

January 28, 2014

AGENDA
REGULAR JOINT MEETING OF THE CITY COUNCIL OF THE
CITY OF DUARTE, SUCCESSOR AGENCY TO DISSOLVED REDEVELOPMENT
AGENCY OF THE CITY OF DUARTE, THE DUARTE HOUSING AUTHORITY, AND
THE DUARTE COMMUNITY FACILITIES FINANCING AUTHORITY

TUESDAY, JANUARY 28, 2014

5:30 p.m. – Closed Session

7:00 p.m. – Regular Session

COUNCIL CHAMBERS, 1600 HUNTINGTON DRIVE, DUARTE, CALIFORNIA 91010

MISSION STATEMENT

With integrity and transparency, the City of Duarte provides exemplary public services in a caring and fiscally responsible manner with a commitment to our community's future

LIZ REILLY, MAYOR
TZEITEL PARAS-CARACCI, MAYOR PRO TEM
JOHN FASANA, COUNCILMEMBER
MARGARET FINLAY, COUNCILMEMBER
SAMUEL KANG, COUNCILMEMBER

City/Agency/Authority Staff:

Darrell George, City Manager

Kristen Petersen, Assistant City Manager and Director of Administrative Services

Craig Hensley, Community Development Director

Cesar Monsalve, Director of Parks and Recreation

Brian Villalobos, Director of Public Safety Services

Dan Slater, City Attorney

Marla Akana, City Clerk

ADDRESSING THE CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AND FINANCING AUTHORITIES:

If you wish to address the City Council, Successor Agency, Housing Authority, or Financing Authority on any item on the Agenda, you should fill out a Speaker Card indicating which item or items on the Agenda you wish to speak about, and hand the card to the City Clerk. You will be called to the Podium when that item is heard by the City Council/Successor Agency/Housing Authority/Financing Authority. If you wish to address the City Council, Successor Agency, Housing Authority, or Financing Authority on any item that is not on the Agenda, but that is within the subject matter jurisdiction of the City/Agency/Housing Authority/Financing Authority, you may do so under the "Oral Communications" portion of the Agenda. At the podium, before starting your remarks, please state your name and city of residence for the record.

ADA ACCESSIBILITY NOTICE:

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, you should contact the City Manager's office at (626) 357-7931. Notification no later than 1:00 p.m. on the day preceding the meeting will enable the City to make reasonable arrangements to assist your accessibility to this meeting.

Note: Any documents distributed by the City/Agency/Authorities to a majority of the City Council/Successor Agency/Housing Authority/Financing Authority Board less than 72 hours prior to the City Council/Successor Agency/Housing Authority/Financing Authority meeting will be made available for public inspection at City Hall, 1600 Huntington Drive, Duarte, CA 91010, during normal business hours, except such documents that relate to closed session items or which are otherwise exempt from disclosure under applicable law.

THE FOLLOWING ITEMS WILL BE HEARD AT 5:30 P.M.

1. CALL TO ORDER OF CITY COUNCIL, SUCCESSOR AGENCY TO DISSOLVED REDEVELOPMENT AGENCY, HOUSING AUTHORITY, AND COMMUNITY FACILITIES FINANCING AUTHORITY, AND NOTATION OF ANY ABSENCES
2. ADOPTION OF THE AGENDA
3. CLOSED SESSION
 - A. Public Input – *Members of the public wishing to speak concerning the closed sessions listed below may do so at this time. Each person may speak once for no more than 3 minutes.*
 - B. Public Employee Performance Evaluation—Pursuant to Government Code Sections 54957(b)(1) and 54957.6; Annual evaluation of City Manager; Designated City representative: Dan Slater, City Attorney

THE FOLLOWING ITEMS WILL BE HEARD NOT EARLIER THAN 7:00 P.M.

4. PLEDGE TO THE FLAG
5. MOMENT OF REFLECTION
6. FITNESS/MENTAL WARM-UP
7. PUBLIC REPORT OF CLOSED SESSION ITEMS
8. SPECIAL ITEMS
 - A. Public Safety update
 - B. Redevelopment dissolution update
9. ANNOUNCEMENTS OF UPCOMING COMMUNITY EVENTS
Any person who wishes to make a brief announcement of a future community event that is open to the general public may do so at this time.
10. ORAL COMMUNICATIONS—ITEMS NOT ON THE AGENDA (30 MINUTES)
Any person wishing to speak on any issue that is not on the Agenda, but that is within the subject matter jurisdiction of the City/Agency or Authorities, may do so at this time. The opportunity to speak is on a first come, first serve basis. Each person may speak once for no more than 3 minutes and there is a maximum of 30 minutes for all Oral Communications at this time. Under the Brown Act, members of the City Council/ Successor Agency/Housing Authority/Financing Authority, and staff can respond only with a brief reply to issues raised in Oral Communications, and no action on such matters may take place at this meeting.
11. ITEMS TO BE ADDED TO THE CONSENT CALENDAR
12. CONSENT CALENDAR
All matters listed on the Consent Calendar are to be approved with one motion unless a member of the City Council/Successor Agency/Housing Authority/Financing Authority removes an item for separate action. Any consent calendar item for which separate action is requested shall be heard as the next Agenda item. The respective entity's consent items are shown in parentheses at the end of each item as "CC" for City Council, "SA" for Successor Agency, "HA" for Housing Authority, and "FA" for C.F. Financing Authority.
 - A. Approval of Minutes – January 14, 2014 (CC/HA/SA/FA)
 - B. Approval of Warrants – January 28, 2014 (CC/HA/SA/FA)
 - C. Motion to introduce and/or adopt all resolutions and ordinances presented for consideration by title only and waive further reading (CC/HA/SA/FA)
 - D. Public Safety Commission and Parks and Recreation Commission reorganization (Receive and File) (CC)
 - E. Consideration/Approval of 2014 Applications for Licenses to Sell Safe and Sane Fireworks for Fourth of July (CC)
 - F. Council Bill 14-R-01 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE APPROVING REESTABLISHED PROMISSORY NOTES BETWEEN THE CITY OF DUARTE AND THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF DUARTE (CC)

- G. Successor Agency Bill SA-14-01 A RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF DUARTE APPROVING REESTABLISHED PROMISSORY NOTES BETWEEN THE CITY OF DUARTE AND THE SUCCESSOR AGENCY (SA)
 - H. Approval and adoption of Recognized Obligation Payment Schedule for July 1–December 31, 2014 (14-15A) (SA)
 - I. Notices of absence by Barbie Bylsma-Houghton from Parks and Recreation Commission meetings of December 9, 2013, and February 10, 2014; and by Sheryl Lefmann from Planning Commission meeting of January 21, 2014 (Receive and File) (CC)
 - J. City Council/City Manager Conference Attendance – League of California Cities General Membership Meeting, February 6, 2014, Monterey Park (CC)
13. ITEMS REMOVED FROM CONSENT CALENDAR
14. ORDINANCE
14-O-01 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DUARTE REPEALING SECTION 5.16.100, “SOLICITING ON PUBLIC RIGHT-OF-WAY,” OF CHAPTER 5.16, “SOLICITORS AND PEDDLERS,” OF THE DUARTE MUNICIPAL CODE (First Reading)
15. COMMISSION ITEM
Recommendation from Parks and Recreation Commission regarding sports field rental fees
16. BUSINESS ITEMS
- A. Recommendation to receive and file 2013/14 mid-year budget report, and to approve budget amendments
 - B. Approval of Los Angeles County Municipal Law Enforcement Services Agreement, effective July 1, 2014, through June 30, 2019
17. CONTINUATION OF ORAL COMMUNICATIONS
*Any person who did **not** speak during the initial 30 minute Oral Communications period earlier in the meeting, who wishes to speak on any issue that is not on the Agenda but that is within the subject matter jurisdiction of the City Council/Successor Agency/Housing Authority/Financing Authority, may do so at this time. Each person may speak once for no more than 3 minutes. Under the Brown Act, members of the City Council/Successor Agency/Housing Authority/Financing Authority, and staff can respond only with a brief reply to issues raised in Oral Communications, and no action on such matters may take place at this meeting.*
18. ITEMS FROM CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY/FINANCING AUTHORITY MEMBERS AND CITY MANAGER/EXECUTIVE DIRECTOR (AB 1234 reports on trips, conference attendance, and meetings)
19. ADJOURNMENT – In memory of Floyd Thaller and Neil Bjornsen

MEMORANDUM

TO: City Council
FROM: City Manager
DATE: January 23, 2014
SUBJECT: Comments on Agenda Items, Meeting of January 28, 2014

ITEM 8.A. An update on all public safety related matters will be provided by the City's Director of Public Safety.

ITEM 8.B. The City Attorney will provide an update on issues related to the dissolution of the Redevelopment Agency.

ITEM 12.E (Consent Calendar). The City Council will consider awarding five fireworks permits/licenses for the 2014 Fourth of July. The following five community groups are being recommended: 1) The Duarte Kiwanis Club – Ralph's Shopping Center, 1155-1247 Huntington Drive. 2) Duarte Community & Education Foundation – Fresh N Easy Center – 2213-2245 Huntington Drive. 3) Duarte Falcon Booster Club – Big Lots/Rite Aid Center – 1325 Huntington Drive. 4) LULAC – Wal Mart Center – 1600 S. Mountain Avenue. 5) Duarte High School ASB- Mountain Vista Plaza – 1000-1096 Huntington Drive.

ITEMS 12.F and 12.G (Consent Calendar). These are resolutions to consider approving reestablished promissory notes between the City of Duarte and the Successor Agency to the Dissolved Redevelopment Agency. Because the Successor Agency has received a Finding of Completion from the State Department of Finance, the Successor Agency and City are now permitted to "reestablish" loans the City made to the RDA and to have those "reestablished promissory notes" recognized as enforceable obligations on future Recognized Obligation Payment Schedules submitted to the Oversight Board and Department of Finance for approval. Reestablished loans, however, are not treated in the same manner as the original loans and repayment from the Redevelopment Property Tax Trust Fund is subject to a number of significant restrictions that reduce the likelihood the City will receive full repayment.

Although the Successor Agency is continuing with the litigation against the Department of Finance to seek to have the original loans recognized as enforceable obligations to be repaid with the original interest rate and without these restrictions, moving forward with the "reestablished" loans will at least potentially enable the City to receive some amount of repayment on these loans should the court ultimately reject the Successor Agency's legal arguments concerning the enforceability of the original loans.

ITEM 12.H (Consent Calendar). Staff has prepared the ROPS 14-15A, which covers July 1, 2014 through December 31, 2014. The only new items on the ROPS is the re-entered City Loan Agreements; however, you will note that we are not requesting payment on the loans in this ROPS period, because we will not qualify for payments until at least 2015/16. Upon approval, the ROPS 14-15A will go to the Oversight Board for approval on February 3, 2014, and then must be submitted to the Department of Finance before March 3, 2014.

ITEM 14. This item asks the City Council to consider an Ordinance repealing Section 5.16.100, "Soliciting on Public Right-Of-Way," of Chapter 5.16, "Solicitors and Peddlers," of the Duarte Municipal Code. Section 5.16.100 is an old provision of the Duarte Municipal Code that prohibits persons from standing on the sidewalk or other public right of way and soliciting employment (e.g., day laborers seeking work) or selling goods. Similar ordinances in other cities have been held to be unconstitutional by the federal courts. The City received a demand from the Mexican-American Legal Defense and Educational Fund to repeal Section 5.16.100. The City Attorney reviewed Section 5.16.100 and has advised that the

code section likely would be found to be inconsistent with these federal court rulings, and has recommended repeal of the section. Provisions of the California Vehicle Code and Streets and Highways Code prohibit use of the sidewalk and public right of way for soliciting employment or selling goods if such activity impedes traffic or causes a public safety issue, and so the City has enforcement tools without need of Section 5.16.100. Repeal of Section 5.16.100 does not affect the requirement for solicitors who go door-to-door to first obtain a solicitors permit from the City, or affect the ability of the City to control solicitation (whether for work or the sale of goods) on private property, such as in shopping centers.

ITEM 15. This is a recommendation from the Parks and Recreation Commission regarding sports field rental fees. The Commission has determined that one major cause of field condition problems is the overuse by adult soccer organizations and leagues, with insufficient fees charged to them to recover damage costs. By increasing the fees for these non-resident groups, the Commission hopes to see an increase in revenue that will increase funds budgeted for field maintenance and repair in the Community Development Department Field Services budget.

The proposed increase in the non-resident fee for Duarte Sports Park and Otis Gordon Sports Park would be from \$20 per hour per field to \$30 per hour per field, the proposed increase in the non-resident fees for the rental of Beardslee, Encanto, and Northview Parks would be from \$15 per hour per field to \$30 per hour per field, the proposed increase in the resident fees for the rental of Beardslee, Encanto, and Northview Parks would be from \$7.50 per hour per field to \$10 per hour per field, and the proposed increase for all new renters for the refundable cleaning and damage deposit would be from \$50 to \$100.

