



**City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority**

AGENDA

Wednesday

Regular

**Closed Session 5:30 p.m.
Regular Session 6:00 p.m.**

November 19, 2014

**City Hall
100 West California Avenue
Ridgecrest CA 93555**

(760) 499-5000

**Daniel O. Clark, Mayor
Marshall 'Chip' Holloway, Vice Mayor
James Sanders, Council Member
Lori Acton, Council Member
Steven P. Morgan, Council Member**

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LAST ORDINANCE NO. 14-01
LAST RESOLUTION CITY COUNCIL NO. 14-114
LAST RESOLUTION FINANCING AUTHORITY NO. 14-xx
LAST RESOLUTION OF THE HOUSING AUTHORITY NO. 14-xx
LAST RESOLUTION OF THE SUCCESSOR REDEVELOPMENT AGENCY NO. 14-xx

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Regular Council
Wednesday November 19, 2014

CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555

Closed Session – 5:30 p.m.
Regular Session – 6:00 p.m.

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at <http://ci.ridgecrest.ca.us>

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT – CLOSED SESSION

AGENDA - CITY COUNCIL - REGULAR

November 19, 2014

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CLOSED SESSION

GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation - Squillacote v. Frid, CASE NO. S-1500-CV-276362 SPC

GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Michael Mower – Claim No 14-12

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PUBLIC COMMENT

PRESENTATIONS

1. Presentation Of A Proclamation Recognizing The Month Of December As Cystic Fibrosis Awareness Month Clark

CONSENT CALENDAR

2. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving Contract Change Order Numbers One, Three, Four And Five With The Contractor Griffith Company For The Federal Safe Routes To School Project Cycle 3 And Authorize The City Manager, Dennis Speer To Sign The Change Order Number One, Three, Four And Five Speer
3. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving Contract Change Order Numbers One And Two With The Contractor Griffith Company For The South China Lake Boulevard Project: Upjohn Avenue To Bowman Road And Authorize The City Manager, Dennis Speer To Sign The Change Order Numbers One And Two Speer
4. Adopt A Resolution Of The Ridgecrest City Council Approving By Reference And Authorizing Execution Of Compensation Plan With The Mid-Management Group Of Employees McQuiston
5. Approve And Receive For File The Quarterly Investment Report For Period Ending June 2014 McQuiston

AGENDA - CITY COUNCIL - REGULAR

November 19, 2014

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6. Approve Minutes Of The Regular Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated October 15, 2014 Ford
7. Approve Minutes Of The Regular Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated November 5, 2014 Ford

PUBLIC HEARING

8. A Public Hearing And Adopt A Resolution Approving The Fiscal Year 2015-2016 Annual Application Regarding The Kern County Community Development Block Grant (CDBG) Program Speer

DISCUSSION AND OTHER ACTION ITEMS

9. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving An Economic Incentive Agreement By And Between The City Of Ridgecrest And E H Group, Inc. Parsons
10. Adopt A Resolution Of The City Of Ridgecrest Successor Redevelopment Agency Approving An Amendment To Kosmont Companies Service Agreement Approved Under Resolution No.13-66 For Consulting Services To Provide Professional Services For The Development And Implementation Of The Successor Agency's Property Management Plan Parsons
11. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving An Amendment To The Service Agreement Approved Under Resolution 14-82 By And Between The City Of Ridgecrest And World Economic Development Alliance Parsons
12. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving The Lease Agreement Of A City Owned Building Located At 131 S. Warner Street For Use As An Economic Development Incubator By And Between The City Of Ridgecrest And The Firm Water Blasters And Authorize The City Manager To Sign The Lease Agreement Parsons

AGENDA - CITY COUNCIL - REGULAR

November 19, 2014

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COMMITTEE REPORTS

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Jim Sanders, Dan Clark

Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center

Next Meeting: To Be Announced

Veterans Advisory Committee

Members: Dan Clark

Meetings: 1st and 3rd Tuesday of the Month At 6:00 p.m., Kerr McGee Center

Next Meeting: To Be Announced

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: To Be Announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

CITY MANAGER REPORT

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

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**A PROCLAMATION OF THE CITY OF RIDGECREST, CALIFORNIA
PROCLAIMING THE MONTH OF DECEMBER AS CYSTIC FIBROSIS AWARENESS MONTH**

Whereas, cystic fibrosis is a genetic disease that causes the body to produce unusually thick, sticky mucus that clogs the lungs and leads to life-threatening lung infections; and

Whereas, according to the Cystic Fibrosis Foundation, 30,000 children and adults daily battle with cystic fibrosis and parents of a CF child must both be carriers of the defective gene that causes CF, and one in thirty people is a carrier; and

Whereas most CF drugs have only been able to treat the patient's symptoms, in 2012 the FDA approved **Kalydeco**, the first drug to treat the underlying cause of CF and there is great hope that this drug, Kalydeco, is the **first step toward a cure** for the majority of CF patients; and

Whereas in 2007, Eric, Julie, and Trevor Frisbee organized the first Annual Ridgecrest Cystic Fibrosis Great Strides Walk, in honor of Taylor and Isabella Frisbee, for two purposes: to educate the community about the disease and to raise funds for the Cystic Fibrosis Foundation over seven years, the Ridgecrest Great Strides Walks have raised more than \$245,000 for the Cystic Fibrosis Foundation; and

Whereas the majority of the schools' students in the Indian Wells Valley have learned about CF and have participated in fundraisers and coin collections, called "Coins for a Cure," raising more than \$18,500 for the Foundation; and

Whereas many of Ridgecrest's individuals, service clubs, businesses, churches, and organizations have opened their hearts and lent their support to those with cystic fibrosis; and

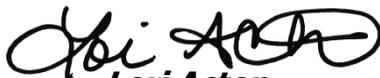
Whereas those in Ridgecrest whose lives have been touched by cystic fibrosis are deeply grateful for this caring community

NOW THEREFORE BE IT PROCLAIMED by the City Council of the City of Ridgecrest declares the month of December as Cystic Fibrosis Awareness Month and urges the citizens of Ridgecrest to join the Frisbee family at the 8th Annual Ridgecrest Cystic Fibrosis Walk, to be held on Saturday, December 6th at the Cerro Coso Community College track. Registration will start at 9:30 AM, and the Walk begins at 10:00 AM. Refreshments will be available to all participants, including water, coffee, hot chocolate, sandwiches, and cookies. Donations may also be made online at www.RidgecrestGreatStrides.org

Proclaimed this 19th Day of November 2014



**Marshall 'Chip' Holloway
Mayor Pro Tem**



**Lori Acton
Council Member**



Daniel O Clark, Mayor



**James Sanders
Council Member**



**Steven P. Morgan
Council Member**

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING AUTHORITY/HOUSING
AUTHORITY AGENDA ITEM**

SUBJECT: Approve Contract Change Order Number One, Three, Four and Five With The Contractor Griffith Company For The Federal Safe Routes To School Project Cycle 3 And Authorize The City Manager, Dennis Speer To Sign The Change Order Numbers One, Three, Four and Five

PRESENTED BY:
Dennis Speer, Public Works Director

SUMMARY:
As the Federal Safe Routes To School Project Cycle 3 is finishing up at the project sites of Gateway Elementary, Las Flores Elementary and James Monroe Middle School, additions and deletions to the projects have been changed to the plans and specifications at the various locations.

Change Order #1	Deletion of Bid Item (Water Pollution Control)	(\$5,600.00)
Change Order #3	Temporary Fencing to provide pathway around construction zone. Includes labor, materials and equipment	\$1,844.26
Change Order #4	Thermoplastic striping in lieu of painting. Includes labor, materials, equipment	\$8,295.10
Change Order #5	Time and material to control excessive nuisance Water, pump water out of open excavations. Includes Labor, materials, equipment	\$4,235.50
TOTAL		\$8,774.86

The Thermoplastic striping in lieu of regular painting can last up to five times longer than regular paint that is being used for striping. This allows for the Street Department not to have to use valuable dollars on paint and time spent restriping each year.

At the time that the contract was awarded, the bid came in under the contract amount leaving federal funds left to spend. Therefore, these change orders are within the funding amount for the project and can be added to the contract amount and existing PO number 7461.

The funding source for this project will come from 018-4760-430-4601 ST1201.

FISCAL IMPACT: None

Reviewed by Finance Director

ACTION REQUESTED:
Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving Contract Change Order Number One, Three, Four and Five With The Contractor Griffith Company For The Federal Safe Routes To School Project Cycle 3 And Authorizing The City Manager, Dennis Speer To Sign The Change Order Numbers One, Three, Four and Five

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

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RESOLUTION NO. 14-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST APPROVING CONTRACT CHANGE ORDER NUMBERS ONE, THREE, FOUR AND FIVE WITH THE CONTRACTOR GRIFFITH COMPANY FOR THE FEDERAL SAFE ROUTES TO SCHOOL PROJECT CYCLE 3 AND AUTHORIZE THE CITY MANAGER, DENNIS SPEER TO SIGN THE CHANGE ORDER NUMBER ONE, THREE, FOUR AND FIVE

WHEREAS, the Federal Safe Routes To School Project Cycle 3 is finishing up at the project sites of Gateway Elementary, Las Flores Elementary and James Monroe Middle School; and

WHEREAS, additions and deletions to the projects have changed the plans and specifications at the various locations; and

WHEREAS, Change Order #1 Deletion of Bid Item (Water Pollution Control) for (\$5,600); and

WHEREAS, Change Order #3 was for temporary fencing to provide a pathway around the construction zone and included labor, materials and equipment for \$1,844.26; and

WHEREAS, Change Order #4 was for Thermoplastic striping instead of paint at all locations and includes labor, materials and equipment for \$8,295.10; and

WHEREAS, Change Order #5 was for time and materials to control excessive nuisance water for pumping water out of open excavations and includes labor, materials and equipment for \$4,235.50; and

WHEREAS, the total dollar value for the change orders is \$8,774.86; and

WHEREAS, The Thermoplastic striping in lieu of regular painting can last up to five times longer than regular paint that is being used for striping; and

WHEREAS, At the time that the contract was awarded, the bid came in under the contract amount leaving federal funds left to spend; and

WHEREAS, therefore, these change orders in the amount of \$8,774.86 are within the funding amount for the project and can be added to the contract amount and existing PO number 7461; and

WHEREAS, the funding source for this project will come from 018-4760-430-4601 ST1201.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Authorizes the Change Order Number One, Three, Four and Five to Griffith Company to provide Services additions and deletions to the Federal Safe Routes to School Project Cycle 3 at the cost of \$8,774.86.
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.
3. Authorizes the City Manager, Dennis Speer to execute the Change Order Numbers One, Three, Four and Five to Griffith Company

APPROVED AND ADOPTED this 19th day of November 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Daniel O. Clark, Mayor

ATTEST

Rachel J. Ford, CMC
City Clerk



CITY OF RIDGECREST

CONTRACT CHANGE ORDER No. 1

DATE: 10/17/14

Project Name: Cycle 3 Safe Routes to School (SRTS) Project
Willdan Project # : 101465
Contractor: Griffith Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

Table with 3 columns: Description, Cost, (working days). Rows include Original contract amount, Previous Change Order No(s), Current Change Order No. (1), Total increase to contract to date, Revised contract amount, and Percentage of total increase to contract amount to date.

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Table with 9 columns: Item, Description, Contract Qty, Change Order Qty, Adjusted Contract Quantity, Unit, Unit Cost, Change order Cost, Time Ext. Working Days. Row 1: Delete Bid Item No. 3 (Water Pollution Control).

TOTAL THIS CHANGE ORDER: \$ (5,600.00) 0

Requested: [Signature]
Construction Manager/Resident Engineer

Date: 10/28/14

Approved: [Signature]
City Engineer

Date: 10/29/14

Approved:
Public Works Director

Date:

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: GRIFFITH COMPANY
Contractor

Date: 10/27/14

By: [Signature]
LUCAS J. WALKER
REGIONAL MANAGER

Title:



CITY OF RIDGECREST

CONTRACT CHANGE ORDER No.

3

DATE:

10/20/14

Project Name: Cycle 3 Safe Routes to School (SRTS) Project

Willdan Project # : 101465

Contractor: Griffith Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

As directed by the City of Ridgecrest, Griffith Company is to provide all traffic control and quality control required for change order work.	Cost	(working days)
Original contract amount:	\$ 385,213.00	35
Previous Change Order No(s). amount(s) to:	\$ 1,900.00	0
Current Change Order No. (3) amounts to:	\$ 1,844.26	0
Total increase to contract to date:	\$ 3,744.26	0
Revised contract amount:	\$ 388,957.26	35
Percentage of total increase to contract amount to date:	0.97%	

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Item	Description	Contract Qty	Change Order Qty.	Adjusted Contract Quantity	Unit	Unit Cost	Change order Cost	Time Ext. Working Days
3	Furnish and install temporary fencing to provide path of travel on the west side of Warner St, around bus turnout construction zone. Compensation will be made on a time and materials basis. This sum shall constitute full payment for all labor, materials, equipment, overhead, and applicable markups, required to complete the extra work.	0.00	1.00	1.00	LS	\$1,844.26	\$ 1,844.26	0

TOTAL THIS CHANGE ORDER: \$ 1,844.26 0

Requested: Michael Best
Construction Manager/Resident Engineer

Date: 10/29/14

Approved: Loren E. Culp
City Engineer

Date: 10/29/14

Approved: _____
Public Works Director

Date: _____

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: GRIFFITH COMPANY
Contractor

Date: 10/27/14

By: LUCAS J. WALKER
REGIONAL MANAGER

Title: _____



GRIFFITH COMPANY
DAILY EXTRA WORK REPORT

JOB NO.	<u>30603</u>	CCO NO.	<u>800.01</u>	REPORT NO.	<u>0</u>
CONTRACT I.D. CODE		DATE PERFORMED	<u>9/10/2014</u>	AUTHORIZED AMOUNT \$	T&M
		DATE OF REPORT	<u>10/9/2014</u>	PREVIOUS EXPENDITURE	<u>-</u>
LOCATION OF WORK	<u>CITY OF RIDGECREST</u>			Today	\$ <u>\$1,844.25</u>
DESCRIPTION OF WORK	<u>Temporary Fence</u>			To Date	\$ <u>\$1,844.25</u>

#		Hour Type ST/OT/DT	HOURS	HOURLY RATE*	EXTENDED AMOUNTS
LABOR					
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
		ST	-	-	-
SUBTOTAL					\$0.00

* LABOR SURCHARGE 12%	STANDARD TIME	LABOR SURCHARGE TOTAL	12%	-
* LABOR SURCHARGE 11%	OVERTIME	LABOR SURCHARGE TOTAL	11%	-
SUBSISTENCE NO		@ \$		
TRAVEL EXPENSE NO		@ \$		
OTHER				

TOTAL COST OF LABOR (A)					\$0.00
EQUIPMENT					
					-
					-
					-
					-
					-
					-
					-
					-
					-
TOTAL COST OF EQUIPMENT (B)					\$0.00

TOTAL COST OF MATERIALS (C)					-
MATERIALS					
					-
					-
					-
					-
					-
					-
					-
					-
					-

TOTAL COST OF SUBCONTRACTORS (D)					1,660.00
SUBCONTRACTORS					
	Our Valley Fence- invoice # 6314				1,660.00
TOTAL COST OF SUBCONTRACTORS (D)					1,660.00

<i>The above record is complete and correct</i>		FOR OFFICE USE ONLY	Labor markup: 35%	(A)	-
		Pd on Est. No. _____	Equipment markup: 15%	(B)	-
		Checked by _____	Material markup: 15%	(C)	-
Contractor's Representative			Markup on Approved Subcontractor		
			10% up to first \$5000		166.00
			5% above first \$5000		-
			Subtotal for Subcontractor Markup	(D)	166.00
			Subtotal		1,826.00
			Bond 1%		18.26
Customer's Representative			TOTAL BILLING		1,844.26

Check here if agreement will be for hours of labor & equipment only

Initial here if work is in accordance with Subsection 3-5, "Disputed Work" of the SSPWC.

Our Valley Fence Inc.

2203 Inyokern Road
 Ridgecrest, CA 93555 (760)446-3100
 (760)446-2988 Fax, CA 93555

Invoice

Date	Invoice #
9/10/2014	6314

Bill To
Griffith Company 1128 Carrier Parkway Ave Bakersfield Ca 93308

Sub
 30603

P.O. No.	Terms	Project
		VF2014-011/SRS

Item Type	Description	Est Qty	Qty	Rate	Amount
REMOVE FEN...	remove fence	120	120	6.00	720.00
temp bw	Tem Fence <i>Extra work</i>	400	400	4.15	1,660.00
BIOLOGICAL ...	BIOLOGICAL MONITOR (PRE BIOLOGIST SURVEY)	1	1	2,550.00	2,550.00

30.75
 30.60
 30.18.1

Subtotal		\$4,930.00
Sales Tax (8.25%)		\$0.00
Total		\$4,930.00
Payments/Credits		\$0.00
Balance Due		\$4,930.00

Phone #	Fax #
(760)446-3100	(760)446-2988



CITY OF RIDGECREST

CONTRACT CHANGE ORDER No. 4

DATE: 10/22/14

Project Name: Cycle 3 Safe Routes to School (SRTS) Project
Willdan Project # : 101465
Contractor: Griffith Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

As directed by the City of Ridgecrest, Griffith Company is to provide all traffic control and quality control required for change order work.	Cost	(working days)
Original contract amount:	\$ 385,213.00	35
Previous Change Order No(s). amount(s) to:	\$ 3,744.26	0
Current Change Order No. (4) amounts to:	\$ 8,295.10	2
Total increase to contract to date:	\$ 12,039.36	2
Revised contract amount:	\$ 397,252.36	37
Percentage of total increase to contract amount to date:	3.13%	

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Item	Description	Contract Qty	Change Order Qty.	Adjusted Contract Quantity	Unit	Unit Cost	Change order Cost	Time Ext. Working Days
4	Furnish and install thermoplastic striping in lieu of the specified painted striping. The only striping to remain paint are the bike lane legends and bike lane markings. This sum shall constitute full payment for all labor, materials, equipment, overhead, and applicable markups, required to complete the extra work.	0.00	1.00	1.00	LS	\$8,295.10	\$ 8,295.10	2

TOTAL THIS CHANGE ORDER: \$ 8,295.10 2

Requested: [Signature]
Construction Manager/Resident Engineer

Date: 10/20/14

Approved: [Signature: Loren E. Culp]
City Engineer

Date: 10/29/14

Approved: _____
Public Works Director

Date: _____

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: **GRIFFITH COMPANY**
Contractor

Date: 10/27/14

By: [Signature]
LUCAS J. WALKER
REGIONAL MANAGER

Title: _____

Airport * Highway * Street * Parking Lot * Striping * Pavement Markings * Markers * Thermoplastic * Signs * Sealcoat * Crackfill



CA LIC. # 396627, CLASS C-32 - WBE / SBE / DBE #2003 **CCO #4 Backup**

CORPORATE OFFICE: 310 A STREET, P.O. BOX 755 FILLMORE, CA 93016

SATELLITE OFFICE: 151 AIRPORT ROAD, KING CITY, CA 93930

PH: (805) 524-7345 / FAX: (805) 524-7428

CHANGE ORDER

COMPANY: GRIFFITH COMPANY

ATTN: E2

PHONE:

FAX:

EMAIL:

JOB NAME: CITY OF RIDGECREST - CYCLE 3 SAFE ROUTES TO SCHOOL - CHANGE PAINT TO THERMOPLASTIC

CITY: RIDGECREST, CA

ADDRESS:

PLANS: YES

SPECS: NO

ESTIMATOR: TREVOR

EMAIL: trevor@supersealandstripe.com

BID DATE	ACCEPTANCE	START DATE	COMPLETION DATE		
10/13/14					
ITEM #	DESCRIPTION	QTY	U/M	U.C.	TOTAL
1	<p><u>APPLY THERMOPLASTIC MATERIAL</u></p> <p>CHANGE PAINT TO THERMOPLASTIC MATERIAL</p> <p>ALL NOTES & EXCLUSIONS ON THE ORIGINAL PROPOSAL ALSO APPLY TO THIS CHANGE ORDER.</p>	1	LS	\$7,541.00	\$7,541.00
10% subcontractor markup = \$754.10					
Total CCO = \$8,295.10					
<p>PRICE DOES NOT INCLUDE PREMIUM FOR SATURDAY OR SUNDAY WORK HOURS</p> <p>CALL TIM TANNER FOR SCHEDULING - (805) 432-3620</p>		PAGE 1 OF 3	TOTAL	\$7,541.00	

A CONTRACT AND FIFTEEN (15) WORKING DAY'S NOTICE MUST BE GIVEN PRIOR TO STARTING WORK.
UPON ACCEPTANCE PLEASE SIGN AND RETURN. ABOVE PRICE NOT VALID AFTER 30 DAYS.



CA LIC. # 396627, CLASS C-32 - MBE/SBE/ UDBE #2003

310 A STREET, P.O. BOX 755 FILLMORE, CA 93016
PH: (805) 524-7345 / FAX: (805) 524-7428

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GENERAL LIABILITY INSURANCE IS INCLUDED WITH LIMITS OF \$1,000,000 PER OCCURRENCE/\$2,000,000 GENERAL AGGREGATE/ \$2,000,000 COMPLETED OPERATIONS AGGREGATE AND BLANKET ADDITIONAL INSURED ENDORSEMENT WITH WORDING EQUIVALENT TO GC2010 11-85 WHEN REQUIRED BY WRITTEN CONTRACT. TYPE 3 INDEMNITY AGREEMENT APPLIES. EXCLUDES ANY WAIVER SUBROGATIONS ON WORKERS COMP. SEE NEXT PAGE OF THIS PROPOSAL FOR SPECIMEN INSURANCE CERT.

CLARIFICATIONS:

1. Contractor to provide monthly progress payments for all completed work in accordance with the bid pricing schedule. Monthly progress payments must be received in full by Super Seal & Stripe no later than 10 calendar days after the Contractor receives payment from Owner for our completed work. Delinquent payments will be subject to the highest interest rate allowed by law.
2. Retainage percentage on monthly progress payments to be no greater than the percentage retained by the Owner on its payment to the Contractor. If Owner reduces the retainage percentages on payments to the Contractor, the Contractor shall likewise reduce the retainage percentage on payment to Super Seal & Stripe. Full retention to be released no later than thirty (30) days after completion of Super Seal & Stripe's work. Excessive or delinquent retainage will be subject to the highest interest rate allowed by law.
3. Any required Testing, Engineering, Design, Permits, Licenses or Applications, and the like, to be provided by others.
4. Prices are based on Plans & Specifications available at bid time, including all addenda. Any request for work (post bid) under conditions differing from those represented by the Prime Contract Documents, including but not limited to; altered phasing or staging, design changes, modified layout, resulting from plan errors or inaccurate designs, will require payment for additional work to be made to Super Seal & Stripe at an amount agreed upon prior to performing this work. If an amount cannot be agreed upon prior to performing the additional work the amount will be determined using Caltrans Force Account Rates or unit prices established in the bid pricing schedule, or a combination thereof, established in the bid pricing schedule, or a combination thereof, whichever method results in a higher overall payment.
5. Super Seal & Stripe is not responsible for delays caused by and or resulting from activities or non activities of others, including but not limited to, Owner, Contractor, Vendors, Suppliers, other subcontractors and other factors not in direct control of Super Seal & Stripe. For the delays caused by the aforementioned, Super Seal & Stripe will be reimbursed for all direct and indirect costs plus a mark up of forty percent, (40%) or as specified and allowed by the Prime Contract if the delays are caused by the Owner. Super Seal & Stripe will be granted an extension of time to perform its work tantamount to the delays.
6. Super Seal & Stripe requires (15) days notice prior to commencement of any production activity. If any of Super Seal & Stripe's work will be a controlling operation on the critical path of this project, Super Seal & Stripe must be notified in writing prior to execution of the Subcontract Agreement and provided with a CPM schedule which details this work. Failure to provide this information will waive the Contractor's right to recover liquidated damages from Super Seal & Stripe for this work.
7. All changes to the original scope of work proposed extra work must be directed by the Contractor in writing prior to Super Seal & Stripe performing this work.
8. For the purpose of this Subcontract Quotation one (1) move-in is considered to be: a period of consecutive eight (8) hour days of continuous work, not including weekends and holidays. Any discontinuities in this period, other than weekends and holidays, or for our own convenience, will be charged as an additional move-in at the Additional Move-in Charge as quoted herein.
9. Super Seal & Stripe must receive a letter of intent to award us the subcontract no later than (20) calendar days after bid date or this Subcontract Quotation becomes null and void.
10. Super Seal & Stripe is an Equal Opportunity and Affirmative Action employer, that adheres to laws & regulations of Executive order 11246 Sec. 503 as amended of Rehabilitation action 1973 as amended and 4211 (USC) Vietnam Veterans readjustment as amended.
11. If General Contractor or any of its sub-contractors work within Super Seal & Stripes traffic control, the expense will be shared accordinly at Super Seal & Stripe discretion. No advance posting, signing, or Portable CMS is included for Super Seal & Stripe Traffic Control.
12. Pre-Striping pavement preparation, including sweeping & curing compound removals, to be provided by others.
13. Any additional work in excess of the quantities price will be billed at the units. No discounts given for under-runs without prior approval of Super Seal & Stripe.
14. Upon acceptance of this proposal, all terms, conditions and exclusions on all pages of this proposal shall be incorporated into the contract as an addendum.

THIS PROPOSAL EXCLUDES BOND COSTS.



CITY OF RIDGECREST

CONTRACT CHANGE ORDER No.

