CROWN ROOFING INC	10/30/20	275.00	MW	OH		
AP00386973	31449	SHARP ELECTRONICS CORPORATION	10/30/20	13,338.33	MW	OH		
AP00386974	46550R	SHELDON, STEVE	10/30/20	80.59	MW	OH		
AP00386975	23742	SHOE DEPOT INC	10/30/20	345.96	MW	OH		
AP00386976	55731R	SRC ROOFING	10/30/20	550.00	MW	OH		
AP00386977	51670R	ST CIN, ASHLEY	10/30/20	51.50	MW	OH		
AP00386978	20534	ST FRANCIS ELECTRIC INC	10/30/20	1,040.00	MW	OH		
AP00386979	47389	STARVISTA	10/30/20	25,338.05	MW	OH		
AP00386980	3613	STATIONARY ENGINEERS LOCAL 39	10/30/20	3,441.57	MW	OH		
AP00386981	45084	STEPFORD INC	10/30/20	770.99	MW	OH		
AP00386982	54631	STEPHEN CREVELLI	10/30/20	800.00	MW	OH		
AP00386983	30507	STERICYCLE INC	10/30/20	709.05	MW	OH		
AP00386984	55848R	STUPAKK CONSTRUCTION INC	10/30/20	467.00	MW	OH		
AP00386985	18334	SUPERION LLC	10/30/20	3,240.00	MW	OH		
AP00386986	45319	T MOBILE USA INC	10/30/20	704.00	MW	OH		
AP00386987	50099	TAHOE BEAR BOX CO	10/30/20	5,014.65	MW	OH		
AP00386988	2798	TEAMSTERS LOCAL 856	10/30/20	3,480.00	MW	OH		
AP00386989	13852	TELECOMMUNICATIONS ENGINEERIN	10/30/20	3,544.80	MW	OH		
AP00386990	31452	TOWNE FORD	10/30/20	39,688.35	MW	OH		
AP00386991	49543	TRB AND ASSOCIATES INC	10/30/20	240.00	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
AP00386992	52033	TRIPEPI SMITH & ASSOCIATES IN	10/30/20	1,550.00	MW	OH		
AP00386993	26803	TURBO DATA SYSTEMS INC	10/30/20	12,352.75	MW	OH		
AP00386994	32209	UNIVAR USA INC	10/30/20	10,400.67	MW	OH		
AP00386995	3904	UPS	10/30/20	27.62	MW	OH		
AP00386996	7873	URBAN FARMER STORE, THE	10/30/20	566.92	MW	OH		
AP00386997	47099JPA	UTILITY TELECOM GROUP LLC	10/30/20	5,283.56	MW	OH		
AP00386998	38922	VANTAGEPOINT TRANSFER AGENTS-	10/30/20	7,450.00	MW	OH		
AP00386999	29329	VERIZON WIRELESS SERVICES LLC	10/30/20	648.66	MW	OH		
AP00387000	41809	VESTRA RESOURCES INC	10/30/20	1,435.25	MW	OH		
AP00387001	38176	W BRADLEY ELECTRIC INC	10/30/20	169,297.62	MW	OH		
AP00387002	54492	WATER SYSTEMS OPTIMIZATION IN	10/30/20	500.00	MW	OH		
AP00387003	50485	WAVE BROADBAND	10/30/20	294.75	MW	OH		
AP00387004	3691	WECO INDUSTRIES LLC	10/30/20	1,798.64	MW	OH		
AP00387005	39237	WEST COAST CODE CONSULTANTS I	10/30/20	20,245.55	MW	OH		
AP00387006	6141	WEST COAST CONTRACTORS SERVIC	10/30/20	1,292.28	MW	OH		
AP00387007	29517	WEST-LITE SUPPLY COMPANY INC	10/30/20	6,968.92	MW	OH		
AP00387008	43396R	YAMA CONSTRUCTION	10/30/20	3,246.82	MW	OH		
AP00387009	55847R	YEN, SHUKPING	10/30/20	1,587.20	MW	OH		

Check	Payee ID.	Payee Name	Date	Check Amount	Type	Subs	Rel To	Note
		GRAND TOTALS:						

Total Void Machine Written	0.00	Number of Checks Processed:	0
Total Void Hand Written	0.00	Number of Checks Processed:	0
Total Machine Written	2,505,881.03	Number of Checks Processed:	268
Total Hand Written	0.00	Number of Checks Processed:	0
Total Reversals	0.00	Number of Checks Processed:	0
Total Cancelled	0.00	Number of Checks Processed:	0
Total EFTs	0.00	Number of EFTs Processed:	0
Total EPAYs	0.00	Number of EPAYs Processed:	0
GRAND TOTAL	2,505,881.03		

City Council Meeting Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: **Public Hearing – Proposed Ordinance Repealing and Replacing Chapter 8.32 – Illegal Dumping and Littering**

Recommended Action

Staff recommends that the City Council repeal and replace Chapter 8.32 of the Daly City Municipal Code regarding Illegal Dumping and Littering.

Background

C.L.E.A.N. Daly City, an initiative to address illegal dumping as a unified community and to build pride for the neighborhoods we live in, launched in Fall 2020. It is a citywide effort to call our community into action to work together to create a **C**lean, **L**ivable **E**nvironment **A**nd **N**eighborhoods. The City is tackling this issue with the following phased approach: Education, Engagement, Enforcement, and Eradication.

As one component of the Enforcement effort, the City desires to update Chapter 8.32 of the Daly City Municipal Code regarding illegal dumping and littering. Illegal dumping is a significant blight within the City and an environmental crime that negatively impacts the livability of neighborhoods, discourages economic development, reduces property values, unfairly places clean-up costs on the public, and redirects City resources from other important community projects. Illegal dumping is also a significant health and safety problem.

Chapter 8.32 of the Daly City Municipal Code currently prohibits littering in the City, but the code does not address illegal dumping. Staff believes the City needs to specifically and clearly prohibit such dumping, and in addition enhance administrative fines and civil penalties. The proposed ordinance will allow the City to have a comprehensive enforcement system with the intent to eradicate illegal dumping and littering in the future.

Discussion

Currently, any person who violates any of the provisions of Chapter 8.32 shall be guilty of an infraction and/or misdemeanor, and violators are subject to the following fines and penalties:

Penalty for Infraction:

1. $100.00 for the first violation;
2. $250.00 for the second violation; and
3. $500.00 for each additional violation after the second, within 12 months.

Penalty for Misdemeanor:

A penalty of not more than one thousand dollars; or by imprisonment in the county jail for a period not exceeding six months; or, by both penalty and imprisonment.

When surveying neighboring cities, most City Ordinances mirror the exact penalties described above, with the exception of South San Francisco, Pacifica, and Burlingame that charge $1,000.00/day, $500.00/day, or actual cost of clean-up plus 7% interest respectively.

The purpose and intent, by repealing and replacing this Chapter, is to protect public and private property from litter *and* illegal dumping by increasing remedies for victims and increasing penalties for violators in order to discourage such acts. Since the remedies and penalties to address these acts are currently inadequate to compensate the public and victims and have not proven to discourage littering and illegal dumping activities, staff recommends establishing an administrative citation schedule as follows:

Administrative Citations for Littering:

1. $250.00 for the first violation;
2. $500.00 for the second violation; and
3. $1,000.00 for the third violation within 12 months.

Administrative Citations for Illegal Dumping:

1. $1,000.00 plus cost of clean-up and disposal for the first violation;
2. $2,500.00 plus cost of clean-up and disposal for the second violation; and
3. $5,000.00 plus cost of clean-up and disposal for the third violation.

Additionally, violators shall be provided a 24-hour notice of clean-up. The violator will have 24-hours from the issued notice to clean-up the illegally dumped items or will be subject to the cost of clean-up and disposal arranged by the City.

Administrative Citations for Failure to Abate by Private Real Property Owner:

1. $500.00 plus cost of clean-up and disposal for the first violation;
2. $1,000.00 plus cost of clean-up and disposal for the second violation; and
3. $3,000.00 plus cost of clean-up and disposal for the third violation.

All property owners are currently responsible for maintaining the premises of their property, including the adjacent public right of way, free of Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, and Waste Matter. Additionally, property owners shall be provided a 72-hour notice of clean-up. The property owner will have 72-hours from the issued notice to clean-up the illegally dumped items or will be subject to the cost of clean-up and disposal arranged by the City.

The revisions to this Chapter will continue to hold property owners responsible in an effort to encourage partnership through prevention efforts, such as installing physical barriers and cameras, and utilizing available resources like the free, annual bulky goods collection program with the City's waste hauler.

Administrative Citations for Major Violations:

Major violations are intended to capture gross violations of illegal dumping in terms of severity and frequency. A commercial quantity, which can be estimated as one truck load, and fourth violations for littering, illegal dumping, and failure to abate constitute major violations.

1. $5,000.00 plus cost of clean-up and disposal for the first major violation;

2. $7,500.00 plus cost of clean-up and disposal for the second major violation; and
3. $3,000.00 plus cost of clean-up and disposal for the third major violation.

Additionally, violators shall be provided a 24-hour notice of clean-up. The violator will have 24-hours from the issued notice to clean-up the illegally dumped items or will be subject to the cost of clean-up and disposal arranged by the City.

Any person receiving an administrative citation listed above may request an appeal hearing with a Hearing Officer, designated by the City Manager. The Hearing Officer, after considering all of the testimony and evidence submitted at the hearing, shall either confirm the violation and uphold the administrative citation, or find that no Violation has occurred and refund any deposit paid to the City. The Hearing Officer has discretion to reduce the administrative fines amount and permit the violator to perform community service in lieu of monetary or criminal penalties, when appropriate.

The revisions to this Chapter further provide remedies to victims of illegal dumping by allowing any person or entity, public or private, to bring civil action against a violator to recover costs of removal, damages, and fees.

The goal of C.L.E.A.N. Daly City is not to impose administrative citations, but rather to successfully educate and engage all members of our community to build pride within our neighborhoods and to prevent further littering and illegal dumping activities from recurring. Enforcement, including camera-based enforcement strategies, is intended to be a tool when education and engagement prove unsuccessful with certain violators.

Fiscal Impact

Repealing and replacing Chapter 8.32 of the Daly City Municipal Code will allow the City to improve its ability to recover its costs to remove illegally dumped waste, which currently costs our taxpayers $300,000/year in City staff time and resources. Additionally, the City will need to account for the costs of camera-based enforcement strategies, estimated at $3,000.00/camera.

Summary/Conclusion

Staff recommends that the City Council repeal and replace Chapter 8.32 of the Daly City Municipal Code regarding Illegal Dumping and Littering.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Leilani Ramos
Assistant to the City Manager

Stephen Stolte
Assistant City Manager

ORDINANCE NO.________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY REPEALING AND REPLACING CHAPTER 8.32 OF THE DALY CITY MUNICIPAL CODE REGARDING ILLEGAL DUMPING AND LITTERING

BE IT ORDAINED by the City Council of the City of Daly City, as follows:

SECTION 1. The City Council of Daly City finds that all Recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Chapter 8.32 of Title 8 (Health and Welfare) of the City of Daly City Municipal Code, as presently written, is hereby repealed and replaced in its entirety to read as follows:

Chapter 8.32
ILLEGAL DUMPING AND LITTERING

Sections:

Article I. - Findings and Purpose

8.32.010 Findings and Purposes

Article II – Definitions

8.32.020 Definitions

Article III – Littering and Illegal Dumping as Unlawful and Public Nuisances

8.32.030 Illegal Disposal of Litter Unlawful.
8.32.040 Illegal Dumping Unlawful
8.32.050 Public Nuisances

Article IV – Administrative, Civil, and Criminal Liabilities and Penalties

8.32.060 Power of Citation
8.32.070 Administrative Citations – Violations
8.32.080 Administrative Citations – Requirements
8.32.090 Administrative Citations – Littering
8.32.100 Administrative Citations – Illegal Dumping
8.32.110 Administrative Citations – Failure to Abate by Private Real Property Owner
8.32.120 Administrative Citations – Major Violations
8.32.130 Notices
8.32.140 Appeal Process
8.32.150 Hearing Officer
8.32.160 Hearing Procedure
8.32.170 Hearing Officer's Authority and Administrative Order
8.32.180 Recovery of Fines
8.32.190 Civil Actions Against Dumping Violators
8.32.200 Authority of City Attorney to Bring Actions

Article V – Special Liabilities and Responsibilities

8.32.210 Joint and Several Liability
8.32.220 Liability of Parent or Guardian of a Juvenile
8.32.230 Liability of Owner or Operator of Motor Vehicle Used in Illegal Dumping
8.32.240 Responsibility of Waste Matter Creator or Generator for Illegally Dumped Material
8.32.250 Responsibility of Real Property Owner

Article VI – Community Service

8.32.260 Development of Community Service Program in Lieu of Fine

Article VII - Miscellaneous Sections

8.32.270 Remedies Not Exclusive
8.32.280 City Manager Regulations

Article I. - Findings and Purpose

8.32.010 Findings and Purposes

A. The City of Daly City suffers from Litter and illegally dumped waste on public and private property throughout the City.
B. Illegal Dumping is a significant blight within the City and an environmental crime that negatively impacts the livability of neighborhoods, discourages economic development, reduces property values, unfairly places clean-up Costs on the public, and redirects City resources from other important community projects.
C. Illegal Dumping is a significant health and safety problem.
D. Illegal Dumping is inconsistent with the City's goals of maintaining property, preventing crime, and preserving aesthetic standards.
E. The remedies and penalties for Illegal Dumping are currently inadequate to compensate the public and victims of such acts and to discourage Illegal Dumping.
F. The City Council's purpose and intent, by enacting this Chapter, is to protect public and private property from Illegal Dumping by increasing remedies for victims of such acts and penalties for those performing such acts in order to discourage such acts.
G. A further purpose of this Chapter is to permit the perpetrators of Illegal Dumping to perform community service in lieu of monetary or criminal penalties, when appropriate.

Article II – Definitions

8.32.020 Definitions

For the purposes of this Chapter, the following terms, phrases, words and their derivations shall have the meaning given herein. When inconsistent with the context, words used in the present tense include the future, words used in the plural number include the singular number, and words used in the singular number include the plural number.

A. "Authorized Receptacle" means a solid waste storage and collection receptacle as approved by the City and in accordance with Section 8.12.140.
B. "City" means the City of Daly City.

C. “Commercial Quantity” means any amount of Waste Matter generated in the course of a trade, business, profession, or occupation, or an amount of Waste Matter equal to or in excess of one cubic yard.

D. "Costs" means and includes, but is not limited to, staff Costs, court Costs, attorneys' fees, Costs of removal and disposal of illegally dumped Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter (including the equivalent Cost of disposal if the City is not charged), Costs of investigating the incident, and law enforcement Costs, including, but not limited to time and expenses of Police, Code Enforcement, Public Works, City Attorney, and/or other City departments, incurred by the City in identifying and apprehending Persons who cause or commit Illegal Dumping in Violation of this Chapter.

E. "Discarded Items" refers to any large, unwanted items that are cast aside, placed on the curbside labeled “free”, disposed of, thrown out or illegally dumped in a manner that is not allowed by state or local law. Discarded Items include but are not limited to the following items:

1. Appliances, which means any large electric or gas appliance such as, but are not limited to, a stove, refrigerator, dishwasher, microwave, laundry machine, barbeque grill, water heater, or furnace.
2. Automotive or Watercraft Parts, which means any components, constituents, elements, or artifacts that are one of the individual parts of which an automotive Vehicle or watercraft is composed. For the purposes of this Chapter, automotive Vehicles are any self-propelled Vehicle that does not operate on rails and is used for transportation of people or cargo. Automotive Vehicles include but are not limited to cars, buses, motorcycles, off-road Vehicles, trucks and heavy equipment. Watercraft are any boat, ship or vessel that travels on water.
3. Household Furniture, which includes any sized furniture such as chairs, desks, dressers, tables, bed frames, benches, buffets, armoires, and more; and upholstered furniture which includes furniture covered by soft, padded textile, leather, vinyl or similar covering, such as armchairs and sofas.
4. Mattresses, which means any sized resilient material or combination of materials that is used alone or in combination with other products and is intended for or promoted for sleeping upon by individuals. This includes, crib- or infant-, child-, and adult-sized mattresses.
5. Electronic Waste, which means computers, computer monitors, televisions, audio equipment and any other electronic equipment that is required to be specially disposed of pursuant to state or City law, including, but not limited to a "covered electronic device" as defined in Section 42463 of the California Public Resources Code.

F. “Enforcement Officer” means any City employee who has been designated by the City Manager to issue citations in accordance with Section 8.32.060 of this Chapter.

G. "Illegal Dumping" means the willful, intentional, or negligent depositing, disposal, dropping, dumping, placing, or throwing of any Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter onto public or private property that is not expressly designated for the purpose of disposal of said matter. The disposal of Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter on private or public property without the express permission of the Real Property Owner shall also constitute "Illegal Dumping." "Illegal Dumping" also includes any Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter not disposed of pursuant to City of Daly City Municipal Code Chapter 8.12. "Illegal Dumping" does not include "Litter" as specifically defined in this Chapter.

H. "Handbill," which means any printed or written matter, any sample or device, dodger, circular, leaflet, pamphlet, paper, booklet, flyer, poster or any other printed or otherwise reproduced original or copies of any matter of literature of a commercial or noncommercial nature.

I. “Harmful Waste Matter” means a hazardous substance as defined in Section 374.8 of the California Penal Code.

J. “Household Waste Matter” means all forms of household garbage, refuse, trash, junk, debris, recyclable materials, and solid waste related to consumer goods.

K. "Litter," which means small quantities of Household Waste Matter related to consumer goods and that are reasonably understood to be ordinarily carried on or about the body of a living Person, including, but not limited to, beverage containers and closures, packaging, wrappers, wastepaper, Newspaper, Handbills, magazines, or other similar Household Waste Matter that escapes or is allowed to escape from a container, receptacle, or package; or the disposal of said items.

L. “Littering,” which means the act of improperly disposing of Litter.

M. "Newspaper," which means any Newspaper of general circulation as defined by general law, any Newspaper duly entered with the Post Office Department of the United States, in accordance with federal statute or regulation, and any Newspaper filed and recorded with any recording officer as provided by general law; and, in addition thereto, means and includes any periodical or current magazine regularly published with not less than four issues per year, and sold to the public.

N. "Park" means a Park, reservation, playground, beach, recreation center or any other public area in the City, owned or used by the City and devoted to active or passive recreation.

O. "Person" means any Person, firm, partnership, association, corporation, limited liability company, company or organization of any kind.

P. "Private Premises" means any dwelling, house, building or other structure designated or used either wholly or in part for private residential purposes, whether inhabited or temporarily or continuously uninhabited or vacant, and includes any yard, grounds, walk, driveway, porch, steps, vestibule or mailbox belonging or appurtenant to such dwelling, house, building or other structure; or any commercial building or other structure designated or used either wholly or in part for private business purposes.

Q. "Public Place" means any and all streets, sidewalks, boulevards, alleys or other public ways and any and all public Parks, squares, spaces, grounds and buildings.

R. "Real Property Owner" means any Person with a fee interest in a parcel of real property and any Person who manages real property for commercial or residential rental.

S. “Universal Waste” means lamps, batteries, mercury-containing devices, and lighting ballasts.

T. "Vehicle" means a Vehicle as defined in California Vehicle Code Section 670, and a motor Vehicle as defined in California Vehicle Code Section 415.

U. "Vehicle Owner" means an "owner" as defined in California Vehicle Code Section 460, but excludes a motor Vehicle dealer, bank, credit union, acceptance corporation, or other licensed financial institution legally operating in this state or is another Person who is not the registered owner and holds a security interest in the Vehicle.

V. "Violation" means any incident of Littering or Illegal Dumping which is identified by a report to the City or the discovery by the City of improperly disposed of Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, and/or Waste Matter.

W. "Violator" means any Person who negligently, willfully, or intentionally causes or permits Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, and/or Waste Matter to be illegally dumped or improperly disposed of, including, but not limited to, any Person who gives or entrusts said matter to another who illegally disposes of said matter, and any Vehicle Owner whose Vehicle is used to illegally dispose of Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, and/or Waste Matter, but who does not properly dispose of said matter.

X. "Waste Matter" means any form of tangible matter that is customarily generated in the course of a trade, business, profession, or occupation, and is in an aggregate amount equal to or greater than one cubic yard, which can be estimated as one truck load. Waste Matter includes, but is not limited to, any combination of the following that is in excess of one cubic yard:

1. Construction and demolition debris, which includes any and all materials resulting from the alteration, construction, destructions, rehabilitation or repair of any manmade physical structure including houses, buildings, industrial or commercial facilities, and roadways. These materials may include structural and functional materials comprising the structure and surrounding site improvements, such as brick, concrete, stone, glass, wall coverings, drywall, framing and finishing lumber, roofing materials, plumbing fixtures, hearing equipment, electrical wiring and components, insulations, carpeting, asphaltic substances, metals, railroad ties, or utility poles, among others.
2. All forms of garbage, refuse, rubbish, recyclable materials, debris, trash, and solid waste.
3. Dirt, soil, rock, decomposed rock, gravel, sand, or other aggregate material dumped or deposited as refuse.
4. Yard waste consisting of vegetative or organic material produced from the care and maintenance of landscaped areas, gardens and lawns. Yard waste includes, but is not limited to, leaves, grass clippings, weeds, dead flowers and plants, brush, tree trunks, pruned branches and stems, dirt, roots, wood shavings, rocks and trees.
5. All forms of liquid waste not otherwise defined in or deemed to fall within the purview of Section 25117 of the California Health and Safety Code, including but not limited to, water-based or oil-based paints, chemical solutions, water contaminated with any substance rendering it unusable for irrigation or construction, oils, fuels, and other petroleum distillates or byproducts.
6. Any form of biological waste not otherwise designated by law as hazardous waste, including, but not limited to, body parts, carcasses, and any associated container, enclosure, or wrapping material used to dispose these matters.
7. A physical substance used as an ingredient in any process, now known or hereafter developed or devised, to manufacture a controlled substance specified in Section 11054, 11055, 11056, 11057, or 11058 of the California Health and Safety Code, or that is a byproduct or result of the manufacturing process of the controlled substance.

<u>Article III – Littering and Illegal Dumping as Unlawful and Public Nuisances</u>

8.32.030 Illegal Disposal of Litter Unlawful.

A. It is unlawful and a Violation of this code and this Chapter for any Person to dispose of Litter as otherwise provided by this code or state or federal law.

B. The owner or Person in control of any private property shall at all times maintain the premises, and the adjacent public right of way, free of Litter; provided, however, that this section shall not prohibit the storage of Litter in Authorized Receptacles for collection.