ITEM 16.A. The 2013/14 mid-year budget report will be presented to the City Council for review and comment, and staff is also recommending approval of certain budget amendments. At mid-year, staff is estimating that the General Fund will reflect a surplus of \$415,000, largely due to a one-time residual payment of \$693,000 from the County that represents the City's small share of the \$7.4 million in non-housing dollars that the former RDA was forced to turn over to the County. This surplus of \$415,000 will leave the General Fund reserves at \$7.2 million, which represents 54% of the General Fund expenditures. You will recall that approximately \$7.4 million of the General Fund balance in 2012/13 was the result of a transfer made in February 2011 as a repayment of the City's loan advance made to the RDA in prior years. This transfer was deemed invalid by the State Department of Finance and, as a result, these amounts were eliminated from the General Fund and surrendered to L.A. County.

ITEM 16.B. This item recommends approval of a new 5-year agreement for our Los Angeles County Municipal Law Enforcement Services, effective from July 1, 2014, through June 30, 2019. The agreement was reviewed by a sub-committee of Contract Cities over the past year as to wording and content. As a result of Contract Cities input, it has also been agreed to by the Los Angeles County Sheriff Department.

The agreement enables the City to contract for law enforcement services and in no way changes our level of service provided. It is staff's recommendation that the City of Duarte enter into the agreement with the County of Los Angeles to continue to perform municipal law enforcement services. Entering into this agreement does not affect the City's ability to adjust the level of contracted service annually, and therefore, the level of service will be reviewed annually at the City's budget meetings.

Respectfully submitted,



Darrell J. George
City Manager

MINUTES

JOINT CITY COUNCIL/CITY COUNCIL AS SUCCESSOR AGENCY TO DISSOLVED REDEVELOPMENT AGENCY/HOUSING AUTHORITY/COMMUNITY FACILITIES FINANCING AUTHORITY OF THE CITY OF DUARTE REGULAR MEETING – JANUARY 14, 2014

CALL TO ORDER The City Council/City Council as Successor Agency to Dissolved Redevelopment Agency/Housing Authority/Community Facilities Financing Authority of the City of Duarte met in a regular meeting in the Council Chambers, 1600 Huntington Drive, Duarte, California. Mayor Reilly called the meeting to order at 5:42 p.m.

RECORDATION OF ATTENDANCE The following were in attendance:
PRESENT: Fasana, Kang, Paras-Caracci, Reilly
ABSENT: Finlay
ADMINISTRATIVE STAFF PRESENT: City Manager George, City Attorney Slater

ADOPTION OF AGENDA Fasana moved, Paras-Caracci seconded to adopt the Agenda, and carried unanimously, with Finlay absent.

CLOSED SESSION
1) Threatened Litigation
2) Real Property Negotiation

There was no public input. Slater announced the first Closed Session was pursuant to Government Code § 54956.9(b)(2); Conference with Legal Counsel; Threatened Litigation; Number of cases: 1. The second Closed Session was pursuant to Government Code § 54956.8; Conference with Real Property Negotiators; Negotiating parties: City of Duarte and prospective buyers or lessees; City negotiators: Darrell George, Craig Hensley; Under negotiation: Price and terms of payment; Concerning property at 1101 Oak Avenue, APN 8530-011-913-915; and 1634 Third Street, APNs 8530-011-905, 911, 912. The Closed Sessions concluded at 6:10 p.m.

A reception was held to recognize employees for their years of service and achievements.

City Council reconvened at 7:03 p.m. with four members present, and Finlay absent.

PLEDGE TO THE FLAG Kevin Costa led the Pledge of Allegiance to the Flag.

MOMENT OF REFLECTION Councilmember Paras-Caracci introduced her son Jack Russell Caracci. A moment of reflection was observed.

FITNESS/MENTAL WARM-UP Fasana provided the warm-up.

PUBLIC REPORT OF CLOSED SESSION ITEMS Slater stated during the first Closed Session, City Council received a report from the City Attorney on one case of threatened litigation related to one section of the Duarte Municipal Code, and unanimously (with Finlay absent) directed the City Attorney's office to prepare an ordinance repealing/removing a section of the Municipal Code to avoid litigation, with no further

reportable action taken. During the second Closed Session, City Council (with Finlay absent) discussed price and terms of payment of prospective buyers or lessees, with no reportable action taken. Any formal action would be brought to the City Council in an open meeting.

SPECIAL ITEMS

Recognition of Employees

Steve Hernandez stated he appreciates staff for their insight and foresight, and thanked them for their years of service.

Mayor Reilly introduced and congratulated the employees for their years of service. Awards were presented to Pattie Dalesandro, Frank Haynes, Craig Hensley, Ana Lisa Hernandez, Tony Molina, Larry Breceda, George Dang, Aida Torres, and Jim Kirchner. Achievement Awards were presented to Teesha Tarr, Roxanne Breceda, and Pam Romero.

Recognition of Outgoing Commissioners

Mayor Reilly presented plaques and thanked outgoing Commissioners Neil Bjornsen, Jim Dinsmore, Ron Phadnis, and Robert Porlier for their service to the community.

Oath of Office – Commissioners

The Oath of Office was administered to the new City Commissioners, and congratulations were extended.

Public Safety update

Sgt. Tony Haynes provided an update on recent incidents, and encouraged anyone with information to contact the Sheriff's Department. Brian Villalobos discussed prevention and intervention plans, and announced the City received a two-year Cal-GRIP grant to be used for a Community Outreach Coordinator.

Steve Hernandez stated two of the suspects were caught by Deputies, and thanked staff and the Sheriff's Department.

ANNOUNCEMENTS

Clayton Schwinborn announced Walk for Peace on January 20, beginning at the Santa Teresita parking lot.

Joanna Gee, Duarte Library, announced upcoming events, story times, and programs in January.

Sheryl Lefmann announced Duarte Chamber events, Foothill Fitness Challenge Wrap-up, and Relay for Life on May 3-4.

Karen Herrera announced upcoming community events, meetings, and programs for January and February.

Mayor Reilly announced Literacy and Learning With Mayor Liz on February 4, and Coffee and Conversation with the Mayor on February 22.

ORAL COMMUNICATIONS

The following spoke on items not on the Agenda.

Natasha Martinez, Angela Gregory, Tiffany Felix, Yvette Estephen, Yanelly Serrano – Mayor's Youth Council meals.

Nick Zigic – Golf course owners' meeting.

Jack Ochoa – Polling place location.

Steve Hernandez – Hotel on golf course.

Lino Paras – Duarte hills, Nextdoor.

CONSENT CALENDAR

Fasana moved, Paras-Caracci seconded to approve the Consent Calendar as follows, and carried with Finlay absent.

Approve Items B, C, D, K.

Remove Items A, F, G, H, J.

Receive and File Item E, I.

ITEMS REMOVED

Item A – Minutes 12/10/13

Item A – Approved

Paras-Caracci moved, Kang seconded to approve the Minutes of December 10, 2013, and carried with Fasana abstaining, and Finlay absent.

Item F – Relay for Life

Sheryl Lefmann, Chair, Duarte Relay for Life, provided information on the event, and requested City co-sponsorship.

Item F – Approved

Paras-Caracci moved, Kang seconded to approve the request from Relay for Life for City co-sponsorship of the Relay for Life event to be held on May 3-4, 2014, and carried with Finlay absent.

Item G – Kosmont Companies
Real Estate Advisory Services

Craig Hensley presented a staff report about the proposed agreement and budget amendment, and answered questions from City Councilmembers.

Item G – Approved

Fasana moved, Paras-Caracci seconded to authorize the City Manager to execute an agreement for a contract with Kosmont Companies in an amount not to exceed \$25,000 for Real Estate Advisory Services related to the development of properties near the intersection of Buena Vista Street and Huntington Drive, and to approve a \$25,000 budget amendment for the contract, and carried with Finlay absent.

Item H – RKA Consulting Group
Traffic Calming Study

Craig Hensley presented a staff report about the proposed agreement and budget amendment.

Item H – Approved

Fasana moved, Paras-Caracci seconded to authorize the City Manager to execute an agreement for a contract with RKA Consulting Group in an amount not to exceed \$16,200 for Professional Engineering Services for the Royal Oaks Drive Traffic Calming Study, and to approve a \$16,200 budget amendment for the contract, and carried with Finlay absent.

Item J – Sea Clear Pools, Inc.
Pool Filters

Craig Hensley presented a staff report about the proposed contract and pool filter removal and replacement.

Item J – Approved

Fasana moved, Kang seconded to approve the award of bid to Sea Clear Pools, Inc., in the amount of \$88,752.79 for pool filters for the Duarte Fitness Center pools, and to authorize the City Manager to execute the contract, and carried with Finlay absent.

PUBLIC HEARING
CDBG 2014-15 Budget

Mayor Reilly announced this was the time and place set for a Public Hearing to consider the Community Development Block Grant 2014-15 Budget.

Slater stated the Public Hearing is to solicit input regarding the use of the City of Duarte's CDBG (Community Development

Block Grant) funding allocations for Fiscal Year 2014-15.

Notice of the hearing had been given, the affidavit is on file, and no written correspondence was filed in the matter.

Irma Hernandez, Senior Planner, presented the staff report about the funding allocation, including background, analysis, and staff recommendation.

Mayor Reilly asked if anyone in the audience wished to speak on this item.

Lino Paras stated in the past, Councilmember Paras-Caracci may have had a conflict of interest.

Fasana moved, Paras-Caracci seconded to close the Public Hearing, and carried with Finlay absent.

Fasana moved, Paras-Caracci seconded to allocate \$139,997 in FY 2014-15 CDBG program funding to complete ADA curb ramps and ADA accessible parking stalls/curb ramp/signage located within the City Hall parking area (as described in Table 1 of the staff report); authorized the City Manager to execute an agreement with the City of Bradbury to accept its FY 2014-15 CDBG allocation of approximately \$3,918, at no cost to the City of Duarte, for use on an ADA curb ramp or similar project that would mutually benefit both cities, with terms and forms deemed acceptable to the City Manager and City Attorney; and included language giving staff the ability to make adjustments to projects, due to final funding allocations and/or as needed due to programmatic interpretations by LACDC, per staff recommendation, and carried unanimously with Finlay absent.

BUSINESS ITEMS
2014/15 Budget Calendar

Paras-Caracci moved, Kang seconded to approve the 2014-15 budget calendar as outlined in the staff report, and set 5:00 p.m. on May 5 and 6, 2014, for the Budget Workshops, and carried with Finlay absent.

ITEMS FROM CITY COUNCIL/
CITY MANAGER

GEORGE: Discussed the Edison project, and asked Craig Hensley to present a brief update status and timeline of the project (Hensley responded).

Paras-Caracci requested that a timeline be brought back to City Council after the Edison retaining wall is completed.

KANG: Stated citizens are concerned about the traffic at the intersection of Crestfield and Huntington, as cars do not stop behind the stop light, and residents cannot pull out of their driveways, and stated today is his 40th birthday.

FASANA: Apologized for missing the last meeting, asked that an item about an Ad Hoc TOD Committee pertaining to the Gold Line be on the next agenda, as it is time to do outreach and plan our system, stated the State Geologist issued a press release about earthquake maps, the Azusa quadrangle includes areas of Duarte, asked that a link to the press release be provided

on the City's website, and asked for a report back to Council as to whether we should provide comments, discussed an article in the Mountain View News where the term used to describe certain County areas refers either to Monrovia or Duarte, and stated we should be sensitive to that, stated a circuit court ruling came out today regarding net neutrality on the Internet, this is something we may want to weigh in on as a City, and requested that staff and the City Attorney see if a movement among cities may be important, and clarified that there is not an imminent safety issue at the golf course, as the City has engaged in active monitoring.

PARAS-CARACCI: Discussed railroad ties on the bike trail, suggested the Parks and Recreation Commission could look into feedback from the community about keeping the ties intact, spacing them farther apart, or other options, stated she appreciates the community, CMT, clergy, and Public Safety office coming together during the recent incidents, inquired about the joint meeting with the School District (George stated it is tentatively scheduled for the second meeting in February), wished all a happy new year, and wished Councilmember Kang a happy birthday.