5

DATE: 11/3/2014

Project Name: Cycle 3 Safe Routes to School (SRTS) Project
 Willdan Project # : 101465
 Contractor: Griffith Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

As directed by the City of Ridgecrest, Griffith Company is to provide all traffic control and quality control required for change order work.	Cost	(working days)
Original contract amount:	\$ 385,213.00	35
Previous Change Order No(s). amount(s) to:	\$ 12,039.36	2
Current Change Order No. (5) amounts to:	\$ 4,235.50	2
Total increase to contract to date:	\$ 16,274.86	4
Revised contract amount:	\$ 401,487.86	39
Percentage of total increase to contract amount to date:	4.22%	

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Item	Description	Contract Qty	Change Order Qty.	Adjusted Contract Quantity	Unit	Unit Cost	Change order Cost	Time Ext. Working Days
5	Time and materials to control excessive nuisance water, pump water out of open excavations, and over excavate pumping subgrade areas. Refer to DEWR #92152 and 92153. This sum shall constitute full payment for all labor, materials, equipment, overhead, and applicable markups, required to complete the extra work.	0.00	1.00	1.00	LS	\$4,235.50	\$ 4,235.50	2

TOTAL THIS CHANGE ORDER: \$ 4,235.50 2

Requested: Morgan Eskandari
 Construction Manager/Resident Engineer

Date: 11/06/14

Approved: Lorene E. Culp
 City Engineer

Date: 11/5/14

Approved: _____
 Public Works Director

Date: _____

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: _____
 Contractor

Date: _____

By: _____

Title: _____

**GRIFFITH COMPANY
DAILY EXTRA WORK REPORT**

No. 92152

JOB NO: 30603.3

DATE: 9-15-14

AUTHORIZATION: 800.2

TRACT/UNIT: _____

PERFORMED FOR: CITY OF RIDGECREST

LOCATION OF WORK: CONCRETE & UPRIGAN

DESCRIPTION OF WORK: CONTROL NUISANCE WATER, KURICK SECTION
OUT OF CSG WEST OF SCHOOL DIVERSE WATER TO DISTRICT
STAKE DRYING OUT SUB GRADE

		HOURS	HOURLY RATE	EXTENDED AMOUNT
LABOR				
PAUL SISCO	FOREMAN	4		
LEROY GRUBER	OPERATOR	4		
ZACH VANKE	LABOR	4		
		TOTAL COST OF LABOR		
EQUIPMENT				
1250 P. TRK	8264	4		
Car 145 H Blade	3497	4		
Car 446 Backhoe	3398	4		
		TOTAL COST OF EQUIPMENT		
MATERIALS AND/OR WORK DONE BY OTHER THAN CONTRACTOR'S FORCES				
		TOTAL COST OF MATERIALS		
		TOTAL THIS REPORT		

I HEREBY CERTIFY THE ABOVE REPORT TO BE CORRECT

Paul Sisco

GRIFFITH COMPANY

RECEIVED SEP 22 2014

*Time & Equipment Verified
Final decision by City
Engineer. Marshall J. S.
Inspector*

GRIFFITH COMPANY
DAILY EXTRA WORK REPORT

No. 92153

JOB NO: 30603.3

DATE: 9-16-14

AUTHORIZATION: 920.2

TRACT/UNIT: _____

PERFORMED FOR: CITY OF RIDGECKEY

LOCATION OF WORK: UPDOWN S.C. OVER-X POWER WEA AKOAS

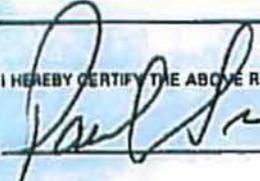
DESCRIPTION OF WORK: OVER-X ENTIRE POWER THAT WAS PICKING UP
~~THE MOTOR~~ LAY BACK DOWN COMPACT

		HOURS	HOURLY RATE	EXTENDED AMOUNT
LABOR				
<u>PAUL SULL</u>	<u>FOREMAN / RIGGING O/SK</u>	<u>4</u>		
<u>LEROY GRIFFIN</u>	<u>OPERATOR / BLADES</u>	<u>4</u>		
<u>TIM VANCE</u>	<u>LABOR</u>	<u>4</u>		
TOTAL COST OF LABOR				

		HOURS	HOURLY RATE	EXTENDED AMOUNT
EQUIPMENT				
<u>FISU P/TK</u>	<u>8264</u>	<u>4</u>		
<u>CAT 440H BLADES</u>	<u>3398</u>	<u>4</u>		
<u>CAT 140H BLADES</u>	<u>3497</u>	<u>4</u>		
TOTAL COST OF EQUIPMENT				

		HOURS	HOURLY RATE	EXTENDED AMOUNT
MATERIALS AND/OR WORK DONE BY OTHER THAN CONTRACTOR'S FORCES				
TOTAL COST OF MATERIALS				

TOTAL THIS REPORT

I HEREBY CERTIFY THE ABOVE REPORT TO BE CORRECT


GRIFFITH COMPANY

RECEIVED SEP 22 2014

Verified for time & equipment.
Final decision by City Engineer
Mason Espinoza
Inspector

Mike Bustos

From: Eucce, Eric <eeucce@GriffithCompany.net>
Sent: Monday, September 15, 2014 3:19 PM
To: Mike Bustos
Cc: Loren Culp; Beam, Greg; Sisco, Paul
Subject: RE: SRTS Nuisance water
Attachments: IMG_0439.jpeg; IMG_1817.jpeg; IMG_3708.jpeg; ATT00001.txt

Now the pictures

Eric Eucce

Estimator / Project Manager
Central Region
Griffith Company
P (661) 392-6640 ext. 6651
F (661) 393-9525
C (661) 529-1494
eeucce@griffithcompany.net
www.griffithcompany.net



**GRIFFITH
COMPANY**

From: Eucce, Eric
Sent: Monday, September 15, 2014 3:18 PM
To: 'Mike Bustos'
Cc: Loren Culp; Beam, Greg; Sisco, Paul
Subject: SRTS Nuisance water

Mike/Loren,

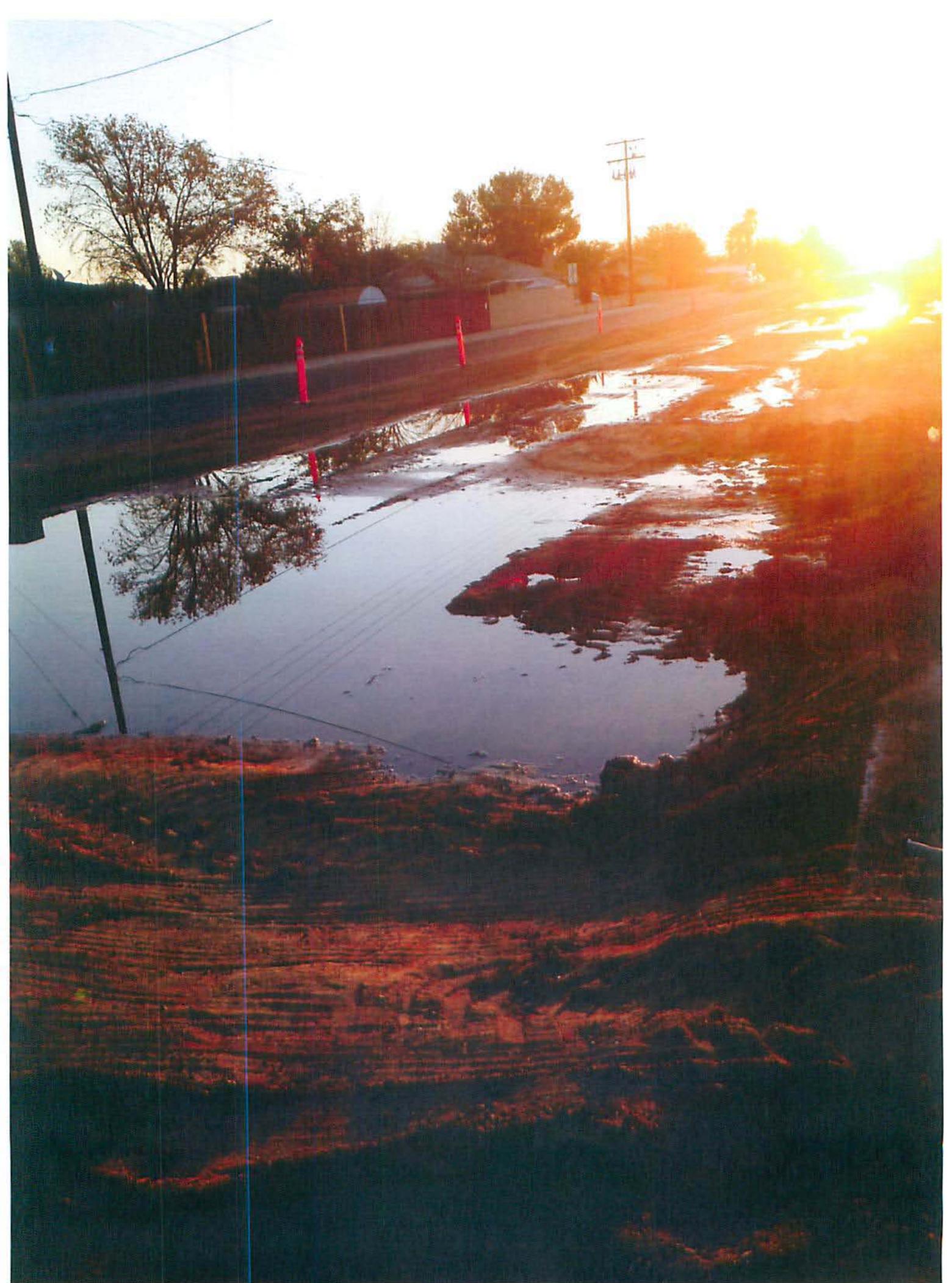
I'm sure you have heard about the nuisance water issue on the SRTS project already, but I'm just sending you the pictures from this morning to back up the extra work tickets to keep everyone in the loop.

Thanks

Eric Eucce

Estimator / Project Manager
Central Region
Griffith Company
P (661) 392-6640 ext. 6651
F (661) 393-9525
C (661) 529-1494
eeucce@griffithcompany.net
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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT: Approve Contract Change Order Numbers One And Two With The Contractor Griffith Company For The South China Lake Boulevard Project: Upjohn Avenue to Bowman Road And Authorize The City Manager, Dennis Speer To Sign The Change Order Numbers One and Two

PRESENTED BY:
Dennis Speer, Public Works Director

SUMMARY:
During the review of the South China Lake Boulevard Project: Upjohn Avenue to Bowman Road, it came to the attention of the Contractor Griffith Company and our Resident Engineer, Mike Bustos from Willdan Engineering that the quantities in asphalt for this project were under estimated.

To keep the project cost near budget amount, several options were presented to staff and the most economical option without sacrificing the quality of the street was accepted. This was done by removing only two inches from the bike lanes and replacing it with a new two inch overlay and a fog seal instead of a four inch base instead of doing a Full Depth Reclamation in the bike lanes and placing a four inch base.

The condition of the roadway prior to reconstruction was not in as poor of condition in the bike lanes as were lanes one and two and truly did not need a full reconstruction.

Change Order #1	Deletion of Bid Item #3 (Water Pollution Control)	(\$2,000.00)
Change Order #2.a	Partial Delete Full Depth Reclamation on the North and South Bound lanes China Lake Blvd. Credit to the City Quantity adjustment on bid item #8 of contract	(\$37,400.00)
Change Order #2.b	Quantity Correction for asphalt concrete bid item Tonnage	\$75,000.00
	TOTAL	\$35,600.00

The project has contingency amount of \$30,393.80 that will be used for this project. The difference will need to be made up with Measure L Funding in the amount of \$5,206.20 and will be used with Measure L Funds for Fiscal Year 14-15. This dollar amount will be added to the existing PO #7460.

The funding source for this project will come from 018-4760-430-4601 ST13-04.

FISCAL IMPACT:\$35,500.00

Reviewed by Finance Director

ACTION REQUESTED:
Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving Contract Change Order Numbers One And Two With The Contractor Griffith Company For The South China Lake Boulevard Project: Upjohn Avenue to Bowman Road And Authorize The City Manager, Dennis Speer To Sign The Change Order Numbers One and Two

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

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RESOLUTION NO. 14-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST APPROVING CONTRACT CHANGE ORDER NUMBERS ONE AND TWO WITH THE CONTRACTOR GRIFFITH COMPANY FOR THE SOUTH CHINA LAKE BOULEVARD PROJECT: UPJOHN AVENUE TO BOWMAN ROAD AND AUTHORIZE THE CITY MANAGER, DENNIS SPEER TO SIGN THE CHANGE ORDER NUMBERS ONE AND TWO

WHEREAS, During the review of the South China Lake Boulevard Project: Upjohn Avenue to Bowman Road, it came to the attention of the Contractor Griffith Company and our Resident Engineer, Mike Bustos from Willdan Engineering that the quantities in asphalt for this project were under estimated; and

WHEREAS, to keep the project near the budget amount, several options were presented to staff and the most economical option without sacrificing the quality of the street was excepted; and

WHEREAS, this was done by removing only two inches from the bike lanes replacing it with a new two inch overlay and a fog seal instead of doing a Full Depth Reclamation in the bike lanes and placing a four inch base; and

WHEREAS, the condition of the roadway prior to reconstruction was not in as poor of condition in the bike lanes as in lanes one and two and truly did not need a full reconstruction; and

WHEREAS, Change Order #1 the Deletion of Bid Item #3 (Water Pollution Control) (\$2,000.00); and

WHEREAS, Change Order #2.a a Partial Deletion Full Depth Reclamation on the North and South bound lanes of China Lake Boulevard and giving a credit to the City with a quantity adjustment on bid item #8 of the contract in the amount of (\$37,400.00);and

WHEREAS, Change Order #2.b a quantity correction for asphalt concrete bid item with an adjustment to tonnage of \$75,000.00; and

WHEREAS, the total change order adjust is \$35,600.00; and

WHEREAS, contingency funds will be used for \$30,393.80 and \$5,206.20 will come from the Measure L Funds for Fiscal Year 14-15; and

WHEREAS, the funding source for this project will come from 018-4760-430-4601 ST13-04.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest hereby:

1. Authorizes the Change Order Number One and Two to Griffith Company to provide for Construction on South China Lake Boulevard: Upjohn Avenue to Bowman Road at the cost of \$35,600.00
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.
3. Authorizes the City Manager, Dennis Speer to execute the Change Order Numbers One and Two.

APPROVED AND ADOPTED this 19th day of November 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk



CITY OF RIDGECREST

CONTRACT CHANGE ORDER No.

1

DATE:

10/20/14

Project Name: South China Lake Blvd Rehabilitation Project
 Willdan Project # : 102415
 Contractor: Griffith Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

As directed by the City of Ridgecrest, Griffith Company is to provide all traffic control and quality control required for change order work.	Cost	(working days)
Original contract amount:	\$ 619,916.00	30
Previous Change Order No(s). amount(s) to:	\$ -	0
Current Change Order No. (1) amounts to:	\$ (2,000.00)	0
Total increase to contract to date:	\$ (2,000.00)	0
Revised contract amount:	\$ 617,916.00	30
Percentage of total increase to contract amount to date:	-0.32%	

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Item	Description	Contract Qty	Change Order Qty.	Adjusted Contract Quantity	Unit	Unit Cost	Change order Cost	Time Ext. Working Days
1	Delete Bid Item No. 3 (Water Pollution Control)	0.00	1.00	1.00	LS	-\$2,000.00	\$ (2,000.00)	0

TOTAL THIS CHANGE ORDER: \$ (2,000.00) 0

Requested: *Mick At*
 Construction Manager/Resident Engineer

Date: 10/28/14

Approved: *Loren E. Culp*
 City Engineer

Date: 10/29/14

Approved: _____
 Public Works Director

Date: _____

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: **GRIFFITH COMPANY**
 Contractor

Date: 10/27/14

By: *[Signature]*
LUCAS J. WALKER
REGIONAL MANAGER

Title: _____



CITY OF RIDGECREST

CONTRACT CHANGE ORDER No. 2

DATE: 10/21/14

Project Name: South China Lake Blvd Rehabilitation Project
Willdan Project # : 102415
Contractor: Griffith Company

You are hereby directed to make the described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

Table with 3 columns: Description, Cost, (working days). Rows include Original contract amount, Previous Change Order No(s), Current Change Order No (2) amounts to, Total increase to contract to date, Revised contract amount, and Percentage of total increase to contract amount to date.

DESCRIPTION OF WORK TO BE DONE, ESTIMATE OF QUANTITIES, AND PRICES TO BE PAID:

Main table with 9 columns: Item, Description, Contract Qty, Change Order Qty, Adjusted Contract Quantity, Unit, Unit Cost, Change order Cost, Time Ext. Working Days. Includes items 2.a and 2.b.

TOTAL THIS CHANGE ORDER: \$ 37,600.00 0

Requested: [Signature]
Construction Manager/Resident Engineer

Date: 11/9/14

Approved:
City Engineer

Date:

Approved:
Public Works Director

Date:

We the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may be otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

Accepted: GRIFFITH COMPANY
Contractor

Date: 10/31/14

By: LUCAS J. WALKER
REGIONAL MANAGER

Title:

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Resolution adopting a compensation plan between City of Ridgecrest and Mid-Management Group of Employees

PRESENTED BY:

V. Rachelle McQuiston

SUMMARY:

This Resolution amends the compensation plan between the City of Ridgecrest and Mid-Management Group of Employees.

This resolution is the result of talks between Mid-Management and the City of Ridgecrest. It takes into consideration the current economics of the City of Ridgecrest.

FISCAL IMPACT:

Reviewed by Finance Director

ACTION REQUESTED:

Approve Resolution

CITY MANAGER:

Action as requested:

Submitted by: V. Rachelle McQuiston
(Rev. 2-14-07)

Action Date: November 19, 2014

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RESOLUTION NO. 14-xx

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL
APPROVING BY REFERENCE AND AUTHORIZING
EXECUTION OF COMPENSATION PLAN WITH THE MID-
MANAGEMENT GROUP OF EMPLOYEES**

The City Council of the City of Ridgecrest, California, hereby approves by reference and authorizes the City Manager to execute a compensation plan between the City of Ridgecrest and the Mid-Management Group of Employees for the term July 1, 2014 through June 30, 2015 effective July 1, 2014.

APPROVED AND ADOPTED this 19th day of November 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Daniel O. Clark, Mayor

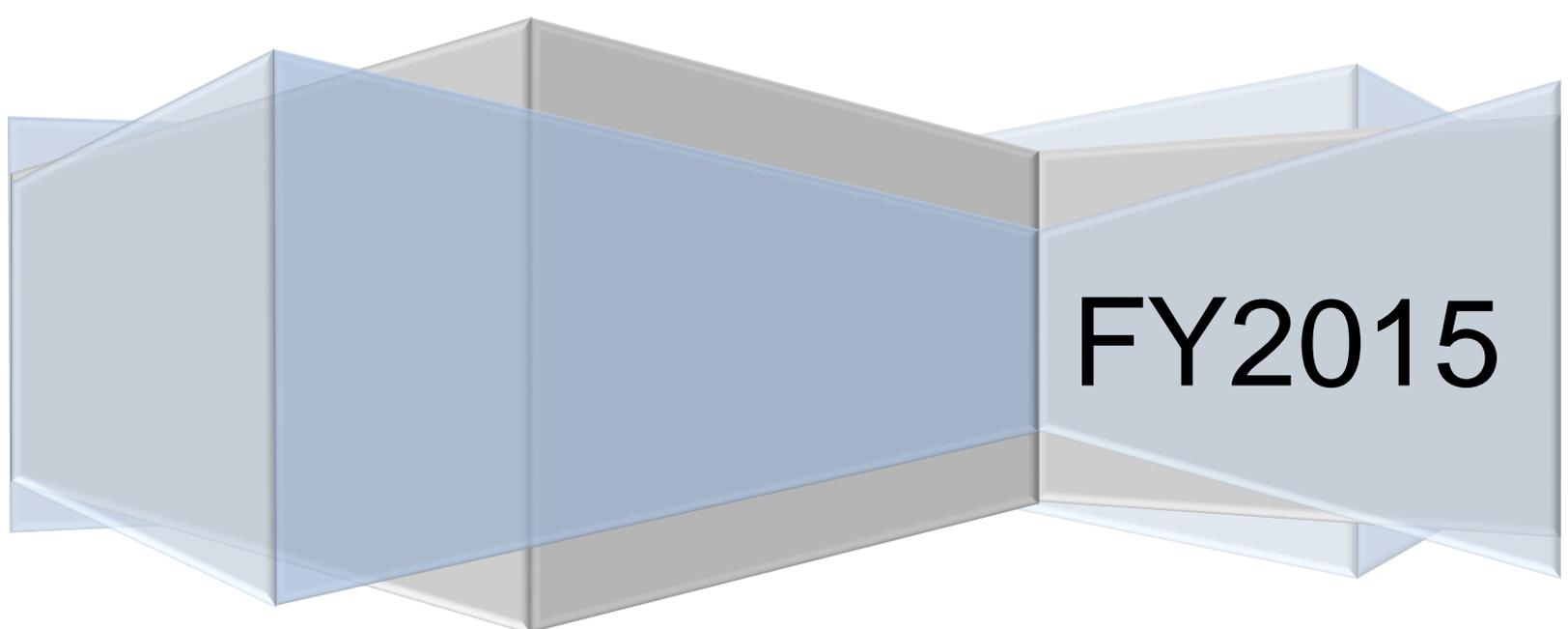
ATTEST:

Rachel J. Ford, CMC
City Clerk

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***City of
Ridgecrest***

***Mid Management
Compensation Plan
July 1, 2014 to
June 30, 2015***



FY2015

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MID-MANAGEMENT PLAN
July 1, 2014 – June 30, 2015

I. Position List

The Mid-Management employees consist of the follow positions:

Accounting Manager	City Engineer	Public Works Maint. Coordinator
Administrative Analyst III	City Planner	Public Works Supervisor
Assistant Finance Director	Economic Dev. / Project Manager	Recreation Supervisor
Assistant Public Works Dir. / City Engineer	Information Systems Manager	Transit Services Coordinator
Chief Plant Operator	Parks Maintenance Supervisor	Transit Supervisor
City Clerk	Police Captain	

II. SALARY SCHEDULE

Mid-Management employees shall be compensated in accordance with the published Salary Schedule. Available to view on the city’s website.

III. HEALTH BENEFITS

The City will contribute to the cafeteria program (IRC 125) for each employee as follows:

Placement in Tier is determined upon enrollment in City sponsored major medical plan (PERSCare, PERSCare)				
Placement in Tier 2 is determined by enrollment by employee in any City offered medical or dental plan.				
	No Med	Emp.	Emp. + 1	Emp. + 2+
Monthly	\$450	\$575	\$738	\$936

The employee through authorized payroll deduction shall contribute any additional required premium. All or any unused portions of the contribution to employee per month may be cashed out by the employee to be used at their will.

IV. SCHEDULING

The Department Head, with the approval of the City Manager, retains the right to make assignments and scheduling decisions, including the right to change the starting and ending times of employees’ shifts, based upon the needs of the department and the community. As such, the Department Head will be responsible for all decisions concerning staffing levels and the specific hours of individual shifts as well as special assignments.

V. HOLIDAYS

Mid-Management will observe the following holidays. However, if a holiday falls on a flex day, the holiday will be observed the preceding Thursday. The Liberal City Holiday after Thanksgiving and Christmas may be taken as a Liberal Holiday the week of or the week immediately following the actual Holiday Date.

New Years Day
Martin Luther King Jr. Day
President's Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Liberal City Holiday (the day after Thanksgiving)
Christmas Day
Liberal City Holiday (the day after Christmas)
2 Days Floating Holidays
Any holiday proclaimed by the Mayor

Mid-Management employees are entitled to take 2 Days of floating holidays per fiscal year. The floating holiday must be taken as a day off in the year it is earned and does not accrue from year to year.

VI. ADMINISTRATIVE LEAVE

Employees serving in Mid-Management positions as listed in Section 1 are considered salary exempt employees. As such, these employees are not eligible to receive overtime or compensatory time. In recognition of the additional hours they may serve above and beyond their regularly scheduled hours, the City will provide one hundred twenty (120) hours of paid Administrative Leave per fiscal year. This leave may be taken in the year it is earned. Unused Administrative Leave does not accrue from year to year. Administrative leave may not be cashed out at termination or retirement except as provided below. Newly hired member of this group receives the pro-rated number of admin leave hours based on the number of hours he/she would have worked for the fiscal year.

All members of the Mid-Management Group may elect to cash-out or defer into their 457(b) plan or any combination thereof, any available amount of their Administrative Leave up to 90 hours. A request for such action may be made only once each fiscal year either during the month of December or during the month of June. The request for liquidation must be forwarded to the City Manager, two weeks prior to the 1st of the month the member wants the liquidation to occur, for approval.

During emergency situations special compensation may be provided to Mid-Management employees at the discretion of the City Manager and upon recommendation of the Department Head.

VII. VACATION TIME

The purpose of annual vacation leave is to enable each eligible employee annually to return to work mentally and physically refreshed. All employees covered by this agreement shall be entitled to take annual vacation leave with pay, except employees who have served the City less than six months, or who are not eligible.

Commencing with the successful completion of the employee’s probationary period which would normally be six months after the employee’s hire date, the employee may take annual vacation leave up to the amount accumulated when the leave is initiated. Each eligible employee shall accrue annual vacation at the rate indicated in Exhibit “A” attached, earning a maximum of 200 hours per year.

No employee shall accrue more than twice his/her annual vacation leave accrual rate; at which time accrual shall cease until unused vacation accrual is below the maximum accrual.

Any person who separates from City service shall receive pay for all unused, accrued vacation.

VIII. SICK LEAVE

As per the Personnel Rules & Personnel Policies

Employees shall be able to accumulate all earned sick leave for the purpose of actual physical illness or disability.

Employees who have less than five years of service shall not be entitled to cash out of his/her sick leave accrual at the time of termination of employment by resignation or removal from City service. Employees who have five years or more of service, depending on his/her years of service, shall be entitled to accumulate for conversion purposes, between 320 to 960 hours, and the table below will show the percentage he/she is entitled to cash out at the time of termination of employment by resignation or removal from City service.

Mid-Management Accumulated Sick Leave Cash Out Table		
Years of Service	Maximum Hours	Cash Out Value
Less than 5	none	none
5	320 hours	75%
6	384 hours	75%
7	448 hours	75%
8	512 hours	75%
9	576 hours	75%
10	640 hours	75%
11	704 hours	75%

12	768 hours	75%
13	832 hours	75%
14	896 hours	75%
15	960 hours	75%
16	960 hours	80%
17	960 hours	85%
18	960 hours	90%
19	960 hours	95%
20+	960 hours	100%

If an employee is absent on sick leave, he/she shall notify his/her immediate supervisor or the personnel officer prior to the time set for beginning his/her daily duties. The employee may be required to file a physician’s certificate with his/her Department Head.

Accrued sick leave may be taken in case of an employee’s presence being required elsewhere because of sickness, disability or death of a member of his/her immediate family in a calendar year. The City agrees to follow applicable laws pertaining to the use of sick leave for family medical leave.

IX. BEREAVEMENT LEAVE

Any employee covered under the terms of this agreement may be allowed to be absent from duty for up to three consecutive working days without loss of pay because of the death of a member of his/her immediate family per occurrence. When travel to distant locations or other circumstances requires absence in excess of three consecutive working days, the City Manager may allow the use of accrued annual leave, or accrued family sick leave to supplement the three working days provided in this section. For the purpose of this section, “immediate family” shall mean the spouse or registered domestic partner, parent, grandparent, child, sibling, step child, or spouse’s immediate family

X. WORKERS COMPENSATION

In the event of an industrial injury to a Mid-Management member, the City will make employee whole for lost wages not paid by workers compensation up to the first three days per accepted claim.

XI. RETIREMENT

The City agrees to provide all eligible members who are considered “classic members” based on PEPRA rules with a retirement plan with the benefit factor of 2.7% at 55 thru CalPERS. For members who fall under the “new member” classification of PEPRA, the City agrees to provide them with a retirement plan with the benefit factor of 2% at 62.

The members of this group thru payroll deduction agree to pay the required employee contribution rates. Those rates are: 8% for “classic” members of this group and 6.25% for the “new” members.

As discussed in meetings with members of the Mid-Management Group the city will pay, the actuarially determined minimum employer contribution rates for both member classifications. For fiscal year 2015, the rate is 19.703% for classic members and 6.25% for new members.

XII. ANNUAL EVALUATIONS & PERFORMANCE PLANS

As per the Personnel Rules & Personnel Policies

In conjunction with the annual evaluating process, the supervisor and employee will share responsibility to create a Performance Plan. This Plan is a written document to define several goals for the employee to work on during the prospective year. The Plan has the flexibility to be changed when circumstance arise that may affect the ability of the employee to accomplish the stated goals, but any changes shall be approved by the Department Head after consultation with the employee and supervisor. The employee’s success with the performance Plan will be one element of consideration by the supervisor when completing the annual evaluation.

The City Manager, upon the recommendation of a Department Head, may advance an employee to the next highest step within the range of the employee’s class as a reward for outstanding performance but only after the employee has served a minimum of three month in the step from which the employee is to be advanced. No salary advancement shall be made so as to exceed the maximum step established in the compensation schedule for the class to which the employee’s position is allocated.

XIII. OUT OF CLASS TEMPORARY APPOINTMENT

The Department Head, with approval of the City Manager, retains the right to temporarily assign an employee to an acting position within the department. The City reserves the right, within its sole discretion, to assign employees within this unit to work outside of their regular classification. The employee

shall meet all eligibility requirements for the position. An employee who has been temporarily appointed to an out of class temporary position in a higher classification for a period of over forty (40) consecutive hours shall be compensated, beginning at the 1st hour, with a 5% pay increase, in recognition of extra duties performed.

XIV. UNIFORM ALLOWANCE

Designated Employees

The City shall provide uniforms, or uniform service, to each employee required by the City to be “uniformed.” Employees designated as “uniformed” are those required to wear uniforms as a condition of employment. In addition, The City will pay the cost for cleaning uniforms through the designated service.

PERS Reporting shall be as follows: The City shall report to PERS the cost of uniforms, for employees required by the City to be uniformed. The cost of uniforms for reporting purposes shall be \$10.00 per pay period. Per PEPR rules, no uniform allowance will be reported to CalPERS for employees who are considered “new”.

XV. TUITION REIMBURSEMENT

The purpose is to encourage employees to pursue courses of study or technical training that will enable them to become more proficient in their jobs.

Eligibility – All permanent, full-time employees.

Applicability

- (a) The course or training must be directly applicable to the employee’s current job classification or related to a position to which the employee might reasonably aspire within the City’s organizational structure, as determined by the City Manager.
- (b) Courses or training in areas, which will be of current or future benefit to the City, may be authorized as determined by the City Manger

Authorization

- (a) An eligible employee may submit a request for tuition/fee reimbursement through his Department Head to the City Manager for a course or training, meeting the above criteria, prior to registering for said course or training.

- (b) If approved by the City Manager, and upon successful completion of the course of study with a satisfactory or better grade, the employee will be reimbursed for 100% of tuition/fee.
- (c) The employee is responsible for cost of books, mileage and any required fees. However, if the tuition/fee for the course amounts to less than \$150.00, the City will pay for tuition/fee, books and fees in an amount not to exceed \$150.00 in the fiscal year for any one semester.
- (d) Maximum expended per employee will be \$500.00 per fiscal year.

XVI. USE OF KERR MCGEE CENTER FACILITIES

Employees Mid-Management and their immediate families (spouse, registered domestic partner, and dependent children) shall be permitted to use the Kerr McGee physical activity facility at no charge, providing that said activity is not being directed by an instructor for which a special fee is being charged of others. They may also use Pinney Pool free of charge.

XVII. EFFECTIVE DATE

This Agreement becomes effective upon adoption by the City Council retroactive to July 1, 2014, unless otherwise stated.

XVIII. REPEALS

All previous compensation plans for Mid-Management employees are hereby repealed.

THIS AMENDED COMPENSATION PLAN WAS ADOPTED by the City Council of the City of Ridgecrest, California at their regular meeting November 19, 2014.

DENNIS SPEER
City Manager

EXHIBIT "A"

**VACATION SCHEDULE
MID MANAGEMENT EMPLOYEES**

0-4	3.08	80
5-9	4.62	120
10-14	6.16	160
15+	7.70	200

5

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Investment Reports for quarters ending June 30, 2014 & September 30, 2014

PRESENTED BY:

V. Rachelle McQuiston, Finance Director/City Treasurer

SUMMARY:

Government Code Section 53646 and the City's Investment Policy require that Treasurer of the City of Ridgecrest submit a quarterly investment report to the City Council on a quarterly basis. The attached reports show the summary of investments for quarters ending June 30, 2014 and September 30, 2014. The reports show where the City's money is invested, value, yield and interest accrued.