C. No Person shall:

1. Throw or deposit Litter in or upon any street, sidewalk or other Public Place within the City except in public receptacles, in Authorized Receptacles for collection or in a County dump;

2. Sweep into or deposit in any gutter, street or other Public Place within the City the accumulation Litter from any building or lot or from any public or private sidewalk or driveway. Persons owning or occupying property or places of business shall keep the sidewalk in front of their premises free of Litter;

3. Throw or deposit Litter upon any street or other Public Place within the City, or upon private property, while a driver or passenger in a Vehicle;

4. Drive or move any truck or other Vehicle within the City that allows any load, contents, Litter or Waste Matter to be blown or deposited upon any street, alley or other Public Place, in accordance with California Vehicle Code Section 23115, or shall any Person drive or move any Vehicle or truck within the City, the wheels or tires of which carry onto or deposit in any street, alley or other Public Place, mud, dirt, sticky substances, Litter, Waste Matter or foreign matter of any kind;

5. Throw out, drop or deposit Litter in any Park within the City, except in public receptacles and in such a manner that the Litter will be prevented from being carried or deposited by the elements upon any part of the Park or upon any street or other Public Place. Where public receptacles are not provided, all such Litter shall be carried away from the Park by the Person responsible for its presence and properly disposed of elsewhere as provided herein;

6. Throw out, drop or deposit any Litter in or upon any Vehicle;

i. However, it is not unlawful in a Public Place for a Person to hand out or distribute without charge to the receiver thereof, a noncommercial Handbill to any occupant of a Vehicle who is willing to accept it.

7. Throw, deposit or distribute any Litter in or upon Private Premises;

i. However, it is not illegal to hand or transmit a Handbill directly to the owner, occupant or other Person then present in or upon such Private Premises; however, in the case of inhabited Private Premises, such Person, unless requested by anyone upon such premises not to do so, may place or deposit any such Handbill in or upon such inhabited premises, so long as the Handbill is so placed or deposited as to secure or prevent such Handbill from being blown or drifted about such premises or sidewalks, streets, or other Public Places and except that mailboxes may not be so used when prohibited by federal postal law or regulations.

D. Persons placing Litter in public receptacles or in Authorized Receptacles shall do so in such a manner as to prevent it from being carried or deposited by the elements upon any street, sidewalk or other Public Place or upon private property.

E. A Violation of this Chapter shall be subject to enforcement through administrative citation, civil penalties, civil actions, and criminal prosecution, as referenced in this Chapter and available under state and federal law.

8.32.040 Illegal Dumping Unlawful

A. It is unlawful and a Violation of this code and this Chapter for any Person to illegally dump Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter or cause said matter not to be disposed of as otherwise provided by this code or state or federal law.

B. It is unlawful and a Violation of this code for any Person owning or otherwise in possession or control of any real property within the City to permit or allow Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter from such property to be illegally dumped. It shall be the sole responsibility of the Real Property Owner or Person otherwise in possession or control of any real property within the City to remedy any Illegal Dumping Violations.

C. It is unlawful to hire any Person or organization to dispose of Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter in the City in a manner prohibited by this code and Chapter.

D. A Violation of this Chapter shall be subject to enforcement through administrative citation, civil penalties, civil actions, and criminal prosecution, as referenced in this Chapter and available under state and federal law.

8.32.050 Public Nuisances

A. Littering and Illegal Dumping of Discarded Items, Harmful Waste Matter, Household Waste Matter, Universal Waste, and/or Waste Matter constitute public nuisances subject to abatement, remedies, and penalties according to the provisions and procedures contained in this code and this Chapter. Violations of this Chapter are subject to investigation by designated City officials and Violators may be subject to administrative citations or other fees and fines as described in this Chapter.

B. No Person shall park a motor Vehicle upon any street, sidewalk or alley which leaves oil on the street, sidewalk or alley to the extent it becomes a public nuisance; no Person shall dispose of motor Vehicle oil in the streets, gutters or storm sewers of City.

Article IV – Administrative, Civil, and Criminal Liabilities and Penalties

8.32.060 Power of Citation

The City Manager shall have the power to designate, by written order, that certain employees shall have the authority to cite Persons in Violation of this Chapter. Such designated employees shall be referred to as "Enforcement Officer."

8.32.070 Administrative Citations – Violations

Whenever an Enforcement Officer determines that a Violation of this Chapter has occurred, the Enforcement Officer shall have the authority to issue an administrative citation fine to any and all Persons responsible for the Violation (including the Real Property Owner) and/or to order correction of the Violation.

8.32.080 Administrative Citations – Requirements

Each administrative citation shall contain the following information:

A. Date of the Violation and any previous correspondence from the City regarding the Violation, including the warning notice;

B. Address or a definite description of the location where the Violation occurred;

C. Section of this Chapter, and/or other Municipal Code sections, that was violated and a description of the Violation;

D. Amount of the current and potential future penalties for the Violation;

E. Description of the fine payment process, including a description of the time within which and the place to which the fine shall be paid, and the fact that penalties are imposed each day the Violation exists;

F. Actions required to correct the Violation;

G. Description of the appeal process, including the time within which the administrative citation may be contested and the department and Person from which a Request for Hearing Form to contest the administrative citation may be obtained; and

H. Name and signature of the citing Enforcement Officer.

8.32.090 Administrative Citations - Littering

A. In instances of Littering on private or public property, the Violator may be issued an administrative citation.

B. The amounts of the fines imposed for any Violation of Littering as defined in 8.32.020 shall be $250.00 for a first Violation, $500.00 for a second Violation within twelve (12) months, and $1,000.000 for the third Violations within twelve (12) months.

8.32.100 Administrative Citations – Illegal Dumping

A. In instances of Illegal Dumping on public or private property, the Violator may be issued an administrative citation.

B. The amounts of the fine imposed for any Violation of Illegal Dumping as defined in 8.32.020 shall be $1,000.00 plus Cost of clean-up and disposal for a first Violation, $2,500.00 plus Cost of clean-up and disposal for a second Violation, and $5,000.00 plus Cost of clean-up and disposal for the third Violation.

C. Violators shall also be provided a 24-hour notice of clean-up. The Violator will have 24-hours from the time issued the notice to clean-up the illegally dumped items and leave the area with no trace or evidence of illegally dumped items.

D. If the Violator fails to clean up the illegally dumped items within the 24-hour period, the City will arrange for the clean-up and will add the Cost of clean-up and disposal to the Violator's fines as described above.

E. A notice shall be delivered to the Violator detailing the additional fines.

F. Any Person receiving an administrative citation for Illegal Dumping may request an appeal hearing pursuant to the process provided in Section 8.32.140 of this Chapter.

8.32.110 Administrative Citations – Failure to Abate by Private Real Property Owner

A. In instances where a private Real Property Owner has failed to properly abate illegally dumped or Littered items from their property, or the adjacent public right of way, after proper notice, the private Real Property Owner may be issued an administrative citation.
B. The amounts of the fine imposed for a private Real Property Owner failing to abate illegally dumped or Littered items as defined in 8.32.020 shall be $500.00 plus Cost of clean-up and disposal for a first Violation, $1,000.00 plus Cost of clean-up and disposal for a second Violation, and $3,000.00 plus Cost of clean-up and disposal for the third Violation.
C. In instances where Illegal Dumping or Littering has occurred on private property, or the adjacent public right of way, the private Real Property Owner or manager shall be provided a 72-hour notice of clean-up. The private Real Property Owner will have 72-hours from the time issued the notice, to clean up the illegally dumped or Littered items and leave the area with no trace or evidence of illegally dumped or Littered items.
D. If the private Real Property Owner fails to clean up the illegally dumped or Littered items within the 72-hour period, the City will arrange for the clean-up and shall add the Cost of clean-up and disposal to the Violator's fines as described above.
E. A notice shall be delivered to the Violator detailing the additional fines.
F. Any Person receiving an administrative citation for Illegal Dumping may request an appeal hearing pursuant to the process provided in Section 8.32.140 of this Chapter.

8.32.120 Administrative Citations – Major Violations

A. A Commercial Quantity as defined in 8.32.020 of illegally dumped items shall be considered a Major Violation.
B. A fourth Violation within one year of Littering or Illegal Dumping shall be considered a Major Violation.
C. A fourth Violation of a Real Property Owner failing to abate Litter or illegally dumped items after proper 72-hour notice, shall be considered a Major Violation.
D. In instances of Major Violations of Illegal Dumping on public or private property, the Violator may be issued an administrative citation.
E. The amounts of the fine imposed for any Major Violation of Illegal Dumping as defined in 8.32.020 shall be $5,000.00 plus Cost of clean-up and disposal for a first Violation, $7,500.00 plus Cost of clean-up and disposal for a second Violation, and $10,000.00 plus Cost of clean-up and disposal for the third Violation.
F. Violators shall also be provided a 24-hour notice of clean-up. The Violator will have 24-hours from the time issued the notice to clean up the illegally dumped items and leave the area with no trace or evidence of illegally dumped items.
G. If the Violator fails to clean up the illegally dumped items within the 24-hour period, the City will arrange for the clean-up and will add the Cost of clean-up and disposal to the Violator's fines as described above.
H. A notice shall be delivered to the Violator detailing the additional fines.
I. Any Person receiving an administrative citation for Illegal Dumping may request an appeal hearing pursuant to the process provided in Section 8.32.140 of this Chapter.

8.32.130 Notices

A. Whenever notice is required to be given under this chapter, unless different provisions are otherwise specifically made, such notice may be given either by (1) personal delivery to the Person to be notified, or (2) if the Violation involves real property, by posting on the property and by depositing in the United States Mail, in a sealed envelope, postage prepaid, and addressed to such Person to be notified at the last known business or residence address as the same appears in the last equalized assessment roll of the County or on any records pertaining to the matter. Service by mail shall be deemed completed at the time of deposit in the United States Mail receptacle.

B. Notice of 24-hour or 72-hour clean-up shall contain the following information: (a) the date of the Violation and any previous administrative citations within the preceding one-year period to the Person receiving the notice Violation; (b) a description of the illegally dumped or Littered items constituting the Violation; (c) the address or a definite description of where the Major Violation occurred; and (d) evidence identifying the Person receiving the notice as the Person responsible for the Major Violation, (e) date and time the area is required to be cleaned up, (f) description of fines and fees that may be imposed if the items are not properly cleaned up.

8.32.140 Appeal Process

A. Any recipient of an administrative citation may request an appeal hearing to contest that there was a Violation or that he or she is the responsible party by completing a Request for Hearing Form and returning it to the City within fourteen (14) days from the date of the administrative citation, and an advance deposit of the fine. The advanced payment of the fine may be waived, or reduced, upon a showing of financial hardship, at the discretion of the Hearing Officer.

B. A Request for Hearing Form may be obtained from the Department and Person specified on the administrative citation. The Request for Hearing Form shall include a brief statement of material facts supporting the appellant's claim that no Violation occurred and that no penalties or other remedies shall be imposed. The form may also provide information on request to waive or reduce payment of the fine due to financial hardship, with the provision of sufficient evidence.

8.32.150 Hearing Officer

The City Manager shall designate a Hearing Officer for the appeal hearings. The amount of administrative citations upheld by the Hearing Officer has no bearing on the Hearing Officer's employment, performance evaluation, compensation and benefits.

8.32.160 Hearing Procedure

A. The appeal hearing shall be set for a date that is not less than fifteen (15) days and not more than sixty (60) days from the date that the Request for Hearing is filed in accordance with the provisions of this chapter, unless the Enforcement Officer determines that the matter is urgent or that good cause exists for an extension of time. The appellant shall receive notice of the time and place at least five (5) days prior to the hearing.

B. At the hearing, the appellant shall be given the opportunity to testify and to present evidence concerning the administrative citation. The Enforcement Officer shall have the opportunity to present any additional reports or relevant documentation, as well as submit testimony regarding the administrative citation.

C. The failure of any appellant to appear at the appeal hearing shall constitute a forfeiture of the fine and a failure to exhaust administrative remedies.

8.32.170 Hearing Officer's Authority and Administrative Order

A. After considering all of the testimony and evidence submitted at the hearing, the Hearing Officer shall issue an Administrative Order and shall list the reasons for that decision. The Administrative Order shall include findings regarding the evidence in the record and submitted at the hearing.

B. The Administrative Order shall either confirm the Violation and uphold the administrative citation or find that no Violation has occurred and refund any deposit paid to the City. If the Administrative Order confirms that the administrative citation shall be upheld, the City shall retain the amount on deposit with the City, or issue an invoice if the deposit was waived or reduced by the Hearing Officer, as authorized in this Section.

C. The Hearing Officer has discretion, based upon the evidence submitted at the hearing, to reduce the administrative fine(s) amount, as may be warranted by the evidence. The Hearing Officer has discretion to refer the appellant to the Community Service Program in Lieu of Payment of the fines, as authorized in Section 8.32.260.

D. The recipient of the administrative citation shall be served with a copy of the Administrative Order in accordance with Section 8.32.080.

E. The decision of the Hearing Officer shall be the final decision of the City. Any Person aggrieved by a final Administrative Order may obtain review of the administrative decision by filing a petition for review with the Superior Court in San Mateo County in accordance with the timelines and provisions set forth in California Government Code section 53069.4 and Civil Code Sections 1094.5 and 1094.6.

F. To the extent allowed by law, the decision and administrative order shall have the same force and effect as a resolution of the City Council of the City of Daly City for the purpose of filing a lien, special assessment, or for pursuing any other method of collection.

8.32.180 Recovery of Fines

The City may collect any past due administrative fines by use of any and all available legal means, including, without limitation, as personal obligation or as a lien or special assessment recorded against any real property owned by the Person(s) found to have committed an act of Illegal Dumping or Littering.

8.32.190 Civil Actions Against Dumping Violators

A. The City or any Person or entity, public or private, on whose property Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, or Waste Matter has been illegally dumped, may bring a civil action against a Violator. In addition, a duly established business improvement district, merchants' association, or business, community, or neighborhood association or organization that cleans up illegal disposal of Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, or Waste Matter on behalf of its members may bring an action against a Violator to recover its Costs of removal. Any Person or entity, public or private, who wishes to bring civil action against a Violator to recover Costs of removal, must pursue that legal action after paying to the City any fines, fees, and administrative citations incurred as a result of the Violation.

B. Costs and Damages Recoverable. The following damages may be assessed against a dumping Violator:

1. The Cost of abatement;
2. Any Cost for loss of use of the property on which the illegal disposal has been placed;
3. Costs of investigation, including the Cost of any Code Enforcement or Police resources used to investigate each incident;
4. Attorneys' fees and Costs involved in the investigation; and
5. Any other damages or fees permissible under state or federal law.

8.32.200 Authority of City Attorney to Bring Actions

A. The City Attorney may bring an action to recover Costs incurred by the City through the following methods:

1. Civil Action. The City Attorney may bring and maintain a civil action in the name of the City to obtain a money judgment against the defendant for any amount not ordered or collected by a court, including, but not limited to, all Costs and attorneys' fees, in addition to civil penalties, incurred in connection with the civil prosecution of any claim for damages or reimbursement.

B. The City Attorney also may seek to recover the City's Costs incurred relative to the Illegal Dumping, or such other Costs as the City may have. The City Attorney may do so in any of the following ways:

1. Bring an action on the City's behalf to recover such Costs;
2. Join an action brought by a private party to recover damages and Costs relating to illegal disposal;
3. Authorize a private party or other public entity on whose property the illegal disposal occurred to bring the action on the City's behalf;
4. In the event the City Attorney brings an action to cover the City' s Costs of illegal disposal, at the City Attorney's sole election, and with the permission of the private party or other public entity on whose property the illegal disposal occurred, the City Attorney may pursue the private party or other public entity's claims against the Violator for damages and Costs.

C. The City Attorney also may bring actions for injunctive or equitable relief against dumping Violators.

<u>Article V – Special Liabilities and Responsibilities</u>

8.32.210 Joint and Several Liability

Each Person who participates in an act of Illegal Dumping is jointly and severally liable with all other Persons who participated in that act of Illegal Dumping for the Costs of that act of Illegal Dumping.

8.32.220 Liability of Parent or Guardian of a Juvenile

Any parent or legal guardian of a juvenile Violator found Littering and/or illegally dumping is personally liable for any and all Costs incurred by the City or any Person or business in connection with the Littering and/or Illegal Dumping caused by the conduct of said juvenile, and for all attorneys' fees, court Costs, and other Costs and any administrative citations or civil penalties incurred in connection with the civil or administrative prosecution of any claim for damages to the maximum extent permitted by California Civil Code Section 1714.1 or other applicable laws.

8.32.230 Liability of Owner or Operator of Motor Vehicle Used in Illegal Dumping

To the extent permitted by law, an owner or operator of a motor Vehicle is liable and responsible for all citations, Major Violations, fines, penalties, damages, and Costs related to an act of Illegal Dumping when the owner's Vehicle is used in connection with any act of Illegal Dumping with the express or implied permission of the Vehicle Owner or operator irrespective of whether the Vehicle Owner or operator knew or should have known of the intended use of the Vehicle.

8.32.240 Responsibility of Waste Matter Creator or Generator for Illegally Dumped Material

All Persons creating or generating Waste Matter, including Discarded Items, Harmful Waste Matter, Household Waste Matter, and Universal Waste, are responsible for seeing that it is disposed of in the manner provided by law. Persons disposing of Waste Matter must ensure that it is not illegally dumped. This responsibility includes not giving Waste Matter to a Person for disposal who is not authorized to legally dispose of Waste Matter. A Person whose Waste Matter is illegally dumped is jointly responsible for the Illegal Dumping along with the party who actually illegally dumped.

8.32.250 Responsibility of Real Property Owner

A. A Real Property Owner who rents commercial or residential property is responsible for the property of a tenant which was removed by any tenant and illegally dumped on the Private Premises, or the adjacent public right of way. A Real Property Owner is also liable for property of a tenant which was removed from the tenant’s unit after the tenant vacates, whether voluntarily or involuntarily pursuant to this section. If the tenant's property is removed from the tenant's unit by the Real Property Owner, anyone acting on behalf of the Real Property Owner, or an eviction or other process, the Real Property Owner must ensure the tenant's property is either retained for the tenant or properly disposed of in accordance with law. If the tenant's property is illegally dumped in front of the tenant's unit or former unit, adjacent properties, or the public right-away, the Real Property Owner must ensure the tenant's property is properly disposed of in accordance with the law. If the tenant's property is illegally dumped at a different location, the Real Property Owner must provide the tenant's forwarding information if it is within the Real Property Owner's knowledge.

B. A Real Property Owner shall keep the sidewalk in front of their premises free of Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, and/or Waste Matter.

C. Every Real Property Owner, their employees, occupants or lessees of a house, building or commercial business shall, at all times, maintain the premises free of Discarded Items, Harmful Waste Matter, Household Waste Matter, Litter, Universal Waste, and/or Waste Matter and shall provide containers for the deposit of garbage caused by or induced by any operation from said premises, whether packing or unpacking, loading or unloading, or in work areas or by any other operation performed on the Private Premises.

D. Every Real Property Owner, their employees or lessee shall be required to provide, in garbage storage areas, closed containers for garbage.

E. Any Real Property Owner or Person in charge of a construction site is required to furnish covered Waste Matter containers for Waste Matter. All Waste Matter from construction and related activities shall be picked up and placed in said covered containers at the end of each working day. Waste Matter receptacles of a sufficient number must be located on the construction site to receive personal Litter generated by the employees, workers, invitees or other Persons using the Private Premises.

Article VI – Community Service

8.32.260 Development of Community Service Program in Lieu of Fine

The City Manager is authorized to develop an Illegal Dumping and Littering community service program to be offered for Violators of this chapter in lieu of payment of any citations, fines, penalties, and/or Costs.

Article VII - Miscellaneous Sections

8.32.270 Remedies Not Exclusive

A. Selecting the Remedy. Selecting the appropriate remedy to be sought shall be consistent with the purpose and intent of this Chapter. This includes, but is not limited to, alternative options, such as cleaning dumped trash, community service, and/or other forms of remedial education.

B. Remedies Not Exclusive. Remedies provided for the enforcement of this Chapter are in addition to and do not supersede or limit any and all other remedies provided by law. The remedies provided in this Chapter are cumulative and not exclusive. The City, or anyone else authorized by this Chapter to use a remedy, may use one or more remedies in this Chapter or as available under other laws separately or together where appropriate.

8.32.280 City Manager Regulations

The City Manager is authorized to establish any regulations to aid in administration or enforcement of this Chapter, but the lack of such regulations shall not delay or otherwise impede application or enforcement of any provision of this Chapter.

SECTION 3. Severability**.** If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of this Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Daly City hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

SECTION 4. Environmental Determination. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making.

SECTION 5. Publication and Effective Date. Pursuant to the provisions of Government Code Section 36933, a summary of this Ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this Ordinance is scheduled to be adopted, the City Clerk shall (1) publish the Summary, and (2) post in the City Clerk's Office a certified copy of this Ordinance. Within fifteen (15) days after the adoption of this Ordinance, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk's Office a certified copy of the full text of this Ordinance along with the names of those City Council members voting for and against this Ordinance or otherwise voting. This Ordinance shall become effective thirty days from and after its adoption.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY REPEALING AND REPLACING CHAPTER 8.32 OF THE DALY CITY MUNICIPAL CODE REGARDING ILLEGAL DUMPING AND LITTERING

Introduced this ____________ day of _________________________, 2020.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the __________ day of ____________________, 2020, by the following vote:

AYES: Councilmembers: ____

____

NOES: Councilmembers: ____

Absent, Councilmembers: ____

____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

____

MAYOR OF THE CITY OF DALY CITY

City Council Meeting Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: **Disposition and Development Agreement for Property Located at 1837 Junipero Serra Boulevard, Daly City**

Recommended Action

Approve and authorize execution of a Disposition and Development Agreement (DDA) between 1837 Junipero Serra Hotel Development, LLC (Developer) and the City of Daly City for certain property located at 1837 Junipero Serra Boulevard in Daly City, California.

Background

Initiated by the dissolution of Redevelopment Agencies in 2011, the City of Daly City's Successor Agency drafted a Long-Range Property Management Plan (LRPMP) which detailed disposition strategies for former Redevelopment Agency properties. The LRPMP was approved by the Oversight Board and the Department of Finance (DOF) in 2015. The property located at 1837 Junipero Serra Boulevard (Site) was included in the LRPMP as a site to be retained for future development.

In March 2017, the City marketed the Site through a competitive RFQ (request for qualifications) process. In August 2017, the City initiated a second round of review for qualified development teams requesting additional project-specific documentation and selected the developer on December 11, 2017. On April 9, 2018, the City Council approved an Exclusive Negotiating Agreement (ENA) between the City of Daly City and AF Canta/Majestic Hospitality (now identified as1837 Junipero Serra Hotel Development, LLC) for the property located at 1837 Junipero Serra Boulevard, Daly City.