REILLY: Announced the Public Safety Commission will be discussing a proposed Citywide street sweeping ordinance, the Planning Commission will have a hearing on the housing element, provided an update on the Gold Line station progress, Myrtle will be closed at the railroad crossing until May, stated the striping on Buena Vista between Huntington and Royal Oaks has been changed from two lanes to one lane, she thinks it causes a problem for northbound traffic on Buena Vista, and asked that it be looked at again, stated when traffic going south on Las Lomas turns east onto Huntington, they have to wait a long time, and suggested a study be made to see if a left turn signal is needed at that point, asked for an update on Pops Road (Hensley responded), and attended the historical museum's reunion of Miss and Jr. Miss Duartes, the Teen Center holiday celebration, and Martin Luther King, Jr., event.

ADJOURNMENT

Lino Paras stated Harb Thind regularly attended meetings and deserves the adjournment.

Fasana moved, Paras-Caracci seconded to adjourn the meeting at 9:25 p.m., in memory of Harb Thind, Leola Kennedy, Fritzie Soltes, Malcolm Mency, and Christian Rossi, and carried with Finlay absent.

Mayor Elizabeth Nowak Reilly

ATTEST:

City Clerk

MEMORANDUM

TO: City Council
FROM: Public Safety Commission
DATE: January 22, 2014
SUBJECT: Commission Organization

At the regular meeting of the Public Safety Commission held on Tuesday, January 21, 2014, the Commission organized as follows:

Chairperson – Paula Watson-Gardner
Vice Chairperson – Christine Frye



MEMORANDUM

TO: CITY COUNCIL

FROM: PARKS AND RECREATION COMMISSION

SUBJECT: REORGANIZATION

DATE: JANUARY 28, 2014

At the regular meeting of the Parks and Recreation Commission on Monday, January 13, 2014, Mirna de Lira Lopez was nominated to be the new Chairperson and Ed Houlemarde was nominated to be the Vice-Chair for the Committee. The motion carried unanimously.

Parks and Recreation Commission Chairperson – Mirna de Lira Lopez
Parks and Recreation Commission Vice-Chairperson – Ed Houlemarde

Receive and File

Agenda Memo City Manager's Office

To: Mayor and Members of the Duarte City Council
From: Karen Herrera, Deputy City Manager
Date: 1/21/14
Re: Fireworks Permit/License Application Award 2014

Recommendation: That the City Council, by motion, grant firework permit/licenses for 2014 to the following five community groups 1) Duarte Kiwanis Club 2) Duarte Community & Education Foundation 3) Duarte High School 4) LULAC and 5) Duarte Falcon Booster Club.

Background: On October 28, 2008, the Duarte City Council unanimously adopted Ordinance No. 810 which made the below changes for organizations who had previously filed for permits in the past.

- Council may issue up to five fireworks permits;
- The deadline for filing an application for fireworks is 5:00 pm on the third Thursday of January each. For the 2014 Fourth of July fireworks application process, the deadline was 5:00 pm on Thursday, January 16, 2014.

Past applicants were sent a 2014 fireworks application and a copy of the ordinance on December 30, 2013. (See attachment A)

Discussion: This year, five permit applications were received and submittal fees were paid by the deadline of January 16, 2014. The five groups that submitted were as follows:

1. The Duarte Kiwanis Club – Ralph's Shopping Center, 1155 – 1247 Huntington Drive
2. Duarte Community & Education Foundation – Fresh N Easy Center – 2213-2245 Huntington Drive
3. Duarte Falcon Booster Club – Big Lots/Rite Aid Center - 1325 Huntington Drive
4. LULAC – Wal Mart Center – 1600 S. Mountain Avenue
5. Duarte High School ASB- Mountain Vista Plaza – 1000 – 1096 Huntington Drive

All five applications were reviewed by staff and deemed complete based on the application standards and submittal requirements.

Fiscal Impact: None.

Attachments:

Application Process Letter – Attachment A

2014 Applications – Attachment B



City of Duarte

Sixteen Hundred Huntington Drive, Duarte, California 91010-2592
Tel 626-357-7931 FAX 626-358-0018 www.ci.duarte.ca.us

December 30, 2013

2014 FIREWORKS APPLICATION PROCESS

Dear Previous Fireworks Applicant:

The deadline for the 2014 fireworks application process is fast approaching. Per Duarte Municipal Code Section 15.05.030, the Duarte City Council may issue a maximum of five fireworks permits. The deadline for filing an application for fireworks is 5:00 p.m. on the third Thursday of January of each year. For the 2014 Fourth of July application process, the deadline is **5:00 p.m. on Thursday, January 16, 2014.**

Since your organization has applied for a fireworks permit in the past, we are enclosing a fireworks application for your convenience, as well as a copy of Duarte Municipal Code Chapter 15.05. Should you wish to apply for a 2014 fireworks permit, please return the completed application, \$50 fee, and required documentation (as indicated on the application) to the City Clerk's office no later than the date stated above.

Please feel free to call Deputy City Manager Karen Herrera at (626) 357-7931, ext. 221 if you have any additional questions.

Sincerely,

Darrell J. George
City Manager

Enclosures

009

RECEIVED

JAN 15 2014



2014 CITY OF DUARTE
APPLICATION FOR LICENSE PERMIT TO SELL CITY OF DUARTE
SAFE AND SANE FIREWORKS

Name of Organization DUARTE KIWANIS Telephone _____
 Address _____ Email _____

President PAM KAWASAKI Telephone 626-303-4111
 Address 2206 TALL PINE DR. BEADBURY, CA Email PAMKawasaki@KawasakiFamily.org

Secretary MARCO NOVELO Telephone 626-771-2960
 Address 1232 ESSEX ST., GLEN DORA Email MNOVELO@MSN.COM

Treasurer FILIPPO FANARI Telephone 626-303-1818
 Address 1180 TOPEKA ST., PASADENA, CA Email FILIPPO@CIBARE.COM

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2. Contract or letter of intent from proposed fireworks distributor.
3. Lease/license/use agreement and/or authorization letter from property owner authorizing and describing in detail the fireworks sales booth location.
4. Description of stand construction and a site map that confirms compliance with Section 15.05.060(e) of the Duarte Municipal Code.
5. Copy of applicant's organizational formation documents, such as its articles of incorporation and bylaws, or other evidence of the group's formation and status to show compliance with Municipal Code Section 15.05.020.
6. Liability insurance in the amount of One Million Dollars (\$1,000,000) from the selected fireworks provider for the designated sales period, insuring against death and personal injury to persons and against property damage, naming as additional insureds the City of Duarte and its officers, officials, employees, agents, representatives, and volunteers acting in an official capacity.
7. Staff schedule plan detailing booth operation dates, operating hours, and 24-hour-a-day on-site staffing plan.
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e) To indemnify, defend, and hold harmless the City of Duarte and its officers, officials, employees, agents, representatives, and volunteers acting in an official capacity, from and against any claims, costs, liabilities, expenses, judgments, fines, penalties, and the like, including but not limited to expert witness fees and attorney's fees arising out of the acts or omissions of applicant or any of its officers, officials, directors, managers, agents, representatives, or volunteers pertaining to this application or activities taken in furtherance thereof if a permit is issued including, but not limited to, as may be related to submission of this application, the granting of a permit if such permit is granted, applicant's sales booth and its location, construction and operation including, but not limited to, booth materials, booth staffing, and the display, sale, and storage of fireworks, the discharge of fireworks, applicant's agreement with the owner of booth site, applicant's contract with a fireworks distributor or provider, the use of funds raised from the sale of fireworks, or compliance or failure to comply with applicable law.

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h) That applicant acknowledges that (a) submission of an application does not guarantee that a license permit will be issued to applicant and (b) submission of an incomplete application by applicant will result in rejection of the application.

I hereby certify that the above information is true and correct, and that all required information and documents (#1-#10) are attached.

Pamela Kawasak
Authorized Signature

Name: Pamela Kawasak
(Please print)

Title: PRESIDENT

Receipt No. 33380
Amount \$ 50⁰⁰
Date 1.15.14



2014 CITY OF DUARTE
APPLICATION FOR LICENSE PERMIT TO SELL
SAFE AND SANE FIREWORKS

RECEIVED

JAN 14 2014

CITY OF DUARTE

Name of Organization Duarte Education Foundation Telephone _____
 Address P.O. Box 497 Duarte Email _____
 President Margaret Finlay Telephone 626-359-0416
 Address 1600 Huntington Dr. Duarte, CA Email margaretfmly@gmail.com
 Secretary Don LaPlante Telephone 562-965-2930
 Address 11908 Susan St, Downey 90242 Email donlaplante@gmail.com
 Treasurer Pat DeRose Telephone 626-359-6413
 Address 2488 Calle Villada Duarte 91010 Email derose2488@verizon.net

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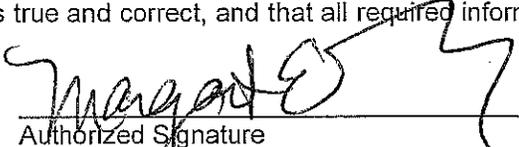
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I hereby certify that the above information is true and correct, and that all required information and documents (#1-#10) are attached.


Authorized Signature
Name: Margaret Finlay
(Please print)
Title: President

Receipt No. 33317
Amount \$ 50.00
Date 7/14/14

RECEIVED

JAN 16 2014



2014 CITY OF DUARTE
APPLICATION FOR LICENSE PERMIT TO SELL CITY OF DUARTE
SAFE AND SANE FIREWORKS

Name of Organization	<u>Duarte Booster Club</u>	Telephone	<u>626 357-0708</u>
Address	<u>P.O. Box 1363 Duarte, Ca</u>	Email	<u>ERoilly3@aol.com</u>
President	<u>Henry Baltazar</u>	Telephone	<u>626 672-9388</u>
Address	<u>Elkhorn Drive</u>	Email	
Secretary	<u>Dolores Ortiz</u>	Telephone	
Address	<u>Woodbluff Street</u>	Email	
Treasurer	<u>Lindy Ysassi</u>	Telephone	
Address	<u>Oak Street</u>	Email	

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Elizabeth Reilly
Authorized Signature

Name: Elizabeth Reilly
(Please print)

Title: Director of Finances

Receipt No. 33411
Amount \$ 50.00
Date 7/16/14

RECEIVED

JAN 16 2014



2014 CITY OF DUARTE
APPLICATION FOR LICENSE PERMIT TO SELL
SAFE AND SANE FIREWORKS

CITY OF DUARTE

Name of Organization LULAC Telephone 626 672-9388
 Address P.O. Box 244 Duarte, CA 91009 Email FIREBIRD4369@HOTMAIL.COM
 President HENRY BAITAZAR Telephone 626-672-9388
 Address 543 EIKHORN DR, DUARTE, CA 91010 Email FIREBIRD4369@HOTMAIL.COM
 Secretary KATHY VALLEJOS Telephone 626-806-6564
 Address 748 N. SEQUOIA LN. AZUSA CA 91702 Email _____
 Treasurer Michael Vallejos Telephone 626-786-2482
 Address 748 N. SEQUOIA LN. AZUSA CA 91702 Email _____

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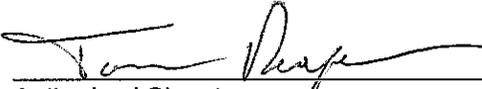
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Authorized Signature

Name: TOM REYES
(Please print)

Title: CHAIRPERSON

Receipt No. 33421
Amount \$ 50.00
Date 7/16/14

RECEIVED

JAN 14 2014



2014 CITY OF DUARTE
APPLICATION FOR LICENSE PERMIT TO SELL
SAFE AND SANE FIREWORKS

CITY OF DUARTE
ADMINISTRATIVE SERVICES

Name of Organization Duarte High School ASB Telephone 626-599-5723
 Address 1565 E. Central Ave Duarte Email larsonbirds@msn.com
 Advisor Anne Larson Telephone 626-318-7242
 President Address 822 Duncannon Ave Duarte Email larsonbirds@msn.com
 Secretary _____ Telephone _____
 Address _____ Email _____
 Treasurer Rosalie Palacios Telephone 626-599-5723
 Address 1565 E. Central Ave Duarte Email rpalacios@duarte.k12.ca.org

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d) Per City Council policy established 3/24/98, to submit a financial accounting of fireworks revenue, expenses and profits by September 30th of the current year detailing a description of proposed youth programs, associated budget, number of overall participants, and breakdown of the total numbers of participants by the categories set forth in subparagraphs (a), (b), and (c) of the Duarte Municipal Code Section 15.05.040, and a reconciled account statement showing revenue and expense and net profit, supported by receipts, including for fireworks purchased and booth-related expenses, etc.

e) To indemnify, defend, and hold harmless the City of Duarte and its officers, officials, employees, agents, representatives, and volunteers acting in an official capacity, from and against any claims, costs, liabilities, expenses, judgments, fines, penalties, and the like, including but not limited to expert witness fees and attorney's fees arising out of the acts or omissions of applicant or any of its officers, officials, directors, managers, agents, representatives, or volunteers pertaining to this application or activities taken in furtherance thereof if a permit is issued including, but not limited to, as may be related to submission of this application, the granting of a permit if such permit is granted, applicant's sales booth and its location, construction and operation including, but not limited to, booth materials, booth staffing, and the display, sale, and storage of fireworks, the discharge of fireworks, applicant's agreement with the owner of booth site, applicant's contract with a fireworks distributor or provider, the use of funds raised from the sale of fireworks, or compliance or failure to comply with applicable law.

f) To waive, release, and discharge any claims or causes of action against the City of Duarte and its officers, officials, employees, agents, representatives, and volunteers acting in an official capacity, by the issuance or non-issuance of a license permit to applicant or to any other applicant.

g) That applicant is familiar with the provisions and has received a copy of Part 2 of Division 11 of the California Health & Safety Code, Sections 12500 et seq., with applicable provisions of the Fire Code of the County of Los Angeles as adopted by reference (including with amendments, if any) in Chapter 15.04 of the Duarte Municipal Code, and with Chapter 15.05 of the Duarte Municipal Code including that the applicant acknowledges the provisions of Section 15.05.100 which states: "Any person violating or failing to comply with any provisions of this chapter or any of the rules or regulations hereinabove set forth and adopted hereby, or who fails or refuses to perform any duty prescribed herein to be performed by him, is guilty of a misdemeanor."

h) That applicant acknowledges that (a) submission of an application does not guarantee that a license permit will be issued to applicant and (b) submission of an incomplete application by applicant will result in rejection of the application.

