

NOTICE

The Urban Community Development Commission (UCDC) was established by Ordinance August 15, 1975 to function as the governing body of the Community Redevelopment Agency. Its purpose is to aid in planning and implementing projects in the City of Compton. Pursuant to Section 54957.5 of the California Government Code, Any writings (Except for those writings which are exempt from disclosure) which are distributed to all or a majority of the members of the City Council are available for public inspection in the lobby of the City Council Chambers and in the office of the City Clerk during regular business hours.

URBAN COMMUNITY DEVELOPMENT COMMISSION

AGENDA

Tuesday, July 27, 2010

2:50 PM

WORKSHOP(S)

HEARING(S)

3:15 P.M. - JOINT PUBLIC HEARING - AUTHORIZING THE GROUND LEASE AND DEVELOPMENT OF CERTAIN REAL PROPERTY TO LOWE ENTERPRISES REAL ESTATE GROUP AND MAKING CERTAIN FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33431 (Item #10)

3:30 PM - JOINT PUBLIC HEARING - ADOPTING AN AMENDMENT TO THE EXISTING COMPTON REDEVELOPMENT PROJECT AREA; AUTHORIZING THE BASE YEAR OF THE LAST EQUALIZED ASSESSMENT ROLE; DESIGNATING THE LEAD AGENCY FOR THE ENVIRONMENTAL IMPACT REPORT; FINDING A PROJECT AREA COMMITTEE IS REQUIRED FOR THE AMENDMENT

OPENING

ROLL CALL

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

APPROVAL OF MINUTES

1. July 6, 2010
July 13, 2010

UNFINISHED BUSINESS

NEW BUSINESS

2. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND OSCAR M. CAMARENA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 601-605 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS
3. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ALFONSO MONRAZ TRUST, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 607 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS
4. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND UNITED GROCERS, INC, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 1051 WEST ROSECRANS AVENUE IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

5. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND MI CASA HOLDINGS LTD, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 1501 SOUTH ALAMENDA STREET IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS
6. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND SAMUEL QUEZADA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 413 - 415 NORTH ALAMEDA STREET, IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS
7. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PROJECT LABOR AGREEMENT WITH THE LOS ANGELES/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADE COUNCIL
8. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH SWN SOILTECH CONSULTANTS, INC. FOR SPECIAL INSPECTIONS AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOICATION BONDS
9. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH TWINING, INC. FOR SPECIAL INSPECTIONS AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOCATION BONDS

10. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION AUTHORIZING A LEASE AGREEMENT BETWEEN THE COMPTON DOWNTOWN NORTH COMMUNITY LLC (LOWE ENTERPRISES REAL ESTATE GROUP AS THE DEVELOPMENT MANAGER) AND THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DEVELOPMENT OF CERTAIN REAL PROPERTY LOCATED AT ASSESSORS PARCEL NOS. 6166-005-912, 906, 6166-010-900, 909, & 907, IN THE CITY OF COMPTON

COMMISSION COMMENTS

ADJOURNMENT

JULY 6, 2010

The Urban Community Development Commission meeting was opened at 7:04 p.m. in the Council Chambers of City Hall by Chairperson Eric Perrodin. The Pledge of Allegiance and Moment of Silence ceremonies were led by Chairperson Eric Perrodin.

ROLL CALL

Commissioners Present: Calhoun, Dobson, Arceneaux, Jones, Perrodin
Commissioners Absent: None

Other Officials Present: C. Cornwell, A. Godwin, C. Evans

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

Lynn Boone, Compton resident, spoke in opposition to the Executive Secretary's Report regarding the Neighborhood Stabilization Program (NSP) and questioned what the City would be like, if there was no Community Redevelopment Agency (Agency) in the City of Compton. Ms. Boone suggested that there were too many uncompleted projects, vacant residential developments and one dimensional studies being conducted in the Compton community and later cited that the Agency was being used to launder money for the City.

Joyce Kelly, Compton resident, asked that the City reduce its level of spending, in relation to the number of annual community events being held in the City. Ms. Kelly cited the cities of Bellflower and Maywood as notable references. Ms. Kelly went on to mention an article in the Press Telegram concerning the State of California's seizure of \$816,422 from the Agency, further indicating that she would be investigating whether or not the money was actually sent to the State. Ms. Kelly mentioned that she was in agreement with the comments made by Ms. Boone regarding money laundering and charged this department to be a money-making mechanism for the City.

Benjamin Holifield, Compton resident, asked that the members of this Commission assess their districts to hear what the citizens have to say regarding public safety, cleanliness, employment opportunities and friendliness. Mr. Holifield also contended that the money that was used to fund the Juneteenth Celebration should have been allocated towards summer youth employment opportunities. Mr. Holifield went on to express a concern for the vacant lots at Tajauta and Compton Boulevard and Nestor and Compton Boulevard.

Lorraine Cervantes, Compton resident, stated that she has been a resident of the City of Compton for fifty years and has seen a lot of council members, however she felt this Body was doing their best to move the City forward. Ms. Cervantes commended the Agency and the Smart Growth consultants for their apparent dedication to the City, further acknowledging that the Agency is working hard to make the City of Compton a better place to live.

#1.

APPROVAL OF MINUTES

1. May 25, 2010
June 1, 2010
June 15, 2010

On motion by Dobson, seconded by Arceneaux, the minutes were approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

REPORTS OF OFFICERS AND COMMITTEES

2. ORAL PRESENTATION: Scott Broten (ICF Smart Growth)

Mr. Broten informed the citizens of Compton that the goal of the Smart Growth Implementation Plan is to revitalize the Downtown Compton area in a manner that provides jobs, increase tax revenues and subsequently rejuvenate the other areas of the City. Mr. Broten stated that several committees were created to receive input from business owners and community members, as well as addressing safety and project development and design. The following nine steps are currently being implemented to develop a *Smart Compton*:

Step 1) Consensus on Smart Growth Roadmap

Step 2) Strike Team to Expedite Plan

Step 3) Multiple departments and Council district representatives

Step 4) Downtown Streetscape Plan

(Step 5) Downtown Design Guidelines

Step 6) Work with Property Owners

Step 7) Revitalize Downtown NOW!

Step 8) Incorporate Smart Growth into all project reviews

Step 9) Apply experience City-wide

Mr. Broten encouraged the community to participate in the upcoming stakeholder meeting scheduled to be held next month to address the Streetscape design. Flyers and advertisements to participate in this event will be posted inside the Hub City Livin newsletter.

For additional information, regarding the Smart Growth Plan, please contact the Agency at (310) 605-5511 or go to the website at www.comptoncity.org/smartgrowth.

Commissioner Arceneaux questioned if a façade program would be incorporated into the Smart Growth Plan and if so, would the same funding source be utilized.

Mr. Sefa'boayke stated that the façade program would be administered by the Planning and Economic Development Department, in coordination with the Agency.

EXECUTIVE SECRETARY'S REPORT

3. REPORT ON THE NEIGHBORHOOD STABILIZATION PROGRAM (N.S.P.) (Receive/File)

On motion by Dobson, seconded by Arceneaux, the report was received and filed, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

4. REPORT ON THE INTERNATIONAL COUNCIL OF SHOPPING CENTERS (ICSC) RECON 2010 CONVENTION (Receive/File)

Kofi Sefa'Boayke, Director of the Agency, presented a brief overview of the Agency's presentation in Las Vegas, Nevada at the Annual ICSC RECON 2010 Convention.

On motion by Arceneaux, seconded by Dobson, the report was received and filed, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

5. REPORT ON ICF INTERATIONAL PRESENTATION SMART GROWTH UPDATE (Receive/File)

On motion by Arceneaux, seconded by Jones, the report was received and filed, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

#1.

GENERAL COUNSEL REPORTS

6. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Community Redevelopment Agency of the City of Compton v Javier Ortiz, et al.

Case No. BC389206, Pursuant to California Government Code Section 54956.9

On motion by Arceneaux, seconded by Jones, closed session was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

UNFINISHED BUSINESS - There was no Unfinished Business.

NEW BUSINESS - There was no New Business.

MEETING RECESSED TO CLOSED SESSION

On motion by Arceneaux, seconded by Dobson, the meeting was recessed at 8:00 p.m., by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

The meeting was reconvened at 11:16 p.m.

ROLL CALL

Commissioners Present: Calhoun, Arceneaux, Perrodin

Commissioners Absent: Dobson, Jones

RESULTS OF THE CLOSED SESSION

Craig Cornwell, City Attorney, stated that council met in closed session regarding Conference with Legal Counsel concerning Existing Litigation; Community Redevelopment Agency of the City of Compton versus Javier Ortiz, et al. Case No. BC389206. The Commission unanimously agreed to attempt a settlement of this matter within the parameters discussed pursuant to California Government Code Section 54956.9.

COMMISSION COMMENTS - There were Commission Comments.

ADJOURNMENT

On motion by Calhoun, seconded by Arceneaux, the meeting was adjourned at 11:17 p.m., by the following vote on roll call:

AYES: Commissioners - Calhoun, Arceneaux, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - Dobson, Jones

Clerk of the Urban Community Development Commission

Chairman of the Urban Community Development Commission

#1.

JULY 13, 2010

The Urban Community Development Commission meeting was opened at 3:42 p.m. in the Council Chambers of City Hall by Chairperson Pro-Tem Willie Jones.

ROLL CALL

Commissioners Present: Calhoun, Arceneaux, Jones

Commissioners Absent: Dobson, Perrodin

Other Officials Present: R. Rugley, A. Godwin, C. Evans

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

Lynn Boone, Compton resident, referenced the proposed purchase agreement between the Community Redevelopment Agency and Thomas Hwang for the acquisition of 1716 East Rosecrans Avenue. Ms. Boone stated that she could not locate this property within the bond documentation and questioned if the property would be converted into an eminent domain property.

Joyce Kelly, Compton resident, expressed a concern for the community garden at the Gateway Towne Center and a turning signal at Atlantic and Alondra Boulevard.

William Kemp, Compton resident, stated that in 2004, he suggested that the city would have to give certain businesses tax breaks to hire local residents. Mr. Kemp indicated that the idea of an Enterprise Zone in the City of Compton was his and that the Mayor spoke against it. Mr. Kemp also mentioned that he has yet to hear about a report on the bridges.

Benjamin Holifield, Compton resident, stated that the Commission needs to be diversified by adding two more seats and suggested that the second and third districts be expanded to accommodate those additional districts. Mr. Holifield stated that this needs to be done, because 80% of the community is not reflected on the dais. Mr. Holifield also made reference to the Compton Creek from Alondra and Compton Boulevard, citing it to be disastrous.

APPROVAL OF MINUTES - There were no minutes to be approved.

UNFINISHED BUSINESS - There was no Unfinished Business.

NEW BUSINESS

1. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND THOMAS HWANG, FOR THE ACQUISITION OF 1716 EAST ROSECRANS AVENUE, LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOCATION BONDS

On motion by Arceneaux, seconded by Calhoun, **Resolution # 1,806** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND THOMAS HWANG, FOR THE ACQUISITION OF 1716 EAST ROSECRANS AVENUE, LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOCATION BONDS**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Arceneaux, Jones

NOES: Commissioners - None

ABSENT: Commissioners - Dobson, Perrodin

COMMISSION COMMENTS

Commissioner Calhoun stated that she is aware of the Agency's purchase of blighted properties, however she indicated that she has not seen anything on her desk regarding a solution to those properties. Ms. Calhoun questioned if those properties could be used by the Habitat for Humanity or by allowing First Time Homebuyers to purchase them and eliminate blight simultaneously.

Kofi Sefa'boayke, Director of the Community Redevelopment Agency, stated that the Agency is currently implementing a program called the Neighborhood Stabilization Program (NSP) whose sole objective is to stabilize neighborhoods by acquiring blighted properties and selling them to First Time Homebuyers.

Commissioner Calhoun questioned if 20 million dollars had been invested into the purchase of blighted real estate properties and if so, what percentage has been rehabilitated and sold to First Time Homebuyers. Mr. Sefa'boayke stated that the Agency has not acquired 20 million dollars in residential property, however there is an inventory of vacant lots that have been purchased and are currently in negotiations with potential developers.

Commissioner Arceneaux informed the Executive Secretary that the weeds along the canal have been sprayed and have not been removed. Ms. Arceneaux asked that this issue be addressed immediately.

#1.

Charles Evans, Executive Secretary, stated that he would verify with the organization responsible and have the weeds removed as soon as possible.

Commissioner Arceneaux also questioned when the medians and parkways along the major thoroughfares would be addressed. Mr. Evans stated that a resolution would be brought back within the next two weeks to address a maintenance schedule for the medians and parkways.

ADJOURNMENT

On motion by Calhoun, seconded by Arceneaux, the meeting was adjourned at 4:16 p.m., by the following vote on roll call:

AYES: Commissioners - Calhoun, Arceneaux, Jones

NOES: Commissioners - None

ABSENT: Commissioners - Dobson, Perrodin

Clerk of the Urban Community Development Commission

Chairman of the Urban Community Development Commission

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND OSCAR M. CAMARENA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 601-605 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

SUMMARY

Staff is respectfully requesting commission to authorize the executive secretary to enter into a purchase agreement between the Community Redevelopment Agency (Agency) and Oscar M. Camarena for the property located at 601-605 West Compton Boulevard.

BACKGROUND

In accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for removal of blight and attract preferred development options to stimulate economic revitalization of the redevelopment project area.

In furtherance of this objective, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds purposely to acquire and develop identified properties with the potential to attract private sector investments and thereby strengthen the City's tax base. What's more, the above referenced property is part of the projects that were identified in the Mitigated Negative Declaration CRA-001 (Compton Boulevard Revitalization) approved by the City Council and Commission March 2010.

FISCAL IMPACT

The proposed purchase price for this property is \$700,000 dollars, including escrow fees. The Agency has funds available from its 2010 Tax Allocation Bond in account number # 3050-80-014-4266.

RECOMMENDATION

Staff respectfully requests that the Commission adopt this resolution authoring the Executive Secretary to enter into a purchase agreement with Oscar M. Camarena for the property located at 601-605 West Compton Boulevard.

DR. KOFI SEFA-BOAKYE

#2.

DIRECTOR OF REDEVELOPMENT

**CHARLES EVANS
EXECUTIVE SECRETARY**

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND OSCAR M. CAMARENA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 601-605 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds to assist with the redevelopment and economic growth and stimulus of the City; and

WHEREAS, the above referenced property is identified (Compton Boulevard Revitalization project) in the Mitigated Negative Declaration CRA-001 approved by the City Council and Commission in March 2010; and

WHEREAS, in accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for development in furtherance of economic revitalization of the redevelopment project area.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Urban Development Commission hereby authorizes the Executive Secretary, upon the advice and consent of Commission General Counsel, to enter into an Agreement between the Community Redevelopment Agency and OSCAR M. CAMARENA for the purchase of certain property located at 601-605 West Compton Boulevard, Compton, California, in an amount not to exceed \$700,000.00.

SECTION 2. That the Commission hereby finds that the purchase of 601-605 West Compton Boulevard is consistent with the approved 2010 Tax Allocation Bonds and will assist in the revitalization and elimination of blight and is consistent with the Agency's Five-Year Implementation Plan.

SECTION 3. That funds are available in the 2010 Tax Allocation Bond proceeds in Account No. 3050-80-014-4266 in the amount not to exceed \$700,000.00 (inclusive of escrow fees).

SECTION 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
 DEVELOPMENT COMMISSION**

RESOLUTION NO. _____
PAGE TWO

ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS-
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-
ABSTAIN: COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND OSCAR M. CAMARENA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 601-605 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

Kofi Sefa-Boakye
DEPARTMENT MANAGER’S SIGNATURE

7/7/2010 4:47:20 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

7/22/2010 2:31:00 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 2:49:07 PM
DATE

Charles Evans
CITY MANAGER

7/22/2010 1:02:52 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ALFONSO MONRAZ TRUST, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 607 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

SUMMARY

Staff is respectfully requesting Commission to authorize the Executive Secretary to enter into a purchase agreement between the Community Redevelopment Agency (Agency) and Alfonso Monraz Trust for the property located at 607 West Compton Boulevard.

BACKGROUND

In accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for removal of blight and attract preferred development options to stimulate economic revitalization of the redevelopment project area.

In furtherance of this objective, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds purposely to acquire and develop identified properties with the potential to attract private sector investments and thereby strengthen the City's tax base. What's more, the above referenced property is part of the projects that were identified in the Mitigated Negative Declaration CRA-001 (Compton Boulevard Revitalization) approved by the City Council and Commission in March 2010.

FISCAL IMPACT

The proposed purchase price for this property is \$400,000 dollars, including escrow fees. The Agency has funds available from its 2010 Tax Allocation Bond in account number # 3050-80-014-4266.

RECOMMENDATION

Staff respectfully requests that the Commission adopt this resolution authoring the Executive Secretary to enter into a purchase agreement with Alfonso Monraz Trust for the property located at 607 West Compton Boulevard.

DR. KOFI SEFA-BOAKYE

#3.

DIRECTOR OF REDEVELOPMENT

**CHARLES EVANS
EXECUTIVE SECRETARY**

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ALFONSO MONRAZ TRUST, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 607 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds to assist with the redevelopment and economic growth and stimulus of the City; and

WHEREAS, the above referenced property is identified (Compton Boulevard Revitalization project) in the Mitigated Negative Declaration CRA-001 approved by the City Council and Commission in March 2010; and

WHEREAS, in accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for development in furtherance of economic revitalization of the redevelopment project area.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Urban Development Commission hereby authorizes the Executive Secretary, upon the advice and consent of the Commission General Counsel, to enter into a Purchase Agreement between the Community Redevelopment Agency and Alfonso Monraz Trust for the purchase of certain property located at 607 West Compton Boulevard, Compton, California, in an amount not to exceed \$400,000.00

SECTION 2. That the Commission hereby finds that the purchase of 607 West Compton Boulevard is consistent with the approved 2010 Tax Allocation Bonds and will assist in the revitalization and elimination of blight and is consistent with the Agency's Five-Year Implementation Plan.

SECTION 3. That funds are available in the 2010 Tax Allocation Bond proceeds in Account No. 3050-80-014-4266 in the amount not to exceed \$400,000.00 (inclusive of escrow fees).