During this time, the City and 1837 Junipero Serra Hotel Development, LLC have negotiated the terms and condition of the DDA. The proposed DDA is for development of the property as a 200-room full-service/lifestyle hotel and conference facility, which is proposed to be branded with a flag owned by Marriot International Inc. (e.g., Sheraton and Marriot) and proposed to be managed by Aimbridge Hospitality, Equinox Hospitality, or an equivalent qualified operator.

Project Description

Planning and Zoning Entitlements for the property were originally approved in 1999 as Planned Development PD-54. The 1.26-acre subject site allows for a 300-room hotel with meeting/banquet space, a restaurant, and other ancillary uses. The developer intends to submit a Design Review application after the approval of a Disposition and Development Agreement.

Disposition and Development Agreement

Business deal points for the proposed Agreement have been previously negotiated with the City Council and are the subject of this public hearing. Those deal points include the following:

1. **Development Plan:** A 200-room full-service/lifestyle hotel and conference facility, which is proposed to be branded with a flag owned by Marriot International Inc. (e.g., Sheraton and Marriot) and proposed to be managed by Aimbridge Hospitality, Equinox Hospitality, or an equivalent qualified operator.

2. **Purchase Price:** 1837 Junipero Serra Hotel Development, LLC will pay $1,000,000 and will be paid in full to the City at the Close of Escrow.

3. **Good Faith Deposit:** Upon execution of the DDA, the Developer shall deliver a Good Faith Deposit of $100,000 in cash that will be credited back to the Developer purchase at closing.

4. **Development Schedule:** Developer shall submit a signed Franchise Agreement no later than six (6) months following Close of Escrow and shall commence construction of Project by no later than January 1, 2022.

5. **Permit Fees:** City agrees to discount $150,000 of total planning and building permit fees at the time of building permit issuance.

6. **Prevailing Wage Requirements:** Developer and its contractors, subcontractors and agents shall comply with the California Labor Code 1720 et seq. and the regulations adopted pursuant thereto and shall be responsible for carrying out the requirements of such provisions.

7. **Living Wage Requirements:** Developer agrees to pay a minimum level of compensation to all covered employees equal to at least $15.69 per hour and to provide all covered employees with health insurance coverage and pension contributions comparable to union benefits applicable to each class of employee

The draft DDA was made available for public inspection pursuant to California Government Code. The approval of the Disposition and Development Agreement authorizes the City Manager or designee, to execute the Disposition and Development Agreement, as well as any related documents as prepared and approved to form by the City Attorney that may be necessary to finalize the disposition and development of the property.

Summary/Conclusion

Staff recommends that the City Council conduct a public hearing and consider approval of Disposition and Development Agreement (DDA) with 1837 Junipero Serra Hotel Development, LLC for certain property located at 1837 Junipero Serra Boulevard in Daly City, California and said DDA shall be executed within 30 days of approval by the City Council.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Rose Zimmerman	Tatum Mothershead
City Attorney	Director, Economic and Community Development

Attachment

Draft Disposition and Development Agreement

DISPOSITION AND DEVELOPMENT AGREEMENT

by and among

THE CITY OF DALY CITY,

and

[1837 JUNIPERO SERRA HOTEL DEVELOPMENT, LLC]]

1837 Junipero Serra Boulevard

_______________, 2020

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this "**Agreemen**t") is entered into effective as of ____________, 2020 ("**Effective Date**") by and among the City of Daly City, a municipal corporation (**"City"**), and 1837 Junipero Serra Hotel Development, LLC ("**Developer**"). Developer and City are together referred to herein as the "**Parties**."

RECITALS

A. City is the owner of the real property consisting of approximately 55,012 square feet of vacant land located at 1837 Junipero Serra Boulevard in Daly City, California, known as San Mateo County Assessor's Parcel Nos. ___________, and more particularly described in Exhibit A-1 and depicted in Exhibit A-2 attached hereto (the **"Property"**). The Property was conveyed to City by the Successor Agency to the Daly City Redevelopment Agency pursuant to a Long-Range Property Management Plan approved by the California Department of Finance in accordance with Health and Safety Code Section 34191.5.

B. Following City's evaluation of proposals submitted in response to a Request for Developer Qualifications, City and the Developer entered into an Exclusive Negotiating Rights Agreement dated as of July 30, 2018 (as subsequently amended to extend the term, the "**ENA"**), pursuant to which the Parties agreed to negotiate the terms for the proposed conveyance and development of the Property.

C. Developer has proposed the development of the Property with an approximately 200-room full-service/lifestyle hotel and conference facility, which is proposed to be branded with a flag owned by Marriott International, Inc. (e.g., Sheraton and Marriott) and proposed to be managed by Aimbridge Hospitality, Equinox Hospitality. or an equivalent qualified operator (the **"Project**").

D. In connection with the proposed Project, Developer has applied, or within the timeframe specified in this Agreement will apply to City for a Design Review approval (collectively, the **"Design Review Approval**").

G. Upon satisfaction of the conditions precedent set forth in this Agreement and subject to the terms and conditions set forth herein, City will convey the Property to Developer (or to a limited liability company wholly owned and controlled by Developer) for development of the Project.

H. A material inducement to City to enter into this Agreement is the agreement by Developer to develop the Project within the time periods specified herein and in accordance with the provisions hereof, and City would be unwilling to enter into this Agreement in the absence of an enforceable commitment by Developer to take such actions and complete such work in accordance with such provisions and within such time periods.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

ARTICLE I

DEFINITIONS; EXHIBITS

1.1 Definitions. The following terms shall have the meanings set forth below and, in the Sections, referenced below whenever used in this Agreement and the Exhibits attached hereto. Additional terms are defined in the Recitals and text of this Agreement.

"**Applicable Laws**" is defined in Section 5.15.

"**Authorized Representative"** means the City Manager of the City of Daly City, or his or her designee.

"CEQA" means the California Environmental Quality Act, Public Resources Code section 21000 *et seq*.

"**Certificate of Completion"** is defined in Section 5.12.

"**City"** means the City of Daly City, California, a municipal corporation.

"**City Council"** means the City Council of the City of Daly City, California.

"**City Documents**" means collectively, this Agreement, the Memorandum, the Parking Easement Agreement, and the Grant Deed.

"**Claims**" is defined in Section 5.11.

"**Closing Date**" or "**Close of Escrow**" shall be the date that escrow closes for the conveyance of the Property from City to Developer.

"**Conditions of Approval**" is defined in Section 5.4.

"**Construction Plans**" is defined in Section 5.6.

"Design Documents" is defined in Section 2.4.

"Design Review Approval" is defined in Recital D.

"**Developer**" means 1837 Junipero Serra Hotel Development, LLC.

"**Developer's Permitted Exceptions**" is defined in Section 3.1.

"**ENA**" is defined in Recital B.

"**Environmental Laws**" is defined in Section 6.11.2.

"Escrow Agent" is defined in Section 3.3.

"**Financing Plan**" is defined in Section 2.5.2.

"**Force Majeure"** is defined in Section 11.2.

"**Franchise Term Sheet**" is defined in Section 2.5.5.

"**Good Faith Deposit**" means the good faith deposit provided by the Developer in the amount of One-Hundred Thousand Dollars ($100,000) and all interest that is earned on the Deposit after the City deposits the Deposit in an interest-bearing account.

"**Grant Deed**" is defined in Section 3.1.

"**Hazardous Material**" is defined in Section 6.11.1.

"**Hotel Management Term Sheet**" is defined in Section 2.5.5.

"**Improvements**" means the improvements to be constructed on the Property pursuant to this Agreement.

"**Indemnitees**" is defined in Section 5.11.

"**Living Wage Requirements"** is defined in Section 5.27.

"**Memorandum**" is defined in Section 3.7(e).

"**Official Records**" means the Official Records of San Mateo County.

"**Owner's Title Policy**" is defined in Section 3.8.

"**Parking Easement Agreement"** is defined in Section 2.3.

"Planning Commission" means the Planning Commission of the City of Daly City.

"**Project**" is defined in Recital C and is more fully described in Section 2.3 and Exhibit C.

"**Property**" is defined in Recital A, described in Exhibit A-1, and depicted in Exhibit A-2.

"**Purchase Price"** is defined in Section 3.2.

"**Repurchase Option**" is defined in Section 9.9.

"Title Company" is defined in Section 3.3.

"**Title Report**" is defined in Section 3.1.

"**Transfer**" is defined in Section 7.2.

1.2 Exhibits. The following Exhibits are attached hereto and incorporated into this Agreement by this reference:

A-1	Legal Description of the Property
A-2	Site Map – Project Site
B	Project Scope
C	Parking Easement Agreement
D	Preliminary Financing Plan
E	Form of Certificate of Completion
F	Form of Memorandum of Option
G	Form of Grant Deed

ARTICLE II

REPRESENTATIONS; EFFECTIVE DATE; PROJECT SCOPE; FINANCING PLAN

2.1 Developer's Representations. Developer covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition that would cause any of the warranties and representations in Section 2.1.1 or Section 2.1.2 to be untrue, Developer shall give prompt written notice of such fact or condition to City. Developer acknowledges that City shall rely upon Developer's representations made herein notwithstanding any investigation made by or on behalf of City.

2.1.1 Representations of Developer. _Developer hereby represents, warrants, and covenants that the following are true and correct as of the Effective Date, and shall be true and correct as of the Closing Date:

(a) Organization. Developer is a corporation, duly organized and in good standing under the laws of the State of Delaware.

(b) Authority of Developer. Developer has full power and authority to execute and deliver this Agreement and all other documents or instruments executed and delivered by Developer, or to be executed and delivered by Developer pursuant to or in connection with this Agreement, and to perform and observe the terms and provisions of all the foregoing.

(c) Authority of Persons Executing Documents. This Agreement and all other documents or instruments that have been or that will be executed and delivered by Developer pursuant to or in connection with this Agreement, have been or will be executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Developer, and all actions required under Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments that have been or that will be executed and delivered by Developer pursuant to or in connection with this Agreement, have been duly taken or will have been duly taken (to the extent such actions are required) as of the date of execution and delivery of such documents.

(d) Valid and Binding Agreements. This Agreement and all other documents or instruments that have been or that will be executed and delivered by Developer pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered, constitute legal, valid and binding obligations of Developer, enforceable in accordance with their respective terms, subject to laws affecting creditors' rights and principles of equity.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement or any other documents or instruments that have been or that will be executed and delivered by Developer pursuant to or in connection with this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency binding on Developer, or any provision of the organizational documents of Developer, or will conflict with or constitute a breach of or a default under any agreement to which Developer is a party, or will result in the creation or imposition of any lien upon any assets or property of Developer, other than liens established pursuant hereto.

(f) Pending Proceedings. Except as disclosed in writing to City prior to execution of this Agreement, Developer is not in default under or in violation of any law or regulation or under any order of any court, board, commission or agency whatsoever, and to the best knowledge of the principals of Developer, there are no claims, actions, suits or proceedings pending or, to the best knowledge of the principals of Developer, threatened against or affecting Developer, or the Property, at law or in equity, before or by any court, board, commission or agency. Developer is not the subject of any bankruptcy or insolvency proceeding, and no general assignment or arrangement for the benefit of creditors or the appointment of a trustee or receiver to take possession of all or substantially all of Developer's assets has been made.

2.1.2 Intentionally Deleted.

2.2 Effective Date. The obligations of Developer and City hereunder shall be effective as of the Effective Date, which date is set forth in the preamble to this Agreement.

2.3 Project Scope; Parking Easement Agreement; BART Station Access. The Project will include the construction of an approximately 200-room full-service/lifestyle hotel and conference center (the **"Project"**). The Project scope is more particularly described in Exhibit B attached hereto. Concurrently with the closing for conveyance of the Property, the Parties shall execute and record an easement agreement substantially in the form attached hereto as Exhibit C (the "**Parking Easement Agreement**") **[PLEASE PROVIDE]** pursuant to which Developer shall be granted access and parking easements to existing parking and BART station access.

2.3 Local Contractor Exchange Programs. Within thirty (30) days after full execution of this Agreement, City will provide contact information for local contractor exchange programs that could allow San Mateo County contractors to learn of the invitation for bids on the project. Developer will make a good faith effort to alert the local exchange program contacts provided by City of the opportunity to bid on the project, and will provide the City with reasonable confirmation of such good faith efforts. Developer is not required by this Agreement to hire a contractor through an exchange program.

2.4 Design Review. Within 30 days of execution of the Agreement , Developer will submit a pre-application for Design Review outlining the (i)a preliminary site plan (including proposed site ingress/egress), preliminary elevations, and a proposed typical floor plan (**"Design Documents"**) and (ii) a fee in connection with the pre-application for Design Review , for Design Review Approval.

2.5 Financing Plan.

2.5.1 Preliminary Financing Plan. As described in Exhibit D, Developer has preliminarily proposed financing the Project with a combination of a conventional construction loan, a conventional permanent loan, and equity contributions from investors.

2.5.2 Intentionally omitted.

2.5.3 Intentionally omitted.

2.5.4 Intentionally omitted.

2.5.5 Franchise Term Sheet; Hotel Management Term Sheet. Upon 90-days prior to Close of Escrow, Developer shall submit to City, for its information and review (i) a copy of a binding term sheet for a franchise agreement executed by and between Developer and Marriott International, Inc., pursuant to which the Project will be operated under full-service/lifestyle brand owned by Marriott International or another equivalent brand (the "**Franchise Term Sheet**"), and (ii) a copy of a binding term sheet for a management agreement executed by and between Developer and Aimbridge Hospitality, Equinox Hospitality, or another qualified operator addressing management of the hotel component of the Project (**"Hotel Management Term Sheet"**). The Franchise Term Sheet and the Hotel Management Term Sheet, and amendments to the foregoing will not require City's approval; provided however, any substitute franchisor or hotel operator shall be subject to City's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. City will take appropriate measures to retain the confidentiality of the Franchise Term Sheet and the Hotel Management Term Sheet, subject to compliance with Applicable Laws.

ARTICLE III

DISPOSITION OF THE PROPERTY; CONDITIONS PRECEDENT TO CLOSING

3.1 Purchase and Sale of Property; Review of Title. Developer acknowledges receipt of a preliminary title report for the Property issued by Title Company and dated [_______________, 20__] (the "**Title Report**"). Provided that all conditions precedent set forth in this Agreement have been satisfied or waived, City shall sell to Developer, and Developer shall purchase from City, the fee interest in the Property in accordance with and subject to the terms, covenants and conditions of this Agreement subject to: (a) the provisions and effects of City Documents, (b) applicable building and zoning laws and regulations, (c) any lien for current taxes and assessments or taxes and assessments accruing subsequent to recordation of the Grant Deed, (d) exception numbers ___ through ___ as shown on the Title Report, (e) liens and encumbrances created or permitted by Developer or Developer's affiliates, employees, or agents, (f) the Parking Easement Agreement, and (g) such other conditions, liens, encumbrances, restrictions, easements and exceptions as Developer may approve in writing, which approval shall not be unreasonably withheld. All of the foregoing are collectively hereinafter referred to as "**Developer's Permitted Exceptions**." Conveyance of the Property shall be effectuated by grant deed substantially in the form attached hereto as Exhibit G (the "**Grant Deed**").

3.2 Purchase Price. City shall sell the Property to Developer for the sum of One Million Dollars ($1,000,000) (the "**Purchase Price**"). The Purchase Price shall be paid in full to City at the Close of Escrow.

3.3 Good Faith Deposit. As of the date of this Agreement, the Developer has delivered to the City the Good Faith Deposit, consisting of the sum of One Hundred Thousand Dollars ($100,000) in cash that will be credited back to the Developer purchase at closing. The City shall promptly deposit the Good Faith Deposit in a short-term interest-bearing account, such as the Local Agency Investment Fund or another fund or account in which the City typically invests funds on a short-term basis. In the event that the Developer elects not to proceed with construction of the Project, or in the event of termination of the Agreement, the City shall retain the Good Faith Deposit pursuant to Section 9.1 below. Furthermore, if this Agreement is terminated as a result of an Event of Default, then the Good Faith Deposit and any interest earned thereon shall be retained by City.

3.4 Escrow. City and Developer shall open escrow at the office of Chicago Title, Attn: Ryan Huntsman, Phone: 949-724-3129, Email: rhuntsman@ctt.com ("**Escrow Agent**" or "**Title Company**") in order to consummate the conveyance of the Property to Developer and the closing of escrow for the transactions contemplated hereby.

3.5 Costs of Closing and Escrow; Legal Fees. Developer shall pay all title insurance premiums for policies Developer elects to purchase in connection with the acquisition of the Property and the financing of the Project, and Developer shall pay all recording fees, transfer taxes, escrow fees and closing costs incurred in connection with the acquisition of the Property and the financing of the Project. Property taxes and assessments shall be prorated as of the Closing Date. City shall provide Escrow Agent with a copy of this Agreement, which together with such supplemental instructions as City or Developer may provide and which are consistent with the intent of this Agreement or which are otherwise mutually agreed upon by City and Developer, shall serve as escrow instructions for the Close of Escrow. By not later than the Close of Escrow, Developer shall pay City's legal fees and consulting fees incurred in connection with the transactions contemplated by this Agreement, including without limitation, attorneys' fees incurred in connection with the negotiation and preparation of this Agreement and the City Documents, and other documents required in connection with the conveyance of the Property, the financing of the Project, and the Close of Escrow. Payment for City's legal and consulting fees may be drawn from the deposit paid by Developer pursuant to the ENA as such is replenished in accordance with the ENA, and Developer shall pay any additional amount due to City in cash at Close of Escrow.

3.6 Closing. The Closing Date shall be occur on July 15, 2021 or an earlier date that is mutually acceptable to the Parties, subject to the Developer's satisfaction or City's waiver of all condition's precedent to conveyance of the Property as set forth in Sections 3.7 and 3.8. Prior to the Close of Escrow, Developer shall deposit into escrow the City Documents, executed and acknowledged as applicable, and Developer's share of closing costs. Provided that all conditions precedent to Close of Escrow have been satisfied or waived, City shall deposit into escrow the executed Grant Deed and executed copies of the City Documents. On the Closing Date, the Escrow Agent shall cause the Grant Deed, the Memorandum, and the Parking Easement Agreement to be recorded in the Official Records.

3.7 Tax Free Exchange. If Developer notifies City prior to the Close of Escrow that Developer wishes to attempt to effectuate a "tax-free" exchange pursuant to Section 1031 of the Internal Revenue Code in connection with the transaction contemplated in this Agreement, City will cooperate with Developer, at no cost, expense, or liability to City, in Developer's attempt to effectuate such exchange, but City makes no representations to Developer that any such exchange shall be treated as "tax-free" by the Internal Revenue Service. Developer agrees to indemnify City from all liability with respect to any action which Developer requests City to take pursuant to this Section, and to reimburse City for all fees, costs, and expenses (including reasonable attorneys' fees) incurred by City as a result of Developer's election to participate in a Section 1031 exchange. City shall not be required to hold title to any real estate or other assets in order to cooperate with Developer's Section 1031 exchange.

3.8 City's Conditions to Closing. City's obligations to convey the Property to Developer is conditioned upon the satisfaction of the terms and conditions set forth in this Section 3.8, unless any such condition is waived in writing by City acting in the discretion of its Authorized Representative.

(a) No Default. There shall exist no condition, event or act which would constitute a material breach or default under this Agreement or any other City Document, or which, upon the giving of notice or the passage of time, or both, would constitute such a material breach or default.

(b) Representations. All representations and warranties of Developer contained herein or in any other City Document or certificate delivered in connection with the transactions contemplated by this Agreement shall be true and correct in all material respects as of the Close of Escrow.

(c) Due Authorization and Good Standing. Developer shall have delivered to City copies of all of the following, including updated versions of any of the following that have been amended or modified since the date of any prior delivery to City: (i) certificates of good standing, certified by the Delaware Secretary of State, indicating that Developer is properly organized in Delaware and in good standing under the laws of California; and (ii) certified copies of Developer's operating agreement; and (iii) resolutions adopted by the Manager(s) of Developer, certified by an authorized officer of Developer authorizing the execution of, and performance under, this Agreement and the other City Documents.

(d) Execution, Delivery and Recordation of Documents. Developer shall have executed, acknowledged as applicable, and delivered to City this Agreement, and all other documents required in connection with the transactions contemplated hereby, including without limitation, a Memorandum of Option substantially in the form attached hereto as Exhibit F (the **"Memorandum"**), a Parking Easement Agreement substantially in the form attached hereto as Exhibit C, and a counter-signed original of the Grant Deed. Concurrently with the Close of Escrow, the Grant Deed, the Memorandum, and the Parking Easement Agreement shall be recorded in the Official Records.

Financing Plan. City shall have reviewed and approved the Financing Plan, without unreasonable delay.

Evidence of Availability of Funds. Developer shall have provided evidence reasonably satisfactory to the City that all funds necessary for the construction of the Project will be available pursuant to the binding commitments from equity investors and lenders subject to commercially reasonable conditions.

(e) Franchise Term Sheet, Hotel Management Term Sheet. Developer shall have delivered to City of copies of the executed binding Franchise Term Sheet and the Hotel Management Term Sheet.

(f) General Contractor; Construction Budget and Schedule. City shall have received information relating to the proposed general contractor and the preliminary Project construction budget.

(g) Design Documents and Pre-Application Fee. Developer shall have submitted the Design Documents to City and the related fee of each in connection with a Pre-Application in preparation for an application for Design Review Approval.

(h) Deposit of Funds. Developer shall have deposited into escrow the Purchase Price and funds in the amount of all other costs and expenses required to be paid by Developer through escrow.

(i) Settlement Statement. City shall have approved in its reasonable discretion, consistent with this Agreement, the final settlement statement for the Close of Escrow.

3.9 Developer's Conditions to Closing. Developer's obligation to proceed with the acquisition of the Property is subject to the satisfaction or Developer's waiver of the following conditions:

(a) No Default. City shall not be in default under the terms of this Agreement, and all representations and warranties of City contained herein shall be true and correct in all material respects;

(b) Execution of Documents. City shall have executed and acknowledged the Grant Deed and the Memorandum, and all other City Documents to which City is a party, and shall have delivered such documents into escrow; and

(c) Owner's Title Policy. The Title Company shall, upon payment of the premium therefor, be ready to issue an Owner's Title Insurance Policy for the benefit and protection of Developer ("**Owner's Title Policy**") showing title to the Property vested in Developer, subject only to Developer's Permitted Exceptions and containing such endorsements as Developer may reasonably require, with the cost of such Owner's Title Policy to be paid by Developer.

ARTICLE IV

[Intentionally omitted.]