I hereby certify that the above information is true and correct, and that all required information and documents (#1-#10) are attached.

Anne Larson
Authorized Signature

Name: ANNE LARSON
(Please print)

Title: Advisor

Receipt No. 33308
Amount \$ 50.00
Date 2/14/14

MEMORANDUM

TO: Mayor/Chair & Members of the Duarte City Council/Successor Agency Board
cc: Darrell George, City Manager/Executive Director

FROM: Dan Slater, City Attorney/Successor Agency Counsel

DATE: January 22, 2014 for City Council/Successor Agency Meeting of January 28, 2014

RE: Reestablished Promissory Notes Between the City of Duarte and the Successor Agency to the Dissolved Redevelopment Agency of the City of Duarte

Background

The City of Duarte (City) made three loans to the Redevelopment Agency of the City of Duarte (RDA) in the late 1980s and early 1990s for redevelopment projects and all three loans had outstanding amounts remaining due as of February 1, 2011, the date of the RDA's dissolution. Those three loans have been rejected by the California Department of Finance as enforceable obligations and thus to date have not been eligible for repayment. The Successor Agency has sued the Department of Finance challenging that determination.

Because the Successor Agency has received a Finding of Completion from the State Department of Finance, the Successor Agency and City are now permitted to "reestablish" those loans the City made to the RDA and to have those "reestablished promissory notes" recognized as enforceable obligations on future Recognized Obligation Payment Schedules submitted to the Oversight Board and Department of Finance for approval. Reestablished loans, however, are not treated in the same manner as the original loans and repayment from the Redevelopment Property Tax Trust Fund is subject to a number of significant restrictions that reduce the likelihood the City will receive full repayment. For example, the interest rate going forward is not the rate established in the original loans but rather the interest rate is the rate currently earned on deposits in the Local Agency Investment Fund, which is only 0.26%. In addition there is a cap on the repayment amount the City may receive annually that is tied to a complicated formula that acts to severely limit the annual repayment amount. The other significant restriction is that 20% of any repayment amounts received by the City must be set aside in a separate City affordable housing fund, so that only 80% instead of 100% of the repayment amount becomes general fund dollars. Although the Successor Agency is continuing with the litigation against the Department of Finance to seek to have the original loans recognized as enforceable obligations to be repaid with the original interest rate and without these restrictions, moving forward with the "reestablished" loans will at least potentially enable the City to receive some amount of repayment on these loans should the court ultimately reject the Successor Agency's legal arguments concerning the enforceability of the original loans.

Recommendation

City/Successor Agency staff and our office recommend the City Council and Successor Agency adopt their respective resolution presented to each body for its consideration that would approve "reestablished" promissory notes for the three loans.

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUARTE APPROVING REESTABLISHED PROMISSORY NOTES BETWEEN THE CITY OF DUARTE AND THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF DUARTE**

WHEREAS, the City of Duarte (“City”) is, and at all times relevant to the matters referred to herein was, a municipal corporation and general law city of the State of California; and

WHEREAS, the former Redevelopment Agency of the City of Duarte (“RDA”) was a redevelopment agency organized and existing and enabled to exercise the powers afforded under the Community Redevelopment Law (“CRL”); and

WHEREAS, on June 28, 2011, Assembly Bill 26 from the 2011-2012 First Extraordinary Session of the California Legislature (“ABx1 26”) was enacted as a bill related to the 2011 Budget Act which, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, dissolved all redevelopment agencies in California on February 1, 2012; and

WHEREAS, on June 27, 2012, Assembly Bill 1484 from the 2011-2012 Regular Session of the California Legislature (“AB 1484”) was enacted as a bill related to the 2011 Budget Act and amended ABx1 26; and

WHEREAS, ABx126 and AB 1484 are hereinafter collectively referred to as the “Dissolution Act”; and

WHEREAS, pursuant to Health and Safety Code 34171, added to the CRL by ABx1 26 and amended by AB 1484, the Successor Agency to the RDA (“Successor Agency”) assumed, on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested to the RDA, except for those that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, the RDA, until its dissolution on February 1, 2012, was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

WHEREAS, Section 33600 of the CRL provides that a redevelopment agency may accept financial or other assistance from any public or private source, for the agency’s activities, powers, and duties, and expend any funds so received for any of the purposes of the CRL; and

WHEREAS, Section 33601 of the CRL provides that a redevelopment agency may borrow money or accept financial or other assistance from the state or the federal government or

any other public agency for any redevelopment project within its area of operation, and may comply with any conditions of such loan or grant; and

WHEREAS, by adoption of Ordinance No. 742 on July 13, 1999, the City Council of the City of Duarte, in compliance with the CRL and other applicable law, adopted the Amended and Restated Redevelopment Plan for the Duarte Merged Redevelopment Project which created a single unified redevelopment plan for the previously merged seven redevelopment project areas that each had been duly established by ordinance, and which Ordinance No. 742 also added territory, known as the Amendment No. 1 Area, to the previously merged project area (collectively, the “Merged Redevelopment Plan”); and

WHEREAS, Ordinance No. 742 incorporated into the single unified Merged Redevelopment Plan the previous seven separate Redevelopment Plans and Project Areas plus the additional Amendment No. 1 area, identified in the Merged Redevelopment Plan, as follows:

- (1) the Davis Addition Component Area, consisting of the Original Davis Addition Component Area and the Amended Davis Addition Component Area;
- (2) the Las Lomas Component Area, consisting of the Original Las Lomas Component Area, the Las Lomas Amendment No. 1 Component Area, and the Las Lomas Amendment No. 2 Component Area;
- (3) the Huntington Drive Phase I Component Area;
- (4) the Huntington Drive Phase II Component Area;
- (5) the Rancho Duarte Phase I Component Area, consisting of the Original Rancho Duarte Phase I Component Area and the Rancho Duarte Phase I Amendment Component Area;
- (6) the Rancho Duarte Phase II Component Area, consisting of the Original Rancho Duarte Phase II Component Area and the Rancho Duarte Phase II Amendment Component Area;
- (7) the Rancho Duarte Phase III Component Area, consisting of the Original Rancho Duarte Phase III Component Area and the Rancho Duarte Phase III Amendment Component Area; and
- (8) the Amendment No. 1 Component Area; and

WHEREAS, the RDA was engaged in activities to execute and implement the Merged Project Area (and prior to the 1999 merger, each separate Redevelopment Project Area) pursuant to the provisions of the CRL; and

WHEREAS, on or about June 24, 1987, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Agreement for the RDA’s repayment for project improvements to the Amended Davis Component Area (“Amended Davis Promissory Note”) in the principal amount of \$9,522,462, of which \$2,101,265 remains outstanding; and

WHEREAS, a true and correct copy of the Amended Davis Promissory Note is attached hereto as **Exhibit A** and by this reference incorporated herein; and

WHEREAS, on or about February 26, 1991, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Promissory Note for the RDA's repayment for project improvements to the Rancho Duarte Phase II Component Area related to the Hamilton project ("Hamilton Promissory Note") in the principal amount of \$3,000,000, of which \$1,073,198 remains outstanding; and

WHEREAS, a true and correct copy of the Hamilton Promissory Note is attached hereto as **Exhibit B** and by this reference incorporated herein; and

WHEREAS, on or about February 7, 1991, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Promissory Note for the RDA's repayment for project improvements to the Rancho Duarte Phase III Component Area ("Rancho Duarte Phase III Promissory Note") in the principal amount of \$6,128,857, of which \$6,128,857 remains outstanding; and

WHEREAS, a true and correct copy of the Rancho Duarte Phase III Note is attached hereto as **Exhibit C** and by this reference incorporated herein; and

WHEREAS, the Amended Davis Promissory Note, the Hamilton Promissory Note, and the Rancho Duarte Phase III Promissory Note are collectively referred to hereinafter as the "City Loans"; and

WHEREAS, the California State Department of Finance ("DOF"), as the primary administrative entity charged with implementing the Dissolution Act, has issued a series of determinations that the City Loans are not "enforceable obligations" under the Dissolution Act; and

WHEREAS, on or about December 18, 2012, the City and Successor Agency filed a lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2012-80001338, and on or about May 13, 2013, filed a second lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2013-80001487, both challenging the DOF determinations that the City Loans are not enforceable obligations; and

WHEREAS, the Oversight Board of the Successor Agency ("Oversight Board") has been established in accordance with the Dissolution Act; and

WHEREAS, pursuant to CRL Section 34191.4, enacted as part of AB 1484, after issuance of a "Finding of Completion" from the DOF, loan agreements between the former redevelopment agency and the city which established the redevelopment agency, shall be deemed to be an enforceable obligation, when the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, pursuant to Health and Safety Code Section 34180(a), added by ABx1 26 and amended by AB 1484, an oversight board is authorized to approve a request by a successor agency to reestablish loan agreements between the successor agency and the city, county, or city

and county that formed the redevelopment agency in accordance with the provisions of Health and Safety Code Section 34191.4; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b)(2), if an oversight board finds that the loan made by a city to its redevelopment agency is an enforceable obligation, the loan principal must be repaid to the city in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund, and the annual loan repayments provided for in the recognized obligations payment schedules are subject to the additional following provisions:

(A) Repayments shall not be made prior to the 2013-2014 fiscal year;

(B) Beginning in the 2013-2014 fiscal year, the maximum repayment amount authorized each fiscal year for the repayments made for a reestablished city/redevelopment agency loan and repayments for any amounts owed to the former redevelopment agency's Low and Moderate Income Housing Fund as repayment for the funding of the Supplemental Education Revenue Augmentation Fund (SERAF) shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to Health and Safety Code Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-2013 base year;

(C) Loan of deferral repayments made to city/redevelopment agency loans are to be second in priority to the amounts to be repaid as part of any SERAF loan;

(D) Payments received by a city that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Asset Fund of the former redevelopment agency for purposes of the SERAF and shall be distributed to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d);

(E) Twenty percent of any loan repayment for a city/redevelopment agency loan shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d), after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the SERAF have been repaid; and

WHEREAS, the RDA did not pay for the SERAF requirement with any funds from the former Low and Moderate Income Housing Fund; and

WHEREAS, the DOF issued a Finding of Completion to the Successor Agency by letter dated October 23, 2013; and

WHEREAS, a true and correct copy of the Finding of Completion letter issued by the DOF is attached hereto as **Exhibit D** and by this reference incorporated herein; and

WHEREAS, the City and Successor Agency, desire to reestablish the City Loans pursuant to the terms of the Dissolution Act as set forth in that certain Reestablished Amended

Davis Promissory Note, that certain Reestablish Hamilton Promissory Note, and that certain Reestablished Rancho Duarte Phase III Promissory Note attached hereto as Exhibit E, Exhibit F, and Exhibit G, respectively, and by this reference are incorporated herein; and

WHEREAS, the Reestablished Amended Davis Promissory Note, Reestablish Hamilton Promissory Note, and Reestablished Rancho Duarte Phase III Promissory Note are collectively referred to herein as the “Reestablished City Loans”; and

WHEREAS, if the amounts due under the City Loans were not paid back to the City, then other public services provided by the City, such as public safety, fire protection, park and recreation programs, senior citizen services, transportation services, and other critical City services would be impacted;

NOW THEREFORE, the City Council of the City of Duarte resolves as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution and are incorporated herein.