Majority of the City's cash is invested in the Local Agency Investment Fund (LAIF) which is a money market fund that is administered by the State Treasurer. LAIF is a high quality investment in terms of safety, liquidity and yield which are the primary objectives of the City's investment policy.

The investments in the reports meet the requirements of the City of Ridgecrest's adopted investment policy.

FISCAL IMPACT:

None

ACTION REQUESTED:

Receive and file the attached investment report.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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City of Ridgecrest
QUARTERLY INVESTMENT REPORT
For the Quarter Ending June 30, 2014

Investments	Balance 3/31/2014	Deposit	Withdrawals	Balance 6/30/2014	Current Yield	Accrued Qtrly Interest
Union Bank of California-Checking	2,808,812.22	6,552,642.62	(8,724,517.06)	636,937.78		
LAIF Accounts-City	15,729,252.81	1,000,000.00	8,839.87	16,738,092.68	0.22%	
LAIF Accounts-Assessment Dist	449,254.31	-	255.36	449,509.67	0.22%	
LAIF Accounts-RDA	22,650,024.42	-	12,874.49	22,662,898.91	0.22%	
Total Cash Balances	41,637,343.76	7,552,642.62	(8,702,547.34)	40,487,439.04		-

To the best of my knowledge, there are no misstatements of material amounts within this Treasurer's Cash Summary Report; or omissions of material amounts to cause the Treasurer's Cash Summary Report to be misleading.

I certify that this report accurately reflects all City of Ridgecrest investments and complies with the investment policy of the City as approved by the governing board.

**V. Rachelle
McQuiston**

Digitally signed by V, Rachelle McQuiston
 DN: cn=V, Rachelle McQuiston, gn=V, Rachelle
 McQuiston, o=United States, l=US, c=City of Ridgecrest,
 ou=Finance, e=mcquiston@ci.ridgecrest.ca.us
 Reason: I am approving this document
 Location:
 Date: 2014-09-23 10:17-07:00

**Tess
Sloan**

Digitally signed by Tess Sloan
 DN: cn=Tess Sloan, gn=Tess
 Sloan, c=United States, l=US,
 o=City of Ridgecrest, ou=Finance
 Department,
 e=tsloan@ridgecrest-ca.gov
 Reason: I have reviewed this
 document
 Date: 2014-09-17 17:17-07:00

Reviewed by Rachelle McQuiston
 Finance Director

Prepared by Tess Sloan
 Assistant Finance Director

City of Ridgecrest
QUARTERLY INVESTMENT REPORT
For the Quarter Ending September 30, 2014

Investments	Balance 6/30/2014	Deposit	Withdrawals	Balance 9/30/2014	Current Yield	Accrued Qtrly Interest
Union Bank of California-Checking	636,937.78	11,027,271.78	(9,032,243.51)	2,631,966.05		
LAIF Accounts-City	16,738,092.68	9,213.67	(2,900,000.00)	13,847,306.35	0.22%	9,371.07
LAIF Accounts-Assessment Dist	449,509.67	247.92	-	449,757.59	0.22%	274.04
LAIF Accounts-RDA	22,662,898.91	12,499.59	(4,000,000.00)	18,675,398.50	0.22%	13,034.77
Total Cash Balances	40,487,439.04	11,049,232.96	(15,932,243.51)	35,604,428.49		22,679.88

To the best of my knowledge, there are no misstatements of material amounts within this Treasurer's Cash Summary Report; or omissions of material amounts to cause the Treasurer's Cash Summary Report to be misleading.

I certify that this report accurately reflects all City of Ridgecrest investments and complies with the investment policy of the City as approved by the governing board.

**Tess
Sloan**

Digitally signed by Tess Sloan
DN: cn=Tess Sloan, gn=Tess Sloan,
c=United States, f=US, o=City of
Ridgecrest, ou=Finance Department,
e=tsloan@ridgecrest-ca.gov
Reason: I have reviewed this
document
Date: 2014-11-10 17:21-08:00

Reviewed by Rachelle McQuiston
Finance Director

Prepared by Tess Sloan
Assistant Finance Director

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

SUBJECT:

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of October 15, 2014

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of October 15, 2014

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

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MINUTES OF THE REGULAR MEETING OF THE RIDGECREST CITY COUNCIL

City Council Chambers
100 West California Avenue
Ridgecrest, California 93555

October 15, 2014
5:30 pm

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER – 5:30 p.m.

CALL TO ORDER

ROLL CALL

Council Present: Mayor Daniel O. Clark; Vice-Mayor Marshall 'Chip' Holloway; Council Members James Sanders, and Steven Morgan

Council Absent: Council Member Lori Acton

Staff Present: City Manager Dennis Speer; City Clerk Rachel J. Ford; City; City Attorney Keith Lemieux and other staff

APPROVAL OF AGENDA

Items Pulled:

- Closed Session Item No. 2. Conference With Legal Counsel – Liability Claim Of Christopher Calvi – Claim No. 14-11
- Discussion Item No. 10. Presentation Of Quarterly Department Report By The Finance Department

Motion To Approve Agenda (As Amended) Made By Council Member Morgan, Second By Council Member Holloway. Motion Carried By Voice Vote Of 4 Ayes (Mayor Clark, Council Members Holloway, Sanders, And Morgan); 0 Noes; 0 Abstain; 1 Absent (Council Member Acton)

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CLOSED SESSION

GC54959.8 Local Agency Real Property Negotiations – Negotiation for Receipt and/or sale or use – APN's 508-020-12 & 13 – Ridgecrest Sr. Housing Project. Agency Negotiators Dennis Speer, City Manager And Gary Parsons, Economic Development Program Manager

GC54956.9 (d)(1) Conference With Legal Counsel – Liability Claim Of Christopher Calvi – Claim No. 14-11

PUBLIC COMMENT - CLOSED SESSION

Dave Matthews

- Asked about an item which arose that he thought would be added to closed session
 - Dennis Speer – have spoken with city attorney and the item does not qualify as a need arose item and will be placed on a future agenda.

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
 - Local Agency Real Property Negotiations – Ridgecrest Senior Housing Project. Report received, no action taken.
 - Conference with Legal Counsel – Liability Claim of Christopher Calvi – Claim No. 14-11. Item pulled prior to approval of the agenda.
- Other
 - Overview of the new Groundwater Sustainability Management Act presented by City Attorney Michael Silander

PUBLIC COMMENT opened at 6:21 p.m.

Robert Blackwell

- Representative of the Monterey Bay PETAC to assist small business to obtain more state and federal contract.
- No cost to the small or under privileged businesses to obtain assistance with getting certified for funding
- Met with local and City representatives to offer services to Kern County small businesses

MINUTES - CITY COUNCIL - REGULAR

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Robert Blackwell *(continued)*

- Here to let businesses in Kern County know about the free services available to them.
 - Steve Morgan – any businesses interested in the services can contact Gary Parsons
- montereybaypetac.com for online sign up.

Randy Jenkins

- Commented on Daily Independent not being a community based newspaper or locally owned.
- Commented on articles attacking Mr. Jenkins children and wife.
- Read excerpt from article which misstated wife speaking at public comment.
- Questioned the Daily Independent's hidden agenda and the long term attempts to discredit the Jenkins family.
- Spoke on candidate question responses being suppressed again by the Daily Independent.
- Spoke on freedoms granted by the Bill Of Rights.
- Read scripture from the Bible.

Cooper Jenkins

- Encouraged public to elect Randy Jenkins.
- Read scripture from the Bible.

Marcie Jenkins

- Encouraged public to elect Randy Jenkins.
- Read scripture from the Bible.

Lana Jenkins

- Encouraged public to elect Randy Jenkins.
- Read scripture from the Bible.

Dave Seybold

- Read a statement called 'Holy Ridgecrest Blvd' referencing the bulb-outs being built in the new Ridgecrest Blvd. construction project.
- Requested these be removed and asked for Council response.
 - Steve Morgan – responded with overview of the planning process.

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Penelope Lepome

- Informed council of a Palm Tree growing out of the sewer.
- Asked about the salary schedule year
- Commented on the City Attorney report about the groundwater sustainability district and suggested including Kern, Inyo, and San Bernardino counties.
- Requested release of letter from City Attorney
- Expressed concern of the agency formation being completed in 2-3 years and hope it can be accomplished.

Brian Saxton

- Spoke on cross walk removal on Downs street in front of the Charter School.
- Expressed concern about the amount and speed of traffic in the area.
- Asked for reason for removal.
 - Dennis Speer – reviewed the removal reason of being an illegal location.
- Commented on other schools having cross walks.
 - Dennis Speer – school district is required to present a safe routes to school plan to the City which was requested five years ago. Cross has to be installed on action of city council which was not done by law or municipal code. The cross walk was not safe so children are directed to cross at the nearby intersection.
- Asked council to look into this and fix it.

Dave Matthews

- Offered joking solution to water sustainability which led into comments on Ebola.
- Asked city council to look into what we can do with the hospital and city to ensure we react properly should a case of Ebola occur in the City.
- Spoke on Cerro Coso barbecue and star party attended. Related experience of observing the stars and went to his car to warm up and noticed the difference between viewing stars to the west and south while not being able to see the stars when looking north. Asked Council to address Light Pollution issues.
- Spoke on visit from Grandson who commented on the view of the sky at night.
- Asked to attend the astronomy club meetings with council member sanders.
- Commented on light pollution affecting driver safety.
 - Chip Holloway – commented on new product with wireless capability to shut of lights in certain areas. New technology that some other cities are using.

Christina Witt

- High Desert Hottie motorcycle run with 50 registered bikes and raised in excess of \$1300 for High Desert Women's Center.
- Veterans fun run is November 1 and expecting good attendance. Read the ride route starting at 11:00 a.m. at the VFW and entry fee is \$25.00, cars are welcome. Funds to be used for VFW sewer line repair.

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Donald Baker

- Representing Charter School
- Clarified Safe Routes to School plan which was submitted to the City. First was denied but may be able to work something out.
- Commented on previous infrastructure meeting.
- Working on a traffic plan.
 - Dan Clark – Council is working on a plan and hopefully will come up with a solution soon.

Stan Rajtora

- Commented on new State law establishing groundwater sustainability. Makes sense and should not be a big deal except this valley has ignored the water problem for 60 years. Kern County is aware of the water problem.
- Spoke on a TODD report and referenced recharge statistics in the report.
- Commented the TODD report recommended importing water and County Supervisor discussion which do not include a plan on how to import water.
- Stated need to get supervisors to come to agreement on how to solve the problem rather than just attacking farmers.
- Requested council pass resolution to board of supervisors that the primary solution in solving water problems be to import water.

Matthew Baudhuin

- Commented on water issues and the sprinkler runoff during the night. Suggested code enforcement officer police violators who are over watering at night.

Robert Obergfell

- Echo Mr. Baudhuin comments about water runoff in various locations in the city due to over watering parks and lawns.
- Commented on working in partnership with IWV Water District and their code enforcement.
- Work forward and be proactive to take care of our problem now rather than waiting on a report.

Public comment closed at 7:15 p.m.

Dan Clark

- Spoke to community on the parameters for public comment.
- Legal opinion is public can say whatever you want due to freedom of speech.
- Want the community to know the Council stand on this issue.

PRESENTATIONS

1. **Proclamation To Kern Energy Watch Declaring The Month Of October As Energy Awareness Month** Ford

- Council Members and Mayor read a proclamation for the Kern Energy Watch declaring the month of October as Energy Awareness Month.

2. **Presentation To Council By Justin O'Neill Entitled "Gigabit Leadership"** Clark

Justin O'Neill

- gave a PowerPoint presentation to council entitled "Gigabit Leadership" *(Copy Available In The City Clerk's Office)*
- Explained the internet; Digital 395; economic impact; future of broadband technologies and request of the Council.
- Encouraged City to establish policies regarding broadband installation.

Steve Morgan

- To increase budget to provide opportunity to extend digital 395 throughout town the investment would be returned substantially in time. Ask businesses to spend investment to ultimately increase their bottom line.
- Asked if we are discussing expanding the Chamber of Commerce website or the City creating a sub website.

Justin O'Neill

- Neither at this time. Both good ideas and will bring benefit.
- Asking for City advocacy and involvement at meetings. Need or outreach and education to prove these tools are beneficial and to decrease negativity toward the internet capabilities. When used effectively and correctly, a City derives benefit. Related input received from local business inquiries.
- Not asking for money, just involvement thru attending meetings and getting people to understand and appreciate the benefits available.
- At some point must have city investment which will be a ticklish subject. Cannot make businesses sign up for this. From an investment standpoint, we need the education and understanding of where we are going.
- Commented on discussions with young adults who do not care about what businesses are here locally because they buy everything online.

Justin O'Neill

- Commented on young people buying experience such as coffee houses. Would like to provide local businesses with the tools to survive.

MINUTES - CITY COUNCIL - REGULAR

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Jim Sanders

- Asked what kinds of steps can be taken to increase our online presence to attract people passing by Ridgecrest

Justin O'Neill

- Talked about education of the public to help build websites.
- Get shops online and understanding the benefits of Yelp.
- Get the public to go online and leave reviews about shops in the area.

Chip Holloway

- Asked about Trip Advisor

Justin O'Neill

- Reviewed the capabilities of the website.

Chip Holloway

- Asked about infrastructure needed for 'Big Data'

Justin O'Neill

- Fiber in the ground is a step in the right direction

Chip Holloway

- Asked if the policies being created are being developed by consultants
 - Justin – will check and provide policies
- Commented on IWV 2000 in 1990's and the possibility of a service that when you got a business license you also got a website. City creates the website, owner can edit, city can raise license fees, and owners get a licensed website.

Steve Morgan

- Reiterated his question of whether this is going to be thru Chamber of Commerce or City Website.

Chip Holloway

- Clearly understood in Mammoth that the City lifeblood is thru this method.
- Ridgecrest used to be referenced as Egg Heads R Us and we have been slowly losing this.
- Commented on attendance at meetings and will continue if re-elected.

Justin O'Neill

- Presentation has additionally been given to Mick Gleeson and board of supervisors. Idea is to have united front toward this positive growth.
- Can't stress policy enough.

Dan Clark

- Reviewed action steps. Asked Justin to expand on direction of who can give council what is needed to accomplish the goals. Asked for information to be provided outside the meeting in way of written message to the Council mail slots.
- When spending city money to invest in this community, concerned we purchase top quality.

CONSENT CALENDAR

3. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving A Community Development Block Grant (CDBG) Activity Agreement (CD# 17.12.1) With The County Of Kern For CDBG Grant Funding For The Design Engineering Of Handicap Access Improvements In The City Of Ridgecrest And, Accepting The Terms Of The Receipt Of CDBG Funds And Authorizing The City Manager, Dennis Speer, To Sign The Agreement Speer
4. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Authorizing Award Of A Construction Contract To Griffith Company For The Road Reconstruction Of An Existing Alley Way In Front Of City Hall And The Resurfacing North Mahan Street From Ward Avenue To West Graaf Avenue And Gateway Boulevard From East Bowman Road To East Upjohn Avenue And Authorize The City Manager, Dennis Speer, To Execute The Contract Speer
5. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving A Contract Change Order Number Six, Seven, And Eight With The Contractor Griffith Company To Provide Services For The Installation Of New Service Meters For The West Ridgecrest Boulevard Project And Authorize The City Manager, Dennis Speer To Sign The Change Order Number Six, Seven And Eight Speer
6. Adopt A Resolution To Approve The Final Balancing Contract Change Order, Authorize The City Manager, Dennis Speer, To Sign The Notice Of Completion, Authorize The City Clerk To File The Notice Of Completion And Authorize The Release Of Retention On The Upjohn Traffic Signal At The Intersection Of South China Lake Boulevard And Upjohn Avenue Speer
7. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Authorizing The Partial Disability Retirement Of Sworn Safety Member Anthony Agostinacci Strand

8. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Approving The Attached Salary Schedules For Employee Classifications

McQuiston

9. Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority For Meeting Dated October 1, 2014

Ford

Items Pulled From Consent Calendar

- Item Nos. 4 and 5

Motion To Approve Consent Calendar Items Nos. 3, 6, 7, 8, and 9 Made By Council Member Morgan, Second By Council Member Sanders. Motion Carried By Voice Vote Of 4 Ayes (Mayor Clark, Council Members Holloway, Sanders, And Morgan); 0 Noes; 0 Abstain; 1 Absent (Council Member Acton)

Item No. 4 Discussion

Jim Sanders

- Asked for clarification of location of the alley way
 - Dennis Speer – between bank car wash and city hall parking lot

Dave Matthews

- Asked if there was something in the building permit for the Motel that they would improve the alley way.
 - Loren Culp – redevelopment agency agreed to do the alley way in negotiations with the owner. Participation agreement. Funded by TAB as part of redevelopment agency.
- Other streets involved, how do they get into the funding project as there are others that may need funding first.
 - Loren Culp – all streets being completed now are year one priority from the pavement management study
- Commented on a need for infrastructure meeting to receive suggestions for next round of paving.
 - Steve Morgan- council has been accused of not following the pavement management study. This group of streets completes year one of the study. Plan is available to anyone who would like to view it.

Item No. 5 Discussion

Dave Matthews

- Asked if the meters were included in the original design of the boulevard reconstruction.
 - Loren Culp – design for services are from SCE. Service request requires a deposit of funds and construct according to their design. These are the costs for providing the services.
- Original design had lights in locations. Why do we have to pull additional funding?
 - Loren Culp – during design process could have included with original design but with milestones needed were not able to include with original bidding.
 - Steve Morgan – contingency funds are put in place for this type of item.

Motion To Approve Consent Calendar Items Nos. 4 and 5 Made By Council Member Morgan, Second By Council Member Sanders. Motion Carried By Voice Vote Of 4 Ayes (Mayor Clark, Council Members Holloway, Sanders, And Morgan); 0 Noes; 0 Abstain; 1 Absent (Council Member Acton)

DISCUSSION AND OTHER ACTION ITEMS

10. Presentation Of Quarterly Department Report By The Finance Department

McQuiston

- **Item pulled prior to approval of the agenda**

COMMITTEE REPORTS

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Jim Sanders, Dan Clark

Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center

Next Meeting: To Be Announced

Jim Sanders

- No report

MINUTES - CITY COUNCIL - REGULAR

October 15, 2014

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Veterans Advisory Committee

Members: Dan Clark

Meetings: 1st and 3rd Monday of the Month At 6:00 p.m., Council Conference Room

Next Meeting: To Be Announced

Dan Clark

- Appointing board of directors at next meeting
- Looking at budget
- Looking at seed money and grants
- Met yesterday

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: Date And Location To Be Announced

Chip Holloway

- No report

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- None

CITY MANAGER REPORT

Dennis Speer

- None

MAYOR AND COUNCIL COMMENTS

Steven Morgan

- KGZN forum for Mayor was question on closed sessions. Suggested to attorney to come up with a mock closed session. Want to see an open, mock closed session for the public to see what happens behind closed doors.
- West Ridgecrest Blvd. Many people saying City isn't thinking about truck restriction on the Blvd. City is considering weight limits and asked people to relax. Requested an update on this issue from city manager
- Regarding Measure 'L'. Press release regarding roadways read and these include Measure 'L' money.
- Public request for breakdown of total Measure 'L' expenditures between streets and police. Think the numbers will be surprising. Huge public misperception that funds are out of whack. Will be made available tomorrow from finance

Steve Morgan *(continued)*

- CalRecycle is coming to visit. Going to 75% diversion which was predicted several years ago. City and waste management offers a recycling tips sheet and we need to watch how we recycle in the community. Requested an update from waste management regarding recycling. We have to up our percentage and work as a team.
- Regarding water. We can discuss who, what, where, when and how but will have to be a collaborative. City will have to lead and this will be different because we have a separate water agency. In past anticipated the water district coming to city but they have not done this. We have to figure out how to work with them and not sure how we are going to limit who has a stake in this. We are working on this, staff is reviewing, council is aware, and water district is aware.
- Political push from environmental agency who wants to purchase Sand Canyon. Concerned to not designate this as a wilderness area. Wilderness means people must stay out unless you are healthy. Not designate as wilderness ever or property reverts back to city at no cost. Any designated trail must stay open to traffic. Roads trails, passes must be maintain or property goes back to city. Property counts as mitigation in future at city discretion. Mojave conservancy needs to bring papers to city signed and no restrictions of any kind. We had a biologist come to Ridgecrest regarding west Mojave plan. We were concerned about mitigation value and the stunting of growth. We showed depredated land with no animals and the biologist said it was possible habitat. 5 to 1 ratio for mitigation. Need to prevent what could occur. Every speck of undeveloped property within Ridgecrest have no mitigation cost if we turn this property over. City should hold onto the property.

Jim Sanders

- Light pollution, sympathetic to this issue. Real issue is how far we take this. Need to have a discussion on this subject for public input. Very torn on the issue of how much government enforcement I want on this industry. Unique commodity we have with the visible sky and want to protect this.
- Can we form ad hoc committees without a special agenda item. Interested in forming an ad hoc on the water issue and explore options and utilize staff to do the same. Need to do our due diligence and everything we can to conserve water.
 - Steve Morgan – can start it but may change after the election.
- Committee formed of Jim Sanders and Steve Morgan. Meeting dates to be announced

Jim Sanders *(continued)*

- Dismayed in public reaction to County's efforts to solving the water issue. When people raise the issue of property right with regard to this, they don't really understand what rights mean with respect to this. We all have rights but our rights are only valid so long as they do not infringe on other people. We have rights with respect to water on our property. Only so much water and when people say they are taking away property right they don't understand we don't have right to waste water. Read statement regarding rights of society. Asked people to reconsider their stance on the water issue. Everybody has to sacrifice including the city. Don't think there is a solution where we will not be paying thru the nose.
- Thanked council for good meeting.

Chip Holloway

- Understand some of the private property issue. Principal of proportionality. Agree with Steve on how we are going to put a group together that will encompass everyone affected.
- No growth is not an option; it is a death sentence to the community.
- Charter school issue, we had a packed house getting this council to approve the site for the school and they were warned publicly and privately about issues in the location. They made promises to the council and leadership has shifted and suddenly Council becomes the bad guys. Things come around. Once we were heroes and now are the bad guys.
- Attended the ICS conference in San Diego with Mr. Parsons. Things have evolved from the first meetings where people did not know where Ridgecrest was to now meetings are being requested of us. A lot of this has to do with Kosmont and Gary. Almost every meeting in the past revolved around filing empty buildings but this time almost everyone wanted to develop property that is not developed today. They want to turn dirt and this is an incredible change from the past. We got on the map in previous years and now they want to come here. Excited about the potential revenue coming back to this community.
- Referenced consumption sales tax in Kern County versus Ridgecrest. Fair assessment because of our isolation is that we are losing \$1400 per person per year. Equates to 1.75% leakage so still value in seeking retail opportunities in our area.
- Referencing campaigns focus only on me and don't throw dirt on other candidates. Have been asked why some people are running ads paid for by someone known as Sam Adams and there is no Sam Adams living in the City of Ridgecrest. This is destroying the candidate's credibility and not a good way to start your introduction to this community. Candidates have a responsibility to address this.
- If you are watching or sitting in this office, I love the opportunity to serve this community. Excited to see things developing that I have work on. Asking you to give me the opportunity to continue serving the city of Ridgecrest.

MINUTES - CITY COUNCIL - REGULAR

October 15, 2014

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Dan Clark

- Commented on call from county supervisor who stated he cannot carry this baton alone referencing the last board of supervisors meeting. Important we attend these meetings.
- Petroglyph festival radio commercials being aired all the way to Bridgeport. On social media, Ridgecrest is one of the top new festivals in the nation. Projecting a minimum of 4000 people coming to the community and may be up to 7000. Hotel reservations for November are substantial.
- Fact sheet provided for the public. Want everyone in town to be involved.
- R. Carlos Nikkei concert will be performed. Friday November 14 at 7:30p.m.
- In this community, it is such an honor to work with this council. This council is the most successful ever in terms of construction. Receive comments from the public asking us to thank Dennis and Council for all the work on the streets. Asked for Measure "L" signs at each end of the streets that are constructed with Measure 'L' funds.
- To the public, if you don't know the candidates, watch the council meetings to hear who attends. If they want to be a Council Member but won't attend then are not serious about representing this community. Read names of candidates attending the Council meeting.
- Desert Empire Fair this weekend. Candidates will be attending.
- Announced meeting date and time for Ad Hoc committee for groundwater sustainability. Meeting scheduled for October 27 at 5:00 pm in the downstairs conference room.

ADJOURNMENT at 9:21 p.m.

Rachel J. Ford, CMC
City Clerk

Monthly Director's Report for RACVB For September 2014 Held at Clarion Inn

- ❖ In September 2014, Ramon Jaime promoted Petroglyph Festival by providing RACVB with 16 pages of articles which include: Los Angeles Times, News & Travel Editorial, Los Angeles Daily News, Newspaper, WSMV-TV NBC4 Nashville, TN Broadcast and Biz Daily (Singapore) News & Info Service.
- ❖ Doug Lueck provided Board of Director's with copies of the "The Sun Runner" full page ad (pg. 13), "The Daily Independent" two articles, 1st pg.4, 2nd pg. 10 and "Scenic 395 Official Guide" 2 pg. article (pgs. 10 & 11) about Petroglyph Festival and full page ad (pg. 12) Ridgecrest Film Commission/Petroglyph Festival.
- ❖ Doug Lueck and Mike Thomas covered up the old "Ridgecrest Rocks" sign with a new sign (skin only) south of Highway 395 promoting the Petroglyph Festival.
- ❖ September 24, 2014 - Doug Lueck and Mike Thomas attended the Kern County Board of Trade Dinner awards, as well as having a booth. The event was held in Bakersfield, California.
- ❖ RACVB's challenge for Ridgecrest business's to have Petroglyphs painted on their buildings is up to 14 total at this point.
- ❖ In September, RACVB has received phone calls and E-mails from all over the country, as well as Los Angeles and Kern County requesting information on the Petroglyph Festival.
- ❖ October 17, 18 & 19, 2014 – RACVB will have a booth at the Desert Empire Fairgrounds for the upcoming Fair and will promote the Petroglyph Festival and sell merchandise as well.

FILMING: Ridgecrest Regional Film Commission

September

Luminous Marketing and Media

Type of Filming: Music Video

Inyokern Airport:

September

TOOL Filming

Type of Filming: Video

Total Revenue Generated for September 2014: \$ 120,000.00

Next Board of Director's meeting will be Wednesday, November 5, 2014, location to be determined.

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

SUBJECT:

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of November 5, 2014

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of November 5, 2014

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

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MINUTES OF THE REGULAR MEETING OF THE RIDGECREST CITY COUNCIL

City Council Chambers
100 West California Avenue
Ridgecrest, California 93555

November 5, 2014
5:30 pm

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER 5:30pm

ROLL CALL

Council Present: Mayor Clark, Council Members Marshall 'Chip' Holloway and Steve Morgan
Council Absent: Council Members Jim Sanders and Lori Acton
Staff Present: City Manager Dennis Speer; Acting City Clerk Ricca Charlton; City Attorney Michael Silander; and other staff

APPROVAL OF AGENDA

Motion To Approve Agenda Made By Council Member Morgan, Second By Council Member Holloway. Motion Carried By Roll Call Vote Of 3 Ayes; 0 Noes; 0 Abstain; And 2 Absent.

PUBLIC COMMENT – CLOSED SESSION - None

CLOSED SESSION

*Councilmember Sanders & Acton joined closed session

GC54959.8 Local Agency Real Property Negotiations – Leroy Jackson Park – Agency Negotiators Dennis Speer, City Manager And Jason Patin, Recreation Supervisor

GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation - Squillacote v. Frid, CASE NO. S-1500-CV-276362 SPC

GC54956.9 (d) (4) Conference with Legal Counsel – Potential Litigation – Claim No. 14-11, Claimant: Christopher Calvi

REGULAR SESSION – 6:10 p.m.

- Pledge Of Allegiance
- Invocation

AGENDA - CITY COUNCIL - REGULAR

November 5, 2014

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CITY ATTORNEY REPORT

- Closed Session
 - Property Negotiations – Leroy Jackson Park – Agency Negotiators Dennis Speer, City Manager And Jason Patin, Recreation Supervisor
Received report, no reportable action taken, direction given to staff
 - Conference with Legal Counsel – Existing Litigation - Squillacote v. Frid, CASE NO. S-1500-CV-276362 SPC
Received report, no reportable action taken, direction given to council
 - Conference with Legal Counsel – Potential Litigation – Claim No. 14-11, Claimant: Christopher Calvi
Received report, no reportable action taken, direction given to City Attorney
- Other
 - None

PUBLIC COMMENT - opened at 6:12 p.m.

Connie Hilmer – shared concerns regarding median placed at Ridgecrest Blvd. and Norma intersection.

Janice Bottoroff – shared concerns regarding safety, parking, flooding, maintenance and water use in regards to the Ridgecrest Blvd. project.

Tina Warren – quality of work is great, thanked Council for making Ridgecrest Blvd. repaving happen but concerned about safety on the road and lack of communication from City.

Randy Jenkins – congratulated new Council members. Read scripture passage.

Dave Siebel – Read letter to the editor he wrote and had printed in newspaper(s).

** Engineer Culp reviewed meetings held on Ridgecrest Blvd. project to explain 'fully vetted' in regards to Mr. Siebel's letter.