SECTION 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
 DEVELOPMENT COMMISSION**

RESOLUTION NO. _____
PAGE TWO

ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

AYES:	COMMISSIONERS-
NOES:	COMMISSIONERS-
ABSENT:	COMMISSIONERS-
ABSTAIN:	COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND ALFONSO MONRAZ TRUST, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 607 WEST COMPTON BOULEVARD IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

Michael Antwine
DEPARTMENT MANAGER’S SIGNATURE

7/21/2010 5:06:36 PM
DATE

REVIEW / APPROVAL

Ruth Rugley>
CITY ATTORNEY

7/22/2010 2:18:22 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 2:47:33 PM
DATE

Charles Evans
CITY MANAGER

7/22/2010 1:01:48 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND UNITED GROCERS, INC, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 1051 WEST ROSECRANS AVENUE IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

SUMMARY

Staff is respectfully requesting commission to authorize the executive secretary to enter into a purchase agreement between the Community Redevelopment Agency (Agency) and United Grocers, Inc. for the property located at 1051 West Rosecrans Avenue.

BACKGROUND

In accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for removal of blight and attract preferred development options to stimulate economic revitalization of the redevelopment project area.

In furtherance of this objective, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds purposely to acquire and develop identified properties with the potential to attract private sector investments and thereby strengthen the City's tax base. What's more, the above referenced property is part of the projects that were identified in the Mitigated Negative Declaration CRA-001 approved by the City Council and Commission in March 2010.

FISCAL IMPACT

The proposed purchase price for this property is \$2,800,000 dollars, including escrow fees. The Agency has funds available from its 2010 Tax Allocation Bond in account number #3050-80-021-4266 (\$2,000,000.00) and account number #1200-80-0000-4770 (\$800,000.00).

RECOMMENDATION

Staff respectfully requests that the Commission adopt this resolution authoring the Executive Secretary to enter into a purchase agreement with United Grocers, Inc. for the property located at 1051 West Rosecrans Avenue.

DR. KOFI SEFA-BOAKYE

#4.

DIRECTOR OF REDEVELOPMENT

**CHARLES EVANS
EXECUTIVE SECRETARY**

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND UNITED GROCERS, INC, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 1051 WEST ROSECRANS AVENUE IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

WHEREAS, the Community Redevelopment Agency of the City of Compton (the “Agency”) is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds to assist with the redevelopment and economic growth and stimulus of the City; and

WHEREAS, the above referenced property is identified in the Mitigated Negative Declaration CRA-001 approved by the City Council and Commission in March 2010; and

WHEREAS, in accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for development in furtherance of economic revitalization of the redevelopment project area.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Urban Development Commission hereby authorizes the Executive Secretary to enter into a purchase Agreement between the Community Redevelopment Agency and UNITED GROCERS, INC. for the purchase of certain property located at 1051 West Rosecrans Avenue, Compton, Ca.

SECTION 2. That the Commission hereby finds that the purchase of 1051 West Rosecrans Avenue is consistent with the approved 2010 Tax Allocation Bonds and will assist in the revitalization and elimination of blight and is consistent with the Agency’s Five-Year Implementation Plan.

#4.

RESOLUTION NO. _____
PAGE TWO

SECTION 3. That funds are available in the 2010 Tax Allocation Bond proceeds in Account No. 3050-80-021-4266 in the amount not to exceed \$2,000,000.00 and Account No. 1200-80-0000-4770 in the amount of \$800,000.00 for a total purchase price not to exceed \$2,800,000.00 (inclusive of escrow fees).

SECTION 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

ATTEST:

**CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

**STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON**

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

**AYES: COMMISSIONERS-
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-
ABSTAIN: COMMISSIONERS-**

**CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND UNITED GROCERS, INC, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 1051 WEST ROSECRANS AVENUE IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

Michael Antwine
DEPARTMENT MANAGER’S SIGNATURE

7/22/2010 10:06:32 AM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

7/22/2010 2:59:05 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 2:52:06 PM
DATE

Charles Evans
CITY MANAGER

7/22/2010 1:04:24 PM
DATE

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Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND MI CASA HOLDINGS LTD, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 1501 SOUTH ALAMEDA STREET IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

SUMMARY

Staff is respectfully requesting commission to authorize the executive secretary to enter into a purchase agreement between the Community Redevelopment Agency (Agency) and Mi Casa Holdings Ltd, for the property located at 1501 South Alameda Street.

BACKGROUND

In accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for removal of blight and attract preferred development options to stimulate economic revitalization of the redevelopment project area.

In furtherance of this objective, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds purposely to acquire and develop identified properties with the potential to attract private sector investments and thereby strengthen the City's tax base. What's more, the above referenced property is part of the projects that were identified in the Mitigated Negative Declaration CRA-001 (Alameda Corridor Revitalization Project) approved by the City Council and Commission in March 2010.

FISCAL IMPACT

The proposed purchase price for this property is \$650,000 dollars, including escrow fees. The Agency has funds available from its 2010 Tax Allocation Bond in account number #3050-80-019-4266 (\$650,000.00).

RECOMMENDATION

Staff respectfully requests that the Commission adopt this resolution authoring the Executive Secretary to enter into a purchase agreement with Mia Casa Holdings Ltd. for the property located at 1501 South Alameda Street.

DR. KOFI SEFA-BOAKYE

#5.

DIRECTOR OF REDEVELOPMENT

**CHARLES EVANS
EXECUTIVE SECRETARY**

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND MI CASA HOLDINGS LTD, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 1501 SOUTH ALAMEDA STREET IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds to assist with the redevelopment and economic growth and stimulus of the City; and

WHEREAS, the above referenced property is identified in the Mitigated Negative Declaration CRA-001(Alameda Corridor Revitalization Project) approved by the City Council and Commission in March 2010; and

WHEREAS, in accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for development in furtherance of economic revitalization of the redevelopment project area.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Urban Development Commission hereby authorizes the Executive Secretary, upon the advice and consent of Commission General Counsel, to enter into a purchase Agreement between the Community Redevelopment Agency and MI CASA HOLDINGS, LTD. for the purchase of certain property located at 1501 South Alameda Street, Compton, California, in an amount not to exceed \$650,000.00.

SECTION 2. That the Commission hereby finds that the purchase of 1501 South Alameda Street is consistent with the approved 2010 Tax Allocation Bonds and will assist in the revitalization and elimination of blight and is consistent with the Agency's Five-Year Implementation Plan.

SECTION 3. That funds are available in the 2010 Tax Allocation Bond proceeds in Account No. 3050-80-019-4266 in the amount not to exceed \$650,000.00 for a total purchase price not to exceed (inclusive of escrow fees).

SECTION 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
 DEVELOPMENT COMMISSION**

RESOLUTION NO. _____
PAGE TWO

ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS-
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-
ABSTAIN: COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND MI CASA HOLDINGS LTD, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCAED AT 1501 SOUTH ALAMENDA STREET IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

Kofi Sefa-Boakye
DEPARTMENT MANAGER’S SIGNATURE

7/13/2010 10:21:15 AM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

7/22/2010 2:59:26 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 2:53:39 PM
DATE

Charles Evans
CITY MANAGER

7/21/2010 12:06:50 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND SAMUEL QUEZADA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 413 - 415 NORTH ALAMEDA STREET, IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

SUMMARY

Staff is respectfully requesting commission to authorize the executive secretary to enter into a purchase agreement between the Community Redevelopment Agency (Agency) and Samuel Quezada for the property located at 413-415 North Alameda Street.

BACKGROUND

In accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for removal of blight and attract preferred development options to stimulate economic revitalization of the redevelopment project area.

In furtherance of this objective, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds purposely to acquire and develop identified properties with the potential to attract private sector investments and thereby strengthen the City's tax base. What's more, the above referenced property is part of the projects that were indentified in the Mitigated Negative Declaration CRA-001 (Alameda Corridor Revitalization Project) approved by the City Council and Commission in March 2010.

FISCAL IMPACT

The proposed purchase price for this property is \$550,000 (Five Hundred and Fifty Thousand Dollars), including escrow fees, equipment, etc. The Agency has funds available from its 2010 Tax Allocation Bond in account number #3050-80-019-4266.

RECOMMENDATION

Staff respectfully requests that the Commission adopt this resolution authoring the Executive Secretary to enter into a purchase agreement with Samuel Quezada for the property located at 413-415 North Alameda Street.

#6.

DR. KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND SAMUEL QUEZADA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 413-415 NORTH ALAMEDA STREET IN THE COMPTON REDEVELOPMENT PROJECT AREA, AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

WHEREAS, the Community Redevelopment Agency of the City of Compton (the “Agency”) is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the City Council and Commission on May 18, 2010 approved the issuance of Tax Allocation Bonds to assist with the redevelopment and economic growth and stimulus of the City; and

WHEREAS, the above referenced property is indentified in the Mitigated Negative Declaration CRA-001 (Alameda Corridor Revitalization Project) approved by the City Council and Commission in March 2010; and

WHEREAS, in accordance with the Community Redevelopment Law, Health and Safety Code Section 33433, Agency tax increment or other Agency revenue funds shall be utilized for acquisition of parcels for development in furtherance of economic revitalization of the redevelopment project area.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Urban Development Commission hereby authorizes the Executive Secretary, upon the advice and consent of Commission General Counsel, to enter into a purchase Agreement between the Community Redevelopment Agency and Samuel Quezada for the purchase of certain property located at 413-415 North Alameda Avenue, Compton, California, in an amount not to exceed \$550,000.00.

SECTION 2. That the Commission hereby finds that the purchase of 413-415 North Alameda Street is consistent with the approved 2010 Tax Allocation Bonds and will assist in the revitalization and elimination of blight and is consistent with the Agency’s Five-Year Implementation Plan.

SECTION 3. That funds are available in the 2010 Tax Allocation Bond proceeds in Account No. 3050-80-019-4266 in the amount not to exceed \$550,000.00 (inclusive of escrow fees, equipment, etc.).

SECTION 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

RESOLUTION NO. _____
PAGE TWO

ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS-
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-
ABSTAIN: COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PURCHASE AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND SAMUEL QUEZADA, FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 413 - 415 NORTH ALAMEDA STREET, IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE REDEVELOPMENT 2010 TAX ALLOCATION BONDS

Michael Antwine
DEPARTMENT MANAGER’S SIGNATURE

7/13/2010 4:16:48 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

7/22/2010 2:59:46 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 2:54:59 PM
DATE

Charles Evans
CITY MANAGER

7/21/2010 12:04:52 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
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Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PROJECT LABOR AGREEMENT WITH THE LOS ANGELES/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADE COUNCIL

SUMMARY

The Commission has asked the Executive Secretary to implement measures that would increase employment of City residents and increase City sales tax revenues. The City and the Community Redevelopment Agency has issued millions of dollars in capital improvement bonds providing a means of directly benefiting City residents through the implementation of Project Labor Agreements (PLAs) which require the hiring of local labor and provision of apprenticeship programs.

BACKGROUND

In March 2008, the Board of Directors of the Compton Public Finance Authority authorized the refinancing of all of the City's outstanding 1997 Refunding Certificates of Participation and the financing of additional capital projects. In November 2009, the City Council authorized the issuance of the City of Compton Water Revenue Bonds Series 2008 and Sewer Revenue Bonds Series 2008. In June 2010, the City Council and the Compton Community Redevelopment Agency issued bonds for housing and development projects.

The cumulative funding available to fund capital programs totals over \$180 million which will be spent over the next five years for various capital projects. This amount also excludes specific grant funding for capital improvements, such as street improvements and additional park improvements.

The national economy has exhibited continued problems with sustained growth and has heavily impacted business and employment. The recent unemployment data indicates that the local unemployment in the City of Compton is significantly higher than both the state and national averages at 21 percent. The higher unemployment rate has negatively impacted local spending, thereby reducing sales tax revenues, jeopardizing home owners who can no longer make mortgage payments, reducing property tax revenues and increasing the volume of local bank foreclosures.

#7.

A review of methodologies which would allow the City to better control capital project expenditures and more efficiently redistribute local tax and bond revenues to city residents who have paid for these improvements indicates that great potential for providing that city residents will be guaranteed more employment in local projects can be found in Project Labor Agreements (PLAs).

A Project Labor Agreement (PLA) is a labor contract between a construction owner, contractor, and the building trade's labor unions, which sets wages and work rules on specific projects. PLAs can include a no-strike/no-lockout clause, standardized work rules, a uniform dispute resolution mechanism, a training and apprenticeship program, and requirements to hire labor through local union hiring halls.

The implementation of PLAs requiring apprenticeship programs will reduce the number of contractors who have no commitments to the community, taking profits from the community without re-investment of locally collected revenues into the community. For many years apprenticeship programs have provided a mechanism to local youth to become journey level professionals in the construction industry. PLAs provide a mechanism to assure that workers on the construction site are from the community, thereby re-investing public works improvement dollars to be spent in the community. This re-investment of funds provides a “stimulus” of funds directly spent in local businesses, keeping these funds in the community.

By authorizing the City Manager to negotiate Project Labor Agreements for city capital projects, local residents can expect to have 30% to 50% participation in local project labor, depending on specialty and local availability. Further, the inclusion of local youth in the apprenticeship training also provides opportunities for employment in projects outside the community as well.

Project Labor Agreements currently exist in several southern California jurisdictions including the City of Los Angeles, the Metropolitan Water District, Orange County, San Diego Water Authority and the Los Angeles Unified School District, among others.

In conclusion, Project Labor Agreements offer a unique opportunity for the city to focus and re-invest its resources in the community.

FINANCIAL IMPACT

There is no financial impact. Apprenticeship programs will be paid for by the unions.

RECOMMENDATION

Staff recommends adoption of the attached Resolution.

KOFI SEFA-BOAKYE

**DIRECTOR COMMUNITY REDEVELOPMENT
AGENCY**

CHARLES EVANS

EXECUTIVE SECRETARY

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PROJECT LABOR AGREEMENT WITH THE LOS ANGELES/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADE COUNCIL

WHEREAS, the City Council has directed actions necessary to reduce City of Compton’s unemployment rate, which is twenty-one (21) percent; and

WHEREAS, a Project Labor Agreement (PLA) is a labor contract between a construction owner, contractor, and the building trade's labor unions, which sets wages and work rules on specific projects; and

WHEREAS, the PLA also promotes employment opportunities for local residents and will provide apprenticeship training and hire labor through local union hiring halls; and

WHEREAS, Project Labor Agreements similarly allow for the full utilization of state apprenticeship labor requirements and will provide enhanced career advancement opportunities by creating new entry level jobs in apprenticeship; and

WHEREAS, Project Labor Agreements have been shown to benefit local business communities because purchases of materials, equipment, and the hiring of local citizens and contractors are all more prevalent when PLAs are utilized; and

WHEREAS, the City of Compton and its Community Redevelopment Agency has raised millions of dollars in bond revenues for the construction of capital projects in the City and seeks to re-circulate these dollars through increased local sales taxes generated from increased employment of its residents; and

WHEREAS, construction projects that are funded and built by the Community Redevelopment Agency of the City of Compton should include provisions that provide employment opportunities for its residents which includes the active involvement of our labor community.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That all of the recitals set forth above are true and correct, and that this Commission hereby so finds and determines.

SECTION 2. That when using local funds, the Community Redevelopment Agency of the City of Compton should require, when possible, Project Labor Agreements that provide emphasis on greater employment participation and stable middle class career opportunities for its residents.

SECTION 3. That certified copies of this Resolution shall be sent to and copies filed with the Offices of the Commission Clerk, Executive Secretary, Commission General Counsel and Community Redevelopment Agency.

///

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RESOLUTION NO. _____
PAGE TWO

SECTION 4. That the Chairman shall sign and the Commission Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

ATTEST:

**CLERK TO THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk to the Urban Community Development Commission, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairperson and attested by the Commission Clerk at a regular meeting thereof held on the _____ day of _____, 2010.

That said resolution was adopted by the following vote, to wit:

AYES: **COMMISSIONERS-**
NOES: **COMMISSIONERS-**
ABSENT: **COMMISSIONERS-**
ABSTAIN: **COMMISSIONERS-**

**CLERK TO THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Management

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO A PROJECT LABOR AGREEMENT WITH THE LOS ANGELES/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADE COUNCIL

Michael Antwine
DEPARTMENT MANAGER’S SIGNATURE

7/22/2010 10:06:32 AM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

7/22/2010 2:59:05 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 2:52:06 PM
DATE

Charles Evans
CITY MANAGER

7/22/2010 1:04:24 PM
DATE

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Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH SWN SOILTECH CONSULTANTS, INC. FOR SPECIAL INSPECTIONS (SOIL ENGINEER) AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOICATION BONDS

SUMMARY

Agency staff is requesting the Commission to authorize the Executive Secretary to enter into agreement with SWN Soiltech Consultants, Inc. for Special Inspections (soil engineer) at the Martin Luther King Jr. Transit Center (MLK) project.

STATEMENT OF THE ISSUE

In compliance with State and City Building and Construction codes, the Agency is required to have special Soil Inspector (soil engineer) to review and approve relative compaction, strength and type of soil on the site, in conjunction with the type of structures (Building, Parking, Canopy Columns, Plaza Area and footings, etc.) that the soil will need to support, sustain and provide safety for the life of the buildings and structures at the site. In order to complete the MLK Project in accordance with schedule and budget, a Soil Inspection Company certified to perform the necessary inspections for the work performed on the site is a critical element of the construction process.

SWN Soiltech Consultants, Inc. has submitted a proposal to perform the scope of work previous identified.

In order to accomplish this objective, the Agency recommends the selection of SWN Soiltech Consultants, Inc. to serve as the Soil Inspection company for the MLK project.

FISCAL IMPACT

Agency staff is recommending that the agreement provide for services in the amount not to exceed \$60,000. The reason being that, there are several known soil compaction and remediation issues at the site; additional soil testing will be needed based on the project schedule and the

#8.

estimated time allocation provided by the Soil Engineer may vary due to the methodology of the general contractor.

The cost for this service will not exceed \$60,000 and the Agency has funds available from its 2010 Tax Allocation Bond account # 3050-80-001-4266.

RECOMMENDATION

Agency staff respectfully recommends that the Commission authorize the Executive Secretary to enter into an agreement with SWN Soiltech Consultants, Inc. for Special Inspections (soil engineer) at the Martin Luther King Jr. Transit Center Project.