ARTICLE V

DEVELOPMENT AND USE OF THE PROPERTY

5.1 Development Schedule. Subject to Force Majeure (with an extension not to exceed 24 months), Developer shall submit to City a signed Franchise Agreement not later than six (6) months following Close of Escrow and shall commence construction of the Project by no later than January 1, 2022, and shall diligently prosecute to completion the construction of the Project to enable City to issue a final certificate of occupancy or equivalent for the Project [three (3) years] following commencement of construction. Developer shall use diligent and commercially reasonable efforts to perform Developer's obligations under this Agreement within the times periods set forth herein, and if no such time is provided, within a reasonable time, designed to permit issuance of a final certificate of occupancy or equivalent for the Project by the date specified in this Section 5.1.

5.2 Cost of Acquisition and Construction. Developer shall be solely responsible for all direct and indirect costs and expenses incurred in connection with the acquisition of the Property, including without limitation appraisal fees, title reports and any environmental assessments Developer elects to undertake. All costs of designing, developing and constructing the Project and compliance with the Conditions of Approval, including without limitation all off-site and on-site improvements required by City in connection therewith, shall be borne solely by Developer and shall not be an obligation of City.

5.3 Permits and Approvals; Payment of Fees; Cooperation. Developer acknowledges that the execution of this Agreement by City does not constitute City approval for the purpose of the issuance of building permits, does not limit in any manner the discretion of City in such approval process, and does not relieve Developer from the obligation to apply for and to obtain from City and all other agencies with jurisdiction over the Property, all necessary approvals, entitlements, and permits for the development of the Property and the construction of the Project (including without limitation, the approval of architectural plans, the issuance of any certificates regarding historic resources required in connection with the development of the Property (if any), and the approval of the Project in compliance with CEQA and if applicable, NEPA), nor does it limit in any manner the discretion of City or any other agency in the approval process. Developer shall pay when due all customary and usual fees and charges in connection with the processing of all applicable permits and approvals. Developer shall not commence construction work on the Project prior to issuance of building permits required for such work. City staff shall work cooperatively with Developer to assist in coordinating the expeditious processing and consideration of all permits, entitlements and approvals necessary for the development and operation of the Project as contemplated by this Agreement.

City agrees to discount $150,000 of total building and planning fees at the issuance of building permits.

5.4 Conditions of Approval. Developer shall develop the Property in accordance with the terms and conditions of this Agreement and in compliance with the terms and conditions of all approvals, entitlements and permits that City or any other governmental body or agency with jurisdiction over the Project or the Property has granted or issued as of the date hereof or may hereafter grant or issue in connection with development of the Project, including without limitation, all mitigation measures imposed in connection with environmental review of the Project and all conditions of approval imposed in connection with any entitlements, approvals or permits (all of the foregoing approvals, entitlements, permits, mitigation measures and conditions of approval are hereafter collectively referred to as the "**Conditions of Approval**").

5.5 Fees. Developer shall be solely responsible for, and shall promptly pay when due, all customary and usual fees and charges of City and all other agencies with jurisdiction over development of the Property in connection with obtaining building permits and other approvals for the Project, including without limitation, those related to the processing and consideration of amendments, if any, to the current entitlements, any related approvals and permits, environmental review, architectural review, historic review, and any subsequent approvals for the Project.

5.6 Construction Plans. Developer shall submit to City's Building Department detailed construction plans for the Project (the "**Construction Plans**"). As used herein "**Construction Plans**" means all construction documents upon which Developer and Developer's contractors shall rely in developing the Property and constructing the Project (including the landscaping, parking, and common areas) and shall include, without limitation, the site development plan, final architectural drawings, landscaping, exterior lighting and signage plans and specifications, materials specifications, final elevations, and building plans and specifications. The Construction Plans shall be based upon the scope of development set forth herein and upon the approvals issued by the City for the Project and shall not materially deviate therefrom without the express written consent of City.

5.7 Construction Pursuant to Plans. Developer shall develop each component of the Project in accordance with the approved Construction Plans, the Conditions of Approval, and all other permits and approvals granted by City pertaining to the Project. Developer shall comply with all directions, rules and regulations of any fire marshal, health officer, building inspector or other officer of every governmental agency having jurisdiction over the Property or the Project. Each element of the work shall proceed only after procurement of each permit, license or other authorization that may be required for such element by any governmental agency having jurisdiction. All design and construction work on the Project shall be performed by licensed contractors, engineers or architects, as applicable.

5.8 Change in Construction Plans. If Developer desires to make any material change in the approved Construction Plans, Developer shall submit the proposed change in writing to City for its written approval, which approval shall not be unreasonably withheld or delayed if the Construction Plans, as modified by any proposed change, conform to the requirements of this Agreement and any approvals issued by City after the Effective Date. Unless a proposed change is approved by City within thirty (30) days, it shall be deemed rejected. If rejected, the previously approved Construction Plans shall continue to remain in full force and effect. Any change in the Construction Plans required in order to comply with applicable codes shall be deemed approved, so long as such change does not substantially nor materially change the architecture, design, function, use, or amenities of the Project as shown on the latest approved Construction Plans. Nothing in this Section is intended to or shall be deemed to modify City's standard plan review procedures.

5.9 Rights of Access. Following the Close of Escrow, for the purpose of ensuring that the construction of the Project is undertaken and completed in compliance with this Agreement, Developer shall permit representatives of City to enter upon the Property during normal business hours and following 24 hours' written notice (except in the case of emergency in which case such notice as may be practical under the circumstances shall be provided).

5.10 City Disclaimer. Developer acknowledges that City is under no obligation, and City neither undertakes nor assumes any responsibility or duty to Developer or to any third party, to in any manner review, supervise, or inspect the progress of construction or the operation of the Project. Developer and all third parties shall rely entirely upon its or their own supervision and inspection in determining the quality and suitability of the materials and work, the performance of architects, subcontractors, and material suppliers, and all other matters relating to the construction and operation of the Project. Any review or inspection undertaken by City is solely for the purpose of determining whether Developer is properly discharging its obligations under this Agreement and shall not be relied upon by Developer or any third party as a warranty or representation by City as to the quality of the design or construction of the Project or otherwise.

5.11 Defects in Plans. City shall not be responsible to Developer or to any third party for any defect in the Construction Plans or for any structural or other defect in any work done pursuant to the Construction Plans. To the greatest extent permitted by law, Developer shall indemnify, defend (with counsel reasonably approved by City) and hold harmless City and its elected and appointed officers, officials, employees, agents, consultants, and contractors (all of the foregoing, collectively, the "**Indemnitees**") from and against all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively "**Claims**") arising out of, or relating to, or alleged to arise from or relate to defects in the Construction Plans or defects in any work done pursuant to the Construction Plans whether or not any insurance policies shall have been determined to be applicable to any such Claims. Developer's indemnification obligations set forth in this Section shall survive the expiration or earlier termination of this Agreement and the recordation of a Certificate of Completion. Developer's indemnification obligations pursuant to this Section shall not extend to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees and are subject to the additional terms set forth in Section 10.2 below.

5.12 Certificate of Completion for Project. Promptly after completion of construction of the Project, City's issuance of a final Certificate of Occupancy or equivalent for the Project, and the written request of Developer, City will provide a certificate substantially in the form attached hereto as Exhibit E ("**Certificate of Completion**") so certifying, provided that at the time such certificate is requested all applicable work has been completed for the Project. The Certificate of Completion shall be conclusive evidence that Developer has satisfied its obligations regarding the development of the Property and construction of the Project. At Developer's option the Certificate of Completion shall be recorded in the Official Records. The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a deed of trust or mortgage securing money loaned to finance the Project or any part thereof and shall not be deemed a notice of completion under the California Civil Code, nor shall such Certificate provide evidence that Developer has satisfied any obligation that survives the expiration of this Agreement.

5.13 Equal Opportunity. There shall be no discrimination on the basis of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the hiring, firing, promoting or demoting of any person engaged in construction work on the Property, and Developer shall direct its contractors and subcontractors to refrain from discrimination on such basis.

5.14 Prevailing Wage Requirements. Developer and its contractors, subcontractors and agents shall comply with the California Labor Code Section 1720 *et seq*. and the regulations adopted pursuant thereto (and if applicable, the federal Davis Bacon Act and implementing regulations) (all of the foregoing, collectively, "**Prevailing Wage Laws**"), and shall be responsible for carrying out the requirements of such provisions. If applicable, Developer shall submit to City a plan for monitoring payment of prevailing wages and at Developer's expense shall implement such plan and comply with all applicable reporting and recordkeeping requirements.

To the greatest extent permitted by law, Developer shall indemnify, defend (with counsel reasonably approved by City) and hold the Indemnitees harmless from and against all Claims that directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation, all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781) or the requirement of competitive bidding in connection with the Project, the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws, or any act or omission of Developer related to this Agreement with respect to the payment or requirement of payment of prevailing wages or the requirement of competitive bidding, whether or not any insurance policies shall have been determined to be applicable to any such Claims. The provisions of this Section 5.14 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project. Developer's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees and are subject to the additional terms set forth in Section 10.2 below.

5.15 Compliance with Laws. Developer shall carry out and shall cause its contractors and subcontractors to carry out the construction of the Project in conformity with all applicable federal, state and local laws, rules, ordinances and regulations (**"Applicable Laws"**), including without limitation, all applicable Environmental Laws, all applicable federal and state labor laws and standards, applicable provisions of the California Public Contracts Code, the City's zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the City's Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation, the Americans with Disabilities Act, 42 U.S.C. Section 12101, *et seq*., Government Code Section 4450, *et seq*., Government Code Section 11135, *et seq*., and the Unruh Civil Rights Act, Civil Code Section 51, *et seq*.. To the greatest extent permitted by law, Developer shall indemnify, defend (with counsel reasonably approved by City) and hold harmless the Indemnitees from and against any and all Claims arising in connection with the breach of Developer's obligations set forth in this Section whether or not any insurance policies shall have been determined to be applicable to any such Claims. Developer's indemnification obligations set forth in this Section shall not apply to Claims to the extent arising from the gross negligence or willful misconduct of the Indemnitees. Developer's defense and indemnification obligations set forth in this Section 5.15 shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project and shall be subject to the additional terms set forth in Section 10.2 below.

5.16 Liens and Stop Notices. Developer shall not allow to be placed on the Property or any part thereof any lien or stop notice on account of materials supplied to or labor performed on behalf of Developer. If a claim of a lien or stop notice is given or recorded affecting the Project or the Property or any part thereof, Developer shall within twenty (20) days of such recording or service: (a) pay and discharge (or cause to be paid and discharged) the same; or (b) effect the release thereof by recording and delivering (or causing to be recorded and delivered) to the party entitled thereto a surety bond in sufficient form and amount; or (c) provide other assurance satisfactory to City that the claim of lien or stop notice will be paid or discharged.

5.17 Intentionally Deleted

5.18 Intentionally Deleted

5.19 Insurance Requirements. Developer shall maintain and shall cause its contractors to maintain all applicable insurance coverage specified in Article X.

5.20 Semi-Annual Performance Reporting. During construction of the Project, Developer shall submit to City, at least twice per year, a performance report, which shall be in the form of a narrative description of all activities performed in relation to the Project including all development activities. The report shall include any material changes to Project timeline, including a schedule for completing milestones and/or tasks, and indicate the status of the Project in relation to this timeline. Developer shall provide the reports described in this Section until construction of the Project is complete.

5.21 Intentionally omitted.

5.22 Intentionally omitted.

5.23 Intentionally omitted.

5.24 Taxes and Assessments. Commencing upon Developer's acquisition of the Property, Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, payroll, withholding, sales, and other taxes assessed against the Property and/or the Improvements, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property or Improvements; provided, however, Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge, the Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

5.25 Obligation to Refrain from Discrimination. Developer shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or the Project, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, gender identity, disability, marital status, ancestry, or national origin of any person. Developer 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 shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or the Improvements, or part thereof, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or Improvements, or part thereof. Developer shall use commercially reasonable efforts to include such provision in all deeds, leases, and contracts relating to development or operation of the Project, and shall enforce the same diligently and in good faith.

5.26 Intentionally Deleted

5.27 Living Wage. Developer agrees to comply with all of the requirements set forth in this Section (the "**Living Wage Requirements**") and agrees to enter into written agreements subject to City's written approval, that will require all Project managers, operators, tenants, and lessees of the Project to comply with the Living Wage Requirements.

Developer agrees (i) to pay, and to cause Project managers, operators, tenants, and lessees of the Project to pay, a minimum level of compensation to all covered employees (defined below) equal to at least $15.69 per hour, and (ii) to provide all covered employees with health insurance coverage and pension contributions comparable to union benefits applicable to each class of employees. These initial minimum hourly rates are in effect as of January 1, 2022, and shall be increased annually by the percentage increase in the Consumer Price Index-All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose, California area over the prior year as published by the United States Department of Labor, Bureau of Labor Statistics. If the foregoing index ceases to be published, City may utilize any substitute index published by the federal government or the State of California that it deems suitable to measure general price changes in the regional economy.

Developer agrees to do all of the following and to cause all Project managers, operators, tenants, and lessees of the Project to do all of the following: (i) pay the specified minimum compensation to its covered employees, (ii) offer compensated and uncompensated leave time to its covered employees, (iii) provide written notice describing the Living Wage Requirements to its covered employees, (iv) include in all Project-related service contracts (including without limitation, management and maintenance contracts) that exceed $25,000, language requiring the contractor to comply with Living Wage Requirements for its covered employees, and (v) submit to City all reasonably required documentation regarding compliance with the foregoing requirements. Developer shall submit a copy of each such service contract to City.

For purposes of this section, "**covered employees**" mean any natural person who performs services for the employer on Project-related work or on the Project site, but does not include managerial, supervisory, or confidential employees, independent contractors, volunteers, or those construction employees who are entitled to be paid at prevailing wages.

Failure to comply with the Living Wage Requirements shall constitute a default under this Agreement. This Section shall survive the termination of this Agreement.

ARTICLE VI

CONDITION OF THE SITE; ENVIRONMENTAL MATTERS

6.1 Access to Site; Inspections. Prior to the Close of Escrow, Developer and Developer's authorized representatives may enter upon and conduct reviews and assessments of the physical and environmental condition of the Property and the condition of the existing improvements. City may require Developer to execute a right of entry agreement satisfactory to City prior to entry onto the Property for such purpose and shall require Developer to provide proof of liability insurance acceptable to City. Developer's inspection, examination, survey and review of the Property shall be at Developer's sole expense. Developer shall provide City with copies of all reports and test results promptly following completion of such reports and testing. Developer hereby agrees to notify City twenty-four (24) hours in advance of its intention to enter the Property and will provide workplans, drawings, and descriptions of any intrusive sampling it intends to do. Developer must keep the Property in a safe condition during its entry. Developer shall repair, restore and return the Property to its condition immediately preceding Developer's entry thereon at Developer's sole expense Developer will not permit any mechanics liens, stop notices or other liens or encumbrances to be placed against the Property prior to Close of Escrow. Without limiting any other indemnity provisions set forth in this Agreement, to the greatest extent permitted by law, Developer shall indemnify, defend (with counsel reasonably approved by City) and hold the Indemnitees harmless from and against all Claims resulting from or arising in connection with entry upon the Property by Developer or Developer's agents, employees, consultants, contractors or subcontractors pursuant to this Section 6.1 except to the extent arising from the gross negligence or willful misconduct of the Indemnitees. The foregoing indemnity shall not apply to conditions existing prior to Developer's entry onto the Property unless exacerbated by Developer. Developer's indemnification obligations set forth in this Section 6.1 shall survive the Close of Escrow and the termination of this Agreement and shall be subject to the additional terms and conditions set forth in Section 10.2 below.

6.2 Environmental Disclosure. To the extent City has copies of investigation reports concerning the Property, City represents and warrants that it has provided copies of the same to Developer prior to the Effective Date; but the Parties acknowledge that City will not be conducting a public records search of any regulatory agency files—although City urges Developer to do so to satisfy itself regarding the environmental condition of the Property. By execution of this Agreement, Developer: (i) acknowledges its receipt of the foregoing notice respecting the environmental condition of the Property; (ii) acknowledges that it will have an opportunity to conduct its own independent review and investigation of the Property prior to the Close of Escrow; (iii) agrees to rely solely on its own experts in assessing the environmental condition of the Property and its sufficiency for its intended use; and (iv) waives any and all rights Developer may have to assert that City failed to disclose information about the environmental condition of the Property other than due to a breach of representation and warranty set forth in this Section 6.2.

6.3 Property Sold and Conveyed "AS IS." Developer specifically acknowledges that City is selling, and Developer is purchasing, the Property on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis and that Developer is not relying on any representations or warranties of any kind whatsoever, express or implied, from City, its employees, board members, agents, or brokers as to any matters concerning the Property other than those expressly set forth in this Agreement. Other than as expressly set forth in this Agreement, City makes no representations or warranties as to any matters concerning the Property, including without limitation: (i) the quality, nature, adequacy and physical condition of the property or the improvements (if any) located thereon, including, but not limited to, the structural elements, foundation, roof, appurtenances, access, landscaping, parking facilities, and the electrical, mechanical, HVAC, plumbing, sewage, and utility systems, facilities and appliances, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Property, (iv) the development potential of the Property, and the use, habitability, merchantability, or fitness, suitability, value or adequacy of the Property for any particular purpose, (v) the zoning or other legal status of the property or any other public or private restrictions on use of the Property, (vi) the compliance of the Property or its operation with any Environmental Laws, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vii) the presence or removal of Hazardous Material, substances or wastes on, under or about the Property or the adjoining or neighboring property; (viii) the quality of any labor and materials used in any improvements on the Property, (ix) the condition of title to the Property, (x) the leases, service contracts, or other agreements (if any) affecting the Property, or (xi) the economics of the operation of the Property.

6.4 Developer to Rely on Own Experts. Developer understands that notwithstanding the delivery by City to Developer of any materials, including, without limitation, third party reports, Developer will rely entirely on Developer's own experts and consultants and its own independent investigation in proceeding with the acquisition of the Property.

6.5 Release by Developer. Effective upon the Close of Escrow for the Property, Developer WAIVES, RELEASES, REMISES, ACQUITS AND FOREVER DISCHARGES the Indemnitees and any person acting on behalf of City, from any and all Claims, direct or indirect, known or unknown, foreseen or unforeseen, which Developer now has or which may arise in the future on account of or in any way arising out of or in connection with the physical condition of the Property, the presence of Hazardous Material in, on, under or about the Property, or any law or regulation applicable thereto including, without limiting the generality of the foregoing, all Environmental Laws (unless due to a breach by City of an express representation or warranty set forth in this Agreement).

DEVELOPER ACKNOWLEDGES THAT DEVELOPER IS FAMILIAR WITH SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

BY INITIALING BELOW, DEVELOPER EXPRESSLY WAIVES THE BENEFITS OF

SECTION 1542 OF THE CALIFORNIA CIVIL CODE WITH RESPECT TO THE FOREGOING RELEASE:

Developer's initials: _____________

6.6 Developer's Post-Closing Obligations. Developer hereby covenants and agrees that:

(1) Developer shall not knowingly permit the Property, or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Material or otherwise knowingly permit the presence or release of Hazardous Material in, on, under, about or from the Property with the exception of limited amounts of cleaning supplies and other materials customarily used in construction, use or maintenance of hotel or other commercial properties and related parking facilities similar in nature to the Project, and used, stored and disposed of in compliance with Environmental Laws.

(2) Developer shall keep and maintain the Property and each portion thereof in compliance with, and shall not cause or permit the Project or the Property, or any portion of the foregoing to be in violation of, any Environmental Laws.

(3) Upon receiving actual knowledge of the same, Developer shall promptly advise City in writing of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened in writing against the Developer, or the Property pursuant to any applicable Environmental Laws; (ii) any and all claims made or threatened in writing by any third party against the Developer or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Material; (iii) the presence or release of any Hazardous Material in, on, under, about or from the Property; or (iv) Developer's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Project classified as "Border Zone Property" under the provisions of California Health and Safety Code, Sections 25220 *et seq.,* or any regulation adopted in connection therewith, that may in any way affect the Property pursuant to any Environmental Laws or cause it or any part thereof to be designated as Border Zone Property. The matters set forth in the foregoing clauses (i) through (iv) are hereinafter referred to as "**Hazardous Materials Claims**"). City shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claim.

(4) Without City's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, Developer shall not, prior to the Close of Escrow, take any remedial action in response to the presence of any Hazardous Material in, on, under, or about the Property (other than in emergency situations or as required by governmental agencies having jurisdiction in which case City agrees to provide its consent), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claim. Prior to the Close of Escrow, City shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated

in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Developer.

6.7 Environmental Indemnity. To the greatest extent permitted by law, Developer shall indemnify, defend (with counsel reasonably approved by City) and hold Indemnitees harmless from and against all Claims resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Material on, under, in or about the Property, or the transportation of any such Hazardous Material to or from, the Property, or (ii) the failure of Developer, Developer's employees, agents, contractors, subcontractors, or any person acting on behalf of or as the invitee of any of the foregoing to comply with Environmental Laws, except to the extent caused by City's gross negligence or willful misconduct.

Developer's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) the accuracy or inaccuracy of any representation and warranty made by Developer under this Agreement or by Developer or any other party under any City Document, and (iv) the release of Developer or any other person, by City or by operation of law, from performance of any obligation under any City Document.

The provisions of this Section 6.7 shall be in addition to any and all other obligations and liabilities that Developer may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether City or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the City Documents or applicable law. The obligations of Developer to indemnify the Indemnitees under this Section shall survive any foreclosure proceeding, any foreclosure sale, and any delivery of any deed in lieu of foreclosure. Developer's indemnification obligations under this Section shall not extend to Claims to the extent arising from the gross negligence or intentional misconduct of the Indemnitees and are subject to the additional terms set forth in Section 10.2 below.

6.8 Intentionally omitted.

6.9 Intentionally omitted.

6.10 Intentionally omitted.

6.11 Definitions.

6.11.1 "**Hazardous Material**" means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", infectious waste", toxic substance", toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "hazardous material" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable as fuel, perchlorate, and methyl tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

6.11.2 "**Environmental Laws**" means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Material, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq*.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq*.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq*.), the Clean Air Act (42 U.S.C. § 7401 *et seq*.), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq*.), the Oil Pollution Act (33 U.S.C. § 2701 *et seq*.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq*.), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 *et seq*.), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, *et seq*.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 *et seq*.), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 *et seq*.), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 *et seq*.), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 *et seq*.).

ARTICLE VII

LIMITATIONS ON CHANGE IN OWNERSHIP, MANAGEMENT AND CONTROL OF DEVELOPER

7.1 Identity of Developer; Changes Only Pursuant to this Agreement. Developer and its principals have represented that they possess the necessary expertise, skill and ability to carry out the development of the Project pursuant to this Agreement. The qualifications, experience, financial capacity and expertise of Developer and its principals are of particular concern to City. It is because of these qualifications, experience, financial capacity and expertise that City has entered into this Agreement with Developer. No voluntary or involuntary successor, assignee or transferee of Developer shall acquire any rights or powers under this Agreement, except as expressly provided herein.