SECTION 2. The City Council hereby finds and declares as follows:

A. The City Loans and each of them were for legitimate redevelopment purposes, including the following:

(i) The RDA was implementing the redevelopment of the Merged Project Area (and before the merger in 1999, each component area as a separate project area) under the duly adopted redevelopment plans and the CRL;

(ii) The CRL, at Health and Safety Code Section 33020, defines redevelopment as the “planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a survey area, and the provision of hose residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them...”;

(iii) The CRL (Health and Safety Code Sections 33132, 33133, and 33600) specifically authorized the RDA to accept financial assistance from public sources, including the City, and to expand those moneys for any redevelopment project within the RDA’s area of operation or for the RDA’s activities, powers, and duties;

(iv) The CRL (Health and Safety Code Section 33391) specifically authorized the RDA to acquire real property;

(v) The CRL (Health and Safety Code Section 33220) specifically authorized the RDA to enter into agreements with any other public body, including the City, for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects upon the terms and with or without consideration as determined necessary by the RDA;

(vi) The CRL (Health and Safety Code Sections 33445 and 33445.1) specifically authorized the RDA, with the consent of the City, to pay all or a part of the value of the land for and the cost of the installation and construction of any publicly owned building, facility, structure, or other improvement;

(vii) The CRL (Health and Safety Code Sections 33601) specifically authorized the RDA to borrow money from any public agency, including the City, for any redevelopment project within its area of operation, and comply with any conditions of such loan;

(viii) The CRL (Health and Safety Code Sections 33610) specifically authorized the City to loan to the RDA such amounts as the City deemed necessary for the administrative expenses and overhead of the Agency, with such moneys appropriated by the City to be repaid by the RDA as a loan on such terms and conditions as the City may have provided; and

(ix) California law (Government Code sections 53600 et seq. and 53601(e) specifically) authorized the City to invest moneys not required for the immediate needs in evidences of indebtedness of any local agency, including the RDA, within the State of California.

B. Pursuant to the Amended Davis Promissory Note, the City loaned funds to the RDA for multiple public improvements listed on Exhibit "A" to the Amended Davis Promissory Note, and as such the Amended Davis Promissory Note was for legitimate redevelopment purposes;

C. Pursuant to the Hamilton Promissory Note, the City loaned funds to the RDA for the acquisition of real property and as such the Hamilton Note was for legitimate redevelopment purposes.

D. Pursuant to the Rancho Duarte Phase III Promissory Note, as set forth in the memorandum dated February 7, 1991 accompanying the note, the City loaned funds to the RDA for development of Educational Park and the Trammel Crow/Ralphs Shopping Center, and as such the Rancho Duarte Phase III Promissory Note was for legitimate redevelopment purposes.

E. Based on the foregoing, the City Council specifically and expressly finds and determines that (1) the City Loans, and each of them, were proper and legally-authorized loan agreements under the CRL made by the City to the RDA for legitimate redevelopment purposes, and (2) the Reestablished City Loans, and each of them, are enforceable obligations pursuant to Health and Safety Code Section 34191.4.

SECTION 3. The City Council hereby approves the Reestablished City Loans, and each them, as set forth in **Exhibit E**, **Exhibit F**, and **Exhibit G** attached hereto.

SECTION 4. Nothing in this Resolution shall act to modify, waive, discharge, or in any manner affect, any legal assertion made, or legal position taken, or to be made or taken in the future, by the City or Successor Agency or any other entity with respect to the subject matter of, or any of the matters set forth in, this Resolution.

SECTION 5. This Resolution shall take effect upon the date of its adoption. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED this 28th day of January, 2014.

Mayor Elizabeth Nowak Reilly

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) .ss
CITY OF DUARTE)

I, Marla Akana, City Clerk of the City of Duarte, County of Los Angeles, State of California, hereby attest to the above signature and certify that Resolution No. 14-01 was adopted by the City Council of said City of Duarte at a regular meeting of said Council held on the 28th day of January, 2014, by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

City Clerk Marla Akana
City of Duarte

RESOLUTION NO.**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
DISSOLVED REDEVELOPMENT AGENCY OF THE CITY
OF DUARTE APPROVING REESTABLISHED PROMISSORY
NOTES BETWEEN THE CITY OF DUARTE AND THE
SUCCESSOR AGENCY**

WHEREAS, the City of Duarte (“City”) is, and at all times relevant to the matters referred to herein was, a municipal corporation and general law city of the State of California; and

WHEREAS, the former Redevelopment Agency of the City of Duarte (“RDA”) was a redevelopment agency organized and existing and enabled to exercise the powers afforded under the Community Redevelopment Law (“CRL”); and

WHEREAS, on June 28, 2011, Assembly Bill 26 from the 2011-2012 First Extraordinary Session of the California Legislature (“ABx1 26”) was enacted as a bill related to the 2011 Budget Act which, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, dissolved all redevelopment agencies in California on February 1, 2012; and

WHEREAS, on June 27, 2012, Assembly Bill 1484 from the 2011-2012 Regular Session of the California Legislature (“AB 1484”) was enacted as a bill related to the 2011 Budget Act and amended ABx1 26; and

WHEREAS, ABx126 and AB 1484 are hereinafter collectively referred to as the “Dissolution Act”; and

WHEREAS, pursuant to Health and Safety Code 34171, added to the CRL by ABx1 26 and amended by AB 1484, the Successor Agency to the RDA (“Successor Agency”) assumed, on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested to the RDA, except for those that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, the RDA, until its dissolution on February 1, 2012, was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

WHEREAS, Section 33600 of the CRL provides that a redevelopment agency may accept financial or other assistance from any public or private source, for the agency’s activities, powers, and duties, and expend any funds so received for any of the purposes of the CRL; and

WHEREAS, Section 33601 of the CRL provides that a redevelopment agency may borrow money or accept financial or other assistance from the state or the federal government or

any other public agency for any redevelopment project within its area of operation, and may comply with any conditions of such loan or grant; and

WHEREAS, by adoption of Ordinance No. 742 on July 13, 1999, the City Council of the City of Duarte, in compliance with the CRL and other applicable law, adopted the Amended and Restated Redevelopment Plan for the Duarte Merged Redevelopment Project which created a single unified redevelopment plan for the previously merged seven redevelopment project areas that each had been duly established by ordinance, and which Ordinance No. 742 also added territory, known as the Amendment No. 1 Area, to the previously merged project area (collectively, the "Merged Redevelopment Plan"); and

WHEREAS, Ordinance No. 742 incorporated into the single unified Merged Redevelopment Plan the previous seven separate Redevelopment Plans and Project Areas plus the additional Amendment No. 1 area, identified in the Merged Redevelopment Plan, as follows:

- (1) the Davis Addition Component Area, consisting of the Original Davis Addition Component Area and the Amended Davis Addition Component Area;
- (2) the Las Lomas Component Area, consisting of the Original Las Lomas Component Area, the Las Lomas Amendment No. 1 Component Area, and the Las Lomas Amendment No. 2 Component Area;
- (3) the Huntington Drive Phase I Component Area;
- (4) the Huntington Drive Phase II Component Area;
- (5) the Rancho Duarte Phase I Component Area, consisting of the Original Rancho Duarte Phase I Component Area and the Rancho Duarte Phase I Amendment Component Area;
- (6) the Rancho Duarte Phase II Component Area, consisting of the Original Rancho Duarte Phase II Component Area and the Rancho Duarte Phase II Amendment Component Area;
- (7) the Rancho Duarte Phase III Component Area, consisting of the Original Rancho Duarte Phase III Component Area and the Rancho Duarte Phase III Amendment Component Area; and
- (8) the Amendment No. 1 Component Area; and

WHEREAS, the RDA was engaged in activities to execute and implement the Merged Project Area (and prior to the 1999 merger, each separate Redevelopment Project Area) pursuant to the provisions of the CRL; and

WHEREAS, on or about June 24, 1987, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Agreement for the RDA's repayment for project improvements to the Amended Davis Component Area ("Amended Davis Promissory Note") in the principal amount of \$9,522,462, of which \$2,101,265 remains outstanding; and

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WHEREAS, a true and correct copy of the Amended Davis Promissory Note is attached hereto as **Exhibit A** and by this reference incorporated herein; and

WHEREAS, on or about February 26, 1991, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Promissory Note for the RDA's repayment for project improvements to the Rancho Duarte Phase II Component Area related to the Hamilton project ("Hamilton Promissory Note") in the principal amount of \$3,000,000, of which \$1,073,198 remains outstanding; and

WHEREAS, a true and correct copy of the Hamilton Promissory Note is attached hereto as **Exhibit B** and by this reference incorporated herein; and

WHEREAS, on or about February 7, 1991, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Promissory Note for the RDA's repayment for project improvements to the Rancho Duarte Phase III Component Area ("Rancho Duarte Phase III Promissory Note") in the principal amount of \$6,128,857, of which \$6,128,857 remains outstanding; and

WHEREAS, a true and correct copy of the Rancho Duarte Phase III Note is attached hereto as **Exhibit C** and by this reference incorporated herein; and

WHEREAS, the Amended Davis Promissory Note, the Hamilton Promissory Note, and the Rancho Duarte Phase III Promissory Note are collectively referred to hereinafter as the "City Loans"; and

WHEREAS, the California State Department of Finance ("DOF"), as the primary administrative entity charged with implementing the Dissolution Act, has issued a series of determinations that the City Loans are not "enforceable obligations" under the Dissolution Act; and

WHEREAS, on or about December 18, 2012, the City and Successor Agency filed a lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2012-80001338, and on or about May 13, 2013, filed a second lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2013-80001487, both challenging the DOF determinations that the City Loans are not enforceable obligations; and

WHEREAS, the Oversight Board of the Successor Agency ("Oversight Board") has been established in accordance with the Dissolution Act; and

WHEREAS, pursuant to CRL Section 34191.4, enacted as part of AB 1484, after issuance of a "Finding of Completion" from the DOF, loan agreements between the former redevelopment agency and the city which established the redevelopment agency, shall be deemed to be an enforceable obligation, when the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, pursuant to Health and Safety Code Section 34180(a), added by ABx1 26 and amended by AB 1484, an oversight board is authorized to approve a request by a successor agency to reestablish loan agreements between the successor agency and the city, county, or city

and county that formed the redevelopment agency in accordance with the provisions of Health and Safety Code Section 34191.4; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b)(2), if an oversight board finds that the loan made by a city to its redevelopment agency is an enforceable obligation, the loan principal must be repaid to the city in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund, and the annual loan repayments provided for in the recognized obligations payment schedules are subject to the additional following provisions:

(A) Repayments shall not be made prior to the 2013-2014 fiscal year;

(B) Beginning in the 2013-2014 fiscal year, the maximum repayment amount authorized each fiscal year for the repayments made for a reestablished city/redevelopment agency loan and repayments for any amounts owed to the former redevelopment agency's Low and Moderate Income Housing Fund as repayment for the funding of the Supplemental Education Revenue Augmentation Fund (SERAF) shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to Health and Safety Code Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-2013 base year;

(C) Loan of deferral repayments made to city/redevelopment agency loans are to be second in priority to the amounts to be repaid as part of any SERAF loan;

(D) Payments received by a city that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Asset Fund of the former redevelopment agency for purposes of the SERAF and shall be distributed to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d);

(E) Twenty percent of any loan repayment for a city/redevelopment agency loan shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d), after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the SERAF have been repaid; and

WHEREAS, the RDA did not pay for the SERAF requirement with any funds from the former Low and Moderate Income Housing Fund; and

WHEREAS, the DOF issued a Finding of Completion to the Successor Agency by letter dated October 23, 2013; and

WHEREAS, a true and correct copy of the Finding of Completion letter issued by the DOF is attached hereto as **Exhibit D** and by this reference incorporated herein; and

WHEREAS, the City and Successor Agency, desire to reestablish the City Loans pursuant to the terms of the Dissolution Act as set forth in that certain Reestablished Amended

Davis Promissory Note, that certain Reestablish Hamilton Promissory Note, and that certain Reestablished Rancho Duarte Phase III Promissory Note attached hereto as **Exhibit E**, **Exhibit F**, and **Exhibit G**, respectively, and by this reference are incorporated herein; and

WHEREAS, the Reestablished Amended Davis Promissory Note, Reestablish Hamilton Promissory Note, and Reestablished Rancho Duarte Phase III Promissory Note are collectively referred to herein as the “Reestablished City Loans”; and

WHEREAS, if the amounts due under the City Loans were not paid back to the City, then other public services provided by the City, such as public safety, fire protection, park and recreation programs, senior citizen services, transportation services, and other critical City services would be impacted;

NOW THEREFORE, the Successor Agency to the Dissolved Redevelopment Agency of the City of Duarte resolves as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution and are incorporated herein.