DR. KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH SWN SOILTECH CONSULTANTS, INC. FOR SPECIAL INSPECTIONS (SOIL ENGINEER) AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOICATION BONDS

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council and Commission on November 16, 2004; and

WHEREAS, in compliance with State and City Building and Construction codes, the Agency is required to have special Soil Inspector (soil engineer) to review and approve relative compaction, strength and type of soil on the site, in conjunction with the type of structures (Building, Parking, Canopy Columns, Plaza Area and footings, etc.) that the soil will need to support, sustain and provide safety for the life of the buildings and structures at the site; and

WHEREAS, in order to complete the MLK Project in accordance with schedule and budget, a Soil Inspection Company certified to perform the necessary inspections for the work performed on the site is a critical element of the construction process; and

WHEREAS, SWN Soiltech Consultants, Inc. has submitted a proposal to perform the scope of work previous identified; and

WHEREAS, in order to accomplish this objective, the Agency recommends the selection of SWN Soiltech Consultants, Inc. to serve as the Soil Inspection company for the MLK project.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY COUNCIL OF THE CITY OF COMPTON HEREBY RESOLVE AS FOLLOWS:

Section 1. That SWN Soiltech Consultants, Inc. will provide special soil inspection services for the Martin Luther King Jr. Transit Center project.

Section 2. That the Executive Secretary is hereby authorized to enter into an agreement with SWN Soiltech Consultants, Inc. to provide special soil inspection services for the MLK project in an amount not-to-exceed \$60,000.00.

Section 3. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 4. That the Agency has funds in the amount of \$60,000.00 available in account #3050-80-001-4266.

Section 5. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

RESOLUTION NO. _____
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ADOPTED this _____ day of _____ 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

ATTEST:

**CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

**STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON**

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

**AYES: COMMISSIONERS -
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-
ABSTAIN: COMMISSIONERS-**

**CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

SWN SOILTECH CONSULTANTS, INC.

Geotechnical Engineering
3140 West Main Street, Alhambra, California 91801
Tel. (626) 282-6838 Fax. (626) 270-4142
Email: swnsoiltech@gmail.com

Proposal Ref. 4742-10

June 16, 2010

Dr. Kofi Sefa-Boakye, Director
City of Compton
Community Redevelopment Agency
205 South Willowbrook Avenue
Compton, California 90220

Subject: Proposal - Soils Engineering Service
Proposed Compton MLK Transit Center
300-310 North Willowbrook Avenue
Compton, California

Dear Dr. Sefa-Boakye:

At your request, we are pleased to submit this proposal for conducting on-going soils engineering observations for the proposed construction at the subject site.

Proposed Construction

We understand that the proposed construction will consist of the following:

- Construction of the proposed MLK Transit Center Building;
- Foundation excavations for pad footings and grade beams for the proposed Willowbrook Avenue Canopies;
- Removal and recompaction of soils around the areas of the proposed Palmer Street Canopies;
- Roadwork along Palmer Street between Tamarind Avenue and Willowbrook Avenue;
- Roadwork along Tamarind Avenue between Carson Place and the existing Bus Terminals;
- Roadwork along Willowbrook Avenue extending south to Compton Boulevard; and
- Grading in conjunction with the proposed construction.

Scope of Work

Our work will include the following:

- Observation of all foundation excavations;
- Observation of all excavations for preparation of building pads, curb and gutter, sidewalk and street areas, and utility trenches;
- Observation of placement of any fill soils;
- Observation of placement and preparation of any base, sand, and subgrade soils for the proposed construction;
- Laboratory testing to determine pertinent soils engineering properties of the on-site and fill soils;
- Soils engineering analysis; and
- Preparation of reports that summarize the field and laboratory test results, and provide soils engineering recommendations pertinent to the design and construction of the project.

The scope of work is considered necessary to determine the feasibility of the proposed project and to present soils engineering recommendations. Final approval of plans and reports by all consultants, and issuance of any building and grading permits, rests with the controlling agencies. As the circumstances that determine the decision process are clearly beyond control of this facility, we cannot assume any responsibility for the success of obtaining proper authorizations, nor for the costs involved. Requests by the agencies or other consultants that are not anticipated at the time of our investigation will be considered beyond the scope of our work as outlined herein and fees will be accrued accordingly for the additional work.

It is your responsibility to distribute our reports to controlling agencies, other consultants and contractors. If our assistance is requested, any time spent on your behalf will be considered as additional services.

Fees

The total fees for our soils engineering services, including the unpaid fees up to date, for the **Proposed Construction** are **\$45,000**.

The fees for our soils engineering services, including responses to agency review requests, consultation, and plan review are accrued on the basis of our current fee schedule.

- The charge for each plan review and approval is an additional **\$135**.
- Inspection of excavations, preparation of the inspection report, and consultation to resolve any problem that may arise during construction, including meetings at the request of you or the contractor, are charged at the engineer rate.
- Inspection of grading operation and laboratory testing are charged at the technician rate.
- Drafting, typing and report reproduction are charged at the clerical rate.

Fee Schedule for Additional Hours

Any additional fees are due and payable upon presentation of our invoice. Our services will be charged at the following rate for hours worked past our estimated fee:

Engineer/Geologist	\$135/hour
Technician	\$ 85/hour
Drafting/Clerical/Field Support	\$ 50/hour

In the event unforeseen conditions are encountered that materially alter the scope of our work, you will be advised and an additional proposal will be prepared for your review.

- An overtime charge of 25 percent of the above hourly rates will be added for time in excess of 8 hours per day and for all time on Saturdays, Sundays and holidays.
- Technician field service time includes travel time portal-to-portal from our office. A **minimum charge of \$170 (2 hours)** will be made per each field service visit.
- Engineering field service time includes travel time portal-to-portal from our office. A **minimum charge of \$270 (2 hours)** will be made per each field service visit.

Invoices will be issued weekly and are payable upon receipt. A finance charge equivalent to the maximum rate allowed by law may be levied on any amount not paid within 30 days.

TERMS AND CONDITIONS

SWN Soiltech Consultants, Inc. (SWN) will perform services for City of Compton (Client) in accordance with provisions of the following terms and conditions, which shall be considered as part of this agreement.

Access to Site

Unless otherwise stated, SWN Soiltech Consultants, Inc. (SWN) will have access to the site for activities necessary for the performance of the services. SWN will take precautions to minimize damage due to these activities, but have not included in the fees the cost of restoration of any resulting damage.

Total Fees

The total fees, if stated, shall be understood to be an estimate, and shall not be exceeded by more than ten percent without written approval of the client.

Dispute Resolution

All claims and disputes made during the design, construction or post-construction between the Client and SWN shall be submitted to non-binding mediation. Client and SWN agree to include a similar agreement with all contractors, subcontractors, subconsultants, suppliers and fabricators, establishing mediation as the primary method for dispute resolution among all parties.

Billings/Payments

Invoices for SWN's services shall be submitted, at SWN's option, either upon completion of such services or on a weekly basis. Invoices shall be payable upon receipt. If the invoice is not paid within 30 days, SWN may, without waiving any claim or right against the Client, and without liability whatsoever to the Client, terminate the performance of the service. Retainers shall be credited on the final invoice.

Late Payments

Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.

Indemnification

The Client shall, to the fullest extent permitted by law, indemnify and hold harmless SWN, his or her officers, directors, employees, agents and subconsultants from and against all damage, liability and cost, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the performance by any of the parties above named of the services under this agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of SWN.

Certifications, Guarantees, and Warranties

SWN shall not be required to execute any document that would result in their certifying, guaranteeing or warranting the existence of conditions whose existence SWN cannot ascertain.

Limitation of Liability

In recognition of the relative risks, rewards and benefits of the project to both the Client and SWN, the risks have been allocated such that the Client agrees that, to the fullest extent permitted by law, SWN's total liability to the Client for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this agreement from any cause or causes, shall not exceed the sum of \$5,000 or SWN Soiltech Consultants' fees, whichever is greater. Such causes include, but are not limited to, SWN's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.

Termination of Services

This agreement may be terminated by the Client or SWN should the other party fail to perform its obligations hereunder. In the event of termination, the Client shall pay SWN for all services rendered to the date of termination, all reimbursable expenses, and reimbursable termination expenses.

Ownership of Documents

All documents produced by SWN under this agreement shall remain the property of SWN and may not be used by the Client for any other endeavor without the written consent of SWN.

Approval of Proposal

If this proposal meets with your approval, please sign a copy of this proposal where indicated and return the signed copy to us.

Thank you for this opportunity to be of professional service. If you have any questions regarding this proposal, please do not hesitate to call.

Very truly yours,
SWN Soiltech Consultants, Inc.



Stephen W. Ng
President

Accepted by: _____
(Signature) (Print Name)

of: _____

Date: _____

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH SWN SOILTECH CONSULTANTS, INC. FOR SPECIAL INSPECTIONS AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY’S 2010 TAX ALLOICATION BONDS

Kofi Sefa-Boakye
DEPARTMENT MANAGER’S SIGNATURE

7/20/2010 9:57:25 AM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

7/22/2010 5:39:49 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 5:48:35 PM
DATE

Charles Evans
CITY MANAGER

7/22/2010 5:31:53 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH TWINING, INC. FOR SPECIAL INSPECTIONS (TESTING ENGINEER) AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOCATION BONDS

SUMMARY

Agency staff is requesting the Commission to authorize the Executive Secretary to enter into agreement with Twining, Inc. for Special Inspections at the Martin Luther King Jr. Transit Center (MLK) project.

STATEMENT OF THE ISSUE

In compliance with State and City Building and Construction codes, the Agency is required to have special Deputy Inspector (testing engineer) to review and approve quality and fabrication of various types of material and products (Concrete, Steel, Welding, Cylinders, etc.) during a construction project. In order to complete the MLK Project in accordance with schedule and budget, an Inspection Company certified to perform the necessary inspections for the work performed on the site is a critical element of the construction process.

Twining, Inc has submitted a proposal to perform the scope of work previous identified and presented the most cost efficient and effective proposal to perform the work.

In order to accomplish this objective, the Agency recommends the selection of Twining, Inc. to serve as the Special Inspection Company for the MLK project.

Twining, Inc.	\$120,000.00
Group Delta Consultants, Inc.	\$129,000.00

FISCAL IMPACT

The cost for this service will not exceed \$120,000 and the Agency has funds available from its 2010 Tax Allocation Bond account # 3050-80-001-4266.

#9.

RECOMMENDATION

Agency staff respectfully recommends that the Commission authorize the Executive Secretary to enter into an agreement with Twining, Inc. for Special Inspections (testing engineer) at the Martin Luther King Jr. Transit Center Project.

DR. KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH TWINING, INC. FOR SPECIAL INSPECTIONS (TESTING ENGINEER) AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY'S 2010 TAX ALLOICATION BONDS

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council and Commission on November 16, 2004; and

WHEREAS, in compliance with State and City Building and Construction codes, the Agency is required to have special Deputy Inspector (testing engineer) to review and approve quality and fabrication of various types of material and products (Concrete, Steel, Welding, Cylinders, etc.) during a construction project; and

WHEREAS, Twining, Inc has submitted a proposal to perform the scope of work previous identified and presented the most cost efficient and effective proposal to perform the work; and

WHEREAS, in order to accomplish this objective, the Agency recommends the selection of Twining, Inc. to serve as the Special Inspection Company (testing engineer) for the MLK project.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY COUNCIL OF THE CITY OF COMPTON HEREBY RESOLVE AS FOLLOWS:

Section 1. That Group Twining, Inc. shall serve as special Deputy Inspector (testing engineer) for the Martin Luther King Jr. Transit Center project.

Section 2. That the Executive Secretary is hereby authorized to enter into an agreement with Twining, Inc., to perform the services of special Deputy Inspector for the MLK project and issue purchase orders in an amount not-to-exceed \$120,000.00.

Section 3. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 4. That the Agency has funds in the amount of \$120,000.00 available in account #3050-80-001-4266.

Section 5. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
 DEVELOPMENT COMMISSION**

RESOLUTION NO. _____

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ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS-
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-
ABSTAIN: COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

July 21, 2010
Proposal No.: 10-1880

Mr. Kofi Sefa-Boakye
Director, Community
Development Agency
City of Compton

Reference: Martin Luther King Transit Center
Subject: Proposal to Provide Materials Testing and Inspection Services

Dear Mr. Abinader:

Twining, Inc. appreciates the opportunity to submit this proposal to perform materials testing and inspection services required for the project referenced above.

We are confident that you will find Twining the best suited and most qualified firm to meet the demands of the project. Our knowledgeable and experienced engineering staff, along with our sophisticated materials testing laboratories and associated personnel, allows us to provide a level of service that is unsurpassed in Southern California.

This project will be billed on a time and materials basis in accordance to the attached schedule of fees. If you have any questions, require any additional information, or wish to discuss our proposal in further detail, please contact me at (562) 426-3355.

Should you wish to secure our services are in agreement with this proposal and wish to utilize our services, please sign the attached Service Agreement and a completed Job Set Up and Report Distribution Form. The Job Set Up and Report Distribution Form is necessary in order for us to issue project related reports in an accurate and timely manner. A facsimile copy is sufficient.

Sincerely,

TWINING, INC.



Steve Schiffer
Vice President

Enclosures: Estimated Budget
Schedule of Fees
Agreement for Professional Services
Job Set-up and Report Distribution Sheet



OFFICE
562.426.3355

FAX
562.426.6424

WEB
twininginc.com



Schedule of Fees 2010 - 2011

NOTE: Rates will be adjusted annually each July 1st to reflect increased costs.

Martin Luther King Transit Center

Personnel Rates

(Per Hour Unless Otherwise Noted)

Engineering and Consulting

10001	Principal Engineer/Geologist.....	\$	160.00
10017	Metallurgical Engineer.....	\$	155.00
70000	Registered Geotechnical Engineer.....	\$	155.00
10011	Technical Advisor, Material Scientist or Welding/NDT Consultant	\$	170.00
70003	Registered Geologist/Certified Engineering Geologist.....	\$	140.00
10003	Senior Engineer/Geologist.....	\$	140.00
10009	Registered Civil Engineer.....	\$	135.00
60003	Roofing/Waterproofing Consultant.....	\$	130.00
10013	Project Engineer/Manager.....	\$	125.00
30000	Quality Control Manager.....	\$	110.00
10005	Senior Staff Engineer/Geologist.....	\$	105.00
10007	Staff Engineer/Geologist.....	\$	100.00
10015	Quality Control Administrator.....	\$	90.00
10019	Metallurgical Technician.....	\$	80.00
90001	CADD Operator/Draftsperson.....	\$	70.00
20000	Laboratory Manager.....	\$	95.00
98000	Laboratory Technician.....	\$	70.00
90005	Expert Witness Testimony.....	\$	390.00

Field Inspection

10101-10207	Reinforced Concrete, Masonry, Drilled-in-Anchors, Prestressed Concrete, Fireproofing, or Structural Steel Welding/Bolting Inspector.....	\$	76.00
10501	Lead Inspector.....	\$	79.00
70109	L.A. Deputy Grading Inspector.....	\$	81.00
75001	Senior Asphalt Construction and Placement Inspector.....	\$	94.00
75005	Asphalt Placement Technician.....	\$	91.00
75003	Asphalt Plant Inspector.....	\$	93.00
75006	Asphalt Plant Technician.....	\$	91.00
70103	Senior Soils Technician or Pile Driving Inspector.....	\$	78.00
70101	Soils Technician.....	\$	78.00
10203	AWS Certified Welding Inspector.....	\$	76.00
10107	Concrete Quality Control (ACI/Caltrans Technician).....	\$	76.00
10505	DSA Class 1 Inspector.....	\$	122.00
10507	DSA Class 2 Inspector.....	\$	112.00
10509	OSHPD Class A Inspector.....	\$	127.00
60001	Roofing/Waterproofing Inspector.....	\$	87.00
10515-10523	Mechanical/Electrical/Plumbing Inspector.....	\$	92.00
50003	Field Engineering Technician.....	\$	82.00

Shop Inspection

10301	Structural Steel Fabrication Inspector (ICC/ICBO).....	\$	76.00
10303	Structural Steel Fabrication Inspector (AWS).....	\$	76.00
10309	Batch Plant Quality Control Technician/Inspector.....	\$	76.00
10325	Glue-Laminated Fabrication Inspector.....		Quotation
10328	Pipe Fabrication Inspector (Reinforced Concrete, Prestressed, Clay).....	\$	91.00

Non-Destructive Testing

10401-10406	NDE Technician.....	\$	79.00
10305-10307	Combination NDE Technician/Welding Inspector.....	\$	79.00
10409/10411	Radiographic (X Ray, Gamma Ray).....		Quotation

Equipment Usage (Per Day Unless Otherwise Noted)

95318	Skidmore.....	\$	40.00
95309	Torque Wrench, Small.....	\$	15.00
95312	Torque Wrench, Large.....	\$	25.00
95315	Torque Multiplier.....	\$	40.00
95321	Air Meter.....	\$	40.00
95324	Brass Mold.....	\$	20.00
95446	Drilling/Sampling Equipment	\$	50.00
95443	Nuclear Gauge (Per Hour).....	\$	6.00
95333	Pull Test Equipment.....	\$	60.00
95348	Concrete/Asphalt Coring Equipment (Per hour).....	\$	120.00
95327	Pachometer.....	\$	55.00
95336	Floor Flatness (Dipstick).....	\$	45.00
95330	Schmidt Hammer.....	\$	20.00
95341	Vapor Emission Test Kits.....	\$	45.00
95339	V-Meter.....	\$	40.00
95351	Fireproofing Adhesion/Cohesion (Per Test).....	\$	15.00
95300	Ultrasonic Equipment and Consumables.....	\$	60.00
95303	Magnetic Particle Equipment and Consumables.....	\$	30.00
95306	Liquid Penetrant Consumables.....	\$	20.00
TBD	Phased Array Ultrasonic Equipment.....	\$	85.00
95347	Ground Penetrating Radar (Per Hour).....	\$	85.00
95359	Pavement Profilograph Equipment (Per Hour).....	\$	115.00

Specimen Pick-Up

20102	Standard Sample: Concrete Cylinders (Each).....	\$	12.00
20101	Standard Sample: Mortar/Grout Cubes and Cores, Fireproofing and Epoxy Prisms (Each).....	\$	12.00
20103-20104	Oversize Sample: Masonry Prisms, Shotcrete Panels, Flexural Beams (Each).....	\$	30.00
20107	Technician for Specimen Pick-Up/Sampling Not Listed Above (Per Hour, 2-Hour Minimum).....	\$	65.00
20109	Technician for Specimen Pick-Up/Sampling Before 5:00 a.m. or After 5:00 p.m. Monday thru Friday, or All Day Saturday (Per Hour, 2-Hour Minimum Plus Mileage).....	\$	85.00

Jobsite Trailer, Mobile Laboratory or On-Site Portable Laboratory

95360 By Quotation

General Conditions

NOTE: Field inspection work conditions are established by contract with Operating Engineers, Local 12.