7.2 Prohibition on Transfer. Prior to City's issuance of a final certificate of occupancy or equivalent for the Project, Developer shall not, except as expressly permitted by this Agreement, directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, encumbrance, assignment (including without limitation, any assignment for security purposes) or lease (collectively, "**Transfer**") of the whole or any part of the Property, the Project, the Improvements, or this Agreement, without the prior written approval of City which approval shall not be unreasonably withheld. Any such attempt to assign this Agreement without City's consent shall be null and void and shall confer no rights or privileges upon the purported assignee. In addition to the foregoing, prior to City's issuance of a final certificate of occupancy or equivalent for the Project, except as expressly permitted by this Agreement, Developer shall not undergo any significant change of ownership or control (as defined below) without the prior written approval of City. For purposes of this Agreement, a "significant change of ownership or control" shall mean a transfer of the beneficial interest of more than fifty percent (50%) in aggregate of the present ownership of Developer, taking all transfers into account on a cumulative basis; provided, however, a syndication of Developer's limited partner or non-managing member interests, coupled with a right of such partner(s) or non-managing member(s) to vote on stated major decisions shall not be considered a "significant change of ownership or control" or be subject to City's required approval for purposes of this Agreement.

7.3 Permitted Transfers. Notwithstanding any contrary provision hereof, the prohibitions set forth in this Article shall not be deemed to prevent: (i) the granting of temporary easements or permits to facilitate development of the Property; (ii) the dedication of any property required pursuant to this Agreement; (iii) the lease or rental of commercial and retail space in the Project; (iv) assignments creating security interests for the purpose of financing the acquisition, construction or permanent financing of the Project, subject to the requirements of Article VIII, or Transfers directly resulting from the foreclosure of, or granting of a deed in lieu of foreclosure of, such a security interest; and (v) a Transfer to an entity under the direct control of or under common control with Developer.

7.4 Requirements for Proposed Transfers. City may, in the exercise of its sole discretion, consent to a proposed Transfer of this Agreement, the Property, the Improvements or part thereof if all of the following requirements are met (provided however, the requirements of this Section 7.4 shall not apply to Transfers described in clauses (i), (ii), (iii), (iv) or (v) of Section 7.3):

(i) The proposed transferee demonstrates to City's satisfaction that it has the qualifications, experience and financial resources necessary and adequate as may be reasonably determined by City to competently complete and manage the Project and to otherwise fulfill the obligations undertaken by the Developer under this Agreement.

(ii) The Developer and the proposed transferee shall submit for City review and approval all instruments and other legal documents proposed to effect any Transfer of all or any part of or interest in the Property, the Improvements or this Agreement, including without limitation, the organizational documents and authorizing resolution of the proposed transferee, and such documentation of the proposed transferee's qualifications and development capacity as City may reasonably request.

(iii) The proposed transferee shall expressly assume all of the rights and obligations of the Developer under this Agreement and the other City Documents arising after the effective date of the Transfer and all obligations of Developer arising prior to the effective date of the Transfer (unless Developer expressly remains responsible for such obligations), and shall agree to be subject to and assume all of Developer's obligations pursuant to the Conditions of Approval and all other conditions, and restrictions set forth in this Agreement. The assumption of such obligations shall be documented in an assignment and assumption agreement in form reasonably approved by City.

(iv) The Transfer shall be effectuated pursuant to a written instrument reasonably satisfactory to City in form recordable in the Official Records.

Consent to any proposed Transfer may be given by City's Authorized Representative unless the Authorized Representative, in his or her discretion, refers the matter of approval to the City Council. If City has not rejected a proposed Transfer or requested additional information regarding a proposed Transfer in writing within thirty (30) days following City's receipt of written request by Developer, the proposed Transfer shall be deemed approved.

7.5 Effect of Transfer without City Consent. It shall be an Event of Developer Default hereunder entitling City to pursue remedies including without limitation, termination of this Agreement if without the prior written approval of City, Developer assigns or Transfers this Agreement, the Improvements, or the Property, or any part thereof or interest therein, or undertakes any other Transfer (including without limitation any assignment for security or encumbrance of the Property or any part thereof) in violation of Article VII. This Section 7.5.2 shall not apply to Transfers described in clauses (i), (ii), (iii), (iv) or (v) of Section 7.3).

7.6 Recovery of City Costs. Within ten (10) days following City's delivery to Developer of an invoice detailing such costs, Developer shall reimburse City for reasonable City costs, including but not limited to reasonable attorneys' fees [(up to $2,500 unless otherwise approved by Developer)], incurred in reviewing instruments and other legal documents proposed to effect a Transfer of this Agreement, the Property or the Improvements, or part thereof or interest therein, and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee.

ARTICLE VIII

SECURITY FINANCING AND RIGHTS OF MORTGAGEES

8.1 Mortgages and Deeds of Trust. Mortgages and deeds of trust, or any other reasonable security instrument are permitted to be placed upon the Property or the Improvements only for the purpose of securing loans for the purpose of financing the acquisition of the Property, the design and construction of the Improvements, the refinance of an acquisition and/or construction loan, and other expenditures reasonably necessary for the development, ownership and operation of the Project pursuant to this Agreement. As used herein, the terms "mortgage" and "deed of trust" shall mean any security instrument used in financing real estate.

8.2 Intentionally omitted.

8.3 Holder Not Obligated to Construct. The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated to complete construction of the Project or to guarantee such completion. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any improvements thereon, other than those uses, or improvements provided for or authorized by this Agreement.

8.4 Notice of Default and Lender Right to Cure. Whenever City delivers any notice of default hereunder, City shall concurrently deliver a copy of such notice to each holder of record of any mortgage or deed of trust secured by the Property or the Improvements, provided that City has been provided with the address for delivery of such notice. City shall have no liability to any such holder for any failure by City to provide such notice to such holder. Each such holder shall have the right, but not the obligation, at its option, to cure or remedy any such default or breach within an additional ninety (90) day cure period after the cure period provided to Developer has expired. In the event that possession of the Property or the Improvements (or any portion thereof) is required to effectuate such cure or remedy, the holder shall be deemed to have timely cured or remedied the default if it commences the proceedings necessary to obtain possession of the Property or Improvements, as applicable, within the applicable cure period, diligently pursues such proceedings to completion, and within six (6) months after obtaining possession, diligently commences its efforts to cure or remedy. A holder who chooses to exercise its right to cure or remedy a default or breach shall first notify City of its intent to exercise such right prior to commencing to cure or remedy such default or breach. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction of the Project (beyond the extent necessary to conserve or protect the same) without first having expressly assumed in writing Developer's obligations to City under this Agreement. The holder (itself or through its affiliated entity) in that event must agree to complete, in the manner provided in this Agreement, the Project and the Improvements and submit evidence reasonably satisfactory to City that it has the development capability on staff or retainer and the financial capacity necessary to perform such obligations. Any such holder properly completing the Project pursuant to this Section shall, itself or through its affiliated entity, assume all rights and obligations of Developer under this Agreement.

8.5 Failure of Holder to Complete Improvements. In any case where, six (6) months after default by Developer in completing construction of the Project in accordance with Section 5.1, the holder of record of any mortgage or deed of trust has not exercised its option to complete construction of the Project, or having first exercised such option, has not proceeded diligently with such work subject to Force Majeure, City shall be afforded those rights against such holder that it would otherwise have against Developer under this Agreement.

8.6 City Right to Cure Defaults. In the event of a breach or default by Developer under a mortgage or deed of trust secured by the Property or the Improvements, City may cure the default, without acceleration of the subject loan, following prior notice thereof to the holder of such instrument and Developer. In such event, Developer shall be liable for, and City shall be entitled to reimbursement from Developer for all costs and expenses incurred by City associated with and attributable to the curing of the default or breach.

8.7 Holder to be Notified. Developer agrees to use best efforts to ensure that each term contained herein dealing with security financing and rights of holders shall be either inserted into the relevant deed of trust or mortgage or acknowledged and accepted in writing by the holder prior to its creating any security right or interest in the Property or the Improvements.

8.8 Modifications to Agreement. City shall not unreasonably withhold its consent to modifications of this Agreement requested by Project lenders or investors provided such modifications do not alter City's substantive rights and obligations under this Agreement.

8.9 Estoppel Certificates. Either Party shall, at any time, and from time to time, within fifteen (15) days after receipt of written request from the other Party, execute and deliver to such Party a written statement certifying that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties (if such be the case), (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, describing the nature of any such defaults.

ARTICLE IX

DEFAULTS, REMEDIES AND TERMINATION

9.1 Event of Developer Default. The following events shall constitute an event of default on the part of Developer hereunder ("**Event of Developer Default**"):

(a) Intentionally Deleted

(b) A Transfer occurs, either voluntarily or involuntarily, in violation of Article VII, and Developer fails to cure such default within five (5) days after receiving written notice of such failure from City;

(c) Developer fails to maintain insurance as required pursuant to this Agreement and Developer fails to cure such default within five (5) days;

(d) Subject to Developer's rights pursuant to Section 5.24 above, Developer fails to pay prior to delinquency taxes or assessments due on the Property or the Improvements, or fails to pay when due any other charge that may result in a lien on the Property or the Improvements, and Developer fails to cure such default within twenty (20) days of the date of delinquency, but in all events prior to the date upon which the holder of any such lien has the right to foreclose thereon;

(e) A default arises under any loan secured by a mortgage; deed of trust or other security instrument recorded against the Property and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan;

(f) Any representation or warranty contained in this Agreement or in any application, financial statement, certificate or report submitted to City in connection with this Agreement proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to City;

(g) If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Developer: (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due;

(h) A court of competent jurisdiction shall have made or entered any decree or order (1) adjudging Developer to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of Developer seeking any arrangement for Developer under bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of Developer in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of Developer, if such decree, order, petition, or appointment is not removed or rescinded within sixty (60) days;

(i) Developer shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure pursuant to paragraphs (h) or (i) above or pursuant to any other mortgage on the Property, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(j) Developer shall have voluntarily suspended its business or Developer shall have been dissolved or terminated;

(k) An event of default arises under any City Document and remains uncured beyond any applicable cure period or, if not stated cure period, within sixty (60) days after written notice by City of such event of default; or

(l) Developer defaults in the performance of any term, provision, covenant or agreement contained in this Agreement other than an obligation enumerated in this Section 9.1 and unless a shorter cure period is specified for such default, the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which City shall have given written notice of the default to Developer; provided however, if the default is of a nature that it cannot be cured within sixty (60) days, an Event of Developer Default shall not arise hereunder if Developer commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion.

9.2 City Default. An event of default on the part of City ("**Event of City Default**") shall arise hereunder if City fails to keep, observe, or perform any of its covenants, duties, or obligations under this Agreement, and the default continues for a period of sixty (60) days after written notice thereof from Developer to City, or in the case of a default which cannot with due diligence be cured within sixty (60) days, City fails to commence to cure the default within sixty (60) days of such notice and thereafter fails to prosecute the curing of such default with due diligence and in good faith to completion.

9.3 City's Right to Terminate Agreement. If an Event of Developer Default shall occur and be continuing beyond any applicable cure period, then City shall, in addition to other rights available to it under law or this Agreement, subject to the rights of any holder of a mortgage or deed of trust as described in Article VIII, have the right to terminate this Agreement. If City makes such election, City shall give written notice to Developer and to any mortgagee entitled to such notice specifying the nature of the default and stating that this Agreement shall expire and terminate on the date specified in such notice, and upon the date specified in the notice, this Agreement and all rights of Developer under this Agreement, shall expire and terminate.

9.4 City's Remedies and Rights Upon an Event of Developer Default. Upon the occurrence of an Event of Developer Default and the expiration of any applicable cure period, City shall have all remedies available to it under this Agreement or under law or equity, including, but not limited to the following, and City may, at its election, without notice to or demand upon Developer, except for notices or demands required by law or expressly required pursuant to the City Documents, exercise one or more of the following remedies:

(a) Seek specific performance to enforce the terms of the City Documents;

(b) Terminate this Agreement pursuant to Section 9.3 (subject to the rights of any holder of a mortgage or deed of trust as described in Article VIII); and

(c) Pursue any and all other remedies available under this Agreement or under law or equity to enforce the terms of the City Documents and City's rights thereunder.

9.5 Developer's Remedies Upon an Event of City Default. Upon the occurrence of an Event of City Default, Developer may terminate this Agreement and/or pursue an action for equitable relief seeking the specific performance of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of such terms and conditions.

9.6 Remedies Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other rights or remedies for the same or any other default by the other Party.

9.7 Inaction Not a Waiver of Default. No failure or delay by either Party in asserting any of its rights and remedies as to any default shall operate as a waiver of such default or of any such rights or remedies, nor deprive either Party of its rights to institute and maintain any action or proceeding which it may deem necessary to protect, assert or enforce any such rights or remedies in the same or any subsequent default.

9.8 Intentionally Omitted

9.9 Option to Purchase, Enter and Possess Upon Default. Subject to the rights of any holder of a mortgage or deed of trust as described in Article VIII, following conveyance of the Property to Developer, City shall have the right at its option to purchase, enter and take possession of the Property with all improvements thereon (the "**Repurchase Option**"), if after conveyance of the Property, Developer (i) fails to commence construction of the Project within the time specified in Section 5.1 as such date may be extended pursuant to the terms of this Agreement, (ii) abandons or suspends construction of the Project for a period of one hundred eighty (180) days, or (iii) directly or indirectly, voluntarily or involuntarily Transfers the Property or part thereof or this Agreement in violation of Article VII, if following written notice, Developer fail to cure such default within the applicable cure period. If it exercises the Repurchase Option, City shall pay to the Developer cash in an amount equal to:

(i) The Purchase Price; plus

(ii) All amounts paid to the City by Developer; less

(vi) All taxes, assessments and utility charges payable with respect to the Property for the period prior to the date City acquires title to the Property; less

(vii) The amount of any payments necessary to discharge or prevent from attaching any subsequent encumbrances or liens due to obligations, defaults, or acts of the Developer, its successors or transferees. .

In order to exercise the Repurchase Option, City shall give Developer written notice of such exercise, and Developer shall, within thirty (30) days after receipt of such notice, provide City with a summary of all of Developer's costs incurred as described in this Section 9.9. Within thirty (30) days of City's receipt of such summary, City shall pay into an escrow established for such purpose cash in the amount of all sums owing pursuant to this Section 9.9, and Developer shall execute and deposit into such escrow a grant deed transferring to City all of Developer's interest in the Property, or portion thereof, as applicable, and the improvements located thereon.

9.10 Memorandum of Power of Termination/Option to Purchase. The Parties shall cause a memorandum of the rights granted City in Sections 9.8 and 9.9 of this Agreement to be recorded in the Official Records at the time of the Close of Escrow for conveyance of the Property to Developer. In addition, the rights afforded City pursuant to Sections 9.8 and 9.9 may be described in the Grant Deed. Upon the completion of construction of the Project (i.e., City's issuance of a final Certificate of Occupancy or equivalent), unless City is pursuing its remedies under Section 9.8 or Section 9.9, City shall cause the memorandum referenced above in this section to be canceled and no longer of any force or effect.

9.11 Rights of Mortgagees. Any rights of City under this Article IX shall not defeat, limit or render invalid any mortgage or deed of trust permitted by this Agreement or any rights provided for in this Agreement for the protection of holders of such instruments. Any conveyance or return of the Property to City pursuant to this Article IX shall be subject to mortgages and deeds of trust permitted by this Agreement.

9.12 Assignment. The City shall have the right to assign the Repurchase Option to any other governmental entity or private party.

9.13 Construction Plans. If this Agreement is terminated by mutual agreement of the

Parties or by City as a result of an Event of Developer Default, the Developer shall have the right, but shall not have any obligation to deliver to City copies of any construction plans or studies for the Project. City shall not utilize the Construction Plans or any studies without having reimbursed Developer for the costs incurred by Developer in having the same prepared. Without limiting the foregoing restriction on City, if City utilizes the Construction Plans or studies, City shall indemnify the Developer for any claims arising from such use.

ARTICLE X

INDEMNITY AND INSURANCE

10.1 Indemnity. To the greatest extent permitted by law, Developer shall indemnify, defend (with counsel reasonably approved by City) and hold the Indemnitees harmless from and against any and all Claims (including without limitation, Claims arising from any injury, death, illness, property damage, or loss of property) arising directly or indirectly, in whole or in part, as a result of or in connection with the development, construction, improvement, operation, ownership or maintenance of the Project or the Property, or any part thereof by Developer or Developer's contractors, subcontractors, agents, employees or any other party acting for or on behalf of Developer, or otherwise arising out of or in connection with Developer's performance or failure to perform under this Agreement, including without limitation, Claims arising or alleged to have arisen in connection with any violation of Applicable Laws in connection with the development, operation or management of the Project, or relating to approval of the Project or approval of this Agreement. Developer's indemnification obligations under this Section 10.1 shall not extend to Claims to the extent arising from the gross negligence or willful misconduct of Indemnitees and are subject to the additional terms set forth in Section 10.2 below. The provisions of this Section 10.1 shall survive the expiration or earlier termination of this Agreement. It is further agreed that City does not and shall not waive any rights against Developer that it may have by reason of this indemnity and hold harmless agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

10.2 Terms Applicable to Indemnity Provisions. The terms set forth in this Section 10.2 shall apply to all provisions of this Agreement that pertain to Developer's obligations to indemnify City and the other Indemnitees, including without limitation, Sections 5.11, 5.14, 5.15, 6.1, 6.7, 10.1, and 11.1. In connection with each such provision, all of the following shall apply:

(a) City does not and shall not waive any rights against Developer that it may have by reason of any indemnity and hold harmless provision set forth in this Agreement because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in this Agreement.

(b) Developer's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) the accuracy or inaccuracy of any representation and warranty made by Developer under this Agreement or by

Developer or any other party under any City Document, and (iv) the release of Developer or any other person, by City or by operation of law, from performance of any obligation under any City Document.

10.3 Liability, Workers Compensation, and Property Insurance. [UNDER REVIEW]

(a) Commercial General Liability. From and after the commencement of construction of the Project and until issuance of the final certificate of occupancy or equivalent for the Project, Developer all contractors working on behalf of Developer on the Project shall maintain a commercial general liability policy including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage with coverage limits in the greater of: (a) the amounts required by the construction and permanent lenders for the Project, or (b) Two Million Dollars ($2,000,000) each occurrence, Two Million Dollars ($2,000,000) annual aggregate, together with Five Million Dollars ($5,000,000) excess liability coverage, or such other policy limits as City may require in its reasonable discretion. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds.

(b) Automobile. From and after the commencement of construction of the Project and until issuance of the final certificate of occupancy or equivalent for the Project, Developer and all contractors working on behalf of Developer on the Project shall maintain a comprehensive automobile liability coverage in the amount of Two Million Dollars ($2,000,000), combined single limit including coverage for owned and non-owned vehicles. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Worker's Compensation; Employer's Liability. As of the commencement of construction of the Project, Developer shall furnish or cause to be furnished to City evidence satisfactory to City that Developer, and any contractor with whom Developer has contracted for the performance of work on the Property or otherwise pursuant to this Agreement, carries statutory Workers' Compensation insurance and Employer's Liability insurance in a minimum amount of Two Million Dollars ($2,000,000) per accident.

(d) Builder's Risk. From and after the commencement of construction of the Project and until issuance of the final certificate of occupancy or equivalent for the Project, Developer and all contractors working on behalf of Developer shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming City as loss payee as its interests may appear.

(e) Professional Liability/Errors and Omissions. Professional Liability/Errors and Omissions insurance as appropriate for design/build operations with limits not less than Two Million Dollars ($2,000,000) each claim. If the professional liability/errors and omissions insurance is written on a claims made form: (i) the retroactive date must be shown and must be before the Effective Date, (ii) insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of Project construction, and (iii) if coverage is cancelled or non-renewed and not replaced with another claims made policy form with a retroactive date prior to the Effective Date, Developer must purchase extended period coverage for a minimum of three (3) years after completion of construction.

(f) Property. Commencing upon completion of construction of the Project, Developer shall maintain property insurance covering all risks of loss including earthquake (if required) and flood (if required) for 100% of the replacement value of the Project with deductible, if any, in an amount acceptable to City, naming City as loss payee as its interests may appear.

(g) Insurance Providers. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII.

(h) Evidence of Insurance; Endorsements; Policies. Prior to the Effective Date of this Agreement, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage required under paragraphs (a), (b), (c), and (e) above, duly executed endorsements evidencing the Indemnitees' status as additional insured, and all other endorsements and coverage required hereunder pertaining to such coverage. Prior to commencement of Project construction, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage required under paragraph (d) above. Prior to City's issuance of a final certificate of occupancy or equivalent for the Project, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage required under paragraph (f) above.

All insurance certificates shall contain a statement of obligation on the part of the carrier to notify City of any material adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal. Upon City's request, Developer shall, within thirty (30) days of the request, provide or arrange for the insurer to provide to City, complete certified copies of all insurance policies required under this Agreement. City's failure to make such request shall not constitute a waiver of the right to require delivery of the policies in the future.

(i) Additional Insured Endorsements. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94.

(j) Reinstatement. If any insurance policy or coverage required hereunder is canceled or reduced, Developer shall, within five (5) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Developer's expense, and Developer shall promptly reimburse City for such expense upon receipt of billing from City.

(k) Primary Coverage; Waiver of Subrogation; Annual Aggregate Limits. All coverage shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City, and the policies shall so provide. Each insurance policy shall contain a waiver of subrogation for the benefit of City. If any of the required insurance is provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs are included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

(l) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, City's Risk Manager. At the option of and upon request by City's Risk Manager if the Risk Manager determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects the Indemnitees or Developer shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

(m) Adjustments. The limits of the liability coverage and, if necessary, the terms and conditions of insurance, shall be reasonably adjusted from time to time (not less than every five (5) years after the Effective Date nor more than once in every three (3) year period) to address changes in circumstance, including, but not limited to, changes in inflation and the litigation climate in California. City shall give written notice to Developer of any such adjustments, and Developer shall provide City with amended or new insurance certificates or endorsements evidencing compliance with such adjustments within thirty (30) days following receipt of such notice.

(n) Additional Insured Coverage; Liability Limits. For all liability insurance required by this Agreement, Developer (and Developer's contractors, as applicable) shall obtain endorsements that name the Indemnitees as additional insured in the full amount of all applicable policies, notwithstanding any lesser minimum limits specified in this Agreement. This Agreement requires Developer (and Developer's contractors) to obtain and provide for the benefit of the Indemnitees, additional insured coverage in the same amount of insurance carried by Developer (or Developer's contractors, as applicable), but in no event less than the minimum amounts specified in this Agreement. In the event that Developer (or Developer's contractors as applicable) obtains insurance policies that provide liability coverage in excess of the amounts specified in this Agreement, the actual limits provided by such policies shall be deemed to be the amounts required under this Agreement. Without limiting the foregoing, the limits of liability coverage specified in this Agreement are not intended, nor shall they operate, to limit City's ability to recover amounts in excess of the minimum amounts specified in this Agreement.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 No Brokers. Each Party warrants and represents to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation with respect to the transactions contemplated by this Agreement. Each Party agrees to defend, indemnify and hold harmless the other Party from any claims, expenses, costs or liabilities arising in connection with a breach of this warranty and representation. The terms of this Section shall survive the close of escrow and the expiration or earlier termination of this Agreement.