Karen Davis – concerned with Ridgecrest Blvd. construction as it related to disruption of businesses; dislikes the bulb outs.

Gary Allred – Disagreed with comments made regarding businesses not being notified. He has been involved for many years and the community was notified. Concerned with handicap access along Ridgecrest Blvd. Feels that infrastructure, OTAP and other meetings being cancelled halted communication avenues with the public. Does not agree with the bulb outs.

Mike Neel – Commented to public that coming to one meeting will not solve your problems; you need to come more often to be heard. Concerned with handicap and bicycle safety along Ridgecrest Blvd. Asked how much was spent on bulb outs and other extras?

Virginia DeAngelis – concerned about bulb outs and safety in regards to DART staff.

Closed public comment at 7:00 p.m.

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November 5, 2014

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PRESENTATIONS

1. Proclamation Presentation To The Benevolent And Protective Order Of Elks Honoring National Veterans Remembrance Month Ford

- Council presented a proclamation to Exalted Ruler Bill Brickey, Sam Brown, and Odessa Newman-Staples representing the Benevolent and Protective Order of Elks.

2. Present Findings Of 'Bang For Your Buck' Fair Activity McQuiston

- Finance Director McQuiston presented findings from the survey.

3. Department Report – Public Works Speer

- City Manager/Public Works Director Speer presented a power point report.
 - Holloway – Would the removal of some items on Ridgecrest Blvd. be something the new council members in attendance (Breedon, Thomas, Mower) would like? If so, we need to stop the spending now since they are going to pull them out in 30 days.
 - Culp – Staff cautioned Council that federal funds are being expended for the features (bulb outs, crossings, etc.) and the city might be asked to pay back the monies expended if removed or if the project is halted in regards to the features.
 - Holloway - remember that if you accept the money and promise to spend it a certain way, then don't do what you promised, it makes it harder to obtain the next round of funds (cautioning the new council present to be cognizant of projects and promises in the works).
 - Sanders – Cautioned the public to just be patient and wait till the projects are complete to make judgment. Asked the City to give the new streets a chance.
 - Morgan – Concerned with how the Ridgecrest Blvd. project is being viewed. Thanked staff for the presentation and adhering to the PMS plan and completing year 1.
 - Acton – Citizens have been asking her 'why did we pave the streets around town all at the same time?'
 - Speer – due to the paving season of April through October
 - Mayor Clark – made mention of the time spent by staff preparing presentations and thanked them. Spoke to the time spent by staff preparing for the prior cancelled committee meetings and the justification he used in recommending they be cancelled.
 - Christina Witt – commented on bicycle safety in regards to them being legal to join traffic to pass by the bulb outs.
 - Mike Neel – mentioned understanding the committee's cancellations do to the information being documented at council and better vetted. Supports the stopping of Ridgecrest Blvd. rather than continuing and pulling out later.
 - Tina Warren – Doesn't want everything pulled out, just concerned about safety.
 - Peggy Breedon – asked the council are you going to have to pay back for the items already removed? We are not criticizing, we are just asking for help and better processes going forward.

AGENDA - CITY COUNCIL - REGULAR

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CONSENT CALENDAR

4. A Resolution Authorizing The City Manager To Sign The Notice Of Completion, Authorizing The City Clerk To File The Notice Of Completion And Authorizing The Release Of Retention On The Sunland Avenue Project: Upjohn Avenue to Bowman Avenue Speer
5. A Resolution Of The Ridgecrest City Council Accepting Grant of Sewer Easement From The Ridgecrest Regional Hospital Across Parcels 3, 4 & 5 Of Quit Claim Deed, Document Number 0207224809, In The City Of Ridgecrest, County Of Kern, State Of California And Authorize The Mayor, Daniel O. Clark, To Sign The Certificate Of Acceptance and Authorize the City Clerk to Record the Document Speer
6. A Resolution Of The Ridgecrest City Council Vacating Portions Of The Sewer Easement For The Ridgecrest Regional Hospital Properties Across Parcel 2, Of PM 7595, And Parcels 3, 4 & 5 Of Quit Claim Deed, Document Number 0207224809, In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The Mayor, Daniel O. Clark, To Sign The Quit Claim, Vacation Deeds, And a Certificate of Acceptance And Authorize The City Clerk To Record The Document Speer
7. A Resolution Approving Program Supplement Agreement No. 037 With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R And Authorizing The City Manager, Dennis Speer, To Sign The Agreement For The Preliminary Engineering Of The North Warner Street Project from Drummond Avenue to West Howell Avenue Speer
8. Approve Contract Change Order Number Nine With The Contractor Griffith Company To Provide Services For The Fog Seal Of All New Asphalt Prior to Striping The West Ridgecrest Boulevard Project And Authorize The City Manager, Dennis Speer To Sign The Change Order Number Nine Speer
9. Approve A Letter Of Support To The Kern County Board Of Supervisors For The Water Availability And Conservation Report Clark

Items Pulled From Consent Calendar

- Item No. 9

Motion To Approve Item Nos. 4, 5, 6, 7, and 8 Of Consent Calendar Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton And Morgan); 0 Noes; 0 Abstain; And 0 Absent

AGENDA - CITY COUNCIL - REGULAR

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Item No. 9 Discussion

- Morgan – Proposed new wording to letter
- Clark - add 'GSA agency and/or a jpa'?
- Stan Rajtora – add wording 'in tandem with an update to the IWV specific plan'
- Holloway – concerned that the letter will become a tool and from his research there are people on each side of the Todd Report. Should we endorse the report with this letter or should we completely vet it.
- Clark – Believes we should approve the letter and be proactive.
- Amendments – 1. Add all council signatures to the letter. 2. Add wording 'in tandem with an update to the IWV specific plan'. 3. Add recommendation presented by Councilmember Morgan – 'The City Council as a stakeholder in the process of developing solutions that range from possible replenishment districts for taxation, importation, mandatory cutbacks on pumping for all users, etc., supports the formation of a Groundwater Sustainability Agency (GSA) to begin work on this very important issue to the Indian Wells Valley as soon as practicable'

Motion To Approve Letter As Amended Made By Council Member Morgan, Second By Council Member Acton Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton And Morgan); 0 Noes; 0 Abstain; And 0 Absent

Motion To Approve Item No.9 Of Consent Calendar As Amended Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton And Morgan); 0 Noes; 0 Abstain; And 0 Absent

DISCUSSION AND OTHER ACTION ITEMS

10. Executive Summary and Discussion of Fiscal Year 2013-14 Final Numbers

McQuiston

- Finance Director McQuiston reviewed report.
- Morgan – it would be helpful in the future to have a narrative for the public's use.
- Holloway –Open.Gov would help with a friendlier presentation, correct?
- McQuiston – we have issued the RFP for a new financial management system and it will be in the next fiscal year.
- Sanders – Do we have a short fall of revenue on this year?
- McQuiston – we brought in more money than budgeted but what usually happens is we get a new grant opportunity and we have to do an offset of expense. As we were projecting finance did not account for the repayment to Kern County.

AGENDA - CITY COUNCIL - REGULAR

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ORDINANCES

11. Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Zoning Code as It Relates To Appeals Of Planning Commission Decisions Section 2-3.103 Alexander

City Planner Alexander

- Presented staff report.

Public Hearing – Ordinance No. 14-02 – opened and closed at 9:04 p.m.

Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Appeals Of Planning Commission Decisions Made By Council Member Morgan, Second By Council Member Holloway. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Appeals Of Planning Commission Decisions Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

12. Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Zoning Code As It Relates To Streets, Chapter XIV Alexander

Matthew Alexander

- Presented staff report.

Public Hearing – Ordinance No. 14-03 – opened and closed at 9:07 p.m.

Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Streets Made By Council Member Acton, Second By Council Member Holloway. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Streets Made By Council Member Holloway, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

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13. Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Zoning Code As It Relates To Improvements Of Streets And Related Facilities Adjacent To New Or Improved Construction Section 20-3.20 Alexander

Matthew Alexander

- Presented staff report.

Public Hearing – Ordinance No. 14-04 – opened and closed at 9:10 p.m.

Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Improvements Of Streets And Related Facilities Adjacent To New Or Improved Construction Made By Council Member Acton , Second By Council Member Morgan. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Improvements Of Streets And Related Facilities Adjacent To New Or Improved Construction Made By Council Member Acton , Second By Council Member Holloway . Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, And Morgan); 0 Noes; 0 Abstain; And 0 Absent.

COMMITTEE REPORTS

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Jim Sanders, Dan Clark

Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center

Next Meeting: To Be Announced

Nothing to report

Veterans Advisory Committee

Members: Dan Clark

Meetings: 1st and 3rd Tuesday of the Month At 6:00 p.m., Kerr McGee Center

Next Meeting: To Be Announced

Nothing to report

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: To Be Announced

Nothing to report

AGENDA - CITY COUNCIL - REGULAR

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OTHER COMMITTEES, BOARDS, OR COMMISSIONS

Sanders – Water Conservation Ad-hoc committee – good public turnout, established goals, vetted letter for council support to present to Supervisors, had idea sharing. Next meeting November 17th @ 5pm.

CITY MANAGER REPORT

Welcomed new city engineer, Ryan Brooks.

MAYOR AND COUNCIL COMMENTS

Morgan –

- Stuart Fields has been giving a lot of info to me and others in regards to his well in the county. He is very one sided and so warns the new council to listen but be cautious. The Water Conservation Ad-hoc committee is important and would like to see it continue; wishes them good luck.
- Petroglyph festival is very important to this community and hopes it is a shining success for many years to come. Thanked Mayor Clark for his leadership on this.

Acton –

- Council member Sanders and she met with Tepatitlan and Sister City Org last month, next year will be our 40th year together.
- Thanked the staff for the Petroglyph festival event. Thinks it will be very successful. Thanked Mayor Clark and the community for their support in making it happen.

Sanders –

- Need to take from this meeting that communication is a difficult task and we must do better. Knows staff is overworked but be mindful and stay involved; 'stay customer oriented'
- Has a friend obtaining a time lapse of the Ridgecrest Blvd. Project and will keep the Council posted
- Congratulated new council members Breedon, Thomas and Mower

Holloway

- Prop 47 passed and the ramifications are going to be high so new council be diligent and aware when balancing the budget next year in regards to police
- Mentioned the article and editorial about Ridgecrest being one of the top four cities to raise a family.
- We did fail in communication in regards to the Ridgecrest Blvd. project but we are understaffed and will work harder in the future – you cannot communicate enough!
- Served on the OTAP committee and knows that communication was attempted with RC Blvd merchants. The intention was to slow traffic and get the tandem tractor trailers off Ridgecrest Blvd. – it's going to work!
- HERO program was brought here to help the residents and because it was a great opportunity to help our local contractors, especially during their slow times
- Congratulated new council members Breedon, Thomas and Mower

AGENDA - CITY COUNCIL - REGULAR

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Clark

- Loved the article 'one of the best cities to raise a family in California', asked staff to put it on the website. We should be proud of that designation.
- Updated council on petroglyph festival activities. Big gain is going to be TOT; we project 60-70% occupancy. Getting lots of coverage in LA area as the festival is being aired on channel 7. We expect 5000+ new people in Ridgecrest that weekend. Sponsorships for the event are spectacular. Thanked donors for their support.
- Mentioned a Marine marathon he saw in Virginia while on vacation; touched his heart.
- Congratulated new council members Breeden, Thomas and Mower
- Thanked Gary Parsons as he attended the Kiwanis club luncheon with him and updated them on economic development

ADJOURNMENT at 9:45 p.m.

Ricca Charlon
Acting City Clerk

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT: A Public Hearing And Resolution No 14- Approving The Fiscal Year 2015-2016 Annual Application Regarding The Kern County Community Development Block Grant (CDBG) Program

PRESENTED BY:

Dennis Speer, Public Works Director

SUMMARY:

A noticed Public Hearing for November 19, 2014 was established to discuss and prioritize proposed Community Development Block Grant (CDBG) Projects for the Fiscal Year 2015-2016 Annual Application for Community Development Programs within the County of Kern. The anticipated fair share amount for FY 2015-2016 is \$129,882.00. Public comments are solicited and will be heard and accepted before approval of the selected project. The Resolution is presented to confirm the allocation of funds at the conclusion of the Public Hearing and must be filed, along with the project application, with the County of Kern prior to December 12, 2014.

It is staff's recommendation to use this funding allocation for the continuation of the Access Transition Project Phase III. The Access Transition Project will continue with the project that was established in 2013-2014 Activity #17.13.2 and 2014-2015 Activity #17.14.1. A Consultant will establish the Americans with Disability Act (ADA) needs in the area of low to moderate income through a solid inventory data base throughout the public right-a-way. The City of Ridgecrest will continue replacing non-compliant ramps, curbs, and in-fill sidewalks on a priority basis. The consultant will provide design, bidding documents and construction management for this project.

It has become significantly important that municipalities deal with (ADA) needs as Federal and State Regulations are becoming more stringent each year. Federal and State funding relies on each municipality having an Access Transition Plan in place. Each year the City of Ridgecrest must fill out a 9C with Caltrans District 9 indicating how far along the City is with the Plan and will it will be completed.

The City of Ridgecrest is currently working with the Kern County Community Development Department on the environmental documents and also the Request for Proposal for the Consultant for the Access Transition Project.

It would be appropriate to open the public hearing, receive public comments, review and discuss projects as may be desired and determined.

FISCAL IMPACT: None

Reviewed by Finance Director

ACTION REQUESTED:

Hold The Public Hearing And Adopt The Resolution Approving The Fiscal Year 2015-2016 Annual Application And Approve The Kern County Community Development Block Grant Application and Direct Staff to Submit the Application

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Karen Harker
(Rev. 02/13/12)

Action Date: November 19, 2014

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RESOLUTION NO. 14-XX

A PUBLIC HEARING AND RESOLUTION NO 14- APPROVING THE FISCAL YEAR 2015-2016 ANNUAL APPLICATION REGARDING THE KERN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

WHEREAS, the Kern County Department of Community Development requires that public comment be obtained for proposed Community Development Block Grant (CDBG) Projects for the FY 2015-2016; and

WHEREAS, the City Council of the City of Ridgecrest on November 19, 2014 held a duly noticed Public Hearing for the purpose of obtaining public input and identifying unmet needs of the community; and

WHEREAS, the anticipated fair share amount for FY 2015-2016 is \$129,882.00; and

WHEREAS, it is staff's recommendation to use this funding allocation for the continuation of the Access Transition Project Phase III.

WHEREAS, the Access Transition Project will continue with the project that was established in 2013-2014 Activity #17.13.2 and Activity #17.14.1 that will follow the recommendation of a Consultant; and

WHEREAS, a Consultant will establish the Americans with Disability Act (ADA) needs in the area of low to moderate income through a solid inventory data base throughout the public right-of-way; and

WHEREAS, the City of Ridgecrest will continue replacing non-compliant ramps, curbs, and in-fill sidewalks on a priority basis; and

WHEREAS, the consultant will provide design, bidding documents and construction management for this project; and

WHEREAS, Federal and State funding relies on each municipality having an Access Transition Plan in place and each year the City of Ridgecrest must fill out a 9C will Caltrans District 9 indicating how far along the City is with the Plan and will it will be completed; and

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Ridgecrest Does Hereby Adopt The Fiscal Year 2015-2016 Annual Application And Approves The Kern County Community Development Block Grant Application And Directs Staff To Submit The Application.

APPROVED AND ADOPTED this 19th day of November 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Daniel O. Clark, Mayor

ATTEST:

Rachel Ford, City Clerk

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KERN COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT
APPLICATION

City of Ridgecrest, Engineering Department
Dennis Speer, Director of Public Works
100 W. California Ave., Ridgecrest, CA 93555
760-499-5083 or kharker@ci.ridgecrest.ca.us

Project Name: CITY OF RIDGECREST- Continuation Of Access Transition Project Phase III

PROJECT PURPOSE AND BENEFIT

A. What is the purpose of the project?

The Access Transition Project Phase III will continue with the 2013-2014 Activity # 17.13.2 and 2014-2015 Activity # 17.14.1 that was established in previous years. The City of Ridgecrest will continue to work with the Community Development Economic Department in a pilot program design and construct ADA compliant sidewalks and curb ramps. A design team will prepare bid documents to go out to bid for construction of ADA improvements per the ADA Access Transition Improvement Project.

B. The Community Development Block Grant money will be helping with low to moderate income families that live within the areas that need new pedestrian facilities to meet American with Disabilities (ADA) requirements. It will also help people who have physical disabilities.

PROJECT DESCRIPTION

Describe all components of the project, in a detailed narrative. Indicate "N/A" if the question is not applicable to your project:

A. Where is the project to be located? Please provide:

The Project is located from the boundaries of West Las Flores Avenue to North Norma Street to West Ridgecrest Boulevard to South Downs Street to West Upjohn Avenue to South China Lake Boulevard. See Map Enclosed.

B. MAJOR WORK ITEMS (one or more may apply):

1. For acquisition of property, a building, or public easement, provide the following:

- Not Applicable
- The City of Ridgecrest currently owns the right-of-way along various locations and no encroachment permits are required for the construction project.

2. For new construction, provide the following:

- This is a phased project with the completion of the design all bid documents will be prepared by the consultant advertised, with the bid being awarded to lowest responsible and responsive bidder. The City of Ridgecrest will then Award the Project to the Contactor.

3. For renovation or expansion of an existing facility, provide the following:

- Not Applicable

- C. For large scale projects, can this project be phased? If so, explain the phasing?
- Yes, phasing will continue with the Access Transition Project as Community Development Block Grant Funds are made available to the City of Ridgecrest.
- D. Who will implement this project (complete design, conduct bid advertising, contracting, etc.)?
- The Consultant will design, handle bid documentation, bid advertising and the contract will be awarded to the lowest responsible and responsive bidder with the contractor completing the project
- E. Describe all alternative sites and alternative project designs that were considered:
- Not Applicable

FUNDING SOURCES/PROJECT COST ESTIMATE

- A. Why is CDBG assistance needed for this project?
- Within the last ten to fifteen years, military cutbacks and budget reductions have affected the City’s overall economy and with the current economic crisis, both tax revenue and expenditures have suffered. One of the areas most affected by the economy has been Ridgecrest’s roads and highways, sidewalk improvements such as ADA handicap ramps. With the current state of the economy the City of Ridgecrest is also seeking funds to help offset cost for projects to help with low to moderate income areas. The funds will help with removing architectural barriers and improve area of public right of way for persons with disabilities and help with the City of Ridgecrest comply with the American with Disabilities Act. It is also important that the City of Ridgecrest pursue an Access Transition Project as it is required by Caltrans to receive both state and federal funds.
- B. Itemize all sources of funding expected to be available and used for this project.

Source of Funds	Amount of Funding Expected
Community Development Block Grant	\$129,882.00
Other Federal Source(s)	\$
State Source(s)	\$
Local Source(s)	
Total Funding	\$129,882.00

For all non-CDBG funding sources provide:

- The City of Ridgecrest is continually looking into other funding sources to help with the cost associated with projects.
- C. How do you plan to fund the operation & maintenance costs (if any) associated with this project?
- The City of Ridgecrest will also continue to maintain all handicap ramps after

construction is completed.

D. Provide an itemized cost estimate using the format shown on next page.

PROJECT COST ESTIMATE

Note: Pricing estimates should take into account federal and state prevailing wage requirements.

Prepared By: Karen Harker Date Prepared: November 10, 2014
(Engineering Firm/County Dept/City Dept, etc.)

Description of Item	Quantity	Unit of Measure*	Unit Price	Total Price
Handicap Ramps remove/replace	12	each	\$6000.00	\$72,000.00

Construction Cost	\$
Real Property Acquisition (if applicable)	\$
Design Cost (10% of construction cost)	\$ 7,200
Advertisement	\$ 3,000
Construction Inspection (15% of construction cost)	\$ 10,800
Contract Administration/HUD Monitoring (5% of construction cost)	\$ 3,600
Contingency (10% of construction cost)	\$ 9,581
Escalation (6% of construction cost)	\$ 6,701
Project Delivery Cost	<u>\$ 17,000</u>
TOTAL PROJECT COST**	\$129,882.00

* Unit of measure – includes lineal feet, square feet, each, lump sum, etc. Do not use lump sum to describe the entire project as a one line item. Break out the estimate by major components (HVAC costs, roofing costs, lighting costs, etc.)

** Total Project Cost should equal Total Funding from the prior page.

PLANNING ISSUES

A. What is the current zoning of the project site?

The Access Transition Project provides a mix of low to moderate income housing with some commercial zoning.

B. Will a general plan amendment, zone change, conditional use permit or zoning variance/modification be required for the proposed use of the site? **NO**.

C. Are there any Federal/or State review and approval process required for the proposed project?

- No

D. What is the proposed source of water for the project?

- There will be construction water use provided by Indian Wells Valley Water District

E. What is the proposed method of sewage disposal?

- Not Applicable

F. Have you received all clearances and/or commitments from affected public utility companies (electricity, sewer, water, etc.) or railroads to complete this project?

- Plans will be distributed to the Utility Company at the completion of design for review and comment

ENVIRONMENTAL DATA

Prior to HUD's release of Grant conditions and/or funds for a CDBG-funded project, a review of the projects potential impact on the environment must be conducted, and the County of Kern must certify to HUD that it has complied with all applicable environmental procedures and requirements. Complete answers to the following questions must be provided in order to initially assess proposed projects potential environmental issues/concerns.

A. Land Use

1. What use(s) currently occupy the project site (vacant, industrial, residential, etc.)?

The area that surrounds the project site is residential and commercial and commercial with some vacant parcels.

3. How many structures are on the site?

- Not Applicable

B. Describe the project sites topography and vegetation.

- Existing streets with curb returns without ADA ramps, and possible sidewalk improvements.

C. Describe any surface waters on the site and the surrounding area (Example: wetlands, rivers, drainage basins, lakes, etc.)

- Not Applicable

D. Are there any storage tanks/containers (larger than 100 gallons) on the project site or vicinity?

- Not Applicable

E. Noise Sources:

- Construction Equipment

F. Environmental Studies/Reports:

- None considered as Categorically Exempt.

OUTCOME PERFORMANCE MEASUREMENT SECTION

*(This section **must** be completed in order to be considered for funding)*

HUD is now requiring recipients of federal funds to assess the objectives and outcomes of all projects undertaken. A new Performance Measurement System has been designed by HUD to establish and track measurable goals and objectives for the CDBG, ESG, HOME, and ADDI Programs. Applicants are now required to identify the objectives and outcomes of their proposed projects and to predict benefits and measure performance. **If the project is funded, the applicant must agree to collect and report all data required, in accordance with the requirements set forth by HUD and as stipulated in the project agreement.**

1. Project Objectives:

Why is the proposed project/program needed?

It is needed to improve accessibility and enhance public access and safety within the public right-of-way. Improvement to the area will provide a safer environment for people with physical disabilities. The Access Transition Project will also help with the City of Ridgecrest meet its requirements with Caltrans and Federal Highway Administration so that it can continue to receive state and federal funding.

2. Project Outcomes:

What changes do you expect will be achieved as a result of the proposed project or program?

Architectural barriers will be removed and will provide accessibility for persons who have physical disabilities and allow for the City of Ridgecrest to comply with the Americans with Disabilities Act. The City will also continue to meet requirements and be eligible for Federal and State programs and grants.

3. Project Benefit:

- a. How many persons or households is the proposed project/program expected to benefit? 2,000 to 5,000 people
- b. How many jobs is the proposed project/program expected to create and/or retain? 8 jobs will be created for the project during design and construction
- c. How many dwelling units is the proposed project/program expected to create and/or rehabilitate? 0

Additional Application Information Required for Outcome Performance Measurement:

1. Will the project provide a new service or benefit to residents?
Yes No
2. Will the project provide improved service or benefit to residents?
Yes No

3. Will the project upgrade a currently substandard service, facility or improvements?
Yes No

4. Will the facility provide overnight shelter or other emergency housing?
Yes No

If so, how many beds will be created? _____

Project Description

A. Project Title: [City of Ridgecrest – Access Transition Project Phase III](#)

B. Activity Number: N/A

C. Date of Environmental Assessment/
Initial Study Commenced: N/A-

D. Project/Activity Address/Location: [Various Locations](#)

E. Comprehensive Project Description: (General Nature of Project, Environmental Setting of Project, Physical Extent of Project, Purpose of Project, and Estimated Project Activity Cost)

General Nature/Purpose of Activity

The purpose of the Activity is to remove Architectural barriers and provide accessibility for persons who have physical disabilities within the City of Ridgecrest and to comply with the Americans with Disabilities Act. This will also help with the City being able to continue to meet requirements and be eligible for Federal and State programs and grants.

Work on the new Activity would include, design, bidding documentation, advertisement, awarding the project to the lowest responsible and responsive bidder, construction management and project completion.

Environmental Setting/Physical Extent of the Activity:

Note: Environmental Setting is described per the Draft Environmental Impact Report for the City of Ridgecrest, Draft General Plan 1991-2010, and Prepared by the City of Ridgecrest, Community Development Department, and July 1993.

General

The City of Ridgecrest is located in the northeast corner of Kern County in the Northern Mojave Desert. Located 125 miles northeast of Bakersfield and approximately 150 miles northeast of Los Angeles, Ridgecrest is elevated approximately 2,400 feet above sea level and is the only incorporated city within the Indian Wells Valley. The Indian Wells Valley is bounded by four mountain ranges, the Coso, Sierra Nevada, Argus and El Paso Ranges.

The City of Ridgecrest is immediately adjacent to the China Lake Naval Air Weapons Center (NAWS) to the north, the County of San Bernardino to the east and unincorporated areas of Kern County to the south and west. The NAWS serves as a test and evaluation facility for the Navy and Department of Defense. The population of the City of Ridgecrest, based upon the most current estimates by the Kern Council of Governments (Kern Cog), is 26,515.

The City of Ridgecrest is directly accessed from State Route 178 with ingress at the northern portion of town from the west and east. The City can also be accessed from the south by State Route 395, the major transportation corridor for the Eastern Sierra Nevada. The City of Ridgecrest traffic circulation system consists of two state routes, eight primary arterial, seven secondary arterial several collector streets and many residential roads.

The proposed Activity is located within the incorporated city limits, specifically in the south central part of Ridgecrest.

Within the last ten to fifteen years, military cutbacks and budget reductions have affected the City's overall economy and with the current economic crisis, both tax revenue and expenditures have suffered. One of the areas most affected by the economy has been Ridgecrest's roads and highways, sidewalk improvements such as ADA handicap ramps, curbs and sidewalks. The City's Draft General Plan 1991-2010, states that many of the City's streets are unpaved and lack curbs, gutter, and sidewalk improvements. This accurately describes the condition of this Activity site. These conditions result in safety hazards and an inconvenience for pedestrians many of which are youth and disabled from our community.

Flora and Fauna

The community of Ridgecrest is an existing developed area consisting of mixed urban land uses and infrastructure, including a surface transportation system. The project area is part of the road right-of-way that is located in the developed portion of the community and does not provide a habitat for any rare, threatened or endangered species.

Floodplain

This project area is not located within the 100 year floodplain per FIRM Panel #060081 005B, effective January 6, 2008. Accordingly and Eight (8) Step Decision Making Process per Executive Order 11988 will not be required.

Cultural Resources

This Activity will consist of design and construction of ADA handicap ramps to existing sidewalk. While no new development or disturbance of undeveloped land will occur in conjunction with this project, it is unknown whether or not there are any cultural resources that may be impacted.

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Approve A Resolution Approving An Economic Incentive Agreement With EH Group And Authorize The City Manager To Sign The Agreement

PRESENTED BY:

Gary Parsons

SUMMARY:

EH Group, Inc., a Delaware Corporation, was selected by the city council on July 2, 2014 to receive an industrial development grant totally \$500,000.

EH Group is a developer of Bio-Mass Refinery Systems.

Attached is an Economic Incentive Agreement ("the Agreement") wherein which EH Group is willing to develop and prepare a high quality feasibility study to determine whether it is possible to achieve certain economic, market, technical, and financial conditions for a Ridgecrest site for the establishment of a Bio-mass refinery .

The City would provide assistance in this agreement in the form of a grant of \$80,000.00 for the production of this feasibility study. The remaining \$420,000 of allocated funds will be utilized in a potential second agreement. and possibly third agreement; for the establishment of the refinery if the feasibility study results are favorable. This agreement is for only stage one of the overall Bio- Mass refinery project (the production of a project feasibility study).

FISCAL IMPACT:

None to the general fund.

The Expenditure of \$ 80,000 of \$500,000 of Economic Development TAB funds allocated to EH Group Inc.

ACTION REQUESTED:

1. Approve A Resolution Approving An Economic Incentive Agreement With EH Group; and
2. Authorize The City Manager To Sign The Agreement

Submitted by: Gary Parsons

Action Date: November 19, 2014

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RESOLUTION NO. 14-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST APPROVING AN ECONOMIC INCENTIVE AGREEMENT BY AND BETWEEN THE CITY OF RIDGECREST AND E H GROUP, INC.