Administrative Fees

All administrative costs including report distribution and the Twining eLink system are billed at 2% of monthly invoice total. Note that hard copies of reports will be sent only to governing jurisdictions that mandate them. All other parties will receive reports electronically. The administrative fee above will be increased by 1% if additional hard copies of reports are requested.

Minimum Charges (Inspection and Technician Personnel Only)

2-Hour Minimum:	Inspector arrives at jobsite, no work to perform.
4-Hour Minimum:	1 to 4 hours of inspection completed before 12:00 p.m. or commencing after 12:00 p.m.
8-Hour Minimum:	Over 4 hours of inspection or any inspection beginning before and extending past 12:00 p.m.

Regular Time

The first 8 hours worked Monday through Friday between 5:00 a.m. and 5:00 p.m.

Time and One-Half (All Types of Inspection)

Any increment past 8 hours through 12 hours worked Monday through Friday and the first 12 hours on Saturday. Time and one-half will also be charged for any time before 5:00 a.m. and after 5:00 p.m.

Double Time (All Types of Inspection)

After the first 12 hours worked Monday through Saturday, all day Sunday, holidays, and the first Saturday following the first Friday in June and December. Holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.

Meal Period

When personnel are required by their duties to work more than five consecutive hours without a one-half hour uninterrupted meal period, one half hour at double time rate will be charged in addition to any applicable overtime for actual hours worked.

Second Shift (Swing)

8 hours charged for the first 7½ hours worked, time in excess of 7½ hours charged at overtime rate. (Employee must work a full shift and go past the 5:00 p.m. mark in the day)

Third Shift (Graveyard)

8 hours charged for first 7 hours worked, time in excess of 7 hours charged at overtime rate. (Employee must work a full shift and go past the 12:00 a.m. mark in the day)

Travel Time and Mileage

For projects outside a 50-mile radius from the nearest Twining Laboratories facility, \$0.60 per excess mile to and from the project will be charged for special and deputy inspectors and field soils technicians only. If project related equipment is required to be transported to and from the project site, time and mileage for inspectors and field technicians will be billed from and to the laboratory. For all projects, \$0.60 per mile will be charged portal to portal for engineers, consultants, supervisors, and technicians from the laboratory to the project site and return.

Remote Jobs

For projects in excess of 100 miles from Twining Laboratories, travel time will be charged at the relevant straight time rate.

Reimbursable Expenses

Parking, air fare, car rental, food and lodging, etc. will be charged at cost plus 15% per processed invoice, unless provided by client.

Subsistence

Subsistence on remote jobs will be charged per quotation.

Laboratory Testing Hours

Please note that laboratory testing will be billed on an hourly basis for non-standard tests. If testing is required to be performed on Saturdays, Sundays, holidays, or before 5:30 a.m. or after 4:00 p.m. on weekdays, an additional hourly charge with a minimum of one hour will be applied for the laboratory technician.

Charges for Subcontracted Services

Material sent to outside laboratory for testing:	Cost plus 15%
Material sent to outside fabricator or machine shop:	Cost plus 15%
Glu-Lam beam inspection:	Cost plus 15%
Other subcontractors:	Cost plus 15%
Project exclusive equipment purchase:	Cost plus 15%

Limit of Liability

All contracts are subject to errors and omissions coverage limits of \$50,000.00, or contract amount whichever is greater. Higher limits available by quotation.

General Conditions (Continued)**Certified Payroll**

Certified payroll will be provided, upon request, at an additional charge of \$100.00/month.

Final Reports

If a final report or affidavit is required, we must first review all inspection and testing reports and clear up any unresolved issues on these reports. These issues will typically require approval by the engineer or architect of record. This process can take several weeks or just a few days, depending on the number and complexity of the issues. The direct cost for a final report will be \$500.00, invoiced near the beginning of the project, for DSA projects.

Terms of Payment

Fees charged are for professional and technical services and are due upon presentation. If not paid within 30 days from date of invoice, they are considered past due and a finance charge of 1½% per month will be added to the unpaid balance (APR 18%).

All invoice errors or necessary corrections shall be brought to the attention of Twining Laboratories within 15 days of receipt of invoice. Thereafter, customer acknowledges invoices are correct and valid. Twining Laboratories reserves the right to terminate its services to a customer without notice if all invoices are not current. Upon such termination of services, the entire amount accrued for all services performed shall immediately become due and payable. Customer waives any and all claims against Twining Laboratories, its subsidiaries, affiliates, servants and agents for termination of work on account of these terms.

In the event of any litigation arising from or related to any agreement to provide services whether verbal or written, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorney's fees and all other related expenses in such litigation. Additionally, in the event of a non-adjudicative settlement of litigation between the parties or a resolution of dispute by arbitration, that same process shall determine the prevailing party.

Specimen Disposal

Specimens will be discarded after testing unless Twining Laboratories has been notified prior to testing that the customer wishes to retrieve the specimens or storage arrangements are made.

Oversize Specimens

An extra charge will be made when test specimens require more than one person to handle due to size or weight.

Laboratory Testing
(Per Test Unless Noted Otherwise)

<u>Concrete Tests (Field Made Specimens)</u>		
20201	6" x 12" or 4" x 8" Cylinder: Compression Strength (ASTM C39).....	\$ 22.00
20203	Unit Weight Including Lightweight Concrete.....	\$ 72.00
20205	Core Compression Including Trimming (ASTM C42).....	\$ 50.00
20207	6" x 6" x 18" Flexural Beams Not Exceeding Referenced Size (ASTM C78, C293 or CTM 523).....	\$ 70.00
20208	6" x 6" x 30" Flexural Beams (CTM 523).....	\$ 85.00
20209	Cylinders: Splitting Tensile Strength (ASTM C496).....	\$ 85.00
20211	Modulus of Elasticity Test (ASTM C469).....	\$ 140.00
20251	Drying Shrinkage Up to 28 Days: Three 3" x 3" or 4" x 4" Bars, Five Readings up to 28 Dry Days (ASTM C157).....	\$ 375.00
20270	Additional Reading, Per Set of Three Bars.....	\$ 45.00
20271	Storage over Ninety (90) Days, Per Set of Three Bars, Per Month.....	\$ 30.00
80003	Rapid Chloride Permeability Test: Cylinders or Cores (ASTM C1202).....	\$ 375.00
80006	Density, Absorption, and Voids in Hardened Concrete (ASTM C642).....	\$ 300.00
40005	Flexural Toughness (ASTM C1609, Formerly ASTM C1018).....	\$ 350.00
<u>Concrete Specimen Preparation</u>		
20151	Diamond Sawing of Cores or Cylinders (Each).....	\$ 22.00
20157	Coring of Test Panels in Lab (Each).....	\$ 25.00
<u>Laboratory Trial Batch: Concrete, Cement and Mortar</u>		
30217	Compression Test Cylinders Made and Tested in Laboratory.....	\$ 45.00
30219	6" x 6" x 18" Flexural Beams Made and Tested in Laboratory.....	\$ 82.00
30221	6" x 6" x 30" Flexural Beams Made and Tested in Laboratory.....	\$ 95.00
30223	Splitting Tensile Strength Cylinders Made and Tested in Laboratory.....	\$ 100.00
30225	Modulus of Elasticity Test Cylinders Made and Tested in Laboratory.....	\$ 156.00
30227	Unit Weight Test Cylinders Made and Tested in Laboratory.....	\$ 80.00
30201	Laboratory Trial Batch (ASTM C192).....	\$ 325.00
30203	Laboratory Trial Batch: Packaged Dry Concrete Including Verification of Slump, Air Content, Plastic Unit Weight, Six Cylinders for Compressive Strength (ASTM C387 and C192).....	\$ 700.00
30205	Drying Shrinkage Up to 28 Days: Three 3" x 3" or 4" x 4" Bars, Five Readings up to 28 Dry Days (ASTM C157).....	\$ 400.00
30230	Additional Reading, Per Set of Three Bars.....	\$ 45.00
30231	Storage over Ninety (90) Days, Per Set of Three Bars, Per Month.....	\$ 30.00
30207	Setting Time Up to 7 Hours (ASTM C403).....	\$ 125.00
30209	Bleeding (ASTM C232).....	\$ 125.00
30229/20255	Concrete Restrained Expansion (ASTM C878).....	\$ 450.00
30213	Laboratory Trial Batch: Packaged Non-Shrink Grout, Grade "A" or "C" (ASTM C1107).....	\$ 1,500.00
30215	Laboratory Trial Batch: Packaged Non-Shrink Grout, Grade "B" (ASTM C1107).....	\$ 1,000.00
30211	Mix, Make and Test Mortar or Grout Specimens for Compressive Strength: Set of 6 (ASTM C109, C942).....	\$ 350.00
20263	Non-Shrink Grout: Height Change after Final Set (ASTM C1090).....	\$ 360.00
20265	Non-Shrink Grout: Height Change at Early Age (ASTM C827).....	\$ 600.00
20259	Non-Shrink Grout: Fresh Grout Properties (ASTM C1090, CRD621).....	\$ 400.00
30232	Cracking Resistance, Set of Three Rings, Laboratory Trial Batching, Test Until Cracking or up to 28 Days (ASTM 1581).....	\$ 3,000.00
30233	Evaluation of Pre-Packaged Masonry Mortars (ASTM C270).....	\$ 1,000.00
<u>Chemical Analysis and Petrographic Examination of Concrete</u>		
80120	Chemical Analysis for Water Soluble Sulfates (ASTM C114).....	\$ 160.00
80126	Chemical Analysis for Water Soluble Chlorides (ASTM C1218).....	\$ 160.00
80123	Chemical Analysis for Acid Soluble Chlorides (ASTM C1152).....	\$ 230.00
80193	Chloride Diffusion Coefficient of Cementitious Mixtures by Bulk Diffusion (ASTM C1556).....	\$ 2,000.00
80129	Petrographic Examination of Hardened Concrete (ASTM 856).....	Quotation
<u>Physical and Chemical Analysis of Cement</u>		
80195	Complete Physical Testing and Chemical Analysis of Portland Cement (ASTM C150).....	\$ 1,775.00
80100	Chemical Analysis of Portland Cement (ASTM C150).....	\$ 575.00
80103	Physical Testing of Portland Cement (ASTM C150).....	\$ 1,250.00
80194	Testing of Type K Cement, Mortar Expansion (ASTM C806).....	\$ 500.00
80106	Partial Analysis or Specific Physical Tests.....	Quotation

Laboratory Testing (Continued)

<u>Physical and Chemical Analysis of Fly Ash</u>		
80140	Chemical Analysis of Fly Ash (ASTM C618).....	Quotation
80143	Physical Testing of Fly Ash (ASTM C618).....	\$ 1,350.00
80146	Partial Analysis or Specific Physical Tests.....	Quotation
<u>Physical Testing of Chemical Admixtures for Concrete</u>		
80196	Qualification of Admixture per ASTM C494.....	Quotation
80197	Qualification of Admixture per L.A. City RGA 27-69.....	Quotation
<u>Soils and Aggregate Tests</u>		
30503	Abrasion: LA Rattler (ASTM C131).....	\$ 185.00
30505	Abrasion: LA Rattler (ASTM C535).....	\$ 195.00
70301	Atterberg Limits/Plasticity Index (ASTM D4318, CTM204).....	\$ 150.00
70303	California Bearing Ratio Excluding Maximum Density (ASTM D1883).....	\$ 375.00
70305	Chloride and Sulfate Content (CTM 417, CTM 422).....	\$ 130.00
30403	Clay Lumps and Friable Particles (ASTM C142).....	\$ 175.00
30321	Cleaness Value: 1" x #4 (CTM 227).....	\$ 175.00
30322	Cleaness Value: 2.5" x 1.5" or 1.5" x .75" (CTM 227).....	\$ 275.00
70393	Collapse Potential/Index (ASTM D5333).....	\$ 175.00
70309	Consolidation Test: Full Cycle (ASTM 2435, CTM 219).....	\$ 195.00
70311	Consolidation Test: Time Rate per Load Increment (ASTM D2435, CTM 219).....	\$ 45.00
70313	Corrosivity Series: Sulfate, Cl, pH, Resistivity (CTM 643, 417, and 422).....	\$ 245.00
70315	Crushed/Fractured Particles (ASTM D5821, CTM 205).....	\$ 175.00
70317	Direct Shear Test: Remolded and/or Residual (ASTM D3080).....	\$ 245.00
70319	Direct Shear Test: Undisturbed - Slow [CD] (ASTM D3080).....	\$ 225.00
70321	Direct Shear Test: Undisturbed - Fast [CU] (ASTM D3080).....	\$ 195.00
70378	Durability Index: Per Method - A,B,C, or D (CTM 229).....	\$ 210.00
70325	Expansion Index (ASTM D4829, UBC 18-2).....	\$ 160.00
30507	Flat Particle and Elongated Particle (ASTM D4791).....	\$ 225.00
30508	Flat or Elongated Particle (ASTM D4791).....	\$ 195.00
70331	Maximum Density: Methods A/B/C (ASTM D1557, CTM 216).....	\$ 175.00
70333	Maximum Density: Check Point (ASTM D1557).....	\$ 65.00
70335	Maximum Density: AASHTO C [Modified] (AASHTO T-180).....	\$ 195.00
70337	Moisture Content (ASTM D2216, CTM 226).....	\$ 25.00
70339	Moisture and Density: Ring Sample (ASTM D2937).....	\$ 30.00
70341	Moisture and Density: Shelby Tube Sample (ASTM D2937).....	\$ 40.00
30401	Organic Impurities (ASTM C40).....	\$ 90.00
70343	Permeability.....	Quotation
80001	Potential Reactivity: Chemical Method (ASTM C289).....	\$ 475.00
70394	Potential Reactivity: Mortar Bar Expansion Method, 14-Day Exposure (ASTM C1260).....	\$ 700.00
70345	R-Value: Soil (ASTM 2844, CTM 301).....	\$ 255.00
70347	R-Value: Aggregate Base (ASTM D2844, CTM 301).....	\$ 275.00
70349	Sand Equivalent (ASTM D2419, CTM 217).....	\$ 125.00
70351	Sieve #200 Wash Only (ASTM D1140, CTM 202).....	\$ 90.00
70353	Sieve with Hydrometer: 3/4" Gravel to Clay (ASTM D422, CTM 203).....	\$ 225.00
70355	Sieve with Hydrometer: Sand to Clay (ASTM D422, CTM 203).....	\$ 215.00
70357	Sieve Analysis Including Wash (ASTM C136, CTM 202).....	\$ 135.00
70359	Sieve Analysis Without Wash (ASTM C136, CTM 202).....	\$ 100.00
70360	Sieve Analysis: Split Sieve (ASTM C136, CTM 202).....	\$ 215.00
70361	Sieve Analysis Without Wash: With Cobbles (ASTM C136, CTM 202).....	\$ 210.00
70363	Soundness: Sodium or Magnesium Sulfate, 5 Cycles (ASTM C88).....	\$ 325.00
70365	Specific Gravity and Absorption: Coarse (ASTM C127, CTM 206).....	\$ 100.00
70367	Specific Gravity and Absorption: Fine (ASTM C128, CTM 207).....	\$ 165.00
70369	Swell/Settlement Potential: One Dimensional (ASTM D4546).....	\$ 105.00
70371	Triaxial.....	Quotation
70373	Unconfined Compression (ASTM D2166, CTM 221).....	\$ 135.00
30317	Unit Weight Per Cubic Foot (ASTM C29).....	\$ 80.00
30319	Voids in Aggregate (ASTM C29).....	\$ 80.00

Laboratory Testing (Continued)