11.2 Enforced Delay; Extension of Times of Performance. The time for performance of provisions of this Agreement by either Party shall be extended for a period equal to the period of any delay directly affecting the Project or this Agreement which is caused by war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, pandemics or public health emergency, quarantine restrictions, freight embargoes, inability to attain services, Labor or materials or reasonable substitutes therefore, governmental actions, civil commotions, lack of transportation, acts of terrorism and terrorist activities, suits filed by unrelated third parties concerning or arising out of this Agreement, unseasonable weather conditions ,or other caused beyond the reasonable control of party obligated to perform, except with respect to the obligations to either party which can be satisfied by the payment of money (“**Force Majeure”**). An extension of time for any of the above-specified causes will be deemed granted only if written notice by the Party claiming such extension is sent to the other Party within twenty (20) calendar days from the commencement of the cause.

Times of performance under this Agreement may also be extended in writing by the mutual agreement of Developer and City (acting in the discretion of the Authorized Representative unless he or she determines in his or her discretion to refer such matter to the City Council). City and Developer acknowledge that, notwithstanding any contrary provision of this Agreement, adverse changes in economic conditions, either of the affected Party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing to complete the Project shall not constitute grounds of enforced delay pursuant to this Section. Each Party expressly assumes the risk of such adverse economic or market changes and/or financial inability, whether or not foreseeable as of the Effective Date.

11.3 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement or any other City Document shall be made in writing and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender’s account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

City: City of Daly City
Attn: Director of Economic and Community Development
333 90th Street
Daly City, CA 94015

Copy: City of Daly City
Attn: City Attorney
333 90th Street, Third Floor

Daly City, CA 94105

Developer: 1837 Junipero Serra Hotel Development, LLC.

and:

Copy:

11.4 Attorneys' Fees. If either Party fails to perform any of its obligations under this Agreement, or if any dispute arises between the Parties concerning the meaning or interpretation of any provision hereof, then the prevailing Party in any proceeding in connection with such dispute shall be entitled to the costs and expenses it incurs on account thereof and in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

11.5 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the Party granting the extension. This Agreement may be amended or modified only by a written instrument executed by the Parties.

11.6 Binding on Successors. Subject to the restrictions on Transfers set forth in Article VII, this Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any permitted successor and assign of such Party who has acquired an interest in compliance with this Agreement or under law.

11.7 Survival. All representations made by Developer hereunder, Developer's obligations pursuant to Sections 5.11, 5.14, 5.15, 6.1, 6.5, 6.7, 10.1 and 11.1, and City's rights under Section 9.8 and 9.9, and all other provisions that expressly so state, shall survive the expiration or termination of this Agreement.

11.8 Headings; Interpretation; Statutory References. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it. All references in the City Documents to statutes, regulations, ordinances or resolutions of the United States, the State of California, or the City of Daly City shall be deemed to include the same statute, regulation, ordinance or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject.

11.9 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City's Authorized Representative or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the Authorized Representative determines in his or her discretion that such action or approval requires referral to the City Council for consideration.

11.10 Entire Agreement. This Agreement, including Exhibits A through G attached hereto and incorporated herein by this reference, together with the other City Documents contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

11.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Party. Any executed counterpart of this Agreement may be delivered to the other Party by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

11.12 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

11.13 No Third-Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

11.14 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of Developer and City is and shall remain solely that of a seller and buyer of real property, and shall not be construed as a joint venture, equity venture, partnership or any other relationship. City neither undertakes nor assumes any responsibility or duty to Developer (except as expressly provided in this Agreement) or to any third party with respect to the Project or City financing described herein. Developer and its employees are not, and shall at no time hold themselves out as employees or agents of City. Except as City may specify in writing, Developer shall not have any authority to act as an agent of City or to bind City to any obligation. Likewise, City and its employees are not, and shall at no time hold themselves out as employees or agents of Developer. Except as Developer may specify in writing, City shall not have any authority to act as an agent of Developer or to bind Developer to any obligation.

11.15 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Property. For purposes of this Agreement, a "business day" means a day that is not a Saturday, Sunday, a federal holiday or a state holiday under the laws of the State of California.

11.16 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Mateo County, California or in the Federal District Court for the Northern District of California.

11.17 Intentionally Omitted

11.18 Political Activity. None of the materials, property or services provided by City to Developer under this Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

11.19 Non-Liability of City Officials, Employees and Agents. No member, official, employee or agent of City shall be personally liable to the Developer in the event of any default or breach by City or for any amount which may become due to the Developer or its successor or on any obligation under the terms of this Agreement.

11.20 Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no person described in subsection (b) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. The Developer shall exercise due diligence to ensure that the prohibition in this Section is followed.

(b) In accordance with Government Code Section 1090 and the Political Reform Act, Government Code Section 87100 *et seq.,* no person who is a director, officer, partner, trustee or employee or consultant of Developer, or immediate family member of any of the preceding, shall make or participate in a decision, made by City or a City board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or the Developer. Interpretation of this Section shall be governed by the definitions and provisions used in the Political Reform Act, Government Code Section 87100 *et seq.,* its implementing regulations manual and codes, and Government Code Section 1090.

SIGNATURES ON FOLLOWING PAGES.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

DEVELOPER:

1837 Junipero Serra Hotel Development, LLC,
a Delaware limited liability company

By: ________________________________

Print Name: _________________________

Title: ______________________________

By: ________________________________

Print Name: _________________________

Title: ______________________________

CITY:

City of Daly City, a municipal corporation

By: ________________________________
, City Manager

ATTEST:

____
, City Clerk

APPROVED AS TO FORM:

____
Rose Zimmerman, City Attorney

Exhibit A-1

LEGAL DESCRIPTION OF THE PROPERTY
(Attach legal description of the Property.)

Exhibit A-2

SITE MAP
(Attach diagram showing Property.)

Exhibit B

PROJECT SCOPE
(Attach description of Project.)

Exhibit C

FORM OF PARKING EASEMENT AGREEMENT
(Attach form of Parking Easement Agreement.)

Exhibit D

FINANCING PLAN
(Attach Financing Plan when approved.)

Exhibit E

FORM OF CERTIFICATE OF COMPLETION
(Attach form of Certificate.)

Exhibit F

FORM OF MEMORANDUM OF OPTION
(Attach form of Memorandum.)

Exhibit G

FORM OF GRANT DEED
(Attach form of Grant Deed.)

City Council Meeting Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: Approval of a Resolution Approving Government Code Section 52201 and 53083 Summary Report in Connection with the Disposition and Development of Property by and Between the City of Daly City 1837 Junipero Serra Hotel Development, LLC located at 1837 Junipero Serra Boulevard, Daly City, CA

Recommended Action

It is recommended that the City Council adopt a resolution approving the summary report pursuant to Government Code Section 52201 and 53083 Report (attached) for the disposition and development of the property located at 1837 Junipero Serra Boulevard, Daly City, CA.

Background

Initiated by the dissolution of Redevelopment Agencies in 2011, the City of Daly City's Successor Agency drafted a Long-Range Property Management Plan (LRPMP) which detailed disposition strategies for former Redevelopment Agency properties. The LRPMP was approved by the Oversight Board and the Department of Finance (DOF) in 2015. The property located at the southeast corner of Junipero Serra Boulevard and Westlake Avenue (Property/Site) was retained for future development.

In March 2017, the City marketed the Site through a competitive RFQ (request for qualifications) process. In August 2017, the City initiated a second round of review for qualified development teams requesting additional project-specific documentation and selected the developer on December 11, 2017. On April 9, 2018, the City Council approved an Exclusive Negotiating Agreement (ENA) between the City of Daly City and AF Canta/Majestic Hospitality (now identified as1837 Junipero Serra Hotel Development, LLC) for the property located at 1837 Junipero Serra Boulevard, Daly City.

Through ongoing negotiations, the City of Daly City and Developer created a draft Disposition and Development Agreement (DDA) that sets forth terms and conditions for the sale and development of the Site. Prior to the sale of the Site, and in order for the City of Daly City to be compliant with State law regarding the lease or sale of former redevelopment agency property, it is necessary that the City create and make available a fair use report pursuant to California Government Code Section 52201 and 53083 (Report).

Discussion

Government Code Section 52201 and 53083 Summary Report

Government Code Section 52201 authorizes the City to sell or lease property to which it holds title for the purpose of creating economic opportunity. The Code requires that the City must first secure approval of the proposed disposition from the City Council after a public hearing. A copy of the proposed DDA and a summary report of the proposed transaction has been made available for public inspection prior to the public hearing.

Kosmont Companies, an independent consultant to the City, prepared the Government Code Section 52201 Summary Report in compliance with the Code (the "Section 52201 Summary Report"). The Section 52201 Summary Report is attached to this report and is incorporated herein by this reference.

The Section 52201 Summary Report contains the following information:

- Summary of the Proposed Disposition – This section includes a description of and other relevant information pertaining to the proposed conveyance of the subject Property between the City and Developer under the DDA;

- Cost of the Agreement to the City – This section summarizes the cost of the agreement to the City, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the City, plus the expected interest on any loans or bonds to finance the agreements;

- Estimated Value of the Interest to be Conveyed Determined at the Highest and Best Use Permitted Under the General Plan or Zoning – This section estimates the value of the interest to be conveyed, determined at the highest and best use permitted under the general plan or zoning for the subject Property;

- Estimated Value of the Interest to be Conveyed Determined at the Use and with the Conditions, Covenants, and Development Costs Required by the Sale – This section estimates the value of the Property interest to be conveyed determined at the use and with the conditions, covenants, and development costs required by the sale of the Property; i.e. the purchase price;

- Consideration Received and Comparison with the Established Value – This section includes an explanation of the reasons for the difference, if the sale price of the Property is less than the fair market value of the interest to be conveyed, determined at the highest and best use;

- Economic Opportunity – This section describes the existing condition of the Property and includes an explanation of why the sale of the Property will assist in the creation of economic opportunity.

Section 53083 of the California Government Code requires that prior to approving an economic development subsidy within its jurisdiction, a local agency must provide all the following information in written form and on its website:

- The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable.

- The start and end dates and schedule, if applicable, for the economic development subsidy.

- A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.

- A statement of the public purposes for the economic development subsidy.

- Projected tax revenue to the local agency as a result of the economic development subsidy.

- Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

This Summary Report sets forth certain details of the proposed disposition of the Property by the City to the Developer. Under the terms of the DDA, the City would sell the Property to the Developer in "As-Is", "Where-Is", and "With All Faults" condition for a purchase price of $1,000,000 ("Purchase Price") to effectuate the development of a hotel project.

The Developer's proposed project, as outlined in the DDA, is the development of a full-service hotel, which is proposed to be branded with a flag owned by Marriot International, Inc., that generally consists of approximately 200 rooms, including approximately 8,500 square feet of meeting space along with bar and restaurant components.

The City obtained a Broker Opinion of Value of the Property in April 2020 from Kosmont Real Estate Services that values the Property at $3,700,000, which is $2,700,00 less than the value of the interest determined to be conveyed determined at the highest and best use permitted under the General Plan and zoning.

The City recognizes that the difference above is necessary for the Project to achieve financial feasibility and for the Developer to achieve an adequate financial return on its investment. City is considering the subsidy in light of the substantial fiscal and economic benefits of the Project, including fiscal revenues of approximately $1.9 million annually or approximately $54.6 million on present value basis over 30 years, approximately 484 direct, temporary jobs from construction, and approximately 150 direct, permanent on-site jobs.

150 direct, full-time equivalent, permanent jobs and the total cost of the agreement at $2,920,000 translates into approximately 1.8 jobs per $35,000 of public investment, which compares favorably

to the identified metric outlined in Government Code Section 52200.2 of approximately 1.0 full-time equivalent, permanent job for every $35,000 of public investment in the Project.

In addition, the Project will generate increased property taxes by approximately 3200% when compared to the year prior to acquisition of the Property by the City in 2003, vastly exceeding the 15% threshold identified as a measure of "economic opportunity" in Government Code 52200.2(b).

Conclusion

Staff recommends that the City Council approve a resolution approving the Government Code Section 52201 and 53083 Report (Attached) and authorize a finding that the Disposition and Development Agreement (DDA) for the property located at 1837 Junipero Serra Boulevard, Daly City, CA, creates an economic opportunity and has been presented in compliance with *California Government Code 52201 and 53083.*

Respectfully submitted,

Tatum Mothershead
Director of Economic and Community Development

Rose Zimmerman
City Attorney

Attachment –

1. Summary Report Pursuant to Section 52201 and 53083 of the California Government Code

SUMMARY REPORT PURSUANT TO SECTIONS 52201 AND 53083 OF THE CALIFORNIA GOVERNMENT CODE IN CONNECTION WITH THE SALE OF PROPERTY BY AND BETWEEN THE CITY OF DALY CITY AND 1837 JUNIPERO SERRA HOTEL, LLC

The City of Daly City ("City") is considering the approval of the proposed sale and disposition of an approximately 1.263-acre parcel ("Property") located at 1837 Junipero Serra Boulevard in Daly City, California (APN: 002-292-310) for the development of a full-service hotel project of approximately two hundred (200) rooms.

The Property is vacant, unimproved land and was originally acquired by the former Daly City Redevelopment Agency ("RDA") in 2003. The subject Property is described in greater detail herein and is also identified and defined as such in the proposed Disposition and Development Agreement ("DDA") proposed to be entered into by and between the City and 1837 Junipero Serra Hotel, LLC, a limited liability corporation organized and authorized to do business in California (the "Developer").

This summary report ("Report") for the proposed sale of the Property has been prepared by the City pursuant to California Government Code Sections 52201 and 53083. This Report sets forth certain details of the proposed DDA.

I. BACKGROUND

Section 52201 of the California Government Code provides that a city, county, or city and county may sell or lease property to create an economic opportunity. The acquisition, sale, or lease shall first be approved by the legislative body by resolution after a legally noticed public hearing. The city, county, or city and county shall also make available a copy of a report that describes and contains specific elements of the proposed transaction(s) for public inspection prior to the public hearing. Pursuant to Section 52201(a)(2)(B), the Report must include the following information:

- A copy of the proposed acquisition, sale, or lease agreement.
- A summary that describes and specifies all of the following:
  - The cost of the agreement to the city, county, or city and county, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the city, county, or city and county, plus the expected interest on any loans or bonds to finance the agreements.
  - For the sale or lease of property, the estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the general plan or zoning.
  - For the sale or lease of property, the estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the city, county, or city and county shall provide as part of the summary an explanation of the reasons for the difference.

  - An explanation of why the acquisition, sale, or lease of the property will assist in the creation of economic opportunity, with reference to all supporting facts and materials relied upon in making this explanation.

Section 53083 of the California Government Code requires that prior to approving an economic development subsidy within its jurisdiction, a local agency must provide all of the following information in written form and on its website:

- The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable.
- The start and end dates and schedule, if applicable, for the economic development subsidy.
- A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.
- A statement of the public purposes for the economic development subsidy.
- Projected tax revenue to the local agency as a result of the economic development subsidy.
- Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.

This Report outlines the primary terms of the proposed sale of the Property from the City to the Developer as outlined in the proposed DDA and addresses the reporting requirements pursuant to Government Code Sections 52201 and 53083.

II. REPORT ORGANIZATION

This Report is based upon information provided in connection with the proposed disposition of the Property and is organized into the following sections:

- **Identity of the Developer** – This section provides the name and address of the Developer, the beneficiary of the economic development subsidy;
- **Summary of the Proposed Disposition** – This section includes a description of and other relevant information pertaining to the proposed conveyance of the subject Property between the City and Developer under the DDA;
- **Cost of the Agreement to the City and Description of the Subsidy** – This section summarizes the cost of the agreement to the City, including details of the economic development subsidy;
- **Estimated Value of the Interest to be Conveyed Determined at the Highest and Best Use** – This section estimates the value of the interest to be conveyed, determined at the highest and best use permitted under the general plan or zoning for the subject Property;

- **Estimated Value of the Interest to be Conveyed Determined at the Use and with the Conditions, Covenants, and Development Costs Required by the Sale** – This section estimates the value of the Property interest to be conveyed determined at the use and with the conditions, covenants, and development costs required by the sale of the Property; i.e. the purchase price;

- **Consideration Received and Comparison with the Established Value –** This section includes an explanation of the reasons for the difference, if the sale price of the Property is less than the fair market value of the interest to be conveyed, determined at the highest and best use;

- **Economic Opportunity and Public Purpose** – This section describes the existing condition of the Property and includes an explanation of why the sale of the Property will assist in the creation of economic opportunity, i.e. the public purpose of the economic development subsidy, including the estimated number of jobs expected to be created by the Project.

This Report sets forth certain details of the proposed disposition of the Property by the City to the Developer. A copy of the proposed DDA is attached to this Report (see Attachment "A").

III. IDENTITY OF THE DEVELOPER

Majestic Hospitality Group, Inc.
2050 South Bundy Drive, Suite 225
Los Angeles, CA 90025

A F Canta, Inc.
4341 Birch Street, Suite 203
Newport Beach, CA 92660

Majestic Hospitality Group, Inc. and A F Canta, Inc. expect to create a single purpose entity tentatively known as 1837 Junipero Serra Hotel, LLC ("LLC"), a California limited liability company, to ultimately acquire the Property, construct the improvements and operate the hotel ("Project").

III. SUMMARY OF PROPOSED DISPOSITION OF THE PROPERTY

Under the terms of the DDA, the City would sell the Property to the Developer in "As-Is", "Where-Is", and "With All Faults" condition for a purchase price of $1,000,000 ("Purchase Price") to effectuate the development of a hotel project.

The Developer's proposed Project, as outlined in the DDA, is the development of a full-service hotel, which is proposed to be branded with a flag owned by Marriott International, Inc. (e.g., Sheraton and Marriott), that generally consists of approximately two hundred (200) rooms, including approximately 8,500 square feet of meeting space along with bar and restaurant components.

IV. COST OF THE AGREEMENT TO THE CITY AND DESCRIPTION OF THE SUBSIDY

The City is providing the Developer with a $150,000 reduction to the amount of planning and permitting fees when due, pursuant to the municipal code. The City is additionally providing a subsidy of approximately $2,770,000 in the form of a reduced purchase price as detailed in Sections V, VI, and VII herein. The total cost of the agreement is thus estimated to be $2,920,000, expended on a “one-time” basis in the pre-development phase of the Project.

V. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE HIGHEST AND BEST USE

The City obtained a Broker Opinion of Value (“BOV”) for the Property in April 2020 from Kosmont Realty that values the Property at $3,770,000 at the highest and best use permitted under the City General Plan and zoning.

VI. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT THE USE AND WITH THE CONDITIONS, COVENANTS, AND DEVELOPMENT COSTS REQUIRED BY THE SALE

The estimated value of the interest to be conveyed by the sale (i.e. reuse value) is $1,000,000. This value represents the maximum amount that the Developer is able to contribute in order for the Project to achieve financial feasibility, based on its development pro forma analysis and required market risk-adjusted return on investment.

In March 2017, the City marketed the Property through a competitive request for qualifications (“RFQ”) process, resulting in four (4) responses from development teams. In August 2017, the City subsequently released a “Round Two” request for proposals (“RFP”) and term sheets from the qualified respondents. The three firms competing with the Developer removed themselves from consideration, and the Developer provided its RFP response and term sheet, eventually arriving at a proposed offer price of $1,000,000.

VII. CONSIDERATION RECEIVED AND COMPARISON WITH THE ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT HIGHEST AND BEST USE

Consideration proposed to be received by the City is the purchase price of $1,000,000. This value is $2,770,000 less than the value of the interest to be conveyed determined at the highest and best use permitted under the General Plan and zoning as outlined in Section V.

City recognizes that the difference above is necessary for the Project to achieve financial feasibility and for the Developer to achieve an adequate financial return on its investment. City is considering the subsidy in light of the substantial fiscal and economic benefits of the Project, including fiscal revenues of approximately $1.9 million annually or approximately $54.6 million on a present value basis over 30 years, approximately 484 direct, temporary jobs from construction, and approximately 150 direct, permanent on-site jobs, as detailed in Section VIII.

150 direct, full-time equivalent, permanent jobs and the total cost of the agreement at $2,920,000 translates into approximately 1.8 jobs per $35,000 of public investment, which compares favorably

to the identified metric outlined in Government Code Section 52200.2 of approximately 1.0 full-time equivalent, permanent job for every $35,000 of public investment in the Project.

VIII. ECONOMIC OPPORTUNITY AND PUBLIC PURPOSE

The City's economic development consultant, Kosmont Companies, estimates that the Project will generate significant fiscal revenue and job creation in the City and the greater local region:

- Property tax, sales tax, and transient occupancy tax of approximately $1.9 million per year, or approximately $54.6 million on a present value basis over 30 years (3% discount rate) to the City;

- During construction, an increase in economic output of approximately $135 million, creating 782 direct, indirect, and induced jobs and resulting in approximately $62.0 million in personal income in the greater local region;

- After Project completion, a total economic output of approximately $29.9 million per year, supporting approximately $11.8 million in personal income through direct, indirect, and induced impacts. An estimated 150 new permanent, on-site jobs would be created, along with 72 indirect and induced jobs, for a total of approximately 222 jobs to be created.

Estimated Direct, On-Site Job Creation	**Construction-Phase**	**Operation Phase**	**Total**
Full-Time		150	**150**
Part-Time			
Temporary	484		**484**
Total	**484**	**150**	**634**

Estimated Total Job Creation*	**Construction-Phase**	**Operation Phase**	**Total**
Full-Time		222	**222**
Part-Time			
Temporary	782		**782**
Total	**782**	**222**	**1,004**

**Includes direct, indirect, and induced jobs*

In addition, the Project will convert a long-underutilized parcel of vacant land into high-demand hospitality improvements near public transit and a major international airport.

The Project will generate increased property taxes by approximately 3200% (32x) when compared to the year prior to acquisition of the Property by City in 2003, vastly exceeding the 15% threshold identified as a measure of "economic opportunity" in Government Code 52200.2(b).

Additionally, given that the Project is estimated to create 150 new direct, permanent jobs or 1.8 jobs per $35,000 of public investment, the employment creation benefit exceeds the benchmark measure of "economic opportunity" described in Government Code 52200.2(a) of 1.0 job per $35,000.