WHEREAS, the City of Ridgecrest (“City”) is a city organized and operating under the laws of the State of California; and

WHEREAS, E H Group, Inc. has proposed to the City an agreement substantially in the form submitted herewith (the “Economic Incentive Agreement”); and

WHEREAS, a copy of the Economic Incentive Agreement, together with a report describing the proposed transaction, has been on file with the City Clerk as a public record; and

WHEREAS, under the Economic Incentive Agreement, the City will grant certain moneys to E H Group and E H Group will be obligated to operate its business within the corporate limits of the City and to achieve certain thresholds as set forth in the Economic Incentive Agreement; and

WHEREAS, E H Group is unwilling to maintain its operations within the City but for the approval of the Economic Incentive Agreement; and

WHEREAS, by retaining E H Group within the City, the City will continue to be the beneficiary of substantial sales tax revenues over a significant period of time, all as more particularly set forth in the Economic Incentive Agreement; and

WHEREAS, particularly in light of the elimination of redevelopment agencies as effected by enactments of the California Legislature in 2011 and 2012, including the former Ridgecrest Redevelopment Agency, the generation of tax revenues available to the City is important in preserving the ability of the City to provide an acceptable level of core municipal services to its inhabitants; and

WHEREAS, the financial participation by the City under the Economic Incentive Agreement is in consideration of the activities that will be undertaken by E H Group under the Economic Incentive Agreement; and

WHEREAS, a public meeting of the City Council on the proposed Economic Incentive Agreement was duly noticed; and

WHEREAS, the proposed Economic Incentive Agreement, and a staff report have been available for public inspection prior to the public meeting; and

WHEREAS, all actions required by all applicable law with respect to the proposed Economic Incentive Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the City Council has duly considered all of the terms and conditions of the proposed Economic Incentive Agreement and believes that the Economic Incentive Agreement is important to make available to the City for the benefit of its inhabitants an additional source of sales tax revenues and is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGECREST DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby finds and determines that, by generating additional revenues to the City, the Economic Incentive Agreement will benefit the City and its inhabitants.

Section 2. The City Council hereby approves the Economic Incentive Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the City Manager or his designee. The City Manager is hereby authorized to execute the Economic Incentive Agreement (including without limitation all attachments thereto) on behalf of the City. A copy of the Economic Incentive Agreement when executed by the City shall be placed on file in the office of the City Clerk.

Section 3. The City Manager is hereby authorized, on behalf of the City, to make revisions to the Economic Incentive Agreement which do not increase any amounts to be paid by the City or materially or substantially increase the City's obligations thereunder, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Economic Incentive Agreement and to administer the City's obligations, responsibilities and duties to be performed under the Economic Incentive Agreement and related documents.

PASSED and ADOPTED this 19th day of November, 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF KERN)
CITY OF RIDGECREST)

I, Rachel J. Ford, City Clerk of the City of Ridgecrest, do hereby certify that the foregoing Resolution No. ____ was duly and regularly adopted by vote of the City Council of the City of Ridgecrest at its regular meeting held on the 19th day of November, 2014, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

By: _____
Rachel J. Ford, CMC, City Clerk

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ECONOMIC INCENTIVE AGREEMENT

BY AND BETWEEN

CITY OF RIDGECREST

AND

EH GROUP, INC.

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ATTACHMENT

Attachment No. 1	Participant Certificate
Attachment No. 2	List of Study Components
Attachment No. 3	Guaranty

ECONOMIC INCENTIVE AGREEMENT

This ECONOMIC INCENTIVE AGREEMENT (“Agreement”) is entered into as of October 1, 2014 (the “Date of Agreement”) by and between the CITY OF RIDGECREST, a municipal corporation (the “City”) and EH GROUP, INC., a Delaware Corporation (“Participant”). The City and the Participant hereby agree as follows:

1.00 SUBJECT OF AGREEMENT

1.01 Purpose of Agreement

1.01.1. The purpose of this Agreement is to generate a comprehensive study which assesses the feasibility of a biomass energy project as a vehicle to promote the economic welfare of the City and enhance the wherewithal of the City to provide municipal services and to provide jobs within the City. The foregoing will be accomplished by the preparation and delivery to City by the Participant of a feasibility study as more particularly described herein. This Agreement is in the vital and best interest of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements under which the Project has been undertaken.

1.02 The Site

The Site is that certain property commonly known as 509 West Ward Avenue, Ridgecrest, California 93555, which is the location at which Participant has operated within the corporate limits of the City. The Site may be changed to another site within the City subject to the concurrence of the City, which concurrence shall not be unreasonably withheld.

1.03 Definitions

The capitalized terms and words used in this Agreement shall have the following meanings:

“*Certificate Condition*” means the obligation of the Participant to execute and deliver to City prior to the City paying the Full Component a Certificate substantially in the form of Attachment No. 1 and executed by the President of the Participant.

“*City*”, as defined in the first paragraph of this Agreement, means the City of Ridgecrest, a municipal corporation.

“*City Code*” means the Ridgecrest Municipal Code as in effect as of the Date of Agreement and as such Municipal Code may be amended from time to time.

“*City Manager*” is the City Manager of the City or his designee.

“*Conforming Study and Report*” means a comprehensive, high quality feasibility study for the funding, development and construction of a commercial-scale bio-refinery using eligible technology for the development of advanced bio-fuels, which includes those elements set forth in the List of Study Components, culminating in a written report to the City including all such matters and which includes the input of credentialed scientists.

“*Contract Amount*” means the sum of the Full Component.

“*Cooperation Condition*” means the undertaking by the Participant to make available to the City any such information as City may reasonably request to assess compliance with and satisfaction of the Performance Conditions by the Participant.

“*Date of Agreement*”, as defined in the first paragraph hereof, means October 1, 2014.

“*Default*” means a breach of this Agreement or the failure to satisfy one or more of the Performance Conditions.

“*Delivery Date*” means April 2, 2015.

“*Employment Condition*” means utilizing the Site as the situs for employees hired by the Participant or contract workers engaged by the Participant within the State of California.

“*Fee Condition*” means the payment in full, as such payments become due for all (i) City business registration fee (business license taxes) and (ii) Public Entity Fees payable in respect to Participant Improvements, if any.

“*Guarantor*” means Edward G. Hackett.

“*Guaranty*” means a guaranty in the form of Attachment No. 3.

“*Guaranty Condition*” means the delivery by Participant to City of the Guaranty duly executed by Guarantor.

“*Indemnification Condition*” means the provision of defense, indemnification, assumption of responsibility for as required pursuant to Section 3.02 of this Agreement.

“*Full Component*” means the sum of Eighty Thousand Dollars (\$80,000.00).

“*List of Study Components*” means Attachment No. 2.

“*Maintenance Condition*” means the maintenance of the Site in conformity with all applicable laws, including without limitation the City Code. In the event the Participant leases the Site, the Maintenance Condition shall be deemed to apply as to the leasehold interest of Participant in the Site and the demised premises under the corresponding lease.

“*Ownership Condition*” means ownership by Participant (as of the Date of Agreement and as of each Participant Certificate) of (i) a fee simple interest in the Site, or (ii) a lease of the Site for a term of not less than five years with an option by Participant to extend for the remainder of the Operating Covenant Period.

“*Participant*” is defined in the introductory paragraph of this Agreement; however, at Participant’s election and upon advance written notice to the City, other entities sharing common control with Participant shall be included as a Participant in this Agreement, subject to all of the terms and conditions herein and provided that any payments made at a particular time under this Agreement by City shall be made payable to one entity.

“*Participant Certificate*” means Attachment No. 1 to this Agreement.

“*Participant Improvements*” means such improvements, if any, which the Participant elects to construct or causes to be constructed within the City.

“*Performance Conditions*” means the Certificate Condition, the Cooperation Condition, the Guaranty Condition, the Indemnification Condition, the Ownership Condition, the Property Tax Condition, the Reasonable Efforts Condition, and the Site Maintenance Condition.

“*Principals*” means Edward G. Hackett.

“*Property Tax Condition*” means the payment prior to delinquency of all property taxes and assessments levied against or secured by the Site if Participant owns the Site.

“*Public Entity Fees*” means all fees (but not taxes) payable to the City and any other governmental agency having regulatory authority in connection with the Participant Improvements.

“*Reasonable Efforts Condition*” means the use of reasonably diligent efforts to purchase goods from businesses having a situs and point of sale within the corporate limits of the City.

“*Site*” is defined in Sections 1.02 of this Agreement.

1.04 Parties to this Agreement

1.04.1. The City

The City is a municipal corporation, exercising governmental functions and powers of a city under the laws of the State of California. The principal office of the City is located at 100 West California Avenue, Ridgecrest, California 93555. Whenever a reference is made to the City, the City Manager is authorized to act on behalf of the City unless otherwise specifically provided or the context should otherwise require. The City shall advise the Participant in writing if there is any change pertaining to any matters set forth or referenced in the foregoing portion of this Section 1.04.1.

1.04.2. The Participant

The Participant means EH Group, Inc., a Delaware Corporation. The principal office of the Participant for the purposes of this Agreement is the Site. The Participant shall advise the City in writing if there is any change pertaining to any matters set forth or referenced in the foregoing portion of this Section 1.04.2.

1.04.3. Assignment by Participant

The Participant may undertake any of the following without the consent of the City, and no such action shall limit or otherwise affect any of the rights or benefits of the Participant (or the duties and obligations of the City) hereunder: (i) issue or transfer stock or other voting or ownership interests in the Participant (and/or assign this Agreement in connection with any such issuance or transfer), (ii) merge or consolidate with any other entity, and/or sell or transfer all or substantially all of the assets of the Participant (and/or assign this Agreement in connection with any such merger, consolidation or sale), (iii) sell or transfer all or substantially all of the Designated

Products business conducted by Participant in the State of California or (iii) assign its interest in this agreement, wholly or in part, to any entity that controls, is controlled by or is under common control with the Participant. Except as provided in the preceding portion of this paragraph, this Agreement may not be assigned by the Participant without the prior written approval of the City.

While this Agreement shall not be construed to limit the ability of the Participant to transfer or dispose of its business activities, or any portion thereof, in the event the Participant undertakes any of the assignment or transfer provisions set forth above in this Section, Participant, as transferor, and the transferee shall execute an acknowledgement under which the transferee agrees to perform as Participant under this Agreement and, provided the original Participant has no accrued liabilities to the City under the terms of this Agreement, the original Participant shall thereafter be released from further obligations under this Agreement.

The Participant shall promptly notify the City in writing referencing this Section 1.04.3 of any and all changes referenced in this Section 1.04.3. All transferees shall be bound by this Section 1.04.3 as well as the other provisions of this Agreement.

All of the terms, covenants and conditions of this Agreement shall be binding upon and shall inure to the benefit of the Participant and the permitted successors and assigns of the Participant.

2.00 CONSIDERATION FOR AGREEMENT; DISBURSEMENT OF DESIGNATED AMOUNT; PAYMENTS BY PARTICIPANT; CREDITS

2.01 Participant Consideration.

The Participant has agreed to prepare and deliver to the City a Conforming Study and Report on or before the Delivery Date. The Participant assumes all responsibility for all costs to provide the Participant Improvements, if any.

Within five (5) business days after the Date of Agreement, Participant shall commence preparation of the Conforming Study and Report. Upon commencement, Participant shall diligently continue to prepare the Conforming Study and Report and shall, at its cost, devote all resources necessary and appropriate for the preparation of the Conforming Study and Report; the City agrees to pay the Full Component with payments to be made as follows: (i) the Full Component shall be paid within thirty (30) business days after the Date of Agreement. In addition, the Participant shall meet with the City Manager or the Economic Development Manager (i) within one hundred twenty (120) days of the Date of Agreement, at City Hall on a mutually convenient date and time, at which time the Participant shall review in detail Participant's progress toward preparation and delivery of the Conforming Study and Report, including an initial assessment as to the feasibility of the financing and development of a biomass energy project, and (ii) within two hundred ten (210) days from the Date of Agreement with the City Manager or the Economic Development Manager, at which time the Participant shall review the results of the feasibility study and recommendations to proceed with Phase II of the project.

2.02 City Disbursement

In consideration of the undertakings of the Participant pursuant to this Agreement, the City will disburse the Full Component as provided in Section 2.01. Participant Certificates shall be

submitted to the City to the attention of its City Manager at the address set forth in Subpart 1.04.1. The City shall not provide any payments or other assistance pursuant to this Agreement other than the payment of the Full Component as provided in Section 2.01. The obligation of the City to make such payment pursuant to this Agreement does not constitute a pledge of any City revenues; the obligation of the City to make payments pursuant to this Agreement is an unsecured obligation of the City.

The City shall not be liable for any real estate commissions or brokerage fees which may arise in connection with the Site, the activities of the Participant, or this Agreement. The Participant represents that it has not engaged the services of any agents, brokers, or finders in connection with this Agreement, and Participant assumes all responsibility for any remuneration payable to any agents, brokers, or finders in connection with this Agreement.

2.03 Voluntary Relocation Participant Payments

In the event the Participant shall voluntarily relocate the Designated Business, or a substantially similar business, to a situs outside the corporate limits of the City, then Participant shall immediately upon such relocation (without necessity of demand therefor by City) pay to City an amount equal to two (2) times the Designated Amount; no credits shall be deemed to apply in such event.

2.04 List of Study Components

The Conforming Study and Report shall include, without limitation, all of the matters described in the List of Study Components.

3.00 REQUIREMENTS APPLICABLE TO ANY IMPROVEMENTS

3.01 Development of Improvements by the Participant

The Participant is not required by this Agreement to make any improvements to property. If Participant elects to make improvements within the corporate limits of the City, then costs for planning, designing, and constructing such improvements shall be borne exclusively by the Participant and the Participant shall construct or cause to be constructed such improvements in compliance with all the zoning, planning and design review requirements of the City, including without limitation the City Code, and all nondiscrimination, labor standard, and wage rate requirements to the extent such labor and wage requirements are applicable. The Participant shall also bear all costs related to discharging the duties of the Participant set forth in this Agreement.

In the event the Participant undertakes improvements, all costs of developing such improvements shall be borne by the Participant; the Participant shall at its expense cause to be prepared and shall pay any and all fees with respect to the review and approval thereof by the City, all required construction, planning and other documents reasonably required by governmental bodies with respect to the development of the Site hereunder including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications and design review documents (other than documents prepared under CEQA).

(i) The Participant shall carry out the design, construction and development of any work which may be undertaken by it on the Site, in conformity with all applicable laws, including without

limitation all applicable state labor standards and state labor laws relating to payment of prevailing wages to the extent, if any, that laws relating to prevailing wages are applicable, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, and Civil Code Section 51, et seq. The previous listing of certain laws is not a statement that such laws will be applicable to activities undertaken by the Participant; it is only a statement that, where such laws are applicable, the Participant will comply with them.

(ii) Labor Code Section 1720(b)(3) treats work performed under contract with certain public entities as a “public work” where the work is paid for in whole or in part with public funds, which payment may be accomplished by a transfer of an asset of value for less than a fair market value price. If and to the extent required by applicable law, the Participant and its contractors and subcontractors shall pay prevailing wages in compliance with Health and Safety Code Sections 33423 through 33426, and Labor Code Section 1770, et seq., and shall be responsible for the keeping of all records required pursuant to Labor Code Section 776, complying with the maximum hours requirements of Labor Code Sections 1810 through 1815, complying with the requirements of Labor Code Sections 1726 and 1781 (in such regard the Participant acknowledges and agrees it is and shall remain the “awarding body” for the work of construction to complete the Dealer Improvements as well as any additional or other improvements to the Site), and complying with all regulations and statutory requirements pertaining thereto. The City makes no representations or warranties whatsoever with respect to the applicability of the foregoing prevailing wage and public works requirements, and the Participant shall make its own determination as to such applicability.

Further, the Participant agrees that all public works (as defined in California Labor Code Section 1720) if any are performed pursuant to this Agreement (the “work”), if any, shall comply with the requirements of California Labor Code Sections 1770, et seq. In all bid specifications relating to public works, if any, contracts and subcontracts for the work, the Participant (or its general contractor, in the case of subcontracts) shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification or type of worker needed to perform the work, and shall include such rates in the bid specifications, contract or subcontract. Such bid specifications, contract or subcontract must contain the following provision: It shall be mandatory for the contractor to pay not less than the said prevailing rate of wages to all workers employed by the contractor in the execution of this contract. The contractor expressly agrees to comply with the penalty provisions of California Labor Code Section 1775 and the payroll record keeping requirements of California Labor Code Section 1771.

The Participant does hereby and shall indemnify and hold each of City and City harmless from and against any and all claims, demands, causes of action, obligations, damages, liabilities, costs and expenses, including reasonable attorneys’ fees, that may be asserted against or incurred by City or City with respect to or in any way arising from the Participant’ compliance with or failure to comply with applicable laws, including all applicable federal and state labor standards including without limitation the requirements of Labor Code Section 1720.

3.02 Indemnification

The Participant agrees to and shall defend, indemnify, release, assume all responsibility for, and hold the City, its officers, employees and agents, harmless from, all claims or suits relating to the

subject matter of this Agreement or the implementation hereof including, without limitation, claims for relocation assistance or benefits as may be asserted by any current or former occupant of any portion of the Site pursuant to the California Uniform Relocation Law) Government Code Section 7260 et seq., the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. Section 4601 et seq.) or any other federal, state or local enactments providing for relocation assistance or benefits in connection with the development of the Site or this Agreement, and for, and damages to, property and injuries to persons, including accidental death (including attorneys' fees and costs), or interruption to or damage to a business or goodwill, which may be caused by any of the Participant's activities under this Agreement, whether such activities or performance thereof be by the Participant or anyone directly or indirectly employed or contracted with by the Participant and whether such damage shall accrue or be discovered before or after termination of this Agreement. Participant shall not be liable for property damage or bodily injury occasioned by the sole active negligence of the Agency or its designated agents, or employees.

4.00 USE OF THE SITE

4.01 Uses

Participant is experienced in the conduct of research and preparation of studies concerning energy facilities, as well as programs and processes of agencies of the federal government applicable to funding of such facilities. The Participant shall prepare on the Site the Conforming Study and Report, which shall conform in all respects to all applicable regulations of federal, state and local agencies regulating the establishment or operations of such facilities.

The Participant shall carry out all of its undertakings pursuant to this Agreement in conformity with, all applicable laws. This Agreement shall be subject to all applicable laws.

The Participant agrees that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site.

The Participant shall refrain from restricting the rental, sale or lease of the property on the basis of race, color, creed, religion, sex, marital status, handicap, national origin or ancestry of any person.

5.00 DEFAULTS AND REMEDIES

5.01 Default and Termination

Each of the following shall constitute a "Default" under this Agreement as well as a basis under which the City may terminate this Agreement:

5.01.1. Default by Participant and Basis to Terminate

(a) The Participant discontinues its operations at the Site or another location within the corporate limits of the City or relocates its business to another jurisdiction while this Agreement remains in effect;

(b) The Participant's failure to provide the City with one or more of the Participant Certificates, within thirty (30) days after the respective times required for submission thereof by this Agreement; or

(c) The Participant's failure to timely meet with the Economic Development Manager or the City Manager as provided in Section 2.01 hereof; or

(d) The Participant's failure to timely deliver the Conforming Study and Report; or

(e) Failure to satisfy one or more of the Performance Conditions on a continuous basis until the Delivery Date.

In addition to the foregoing portions of this Section 5.01.01, the City may terminate this Agreement as provided in Section 2.01 hereof.

5.01.2. Representations and Warranties; Other Obligations

The breach of any of Participant's representations or warranties in this Agreement, unless such breach is cured within a reasonable period of not to exceed thirty (30) days after notice by City; or

5.01.3. Default by City

The failure by the City to disburse the Full Component, as it becomes obligated to disburse under this Agreement.

5.02 Remedies and Termination

In the event that the Participant is in Default of this Agreement as specified in Section 5.01 or upon failure of Participant to satisfy one or more of the Performance Conditions prior to the Delivery Date, and, alternatively, as provided in Section 2.01 hereof, the City may suspend payment of amounts otherwise payable pursuant to Section 2.02 of this Agreement until such default has been cured; provided that the City shall further be entitled to terminate this Agreement without making payment of amounts otherwise payable pursuant to Section 2.02 in the event such default has not been cured by the time required pursuant to this Agreement for the cure of such default (and, if no time is specified, within thirty (30) days from the date notice of default is given by the City). The City may further terminate this Agreement as provided in Section 2.01 hereof. If Participant defaults in accordance with Section 5.01.1(a), then in addition to terminating the Agreement, City shall be entitled to pursue all available legal remedies and equitable remedies.

The Participant shall be entitled to terminate this Agreement in the event of a Default by the City which has not been cured within thirty (30) days following receipt of written notice from the Participant which describes with particularity the default including without limitation the time at which such default is contended to have commenced. In such event, may seek legal or equitable remedies.

Notwithstanding anything to the contrary in this Agreement, neither party may terminate this Agreement without prior written notice to the other party specifically (i) stating the nature of the default and giving the other party a reasonable time of not to exceed sixty (60) days to cure said

default or (ii) stating that an adjudication of a court of competent jurisdiction has occurred in California or a law has been enacted which precludes the making of payments by the City as contemplated by this Agreement. If such events occur (as referenced in items (i) or (ii) of this paragraph), a non-defaulting party may terminate this Agreement upon providing written notice of such event a reasonable time prior to termination. Alternatively, a non-defaulting party shall have the right to seek specific performance

This Agreement shall also be subject to termination at the mutual agreement of the parties hereto.

5.03 Legal Actions

5.03.1. Institution of Legal Actions

In addition to any other rights or remedies available to the parties, either party may institute legal action to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Kern, State of California.

If an action is brought which seeks to invalidate this Agreement, to modify this Agreement or to alter payments which would be made hereunder, neither party shall be responsible to defend against any such claims.

5.03.2. Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

5.03.3. Acceptance of Service of Process

In the event that any legal action is commenced by the Participant against the City, service of process on the City shall be made by personal service upon the City Manager or in such other manner as may be provided by law.

In the event that any legal action is commenced by the City against the Participant, service of process on the Participant shall be made by personal service on the Participant or any of its officers, or in such other manner as may be provided by law. Service shall be valid whether made within or without the State of California.

5.04 Rights and Remedies Are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

5.05 Inaction Not a Waiver of Default

Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

6.00 GENERAL PROVISIONS

6.01 Notices, Demands and Communications between the Parties

Written notices, demands and communications between the City and the Participant shall be sufficiently given if delivered by hand or dispatched by registered or certified mail, postage prepaid, return receipt requested, or by generally recognized overnight courier service, to the principal offices of the City and the Participant at the addresses specified in Sections 1.04.1 and 1.04.2, respectively. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 5.01.

Any written notice, demand or communication shall be deemed received immediately if delivered by hand or via overnight courier and shall be deemed received on the tenth (10th) day from the date it is postmarked if delivered by registered or certified mail.

6.02 Conflicts of Interest

No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

6.03 Enforced Delay; Extension of Times of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts or omissions of the other party. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and Participant.

6.04 City Manager to Act for City

Whenever this Agreement provides for an action to be taken by the City, then, except to the extent that provisions of applicable law or the context may otherwise require, such action may be taken by the City Manager on behalf of the City.

6.05 Non-liability of Officials and Employees of the City

No member, official or employee of the City shall be personally liable to the Participant, or any successor in interest, in the event of any Default or breach by the City or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this Agreement.

6.06 No Third Party Beneficiaries

There shall be no third party beneficiaries of this Agreement.

6.07 No Obligation of City Concerning Future Agreements

The City shall not be obligated by this Agreement to enter into any further or other agreements with Participant concerning the subject matter hereof, or the securing of funding for a bio-mass facility, or the construction of such a facility. City retains the discretion to enter into agreements concerning such subject matter with other entities or to enter into no agreements with other entities (or Participant) with respect to such matters.

6.08 Advice of Counsel. The parties, and each of them, acknowledge that in connection with the negotiation and execution of this Agreement, they have each been represented by independent counsel of their own choosing, and the parties executed this Agreement after review by such independent counsel, or, if they were not so represented, then said non-representation is and was the voluntary, intelligent and informed decision and election of the party not so represented, and prior to executing this Agreement, each party has had an adequate opportunity to conduct an independent investigation of all of the facts and circumstances with respect to the matters which are the subject of this Agreement.

7.00 ENTIRE AGREEMENT; WAIVERS; AMENDMENTS

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 12, plus a signature page, and Attachments No. 1, 2 and 3, which are attached hereto and incorporated herein by reference, which constitute the entire understanding and agreement of the parties.

Time is of the essence as to each and every provision of this Agreement.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes any and all negotiations, understandings, discussions, memoranda, writings or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter of this Agreement. All waivers or modifications of the provisions of this Agreement or of any project document or Attachment hereto must be in writing by the appropriate authorities of the City and the Participant, and all amendments hereto must be in writing by the appropriate authorities of the City and the Participant.

8.00 TIME FOR ACCEPTANCE OF AGREEMENT BY CITY

This Agreement, when executed by the Participant and delivered to the City, must be authorized, executed and delivered by the City on or before ten (10) days after signing and delivery of this Agreement by Participant or this Agreement shall be void, except to the extent that the

Participant shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement. The date of this Agreement shall be the date when it shall have been signed by the City.

IN WITNESS WHEREOF, the City and the Participant have signed this Agreement on the respective dates set forth below.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF RIDGECREST,
a municipal corporation

By: _____
Dennis Speer
Its: City Manager

Dated: _____, 2014

EH GROUP, INC., a Delaware Corporation

By: Edward G. Hackett
Its: President

Dated: _____, 2014

By: A. Hackett
Its: Secretary

Dated: _____, 2014

ATTACHMENT NO. 1
PARTICIPANT CERTIFICATE



City of Ridgecrest
100 West California Avenue
Ridgecrest, California 93555

Attn: City Manager

With respect to that certain Economic Incentive Agreement, dated as of _____, 201_ (the “EIA”) by and between EH Group, Inc., a Delaware Corporation (the “Participant”) and the City of Ridgecrest (“City”), the Participant hereby certifies to City that, for the period commencing as of _____ and ending as of _____, the Participant has satisfied each of the Performance Conditions (with all capitalized terms not defined herein having the respective meanings established therefor in the EIA)

EH GROUP, INC., a Delaware Corporation

Dated: _____

A. Hackett
Its: Corporate Secretary

ATTACHMENT NO. 2

LIST OF STUDY COMPONENTS

I. Phase I Feasibility Study. The feasibility study is critical for making "Go/No Go" decisions regarding the suitability of the project for Ridgecrest. A final report shall include an assessment of government technical and financial factors. This phase will define the scope of the project and what strategic issues need to be considered to assess its feasibility, or likelihood of succeeding. The feasibility study process involves making rational decisions about a number of enduring characteristics of the project and prepares the project team for the Phase II application process for the USDA Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program. The Feasibility study will include:

A. Economic Feasibility

Information included relating to:

1. The project Site
2. Availability of trained and untrained labor
3. Utilities to include rail, air, and road service
4. Economic Impact
 - A. Site Evaluation Criteria
 - B. Overall economic impact of the project
 - C. Economic Risk Factors and Strategies
5. Economic Feasibility Strategies and Weaknesses

B. Market Feasibility

Information included relating to:

1. Sales organization and management
2. Nature and extent of the market and market area
3. Marketing plans for the sale of potential output
4. Extent of competition
5. Commitments from customers and brokers
6. Market Risk Factors and Strategies
7. Market Feasibility Strategies and Weaknesses

C. Technical Feasibility

Information included relating to:

1. Suitability of the project site for the intended use
2. Facility and/or design related factors which would affect the profitability of the project
3. Project operating and development costs
4. Technical Risk Factors and Strategies
5. Technical Feasibility Strategies and Weaknesses

D. Financial Feasibility

Information included relating to:

1. The reliability of the financial projections
2. An assessment of the cost accounting system
3. Availability of short-term credit

4. Adequacy of raw materials and supplies
5. Five year pro-forma financials, first year monthly, 2nd and 5th year quarterly
6. Financial Risks Factors and Strategies
7. Financial Feasibility Strategies and Weaknesses

E. Management Feasibility

Information included relating to:

1. Continuity and adequacy of management
2. Management's experience in the industry
3. Strengths and weaknesses of the management team
4. Management Risk factors and Strategies
5. Management Strengths and Weaknesses

F. Summary and Conclusions

ATTACHMENT NO. 3

GUARANTY

GUARANTY AND AGREEMENT OF EDWARD G. HACKETT

THE CITY OF RIDGECREST (the “City”) and EH GROUP, INC., a Delaware Corporation (the “Participant”) have entered or will enter into a certain Economic Incentive Agreement (the “Agreement”), a copy of which is on file with the City as a public record, which Agreement provides in part that the Guarantor shall make and deliver a guaranty as provided in said Agreement. Except as expressly defined herein, all terms shall have the same meanings as used in the Agreement.

R E C I T A L S

A. The Guarantor owns beneficial interests in the Participant, including the business activity to be conducted on the “Site” (as defined in the Agreement), and each will significantly benefit by the execution by the City of the Agreement.

B. The execution by the Guarantor of this Guaranty is a condition but for which the City would not execute the Agreement.

In consideration of the execution of the Agreement, and of other valuable consideration, receipt of which is hereby acknowledged:

1. The Guarantor guarantees to each of City the full, timely and faithful performance by the Participant of all of its obligations, duties, promises, covenants and agreements as set forth in the Agreement, including without limitation the preparation and delivery to City of the Conforming Study and Report and the satisfaction of each and every one of the Performance Conditions throughout the period ending as of the Delivery Date.