<u>Asphalt Concrete Tests</u>		
75060	Percent Swell (CTM 305).....	\$ 135.00
75012	Film Stripping (CTM 302).....	\$ 185.00
75021	Centrifuge Kerosene Equivalent (CTM 303).....	\$ 178.00
75033	Bulk Specific Gravity Of Compacted Sample or Core: (CTM 308 and ASTM D2726).....	\$ 45.00
75036	Bulk Specific Gravity of Compacted Sample or Core: Parafin Coated (CTM 308 and ASTM D1188).....	\$ 65.00
75063	Moisture Content (CTM 370).....	\$ 85.00
75024	Extraction: % Bitumen (ASTM D6307, CTM 382).....	\$ 145.00
75027	Extraction: % Bitumen and Gradation (CTM 382, ASTM D6507, ASTM D5444, and, CTM 202).....	\$ 195.00
75030	Chemical Extraction: % Bitumen and Sieve Analysis (ASTM D2172 Method A or B).....	\$ 215.00
75042	3 Point LTMD: Parafin Coated (CA 375, 308 and ASTM D1188).....	\$ 199.00
75039	5 Point LTMD: Parafin Coated (CA 375, 308, and ASTM D1188).....	\$ 275.00
75054	HVEEM Stabilometer Test with Mixing (CT 304, 366, ASTM D1560).....	\$ 325.00
75057	HVEEM Stabilometer Test, Premixed (CT 304, 366, ASTM D1560).....	\$ 199.00
75048	Maximum Lab Density: Marshall (ASTM D1559 and D561).....	\$ 175.00
75049	Maximum Lab Density: Marshall 6" Specimen (ASTM D5581).....	\$ 205.00
75050	Maximum Density of Hot Mix Asphalt by the Superpave Gyratory Compactor (ASTM D6925).....	\$ 282.00
75051	Maximum Theoretical Specific Gravity [RICE] (CT 309, ASTM D2041).....	\$ 150.00
75037	Specific Gravity and Absorption: Coarse (ASTM C127, CTM 206).....	\$ 100.00
75038	Specific Gravity and Absorption: Fine (ASTM C128, CTM 207).....	\$ 165.00
75000	Sieve Analysis Per Aggregate Size (CTM 202, ASTM D5444 and ASTM C136).....	\$ 85.00
75003	Sieve Analysis With Wash (CTM 202 and ASTM D5444).....	\$ 135.00
75006	Sand Equivalent (CTM 217 and ASTM D2419).....	\$ 125.00
75009	Abrasion Resistance/Los Angeles Rattler (CTM 211 only).....	\$ 195.00
75015	Crushed/Fractured Particles (CTM 205, ASTM D5821).....	\$ 175.00
75018	Flat or Elongated Particles (ASTM D4791).....	\$ 195.00
75004	Fine Aggregate Angularity (AASHTO T304).....	\$ 185.00
75066	Resistance to Plastic Flow, Marshall Test, of Cored Sample (ASTM D1559).....	\$ 125.00
75069	Resistance to Plastic Flow Marshall Test, Premixed, Remolded (ASTM D1559).....	\$ 199.00
75072	Resistance of Plastic Flow Marshall Test with Mixing (ASTM D1559).....	\$ 325.00
75106	Resistance of Plastic Flow Gyratory Compacted Specimen premixed (ASTM D5581).....	\$ 225.00
75107	Resistance of Plastic Flow Marshall Test 6" Specimen premixed (ASTM D5581).....	\$ 215.00
75084	Marshall Mix Design (Excluding Aggregate Quality Tests).....	\$ 2,750.00
75087	Marshall Mix Design with RAP (Excluding Aggregate Quality Tests).....	\$ 3,500.00
75090	Marshall Mix Design with Lime (Excluding Aggregate Quality Tests).....	\$ 3,600.00
75083	Open Grade Asphalt Concrete Mix Design (CTM 368).....	\$ 1,200.00
75093	HVEEM Mix Design (Excluding Aggregate Quality Tests).....	\$ 2,750.00
75096	HVEEM Mix Design with RAP (Excluding Aggregate Quality Tests, RAP Qualification).....	\$ 3,025.00
75099	HVEEM Mix Design with Lime (Excluding Aggregate Quality Tests).....	\$ 3,250.00
75094	HVEEM Mix Design Caltrans Type C Untreated Mix (Including Aggregate Quality Tests).....	\$ 3,815.00
75095	HVEEM Mix Design Caltrans Type C Lime Treated Mix (Including Aggregate Quality Tests).....	\$ 3,925.00
75109	Gyratory Compacted Superpave Mix Design (Excluding Aggregate Quality Tests).....	\$ 3,100.00
75075	Index of Ret. Strength with Mix Proportion (AASHTO T282 and ASTM D4867).....	\$ 825.00
75078	Index of Retained Strength, 24-Hour Immersion (AASHTO T282 and ASTM D4867).....	\$ 195.00
75064	Effect of Moisture on Asphalt Paving Mixtures (ASTM D4867).....	\$ 1,250.00
75065	Effect of Moisture on Asphalt Paving Mixtures, One Freeze Thaw Cycle (ASTM D4867).....	\$ 1,475.00
75102	Resistance of Compacted Bituminous Mixtures to Moisture Induced Damage (Untreated) CT 371.....	\$ 1,650.00
75105	Resistance of Compacted Bituminous Mixtures to Moisture Induced Damage (Lime Treated) CT 371.....	\$ 1,800.00

Laboratory Testing (Continued)

<u>Brick Masonry Tests</u>		
20301	Modulus of Rupture: Flexural (5 Required Per ASTM).....	\$ 35.00
20303	Compression Strength (3 Required Per ASTM).....	\$ 35.00
20305	Absorption: 5 Hour or 24 Hour (5 Required).....	\$ 40.00
20307	Absorption (Boil): 1, 2 or 5 Hours (5 Required).....	\$ 50.00
20309	Initial Rate of Absorption (5 Required).....	\$ 30.00
20311	Efflorescence (5 Required).....	\$ 50.00
20313	Cores: Compression.....	\$ 45.00
20315	Shear Test on Brick Cores: 2 Faces.....	\$ 70.00
<u>Concrete Block. ASTM C140</u>		
20321	Compression (3 Required Per ASTM).....	\$ 45.00
20323	Absorption/Moisture Content/Oven Dry Density (3 Required Per ASTM).....	\$ 75.00
20327	Linear Shrinkage (ASTM C426).....	\$ 195.00
20335	Web and Face Shell Measurements.....	\$ 35.00
20329	Tension Test.....	\$ 145.00
20331	Core Compression.....	\$ 45.00
20333	Shear Test of Masonry Cores: 2 Faces.....	\$ 70.00
20339	Efflorescence Tests (3 Required).....	\$ 35.00
<u>Masonry Prisms, UBC STD 21-17</u>		
20341	Compression Test: Composite Masonry Prisms Up To 8" x 16"	\$ 180.00
20343	Compression Test: Composite Masonry Prisms Larger Than 8" x 16"	\$ 240.00
<u>Mortar and Grout</u>		
20351	Compression: 2" x 4" Mortar Cylinders (UBC STD 21-16).....	\$ 28.00
20353	Compression: 3" x 3" x 6" Grout Prisms, Includes Trimming (UBC STD 21-18).....	\$ 50.00
20355	Compression: 2" Cubes (ASTM C109).....	\$ 28.00
20357	Compression: Cores (ASTM C42).....	\$ 50.00
20253	Mortar Expansion (ASTM C806).....	\$ 275.00
<u>Masonry Specimen Preparation</u>		
20155	Cutting of Cubes or Prisms.....	\$ 44.00
<u>Fireproofing Tests</u>		
20401	Oven Dry Density (Per Sample)	\$ 35.00
<u>Gunite and Shotcrete Tests</u>		
20361	Core Compression Including Trimming (ASTM C42).....	\$ 50.00
20363	Compression: 6" x 12" Cylinders.....	\$ 29.00
20365	Compression: Cubes.....	\$ 28.00
<u>Concrete Roof Fill: Gypsum, Vermiculite, Perlite, Lightweight Insulating Concrete, Etc.</u>		
20371	Compression Test (ASTM C495 and C472).....	\$ 30.00
20373	Air Dry Density (ASTM C472).....	\$ 25.00
20379	Oven Dry Density (ASTM C495).....	\$ 45.00
<u>Reinforcing Steel, ASTM A615</u>		
20501	Tensile Test: # 11 or Smaller.....	\$ 40.00
20503	Bend Test: # 11 or Smaller.....	\$ 25.00
20505	Tensile Test: # 14.....	\$ 70.00
20507	Tensile Test: # 18.....	\$ 140.00
20509	Sampling and Tagging (Fabricator).....	\$ 24.00
<u>Reinforcing Steel - Welded or Coupled Specimens</u>		
20521	Tensile Test: Welded #11 and Smaller.....	\$ 55.00
20523	Tensile Test: Welded #14.....	\$ 95.00
20525	Tensile Test: Welded #18.....	\$ 110.00
20527	Tensile Test: Mechanical Splice.....	\$ 110.00
20529	Weld: Macroetch.....	\$ 65.00
20531	Slippage Test In Addition to Tensile Test (Per Caltrans 52-1.08C).....	\$ 165.00

Laboratory Testing (Continued)

<u>Metal and Steel Testing</u>		
20601	Tensile Strength: Up to 100K Pounds (Each).....	\$ 45.00
20603	Tensile Strength: Up to 200K Pounds (Each).....	\$ 50.00
20605	Tensile Strength: Up to 300K Pounds (Each).....	\$ 60.00
20607	Tensile Strength: Up to 400K Pounds (Each).....	\$ 105.00
20609	Tensile Strength: 400K to 600K Pounds (Each).....	\$ 145.00
20611	Tensile Strength: Stress-Strain Percent Offset.....	\$ 145.00
20545	Weld: Macroetch.....	\$ 65.00
20547	Weld: Fracture.....	\$ 30.00
20615	Bend Test.....	\$ 44.00
20617	Flattening Test.....	\$ 55.00
20619	Brinell and Rockwell Hardness Test (ASTM E18) (Per Test).....	\$ 72.00
<u>Chemical Testing of Metal and Steel</u>		
80170	Steel Chemical Analysis.....	\$ 125.00
80173	Weight of Galvanized Coating.....	\$ 75.00
<u>Machining and Preparation of Tensile and Bend Sample: Carbon Steel</u>		
20751	Machinist: Initial Preparation from Mock-up, Etc. (Per Hour).....	\$ 72.00
20753	Sawcut to Overall Width (Per 0.5" Thickness or Fraction Thereof).....	\$ 40.00
20755	Machine to Test Configuration: Milled Specimens (Per 0.5" Thickness or Fraction Thereof).....	\$ 55.00
20757	Machine to Test Configuration: Turned Specimens (Per 0.5" Thickness or Fraction Thereof).....	\$ 110.00
20759	Prepare Subsize Specimens (Per 0.5" Thickness or Fraction Thereof).....	\$ 72.00
<u>Charpy Impact</u>		
20621	Charpy Impact Ambient Temperature, per sample (Average of 3 Samples Typically Required).....	\$ 30.00
20623	Charpy Impact Reduced Temperature, per sample (Average of 3 Samples Typically Required).....	\$ 55.00
<u>Machining of Charpy Samples: Carbon Steel</u>		
20780	Cutting and Milling (Per 0.5" or Fraction Thereafter) (Average of 3 Samples Typically Required).....	\$ 40.00
20783	Final Machining to Sample Configuration (Average of 3 Samples Typically Required).....	\$ 40.00
<u>Prestressing Wires and Tendons, ASTM A416</u>		
20701	Stress-Strain Analysis: Wire or Strands (Including Chart and Percent Offset).....	\$ 110.00
20703	Tensile Test Only.....	\$ 70.00
20705	Tendons.....	Quotation
<u>Calibration Services and Universal Machine Usage</u>		
20801	Calibration Services.....	Quotation
20803	Universal Test Machine Usage (Per Hour).....	\$ 200.00

Ceramic Tile Testing Division

The Ceramic Tile Institute of America (CTIOA) and Twining Laboratories worked together to advance and develop technology designed to enhance the quality of materials and workmanship in the ceramic tile industry. A separate schedule of fees for these services is available upon request.

Special Testing/Engineering Services

Cyclic and Fatigue Testing Programs on Special Products/Parts.....	Quotation
Engineering and Technical supports/Design of Prototypes and Special Test Set-Up.....	Quotation
Fastener/Coupling Full Testing Program Per New Regulations: Tension, Tension/Bend, Shear, Double Shear, 8 Compressions.....	Quotation
Fiberglass/Composite Materials Field Testing Program (ASTM D4065, D1143, D4923, D2584, D4476, D1242, D7901, D7921, and D732).....	Quotation
Field Testing of Structures and Structural Elements.....	Quotation
In-Place Shear Testing.....	Quotation
Materials and/or Product Evaluation Per Specifications.....	Quotation
Structural Dynamic Testing and Durability Analysis.....	Quotation



AGREEMENT FOR PROFESSIONAL SERVICES or "Rider" to Client's Standard Contract

This Agreement between TWINING, Inc. ("TWINING") and Mepco Services, Inc. ("CLIENT") is entered into this 21st day of July, 2010, in Long Beach, California, whereby CLIENT desires to engage TWINING to perform certain visual inspection services and materials testing on its project herein referred to as Martin Luther King Transit Center ("THE PROJECT") located at Compton, California.

TWINING has provided to CLIENT a written estimate of costs associated with the services to be performed by TWINING. CLIENT is aware and cognizant of the fact that the estimates presented are based on estimated time schedules to perform and complete the construction of the structural components of THE PROJECT, and that variations in said schedules could have an impact on the final cost.

TWINING has further provided CLIENT with unit and hourly rates. CLIENT agrees to pay TWINING in accordance with these rates and in accordance with the Terms and General Conditions as stated on the associated Schedule of Fees.

Article I Services

TWINING will:

- 1.1 Provide only those services that, in the opinion of TWINING, lie within the technical or professional areas of TWINING.
- 1.2 Perform technical services under the general direction of a California Registered Civil Engineer and in accordance with the basic requirements of the appropriate standards.
- 1.3 Promptly submit reports of inspections indicating information pertinent to the inspections performed and compliance or non-compliance with the project specifications and applicable codes.
- 1.4 Perform field tests in such a way that interested parties may witness such tests (e.g. slump, cylinders) in order to determine adequacy of certain materials for use on THE PROJECT.

Article II Client's Responsibilities

CLIENT will:

- 2.1 Provide TWINING with all plans, specifications, addenda, approved shop drawings, and so on as required for TWINING to properly carry out its inspection duties.
- 2.2 Direct the contractor to do the following:
 - Secure and deliver to TWINING, without cost to TWINING, preliminary representative samples of those materials contractor proposes to use which require testing, together with relevant data.
 - Stop work at appropriate times to allow TWINING to sample pertinent materials.
 - Furnish casual labor to facilitate sample taking and storage.
 - Provide and maintain adequate space at THE PROJECT for safe storage of TWINING test equipment and a proper curing facility for test samples.
- 2.3 Provide Preliminary Notice and credit information as required/requested by TWINING.

Article III General Conditions

- 3.1 TWINING, by the performance of services covered hereunder, does not in any way assume, abridge or abrogate any of those duties, responsibilities or authorities with regards to THE PROJECT which, by custom or contract, are vested in THE PROJECT architects, design engineers or any other design agencies or authorities.
- 3.2 TWINING is not authorized to supervise, alter, relax, enlarge or release any requirement of THE PROJECT specifications or other contract documents nor approve or accept any portion of the work unless specifically authorized by CLIENT. TWINING shall not have the right to reject or right to stop the work.
- 3.3 CLIENT affirms that TWINING does not provide supervision or direction to the project contractor with respect to the contractor's means, methods, techniques, sequences or procedures of construction. It is clearly understood by CLIENT that the services provided by TWINING

in no way relieve the project contractor of its responsibilities to perform its work in accordance with the project plans, specifications and appropriate building codes.

Article IV Standard of Care

- 4.1 Services performed by TWINING will be conducted in a manner consistent with the level of care and skill ordinarily exercised by reputable members of the same profession. No other warranty, expressed or implied, is made or intended by TWINING's proposal(s), contract(s), and report(s).

Article V Insurances and Limitation of Liability

- 5.1 TWINING shall secure and maintain throughout the full period of this Agreement insurance required by statute to protect it adequately from claims under applicable Workers Compensation Acts and from claims for bodily injury, death or property damage as may arise from the performance of our services under this Agreement for up to \$1,000,000.00 per occurrence, so long as such insurances are commercially available and affordable.
- 5.2 CLIENT affirms that a multitude of risks affect TWINING through its performance of services under this Agreement. In exchange for TWINING's provision of services at an economical cost to CLIENT, CLIENT agrees that TWINING's aggregate liability for negligent acts and omissions and for non-intentional breach of contract by its employees, agents, officers and consultants will not exceed the fee paid under this Agreement or \$50,000.00, whichever is greater. This limitation does not apply to losses due to sole negligence or intentional breach of contract.
- 5.3 Neither CLIENT nor TWINING will have any liability for non-performance caused by Acts of God, civil unrest and wars, labor unrest, strikes, acts of authorities or failures of subcontractors.

Article VI Invoices and Payments

- 6.1 TWINING will submit progress invoices to CLIENT bi-monthly/monthly, and a final invoice upon completion of services. Each invoice, upon presentation, is due and payable. Payment is due within fifteen (15) days of invoicing and is considered past due after thirty (30) days. Past due accounts will be subject to a 1½ % per month finance charge. CLIENT agrees to bring all inaccuracies to TWINING's attention within this fifteen (15) day period. After this period, CLIENT agrees to the accuracy of invoice and CLIENT agrees to pay as prescribed above per attached Schedule of Fees including 4 % administrative fee.
- 6.2 Client reports and jurisdictional compliance reports can be withheld should payments not be made in accordance with the provisions above. CLIENT shall pay for attorney's fees and any other fees or costs incurred in collecting any delinquent amount.

Article VII Sub-Contracting

- 7.1 With or without the prior written approval of CLIENT, TWINING may sub-contract certain portions of the work which TWINING deems to be beyond the scope of its expertise. All TWINING subcontractors will maintain at least the same or higher limits of insurance as demanded upon TWINING by CLIENT.

Article VIII Extent of Agreement

- 8.1 The Agreement, including the referenced attachments, constitutes the entire agreement between the two parties and supercedes any previous or prior negotiations, representations or agreements, written or oral.

Article IX Dispute Resolution

- 9.1 In an effort to resolve any conflicts that arise during the construction of THE PROJECT or following completion, TWINING and CLIENT agree that all disputes relating to this Agreement which can not be settled between the parties be submitted to non-binding mediation unless the two parties mutually agree otherwise.
- 9.2 In any action or proceeding commenced by any party against the other party in connection with this Agreement, the losing party shall reimburse the prevailing party for the reasonable attorneys' fees and disbursements incurred by the prevailing party in prosecuting or defending said action or proceeding.

**Article X Severability**

10.1 Any term or provision of this Agreement held to be invalid by a court of competent jurisdiction under any applicable statute or rule of law shall be deemed stricken from the Agreement, and the remainder of this Agreement shall remain in full force and effect.

TWINING: Twining, Inc.

CLIENT: Mepco Services, Inc

SIGNATURE

SIGNATURE

PRINT NAME

PRINT NAME

TITLE

TITLE

DATE

DATE

#9.

JOB SET UP AND REPORT DISTRIBUTION

PROJECT MANAGER: _____ PERMIT NO: _____

PROJECT NAME: _____

JOBSITE: _____

JOBSITE CONTACT: _____ PHONE: _____

PREVAILING WAGE ☐ YES ☐ NO / CERTIFIED PAYROLL ☐ YES ☐ NO / PROJECT LABOR AGREEMENT (PLA) ☐ YES ☐ NO

20-day preliminary notice information must be provided as of January 1, 1995, per Civil Code Section 3097

CLIENT / Attention:

Email

Mailing Address

City, State, Zip Code

Phone/Fax Number

☐ Mail hard copy of reports to party above*

OWNER / Attention:

Email

Mailing Address

City, State, Zip Code

Phone/Fax Number

☐ Mail hard copy of reports to party above*

GEN CONTRACTOR / Attention:

Email

Mailing Address

City, State, Zip Code

Phone/Fax Number

☐ Mail hard copy of reports to party above*

BLDG DEPARTMENT / Attention:

Email

Mailing Address

City, State, Zip Code

Phone/Fax Number

☐ Mail hard copy of reports to party above

LENDER / Attention:

Email

Mailing Address

City, State, Zip Code

Phone/Fax Number

☐ Mail hard copy of reports to party above*

STRUC ENGINEER / Attention:

Email

Mailing Address

City, State, Zip Code

Phone/Fax Number

☐ Mail hard copy of reports to party above*

ARCHITECT / Attention:

Email

Mailing Address

City, State, Zip Code

Phone/Fax Number

☐ Mail hard copy of reports to party above*



* By default, hard copies of reports are sent to the governing jurisdiction only. Requesting that hard copies be mailed to any of the parties above will incur a 1% increase to your administrative fees.