City Council Agenda Report

Item # _____

Meeting Date: November 23, 2020

Subject: **Appropriate Funds and Award of Construction Contract for the Central Corridor Bicycle and Pedestrian Safety Improvements Project**

Recommended Action

Staff recommends that the City Council:

1. Approve the design documents for the Central Corridor Bicycle and Pedestrian Safety Improvements project;

2. Affirm the National Environmental Policy Act (NEPA) determination of Categorical Exclusion and the California Environmental Quality Act (CEQA) determination of Categorical Exemption;

3. Accept all bids, waive minor irregularities, and award a construction contract to Golden Bay Construction, Inc. of Hayward, California, for the Base Bid, Add Alternate 1, Add Alternate 2 and Add Alternate 3, in the amount of $2,117,549.25;

4. Appropriate $731,022 of AB1600 Transportation funds to fully fund the project; and

5. Authorize the City Manager to execute all necessary contracts to complete the project.

Background

In May 2015, the City Council authorized staff to submit an application for the Active Transportation Program (ATP) Cycle 2 grant funds for the Central Corridor Bicycle and Pedestrian Safety Improvements project. The City's application requested $2,019,000 in grant funds, with a proposed $103,000 local match. Public Works staff also leveraged $154,000 in Transportation Development Act (TDA) Article 3 grant funds previously awarded by the City/County Association of Governments of San Mateo County (C/CAG) for bicycle and pedestrian improvements along the Eastmoor Avenue portion of the Central Corridor Bicycle and Pedestrian Improvements project limits.

The City was selected for grant funding from the statewide competitive program for the full requested amount of $2,019,000.

In April 2016, the City Council accepted and appropriated the ATP Cycle 2 grant fund in the amount of $2,019,000 and authorized the City Manager to execute the Funding Agreement for the grant from Caltrans for the Central Corridor Bicycle and Pedestrian Improvement project. City Council also authorized the appropriation of $103,000 in AB1600 transportation funds to cover the City's required local match.

In April 2017, the City received approval for $300,000 for the Design phase of the project. In June 2020, the City received approval for $1,719,000 for the Construction phase of project.

The Central Corridor Bicycle and Pedestrian Improvements project includes both bicycle and pedestrian improvements, sidewalk gap closure and captures the few remaining bicycle and pedestrian improvements identified in the City's 2013 Bicycle and Pedestrian Master Plan. The scope of work includes the following:

1) East-West Cross-Town Ped and Bicycle Route
The existing East-West cross-town bicycle route gap along Westmoor-San Pedro-East Market-Guadalupe Canyon Parkway from Baldwin Ave. to the eastern City limit will be completed with the construction of Class 2 bicycle lanes on Eastmoor and Westmoor, and Class 3 bicycle routes on San Pedro, East Market, and Guadalupe Canyon Parkway. Pedestrian access will be improved with the addition of 38 new ADA-compliant curb ramps, and 3 new pedestrian bulb-outs, and 2 speed feedback signs.

2) North-South Cross-Town Ped and Bicycle Route
Class 3 bicycle routes will be added along Junipero Serra Boulevard, from John Daly Boulevard to the southern City limit, creating a bicycle connection with the existing bicycle route along Junipero Serra Boulevard in the Town of Colma. Pedestrian access will be improved with the addition of 18 new ADA-compliant curb ramps and other intersection improvements detailed in numbers 4, 5, and 6 below.

3) Mission Street Sidewalk Gap Closure
Sidewalk will be installed along Mission Street (west side) between San Pedro Road and A Street, to close an existing sidewalk gap, and to improve pedestrian access to the Colma BART Station. Of the proposed 1,050 linear feet of new sidewalk, approximately 370 linear feet is located within Unincorporated San Mateo County.

4) Pedestrian Improvements at Junipero Serra Boulevard and John Daly Boulevard
Pedestrian improvements will include a new pedestrian bulb-out and ramp widening to accommodate large numbers of pedestrians waiting to cross Junipero Serra Boulevard during peak commute hours. Relocation of the pedestrian push buttons, poles, and fencing will improve pedestrian visibility and facilitate use by mobility-impaired users.

5) Pedestrian Improvements at Junipero Serra Boulevard and Washington Street
Pedestrian improvements will include a new pedestrian crossing across Washington Street, ADA-compliant curb ramps, ADA-compliant pedestrian pushbuttons and countdown signals.

6) Pedestrian Improvements at Junipero Serra Boulevard/San Pedro Road-Eastmoor Avenue
Pedestrian crossing enhancements will be provided at this intersection to increase pedestrian visibility. The scope of work will include replacement of tall vegetation with low vegetation on the southeast corner.

Discussion

The construction bid documents were prepared by SAGE Consultant Engineers, Inc. of San Francisco, California in cooperation with City staff. The project was advertised on September 27, 2020 and four (4) bids were received on October 26, 2020 with total bids ranging from \$2,117,549.25 to \$2,713,434.39. Determination of the lowest responsible bidder was based on the lowest combined total of the Base Bid, Add Alternate 1, Add Alternate 2 and Add Alternate 3. The four (4) bids and the Engineer's Estimate are summarized as follows:

Bidder	Base Bid	Add Alternate 1, Add Alternate 2, and Add Alternate 3	Total Sum of Base Bid, Add Alternate 1, Add Alternate 2, and Add Alternate 3	Comments
Golden Bay Construction, Inc.	$2,083,649.25	$33,900.00	$2,117,549.25	Responsive Bid
FBD Vanguard Construction, Inc.	$2,158,638.48	$40,100.00	$2,198,738.48	Responsive Bid
RK Engineering, Inc.	$2,586,346.00	$35,800.00	$2,622,146.00	Responsive Bid
Sposeto Engineering, Inc.	$2,670,884.39	$42,550.00	$2,713,434.39	Responsive Bid
Engineer's Estimate	**$1,832,534.00**	**$11,500.00**	**$1,844,034.00**	

Golden Bay Construction, Inc. of Hayward, California has been in business since 1983. This bidder holds the required Class A contractor's license, which is current and in good standing. The contractor's references for work performed for other public agencies are acceptable including the Cities of San Bruno, San Mateo and South San Francisco. Based on Public Works staff evaluation, Golden Bay Construction, Inc. met the Disadvantaged Business Enterprise (DBE) participation goal of 10% for the project. They propose to utilize DBE subcontractors for electrical, slurry seal and signing and striping work on the project for approximately 20% of the contract cost.

Add Alternate 1 is for the adjustment of Comcast utility boxes, Add Alternate 2 is for the adjustment of AT&T utility boxes and Add Alternate 3 is for the relocation of a street light pole. All three Add Alternates are recommended to be included with the construction contract award as it allows the City flexibility to include the work if Comcast and AT&T decides to have their work done by the City's contractor. Both Comcast and AT&T would reimburse the City for the cost of Add Alternate 1 and Add Alternate 2, respectively.

The low bid for this project is 14.8% higher than the Engineer's estimate. Staff compared the unit prices in the bid proposal with other projects with similar concrete and striping work that the City recently awarded and determined that the unit prices submitted are reasonable in this current construction industry market.

If approved, it is anticipated that the Central Corridor Bicycle and Pedestrian Safety Improvements project would begin construction in January 2021 and be completed by September 2021.

<u>Fiscal Impact</u>

The total estimated construction cost for the Central Corridor Bicycle and Pedestrian Safety Improvements project is $2,435,182, including $2,117,549.25 for the construction contract award, as well as an additional $317,632.75 for construction contingency and contract administration (15% of the construction contract).

An additional $731,022 above the previously appropriated $2,019,000 of ATP funds, $154,000 TDA Article 3 funds, and $103,000 in AB1600 transportation funds, is needed in Fiscal Year 2020-21 Central Corridor Bicycle and Pedestrian Improvements project account 17-312-638 to fully fund the project. This action will transfer $731,022 from the AB1600 Transportation Funds to this project.

<u>Summary/Conclusion</u>

Staff recommends that the City Council:

1. Approve the design documents for the Central Corridor Bicycle and Pedestrian Improvements project;

2. Affirm the National Environmental Policy Act (NEPA) determination of Categorical Exclusion and the California Environmental Quality Act (CEQA) determination of Categorical Exemption;

3. Accept all bids, waive minor irregularities, and award a construction contract to Golden Bay Construction, Inc. of Hayward, California, for the Base Bid, Add Alternate 1, Add Alternate 2 and Add Alternate 3, in the amount of $2,117,549.25;

4. Appropriate $731,022 of AB1600 Transportation funds to fully fund the project; and

5. Authorize the City Manager to execute all necessary contracts to complete the project.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Shirley Chan
Senior Civil Engineer

Richard Chiu Jr.
Director of Public Works

Attachments:

1. Project Location Map

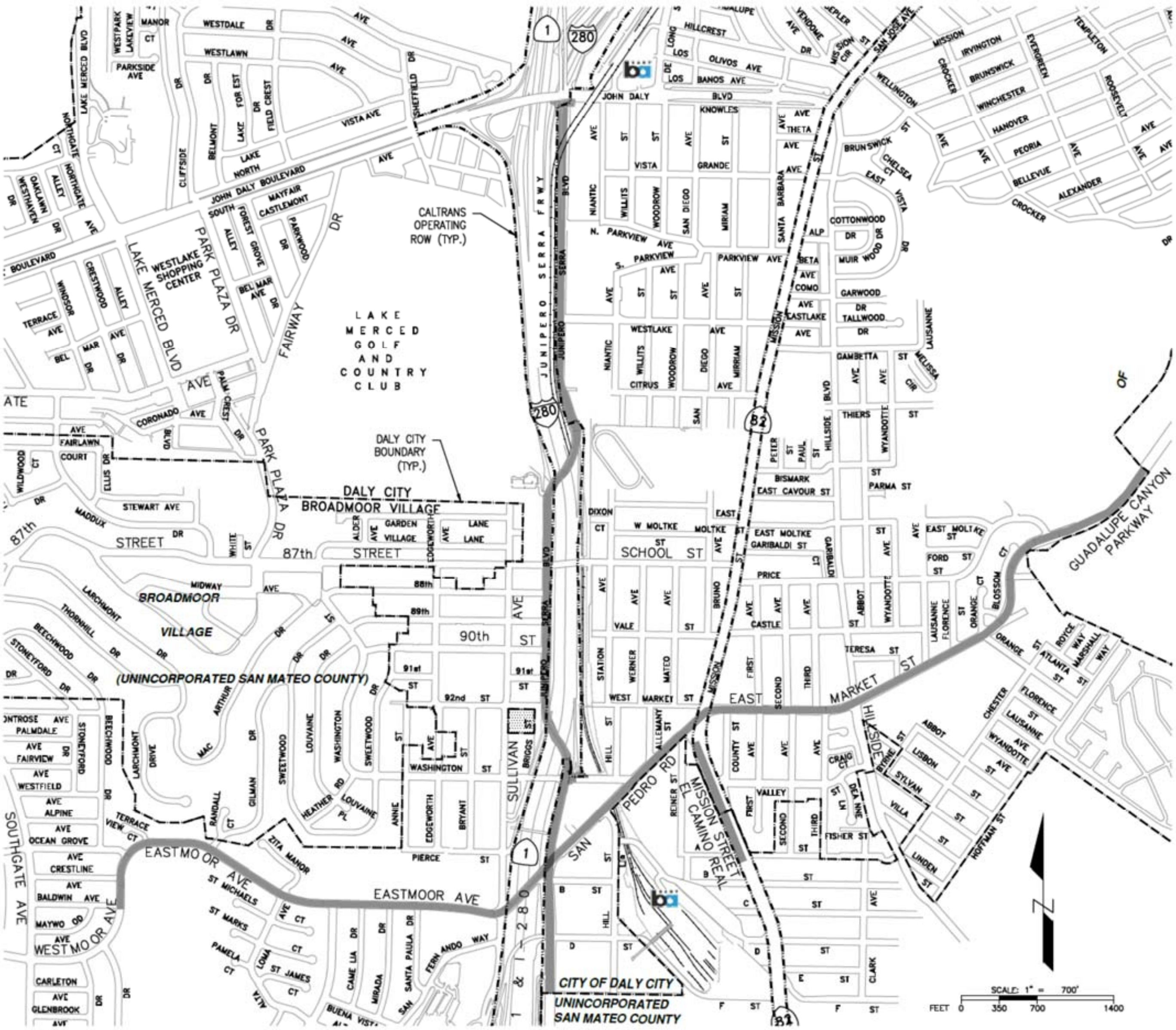
2. Central Corridor Bicycle and Pedestrian Safety Improvements Project Plans and Specifications are available for viewing at the City Clerk's Office.

CITY OF DALY CITY

SAN MATEO COUNTY, CALIFORNIA

PROJECT PLANS FOR CONSTRUCTION OF

CENTRAL CORRIDOR BICYCLE AND PEDESTRIAN SAFETY IMPROVEMENTS
FEDERAL PROJECT NO. ATPL-5196(040)



ORDINANCE NO. _1440_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY ADDING CHAPTER 5.92 TO THE DALY CITY MUNICIPAL CODE RE: SHORT-TERM RENTALS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DALY CITY DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 5.92 of Title 5 of the Daly City Municipal Code is hereby added to read as follows:

Chapter 5.92
SHORT-TERM RENTALS

5.92.010 **Purpose**
5.92.020 **Applicability**
5.92.030 **Definitions**
5.92.040 **Eligibility**
5.92.050 **Requirements**
5.92.060 **Fees**
5.92.070 **Expiration and Renewal**
5.92.080 **Enforcement**
5.92.090 **Amnesty Period for Short-Term Rentals**

5.92.010 – Purpose.

The purposes of the Short-Term Rentals related regulations contained in this Chapter are:

A. To prevent long-term rental units from being replaced with Short-Term Rentals and protect affordable housing units from conversion.
B. To preserve and protect neighborhood character and livability from nuisances that are often associated with Short-Term Rentals.
C. To generate City revenue to share City infrastructure cost and other public expenditures by operation of Short-Term Rentals under established standards.
D. To provide alternative forms of lodging.

5.92.020 – Applicability.

The following standards apply to short-term rentals whereby a dwelling unit is shared, in whole or in part, for transient occupancy as a way of generating rental income.

5.92.030 – Definitions.

For the purposes of this Chapter, the following terms shall have the following meanings:

A. **“Bedroom”** means a part or division of a building enclosed by walls, floor, and ceiling intended and designed for sleeping.
B. **“Condominium”** means a single, individually-owned dwelling unit in a multi-unit building in which the owner holds sole title to the unit, but owns land and common property (i.e. elevators, halls, roof, stairs, etc.) jointly with other unit owners, and shares the upkeep expenses on the common-property with them.
C. “**Guest”** means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a home shall be deemed to be a transient until the period of thirty days has expired unless there is an agreement in writing between the host and the guest providing for a longer period of occupancy. In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of the ordinance codified in this chapter may be considered.
D. **“Home-sharing**” means an accessory use of a primary residence for the purposes of providing temporary lodging, for compensation, for periods of 30 consecutive days or less.
E. **“Host**” means an owner or tenant of a dwelling unit who rents their primary residence for home-sharing under this Chapter.
F. **“Hosted stay**” means a home-sharing activity whereby the host remains on-site throughout the guest’s stay (except during daytime and/or work hours).
G. **“Hosting platform**” means a business or person that provides a means through which a Host may offer a dwelling unit, or portion thereof, for home-sharing. A Hosting Platform is usually, though not necessarily, provided through an internet-based platform. It generally allows a property owner or tenant to advertise the dwelling unit through a website provided by the Hosting Platform and provides a means for potential guests to arrange short-term rentals, whether the guests pay rent directly to the Host or to the Hosting Platform.
H. **“Primary residence**” means a host's permanent residence or usual place of return for housing as documented by evidence of occupancy as determined by the Finance Department and Planning Department. A person may only have one primary residence and must reside there for a minimum of 265 days per year.
I. **“Un-hosted stay”** means a home-sharing activity whereby the host remains off-site during the guest's stay.
J. **“Vacation rental”** means a dwelling unit that is not a primary residence and which is available for temporary lodging for compensation. The term "vacation rental" shall not include single-room occupancy buildings, bed and breakfast inns, hotels, or corporate housing.

5.92.40 – Eligibility.

A. Short-term rentals shall be permitted in single-family residences, condominiums, duplexes, townhomes, and properties with multiple rental units. For owner-occupied properties with multiple rental units, the owner of such property may only host a short-term rental in the dwelling unit that is their primary residence.
B. Short-term rentals shall not be permitted in inclusionary housing or other income-restricted housing units or on properties with accessory dwelling units or junior accessory dwelling units.
C. Vacation rentals, as defined in this Chapter, are prohibited and shall not be operated in the City.

5.92.050 – Requirements.

The host is required to obtain a business license from the Finance Department and Short-Term Rental permit from the Planning Department before renting any primary residence to any guest.

A. **Business License**. To apply for a business license, a host shall file an application with the Finance Department as stipulated in Chapter 5.12 (*Licensing Regulations*) and obtain a Transient Occupancy Registration Certificate from the Finance Department as stipulated in Chapter 3.32 (*Transient Occupancy Tax*).
B. **Short-Term Rental Permit**. To apply for a Short-Term Rental permit, a host shall file an application with the Planning Department on a form provided by the Planning Department, and shall include all information required by the instructions on the application and the guidelines necessary to implement this Chapter.
    a. **Eligibility Requirements**. The following requirements must be met for approval of a Short-Term Rental permit:
        i. The host shall sign a notarized affidavit confirming the following:
            1. The short-term rental unit is their primary residence. If the host is not the property owner, a notarized supplemental authorization form signed by all property owners must be submitted with the application.
            2. The designated local responsible contact person will be available twenty-four (24) hours per day to accept telephone calls regarding the short-term rental when occupied and respond within one hour. The host shall keep on file with the City the name, telephone number, and mailing address of the designated local responsible contact person who shall be responsible for responding to questions or concerns regarding the operation of the short-term rental. This information shall be posted in a conspicuous location within the short-term rental.
            3. The short-term rental is legally permitted and habitable based on building permit history. In the absence of a building permit record demonstrating such, the Building Official shall determine if the

accessory structure is suitable for habitability and an inspection of the accessory structure may be required.

4. The space used for short-term rental meets or exceeds fire and life safety requirements, including installation of smoke and carbon monoxide detectors, and adequate means of egress.
5. The host has signed an indemnification and hold harmless agreement in a form approved by the City Attorney, agreeing to indemnify, save, protect, hold harmless, and defend the City of Daly City, the City Council of the City of Daly City, individually and collectively, and the City of Daly City representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, or costs at any time received , incurred, or accrued as a result of, or arising out of host's actions or inaction in the operation, occupancy, use, and/or maintenance of the property.
6. The host shall adhere to the short-term rental regulations listed in Sections 5.92.050.C and 5.92.050.D.

b. For properties with active business licenses for short-term rentals issued prior to January 1, 2021, compliance with this Chapter shall be required upon expiration of said business license.

C. **Short-Term Rental Regulations**.

a. Un-hosted stays shall be limited to a maximum of 100 days per year. There shall be no limit for hosted stays.

b. If a dwelling unit is subject to the rules of a homeowners' or condominium association, this Chapter shall not grant any permission that invalidates or supersedes provisions regarding home-sharing.

c. Short-term rentals shall not be advertised for or used by more than two guests per bedroom plus two additional guests at one time.

d. Short-term rentals shall be limited to one booking per property per day. A booking may consist of the short-term rental of one or more bedrooms in the home or the short-term rental of the entire home. A short-term rental may operate in conjunction with a long-term rental, the rental of a primary residence for periods of more than 30 consecutive days, in the home.

e. No additional parking shall be required for short-term rentals. Existing on-site parking spaces shall be made available to guests.

f. Short-term rentals shall not adversely affect the residential character of the neighborhood nor shall the use generate noise, vibration, glare, odors, or other effects that unreasonably interfere with any person's reasonable enjoyment of his or her residence. To this effect, the short-term rental activity shall comply with all provisions of the Daly City Municipal Code, including, but not limited to Chapter 8.32 (*Litter*), Chapter 9.22 (*Disturbing the Peace*), and Chapter 10.40 (*Residential Parking Permits*).

g. No person shall advertise, undertake, maintain, authorize, book, or facilitate any renting to guests in a manner that does not comply with this Chapter.
h. No person shall advertise any short-term rental without a City issued short-term rental permit number depicted in a visible location on the advertisement, including any listing on a hosting platform.
i. No signs shall be posted on the exterior of the dwelling unit advertising the presence of the short-term rental use.
j. Commercial events including, but not limited to weddings, banquets, and corporate events, are prohibited from occurring as part of the short-term rental use. The dwelling shall not be advertised or rented for the sole purpose of accommodating such uses.
k. No person shall offer or engage in short-term rental in any part of the property not approved for residential use, including but not limited to, a vehicle parked on the property, a storage shed, trailer, garage, or any temporary structure such as a tent.

D. **Host Requirements**.

a. The host, and the property owner if the host is the tenant, shall be responsible for any nuisance violations arising at a property during short-term rental activities.
b. The host shall identify a local responsible contact person to be available twenty-four (24) hours per day during the term of any hosted or un-hosted stay who shall respond to any concerns or requests for assistance related to the condition, operation, or conduct of guests of the short-term rental within one hour.
c. The host shall provide and maintain fire extinguishers, smoke detectors, carbon monoxide detectors, and information related to emergency exit routes and emergency contact information.
d. The host shall keep and preserve all records as may be necessary to determine the amount of such tax as he/she may have been liable for the collection of and payment to the City, including the number and length of each short-term rental stay, and the price paid for each stay. The Finance Department and Planning Department shall have the right to inspect these records at all reasonable times. Hosts shall provide a copy of the records from the last year to the Finance Department at the time of renewing the short-term rental permit.
e. The host shall fully comply with all the requirements of Chapter 3.32 (*Transient Occupancy Tax*) and any successor sections.

5.92.060 – Fees.

The City Council shall establish and set by Resolution all fees and charges as may be necessary to effectuate the purpose of this Chapter.

5.92.070 – Expiration and Renewal.

A. A Short-Term Rental permit is valid for the same duration as the associated business license which expires on September 30th of the year the business license is issued. It may not be transferred, does not run with the land, and is valid only at the original short-term rental site. The Short-Term Rental permit shall automatically expire upon sale or transfer of the property. No registration may be assigned, transferred, or loaned to any other person.
B. A short-term rental permit may be renewed if the host meets the following renewal requirements:
    a. Payment of registration renewal fees and all required transient occupancy tax remittance associated with the short-term rental. The host shall submit such information concerning the short-term rental activity as may be required to enable the Finance Department to verify the amount of tax paid.
    b. Is deemed to have been in conformance with the provisions of this Chapter for the past year.
    c. Documents and provides any changes that have occurred to the information on the current short-term rental permit.
    d. Submits short-term rental records as required in Section 5.70.040.D for the last year.
C. Failure to renew prior to the expiration date will result in expiration of the short-term rental permit.