2. This Guaranty is unconditional and may be enforced directly against the undersigned. No extensions, modifications or changes to the Agreement shall release the undersigned or affect this Guaranty in any way, and the undersigned waives notification thereof.

3. The undersigned hereby waive all of the suretyship provisions of the California

Civil Code Sections 2788 through 2855.

4. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right to require City to proceed against the Participant, any person signing below, or any guarantor other than the undersigned, or to pursue any other remedy in the City’s power before proceeding against the Guarantor, (b) demand, protest, and notice which the City may be required to provide to Participant under the Agreement, and (c) any duty on the part of City to disclose to Guarantor any facts City now or hereafter know about the Site, the Agreement, or the Participant regardless of whether City has reason to believe that any such facts materially increase the risks beyond that which Guarantor intend to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for being and keeping informed of all circumstances regarding the Site,

the Agreement, the obligations of the Participant, the financial condition of the Participant and of all circumstances bearing on the risk of any obligation by Participant hereby guaranteed.

5. Guarantor shall have no right of subrogation and waives any right to enforce any remedy the City now have or may hereafter have against the Participant, and any benefit of, and any right to participate in any security now or hereafter held by City.

6. The obligations of Guarantor hereunder are independent of the obligations of Participant, and, in the event of default hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not Participant or any other guarantor, is joined therein or a separate action or actions are brought against Participant.

7. In the event of any litigation between City and Guarantor arising out of this Guaranty, the prevailing party shall be entitled to recover its reasonable costs and attorney's fees.

8. No provisions of this Guaranty can be waived nor can Guarantor be released from the obligations hereunder except by a writing duly executed by the City Manager of the City.

9. Guarantor hereby waived notice of any demand by the City, as well as notice of any default by the Participant or any other guarantor.

10. The City may assign this Guaranty. When so assigned, Guarantor shall be bound as above to the assignees without in any manner affecting Guarantor's liability hereunder.

11. This Guaranty shall remain in effect notwithstanding any bankruptcy, reorganization or insolvency of the Participant or Guarantor, or any successor or assignee thereof or any disaffirmance by a trustee of the Participant or Edward G. Hackett.

12. This Guaranty shall inure to the benefit of and bind the successors and assigns of City and Guarantor.

13. Guarantor agrees that jurisdiction and venue with respect to any matter pertaining to the Guaranty or acts or omissions hereunder shall lie exclusively with the Superior Court of the County of Kern, State of California. Guarantor irrevocably waives any and all defenses based upon revenue or *forum non conveniens*.

14. The laws of the State of California shall govern the interpretation and enforcement of this Guaranty.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty this _____ day of _____, 2014.

“GUARANTOR”

Dated: _____

By: _____
Edward G. Hackett

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Approve A Resolution Adding An Amendment To The City Of Ridgecrest Successor Agency's Existing Kosmont Associates Agreement For Property Management Plan (PMP) Services And Authorize The City Manager To Sign The Amendment

PRESENTED BY:

Gary Parsons

SUMMARY:

The City of Ridgecrest Successor Agency is required to develop and submit an approved PMP to the California Department of Finance (DOF) in order to liquidate former RDA properties assets.

This item was previously submitted to the Successor Agency and DOF for funding approval in the amount of \$36,000 under the Agency's Recognized Obligation Payment Schedule (ROPS) 2014-2015B and has been approved for funding by the DOF.

This amendment is for those services as presented in the attached Kosmont proposal.

FISCAL IMPACT:

To be funded from non-administrative funds of the former RDA in the amount of \$36,000

ACTION REQUESTED:

1. Approve A Resolution Adding An Amendment To The City Of Ridgecrest Successor Agency's Existing Kosmont Associates Agreement For Property Management Plan (PMP) Services; and
2. Authorize The City Manager To Sign The Amendment

Submitted by: Gary Parsons

Action Date: November 19, 2014

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RESOLUTION NO. 14-xx

A RESOLUTION OF THE CITY OF RIDGECREST SUCCESSOR REDEVELOPMENT AGENCY APPROVING AN AMENDMENT TO KOSMONT COMPANIES SERVICE AGREEMENT APPROVED UNDER RESOLUTION NO.13-66 FOR CONSULTING SERVICES TO PROVIDE PROFESSIONAL SERVICES FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE SUCCESSOR AGENCY'S PROPERTY MANAGEMENT PLAN

WHEREAS, the Ridgecrest Successor Redevelopment Agency has met and has duly considered amending its service agreement with Kosmont companies to provide professional services for the development and implementation of the Successor Agency's Property Management Plan in compliance with the State of California Assembly Bill number 1484 (AB1484); and

WHEREAS, prior to its meeting on November 11, 2014, the members of the Ridgecrest Successor Redevelopment Agency have been provided with copy of Kosmont companies proposal submitted for this service; and

WHEREAS, The State of California Department of Finance has approved the funding of this amendment of the Ridgecrest Successor Redevelopment Agency Property Manage Plan in the Agency's ROPS 2014-2015B; and

WHEREAS, the Ridgecrest Successor Redevelopment Agency has reviewed and evaluated the proposal and agreement submitted; and

WHEREAS, the Ridgecrest Successor Redevelopment Agency desires to amend the a professional consulting agreement with Kosmont companies.

NOW THEREFORE, BE IT RESOLVED by the Ridgecrest Successor Redevelopment Agency as follows:

SECTION 1. The Ridgecrest Successor Redevelopment Agency finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Ridgecrest Successor Redevelopment Agency approves the execution of the amendment to the professional services with Kosmont companies for services as required by AB1484.

SECTION 3. The Successor Agency is authorized and directs the agency administrator to execute this agreement.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution and the contract as approved hereby.

PASSED, APPROVED, AND ADOPTED at a meeting of the Ridgecrest City Council, acting as the successor agency held on this the 19th day of November, 2014 by the following vote, to wit:

Ayes:
Noes:
Absent:
Abstain:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC, City Clerk

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September 19, 2014

Gary Parsons
Community and Economic Development
City of Ridgecrest
100 West California Avenue
Ridgecrest, CA 93555

Re: Proposal for Additional Redevelopment Dissolution Advisory Services

Dear Mr. Parsons:

Kosmont & Associates, Inc. doing business as Kosmont Companies (“Consultant” or “Kosmont”) is pleased to present this proposal to the City of Ridgecrest (“City” or “Client”) as Successor Agency to the Ridgecrest Redevelopment Agency for advisory services related to the previously prepared Long-Range Property Management Plan (“PMP”) and related redevelopment dissolution matters. This proposal serves as an Agreement (“Agreement”).

I. BACKGROUND AND OBJECTIVE

Kosmont has provided assistance to the City related to the preparation of its PMP, follow-up correspondence with the Department of Finance (“DOF”), and related redevelopment dissolution support services. As a result of ongoing DOF comments and inquiries regarding the PMP, the City has requested additional redevelopment dissolution assistance from Kosmont for the period beginning January 1, 2015 through December 31, 2015 in order to finalize the PMP. Kosmont proposes the following Scope of Services accordingly.

II. SCOPE OF SERVICES

Task 1: As-Needed Redevelopment Dissolution Assistance

Consultant will assist City with correspondence with the DOF and supporting research and/or analysis pertaining to the previously prepared PMP and related redevelopment dissolution matters on an as-needed basis, as directed by the Client.

III. SCHEDULE

Consultant is prepared to commence work on January 1, 2015 as soon as authorized by the Client.

IV. COMPENSATION

The compensation for Task 1 is estimated at \$36,000 to be billed on a time and materials basis. Future increases in budget will require approval by Client in advance. Budget may be increased by Client request at any time.

Services for Task 1 will be invoiced monthly at Consultant's standard billing rates, as shown on Attachment A. In addition, invoices will include reimbursement for out-of-pocket expenses such as travel and mileage (provided that there shall be no overnight travel without the Client's prior approval and that mileage shall be reimbursed at Kosmont's normal mileage reimbursement rate of 56.5 cents per mile), professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost. Unless otherwise agreed to in advance, out-of-area travel, if any, requires advance funding of flights and hotel accommodations.

Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone and postage costs equal to four percent (4.0%) of Consultant's monthly professional service fees incurred. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

Disclosure: Kosmont Realty Corporation ("KRC"): Compensation for possible future transaction-based services.

The following is being provided solely as an advance disclosure of possible real estate brokerage and finance services and potential compensation formats for such services. This disclosure is not intended to commit the Client.

When public agency assignments involve real estate/property brokerage or public financing transactions on behalf of the public agency, such transaction based services are typically provided by Kosmont Realty Corporation ("KRC") which is a licensed California brokerage firm (#01770428) and a registered municipal advisor with the Securities Exchange Commission (SEC). Compensation for KRC's transactional services are typically brokerage commissions for property and lease transactions, and/or success/broker fees for financial advisory ("FA")/loan broker services.

KRC also provides Broker Opinions of Value (BOV) services on a fixed fee basis.

V. OTHER PROVISIONS

A. Termination. Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party. Payment for fees accrued through the date of termination shall be remitted in full.

B. Arbitration. Any controversy or claim arising out of or in relation to this Agreement, or the making, performance, interpretation or breach thereof, shall be settled by arbitration at JAMS in Los Angeles, California. Each of the parties to such arbitration

proceeding shall be entitled to take up to five depositions with document requests. The provisions of Section 1283.05 (except subdivision (e) thereof) of the California Code of Civil Procedure are incorporated by reference herein, except to the extent they conflict with this Agreement, in which case this Agreement is controlling. If the matter is heard by only one arbitrator, such arbitrator shall be a member of the State Bar of California or a retired judge. If the matter is heard by an arbitration panel, at least one member of such panel shall be a member of the State Bar of California or a retired judge. The arbitrator or arbitrators shall decide all questions of law, and all mixed questions of law and fact, in accordance with the substantive law of the State of California to the end that all rights and defenses which either party may have asserted in a court of competent jurisdiction shall be fully available to such party in the arbitration proceeding contemplated hereby. The arbitrator and arbitrators shall set forth and deliver their findings of fact and conclusions of law with the delivery of the arbitration award. Judgment upon the award rendered shall be final and non-appealable and may be entered in any court having jurisdiction.

C. Attorneys' Fees. In the event of any legal action, arbitration, or proceeding arising out of an alleged breach of this Agreement, the party prevailing in such legal action, arbitration, or proceeding shall be entitled to recover reasonable attorneys' fees, expenses and costs, as well as all actual attorneys' fees, expenses and cost incurred in enforcing any judgment entered.

D. Authority. Each of the parties executing this Agreement warrants that persons duly authorized to bind each such party to its terms execute this Agreement.

E. Further Actions. The parties agree to execute such additional documents and take such further actions as may be necessary to carry out the provisions and intent of this Agreement.

F. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party.

G. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and there respective successors and assigns.

H. Entire Agreement; Amendments and Waivers. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and any and all prior discussions, negotiations, commitments and understanding, hether written or oral, related hereto are superseded hereby. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing signed by both parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver of such provisions unless otherwise expressly provided. Each party to this Agreement has participated in its drafting and, therefore, ambiguities in this Agreement will not be construed against any party to this Agreement.

I. Severability. If any term or provision of this Agreement shall be deemed invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and in force to the fullest extent permitted by law.

J. Notices. All notices, requests, demands and other communications which may be required under this Agreement shall be in writing and shall be deemed to have been received when transmitted; if personally delivered, if transmitted by telecopier, electronic or digital transmission method, upon transmission; if sent by next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express), the day after it is sent; and if sent by certified or registered mail, return receipt requested, upon receipt. In each case, notice shall be sent to the principal place of business of the respective party. Either party may change its address by giving written notice thereof to the other in accordance with the provisions of this paragraph.

K. Titles and Captions. Titles and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

L. Governing Law. The statutory, administrative and judicial law of the State of California (without reference to choice of law provisions of California law) shall govern the execution and performance of this Agreement.

M. Confidentiality. Each of the parties agrees not to disclose this Agreement or any information concerning this Agreement to any persons or entities, other than to their attorneys and accountants, or as otherwise may be required by law.

N. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitutes an original, and all of which together constitute one and the same instrument. The signature of any person on a telecopy of this Agreement, or any notice, action or consent taken pursuant to this Agreement shall have the same full force and effect as such person's original signature.

O. Disclaimer. Consultant's financial analysis activities and work product, which may include but is not limited to pro forma analysis and tax projections, are projections only. Actual results may differ materially from those expressed in the analysis performed by Consultant due to the integrity of data received, market conditions, economic events and conditions, and a variety of factors that could materially affect the data and conclusions. Client's reliance on Consultant's analysis must consider the foregoing.

Consultant services outlined and described herein are advisory services only. Any decisions or actions taken or not taken by Client and affiliates, are deemed to be based on Client's understanding and by execution of this Agreement, acknowledgement that Consultant's services are advisory only and as such, cannot be relied on as to the results, performance and conclusions of any investment or project that Client may or may not undertake as related to the services provided including any verbal or written communications by and between the Client and Consultant.

Client acknowledges that Consultant's use of work product is limited to the purposes contemplated within this Agreement. Consultant makes no representation of the work product's application to, or suitability for use in, circumstances not contemplated by the scope of work under this Agreement.

P. Limitation of Damages. In the event Consultant is found liable for any violation of duty, whether in tort or in contract, damages shall be limited to the amount Consultant has received from Client.

Q. Expiration of Proposal for Services. If this Agreement is not fully executed by the parties within thirty (30) days from the date of this letter, this proposal shall expire.

R. Not an agreement for Legal Services or Legal Advice. This Agreement does not constitute an agreement for the performance of legal services or the provision of legal advice, or legal opinion. Client should seek independent legal counsel on matters for which Client is seeking legal advice.

[signature page follows]

VI. ACCEPTANCE AND AUTHORIZATION

If this Agreement is acceptable to Client, please execute two copies of the Agreement and return both originals to Kosmont Companies. Upon receipt of both signed contracts, we will return one fully executed original for your files. Kosmont will commence work upon receipt of executed Agreement.

Read, understood, and agreed to this

____ Day of _____ 2014

City of Ridgecrest, California

Kosmont & Associates, Inc.
doing business as "Kosmont Companies"

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print Name)

Name: Larry J. Kosmont, CRE

Its: _____
(Title)

Its: President & CEO

ATTACHMENT A

Kosmont Companies 2015 Public Agency Fee Schedule

Professional Services

President & CEO	\$295.00/hour
Partner / Senior Vice President / Senior Consultant	\$275.00/hour
Vice President / Associate	\$185.00/hour
Project Analyst / Project Manager	\$150.00/hour
Technical / Research Staff	\$ 95.00/hour

- **Additional Expenses**

In addition to professional services (labor) fees:

- 1) An **administrative fee** for in-house copy, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) For **Third Party Vendor(s)** retained on behalf of client (with Client's advance approval), fees and costs will be billed to Client at 1.1X (times) fees and costs.

- **Charges for Court/Deposition/Expert Witness-Related Appearances**

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until December 31, 2015.

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Approve A Resolution Adding An Amendment To The City's Existing World Economic Development Alliance (WEDA) Agreement For The Development Of An Economic Development Web Site, Brochures And Videos And Authorize The City Manager To Sign The Amendment

PRESENTED BY:

Gary Parsons

SUMMARY:

The city entered into an agreement with WEDA on August 6, 2014 to work with the staff to market the city in an effort to bring new industry to the city; there by increasing the number of jobs, sales taxes dollars and property taxes received.

This amendment is being funded for the developing of a separate economic development website and supporting materials.

Attached are samples of the proposed website and other supporting documents that will be used for the marketing the city for industrial development.

This amendment will be funded from the existing TAB funds allocated to economic development.

FISCAL IMPACT:

To be funded from existing Economic Development TAB funds

ACTION REQUESTED:

1. Approve A Resolution Adding An Amendment To The City's Existing World Economic Development Alliance (WEDA) Agreement For The Development Of An Economic Development Web Site, Brochures And Videos; and
2. Authorize The City Manager To Sign The Amendment

Submitted by: Gary Parsons

Action Date: November 19, 2014

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RESOLUTION NO. 14-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST APPROVING AN AMENDMENT TO THE SERVICE AGREEMENT APPROVED UNDER RESOLUTION 14-82 BY AND BETWEEN THE CITY OF RIDGECREST AND WORLD ECONOMIC DEVELOPMENT ALLIANCE

WHEREAS, the City of Ridgecrest (“City”) is a city organized and operating under the laws of the State of California; and

WHEREAS, World Economic Development Alliance (“WEDA”) has proposed to the City an addendum for custom web site development and video on-demand series in the form submitted herewith (the “Addendum”); and

WHEREAS, a copy of the Addendum, together with a report describing the proposed transaction, has been on file with the City Clerk as a public record; and

WHEREAS, under the Addendum, the City will grant certain moneys to WEDA and WEDA will perform certain studies and provide certain deliverables to the City as set forth in the Addendum; and

WHEREAS, particularly in light of the elimination of redevelopment agencies as effected by enactments of the California Legislature in 2011 and 2012, including the former Ridgecrest Redevelopment Agency, the generation of tax revenues available to the City is important in preserving the ability of the City to provide an acceptable level of core municipal services to its inhabitants; and

WHEREAS, the financial participation by the City under the Addendum is in consideration of the activities that will be undertaken by WEDA under the Addendum; and

WHEREAS, the City Council has duly considered all of the terms and conditions of the proposed Addendum.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGECREST DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby finds and determines that, by generating additional revenues to the City, the Addendum will benefit the City and its inhabitants.

Section 2. The City Council hereby approves the Addendum in substantially the form presented to the City Council, subject to such revisions as may be made by the City Manager or his designee. The City Manager is hereby authorized to execute the Addendum (including without limitation all attachments thereto) on behalf of the City. A copy of the Addendum, when executed by the City, shall be placed on file in the office of the City Clerk.

Section 3. The City Manager is hereby authorized, on behalf of the City, to make revisions to the Addendum which do not increase any amounts to be paid by the City or materially or substantially increase the City's obligations thereunder, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Addendum and to administer the City's obligations, responsibilities and duties to be performed under the Addendum and related documents.

PASSED and **ADOPTED** this 19th day of November, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC, City Clerk



August 6, 2013

Dear Gary,

Thank you for taking the time to educate me about your additional needs for web site and tool development for the City of Ridgecrest Economic Development attraction efforts. After carefully considering your needs and goals, I am confident that if you move forward with this addendum, you will be in a stronger position to achieve what you are looking for in your long-term business-attraction efforts.

As you review the addendum, here are a few items I felt you would benefit from:

City of Ridgecrest Economic Development Office wants to improve its website. Your website is the first impression to the world. Improving and dedicating your website to just economic development demonstrates to companies you are serious about wanting their business.

City of Ridgecrest Economic Development Office wants to update their videos.

By implementing the OnDEMAND Technology WEDA offers, we can provide a series of 8 videos that highlight the assets of Ridgecrest while providing it to the visitor in a consistent entertaining format that can have unlimited views.

City of Ridgecrest Economic Development Office wants to rebrand their Economic Development Logo:

By rebranding you Economic Development logo, you will be able to use it in all of your various media and build a much more recognizable brand and one that is remembered.

Gary, all of these benefits add up to a complete package and solution for success. Attached is the addendum for completion of these items. We at WEDA are excited about the opportunity to help develop these extensions to you efforts and look forward to delivering the quality results you are looking for and deserve.

Respectfully submitted,

Eric Kleinsorge
CEO-Chairman

CONNECTING COMMUNITIES WITH COMPANIES THAT CREATE JOBS!

2727 LBJ Freeway | Suite 402 | Dallas, Texas USA 75234 | tel: 214-420-1490

ADDENDUM FOR:

**CUSTOM WEB SITE DEVELOPMENT
and
VIDEO OnDEMAND SERIES**

PREPARED FOR:

City of Ridgecrest Economic Development Office
Gary Parsons



***Helping Communities Connect
With Companies That Create Jobs.***

QUALIFICATIONS OF FIRM

Contact Information:



The World Economic Development Alliance
2727 LBJ Freeway | Suite 402
Dallas, Texas 75234
Tel: 800-632-9332 ext. 1

Firm Description:

The World Economic Development Alliance is a Site-Location Firm that was founded in 1994. WEDA has helped over 1,200 companies identify Economic Development Professionals that could assist them with their site-location decisions. We have over 60 Area Expert offices nation-wide. We use a Senior Lead Technician to conduct our initial interviews with companies to identify the viability of projects. The balance of our staff is Customer Service, Project Managers, Production, Web-Designer's and Finance.



WEDA was founded by Eric Kleinsorge to assist the Economic Development Community to more effectively market their areas to companies that were expanding or relocating. Some of his notable accomplishments include:

Invited Professional Speaking Engagements:

- Florida's Governors Economic Council.
- American Economic Development Councils Annual Conference
- Midwest Economic Development Councils Annual Conference
- IOWA Economic Development Councils Annual Conference
- OMAHA Recognized Professional Developers Tour
- Oklahoma Department of Commerce's Annual Conference



Interviews conducted to enhance the credibility of the organization:

George W. Bush
Rudy Giuliani
Jay Leno
Jerry Jones

Colin Powell
Mike Dell
Dick Clark
Kay Bailey Hutchison

Donald Trump
Richard Branson
Roger Staubach
Herb Kelleher

- Nominated by Judge Army to sit on Denton County Economic Development Commission as a recognized professional advisor for expansion and development of North Texas.
- Quoted in over 110 articles as recognized industry expert which enhanced company credibility.
- Created and Launched the nation's premier Economic Development portal; ed-link.net
- Graduated from Texas Tech University with Bachelors in Business & Advertising.

For additional information, please visit WEDA's website at www.wedanet.com.



The World Economic Development Alliance

Connecting Communities with Companies That Create Jobs

KEY INDIVIDUALS WHO WILL BE A PART OF YOUR TEAM

Our entire staff is dedicated you're your success. Throughout the year you will be assigned one Primary Project Development Manager who will be your main interface and communication with WEDA and Projects. You will have the ability to utilize our entire staff to complete any projects you may need completed.

These individuals are:

	<i>Name & Title</i>	<i>Role</i>
	Eric S. Kleinsorge CEO/Chairman Marketing Strategist	Eric will provide strategic planning and overall account management support. Eric can assist with an overall assessment of your entire marketing plan.
	Lori Krouskos Vice President Project Development	Lori will be the co-project leader. Lori will oversee all phases of the project development and coordination of the project development team.
	Carol Lynn Harris International Manager Project Development	Carol will manage the day-to-day activities of the projects and act as co-project manager. She will be conducting the on-site due diligence and primary research of projects.
	Jason Lemle Territory Manager Project Development	Jason will manage the day-to-day activities of the projects and act as co-project manager. He will be conducting the on-site due diligence and primary research of projects.
	Bob Peryea Press Editor Project Delivery Communications	Bob will manage the delivery your Project Alerts. He is the front line man for projects and syncs with your Project Manager. Bob also handles Press Releases for your account.
	Ryan Mantzel Director Lead Nurturing	Ryan will handle the management of internal projects for lead nurturing.
	Jennifer Cooper Art Director Design Services	Jennifer will handle any executions of design-related deliverables that are required. She will also handle the set up of your emails and online profiles.
	Ashley Kleinsorge Customer Service Trade Show Services	Ashley will handle the setup up trade shows and VIP Networking events and delivery of your materials to shows. She will also handle the sign up of your badges.



The World Economic Development Alliance

Connecting Communities with Companies That Create Jobs

WHAT YOU WILL RECEIVE

By investing into WEDA's Web-Site and Video services, you will receive the following deliverables:

- **CUSTOM DEDICATED WEB SITE (See attached info):**
 A custom web site for the delivery of information regarding industrial and retail development will serve as your unified platform for reaching companies and retailers interested in the product Ridgecrest has to offer.
- **REBRANDING OF LOGO:**
 A new logo will be developed to be used to rebrand your marketing efforts.
- **8 OnDEMAND IMPACT VIDEOS (see attached info):**
 You will receive a turn-key product of videography and production of 8-30-second Impact Videos that will help tell the story of Ridgecrest's assets. These will be placed on a Google Maps Platform and be available 24-7 to the world.



ADDENDUM INVESTMENT

Custom Web-Site Development.....	\$14,650
8 Videos (Full Production).....	\$17,350
Logo Development.....	\$ 1,650
Total Investment=	\$33,650

By doing it as a package and receiving approval prior to November 26th we are will to extend the entire package to Ridgecrest for a package price of \$26,750.

PACKAGE PRICE= \$26,750

APPROVAL

We are excited about the opportunity to work with City of Ridgecrest Economic Development Office. If our addendum is acceptable as outlined then your signature below will serve as an agreement to engage WEDA for the services offered.

I have read and agree to the proposal as stated:

X _____ Date: _____
Authorized Representative of City of Ridgecrest Economic Development Office

THANK YOU!

Please email approved agreement to your Project Manager or Print, Approve and Fax to 214-420-1491.



WEDA-DesignSolutions Custom Economic Development Web Site Proposal

Specially Prepared For:



Gary Parsons
City of Ridgecrest EDC





WEDA-DesignSolutions Custom Web Site Proposal

(Pricing listed is valid for 15 days from the Proposal Submission Date)

The functions performed by Ridgecrest EDC, including area data, available buildings & sites, events, news, and contact information, should be clearly described and available to the Internet community.

Construction of a web presence for the company will involve a number of discrete steps. The web site, as the product of this process, should become a strong foundation for the promotion of the company and its business plan.

By assisting in the development of your web site we are confident that we can keep the project on track, keep it consistent with all marketing efforts and most of all, save you valuable time, resources and money that can otherwise be used in other areas.

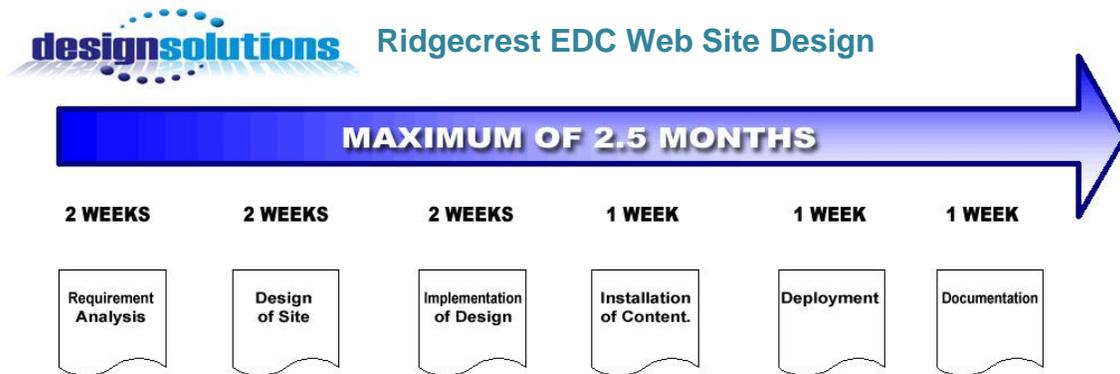
WEDA-DesignSolutions proposes the following:



- Final site designs will include custom web templates, buttons and navigation, and incidental art. These designs will each be optimized for rapid display on the Internet.
- Buttons and navigation graphics will be standardized for all pages, where appropriate for the design.
- Incidental art will include JPEG and GIF title art, dividing lines, background images, color schemes, and other design elements as required to complete each template.
- Complete HTML pages will be delivered and installed, based on existing templates. Additional page creation is available, under a separate proposal.
- Software tools for secure reception of submitted form information. (As required.)
- Internet interface pages ("Web page interface") for management of pages.
- All pages will be indexed for full-text searches to the Search Results page.
- The web site will be submitted to major search engines, such as Lycos, Google, Yahoo, Netscape, and AltaVista, along with other Internet portal and indexing sites.
- Installation of the full web site on an appropriate Internet Service Provider.

IMPLEMENTATION TIMELINE

The web site development process we propose would involve six sequential steps.



Steps

Est. Time:

1) Requirement Analysis

A discussion of goals and the site's orientation.

2 Weeks

(2) Design of Site

Evaluation of proposed designs for the site; design approval.

2 Weeks

(3) Implementation of Design

Creation of templates and programming.

2 Weeks

(4) Installation of Content.

Content is introduced into the design. Includes Final review.

1 Weeks

(5) Deployment

The web site is placed on the Internet.

1 Week

(6) Documentation

Includes resolution of outstanding issues.

1 Week

Estimated Completion Time for Proposed Site: **45 days is my estimate.**

Each step will serve as a benchmark for different levels of completion to ensure the project stays on deadline. Each step serves as a maximum timeframe. Completion of each step in a shorter timeframe may occur and are simply be used for reference.

POSSIBLE WEB SITE COMPONENTS

The web site construction process involves three unique processes to be brought together. These processes are **Design, Technology, and Content**.

Design of Site

The design of this web site will be developed by working with our professional design staff. It will involve unique creative elements for the web site, which will reflect and amplify the company's business image.

Technology of Site

The technology will be supported by DesignSolutions. The programming is 100% dynamically pulled from a SQL database server. The programming is written for a quality visitor experience with a standard Internet browser, along with web page-based interactive tools for site administration. The programming is also intended for ease of updates and future site expansions by your in-house staff.

Content of Site

The site content would be based on material presented by the company or accumulated from existing resources. Additional content creation with the assistance of a professional writer and/or photographer would require a separate proposal, available on request.