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH TWINING, INC. FOR SPECIAL INSPECTIONS AT THE MARTIN LUTHER KING JR. TRANSIT CENTER PROJECT LOCATED IN THE COMPTON REDEVELOPMENT PROJECT AREA AS PART OF THE AGENCY’S 2010 TAX ALLOCATION BONDS

Michael Antwine
DEPARTMENT MANAGER’S SIGNATURE

7/22/2010 12:43:41 PM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

7/22/2010 5:39:30 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 5:47:18 PM
DATE

Charles Evans
CITY MANAGER

7/22/2010 5:31:08 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

July 27, 2010

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION AUTHORIZING A LEASE AGREEMENT BETWEEN THE COMPTON DOWNTOWN NORTH COMMUNITY LLC (LOWE ENTERPRISES REAL ESTATE GROUP AS THE DEVELOPMENT MANAGER) AND THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DEVELOPMENT OF CERTAIN REAL PROPERTY LOCATED AT ASSESSORS PARCEL NOS. 6166-005-912, 906, 6166-010-900, 909, & 907, IN THE CITY OF COMPTON

SUMMARY

Staff is presenting a resolution to the Commission requesting authorization for the Community Redevelopment Agency (Agency) to enter into a Lease Agreement with Compton Downtown North Community LLC (Lowe Enterprises Real Estate Group, LLP as Development Manager)) for the development of certain real property located at assessor parcel nos. 616005-906, 6166-010-900, 909 & 907 in the City of Compton.

BACKGROUND

In November 2009, the Agency entered into an Exclusive Negotiation Agreement (ENA) between the Agency and Lowe Real Enterprises Estate Group for development of the 5.80 acre site located within the Agency's Compton Redevelopment Project Area ("Project Area"). The ENA proposed that the Agency and Lowe negotiate diligently and in good faith towards the goal of producing a mutually acceptable definitive agreements for the development of an approximately 30,000 square foot Senior Activity Center, an approximately 20,000 square foot Community Center and an approximately 600 stall parking structure. During the negotiation period, Lowe prepared:

1. A proposed conceptual development plan for the project with the locations, placement and architecture of the buildings;
2. A proposed time schedule and final cost estimates for development of the project;
3. A proposed financing plan identifying financing sources for all improvements; and
4. A preliminary financial analysis demonstrating the costs and benefits to the City/Agency.

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On January 26, 2010, pursuant to Resolution No. 1,774, the Commission, acting as the Agency, approved revisions to add certain redevelopment projects to the Agency's five-year implementation plan. If approved, the Project will provide a financing mechanism for certain projects on the five-year implementation plan that includes a Senior Activities Center, a 4-level parking structure, and a Community Center. The proposed projects are more particularly described in the 33433 and 33445 Summary Reports on file with the City Clerk in connection with the public hearing.

ISSUE

The Property Lease provides for the lease of the project site to Compton Downtown North Community, LLC (CNDC/Lessor). Lessor will at the same time enter into a sublease, called the "Lease Agreement," pursuant to which CNDC/Lessor will be required to develop Site a Senior Activity Center, a Community Center and a parking structure (collectively, the "Project"). Upon completion of construction, the Project will be subleased back to the Agency pursuant to a proposed separate lease agreement (the "Lease Agreement"). The Site under consideration comprises approximately 5.80 acres ("Property"), within the area of the City bounded on the East by North Alameda Street, on the South by East Compton Boulevard, on the North by South Elm Street, and on the West by North Willowbrook Avenue. The Site is to be leased to facilitate the financing of public use amenities within the City of Compton's North Downtown Masterplan Area.

AUTHORITY

The State of California Health & Safety Code ("H & S Code") section 33433 requires that before any redevelopment agency leases a property acquired with tax increment revenue, the agency shall make available to the public a summary of the agreement ("33433 Summary Report"), which will include the estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The Summary Report shall specify the purchase price or present value of the lease payments that the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference (the "Reuse Analysis").

The attached 33433 Summary Report, prepared pursuant to Section 33433 of California Redevelopment Law, and an Estimated Reuse Valuation was prepared and made available for public inspection as required by California Redevelopment Law, along with a copy of the lease. The 33433 Summary Report analyzes the project's financial structure, costs, revenues, effect on blight and contribution to the objectives set forth in the Redevelopment Plan for the Project Area.

ANALYSIS

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The Property Lease provides for the concurrent entry into the Lease Agreement. The Lease Agreement requires the development on the Site of a Senior Activity Center, a Community Center and a parking structure. Upon completion of construction, the Project will be subleased back to the Agency pursuant to a proposed Lease Agreement. A Reuse Analysis of the Project in relation to the proposed use, development costs, conditions and restrictions is presented in the Reuse Analysis. Based upon the Reuse Analysis and the fact that the proposed Project constitutes public use facilities, the lease of the Site is worth no more than \$1.00 per year. Therefore, the Agency lease rate under the Property Lease is not less than the fair reuse value.

Approval of this Property Lease and Lease Agreement will include adoption of the findings set forth in the 33433 and 33445 Summary Reports that the Project will benefit the Project Area, assist in the elimination of blight and is consistent with the Implementation Plan for the Redevelopment Project Area. The above-described acquisition of property and construction and installation of public improvements will assist in the elimination of blight in the Project Area, which is caused by the lack of adequate public improvements, and will assist in the revitalization of the Project Area, improve the quality of life, help to reverse depreciated or stagnant property values and impaired investments, encourage private sector investment, create job opportunities, promote the economic viability of businesses in the Project Area, attract new businesses, assist in retaining existing businesses, and encourage business expansion, all for the health, safety and welfare of the residents and taxpayers of the Project Area and the City. If approved, the lessor will commence construction before the close of the calendar year 2010.

The Agency prepared an Initial Study/Environmental Checklist pursuant to the requirements of CEQA and the City of Compton's environmental guidelines for this Project. The environmental analysis determined that implementation of the proposed Project would not result in significant adverse environmental impacts, with the implementation of the recommended mitigation measures for the proposed projects. In addition, pursuant to Section 21081(a) of the Public Resources Code, findings must be adopted by the Council coincidental to the approval of a mitigated negative declaration in connection with the Mitigation Monitoring and Reporting Program. These findings shall be incorporated as part of Council's findings of fact, in response to AB 3180 and in compliance with the requirements of the Public Resources Code.

The environmental analysis conducted under the Initial Study, pursuant to the requirements of CEQA, indicated that the Project will not result in any unmitigable significant adverse impacts. Therefore, the following findings of significance may be made with respect to the proposed Project.

1. The proposed project *will not* have the potential to degrade the quality of the environment, with the implementation of the recommended mitigation.
2. The proposed project *will not* have the potential to achieve short-term goals to the disadvantage of long-term environmental goals.
3. The proposed project *will not* have impacts that are individually limited and cumulatively considerable.
4. The proposed project *will not* have environmental effects that will adversely

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affect humans, either directly or indirectly, with adherence to the mitigation recommendations herein.

Additionally, in accordance with the requirements of Section 21081(a) and 21081.6 of the Public Resources Code, the City of Compton shall make the following finding:

5. A Mitigation Reporting or Monitoring Program will be required, including the accountable enforcement agency or monitoring agency for the mitigation measures adopted as part of the decision-maker's final determination.

FISCAL IMPACT

The Developer proposes to use Recovery Zone Facility Bonds ("RZFB") and New Markets Tax Credits ("NMTC") to finance the construction of the Project. The Agency has adequate tax increment revenues to pay the annual lease payments called for under the Lease Agreement. The Agency will make lease payments in accordance with the proposed Lease Agreement from taxes ("tax increment revenues") allocated to the Agency pursuant to Section 33670(b) of the Law with respect to the Project Area. There is no City General Fund budgetary impact as a result of this lease agreement and Financing methods.

That as part of the project costs Lowe Enterprise Real Estate Group has expended in excess of \$1,000,000 in predevelopment costs thus far for the Project. The Agency has allocated \$250,000 for project related costs. These costs will be paid to the developer upon commencement of construction and in return and upon receipt of these funds, the developer LOWE Enterprises Real Estate Group will be contributed to the project approximately \$5,700,000 million dollars with an additional \$11,300,000 million dollars from other sources million as part of a total \$17,000,000 project savings to the Agency through the New Market Tax Credit funding portion of this project.

RECOMMENDATION

Staff is presenting a resolution to the Commission requesting the following:

1. Authorization for the Community Redevelopment Agency (Agency) to enter into a Lease Agreement with Compton Downtown North Community LLC (Lowe Enterprises Real Estate Group, LLP as Development Manager)) for the development of certain real property located at assessor parcel nos. 616005-906, 6166-010-900, 909 & 907 in the City of Compton.
2. Adopt a Mitigated Negative Declaration and Mitigation Monitoring Program pursuant to California Environmental Quality Act.

DR. KOFI SEFA-BOAKYE

July 27, 2010

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DIRECTOR OF REDEVELOPMENT

CHARLES EVANS

EXECUTIVE SECRETARY

RESOLUTION NO. _____

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION AUTHORIZING A LEASE AGREEMENT BETWEEN THE COMPTON DOWNTOWN NORTH COMMUNITY LLC (LOWE ENTERPRISES REAL ESTATE GROUP AS THE DEVELOPMENT MANAGER) AND THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DEVELOPMENT OF CERTAIN REAL PROPERTY LOCATED AT ASSESSORS PARCEL NOS. 6166-005-912, 906, 6166-010-900, 909, & 907, IN THE CITY OF COMPTON

WHEREAS, the Urban Community Development Commission (the “Commission”) is a public body, corporate and politic, duly created and authorized to transact business and exercise its powers pursuant to Part 1.7 of Division 24 (commencing with Section 34100) of the Health and Safety Code of the State of California (the “Health and Safety Code”) and the powers of such Commission include the power to operate, govern and exercise all of the power, authority, functions and jurisdiction of the Community Redevelopment Agency of the City of Compton, California (the “Agency”); and

WHEREAS, the Commission exercises as a governing body the powers of the Agency, a public body, corporate and politic, duly created and authorized to transact business and exercise its powers, under and pursuant to the Community Redevelopment Law set forth in Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code (the “Law”) and the powers of the Agency include the power to issue bonds and refunding bonds; and

WHEREAS, a redevelopment plan (the “Redevelopment Plan”) for a redevelopment project area of the Agency known and designated as the “Compton Redevelopment Project Area” (the “Project Area”) has been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plan have been duly complied with; and

WHEREAS, the Agency has negotiated the terms of that certain property lease (“Property Lease”) with Compton Downtown North Community, LLC, a Delaware limited liability company, and/or a related successor entity (“CDNC/Lessor”) and LOWE Enterprises Real Estate Group are the Development Manager for lease of certain Agency properties comprising of approximately 5.80 acres of land (the “Site

WHEREAS, the Property Lease provides for the development on the Site for a Senior Activity Center, a Community Center and a Parking structure (the "Project"); and

WHEREAS, upon completion of construction, the Project will be subleased to the Agency pursuant to a proposed separate lease agreement (the “Lease Agreement”); and

WHEREAS, the Agency has prepared, and the Commission has reviewed and considered, a summary pursuant to CRL Section 33433 (“33433 Summary Report”) setting forth: (1) the cost of the Agreement to the Agency; (2) the estimated value of the interest to be leased; and (3) an explanation of how the lease and development of the Property will assist in the elimination of blight within the Project Area and has made the Summary available for public inspection in accordance with CRL Section 33433; and

WHEREAS, a copy of the Property Lease and Lease Agreement is on file at the Community Redevelopment Agency Office; and

WHEREAS, pursuant to CRL Section 33433, the City caused notice of the a joint public hearing of the City Council and the Commission to be published in a newspaper of general circulation within the Agency’s territorial jurisdiction; and

WHEREAS, pursuant to CRL Section 33433, the Agency may, with the consent of the Commission , approve the lease of the Property to the CNDC/Lessor for development of the Project in accordance with the Property Lease if the Commission makes certain findings following a noticed public hearing; and

RESOLUTION NO. _____**Page 2**

WHEREAS, pursuant to provisions of CRL Section 33433, the City Council and the Commission held a duly noticed joint public hearing on the proposed Project and on the proposed Agreement; and

WHEREAS, following a joint public hearing on July 27, 2010, the Commission made the requisite findings set forth in Section 33433 with respect to the disposition of the Property; and

WHEREAS, the Agency is the lead agency concerning the Project pursuant to the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines; and

WHEREAS, the Agency has reviewed the Mitigated Negative Declaration ("MND") prepared by the City for this Project in particular and has determined that the MND adequately considered the development of the Project and the impacts of the development in the Project Area and that no new or additional impacts are associated with the Project and therefore no subsequent or supplemental review is necessary; and

WHEREAS, Section 33445 of the Law authorizes the Agency, with the consent of the Commission, to, among other things, pay all or a part of the cost of installation and construction of certain public improvements, which are or will, upon completion, become publicly owned, upon the making of certain findings; and

WHEREAS, pursuant to Section 33679 of the California Health and Safety Code, after notice duly published in accordance with law, the Commission and Council have held a joint public hearing on July 27, 2010, with respect to use of tax increment revenues for the facilities to be financed by the issuance of a Bond Loan (collectively, the "Facilities") and received evidence concerning the public benefits there from; and

WHEREAS, there has been made available in the office of the City Clerk and the Community Redevelopment Agency Office for two weeks prior to such public hearing for public inspection and copying, at a cost not to exceed the cost of duplication, a summary report (the "33445 Summary Report") which includes all of the following: (i) an estimate of the amount of tax increment revenues allocated to the Agency which the Agency proposes to use to pay for all or part of the cost of the Facilities, including interest payments; (ii) the facts supporting the determinations required to be made by the Agency pursuant to California Health and Safety Code Section 33445; and (iii) the redevelopment purpose for which such tax increment revenues will be used to pay for Facilities; and

WHEREAS, the Agency has reviewed the Mitigated Negative Declaration ("MND") prepared by the City for this Project, pursuant to the California Environmental Quality Act (commencing with Section 21000 of the Public Resources Code of the State of California) ("CEQA") and its implementing guidelines (Article 5 of Chapter 3 of Division 6 of Title 14 of the California Code of Regulations, commencing with Section 15000) (the "Guidelines") in particular and has determined that the MND adequately considered the development of the Project and the impacts of the development in the Project Area and that no new or additional impacts are associated with the Project and therefore no subsequent or supplemental review is necessary; and

WHEREAS, the project descriptions contained in the Mitigated Negative Declaration include all of the Facilities proposed to be financed by the Bond Loan, and the various environmental effects of such Facilities are analyzed in detail in the Mitigated Negative Declaration and therefore, the issuance of the Bond Loan for the purpose of funding the construction of the Facilities, described in the 33445 Summary Report, constitutes a financing mechanism and does not constitute a project for purposes of the CEQA and the Guidelines; and

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals, and each of them, are true and correct.

Section 2. The Commission hereby finds and determines, based on the 33445 Summary Report and other information presented to the Agency, as follows: (i) each of the Facilities is located within the Project Area, and the installation or construction thereof, is of benefit to the Project Area by helping to eliminate blight within the Project Area; (ii) the payment of funds for the public capital improvements will assist in the elimination of one or more blighting conditions inside the Project Area; (iii) the payment of funds for the cost of the Facilities is consistent with the Agency's implementation plan adopted pursuant to Health and Safety Code Section 33490; and (iv) no other reasonable means of financing the acquisition of the land or installation or construction of such improvements is available to the City.

Section 3. The Agency hereby finds and determines, based on the 33433 Summary Report and other information presented to the Agency, as follows: (i) The Agency shall not provide any financial assistance to CDNC/Lessor in connection with the construction or installation of the Project. CDNC/Lessor shall be solely responsible for paying for the costs of all design work, construction, labor, materials, fees, permit, application, surety bond and other expenses associated with the Project. CDNC/Lessor shall pay any and all fees pertaining to the review and approval of the Project by each governmental agency and utility service provider, including the costs of preparation of all required construction, planning and other documents reasonably required by each governmental agency or utility service provider pertinent to the construction or installation of the Project on the Site, including, but not limited to, specifications, drawings, plans, permit applications and disclosure documents and design review documents. CDNC/Lessor shall obtain any and all necessary governmental approvals, prior to the commencement of applicable portions of construction and installation of the Project; (ii) The Agency purchased the Site for an approximate total of \$1,250,000 and incurred additional costs of approximately \$50,000 to demolish improvements on the Site, for a total cost of \$1,300,000 to acquire and clear the Site. The Agency utilized tax increment funds to acquire and clear the Site. The Property Lease provides for the development on the Site by the CDNC/Lessor of a Senior Activity Center, a Community Center and a parking structure. The Agency will ground lease the Site to the CDNC/Lessor for annual rental payments of \$1.00; (iii) The Property Lease provides for the development on the Site by the CDNC/Lessor of a Senior Activity Center, a Community Center and a parking structure. Upon completion of construction, the Project will be subleased by CDNC/Lessor, as lessor, back to the Agency pursuant to a proposed separate lease agreement. A Reuse Analysis conducted by the Ometeotl Group of the Project in relation to the proposed use, development costs, conditions and restrictions is presented in the attached Reuse Analysis (Exhibit B). Based upon the attached Reuse Analysis and the fact the proposed Project is public use a facility, the lease of the Site is worth no more than \$1.00 per year. Therefore, the Agency lease rate is not less than the fair reuse value; and (iv) the Property Lease and Lease Agreement is consistent with the Agency's implementation plan adopted pursuant to Health and Safety Code Section 33490; and (iv) The proposed Property Lease and development of the Project will assist in the revitalization of the Project Area, improve the quality of life, help to reverse depreciated or stagnant property values and impaired investments, encourage private sector investment, create job opportunities, promote the economic viability of businesses in the Project Area, attract new businesses, assist in retaining existing businesses, and encourage business expansion, all for the health, safety and welfare of the residents and taxpayers of the Project Area and the City.