5.92.080 – Enforcement.

A. Failure to comply with any provision of this Chapter may constitute a violation.
B. If the same property being used for short-term rental has been issued three violations between the date the Short-Term Rental permit was issued and the next renewal period, the property shall become ineligible for renewal of the Short-Term Rental permit at the next renewal period of that calendar year. At the start of the renewal period of the next following calendar year, the eligibility of said property shall be reinstated.
C. The City has the sole discretion to suspend the Short-Term Rental permit of any property being used for short-term rental with one or more violations pursuant to Chapter 8.16 (*Property Maintenance and Nuisance Abatement)* of the Daly City Municipal Code. If a Short-Term Rental permit is revoked, the host must wait at least one calendar year before an application for short-term rental can be filed for that property.
D. Any person convicted of violating any provision of this Chapter in a criminal case or found to be in violation of this chapter in a civil case brought by a law enforcement agency shall be ordered to reimburse the City and other participating law enforcement agencies their full investigative costs, pay all back Transient Occupancy Taxes, and remit all illegally obtained rental revenue to the City so that it may be returned to the short-term rental guests or used to compensate victims of illegal short-term rental activities.

E. Any person who violates any provision of this Chapter shall be subject to administrative fines and administrative penalties pursuant to Chapter 8.16 (*Property Maintenance and Nuisance Abatement)* of the Daly City Municipal Code.
F. The remedies provided in this Section are not exclusive, and nothing in this Chapter shall preclude the use or application of any other remedies, penalties, or procedures established by law. The City may pursue any other administrative or judicial legal remedies available, including, but not limited to, civil injunctions, license revocations, and civil penalties for violations of this Chapter.

5.92.090 – Amnesty Period for Short-Term Rentals.

Short-term rentals with a business license operating on or before the enactment of this Chapter shall be considered existing, unpermitted uses. An amnesty period of nine (9) months ending on September 30, 2021 after the effective date of this Chapter is being provided to allow existing, unpermitted uses to be legalized by conforming to the requirements of this Chapter, including compliance with operating standards, registration, and recordkeeping obligations. Existing short-term rental uses that do not conform to the requirements of this Chapter on or before September 30, 2021 after the effective date of this Chapter shall cease operation and be prohibited from resuming unless and until the use conforms to the requirements of this Chapter.

SECTION 2. **Severability**. If any section, subsection, provision or part of this Ordinance, or its application to any person or circumstance, is held to be unconstitutional or otherwise invalid, the remainder of this Ordinance, and the application of such provision to other person or circumstances, shall not be affected thereby and shall remain in full force and effect and, to that end, the provisions of this Ordinance are severable.

SECTION 3. **Environmental Determination**. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making.

SECTION 4. **Publication and Effective Date.** Pursuant to the provisions of Government Code Section 36933, a summary of this ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post it in the City Clerk's Office a certified copy of this ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary and (2) post in the City Clerk's Office a certified copy of the full text of this ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting. This ordinance shall become effective on January 1, 2021. For properties within the Coastal Zone, this Ordinance shall not become effective until the California Coastal Commission certifies an amendment to the City's local coastal program pursuant to Section 30514 of the California Public Resources Code.

Introduced this ______9th______day of_______November____, 2020.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the _______day of__________________, 2020, by the following vote:

AYES, Councilmembers:____

____

NOES, Councilmembers:____

Absent, Councilmembers:____

____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

____

MAYOR OF THE CITY OF DALY CITY

City Council Meeting Agenda Report

Item # ____

Meeting Date: November 23, 2020

To: Honorable City Council

From: Angie Padilla, City Manager's Office

AP

Date: November 23, 2020

Subject: Council Committee Meetings October 25 – November 22, 2020

Date of Meeting:	Meeting:	In Attendance:
November 13, 2020	**Cannabis Council Committee-** Discuss Modifications of the Commercial Cannabis Ordinance and the Potential Use of Zones Instead of Spatial Distancing Requirement in the Ordinance	Buenaventura Daus-Magbual Zimmerman Stolte Ramos Mothershead Nevin Van Lonkhuysen

CITY OF DALY CITY INTER-OFFICE MEMORANDUM

DATE: November 13, 2020

TO: See Below

FROM: Angie Padilla, City Manager's Office

REVISED

SUBJECT: **MEETING NOTICE**

RE: **Cannabis Council Committee -**
Discuss Modifications of the Commercial Cannabis Ordinance and the Potential Use of Zones Instead of Spatial Distancing Requirement in the Ordinance

DATE: **Friday, November 13, 2020**

TIME: **9:00 a.m. – 10:00 a.m.**

PLACE: VIRTUAL MEETING

ATTENDING:

City Participants:	Other Participants:
Raymond Buenaventura, Mayor	
Rod Daus-Magbual, Councilmember	
Rose Zimmerman, City Attorney	
Stephen Stolte, Assistant City Manager	
Leilani Ramos, Assistant to the City Manager	
Tatum Mothershead, Dir. of ECD	
Tim Nevin, Dir. of Finance	
Michael Van Lonkhuysen, Planning Mgr.	

cc: City Council

DALY CITY INTER-OFFICE MEMORANDUM

DATE: November 13, 2020

TO: Raymond A. Buenaventura, Mayor
Rod Daus-Magbual, Councilmember

FROM: Michael Van Lonkhuysen, Planning Manager
Brandon Phipps, Economic Development Specialist

VIA: Shawnna Maltbie, City Manager
Rose Zimmerman, City Attorney
Tatum Mothershead, Economic and Community Development Director

SUBJECT: Updates to City of Daly City Commercial Cannabis Ordinance

Recommended Action

Staff recommends that the Council Committee review the discussion topics outlined in this staff report and be prepared to discuss at the Council Committee meeting.

Background

In 2016, California voters enacted Proposition 64, intended to create a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of non-medical cannabis, and to tax the cultivation and retail sale of cannabis for non-medical use. In November 2018, Daly City voters approved a business license tax on all cannabis businesses of up to ten percent of gross receipts in anticipation of the future allowance of cannabis sales. In October 2019, the City Council adopted an ordinance which authorizes commercial cannabis activities and establishes the process for permitting and regulating commercial cannabis activities in Daly City.

As adopted, the ordinance requires that, in addition to a State license, operators of commercial cannabis businesses in Daly City obtain a Commercial Cannabis Business License from the City. All such licenses will be reviewed by the Chief of Police and will include a background check, Live Scan fingerprinting, security plan, and ensure compliance with the State Licensing Procedures.

The ordinance also requires staff to develop and to present to City Council for adoption an overlay district in which commercial cannabis operations would be allowed to operate. In April 2019, staff discussed with the Council Committee an option of not requiring a discretionary land use entitlement such as a use permit to operate commercial cannabis sales within the overlay district. The allowance of retail sales without a use permit would forego the need for a public hearing prior to the issuance of each commercial cannabis sales permit. Instead, public hearings would be held upon initial adoption of the overlay district.

In July 2020, staff presented the draft retail sale overlay district maps to the Council committee and the Committee accepted for recommendation to the City Council a series of maps intended to implement an approximate 600-foot buffer zone around schools and youth centers throughout Daly City. These overlay district maps are based generally on whether the frontage of a property (where the property abuts the public right-of-way) is greater than 600 feet from a public/private school and/or youth center. As described in the July 2020 staff report, certain properties are excluded from the overlay district even if they are outside the buffer zone.

Potential Use of Zones Instead of Spatial Distancing

During the Committee meeting, the Committee discussed a desire to limit the number of retail locations in any given overlay district by requiring a spatial distance requirement between retailers or altogether placing a cap on the number of retailers that could operate in any given overlay zone. Such a regulation would be included in the establishment of the Cannabis Overlay Zoning District which is currently anticipated to allow retail cannabis sales "by right" and without public hearings.

Since the Committee meeting, staff has formulated the concept of eligibility zones in lieu of a distance requirement between cannabis retailers. Staff has developed two potential versions of these eligibility zones, which would allow between nine and 12 cannabis retail locations citywide (see Attachment A – Potential Cannabis Retail Eligibility Zones). Staff feels that using eligibility zones accomplishes the goals intended by specially distancing retail sales, while at the same time providing better certainty to potential retailers and facilitating easier enforcement of the ordinance. The use of eligibility zones will be discussed further at the Council Committee meeting.

Other Updates to Cannabis Ordinance

In addition to the concept of eligibility zones, staff has identified additional areas where the existing Cannabis Ordinance merits revision and refinement (see Attachment B – Proposed Updates to Commercial Cannabis Ordinance). These are summarized as follows:

Addition to Security Plan Requirements. Staff is recommending additional measures to ensure on-site security, including more detailed requirements for the retailer's security alarm system, and product storage. The security alarm system requirement would mandate security cameras be in use 24 hours per day and cover all areas of the store (e.g., cannabis dispensing areas, storage areas, doors/windows with access into facility, parking area, and others as deemed necessary by the Police Department. The product storage requirement would require that cannabis or cannabis products stored in retail location must be in a secure area equipped with commercial locks and reinforced doors.

Application Procedures. Staff is recommending the use of a lottery system to determine which applicant will be issued a retail license. The proposed system is outlined as follows:

1) All applications for a given year will be due by a date determined by staff and provided through an online portal;
2) Staff will review applications to ensure that they meet minimum criteria;
3) Applications that do not meet the minimum criteria will be removed from consideration; applicants will be notified if their application does not meet City's minimum criteria;
4) After closing the application acceptance window, the staff will categorize received eligible applications by Eligibility Zone as further detailed and described in Zoning Ordinance;
5) Staff will randomly select one eligible application for each Eligibility Zone unless no applications have been received for a given Eligibility Zone;
6) Selected applicants will be issued a provisional Commercial Cannabis Business License with an invitation to apply for a formal Commercial Cannabis Business License pending final verification of Security Plans and site control in the form of an executed lease or property ownership;
7) All applications must show continual good faith efforts to obtain the Commercial Cannabis Business License or else communicate that they are no longer pursuing the application;
8) If staff determines that the application is not progressing, the staff shall notify the applicant of the intent to deny the application and the required next steps for the applicant to rectify. The applicant shall have 30 days from the date of the issuance of the notification to meet the next steps, or the application shall be denied;
9) If an application is denied or the applicant decides not to pursue the application, staff shall select at random one eligible application from the pool of remaining applicants with a proposed location in the same Eligibility Zone from which the denied or abandoned application was selected.

Business Licenses would not be issued until after the Planning Division has issued a Zoning Clearance and has approved the proposed location of the cannabis operation. Furthermore, business licenses shall not be issued until after the Police Department has approved the Security Plan associated with the proposed cannabis operation.

Summary/Conclusion

The Council Committee should do the following:

1. Consider the use of eligibility zones in lieu of a distance requirement between cannabis retailers and, if eligibility zones are acceptable, accepting which version of the eligibility zones to implement, allowing either nine and 12 cannabis retail locations; and

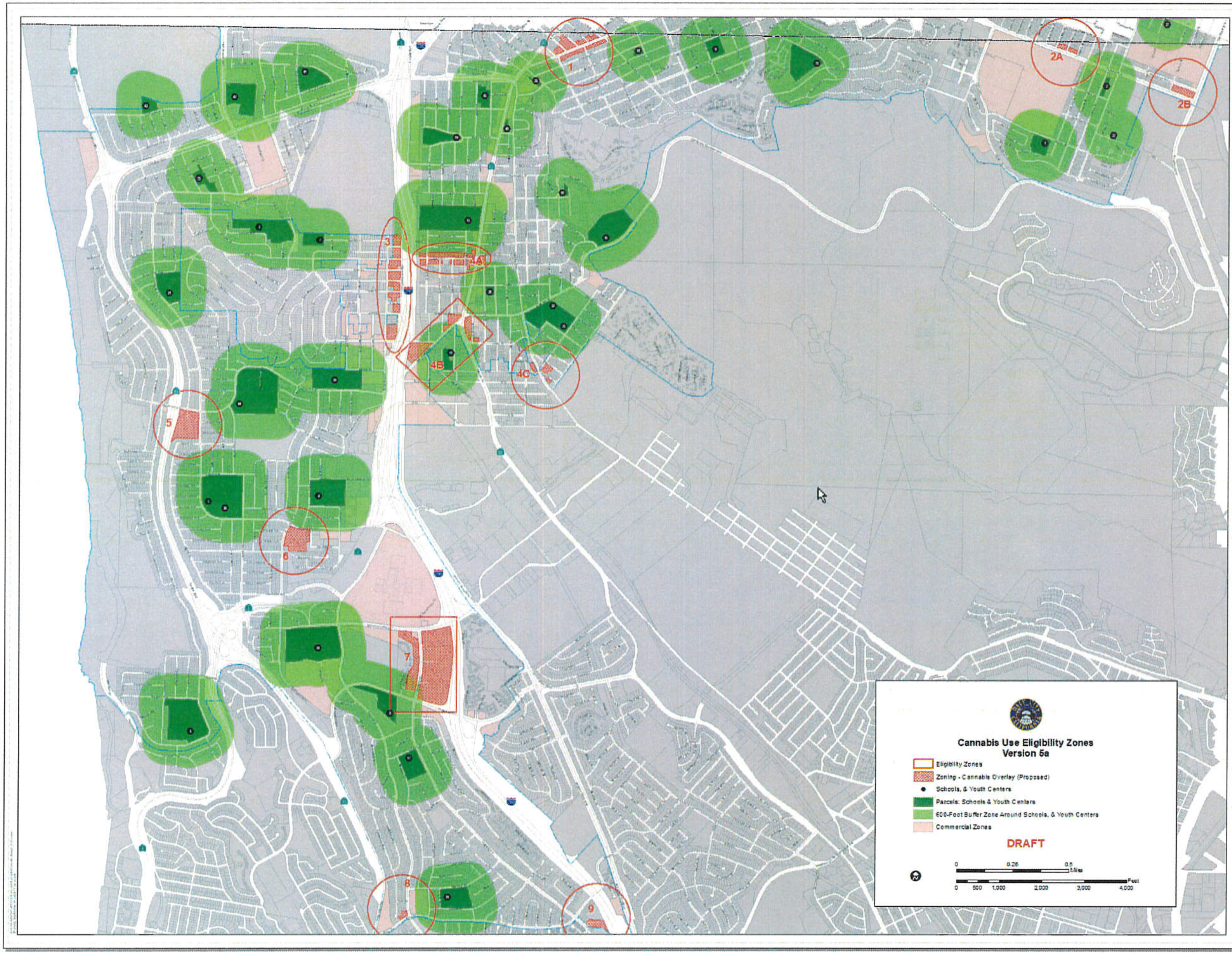
2. Consider and provide input on other updates to the City's existing Cannabis Ordinance.

Attachment A – Potential Cannabis Retail Eligibility Zones
Attachment B – Proposed Updates to Commercial Cannabis Ordinance

Proposed Updates to Commercial Cannabis Ordinance:

- **Addition to Security Plan requirements (per direction from Police Department):**
  - On-Site Security:
    - Operations engaged in retail sale must have at least one active security guard on duty during operating hours;
    - Must comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code;
    - Security personnel must be at least 21 years of age and be licensed by the Bureau of Security and Investigative Services;
    - Security personnel must monitor site and immediate vicinity around the site and ensure no persons under the age of 21 be allowed to enter unless they possess a valid Medical Marijuana Identification Card issued by State of CA.
  - Security Alarm System:
    - Security cameras must be in use 24 hours per day and cover all areas of the store (e.g., cannabis dispensing areas, storage areas, doors/windows with access into facility, parking area, and others as deemed necessary by PD);
    - Maintain centrally monitored fire and security alarm system covering doors, windows, glass break and interior motion;
    - Panic button required to be integrated into the Commercial Cannabis Operations' security alarm system;
    - Cannabis operations equipped with motion activated lighting at both front and back doors.
  - Product Storage:
    - Cannabis or cannabis products stored in retail location must be in a secure area equipped with commercial locks and reinforced doors.
- **Application Procedures:**
  - Lottery System:
    - All applications for a given year will be due by a date determined by the City and provided through an online portal;
    - Staff will review applications to ensure that they meet minimum criteria;
    - Applications that do not meet the minimum criteria will be removed from consideration; applicants will be notified if their application does not meet City's minimum criteria;
    - After closing the application acceptance window, staff will categorize received eligible applications by Eligibility Zone as further detailed and described in City's zoning code;
    - Staff will randomly select one eligible application for each Eligibility Zone unless no applications have been received for a given Eligibility Zone;
    - Selected applicants will be issued a provisional Commercial Cannabis Business License with an invitation to apply for a formal Commercial Cannabis Business License pending final verification of Security Plans and site control in the form of an executed lease or property ownership;

    - All applications must show continual good faith efforts to obtain the Commercial Cannabis Business License or else communicate that they are no longer pursuing the application;
    - If staff determines that the application is not progressing, the City shall notify the applicant of the intent to deny the application and the required next steps for the applicant to rectify. The applicant shall have 30 days from the date of the issuance of the notification to meet the next steps, or the application shall be denied;
    - If an application is denied or the applicant decides not to pursue the application, the City shall select at random one eligible application from the pool of remaining applicants with a proposed location in the same Eligibility Zone from which the denied or abandoned application was selected.
  - License Issuance:
    - Business Licenses shall not be issued until after the Planning Division has issued a Zoning Clearance and has approved the proposed location of the Cannabis Operation;
    - Business Licenses shall not be issued until after the Police Department has approved the Security Plan associated with the proposed Cannabis Operation.
  - Application Components:
    - Application requires the name, electronic mail address, and mobile phone number of at least three (3) responsible emergency contact names, to be kept on file with the Police Department.
    - Premises Diagram:
      - Premises diagrams show proposed security measures and how they relate to the overall business (Pursuant to Bureau of Cannabis Control regulations, Title 16, Division 42 §5006 and CCR Title 17, Division 1, Chapter 13, § 40105, Premises Diagram, as applicable);
      - The diagram shall be accurate, dimensioned and to scale (minimum 1/8th" scale);
      - The diagram shall show the property boundaries, premises boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways;
      - Premises cannot be in a location where alcohol or tobacco are sold, and premises cannot be in an area only accessible by passing-through a location where alcohol or tobacco is sold.
  - Application Renewal:
    - Applications for renewal of Commercial Cannabis Business Licenses will not be selected through a lottery process;
    - Previously licensed cannabis businesses will be given the option to continue their operations pending review and final approval of a Commercial Cannabis Business License Application for Renewal by City Staff.



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Cannabis Use Eligibility Zones
Version 5a
Eligibility Zones
Zoning - Cannabis Overlay (Proposed)
Schools, & Youth Centers
Parcels: Schools & Youth Centers
600-Foot Buffer Zone Around Schools, & Youth Centers
Commercial Zones
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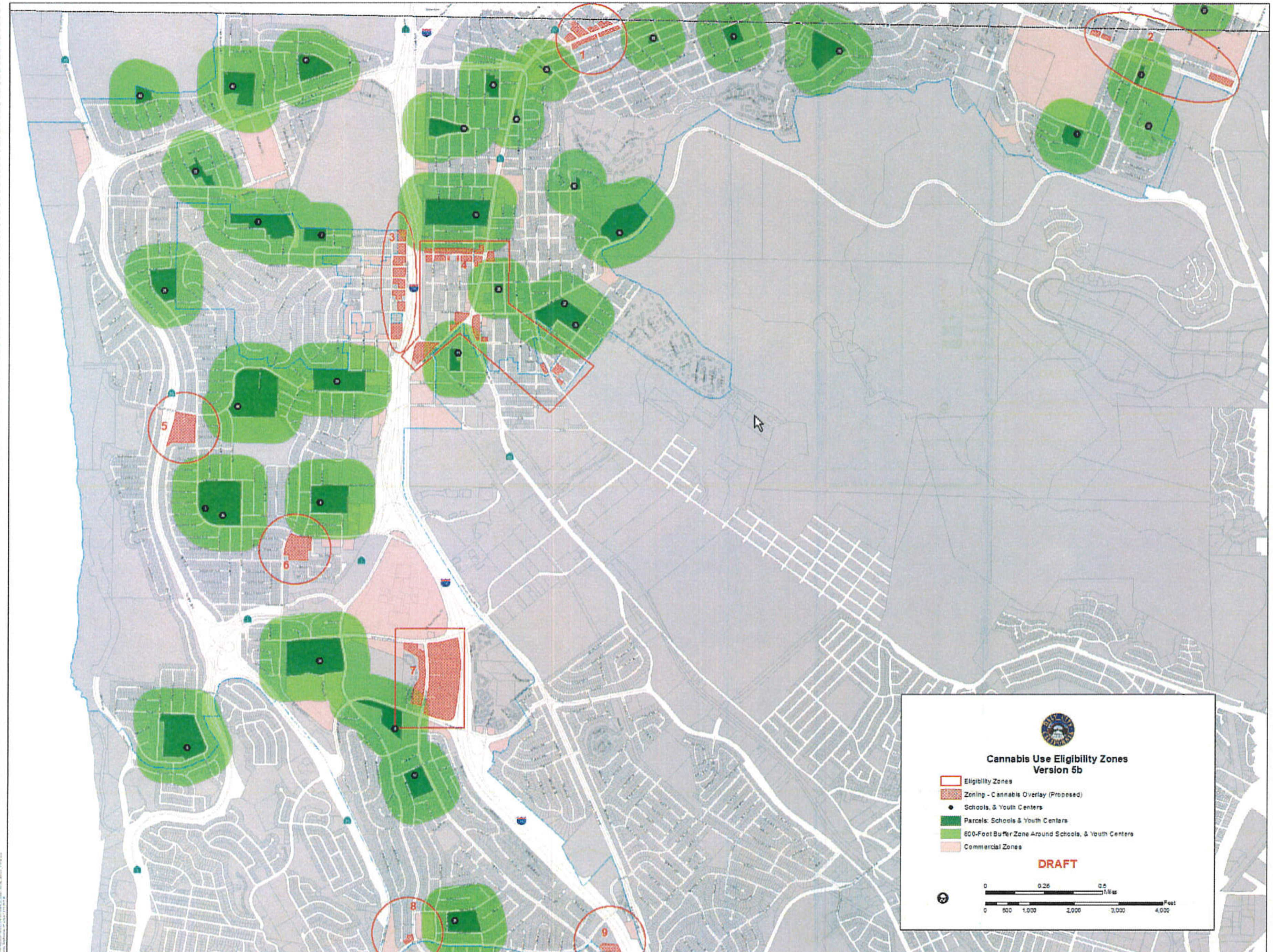

Cannabis Use Eligibility Zones
Version 5b
Eligibility Zones
Zoning - Cannabis Overlay (Proposed)
Schools, & Youth Centers
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600-Foot Buffer Zone Around Schools, & Youth Centers
Commercial Zones
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