Email System

Up to 1,000 email boxes will be provided to your organization. These can be easily added and taken down as needed. These emails can be retrieved with programs such as Outlook or may be retrieved via the internet similar to hotmail.

Website Tool and Structure

The following will be created and implemented into your custom website. Each is geared towards making your job easier and the deployment of data and information via the web timely.

- Home Page
- Area Data and Statistical Information
- CRM Integration
- Social Media Integration and "Share" Tools
- News and Information
- Buildings & Sites Component
- List of Events
- Newsletter Module
- Investor Showcase
- Relocation Package Form
- Document Central Portal
- Polling System
- Web Links Portal
- Banner Advertising Module
- Search Results
- Administrator Tool

EXAMINATION OF YOUR WEB SITE STRUCTURE

As a proposal, this section explores one possible structure for a company web site. This sample's structure would be subject to change as the process of site creation takes place. The actual web site completed per this proposal may be significantly different than the example shown here.



(SAMPLE WEB PAGE ONLY USED FOR VISUAL)

These topics would be featured in a Navigation Toolbar, found on every web page.

Home Page

Every site begins with a primary introduction page. This page should give focus to the overall site, and offer links to all major areas and functions. Links back to the Home Page will be found on every page in the web site. Appropriate design choices for the Home Page will be an important part of the development process. The Home Page should anchor the site and pull its elements together, rather than simply be a promotional introduction.

Area Data and Statistical Information

Area Data and Statistical information will be provided in a tabbed format that will allow the user to stay within a page and “tab” to additional sections to review more information. This saves bandwidth and will provide the visitor with a user-friendly experience.

News and Information

Announcements and pertinent information about the area will be delivered in this section. An archive of news will be made available. These news announcements and articles can be time sensitive and set to publish automatically and turn off if desired. A section on the front page will pull the latest news items automatically and keep the website fresh in content. All content will be able to be added and edited by your in-house staff members using Microsoft Word-like editing tools.

Buildings & Sites Component

The buildings and sites component will provide you with an easy way to list available properties. Each listing provides standard data that is useful for the visitor and has the ability to

showcase as many photos as you desire for each property. There are three other components that will allow you to have featured properties, most viewed properties and recent properties that are automatically pulled and viewable from the database.

List of Events

The List of Events would list all current company events, and would keep "expired" events visible for a set number of days. A special web page interface, protected with a password, would be available to add, delete, or modify entries to this section. Events could include a link to a Description Page describing the activity. A sample Event Page template and Event Registration form would be included.

Newsletter Module

The Newsletter module will allow you to build list and send timely online newsletters to lists you select. These lists can also be automatically subscribed to by visitors if you wish. Each newsletter will also be archived for future review.

Investor Showcase-

Profiles of the investors with a listing of contact data and web links will be provided. It will serve to showcase the investors, and potentially attract new ones.

Relocation Package Form

This web page will accept information from a site visitor that is requesting information about expanding or relocating to the area. It will automatically send all data and information as an Email message to a desired address.

(Contact forms replace the "mailto" tag, which are seen on many sites. Although "mailto" tags will be found on the Contact form itself, it is unfair for a web designer to assume that each visitor has a configured Email system on their machine.)

Document Central Portal

The Document Central Portal will be an area for your organization to upload important documents and information that is intended for visitors to download and view. This can include brochures, community profiles, white papers, data sheets and any other documents you feel important to share. Supported formats include, Excel, Word, PowerPoint and PDF.

Polling System

The polling system will allow you to capture any data regarding any subject you wish. Polls can be published and immediately generate results from visitors that vote. A security patch will be implemented to ensure only one vote per visitor can be made each day.

Web Links Portal

A list of links you feel are important may be published in the Web Links Portal. This portal will also provide you with counts of how many visitors clicked on the additional links you provide.

Banner Advertising Module

Banners can be uploaded and placed on the website. Each banner is dynamically and randomly rotated as visitors visit different areas of the site. These banners can be sold and become a profit center for your organization.

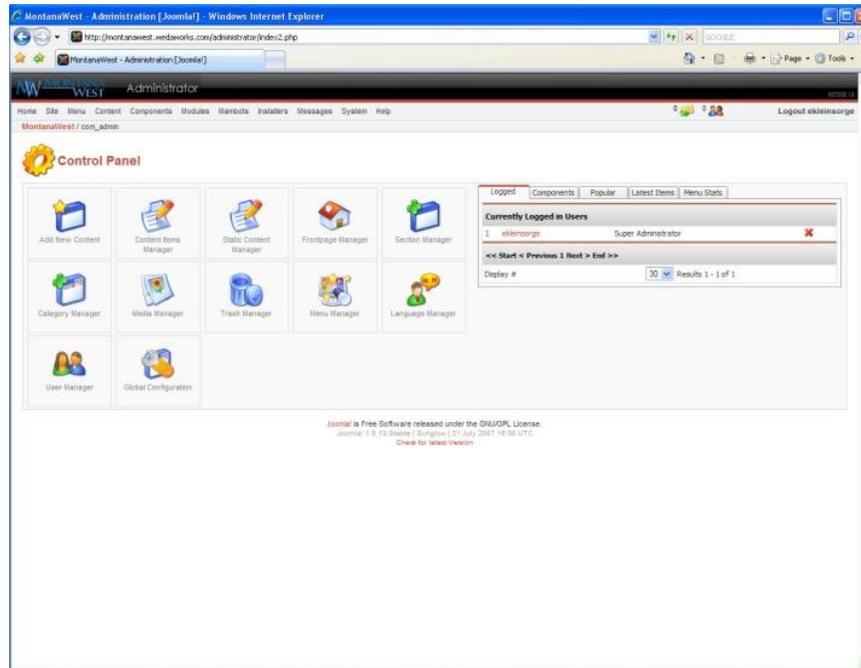
Search Results

A "Search" field and button will be available on each web page. When pressed, the entire web

site will be searched for a matching text string, and the results will be displayed on this page as a link.

Administrator Tool

The Administrator tool is the back-end of the site. It is used for updating and expanding the sites by the site administrator. Training on how to use the Administrator will be provided. The administrator tool will be developed for ease of use. No additional knowledge beyond use of Microsoft Word will be necessary.



The Administrator Tool will be used to update and maintain your web site. This tool provides you with full control of the site and avoiding costly updates that would otherwise be outsourced.

SUMMARY

Web sites are not static objects, and need to reflect the goals and orientations of the organizations that they serve. It is our intention to present Ridgecrest EDC with a compelling presentation that effectively represents your area to the Internet community.

As part of this representation, the web site should be a focus for two-way communication. Pages and content should change to reflect new projects and interests, and provide mechanisms for both current clients and the general public to interact with Ridgecrest EDC.

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT:

Approve A Resolution Adopting The Lease Agreement Of A City Owned Building Located At 131 S. Warner Street For Use As An Economic Development Incubator And Authorize The City Manager To Sign The Lease Agreement

PRESENTED BY:

Gary Parsons

SUMMARY:

City owned property located at 131 S. Warner Street previously housed the Boys and Girls Club and is currently vacant. The proposal is to use the property as an Economic Development Incubator for the firm Water Blasters. The staff is requesting that the city enter into a short term lease of up to, but not exceeding, 18 months to a small firm who is relocating its manufacturing operations to Ridgecrest.

Water Blasters has been purchased by local individuals who wish to establish their manufacturing, shipping, and sales operations in Ridgecrest. Water Blasters is seeking economic development assistance in the relocation and start up process in the form of rental assistance.

Staff believes rather than offering direct rental assistance funds to this firm, it is more desirable to offer a short term lease using the city's building located at 131 S. Warner Street. This would serve the needs of Water Blasters while providing income to the city as opposed to utilizing the limited city's economic development funds by providing a direct cash subsidy.

The recommended lease rate would be \$450 per month; not including utilities or site improvements which would be the responsibility of the tenant.

FISCAL IMPACT:

Increase to the General Fund in the amount of \$8,100 over the 18 month lease term.

ACTION REQUESTED:

1. Approve a resolution adopting the lease agreement of a city owned building located at 131 South Warner Street for use as an Economic Development Incubator; and
2. Authorize the City Manager to sign the lease agreement

Submitted by: Gary Parsons

Action Date: November 19, 2014

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RESOLUTION NO. 14-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST APPROVING THE LEASE AGREEMENT OF A CITY OWNED BUILDING LOCATED AT 131 S. WARNER STREET FOR USE AS AN ECONOMIC DEVELOPMENT INCUBATOR BY AND BETWEEN THE CITY OF RIDGECREST AND THE FIRM WATER BLASTERS AND AUTHORIZE THE CITY MANAGER TO SIGN THE LEASE AGREEMENT

WHEREAS, the City of Ridgecrest has been approached by the firm Water Blasters in an effort to secure economic development assistance; and

WHEREAS, the City has proposed a lease agreement entering into a short term lease of up to, but not exceeding, 18 months as an economic development incubator; and

WHEREAS, the city will provide property located at 131 S. Warner Street at the lease rate of \$450 per month; and

WHEREAS, Water Blasters will be relocating its manufacturing operations to Ridgecrest to occupy 131 S. Warner \$450 per month; and

WHEREAS, the City Council has duly considered all of the terms and conditions of the proposed Lease Agreement and believes that the Lease Agreement is important to make available the property located at 131 S. Warner Street for the benefit of its inhabitants an additional source of sales tax revenues and is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGECREST DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby finds and determines that, by generating additional revenues to the City, the Lease Agreement will benefit the City and its inhabitants.

Section 2. The City Council hereby approves the Lease Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the City Manager or his designee. The City Manager is hereby authorized to execute the Lease Agreement (including without limitation all attachments thereto) on behalf of the City. A copy of the Lease Agreement, when executed by the City, shall be placed on file in the office of the City Clerk.

Section 3. The City Manager is hereby authorized, on behalf of the City, to make revisions to the Lease Agreement which do not increase any amounts to be paid by the City or materially or substantially increase the City's obligations thereunder, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Lease Agreement and to administer the City's obligations, responsibilities and duties to be performed under the Lease Agreement and related documents.

PASSED and **ADOPTED** this 19th day of November, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

Building Lease Agreement

This Building Lease Agreement (“Lease”) is entered into as of _____, 2014 (“Effective Date”), by City of Ridgecrest, a public agency and municipality (“Landlord” or “City”), and Water Blasters, Inc., a California corporation and a commercial tenant (“Tenant”).

ARTICLE 1. BASIC LEASE PROVISIONS

1.1 Landlord: City of Ridgecrest.

1.2 Tenant: Water Blasters, Inc.

1.3 Rental Commencement Date: _____, 2014.

1.4 Premises: 131 S. Warner Street, Ridgecrest, California, as more specifically depicted in **Exhibit A**.

1.5 Lease term: Eighteen (18) months, computed from the first day of the first calendar month on the Rental Commencement Date, and ending _____, 2016.

1.6 Monthly Rental: Tenant shall pay monthly rent in the amount of \$450.00 to City.

1.7 Use of Premises: The Premises shall be occupied and used by Tenant for the sole purpose of designing, building, marketing, and/or selling toy water cannons and related products, and for any other related incidental uses that are legally permitted under federal, state, and local law, including any applicable zoning ordinance.

1.8 Security deposit: Four hundred and fifty dollars (\$450.00) payable upon execution of this Lease by Tenant.

1.9 Late charge: One hundred dollars (\$100.00).

1.10 Addresses for notices and rent payment:

Landlord:
City of Ridgecrest
Attn: City Manager
100 W. California Ave.
Ridgecrest, California 93555-4054

Tenant:
Water Blasters, Inc.
131 S. Warner Street
Ridgecrest, California 93555

1.11 Exhibits:

This Article 1 (“Basic Lease Provision”) is intended to supplement and/or summarize the provisions set forth in the balance of this Lease. If there is any conflict between any provisions contained in this Article 1 and the balance of this Lease, the balance of this Lease shall control.

Exhibit A is a legal description of the leased Premises at the address commonly referred to as 131 S. Warner Street, Ridgecrest, California.

ARTICLE 2. ADDITIONAL DEFINITIONS

2.1 ADDITIONAL RENTAL. The term 'Additional Rental' as used in this Lease shall mean each and every payment described in this Lease which is required to be paid by Tenant to Landlord other than the Monthly Rental.

2.2 ADJUSTMENT DATE. The term 'Adjustment Date' as used in this Lease shall be used to mean each anniversary of the Rental Commencement Date during the Lease Term, including any Renewal Term(s).

2.3 ALTERATIONS. The term 'Alterations' as used in this Lease shall mean any addition, modification or other alteration of the Premises made after opening of the Premises for business.

2.4 INDEX. The term 'Index' as used in this Lease shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, for Los Angeles / Riverside / Orange County Area. If at any time the Index should not exist in the format recited herein, Landlord shall substitute any official index published by the Bureau of Labor Statistics, or successor or similar governmental agency, as may then be in existence and shall, in Landlord's opinion, be most nearly equivalent thereto.

2.5 RENTAL. The term 'Rental' or 'Rent' as used in this Lease shall mean the total of all payments described in this Lease which is required to be paid by Tenant to Landlord, including but not limited to the Monthly Rental and all other items described as Additional Rental payments.

2.6 TERM OR LEASE TERM. The term 'Term' or 'Lease Term' shall refer to the term of this Lease, as specified in the Basic Lease Provisions, together with any renewals or extensions thereof.

ARTICLE 3. PREMISES

3.1 PREMISES. Landlord leases to Tenant and Tenant leases from Landlord for the Term, at the Rental and upon the covenants and conditions set forth in this Lease, the Premises described in the Basic Lease Provisions. Tenant acknowledges that, prior to execution of this Lease, Tenant has had the opportunity to inspect the Premises and, by its execution of this Lease, Tenant hereby accepts the Premises in an 'as-is' condition. Tenant acknowledges that it shall have no right of control, regulation,

approval or disapproval with respect to the use or development of any portion of Landlord property which is not included in the Premises. Tenant acknowledges that this Lease is subordinate and subject to all encumbrances, reservations, restrictions and other matters affecting the Premises or the use or occupancy thereof, in effect on the execution of this Lease or thereafter promulgated, but subject to Tenant's receipt of a non-disturbance agreement from any such encumbrances. Landlord shall deliver to Tenant copies of any title insurance policies and recorded instruments affecting the Premises.

3.2 RESERVATION. Landlord reserves the right to use the exterior walls, floor, roof and plenum in, above and below the Premises for the installation, maintenance, use and replacement of pipes, ducts, conduits, wires, alarm lines, heating, ventilating and air conditioning lines, fire protection lines and systems, electric power, telephone and communication lines and systems, sanitary sewer lines and systems, gas lines and systems, water lines and systems, and structural elements serving the City property and for such other purposes as Landlord deems necessary, provided that such use does not interfere with Tenant's use and occupancy of the Premises.

ARTICLE 4. RENTAL

4.1 MONTHLY RENTAL. Tenant agrees to pay as rental for the use and occupancy of the Premises the Monthly Rental specified in the Basic Lease Provisions, in the monthly installments so specified, in advance, on or before the first day of each month, without prior demand, offset, or deduction. Should the Commencement Date be a day other than the first day of a calendar month, then the installment of Monthly Rental for the first fractional month shall be equal to one-thirtieth (1/30th) of the monthly of Monthly Rental for each day from the Commencement Date to the end of the partial month. Such amount shall be payable on the Rental Commencement Date.

4.3 PLACE OF PAYMENT. Tenant shall pay Monthly Rental and Additional Rental, if any, to Landlord at the address specified in the Basic Lease Provisions or to such other address and/or person as Landlord may from time to time designate in writing to Tenant.

4.4 LATE PAYMENTS. If Tenant fails to pay any Monthly Rental or Additional Rental when the same is due and payable, the unpaid amounts shall bear

interest at the rate which is the lesser of 1.25% per month or the maximum rate allowed by law from the date due to the date of payment. In addition, Tenant acknowledges that the late payment of any installment of Monthly Rental or Additional Rental will cause Landlord to incur certain costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impractical to fix. These costs and expenses will include, without limitation, administrative and collection costs and processing and accounting expenses. Therefore, if any installment of Monthly Rental or Additional Rental is not received by Landlord from Tenant within five (5) days after the installment is due, Tenant shall immediately pay to Landlord the amount specified in the Basic Lease Provisions as the Late Charge, in addition to the Monthly Rental and/or Additional Rental which is otherwise due. Landlord and Tenant agree that the Late Charge represents a reasonable estimate of the costs and expenses and is fair compensation to Landlord for its loss suffered by the nonpayment by Tenant. Unless otherwise provided herein, payments of Additional Rental shall be due at the same time as the next installment of Monthly Rent.

ARTICLE 5. SECURITY DEPOSIT

5.1 SECURITY DEPOSIT. Upon execution of this Lease, Tenant shall deposit with Landlord the sum specified in the Basic Lease Provisions as the Security Deposit. The Security Deposit shall be held by Landlord without obligation or liability for payment of interest thereon as security for the faithful performance by Tenant of all of the terms of this Lease to be observed and performed by Tenant. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the prior written consent of Landlord. Landlord shall not be required to keep the Security Deposit separate from its general funds, nor shall Landlord be required to pay interest on the Security Deposit.

5.2 APPLICATION OF SECURITY DEPOSIT. Should Tenant at any time during the Term hereof be in default under any provision of this Lease, Landlord may, at its option and without prejudice to any other remedy which Landlord may have at law or in equity, appropriate the Security Deposit, or the portion thereof as may be deemed necessary, and apply same toward payment of Monthly Rental, Additional Rental, or to loss or damage sustained by Landlord due to the default on the part of Tenant. Within five (5) days after written demand by Landlord, Tenant shall deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the

original sum deposited.

5.3 REFUND. Should Tenant perform all of the obligations under this Lease, the Security Deposit, or any unappropriated balance thereof then remaining, shall be returned to Tenant within fourteen (14) days following delivery of the Premises to Landlord, unless such funds are required for repairs of the Premises, in which event any unappropriated balance then remaining shall be delivered to Tenant within thirty (30) days following Delivery of the Premises.

ARTICLE 6. TAXES

6.1 TAXES. Revenue and Taxation Code section 107, *et seq.*, impose a tax on possessory interests created in tax-exempt property. Tenant shall pay a possessory interest tax if the tax is assessed. Tenant shall also pay assessments levied by any public taxing jurisdiction arising out of the construction, reconstruction, maintenance or improvement of public improvements benefiting the premises.

ARTICLE 7. UTILITIES

7.1 UTILITY SERVICES AND CHARGES. Tenant agrees to make all arrangements for and to pay directly to the appropriate utility company all charges for utility services, including, without limitation, all utility hook-up connection charges, fees and taxes, supplied to Tenant for Tenant's use in or about the Premises including, but not limited to, gas, electricity, water, telephone and trash collection.

7.2 WAIVER OF LIABILITY. The failure or interruption of any utility or service shall neither render Landlord liable in damages nor otherwise entitle Tenant to terminate this Lease or discontinue making payments of Monthly Rental or Additional Rental, unless such failure or interruption is caused by Landlord's sole negligent acts or omissions and is permitted by statute.

7.3 TENANT'S NONPAYMENT. If Tenant fails to pay any charges referred to in this Article when due, Landlord may pay the charge, and Tenant agrees to reimburse Landlord for any amount paid by Landlord plus interest thereon at the rate which is the lesser of 1.25 % per month or the maximum rate allowed by law.

ARTICLE 8. INSURANCE

8.1 TENANT'S INSURANCE. As of the Rental Commencement Date and continuing during the Term, Tenant shall, at its sole cost and expense,

procure, pay for and keep in full force and effect the following types of insurance, in at least the amounts and in the form specified below:

General Liability Insurance. Tenant shall procure and maintain during the term of this Lease and any extensions, Commercial General Liability Insurance to protect against Bodily Injury and Property Damage, Products / Completed Operations, Personal & Advertising Injury, and Fire Legal Liability, for damages and accidents arising out of Tenant's business operations in, out of, and around the Leased Premises, for a minimum amount of \$1,000,000.00 combined single limit for Bodily Injury and Property Damage each occurrence and \$2,000,000.00 in the aggregate.

8.2 POLICY FORM. All policies of insurance provided for herein shall be issued by insurance companies with a financial rating reasonably acceptable to Landlord and which are qualified to do business in California. All such policies shall name Landlord, its directors, officers and employees as an additional named insured and shall be for the mutual and joint benefit and protection of Landlord and Tenant. Copies of the certificates of insurance shall be delivered to Landlord prior to Tenant, its agents or employees, entering the Premises for any purpose. If available, Tenant will also provide a declarations page for each such policy. Thereafter, executed copies of renewal policies or certificates shall be delivered to Landlord within thirty (30) days prior to the expiration of the term of each policy. All public liability, property damage and other casualty policies shall be written as primary policies and any insurance carried by Landlord shall not be contributing with such policies.

8.3 INCREASED PREMIUMS DUE TO USE OF PREMISES. Tenant shall not do any act in or about the Premises which will tend to increase the insurance rates upon the building of which the Premises are a part. Tenant agrees to pay to Landlord upon demand the amount of any increase in premiums for insurance resulting from Tenant's use of the Premises, whether or not Landlord shall have consented to the act on the part of Tenant.

8.4 INDEMNIFICATION. To the fullest extent permitted by law, Tenant covenants with Landlord that except for Landlord's sole negligent acts or omissions and only to the extent permitted by statute, Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons, or damage to property of Tenant or any other person occurring from and after the Effective Date of this Lease (or such earlier date if Tenant is

given earlier access to the Premises), from any cause whatsoever related to the use, occupancy or employment of the Premises by Tenant or any person thereon or holding under Tenant or to any default by Tenant under this Lease, and Tenant shall indemnify, protect, defend and save Landlord harmless from all liability whatsoever on account of any real or alleged damage or injury and from liens, claims, damages, costs, expenses and demands related to the use of the Premises and its facilities, or any repairs, alterations or improvements which Tenant may make or cause to be made upon the Premises or arising from any default by Tenant under this Lease, but Tenant shall not be liable for damage or injury ultimately determined to be caused by the gross negligence or willful misconduct of Landlord or its designated agents, servants or employees. This obligation to indemnify shall include reasonable attorneys' fees and investigation costs and all other reasonable costs, expenses and liabilities incurred by Landlord or its counsel from the first notice that any claim or demand is to be made or may be made.

8.5 FAILURE BY TENANT TO MAINTAIN INSURANCE. If Tenant refuses or neglects to secure and maintain insurance policies complying with the provisions of this Article, Landlord may, but shall not be obligated to, secure the appropriate insurance policies and Tenant shall pay upon demand the cost of same to Landlord, plus interest at the rate at which is the lesser of 1.25% per month or the maximum rate allowed by law, as Additional Rental.

ARTICLE 9. TENANT'S CONDUCT OF BUSINESS

9.1 USE AND PROHIBITIONS ON USE.

9.1.1 Compliance With Laws, Rules and Regulations. Tenant shall comply with the all rules, regulations and laws concerning the Premises or Tenant's use of the Premises, including, without limitation, the obligation at Tenant's cost to alter, maintain or restore the Premises in compliance and conformity with all laws, rules and regulations relating to the condition, use, or occupancy of the Premises during the term.

9.1.2 No Nuisance. Tenant shall not use the Premises in any manner that will constitute waste or nuisance.

9.1.3 No Auctions. No auction or distress, liquidation, going out of business, fire or bankruptcy sale may be conducted on the Premises without Landlord's prior written consent.

9.1.4 Compliance With Hazardous Materials. Tenant shall not engage in any activity on or about the Premises that violates any

Environmental Law (as defined below), and shall promptly at Tenant's sole cost and expense, take all investigatory and/or remedial action reasonably required by Landlord or ordered or required by any government agency or Environmental Law for clean-up and removal of any contamination involving any Hazardous Materials (as defined below) created, caused directly or materially contributed to by Tenant. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Premises, including without limitation, the following:

(a) Federal. Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA" or "Superfund"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), 42 U.S.C. § 9601 et seq.; Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901 et seq.; Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; Clean Air Act ("CAA"), 42 U.S.C. § 78401 et seq.; Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; The Refuse Act of 1899, 33 U.S.C. § 407; Occupational Safety and Health Act ("OSHA"), 29 U.S.C. § 651 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) and the Environmental Protection Agency Table (40 CFR Part 302 and amendments thereto);

(b) California. Carpenter-Presley-Tanner Hazardous Substance Account Act ("California Superfund"), Cal. Health & Safety Code § 25300 et seq.; California Hazardous Waste Control Act, Cal. Health & Safety Code Sections 25100 et seq.; Porter-Cologne Water Quality Control Act ("Porter-Cologne Act"), Cal. Water Code § 13000 et seq.; Hazardous Waste Disposal Land Use Law, Cal. Health & Safety Code § 25220 et seq.; Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), Cal. Health & Safety Code § 25249.5 et seq.; Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety Code § 25280 et seq.; California Hazardous Substance Act, Cal. Health & Safety Code § 28740 et seq.; Air Resources Law, Cal. Health & Safety Code § 39000 et seq.; Hazardous Materials Release Response Plans and Inventory, Cal. Health & Safety Code § § 25500-25541;

Toxic Pits Cleanup Act of 1984 ("TPCA"), Cal. Health & Safety Code § § 25208-25208.17;

Other Laws and Regulations. All other regulations promulgated pursuant to said foregoing laws or any amendments or replacement thereof, provided such amendments or replacements shall in no way limit the original scope and/or definition of Hazardous Materials defined herein as of the Effective Date of this Lease.

The term "Hazardous Materials" includes, without limitation, any material or substance which is (a) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste" or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (b) petroleum or a petroleum product or fraction thereof; (c) asbestos; (d) polychlorinated biphenyl; (e) flammable explosives; (f) urea formaldehyde; and/or (g) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the parties hereto construe the terms "Hazardous Materials" and "Environmental Laws" in their broadest sense. Tenant shall provide prompt written notice to Landlord of the existence of Hazardous Materials on the Premises and all notices of violation of the Environmental Laws received by Tenant. Tenant shall not bring onto, create or dispose of, in or about the Premises or the Project, including but not limited to its sewage or storm drain systems, any Hazardous Materials, except to the extent that such substance is reasonably necessary and customarily used in connection with Tenant's use set forth in this Lease, and Tenant is in compliance with all Environmental Laws, and local, state and federal laws.

9.1.5 Disclosure and Warning Obligations. Tenant shall also comply with all laws, ordinances and regulations regarding the disclosure of the presence or danger of Hazardous Materials, including without limitation Kern County's Hazardous Materials Disclosure Program. In the event Kern County discontinues, repeals or modifies this Program, Landlord reserves the right to implement and require its own hazardous materials disclosure program for all tenants in Landlord's property, as applicable.

9.1.6 Indemnification. Tenant shall indemnify, protect, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and each of Landlord's officers, directors, partners, employees, agents, attorneys, successors and assigns (collectively, the "Indemnitees") free and harmless from and against any and all claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including reasonable attorneys' fees and

costs) for death or injury to any person or damage to any property whatsoever (including water tables and atmosphere) ("Claims") arising or resulting in whole or in part, directly or indirectly, from the presence or discharge of Hazardous Materials, in, on, under, upon or from the Premises or the improvements located thereon or from the transportation or disposal of Hazardous Materials to or from the Premises to the extent caused by Tenant. This section is in addition to other indemnification provisions contained within this Lease.

9.1.7 Assignment and Subletting. If (i) any anticipated use of the Premises by any proposed assignee or sub-tenant involves the generation, storage, use, treatment or disposal of Hazardous Materials, or (ii) the proposed assignee or sublessee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Materials contaminating a property and the contamination resulted from such party's action or use of the property in question, it shall not be unreasonable for Landlord to withhold its consent to an assignment or subletting to such proposed assignee or sublessee. Landlord may require that the proposed assignee or sublessee provide information and/or a certification executed by an authorized corporate officer with respect to the foregoing matters.

9.2 COVENANTS REGARDING OPERATION.

Tenant shall; (a) comply with the Municipal Code and Rules and Regulations of Landlord, available at City Hall, as such may be amended from time to time; (b) secure and maintain a business license and all other applicable governmental approvals; (c) keep the Premises and interior and exterior portions of windows, doors and all other glass fixtures in a neat, clean, sanitary and safe conditions; and (d) keep the area adjacent to the Premises clean from visible trash, papers, oil, gum and other debris.

9.3 ADVERTISING MEDIA. Tenant shall not affix upon the Premises any sign, advertising placard, name, insignia, trademark, descriptive material or other like item unless approved in writing by Landlord in advance, which approval shall not be unlawfully withheld or delayed or unlawfully conditioned. All of Tenant's signage shall comply with the Municipal Code and all applicable rules and regulations. Tenant shall maintain its signage in good condition and repair during the Lease Term.

ARTICLE 10. MAINTENANCE, REPAIRS, AND ALTERATIONS

10.1 LANDLORD'S RIGHT OF ENTRY.

Landlord, its agents, contractors, servants and employees, may enter the Premises at all reasonable times and with twenty-four hour prior notice to: (a) examine the Premises; (b) perform any obligation to, or exercise any right or remedy of, Landlord under this Lease; (c) make repairs, alterations, improvements or additions to the Premises or to other portions of the Landlord's property as Landlord deems necessary or desirable; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; (e) serve, post or keep posted any notices required or allowed under the provisions of this Lease, including, but not limited to, notices of non-responsibility for Alterations, and (f) perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises. Tenant shall not be entitled to an abatement or reduction of Monthly Rental or Additional Rental if Landlord exercises any rights reserved in this Section. Landlord shall conduct its activities on the Premises hereunder in a manner that will minimize any inconvenience, annoyance or disturbance to Tenant. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damages resulting from the reckless or willful acts or omissions of Landlord, or its authorized representatives. In an emergency that threatens property or lives or constitutes a dangerous condition, entry may be made on less than 24 hours notice.