Section 4. That as part of the project costs Lowe Enterprise Real Estate Group has expended in excess of \$1,000,000 in predevelopment costs thus far for the Project. The Agency has allocated \$250,000 for project related costs. These costs will be paid to the developer upon commencement of construction and in return and upon receipt of these funds, the developer LOWE Enterprises Real Estate Group will be contributed to the project approximately

RESOLUTION NO. _____

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\$5,700,000 million dollars with an additional \$11,300,000 million dollars from other sources million as part of a total \$17,000,000 project savings to the Agency through the New Market Tax Credit funding portion of this project. The Agency has funds available in fiscal year 2010-2011 budget in account number # 1200-80-0000-4287(\$175,000); #3050-80-002-4266(\$25,000); #3050-80-003-4266(\$25,000) and #3050-80-004-4266 (\$25,000).

Section 5. The Urban Community Development Commission, acting as the Community Redevelopment Agency of the City of Compton adopting a Mitigated Negative Declaration and Mitigation Monitoring Program pursuant to California Environmental Quality Act.

Section 6. The Commission hereby directs Agency staff is to file a Notice of Determination with the Los Angeles County Clerk’s office within three (3) calendar days of the adoption of this Resolution.

Section 7. The Authorized Officers and all other officers of the Agency are hereby authorized and directed, jointly and severally, to take such actions and execute and deliver any and all documents and instruments which they may deem necessary or proper in connection with the Lease Agreement and any related documents or otherwise to effectuate the purposes of this Resolution, each document approved hereby, and any such actions previously taken by such officers are hereby ratified, confirmed and approved.

Section 8. The Clerk of the Commission shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

ADOPTED this _____ day of _____, 2010.

CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS-
NOES: COMMISSIONERS-
ABSENT: COMMISSIONERS-
ABSTAIN: COMMISSIONERS-

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

#10.

THIS SUMMARY REPORT HAS BEEN PREPARED FOR CONSIDERATION AT A PUBLIC HEARING AS REQUIRED BY CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433 REGARDING THE LEASE OF PROPERTY FROM THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON TO COMPTON DOWNTOWN NORTH COMMUNITY, LLC, A DELAWARE LIMITED LIABILITY COMPANY FOR THE DEVELOPMENT OF A COMPTON SENIOR ACTIVITY CENTER, PARKING STRUCTURE, AND A COMMUNITY CENTER ON APPROXIMATELY 5.80 ACRES OF LAND.

INTRODUCTION

The Community Redevelopment Agency of the City of Compton ("Agency") is entering into a property lease ("Property Lease") with Compton Downtown North Community, LLC, a Delaware limited liability company, and/or a related successor entity ("CDNC/Lessor") pursuant to which the Agency will lease approximately 5.80 acres of land (the "Site") to CDNC/Lessor. The proposed form of Property Lease is attached as Exhibit A-1 to this Summary Report. The Site is located within the Agency's Compton Redevelopment Project Area ("Project Area"). The Property Lease provides for the development on the Site by the CDNC/Lessor of a Senior Activity Center, a Community Center and a parking structure (the "Project"). Upon completion of construction, the Project will be subleased by CDNC/Lessor, as lessor, back to the Agency pursuant to a proposed separate lease agreement attached as Exhibit A-2 to this Summary Report (the "Lease Agreement"). The Site under consideration comprises approximately 5.80 acres ("Property"), within the area of the City bounded on the East by North Alameda Street, on the South by East Compton Boulevard, on the North by South Elm Street, and on the West by North Willowbrook Avenue. The Site is to be leased to facilitate the financing of public use amenities within the City of Compton's North Downtown Masterplan Area. The Project will include the following components:

- A Senior Activity Center, measuring approximately 30,000 sq.ft.
- A Parking Structure, with spaces for parking approximately 600 automobiles
- A Community Center, measuring approximately 20,000 sq.ft.

The Project meets the goals and objectives of the Project Area, and will assist in eliminating blight in the Project Area, all in conformity with the Redevelopment Plan for the Project Area. The proposed Property Lease is attached as Exhibit A to this Summary Report for public review pursuant to Section 33433 of the California Community Redevelopment Law. This Summary Report is based upon information contained within the Property Lease and the Lease Agreement. It is organized into the following sections:

- I. Salient Points of the Property Lease: This section includes a description of the Project, and the major responsibilities imposed on the Lessor and the Agency by the Property Lease.**

- II. **Cost of the Property Lease to the Agency:** This section details the total net cost to the Agency associated with implementing the Property Lease.
- III. **Estimated Value of the Interests to be Conveyed Determined at the Highest and Best Use Permitted Under the Redevelopment Plan.** This section estimates the value of the interests to be conveyed determined at the highest and best use permitted under the Redevelopment Plan and the existing zoning code for the City of Compton ("City").
- IV. **Economic Analysis of Proposed Project:** This section summarizes the valuation estimate for the Site based on the required uses, and with the conditions and covenants and development costs required by the Property Lease.
- V. **Blight Elimination:** This section describes the existing blighting conditions on the Site, and explains how the Property Lease will assist in the elimination of blight.

SALIENT POINTS OF THE PROPERTY LEASE

Project Description

The Project is the construction of the following public improvements: 1) a Senior Activity Center, measuring approximately 30,000 sq.ft., 2) a Parking Structure, accommodating approximately 600 automobiles, and 3) a Community Center, measuring approximately 20,000 sq.ft.

Pursuant to the Property Lease, the Agency will ground lease the Site to the CDNC/Lessor. The Lessor will cause the construction through a development management agreement with Lowe Enterprises Real Estate Group or its affiliate ("Developer") and a construction contract with a to be determined construction company. The Agency will ground lease the Site to the CDNC/Lessor for annual rental payments of \$1.00. In addition, the Property Lease provides that the Agency shall have the sole right to lease the Property and the Project from the CDNC/Lessor pursuant to the Lease Agreement.

COST OF THE PROPERTY LEASE TO THE AGENCY

The proposed Property Lease provides for lease of the Site by the Agency to CDNC/Lessor. The Property Lease provides that the Site will be leased to CDNC/Lessor in exchange for annual lease payment of \$1.00, for a period of 40 years. Pursuant to the Lease Agreement, CDNC/Lessor will cause the construction of the Project.

The Agency shall not provide any financial assistance to CDNC/Lessor in connection with the construction or installation of the Project. CDNC/Lessor shall be solely responsible for paying for the costs of all design work, construction, labor, materials, fees, permit, application, surety bond and other expenses associated with the Project. CDNC/Lessor shall pay any and all fees pertaining to the review and approval of the Project by each governmental agency and utility service provider, including the costs

of preparation of all required construction, planning and other documents reasonably required by each governmental agency or utility service provider pertinent to the construction or installation of the Project on the Site, including, but not limited to, specifications, drawings, plans, permit applications and disclosure documents and design review documents. CDNC/Lessor shall obtain any and all necessary governmental approvals, prior to the commencement of applicable portions of construction and installation of the Project.

The Agency purchased the Site for an approximate total of \$1,250,000 and incurred additional costs of approximately \$50,000 to demolish improvements on the Site, for a total cost of \$1,300,000 to acquire and clear the Site. The Agency utilized tax increment funds to acquire and clear the Site. The Property Lease provides for the development on the Site by the CDNC/Lessor of a Senior Activity Center, a Community Center and a parking structure. The Agency will ground lease the Site to the CDNC/Lessor for annual rental payments of \$1.00.

ESTIMATED VALUE OF THE INTERESTS TO BE CONVEYED DETERMINED AT THE HIGHEST AND BEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN

Pursuant to Section 33433 of the California Health and Safety Code, this section presents an analysis of the fair market value of the Site at the highest and best uses permitted under the Redevelopment Plan for the Project Area. Under current market conditions it is assumed that a commercial retail project would be the highest and best use of the Site.

In appraisal terminology, the highest and best use can be defined as the legal use (i.e., uses allowed under the Redevelopment Plan) that will yield the highest value to the land. Therefore, the definition of highest and best use is based solely on the value created and not on whether it enhances or carries out the redevelopment goals and policies established by the Agency.

Recent raw commercial land transactions in the Compton real estate market have been completed in the \$30-\$37.50 per square foot range. Given the Site size of 5.80 acres, the Agency could expect to yield between \$7.5 to \$9.4 million dollars. An investigation into recent land lease transactions in the area indicates raw commercial land lease values ranging from \$.15 to \$.22 per square foot of land, per month. For the Site, this equates to a \$454,766 to \$666,990 annual lease payment.

ECONOMIC ANALYSIS OF PROPOSED PROJECT

The Agency utilized the services of The Ometeotl Group to review the development proposal and conduct an independent analysis of the Project. The Property Lease provides that the Agency will ground lease the Site to CDNC/Lessor for annual payments of \$1.00. The proposed Property Lease would yield the Agency \$40.00 in ground lease payments over the thirty year term. Accordingly, the Agency will not recoup the value of the interest to be leased pursuant to the Property Lease.

#10.

The Property Lease provides for the development on the Site by the CDNC/Lessor of a Senior Activity Center, a Community Center and a parking structure. Upon completion of construction, the Project will be subleased by CDNC/Lessor, as lessor, back to the Agency pursuant to a proposed separate lease agreement. A Reuse Analysis conducted by the Omoteotl Group of the Project in relation to the proposed use, development costs, conditions and restrictions is presented in the attached Reuse Analysis (Exhibit B). Based upon the attached Reuse Analysis and the fact the proposed Project is public use facilities, the lease of the Site is worth no more than \$1.00 per year. Therefore, the Agency lease rate is not less than the fair reuse value.

BLIGHT ELIMINATION

The Site is located within the Project Area, which is both physically and economically blighted as documented in the Agency's Five-Year Implementation Plan 2009-2013. Blighting conditions include physical obsolescence, incompatible land use, impaired investments, economic decay, and the lack of adequate public improvements. The proposed Property Lease and development of the Project will assist in the revitalization of the Project Area, improve the quality of life, help to reverse depreciated or stagnant property values and impaired investments, encourage private sector investment, create job opportunities, promote the economic viability of businesses in the Project Area, attract new businesses, assist in retaining existing businesses, and encourage business expansion, all for the health, safety and welfare of the residents and taxpayers of the Project Area and the City.

Public Hearing

Pursuant to Section 33433 of the California Redevelopment Law, the City Council will consider the Property Lease of the Site at a public hearing on July 27, 2010.

SUMMARY REPORT

EXHIBIT A

PROPERTY LEASE

#10.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

RICHARDS, WATSON & GERSHON
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attention: Jim G. Grayson, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER
TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND
TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

PROPERTY LEASE

between

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON,
as Lessor

and

COMPTON DOWNTOWN COMMUNITY NORTH, LLC,
a Delaware limited liability company,
as Lessee

_____, 2010

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PROPERTY LEASE

THIS PROPERTY LEASE (this "**Property Lease**"), dated as of _____, 2010, is by and between **THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a political subdivision of the State (with its successors and assigns, hereinafter referred to as "**Agency**"), as lessor, and **COMPTON DOWNTOWN COMMUNITY NORTH, LLC**, a Delaware limited liability company ("**CDCN**"), as lessee.

RECITALS

WHEREAS, Agency is the fee owner of that certain real property in the City of Compton, County of Los Angeles ("**County**"), State of California, more particularly described on Exhibit A hereto and depicted on Exhibit C hereto (the "**Site**"); and

WHEREAS, Agency desires to have constructed on the Site an approximately 30,000 square foot building to be used as a senior activity center (the "**Senior Center**"), an approximately 20,000 square foot building to be used a community center (the "**Community Center**"), and a parking structure containing approximately 600 parking spaces (the "**Parking Structure**" and collectively with the Senior Center, the Community Center, the "**Project**"); and

WHEREAS, in order for Agency to finance the costs of the Project (the "**Project**"), Agency has determined that it is in the best interests of Agency to undertake a lease financing secured by the Site (the "**Leased Property**"); and

WHEREAS, CDCN and Agency desire to enter into this Property Lease pursuant to which Agency agrees to lease the Leased Property to CDCN; and

WHEREAS, CDCN has agreed to undertake the construction, installation and equipping of the Project and lease the Leased Property and the Project (collectively, the "**Leased Premises**") back to Agency pursuant to that certain Lease Agreement dated as of the Effective Date (the "**Lease Agreement**"); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Property Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Property Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Article I of the Indenture shall have the same meanings in this Property Lease.

ARTICLE II

LEASE OF THE LEASED PROPERTY; RENTAL

Section 2.01 Lease of Leased Property. Agency hereby leases to CDCN, and CDCN hereby leases from Agency, the Leased Property, subject only to Permitted Encumbrances to have and to hold for the term of this Property Lease.

Section 2.02 Rental. CDCN shall pay to Agency as and for rental of the Leased Property hereunder, the amount of \$1 for each lease year (the "**Property Lease Payment**"). All Property Lease Payments shall be paid in advance. No other amounts of rental shall be due and payable by CDCN for the use and occupancy of the Leased Property under this Property Lease. CDCN waives any right to abatement of such advance rent in the event of loss of use of the Leased Premises or any portion thereof due to damage, destruction or theft.

ARTICLE III

QUIET ENJOYMENT

Section 3.01 Quiet Enjoyment. The parties intend that the Leased Property will be leased back to Agency pursuant to the Lease Agreement for the term thereof. It is further intended that, to the extent provided herein and in the Lease Agreement, if an event of default occurs under the Lease Agreement, CDCN, or its assignee, will have the right, for the then remaining term of this Property Lease to (a) take possession of the Leased Property, (b) if it deems it appropriate, cause an appraisal of the Leased Property and a study of the then reasonable use thereof to be undertaken, and (c) relet the Leased Property. Subject to any rights Agency may have under the Lease Agreement (in the absence of an event of default) to possession and enjoyment of the Leased Property, Agency hereby covenants and agrees that it will not take any action to prevent CDCN from having quiet and peaceable possession and enjoyment of the Leased Property during the term hereof and will, at the request of CDCN and at Agency's cost, to the extent that it may lawfully do so, join in any legal action in which CDCN asserts its right to such possession and enjoyment.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01 Waste. CDCN agrees that at all times that it is in possession of the Leased Property, it will not commit, suffer or permit any waste on the Leased Property, and that

it will not willfully or knowingly use or permit the use of the Leased Property for any illegal purpose or act.

Section 4.02 Further Assurances and Corrective Instruments. Agency and CDCN agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Property Lease, the Lease Agreement and the Indenture.

Section 4.03 Waiver of Personal Liability. All liabilities under this Property Lease on the part of CDCN shall be solely liabilities of CDCN as a nonprofit public benefit corporation, and Agency hereby releases each and every director, officer and employee of CDCN of and from any personal or individual liability under this Property Lease. No director, officer or employee of CDCN shall at any time or under any circumstances be individually or personally liable under this Property Lease to Agency or to any other party whomsoever for anything done or omitted to be done by CDCN hereunder.

All liabilities under this Property Lease on the part of Agency shall be solely liabilities of Agency, and CDCN hereby releases each and every member, officer and employee of Agency of and from any personal or individual liability under this Property Lease. No member, officer or employee of Agency shall at any time or under any circumstances be individually or personally liable under this Property Lease to CDCN or to any other party whomsoever for anything done or omitted to be done by Agency hereunder.

Section 4.04 Taxes. Agency covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property.

Section 4.05 Right of Entry. Agency reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same.

Section 4.06 Representations of Agency. Agency represents and warrants to CDCN and the Trustee as follows:

(a) Agency has the full power and authority to enter into, to execute and to deliver this Property Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Property Lease;

(b) except for Permitted Encumbrances, the Leased Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the use of the Leased Property for the purposes as contemplated by Agency;

(c) all taxes, assessments or impositions of any kind with respect to the Leased Property, except current taxes, have been paid in full; and

(d) the Leased Property is necessary to Agency in order for Agency to perform its governmental function.

Section 4.07 Representations of CDCN. CDCN represents and warrants to Agency and the Trustee that CDCN has the full power and authority to enter into, to execute and to deliver this Property Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Property Lease.

Section 4.08 Eminent Domain. If the whole or any part of the Leased Property shall be taken under the power of eminent domain, the interest of CDCN shall be recognized and is hereby determined to be the aggregate amount of unpaid Base Rental under the Lease Agreement and shall be paid to the Trustee in accordance with the terms of the Lease Agreement and the Indenture.

ARTICLE V

ASSIGNMENT, SELLING AND SUBLEASING

Section 5.01 Assignment, Selling and Subleasing. This Property Lease may be assigned or sold, and the Leased Property may be subleased, as a whole or in part, by CDCN, with the prior written consent of Agency, provided that, no consent of Agency will be required during the continuation of an event of default under the Lease Agreement. CDCN shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to Agency a true and correct copy of such assignment, sublease or sale, as the case may be.

Section 5.02 Restrictions on Further Encumbrances. Agency agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Leased Property or any portion thereof during the term of this Property Lease.

ARTICLE VI

IMPROVEMENTS

Section 6.01 Title. Title to all improvements made on the Leased Property during the term hereof shall vest in CDCN.

ARTICLE VII

TERM; TERMINATION

Section 7.01 Term. The term of this Property Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including December 31, 2050, unless such term is extended or sooner terminated as hereinafter provided.

ARTICLE VIII**MISCELLANEOUS**

Section 8.01 Binding Effect. This Property Lease shall inure to the benefit of and shall be binding upon Agency, CDCN and their respective successors and assigns.

Section 8.02 Severability. In the event any provision of this Property Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.03 Amendments; Substitution and Release. This Property Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of the Lease Agreement. Agency shall have the right to substitute alternate real property for the Leased Property or to release portions of the Leased Property as provided in the Lease Agreement.

Section 8.04 Third-Party Beneficiaries. CDCN and Agency acknowledge that CDCN has assigned its right, title and interest in and to this Property Lease to the Trustee pursuant to the Assignment Agreement. Agency consents to such assignment. Agency consents to the Indenture and acknowledges and agrees to the rights of the Trustee as set forth therein. As a material inducement to the Trustee, CDCN and Agency agree that the Trustee shall be third party beneficiary to this Property Lease.

Section 8.05 Execution in Counterparts. This Property Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.06 Applicable Law. This Property Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 8.07 Captions. The captions or headings in this Property Lease are for convenience only and in no way define or limit the scope or intent of any provision of this Property Lease.

[SIGNATURES ON FOLLOWING PAGES]

#10.