SECTION 2. The Successor Agency hereby finds and declares as follows:

A. The City Loans and each of them were for legitimate redevelopment purposes, including the following:

(i) The RDA was implementing the redevelopment of the Merged Project Area (and before the merger in 1999, each component area as a separate project area) under the duly adopted redevelopment plans and the CRL;

(ii) The CRL, at Health and Safety Code Section 33020, defines redevelopment as the “planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a survey area, and the provision of hose residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them...”;

(iii) The CRL (Health and Safety Code Sections 33132, 33133, and 33600) specifically authorized the RDA to accept financial assistance from public sources, including the City, and to expand those moneys for any redevelopment project within the RDA’s area of operation or for the RDA’s activities, powers, and duties;

(iv) The CRL (Health and Safety Code Section 33391) specifically authorized the RDA to acquire real property;

(v) The CRL (Health and Safety Code Section 33220) specifically authorized the RDA to enter into agreements with any other public body, including the City, for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects upon the terms and with or without consideration as determined necessary by the RDA;

(vi) The CRL (Health and Safety Code Sections 33445 and 33445.1) specifically authorized the RDA, with the consent of the City, to pay all or a part of the value of the land for and the cost of the installation and construction of any publicly owned building, facility, structure, or other improvement;

(vii) The CRL (Health and Safety Code Sections 33601) specifically authorized the RDA to borrow money from any public agency, including the City, for any redevelopment project within its area of operation, and comply with any conditions of such loan;

(viii) The CRL (Health and Safety Code Sections 33610) specifically authorized the City to loan to the RDA such amounts as the City deemed necessary for the administrative expenses and overhead of the Agency, with such moneys appropriated by the City to be repaid by the RDA as a loan on such terms and conditions as the City may have provided; and

(ix) California law (Government Code sections 53600 et seq. and 53601(e) specifically) authorized the City to invest moneys not required for the immediate needs in evidences of indebtedness of any local agency, including the RDA, within the State of California.

B. Pursuant to the Amended Davis Promissory Note, the City loaned funds to the RDA for multiple public improvements listed on Exhibit "A" to the Amended Davis Promissory Note, and as such the Amended Davis Promissory Note was for legitimate redevelopment purposes;.

C. Pursuant to the Hamilton Promissory Note, the City loaned funds to the RDA for the acquisition of real property and as such the Hamilton Note was for legitimate redevelopment purposes.

D. Pursuant to the Rancho Duarte Phase III Promissory Note, as set forth in the memorandum dated February 7, 1991 accompanying the note, the City loaned funds to the RDA for development of Educational Park and the Trammel Crow/Ralphs Shopping Center, and as such the Rancho Duarte Phase III Promissory Note was for legitimate redevelopment purposes.

E. Based on the foregoing, the City Council specifically and expressly finds and determines that (1) the City Loans, and each of them, were proper and legally-authorized loan agreements under the CRL made by the City to the RDA for legitimate redevelopment purposes, and (2) the Reestablished City Loans, and each of them, are enforceable obligations pursuant to Health and Safety Code Section 34191.4.

SECTION 3. The Successor Agency hereby approves the Reestablished City Loans, and each them, as set forth in **Exhibit E**, **Exhibit F**, and **Exhibit G** attached hereto.

SECTION 4. Nothing in this Resolution shall act to modify, waive, discharge, or in any manner affect, any legal assertion made, or legal position taken, or to be made or taken in the future, by the City or Successor Agency or any other entity with respect to the subject matter of, or any of the matters set forth in, this Resolution.

SECTION 5. This Resolution shall take effect upon the date of its adoption. The Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED this 28th day of January, 2014.

Chair Elizabeth Nowak Reilly

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) .ss
CITY OF DUARTE)

I, Marla Akana, Secretary of the Successor Agency to the Dissolved Redevelopment Agency of the City of Duarte, hereby attest to the above signature and certify that Resolution No. SA-14-01 was adopted by said Successor Agency at a regular meeting of said Successor Agency held on the 28th day of January, 2014, by the following vote:

AYES: Boardmembers:
NOES: Boardmembers:
ABSENT: Boardmembers:

Secretary Marla Akana
Successor Agency to the Dissolved
Redevelopment Agency of the City of Duarte

AGREEMENT

This Agreement, by and between the City of Duarte (the "City") and the Redevelopment Agency of the City of Duarte (the "Agency"),

WITNESSETH

WHEREAS, the Agency and the City have approved a redevelopment plan (the "Plan") for the Amended Davis Addition Redevelopment Project Area (the "Project Area") within the City;

WHEREAS, the Plan contemplates various public improvements of benefit to the Project Area, and authorizes the Agency to install and construct, or cause to be installed and constructed, such improvements;

WHEREAS, the Plan authorizes the Agency to cooperate with public bodies, including the City, in carrying out the Plan, and the Plan specifies that the City shall aid and cooperate with the Agency in undertaking the Plan by expending such funds and taking such actions as are necessary to ensure the fulfillment of the Plan;

WHEREAS, the Plan authorizes the Agency to finance the improvements contemplated by the Plan with, among other things, financial assistance from the City, including loans for public facilities, and authorizes the Agency to obtain advances, borrow funds and create indebtedness and other obligations in carrying out the Plan;

WHEREAS, the Agency and the City agree that the improvements listed in Exhibit A hereto (the "Improvements") were contemplated by the Plan, are of substantial benefit to the Project Area and are necessary for the fulfillment of the Plan;

WHEREAS, the Agency and the City agree that the City was best able to carry out the acquisition and construction of the Improvements;

WHEREAS, the Agency and the City intended that the City undertake the Improvements on behalf of the Agency, but only on the condition that the Agency reimburse the City for funds advanced by the City for the acquisition and construction of Improvements at such time as the Agency had sufficient funds therefor; and

WHEREAS, the Agency and the City now desire to memorialize their agreements as set forth above;

NOW, THEREFORE, for and in consideration of the premises and for their mutual advantage and concern, the parties hereto do hereby agree as follows:

1. It is hereby specifically found and declared that the Improvements are of substantial benefit to the Project Area and essential to the development of the full potential

of the Project Area, and that no other reasonable means of financing the Improvements are available to the City and the Agency except as contemplated hereby.

2. The City and the Agency agree that the Improvements were acquired and constructed for and on behalf of the Agency and that all costs of the City in connection therewith were advancements to and on behalf of the Agency. Accordingly, the Agency agrees to reimburse the City for its expenditures in connection with the Improvements in the total principal sum of \$4,510,400 plus interest from the time of expenditure by the City payable at a rate from year to year equal to the approximate average rate of return on investments of City funds generally, as such rate is determined by the City Treasurer or his designee. It is intended by the Agency that this Agreement and such reimbursement obligation constitute an indebtedness of the Agency.

3. The Agency agrees to make the reimbursement to the City of the amount listed in paragraph 2 above, with interest thereon as specified above, at such times and in such amounts as the Agency has available funds therefore. The Agency shall determine, from time to time, but no later than November 1 of each year, the extent to which funds are available to make such reimbursement in whole or in part, based upon the existing contractual obligations of the Agency.

4. The Agency and the City agree that the reimbursement obligations of the Agency are subordinate to any Agency bonds, notes or obligations under any indenture, or lease agreement, installment sale agreement, reimbursement agreement or other obligation to which the Agency is a party. Reimbursement to the City shall be made according to the extent of funds available to the Agency in excess of amounts needed to pay any other current obligations of the Agency.

5. This Agreement constitutes a binding agreement of the parties hereto and may not be rescinded or amended by either party without the written consent of the other.

6. The Agency and the City have entered into and may enter into other agreements with respect to improvements of benefit to the Project Area, other than the Improvements, and such other agreements shall in no way effect or be governed by the terms of this Agreement except to the extent explicitly set forth in such agreements.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of June 24, 1987 memorializing the prior agreements between the Agency and the City with respect to the Improvements.

CITY OF DUARTE

By: James H. Duff
City Manager

REDEVELOPMENT AGENCY OF
THE CITY OF DUARTE

By: Maria A. Mancy
Chairman

036

EXHIBIT A

Schedules of Improvements

<u>Description of Improvement</u>	<u>Year of Completion</u>	<u>Reimbursable Cost</u>
1. Town Center Construction	1980-87	\$1,968,737
2. Huntington Drive Median Construction	1977	255,000
3. Royal Oaks Park Extension, Land and Construction	1980	660,000
4. Bike & Equestrian Trail Construction	1982	61,250
5. Duarte Sports Park Construction	1981	550,000
6. Railroad Crossing Improvements (Highland)	1986	35,000
7. Utility Undergrounding, Mt. Olive Drive	1980	50,000
8. Amended Davis Addition Storm Drain, Industrial Park	1982	350,000
9. Amended Davis Addition Storm Drain, Las Lomas to Mt. Olive Drive	1982	279,210
10. Utility Undergrounding Las Lomas & Huntington Drive	1980	200,000
11. Slurry Seal Program, Hearthstone Las Lomas Villas Industrial Park	1985	30,000
12. Street Paving, Industrial Park & Las Lomas Road	1981	<u>71,202</u>
	Total Principal	<u>\$4,510,400</u>
13. Interest on Items 1-12.	1977	(7%) 17,850
	1978	(7%) 19,099
	1979	(9%) 26,275
	1980	(12%) 322,661
	1981	(12%) 522,273
	1982	(11%) 806,084
	1983	(10%) 865,963
	1984	(10%) 702,559
	1985	(9%) 698,234
	1986	(8%) 679,311
	1987	(8%)(thru 6/20/87) 351,753
	Total Interest (thru June 24, 1987)	<u>\$5,012,062</u>
	Total Due to City (as of June 24, 1987)	<u>\$9,522,462</u>

CITY OF DUARTE

Index J.6

Prep By	Checked By	Mgr Rev	Ptnr Rev
#NAME?	#NAME?	#NAME?	#NAME?
#NAME?	#NAME?	#NAME?	#NAME?

Amended Davis Addition Promssory Note
AS OF JUNE 30, 2011

From last known audited F/S which added unpaid interest:

FYE	Principal Carried Forward	Principal Addition	Principal	Compunded Interest Accrued Variable, See J. G. A	Cummulative Interest	Repayment	Total
6/30/90	3,075,091		3,075,091	-	-		3,075,091
		(973,826)				(246,407)	
6/30/91	3,075,091		2,101,265	246,407	-		2,101,265
6/30/92	2,101,265		2,101,265	130,194	130,194		2,231,459
6/30/93	2,101,265		2,101,265	105,035	235,229		2,336,494
6/30/94	2,101,265		2,101,265	102,502	337,731		2,438,996
6/30/95	2,101,265		2,101,265	134,925	472,656		2,573,921
6/30/96	2,101,265		2,101,265	146,868	619,524		2,720,789
6/30/97	2,101,265		2,101,265	152,337	771,861		2,873,126
6/30/98	2,101,265		2,101,265	163,739	935,600		3,036,865
6/30/99	2,101,265		2,101,265	162,290	1,097,890		3,199,155
6/30/00	2,101,265		2,101,265	182,608	1,280,498		3,381,763
6/30/01	2,101,265		2,101,265	206,423	1,486,921		3,588,186
6/30/02	2,101,265		2,101,265	123,613	1,610,534		3,711,799
6/30/03	2,101,265		2,101,265	79,878	1,690,412		3,791,677
6/30/04	2,101,265		2,101,265	58,088	1,748,500		3,849,765
6/30/05	2,101,265		2,101,265	86,851	1,835,351		3,936,616
6/30/06	2,101,265		2,101,265	152,465	1,987,816		4,089,081
						(1,000,000)	
6/30/07	2,101,265		2,101,265	209,402	1,197,218		3,298,483
6/30/08	2,101,265		2,101,265	142,659	1,339,877		3,441,142
6/30/09	2,101,265		2,101,265	76,531	1,416,408		3,517,673
6/30/10	2,101,265		2,101,265	229,001	1,645,409		3,746,674
						(1,195,522)	
6/30/11	2,101,265		2,101,265	185,460	635,347		2,736,612
TOTALS							
Ending Principal		2,101,265					
Ending Cumulative Unpaid Interest		<u>635,347</u>					
		2,736,612					

Executive Director

RESOLUTION 14-R-01
RESOLUTION SA-14-01
Exhibit B

MEMORANDUM

TO: Executive Director
FROM: Assistant Executive Director
SUBJECT: AUTHORIZATION TO ISSUE PROMISSORY NOTE
DATE: February 21, 1991

The Redevelopment Agency has requested a loan of \$3,000,000 from the City of Duarte's Cable Television Fund.

As a means of memorializing this loan and the terms of its repayment, the issuance of a Promissory Note in favor of the City of Duarte is required.