10.2 TENANT'S MAINTENANCE OBLIGATIONS.

Tenant, at its sole expense, throughout the Lease Term, shall keep the Premises and every part thereof) including, without limitation, all utility pipes and conduits, fixtures, heating, ventilating and air conditioning equipment exclusively serving the Premises (including, without limitation, the HVAC system), all signs, locks, doors, door frames, door checks, windows, window frames, skylights and other openings in the roof or exterior walls and floor coverings in a good order, condition and repair and shall make replacements necessary to keep the Premises in this condition. All replacements shall be of quality equal to or exceeding that of the original. Should Tenant fail to make these repairs and replacements or otherwise maintain the Premises within five (5) days after written demand by Landlord, or should Tenant commence but fail to complete any repairs or replacements within a reasonable time after written demand by Landlord, Landlord may make the repairs or replacements, and Tenant shall pay the cost of such repairs and replacement, together with interest at the rate which

is the lesser of 1.0% per month or the maximum rate allowed by law from the date of commencement of the work, as Additional Rental upon receipt of a bill from Landlord. Tenant shall repair promptly at its expense any damage to the Landlord caused by Tenant or its agents or employees or caused by the installation or removal of Tenant's personal property.

10.3 ALTERATIONS, ADDITIONS AND IMPROVEMENTS. Tenant shall not make any Alterations, additions or improvements, to the Premises without in each case first obtaining Landlord's prior written consent. All Alterations, additions and improvements made shall remain on and be surrendered with the Premises on expiration or termination of the Term except that Landlord may elect at the time of granting its approval to require Tenant to remove any Alterations, additions and improvements that Tenant has made to the Premises except those that are structural. If Landlord so elects, Tenant shall remove those Alterations, additions and improvements so designated by Landlord and Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of such Alterations, additions and improvements.

10.4 MECHANIC'S LIENS. Tenant shall pay all costs for work performed by or on account of it and keep the Premises and the Landlord's property free and clear of mechanics' liens or other liens. Tenant shall give Landlord immediate notice of any lien filed against the Premises or against the City's property if related to work performed by it or for it. Upon Landlord's request, Tenant shall immediately remove of record any lien by payment or by recording an appropriate bond. If a final judgment is entered establishing the validity of any lien which has not been removed of record, Tenant shall immediately pay the judgment. If Tenant fails to pay the judgment within three (3) days of its entry, Landlord may pay the judgment on Tenant's account. If Tenant fails to remove of record any lien by recording any appropriate bond or obtaining title insurance over such lien to the extent permitted by law, or providing other agreed-upon security, Landlord, at its option and without waiving any of its other legal remedies at law or in equity, may pay the lien. In either event, the amount so paid by Landlord, together with costs and reasonable attorneys' fees, shall be immediately due and owing from Tenant to Landlord.

ARTICLE 11. ASSIGNMENT AND SUBLETTING

11.1 NO ASSIGNMENT. Tenant shall not, without the prior written consent of Landlord, assign,

mortgage, pledge or in any matter transfer this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. If Tenant is a partnership, any change in the makeup of the partnership, whether voluntary or involuntary, which results in an ownership interest in the partnership of more than fifty (50%) percent being held by parties who were not partners as of the commencement of this Lease, or the dissolution of the partnership, shall be deemed an assignment. If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or any sale or transfer of stock in the corporation which results in more than fifty (50%) percent of the total combined voting power of all classes of stock being held by persons or entities who were not shareholders as of the commencement date of this Lease, shall be deemed an assignment. Any of the foregoing acts without Landlord's consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the prior written consent of Landlord.

11.2 NO RELEASE. No subletting or assignment shall release Tenant from Tenant's obligation under this Lease or alter the primary liability of Tenant to pay the Monthly Rent and Additional Rental and to perform all other obligations to be performed by Tenant hereunder. The acceptance of any monetary sums by Landlord from any other person shall not be deemed to be waiver by Landlord of any provision hereof. Consent to one assignment or subletting is not consent to subsequent assignments or subsequent subleases. In the event of a default in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, sublessee or successor. Landlord may consent to subsequent assignments of the Lease or subletting or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

ARTICLE 12. DAMAGE

12.1 INSURED CASUALTY. If the Premises are damaged by fire or other perils covered by the insurance carried by Landlord, the following provisions shall apply:

12.1.1 Within a period of one hundred twenty (120) days after Landlord becomes aware of the casualty, Landlord, at its cost, shall commence repair, reconstruction and restoration of the Premises to the extent of Landlord's obligation under this Lease and prosecute the same diligently to completion. Tenant, at its cost, shall repair and restore all other items. Tenant shall commence this work promptly upon delivery of possession of the Premises to Tenant and diligently prosecute it to completion.

12.1.2 Notwithstanding the foregoing, in the event of a partial or total destruction of the Premises during the last two (2) years of the Lease Term, Landlord and Tenant shall each have termination right within thirty (30) days after the destruction. For purposes of this Section, "partial destruction" shall be deemed destruction to an extent of at least thirty-three and one-third percent (33-1/3%) of the then full replacement cost of the Premises as of the date of destruction.

12.2 UNINSURED CASUALTY. If the Premises are damaged as a result of any casualty not covered by Landlord's insurance, Landlord, within ninety (90) days followed the date of such damage, at its option, may commence repair, reconstruction or restoration of the Premises to the extent of Landlord's obligations under this Lease and prosecute the same diligently to completion, or within said ninety (90) day period Landlord may elect not to so repair, reconstruct or restore the Premises, in which event this Lease shall cease and terminate upon the expiration of such ninety (90) day period. In the event Landlord elects to restore, Tenant shall be responsible for the same obligations it is responsible for pursuant to the terms of this Lease.

12.3 DISTRIBUTION OF PROCEEDS. In the event of the termination of this Lease pursuant to this Article, all proceeds from Tenant's Fire and Extended Coverage insurance under this Lease and covering covered items and Tenant's leasehold improvements, but excluding proceeds for trade fixtures, merchandise, signs and other personal property, shall belong to and shall be disbursed and paid directly to Landlord.

12.4 WAIVER OF TERMINATION. Tenant waives any statutory rights of termination which may arise by reason of any partial or total destruction of the Premises.

ARTICLE 13. EMINENT DOMAIN

13.1 TAKING. The term "Taking" as used in this

Article shall mean an appropriation or taking under the power of eminent domain by any public or quasi-public authority or a voluntary sale or conveyance in lieu of condemnation but under threat of condemnation.

13.2 TOTAL TAKING. In the event of a Taking of the entire Premises, this Lease shall terminate and expire as of the date possession is delivered to the condemning authority, and Landlord and Tenant shall each be released from any liability accruing pursuant to this Lease after the date of termination.

13.3 PARTIAL TAKING. If there is a Taking of more than twenty-five (25%) of the Rentable Area of the Premises or, regardless of the amount taken, the remainder of the Premises is not one undivided parcel of property, either Landlord or Tenant may terminate this Lease as of the date Tenant is required to vacate a portion of the Premises upon giving notice in writing of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that a portion of the Premises have been so appropriated or taken.

13.4 TAKING. In the event of a Taking of more than 30% of the Landlord's property other than the Premises, Landlord may terminate this Lease upon thirty (30) days advance written notice to Tenant.

13.5 TERMINATION OF LEASE. If this Lease is terminated as provided above, Landlord shall be entitled to the entire award or compensation in such condemnation proceedings, or settlement in lieu thereof, but the Monthly Rental and Additional Rental for the last month of Tenant's occupancy shall be prorated and Landlord shall refund to Tenant any unearned portion of Monthly Rental and Additional Rental paid in advance.

13.6 CONTINUATION OF LEASE. In the event neither Landlord nor Tenant elects to terminate this Lease as provided above, or in the event less than twenty-five percent (25%) of the Rentable Area of the Premises was subject to the Taking and the remainder thereof is an undivided parcel of property, then in either such event the Tenant shall continue to occupy the portion of the Premises which was not the subject of the Taking and the following provisions shall apply: (a) to the extent reasonably possible, Landlord will restore the Premises on the land remaining to a complete unit of like quality and character as existed prior to such appropriation or Taking provided, however, that Landlord shall have no obligation to expend funds for such purpose beyond the amount awarded to Landlord by reason of

the Taking; (b) the Monthly Rental shall be reduced in proportion to the percentage decrease, if any, in the Rentable Area of the Premises by reason of the Taking; and (c) Landlord shall be entitled to receive the entire award for compensation in such proceedings. Tenant hereby waives any statutory rights of termination that may arise by reason of any partial Taking of the Premises under the power of eminent domain. Notwithstanding anything herein to the contrary, Tenant does not waive the right to make a separate claim against the entity exercising eminent domain for an award or payment on account of trade fixtures, equipment or other tangible property, moving expenses or loss of business.

ARTICLE 14. DEFAULTS

14.1 EVENTS OF DEFAULT. The occurrence of one or more of the following events shall constitute a default by Tenant under this Lease.

14.1.1 Failing or refusing to pay any amount of Monthly Rental, Additional Rental, or any other monetary obligation owing by Tenant to Landlord hereunder, as and when due, where such failure shall continue for a period of five business (5) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161;

14.1.2 The failure by Tenant to observe or perform any other express or implied covenants, obligations or conditions of this Lease to be observed or performed by Tenant, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant. Any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161. If the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently prosecute such cure to completion, which completion shall not occur later than sixty (60) days from the date of such notice from Landlord;

14.1.3 The vacation or abandonment of the Premises by Tenant. Abandonment is herein defined to include, but is not limited to, any absence by Tenant from the Premises for thirty (30) business days or longer while Tenant is in default under any other provision of this Lease; and/or

14.1.4 The making by Tenant of any general assignment for the benefit of creditors; or should there be filed by or against Tenant a petition to have Tenant adjudged a bankrupt or petition for

reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); or should an appointed trustee or receiver take possession of substantially all of Tenant's assets located at the Premises, or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or should substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease have been attached or judicially seized, where the seizure is not discharged within thirty (30) days.

14.1.5 Landlord does not waive any rights it has under Unlawful Detainer law, including but not limited to its rights to use the shortened discovery and trial procedures provided by Unlawful Detainer procedures.

14.2 REMEDIES UPON DEFAULT. Upon the occurrence of one or more of the foregoing events of default, and in addition to any other rights or remedies of Landlord provided by law or otherwise, without further notice or demand of any kind to Tenant or any other person, Landlord may, after receipt of an appropriate court order, either through unlawful detainer or other appropriate procedure, (a) without declaring this Lease terminated, re-enter the Premises and occupy the whole or any part thereof for and on account of Tenant; collect any unpaid rentals and other charges which have become payable, or which may thereafter become payable, and remove all persons and property from the Premises, and any such property so removed may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant; or (b) re-enter the Premises and elect to terminate this Lease and all of the rights of Tenant in or to the Premises. Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Monthly Rental, Additional Rental, or other charges later accruing, by any re-entry of the Premises, or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease. Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations).

14.3 ADDITIONAL REMEDIES UPON DEFAULT. In addition to any rights or remedies hereinbefore or hereinafter conferred upon Landlord under the terms of this Lease, the following remedies and provisions shall specifically apply in the event

Tenant engages in any one or more of the acts contemplated by the provisions of this Lease.

14.3.1 In all events, any receiver or trustee in bankruptcy shall either expressly assume or reject this Lease within sixty (60) days following the entry of an "Order for Relief" or within such earlier time as may be provided by applicable law;

14.3.2 In the event of an assumption of this Lease by a debtor or by a trustee, such debtor or trustee shall within fifteen (15) days after such assumption (i) cure any default or provide adequate assurance that defaults will be promptly cured; (ii) compensate Landlord for actual pecuniary loss or provide adequate assurance that compensation will be made for actual pecuniary loss, including, but not limited to, all attorneys' fees and costs incurred by Landlord resulting from any such proceedings; and (iii) provide adequate assurance of future performance;

14.3.3 Where a default exists under this Lease, the trustee or debtor assuming this Lease may not require Landlord to provide services or supplies incidental to this Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of this Lease for such services and supplies provided before the assumption of such Lease;

14.3.4 The debtor or trustee may only assign this Lease if (i) it is assumed, (ii) adequate assurance of future performance by the assignee is provided, whether or not there has been a default under this Lease, and (iii) the debtor or trustee has received Landlord's prior written consent pursuant to the provisions of this Lease. Any consideration paid by any assignee in excess of the rental reserved in this Lease shall be the sole property of, and paid to, Landlord;

14.3.5 Landlord shall be entitled to the fair market value for the Premises and the services provided by Landlord (but in no event less than the rental reserved in this Lease) subsequent to the commencement of a bankruptcy event;

14.3.6 Any security deposit given by Tenant to Landlord to secure the future performance by Tenant of all or any of the terms and conditions of this Lease shall be automatically transferred to Landlord upon the entry of an "Order of Relief"; and

14.3.7 The parties agree that Landlord is entitled to adequate assurance of future performance of the terms and provisions of this Lease in the event of an assignment under the provisions of the Bankruptcy Code. For purposes of any such assumption or assignment of this Lease, the parties agree that the term "adequate assurance" shall include, without limitations, at least the following:

(A) Any proposed assignee must have, as demonstrated to Landlord's satisfaction, a net worth (as defined in accordance with generally accepted accounting principle consistently applied) in an amount sufficient to assure that the proposed assignee will have the resources to meet the financial responsibilities under this Lease, including the payment of all rent. The financial condition and resources of Tenant are material inducements to Landlord entering into this Lease.

(B) Any proposed assignee must have engaged in the permitted use described in Article 5 hereof for at least five (5) years prior to any such proposed assignment.

(C) Any assumption of this Lease by a proposed assignee shall not adversely affect Landlord's relationship with any of the remaining Tenants or all or any portion of the City Property.

(D) Any proposed assignee must not be engaged in any business or activity which it will conduct on the Premises and which will subject the Premises to contamination by any Hazardous Materials.

14.4 TERMINATION OF LEASE. Should Landlord elect to terminate this Lease pursuant to the provisions above, Landlord may recover from Tenant, as damages, the following: (a) the worth at the time of award of any unpaid rental which had been earned at the time of the termination; plus rental which had been earned at the time of the termination; plus (b) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of rental loss Tenant proves could have been reasonably avoided; plus (c) the worth at the time of award of the amount by which the unpaid rental for the balance of the Term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; plus (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligation under this Lease or which ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees therefor, (ii) maintaining or preserving the Premises after any default, or (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises. As used in Subsection (a) and (b) above, the "worth at the time of award" is computed by allowing interest at the maximum lawful rate. As used in Subsections (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of

the Federal Reserve Bank situated nearest to the location of the City property at the time of award plus one percent (1%).

14.5 DEFINITION OF RENTAL. For purposes of this Article only, the term "rental" shall be deemed to be the Monthly Rental, Additional Rental and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

14.6 WAIVER. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any default. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to, or approval of, any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

14.7 DEFAULT BY LANDLORD. If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, Tenant shall have the right to notify Landlord to that effect, specifying the nature of Landlord's default. If Landlord shall fail to cure such default within thirty (30) days after receipt of such notice, or if the default is of such a character as to require more than thirty (30) days to cure, then if Landlord shall fail, within such 30 day period to commence and thereafter proceed diligently to cure such default, then and in either such event, Tenant may, in addition to its other legal remedies, cure such default for the benefit of Landlord only if the default requires an emergency repair to avoid impairment of the Tenant's use of the property as described in paragraph 1.8, and any sum so expended by Tenant (plus interest at the rate specified for delinquent rent hereunder) shall be payable by Landlord upon demand of Tenant. Tenant shall have the right to withhold, reduce or offset any amount against payments of Rent or any other charges due and payable under this Lease only after both (a) notice to Landlord, as set forth above and a failure by Landlord to cure the default, and (b) where the default requires an emergency repair to avoid

impairment of the Tenant's use of the property as described in paragraph 1.8.

14.8 LANDLORD'S RIGHT TO PERFORM. If Tenant shall, after notice from Landlord, fail, within the time periods specified above, to make any payment required to be made by it under this Lease or shall default in the performance of any of Tenant's other obligations hereunder, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default and may charge Tenant for the reasonable cost thereof; provided, however, that, in the event that Tenant's failure to make such payment and/or remedy such default creates a condition which threatens imminent loss or damage to persons or property, notwithstanding the notice requirements of this Section, Landlord may make such payment and/or remedy such default to the extent necessary to avoid such emergency situation immediately and without notice to Tenant, but in such case Landlord shall, after its entry, give Tenant notice as soon thereafter as practicable, of the existence of such situation or condition and Landlord's intention or actions to remedy the same. Bills for any reasonable expense incurred by Landlord in connection therewith and for the payment of which Tenant is liable under this Section, including, without limitation, attorneys' fees and expenses (together with interest thereon at the rate which is the lesser of 1.5% per month or the maximum rate allowed by law from and including the respective dates of Landlord's making of each such payment or incurring each such expense), may be sent by Landlord to Tenant monthly, or immediately, at Landlord's option, and shall be due and payable in accordance with the terms of said bills, and if not paid when due the amount thereof shall immediately become due and payable as Additional Rent under this Lease.

ARTICLE 15. EXCULPATION OF LANDLORD

All property kept, stored or maintained on Tenant's Premises shall be so kept, stored or maintained at the sole risk of Tenant. Landlord shall not be liable and Tenant waives all claims against Landlord for damages to person or property sustained by Tenant or by any other person or firm resulting from the building in which the Premises are located or by reason of Tenant's Premises or any equipment located thereon becoming out of repair, or through the acts or omissions of any persons present in the City property or renting or occupying any part of the City property or for loss or damage resulting to Tenant or its property from burst, stopped or leaking

sewers, pipes, conduits or plumbing fixtures, or for interruption of any utility services, or from any failure of or defect in any electric line, circuit or facility or any other type of improvement or service on or furnished to Tenant's Premises or resulting from any accident in, on or about Tenant's Premises or the building in which the Premises are located.

ARTICLE 16. NOTICES

Except as otherwise required by law, any notice, information, request or reply ("Notice") required or permitted to be given under the provisions of this Lease shall be in writing and shall be given or served either personally or by mail. If given or served by mail, such Notice shall be deemed sufficiently given if (a) deposited in the United States mail, certified mail, postage prepaid, or (b) sent by express mail, or other similar overnight service, provided proof of service is available, addressed to the addresses of the parties specified in the Basic Lease Provisions. Any Notice given or served by certified or overnight mail shall be deemed given or served as of the date of deposit. Either party may, by written notice to the other in the manner specified herein, specify an address within the United States for Notices in lieu of the address specified in the Basic Lease Provisions.

ARTICLE 17. END OF TERM

17.1 SURRENDER OF PREMISES. Upon the expiration of the Lease Term, or upon earlier termination thereof through the exercise of any option to terminate the Lease Term hereof granted to Landlord, or upon the re-entry of Landlord upon the Premises as herein provided for in this Lease (collectively, the "Surrender Date"), Tenant shall peaceably and quietly leave and yield up unto Landlord the entire Premises, including the Building, in good order, condition and repair, excepting therefrom normal wear and tear. Notwithstanding the exercise by either party of any option contained herein to terminate this Lease, any unsatisfied obligations of either party accruing on or prior to the Surrender Date shall survive the Surrender Date, unless excused as of the Surrender Date by the provisions elsewhere contained in this Lease.

17.2 HOLDING OVER. This Lease shall terminate without further notice upon the expiration of the Lease Term, and should Tenant hold over in the Premises beyond this date, the holding over shall not constitute a renewal or an extension of this Lease or give Tenant any rights under this Lease. In such

event, Landlord may, in its sole discretion, treat Tenant as a tenant at will, subject to all of the terms and conditions in this Lease, except that the Monthly Rental shall be an amount equal to one and one-half (1 ½) times the sum of the Monthly Rental and Additional Rental which was payable for the twelve (12) month period immediately preceding the expiration of the Lease. In the event Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, protect, defend (with legal counsel reasonably acceptable to Landlord) and hold Landlord harmless from all loss and liability which may accrue therefrom, including, without limitation, any claims made by any succeeding tenant. Acceptance by Landlord of any Monthly Rental or Additional Rental after the expiration or earlier termination of this Lease shall not constitute a consent to a hold over hereunder, constitute acceptance of Tenant as a tenant at will or result in a renewal of this Lease.

17.3 REMOVAL OF PROPERTY. Upon the Surrender Date, all alterations, additions and improvements to the Premises shall become the exclusive property of Landlord, unless at the time of its approval, the Landlord requests Tenant to remove the Alterations, additions and improvements placed thereon by Tenant. Tenant shall repair any damage to the Premises caused by such removal, and any and all such property not so removed shall, at Landlord's option, become the exclusive property of Landlord or be disposed of by Landlord, at Tenant's cost and expense, without further notice to or demand upon Tenant. All property of Tenant not removed within thirty (30) days after the last day of the Lease Term shall be deemed abandoned.

17.4 SURVIVAL. The provisions of this Article shall survive the Surrender Date.

ARTICLE 18. NONDISCRIMINATION

18.1 Tenant will not discriminate or permit discriminations against any person or class of persons by reason of race, color, creed, sex, orientation, national origin or other manner prohibited by law, including but not limited to the California Fair Employment and Housing Act and the Ridgecrest Municipal Code.

ARTICLE 19. MISCELLANEOUS

19.1 WAIVER. Any waiver by Landlord of a breach of a covenant of this Lease by Tenant shall not be construed as a waiver of a subsequent breach of the

same covenant. The consent or approval by Landlord to anything requiring Landlord's consent or approval shall not be deemed a waiver of Landlord's right to withhold consent or approval of any subsequent similar act by Tenant. No breach by Tenant of a covenant of this Lease shall be deemed to have been waived by Landlord unless the waiver is in writing signed by Landlord.

19.2 RIGHTS CUMULATIVE. Except as provided herein to the contrary, the rights and remedies of Landlord specified in this Lease shall be cumulative and in addition to any other rights and/or remedies otherwise available, whether or not specified in this Lease.

19.3 ENTIRE AGREEMENT. It is understood that there are no oral or written agreements or representations between the parties hereto affecting this Lease, and that this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, agreements and understandings, if any, between Landlord and Tenant.

19.4 NO REPRESENTATION. Landlord reserves the absolute right to affect such other tenancies in the City property as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interests of the City.

19.5 AMENDMENTS IN WRITING. No provision of this Lease may be amended except by an agreement in writing signed by Landlord and Tenant.

19.6 NO OTHER RELATIONSHIP. Nothing contained in this Lease shall be construed as creating the relationship of principal and agent, partnership or joint venture between Landlord and Tenant.

19.7 LAWS OF CALIFORNIA TO GOVERN. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Venue in any legal action or proceeding arising from or related to this Lease shall be in the appropriate court for the County of Kern, California.

19.8 SEVERABILITY. If any provision of this Lease or the application of such provision to any person, entity or circumstances, is found invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the other provisions of this Lease and all other provisions of this Lease shall be deemed valid and enforceable. The parties hereto agree to negotiate in good faith to replace any illegal, invalid or unenforceable provision of this Lease with a legal, valid and

enforceable provision that, to the extent possible, will preserve the economic bargain of this Lease, or otherwise to amend this Lease to achieve such result.

19.9 SUCCESSORS. Subject to the restrictions on assignment and subletting contained herein, all rights and obligations of Landlord and Tenant under this Lease shall extend to and bind the respective heirs, executors, administrators, and the successors, subtenants and assignees of the parties. If there is more than one Tenant or if Tenant is a partnership or other entity and the members of which are subject to personal liability, each shall be bound jointly and severally by the terms, covenants and agreements contained in this Lease.

19.10 WARRANTY OF AUTHORITY. If Tenant is a corporation or partnership, each individual executing this Lease on behalf of the corporation or partnership represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the corporation or partnership, and that this Lease is binding upon the corporation or partnership. If Tenant is a corporation, the person executing this Lease on behalf of Tenant hereby covenants and warrants that (a) Tenant is a duly qualified corporation and all steps have been taken prior to the date hereof to qualify Tenant to do business in the State of California, (b) all franchise and corporate taxes have been paid to date, and (c) all future forms, reports, fees and other documents necessary to comply with applicable laws will be filed when due.

19.11 BROKERS. Tenant represents and warrants that it has not had any dealings with any realtors, brokers or agents in connection with the negotiation of this Lease except as may be specifically set forth in the Basic Lease Provisions and agrees to hold Landlord harmless from the failure to pay any realtors, brokers or agents and from any cost, expense or liability for any compensation, commission or changes claimed by any other realtors, brokers or agents claiming by, through or on behalf of it with respect to this Lease and/or the negotiation hereof.

19.12 NO IMPLICATION OF EXCLUSIVE USE. Nothing contained in this Lease shall be deemed to give Tenant an express or implied exclusive right to operate any particular type of business on City property.

19.13 RECORDING. Tenant shall not record this Lease or any short form of this Lease. Tenant, upon request of Landlord, shall execute and acknowledge a short form memorandum of this Lease for recording purposes. Upon the expiration or earlier termination

of this Lease for any reason, Tenant shall, within three (3) days of the date of request by Landlord, convey to Landlord by quitclaim deed any and all interest Tenant may have under this Lease.

19.14 INTEREST ON PAST DUE OBLIGATIONS. Unless otherwise specifically provided in this Lease, any amount due from either party to the other party under this Lease which is not paid when due and any amount due as reimbursement to the non-defaulting party for costs incurred by such non-defaulting party in performing obligations of the defaulting party upon the defaulting party's failure to so perform shall bear interest at the rate which is the lesser of 1.25% per month or the maximum rate allowed by law from the date originally due until paid.

19.15 FIXTURES, TRADE FIXTURES, PERSONAL PROPERTY AND ALTERATIONS. Tenant agrees to keep all of its fixtures, trade fixtures, furniture and equipment free of liens and shall not use the same as security in any loan arrangements. All fixtures, trade fixtures, signs and other personal property installed in or attached to the Premises by Tenant must be new when so installed or attached.

19.16 FORCE MAJEURE. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by that party for a period equal to the prevention, delay or stoppage, except the obligations imposed with regard to Monthly Rental and Additional Rental to be paid by Tenant pursuant to this Lease; provided that the party prevented, delayed or stopped shall have given the other party written notice thereof within thirty (30) days of such event causing the prevention, delay or stoppage. Notwithstanding anything to the contrary contained in this Section, in the event any work performed by Tenant or Tenant's contractors results in a strike, lockout and/or labor dispute, the strike, lockout and/or labor dispute shall not excuse the performance by Tenant of the provisions of this Lease.

19.17 ATTORNEYS' FEES. In the event Landlord or Tenant shall institute any action or proceeding against the other arising from or related to this Lease,

or any default hereunder, the party not prevailing in the action or proceeding shall reimburse the prevailing party for the all costs and expenses, including reasonable attorneys' fees, incurred therein by the prevailing party, including without limitation, any fees, costs of disbursements incurred on any appeal and enforcement of a judgment from the action or proceeding.

19.18 SUBMISSION OF LEASE. Submission of this Lease does not constitute an offer to lease. The Lease shall become effective only upon (a) approval by Landlord's city council, (b) execution and delivery thereof by Landlord and Tenant, and (c) Landlord's approval of a financial statement of Tenant, certified to be true and correct by Tenant.

19.20 LIMITATION ON LIABILITY. In consideration of the benefits accruing hereunder, Tenant and all successors and assigns covenant and agree that, in the event of any actual or alleged failure, breach or default hereunder by Landlord: (a) no council-member, officer, agent or employee of Landlord shall be sued or named as a party in any suit or action, or served with process, or required to answer or otherwise plead to any service of process, except to the extent required to bring Landlord under the jurisdiction of the applicable court, nor will any judgment be taken against any council-member, officer, agent or employee of Landlord. Any judgment taken against any council-member, officer, agent or employee of Landlord may be vacated and set aside at any time nunc pro tunc, and no writ of execution will ever be levied against the assets of any council member, officer, agent or employee of Landlord; and (b) the covenants and agreements contained within this Section shall inure to the benefit of and shall be enforceable by Landlord and any council member, officer, agent or employee of Landlord.

19.21 COMPLIANCE WITH LAWS. Tenant shall comply with all federal, state and local laws rules and regulations including, without limitation, those pertaining to Tenant's business and operation, and those pertaining to hazardous substances and waste, clean water and clean air. In addition, Tenant shall comply with Landlord's rules and regulations as amended from time to time.

19.22 COUNTERPARTS. This Lease may be executed in counterparts, all of which, when taken together, shall constitute a fully executed original.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the day and year first above written.

By execution hereof, each signatory certifies that this document has been approved by the party for which he/she is signing, and that he/she is duly authorized to execute this document on behalf of such party.

City of Ridgecrest

Water Blasters, Inc.

By _____
Dennis Speer
City Manager
Attest:

By _____
Its Authorized Representative

By _____
[Name]
Secretary

Approved as to form:

Lemieux & O'Neill

By _____
Michael Silander
Assistant City Attorney

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