The loan terms set out in the Note are as follows:

1. TERM: Five (5) years commencing 3/1/91 ending 2/28/96.
2. INTEREST RATE: 8.5% Simple Interest payable semi-annually.

The purpose of the loan is to enable the Agency to acquire approximately 7 acres of property currently owned by the Mark IV Corporation in the area of Hamilton Road and Mountain Avenue. This acquisition is necessary to implement provisions of the Agency's Disposition and Development Agreement with La Mesa R.V. Sales.

Recommendation

That the Redevelopment Agency authorize the issuance of the attached Promissory Note and direct its Chairman to execute said Note on behalf of the Agency.

PROMISSORY NOTE

\$3,000,000

On or before February 28, 1996, the Redevelopment Agency of the City of Duarte promises to pay in lawful money of the United States, to the order of the City of Duarte, the principal sum of \$3,000,000, plus interest accruing at the rate of 8.5% per annum, Simple Interest payable semi-annually on September 1 and March 1, following the issuance of this Note.

In the event of commencement of suit to enforce payment of this Note, Agency agrees to pay to City each additional sum such as attorney fees as the court may judge reasonable.

Redevelopment Agency of the
City of Duarte

By: James D. Kirchner
Chairman, James D. Kirchner

Date: February 26, 1991

By: Jesse H. Duff
Secretary, Jesse Duff

Date: 2-26-91

*City Mgr.
Exec Dir.*

MEMORANDUM

TO: Executive Director
FROM: Assistant Executive Director
SUBJECT: RANCHO DUARTE PHASE III PROMISSORY NOTE
DATE: February 7, 1991

Between October 1988 and October 1989, the City's Economic Development Fund advanced the Duarte Redevelopment Agency's Rancho Duarte Phase III Project Area \$6,128,857. This was for the purpose of undertaking the Educational Park and Trammel Crow/Ralphs Projects. Accrued interest figured at the rate of 10% per annum has added an additional \$1,261,807, bringing the Agency's repayment obligation to a total of \$7,390,664.

Now that the Ralphs Project is complete and the Educational Park is 99.9% complete, it would seem appropriate to memorialize this repayment obligation in the form of a Promissory Note. The Promissory Note makes repayment an obligation of the Rancho Duarte III Project Area only and is to be repaid from tax increment revenues which will become available once the Project Area Amendment is complete.

RECOMMENDATION

That the City Council approve by minute motion the terms of the Promissory Note.

That the Redevelopment Agency Board approve the terms of the Note and direct its Chairman to execute the same.

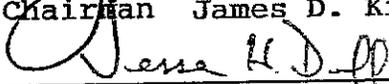
PROMISSORY NOTE

\$7,390,664.00 Duarte, California February 12, 1991

On or before July 1, 2021, the Redevelopment Agency of the City of Duarte promises to pay in lawful money of the United States of America, to the order of the City of Duarte, the principal sum of \$7,390,664.00, plus interest accruing on the unpaid balance at the rate of 10% per annum. Interest and principal shall be payable from available Property Tax Increments generated from the Rancho Duarte Phase III Redevelopment project area.

In the event of Commencement of Suit to enforce payment of this Note, Agency agrees to pay to City such additional sum as attorney fees as the court may judge reasonable.

Redevelopment Agency of the
City of Duarte

By: 
Chairman James D. Kirchner
By: 
Secretary Jesse Duff



October 23, 2013

Ms. Kristen Petersen, Assistant City Manager
City of Duarte
1600 Huntington Drive
Duarte, CA 91010

Dear Ms. Petersen:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Duarte Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

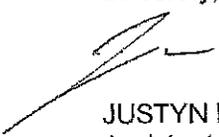
– This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Dan Slater, City Attorney, City of Duarte
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office

REESTABLISHED AMENDED DAVIS PROMISSORY NOTE

THIS REESTABLISHED AMENDED DAVIS PROMISSORY NOTE (“Reestablished Note”) is entered into as of January 28, 2014 (“Reference Date”) by and between the CITY OF DUARTE (“City”) and the SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF DUARTE (“Successor Agency”).

RECITALS:

WHEREAS, the City of Duarte (“City”) is, and at all times relevant to the matters referred to herein was, a municipal corporation and general law city of the State of California; and

WHEREAS, the former Redevelopment Agency of the City of Duarte (“RDA”) was a redevelopment agency organized and existing and enabled to exercise the powers afforded under the Community Redevelopment Law (“CRL”); and

WHEREAS, on June 28, 2011, Assembly Bill 26 from the 2011-2012 First Extraordinary Session of the California Legislature (“ABx1 26”) was enacted as a bill related to the 2011 Budget Act which, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, dissolved all redevelopment agencies in California on February 1, 2012; and

WHEREAS, on June 27, 2012, Assembly Bill 1484 from the 2011-2012 Regular Session of the California Legislature (“AB 1484”) was enacted as a bill related to the 2011 Budget Act and amended ABx1 26; and

WHEREAS, ABx126 and AB 1484 are hereinafter collectively referred to as the “Dissolution Act”; and

WHEREAS, pursuant to Health and Safety Code 34171, added to the CRL by ABx1 26 and amended by AB 1484, the Successor Agency to the RDA (“Successor Agency”) assumed, on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested to the RDA, except for those that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, the RDA, until its dissolution on February 1, 2012, was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

WHEREAS, Section 33600 of the CRL provides that a redevelopment agency may accept financial or other assistance from any public or private source, for the agency’s activities, powers, and duties, and expend any funds so received for any of the purposes of the CRL; and

WHEREAS, Section 33601 of the CRL provides that a redevelopment agency may borrow money or accept financial or other assistance from the state or the federal government or any other public agency for any redevelopment project within its area of operation, and may comply with any conditions of such loan or grant; and

WHEREAS, by adoption of Ordinance No. 742 on July 13, 1999, the City Council of the City of Duarte, in compliance with the CRL and other applicable law, adopted the Amended and Restated Redevelopment Plan for the Duarte Merged Redevelopment Project which created a single unified redevelopment plan for the previously merged seven redevelopment project areas that each had been duly established by ordinance, and which Ordinance No. 742 also added territory, known as the Amendment No. 1 Area, to the previously merged project area (collectively, the "Merged Redevelopment Plan"); and

WHEREAS, Ordinance No. 742 incorporated into the single unified Merged Redevelopment Plan the previous seven separate Redevelopment Plans and Project Areas plus the additional Amendment No. 1 area, identified in the Merged Redevelopment Plan, as follows:

(1) the Davis Addition Component Area, consisting of the Original Davis Addition Component Area and the Amended Davis Addition Component Area;

(2) the Las Lomas Component Area, consisting of the Original Las Lomas Component Area, the Las Lomas Amendment No. 1 Component Area, and the Las Lomas Amendment No. 2 Component Area;

(3) the Huntington Drive Phase I Component Area;

(4) the Huntington Drive Phase II Component Area;

(5) the Rancho Duarte Phase I Component Area, consisting of the Original Rancho Duarte Phase I Component Area and the Rancho Duarte Phase I Amendment Component Area;

(6) the Rancho Duarte Phase II Component Area, consisting of the Original Rancho Duarte Phase II Component Area and the Rancho Duarte Phase II Amendment Component Area;

(7) the Rancho Duarte Phase III Component Area, consisting of the Original Rancho Duarte Phase III Component Area and the Rancho Duarte Phase III Amendment Component Area; and

(8) the Amendment No. 1 Component Area; and

WHEREAS, the RDA was engaged in activities to execute and implement the Merged Project Area (and prior to the 1999 merger, each separate Redevelopment Project Area) pursuant to the provisions of the CRL; and

WHEREAS, on or about June 24, 1987, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Agreement for the RDA's repayment for project improvements to the Amended Davis Component Area ("Amended Davis Promissory Note") in the principal amount of \$9,522,462, of which \$2,101,265 remains outstanding; and

WHEREAS, a true and correct copy of the Amended Davis Promissory Note is attached hereto as **Exhibit A** and by this reference incorporated herein; and

WHEREAS, the California State Department of Finance ("DOF"), as the primary administrative entity charged with implementing the Dissolution Act, has issued a series of determinations that three City loans made to the RDA, including the Amended Davis Promissory

Note (collectively, the “City Loans”), are not “enforceable obligations” under the Dissolution Act; and

WHEREAS, on or about December 18, 2012, the City and Successor Agency filed a lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2012-80001338, and on or about May 13, 2013, filed a second lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2013-80001487, both challenging the DOF determinations that the City Loans are not enforceable obligations; and

WHEREAS, the Oversight Board of the Successor Agency (“Oversight Board”) has been established in accordance with the Dissolution Act; and

WHEREAS, pursuant to CRL Section 34191.4, enacted as part of AB 1484, after issuance of a “Finding of Completion” from the DOF, loan agreements between the former redevelopment agency and the city which established the redevelopment agency, shall be deemed to be an enforceable obligation, when the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, pursuant to Health and Safety Code Section 34180(a), added by ABx1 26 and amended by AB 1484, an oversight board is authorized to approve a request by a successor agency to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency in accordance with the provisions of Health and Safety Code Section 34191.4; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b)(2), if an oversight board finds that the loan made by a city to its redevelopment agency is an enforceable obligation, the loan principal must be repaid to the city in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund, and the annual loan repayments provided for in the recognized obligations payment schedules are subject to the additional following provisions:

(A) Repayments shall not be made prior to the 2013-2014 fiscal year;

(B) Beginning in the 2013-2014 fiscal year, the maximum repayment amount authorized each fiscal year for the repayments made for a reestablished city/redevelopment agency loan and repayments for any amounts owed to the former redevelopment agency’s Low and Moderate Income Housing Fund as repayment for the funding of the Supplemental Education Revenue Augmentation Fund (SERAF) shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to Health and Safety Code Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-2013 base year;

(C) Loan of deferral repayments made to city/redevelopment agency loans are to be second in priority to the amounts to be repaid as part of any SERAF loan;

(D) Payments received by a city that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Asset Fund of the former redevelopment agency for purposes of the SERAF and shall

be distributed to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d);

(E) Twenty percent of any loan repayment for a city/redevelopment agency loan shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d), after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the SERAF have been repaid; and

WHEREAS, the RDA did not pay for the SERAF requirement with any funds from the former Low and Moderate Income Housing Fund; and

WHEREAS, the DOF issued a Finding of Completion to the Successor Agency by letter dated October 23, 2013; and

WHEREAS, a true and correct copy of the Finding of Completion letter issued by the DOF is attached hereto as **Exhibit B** and by this reference incorporated herein; and

WHEREAS, the City and Successor Agency, desire to reestablish the Amended Davis Promissory Note pursuant to the terms of the Dissolution Act as set forth in this Reestablished Note.

AGREEMENT:

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

Section 1. Recitals Incorporated. The foregoing Recitals are incorporated herein and made a part of this Agreement.

Section 2. Reestablished Note. Subject to the terms and conditions in this Reestablished Note, the City in its capacity as a municipal corporation, and the Successor Agency, reestablish the Amended Davis Promissory Note pursuant to the authority set forth in Health and Safety Code Section 34180(a) subject to the provisions set forth in Health and Safety Code Section 34191.4, including therein the requirement that for this Reestablished Note to be deemed an enforceable obligation and eligible for repayment from the Redevelopment Property Tax Trust Fund, the Oversight Board must find that the Amended Davis Promissory Note was for legitimate redevelopment purposes.

Section 3. Effective Date. This Reestablished Note shall not be effective unless and until the Oversight Board has found that the Amended Davis Promissory Note was for legitimate redevelopment purposes pursuant to Health and Safety Code Section 34191.4. The date of adoption of a resolution by the Oversight Board making such finding shall be the effective date of this Reestablished Note. If the City and Successor Agency have not approved this Reestablished Note prior to the aforescribed action by Oversight Board, the City and the Successor Agency may approve this Reestablished Note after such action by the Oversight Board.

Section 4. Principal Balance; Interest. The outstanding principal balance of this Reestablished Note as of the date hereof is \$2,101,265. Interest shall accrue on the outstanding

principal balance at the rate of interest earned on deposits in the Local Agency Investment Fund (“LAIF”) as of the date the Oversight Board makes the finding that the Amended Davis Promissory Note was for legitimate redevelopment purposes. The City’s Finance Director is authorized and directed to attach an addendum to this Reestablished Note with the LAIF rate in effect on the date the Oversight Board makes the required finding. The rate of interest found by the Oversight Board to be applicable may be revised if another rate of interest is determined to be applicable to this Reestablished Note by agreement between the City or Successor Agency on the one hand and DOF on the other hand, by state legislation, by applicable administrative interpretation, or by judicial interpretation. In the event another rate of interest is determined to be applicable, such other rate of interest shall automatically apply without need for further action by the City, Successor Agency, or Oversight Board.

Section 5. Repayment. Repayment of principal and interest shall be made in accordance with the procedure set forth in the Dissolution Act, as the same may be amended from time to time. The City’s Finance Director is authorized and directed to place repayment of the outstanding principal and interest on future Recognized Obligation Payment Schedules in accordance with Health and Safety Code Section 34191.4. The anticipated repayment schedule, based on projections of available distributions from the Redevelopment Property Tax Trust Fund and the repayment formula set forth in Health and Safety Code Section 34191.4, is attached hereto as **Exhibit C** and by this reference incorporated herein. All repayments received by City under this Reestablished Note shall first be applied to accrued interest and then to outstanding principal.

Section 6. Reservation of Rights. This Reestablished Note does not supersede the existing Amended Davis Promissory Note but effects a reestablishment of the Amended Davis Promissory Note pursuant to the terms of Health and Safety Code Sections 34180(a) and 34191.4. The City, in its capacity as a municipal corporation, and the Successor Agency as a public entity, hereby reserve any and all rights, and do not waive any rights, which it may now have, or in the future have, for repayment under the Amended Davis Promissory Note, including but not limited to the right to receive repayment under the Amended Davis Promissory Note, as may be authorized pursuant to any current or future law, administrative or judicial decision, or otherwise; provided, however, that any repayments received by City under this Reestablished Note shall reduce the outstanding balance due City under the Amended Davis Promissory Note.

Section 7. City Manager & Executive Director Authorization. The City Manager and Successor Agency Executive Director and their authorized designees shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Reestablished Note on behalf of the City and Successor Agency, respectively.

IN WITNESS WHEREOF, the City and Successor Agency approve and enter into this Reestablished Note as of the Reference Date to be effective as of the Effective Date as defined hereinabove.

[END—SIGNATURE PAGE AND EXHIBITS FOLLOW]

“City”

CITY OF DUARTE

By: _____
Elizabeth Nowak Reilly, Mayor

ATTEST:

Marla Akana, City Clerk

APPROVED AS TO FORM:

Dan Slater, City Attorney

“Successor Agency”

SUCCESSOR AGENCY TO THE DISSOLVED
REDEVELOPMENT AGENCY OF THE CITY OF
DUARTE

By: _____
Elizabeth Nowak Reilly, Chair

ATTEST:

Marla Akana
Secretary of the Successor Agency

APPROVED AS TO FORM:

Dan Slater
Successor Agency Counsel

EXHIBIT A

AMENDED DAVIS PROMISSORY NOTE

[SEE FOLLOWING PAGES]

AGREEMENT

This Agreement, by and between the City of Duarte (the "City") and the Redevelopment Agency of the City of Duarte (the "Agency").

WITNESSETH

WHEREAS, the Agency and the City have approved a redevelopment plan (the "Plan") for the Amended Davis Addition Redevelopment Project Area (the "Project Area") within the City;

WHEREAS, the Plan contemplates various public improvements of benefit to the Project Area, and authorizes the Agency to install and construct, or cause to be installed and constructed, such improvements;

WHEREAS, the Plan authorizes the Agency to cooperate with public bodies, including the City, in carrying out the Plan, and the Plan specifies that the City shall aid and cooperate with the Agency in undertaking the Plan by expending such funds and taking such actions as are necessary to ensure the fulfillment of the Plan;

WHEREAS, the Plan authorizes the Agency to finance the improvements contemplated by the Plan with, among other things, financial assistance from the City, including loans for public facilities, and authorizes the Agency to obtain advances, borrow funds and create indebtedness and other obligations in carrying out the Plan;

WHEREAS, the Agency and the City agree that the improvements listed in Exhibit A hereto (the "Improvements") were contemplated by the Plan, are of substantial benefit to the Project Area and are necessary for the fulfillment of the Plan;

WHEREAS, the Agency and the City agree that the City was best able to carry out the acquisition and construction of the Improvements;

WHEREAS, the Agency and the City intended that the City undertake the Improvements on behalf of the Agency, but only on the condition that the Agency reimburse the City for funds advanced by the City for the acquisition and construction of Improvements at such time as the Agency had sufficient funds therefor; and

WHEREAS, the Agency and the City now desire to memorialize their agreements as set forth above;

NOW, THEREFORE, for and in consideration of the premises and for their mutual advantage and concern, the parties hereto do hereby agree as follows:

1. It is hereby specifically found and declared that the Improvements are of substantial benefit to the Project Area and essential to the development of the full potential

of the Project Area, and that no other reasonable means of financing the Improvements are available to the City and the Agency except as contemplated hereby.

2. The City and the Agency agree that the Improvements were acquired and constructed for and on behalf of the Agency and that all costs of the City in connection therewith were advancements to and on behalf of the Agency. Accordingly, the Agency agrees to reimburse the City for its expenditures in connection with the Improvements in the total principal sum of \$4,510,400 plus interest from the time of expenditure by the City payable at a rate from year to year equal to the approximate average rate of return on investments of City funds generally, as such rate is determined by the City Treasurer or his designee. It is intended by the Agency that this Agreement and such reimbursement obligation constitute an indebtedness of the Agency.

3. The Agency agrees to make the reimbursement to the City of the amount listed in paragraph 2 above, with interest thereon as specified above, at such times and in such amounts as the Agency has available funds therefore. The Agency shall determine, from time to time, but no later than November 1 of each year, the extent to which funds are available to make such reimbursement in whole or in part, based upon the existing contractual obligations of the Agency.

4. The Agency and the City agree that the reimbursement obligations of the Agency are subordinate to any Agency bonds, notes or obligations under any indenture, or lease agreement, installment sale agreement, reimbursement agreement or other obligation to which the Agency is a party. Reimbursement to the City shall be made according to the extent of funds available to the Agency in excess of amounts needed to pay any other current obligations of the Agency.

5. This Agreement constitutes a binding agreement of the parties hereto and may not be rescinded or amended by either party without the written consent of the other.

6. The Agency and the City have entered into and may enter into other agreements with respect to improvements of benefit to the Project Area, other than the Improvements, and such other agreements shall in no way effect or be governed by the terms of this Agreement except to the extent explicitly set forth in such agreements.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of June 24, 1987 memorializing the prior agreements between the Agency and the City with respect to the Improvements.

CITY OF DUARTE

By: Jesse H. Duff
City Manger

REDEVELOPMENT AGENCY OF
THE CITY OF DUARTE

By: Merrill A. Mancy
Chairman

EXHIBIT A

Schedules of Improvements

<u>Description of Improvement</u>	<u>Year of Completion</u>	<u>Reimbursable Cost</u>
1. Town Center Construction	1980-87	\$1,968,737
2. Huntington Drive Median Construction	1977	255,000
3. Royal Oaks Park Extension, Land and Construction	1980	660,000
4. Bike & Equestrian Trail Construction	1982	61,250
5. Duarte Sports Park Construction	1981	550,000
6. Railroad Crossing Improvements (Highland)	1986	35,000
7. Utility Undergrounding, Mt. Olive Drive	1980	50,000
8. Amended Davis Addition Storm Drain, Industrial Park	1982	350,000
9. Amended Davis Addition Storm Drain, Las Lomas to Mt. Olive Drive	1982	279,210
10. Utility Undergrounding Las Lomas & Huntington Drive	1980	200,000
11. Slurry Seal Program, Hearthstone Las Lomas Villas Industrial Park	1985	30,000
12. Street Paving, Industrial Park & Las Lomas Road	1981	<u>71,202</u>
	Total Principal	<u>\$4,510,400</u>
13. Interest on Items 1-12.	1977 (7%)	17,850
	1978 (7%)	19,099
	1979 (9%)	26,275
	1980 (12%)	322,661
	1981 (12%)	522,273
	1982 (11%)	806,084
	1983 (10%)	865,963
	1984 (10%)	702,559
	1985 (9%)	698,234
	1986 (8%)	679,311
	1987 (8%)(thru 6/20/87)	351,753
	Total Interest (thru June 24, 1987)	<u>\$5,012,062</u>
	Total Due to City (as of June 24, 1987)	<u>\$9,522,462</u>

CITY OF DUARTE

Index J.6

Prep By	Checked By	Mgr Rev	Ptnr Rev
#NAME?	#NAME?	#NAME?	#NAME?
#NAME?	#NAME?	#NAME?	#NAME?

Amended Davis Addition Promssory Note
AS OF JUNE 30, 2011

From last known audited F/S which added unpaid interest:

FYE	Principal Carried Forward	Principal Addition	Principal	Compounded Interest Accrued Variable, See J. 6. A	Cummulative Interest	Repayment	Total
6/30/90	3,075,091		3,075,091	-	-		3,075,091
		(973,826)				(246,407)	
6/30/91	3,075,091		2,101,265	246,407	-		2,101,265
6/30/92	2,101,265		2,101,265	130,194	130,194		2,231,459
6/30/93	2,101,265		2,101,265	105,035	235,229		2,336,494
6/30/94	2,101,265		2,101,265	102,502	337,731		2,438,996
6/30/95	2,101,265		2,101,265	134,925	472,656		2,573,921
6/30/96	2,101,265		2,101,265	146,868	619,524		2,720,789
6/30/97	2,101,265		2,101,265	152,337	771,861		2,873,126
6/30/98	2,101,265		2,101,265	163,739	935,600		3,036,865
6/30/99	2,101,265		2,101,265	162,290	1,097,890		3,199,155
6/30/00	2,101,265		2,101,265	182,608	1,280,498		3,381,763
6/30/01	2,101,265		2,101,265	206,423	1,486,921		3,588,186
6/30/02	2,101,265		2,101,265	123,613	1,610,534		3,711,799
6/30/03	2,101,265		2,101,265	79,878	1,690,412		3,791,677
6/30/04	2,101,265		2,101,265	58,088	1,748,500		3,849,765
6/30/05	2,101,265		2,101,265	86,851	1,835,351		3,936,616
6/30/06	2,101,265		2,101,265	152,465	1,987,816		4,089,081
						(1,000,000)	
6/30/07	2,101,265		2,101,265	209,402	1,197,218		3,298,483
6/30/08	2,101,265		2,101,265	142,659	1,339,877		3,441,142
6/30/09	2,101,265		2,101,265	76,531	1,416,408		3,517,673
6/30/10	2,101,265		2,101,265	229,001	1,645,409		3,746,674
						(1,195,522)	
6/30/11	2,101,265		2,101,265	185,460	635,347		2,736,612
TOTALS							
Ending Principal		2,101,265					
Ending Cumulative Unpaid Interest		<u>635,347</u>					
		2,736,612					

EXHIBIT B

FINDING OF COMPLETION LETTER

[SEE FOLLOWING PAGE]



October 23, 2013

Ms. Kristen Petersen, Assistant City Manager
City of Duarte
1600 Huntington Drive
Duarte, CA 91010

Dear Ms. Petersen:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Duarte Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

– This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Dan Slater, City Attorney, City of Duarte
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office

EXHIBIT C

REPAYMENT SCHEDULE/PROJECTION

[SEE FOLLOWING PAGE]

City Loan Repayment Schedules

fy ending 6/30	Residual Above EO		City Loan 50% Res Prior Yr	Estimated Payments per Amended Davis Note	Estimated Payments per Hamilton Note	Estimated Payments per Rancho Duarte III Note	Estimated Aggregate Repayment to General Fund	Estimated Payment to Low & Moderate Income Housing Asset Fund [HSC 34191.4(b)(2)C]	Loan Pmt Request	Residual Above EO
	Before Loan	After Loan								
2015	2,535,796	-	-	-	-	-	-	-	-	2,535,796
2016	2,834,632	(1,267,898)	(1,267,898)	(400,000)	(467,898)	(467,898)	(1,014,318)	(253,580)	15-16A	1,566,734
2017	4,008,807	(1,417,316)	(1,417,316)	(470,000)	(477,316)	(477,316)	(1,133,853)	(283,463)	16-17A	2,591,491
2018	3,615,976	(2,004,404)	(2,004,404)	(203,198)	(1,133,206)	(1,133,206)	(1,603,523)	(400,881)	17-18A	1,611,573
2019	5,271,353	(1,807,988)	(1,807,988)	-	(1,244,723)	(1,244,723)	(1,446,390)	(361,598)	18-19A	3,463,365
2020	6,961,666	(2,635,677)	(2,635,677)	-	(2,635,677)	(2,635,677)	(2,108,542)	(527,135)	19-20A	4,325,990
2021	3,050,730	(170,038)	(170,038)	(2,101,265)	(1,073,198)	(170,038)	(136,030) *	(34,008)	20-21A	-
			(9,303,320)			(6,128,858)	(7,442,657)	(1,860,664)		16,094,948

* plus accrued interest