IN WITNESS WHEREOF, the parties hereto have caused this Property Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

CORPORATION:

**COMPTON DOWNTOWN COMMUNITY
NORTH, LLC,**
a Delaware limited liability company

By _____
Name:
Title:

APPROVED AS TO FORM:

Craig J. Cornwell, General Counsel

By _____
Deputy General Counsel

AGENCY:

**COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

By _____

APPROVED AS TO FORM

RICHARDS, WATSON & GERSHON

By _____
Jim G. Grayson, Esq.
Agency Counsel

[Signature Page to Property Lease]

#10.

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

All that real property situated in the County of San Diego, State of California, described as follows, and any improvements thereto:

All that certain property located the County of Los Angeles, State of California and described as follows:

Senior Activity Center and Parking Structure

6166-010-912 Portion of Lot 1 Tract 16339 and Portion of Lot 1 Tract 60998 and 2 Block 7

Community Center

TBD

STATE OF CALIFORNIA)
)
 COUNTY OF LOS ANGELES) ss

On _____, before me, _____
 Personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
 subscribed to the within instrument and acknowledged to me that he/she/they executed the same
 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
 the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

 Signature of Notary Public

STATE OF CALIFORNIA)
)
 COUNTY OF LOS ANGELES) ss

On _____, before me, _____
 Personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
 subscribed to the within instrument and acknowledged to me that he/she/they executed the same
 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
 the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

 Signature of Notary Public

#10.

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On _____, before me, _____
Personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary Public

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On _____, before me, _____
Personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary Public

EXHIBIT A-1

LEASE AGREEMENT

#10.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

RICHARDS, WATSON & GERSHON
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attention: Jim G. Grayson, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER
TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND
TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

LEASE AGREEMENT

between

COMPTON DOWNTOWN COMMUNITY NORTH, LLC,
a Delaware limited liability company,
as Lessor

and

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON,
as Lessee

Dated as of _____, 2010

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease Agreement**"), is made and entered into in duplicate original as of the _____ day of _____, 2010 (the "**Effective Date**"), between **COMPTON DOWNTOWN COMMUNITY NORTH, LLC**, a Delaware limited liability company (with its successors and assigns, hereinafter referred to as "**Lessor**"), and the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON**, a political subdivision of the State (with its successors and assigns, hereinafter referred to as "**Lessee**") (capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A hereto):

W I T N E S S E T H:

WHEREAS, Lessee is the fee owner of that certain real property in the City of Compton, County of Los Angeles ("**County**"), State of California, more particularly described on Exhibit B hereto and depicted on Exhibit C hereto (the "**Site**");

WHEREAS, Lessee desires to operate on the Site an approximately 30,000 square foot building to be used as a senior activity center (the "**Senior Center**"), an approximately 20,000 square foot building to be used a community center (the "**Community Center**"), and a parking structure containing approximately 600 parking spaces (the "**Parking Structure**");

WHEREAS, pursuant to that certain Property Lease dated as of the Effective Date (the "**Ground Lease**"), Lessee has leased the Site to Lessor;

WHEREAS, Lessor desires to develop and construct the Senior Center, the Community Center and the Parking Structure (collectively with the furniture, fixtures and equipment described in the next paragraph referred to herein as the "**Premises**,") and lease and deliver the same to Lessee under the terms and provisions of this Lease Agreement;

WHEREAS, Lessee has determined that the development and construction of the Premises by Lessor, and Lessee's lease of the Premises from Lessor, relieves a burden of Lessee to develop and construct such Senior Center, Community Center and Parking Structure;

WHEREAS, as consideration for Lessee's use and occupancy of the Premises, Lessee agrees to make certain base rental payments ("**Base Rent**") and certain additional rental payments ("**Additional Rent**") to Lessor during the term of this Lease Agreement;

WHEREAS, _____, a California non-profit public benefit corporation and the managing member of Lessor (the "**Lessor Parent**") and the California Enterprise Development Authority, the County of Los Angeles, or other issuer to be determined (the "**Issuer**"), will provide for the Issuer to issue one or more series of tax-exempt and/or taxable financing obligations, including, potentially Recovery Zone Facility Bonds (collectively, the "**Bonds**"), pursuant to the terms and provisions of a Trust Indenture (the "**Indenture**"), among the Issuer, the Lessor Parent and the Trustee, in an aggregate principal amount that is, when added to the NMTC Tax Credit Equity (as defined below), sufficient to fund the costs

(collectively, the "**Total Project Costs**") of acquiring, developing, constructing, equipping and furnishing the Premises;

WHEREAS, the proceeds of the Bonds will be loaned to the Lessor Parent pursuant to a [Financing Agreement], and the Lessor Parent will loan 100% of such proceeds to _____ ("**Fund Investor**"), which will use such loan proceeds, together with an equity capital contribution ("**NMTC Tax Credit Equity**") made by its non-managing member ("**Tax Credit Investor**"), to make Qualified Equity Investments (as such term is defined in Section 45D of the Internal Revenue Code and the regulations promulgated pursuant thereto [the "**NMTC Regulations**"]) (each a "**QEI**") in the form of capital contributions to _____ Sub-CDE, LLC, _____ Sub-CDE, LLC, and _____ Sub-CDE (each, a "**Project NMTC Lender**"), each of which Project NMTC Lenders will, concurrently herewith, make two loans to Lessor (collectively, the "**Construction Loans**") for the development, financing and construction of the Project, which loans, in the aggregate, will constitute substantially all of the QEI received by such Project NMTC Lender;

WHEREAS, pursuant to the Indenture and a Loan Servicing Agreement ("**Loan Servicing Agreement**"), each Project NMTC Lender has appointed Trustee as the loan servicer for purposes of disbursing the proceeds of the Construction Loans to Lessor, and Lessor will transfer substantially all of its right, title and interest in and to this Lease Agreement, including the right to receive payments of Base Rent and Additional Rent due hereunder, to the Trustee for the benefit of the Project NMTC Lenders, provided that all such payments in excess of debt service on the Construction Loans for the period in which such payments are received by the Trustee will be remitted to Lessor for distribution by Lessor to Lessor Parent and in turn used by Lessor Parent to fund payments in connection with the Bonds;

WHEREAS, the Trustee shall undertake such responsibilities as are assigned to the Trustee pursuant to the Indenture and the Loan Servicing Agreement;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in due time, form, and manner as required by law, and the parties hereto are duly authorized to execute and enter into this Lease Agreement.

NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises contained in this Lease Agreement, Lessor and Lessee agree as follows:

Section 1. Representations, Covenants and Warranties of Lessee. Lessee represents, covenants and warrants to Lessor as follows:

(a) ***Due Organization and Existence.*** Lessee is a political subdivision of the State, duly organized and validly operating as such under the Constitution and laws of the State.

(b) ***Authorization, Enforceability.*** The Constitution and laws of the State authorize Lessee to enter into this Lease Agreement and to enter into the transactions

contemplated by and to carry out its obligations under this Lease Agreement, and Lessee has duly authorized the execution and delivery of this Lease Agreement. This Lease Agreement constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) **No Violations.** None of the execution and delivery of this Lease Agreement, the fulfillment of or compliance with the terms and conditions hereof, or the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessee is now a party or by which Lessee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of Lessee.

(d) **Execution and Delivery.** Lessee has taken all actions required to authorize and execute this Lease Agreement in accordance with the Constitution and laws of the State and all acts, conditions and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Lessee of this Lease Agreement, do exist, have happened and have been performed in due time, form and manner as required by law.

Section 2. Representation, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants to Lessee as follows:

(a) **Due Organization and Existence; Authorization, Enforceability.** Lessor is a corporation duly organized, existing and in good standing under and by virtue of the laws of the State, and has the full power to enter into this Lease Agreement and to enter into the transactions contemplated by and to carry out its obligations under this Lease Agreement; is possessed of full power to own and hold real and personal property, and to lease the same; and Lessor has duly authorized the execution and delivery of this Lease Agreement. This Lease Agreement constitutes a legal, valid and binding obligation of the Lessor, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) **No Violations.** None of the execution and delivery of this Lease Agreement, the fulfillment of or compliance with the terms and conditions hereof, or the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of the articles of incorporation or by laws of Lessor (the "**Lessor Formation Documents**") or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever, upon any of the property or assets of Lessor.

(c) ***Execution and Delivery.*** Lessor has taken all actions required to authorize and execute this Lease Agreement in accordance with Lessor Formation Documents of Lessor and laws of the State and all acts, conditions and things required by Lessor Formation Documents of Lessor and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Lessor of this Lease Agreement, do exist, have happened and have been performed in due time, form and manner as required by Lessor Formation Documents of Lessor and by law.

Section 3. Lease of Premises; Completion of Premises.

(a) ***Lease of Premises.*** Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by Lessee, and upon the following terms and conditions, hereby leases to Lessee, and Lessee hereby hires and takes of and from Lessor, the Premises; *provided, however*, that Lessor and Lessee may, prior to the Lease Commencement Date, amend, modify or change the Premises subject to the provisions of the Work Letter. Lessee hereby agrees to pay the Base Rent and the Additional Rent as provided herein for the use and occupancy of the Premises, all on the terms and conditions set forth herein.

(b) ***Completion of Premises.*** Lessor covenants and agrees to complete and deliver the Premises in accordance with and in the manner set forth in the Work Letter. Lessee covenants and agrees to deliver a Certificate of Acceptance to Lessor and the Trustee upon Substantial Completion of the Improvements in accordance with Section 10.1 of the Work Letter (as each such term is defined in the Work Letter). In the event Lessor fails to achieve Substantial Completion by the Substantial Completion Deadline (as defined in the Work Letter) and Lessee incurs any cost to complete the Improvements in accordance with the Work Letter, Lessee shall be entitled to offset any such amounts against the Additional Rent due to Lessor pursuant to Section 6(e) until Lessee shall have recovered all of such-costs and/or liquidated damages.

Section 4. Term. The term of this Lease Agreement (the "**Lease Term**") begins on the Lease Commencement Date and shall terminate on the Lease Termination Date. If on the Lease Termination Date (other than a Lease Termination Date as a result of a default by Lessee), (i) the Construction Loans shall not be, fully paid, or provision therefor made in accordance with the Loan Servicing Agreement, and/or (ii) the Loan Servicing Agreement shall not be discharged by its terms as a result of the Base Rent payments hereunder being abated at any time during the Lease Term as a result of an Abatement Event, then in each such event, the Lease Termination Date shall not occur and the Lease Term shall be automatically extended for a period of time equal to the time period from and after the expiration of loss of business income insurance described in Section 19(b)(iv) hereof until the date upon which all Construction Loans shall be fully paid, or provision therefor made, and the Loan Servicing Agreement shall be discharged by its terms, except that the Lease Term shall in no event be extended more than 10 years beyond the Lease Termination Date specified in paragraph (a) of the definition thereof.

Section 5. INTENTIONALLY OMITTED Rental Payments, Operating Costs, Expense Pass-throughs and Consideration.

(a) **Base Rent.** Lessee hereby agrees, subject to the provisions of Section 9 hereof, to pay Base Rent, as set forth in Exhibit D hereto, for the use and occupancy of the Premises during the Lease Term. The Base Rent shall be payable monthly in advance on the first day of each and every month commencing on the Lease Commencement Date and continuing thereafter throughout the Lease Term, without prior demand, offset or deduction (except as otherwise expressly provided herein). If the Lease Commencement Date occurs on a date other than the first day of a month, then the amount of the first Base Rent payment shall be prorated based on the actual number of days remaining in the month in which the Lease Commencement Date occurs. If any date on which a Base Rent payment is originally due under this Lease Agreement is not a Business Day (without regard to the fifteen (15) day grace period described above), then such Base Rent payment shall be due and payable on the next succeeding Business Day. Notwithstanding anything to the contrary contained herein, Lessor and Lessee covenant and agree to complete or amend the information contained in Exhibit D hereto in order to determine the Base Rent and Additional Rent, as described in this subsection (a) and subsection (b) of this Section.

(b) **Additional Rent.** In addition to the Base Rent set forth in subsection (a) of this Section, commencing on the Lease Commencement Date and continuing thereafter throughout the Lease Term, Lessee hereby agrees, subject to the provisions of Section 9 hereof, to pay during the Lease Term as Additional Rent for the use and occupancy of the Premises, Expense Pass-throughs as set forth in Section 6(c), contributions to the Renewal and Replacement Fund as set forth in Section 7(b), and the Lessor Administrative Fee as set forth in Section 6(d).

(c) **Expense Pass-Throughs.** Lessee covenants and agrees to pay to Lessor as an additional component of Additional Rent hereunder all Expense Pass-throughs within thirty (30) days of the receipt of a statement from Lessor providing reasonable detail of the nature and cost of such Expense Pass-through items. The following costs shall be deemed to be Expense Pass-throughs and shall be the sole responsibility of Lessee:

(i) capital improvements and modifications to the Premises necessitated by changes in laws or required to comply with laws applicable to public buildings or facilities leased by public agencies following the Lease Commencement Date;

(ii) capital improvements and modifications approved by Lessee after the Lease Commencement Date, including replacement (other than during the first Lease Year) of the heating, ventilation, air conditioning, plumbing and electrical systems, life safety equipment, telecommunication and other equipment, elevators and fire detection systems, including sprinkler system, the roof and other capital items;

(iii) costs incurred by Lessor as a result of a breach by Lessee of any covenants and agreements contained in this Lease Agreement which are agreed to by, or imposed upon, the parties or pursuant to mediation or judgment;

(iv) costs of obtaining extended warranties on certain equipment or components of the Tenant's Improvements, as available from the manufacturer of the same, at the option of Lessee;

(v) INTENTIONALLY OMITTED

(vi) [the Issuer's and Trustee's Extraordinary Costs;]

(vii) premiums incurred by Lessor for earthquake, terrorism, flood and mold insurance specifically requested in writing by Lessee during the Lease Term;

(viii) any insurance deductibles attributable to claims or damages after the first Lease Year.

If Lessee objects to either the nature or amount of the Expense Pass-throughs, Lessee shall provide a written statement of such objection to Lessor within thirty (30) days of the receipt of Lessor's statement of the Expense Pass-throughs. If Lessee fails to provide a written statement of objection to Lessor within such thirty (30) day period, Lessee shall be deemed to have waived its right to so object. Lessee and Lessor shall attempt to resolve the conflict by good faith negotiation. In the event that Lessee and Lessor are not able to resolve the conflict within thirty (30) days after Lessee has given Lessor written objection to, the statement despite their good faith efforts to do so, the dispute shall be submitted to mediation in compliance with Section 24(m) hereof.

(d) ***Expense Pass-Throughs.*** Lessee covenants and agrees to pay to Lessor as an additional component of Additional Rent hereunder an administrative and management fee equal to [***__%***] of the Base Rent ("**Lessor Administrative Fee**"), payable with each payment of Base Rent hereunder, which amount is intended to cover Lessor's accounting, legal and other administrative and overhead expenses.

(e) ***Delinquent Rental Payments.*** Subject to the fifteen (15) day grace period provided in Section 6(a) hereof, if payment of any installment of Base Rent or Additional Rent is not paid when due, Lessee shall pay Lessor an amount equal to the lost interest earnings on amounts withdrawn from the Reserve Fund or the Renewal and Replacement Fund as a result of such delinquent Base Rent or Additional Rent payments. Such amounts received by Lessor or any assignee of Lessor shall be deposited in the Reserve Fund or the Renewal and Replacement Fund, as appropriate.

(f) ***Consideration.*** Lessee and Lessor have agreed and determined that the Rental Payments due under this Lease Agreement represent fair consideration for the beneficial use and occupancy, and the continued quiet use and enjoyment, of the Premises, by Lessee for and during each Lease Year. In making such determination, consideration has been given to the value of the Premises, other obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the Premises and the benefits therefrom which will accrue to Lessee and the general public by reason of Lessee's use and possession of the Premises.

(g) ***Covenant to Budget and Annually Appropriate.*** Lessee hereby covenants to take such action as may be necessary to include all Rental Payments due hereunder in its annual budget and to make the necessary annual appropriations for all such Rental Payments subject only to Section 9 hereof. As Lessee intends to fund the Rental Payments due hereunder from tax increment revenues allocated and paid to the Agency from Compton Merged Redevelopment Project Area (the "**Project Area**") pursuant to Health & Safety Code Section 33670(b), to the extent not heretofore pledged in connection with the payment of prior indebtedness of Lessee, plus additional tax increment, if any, received by Lessee pursuant to any pass through agreements, plus interest earned on such amounts, but less any portion of such tax increment required to be deposited in Lessee's Low and Moderate Income Housing Fund pursuant to Health and Safety Code Section 33334.3(a) or any successor statute, and any tax increment revenue allocable to the Project Areas that is required pursuant to State law to be paid into an Educational Revenue Augmentation Fund or similar device for transferring revenues between the State and Lessee or the City of Compton (any such payment being referred to as an "**ERAF Payment**") (collectively, the "**Available Revenues**").

In order to preserve the availability of the Available Revenues for the payment of Rental Payments, Lessee covenants and agrees as follows:

(i) Lessee represents and warrants that (i) there are no bonds, contracts, notes or other evidences of indebtedness for which tax increment from the Project is pledged for repayment that were issued by Lessee prior to the date of this Lease Agreement other than Lessee's obligations under any bonds, contracts, notes or other evidences of indebtedness for which tax increment from the Project Areas is pledged for repayment that were issued by Lessee prior to the date of this Lease Agreement and listed on Exhibit I, Schedule of Prior Indebtedness (the "**Prior Indebtedness**"), and (ii) the pledges of tax increment set forth on Exhibit I attached hereto do not include any right of any other party to receive any portion of the Available Revenues.

(ii) Lessee shall timely take all actions (including, without limitation, the filing of annual statements of indebtedness pursuant to Health and Safety Code Section 33675) that are required to assure the proper and timely collection, allocation and payment to it of the Available Revenues.

(iii) No portion of the Available Revenue shall be used to offset or reduce the obligations of the City to loan funds to Lessee pursuant to any Cooperation Agreement or similar agreement between Lessee and the City.

(iv) Lessee represents and warrants that Lessee has complied with its obligations under all pass through agreements with school districts, community college districts and other agencies, if any, to the extent applicable to the agreements made under this Lease Agreement.

(v) Lessee agrees that the Available Revenues are not intended to be and shall not be used for the purposes of making payments to any owner or

developer under any owner participation agreement, disposition and development agreement or other similar agreement.

(h) ***No New Pledges.*** After the date of this Lease Agreement, Lessee shall not make any pledge of the Available Revenues to pay bonds, contracts, notes or other obligations that would be senior to or on a parity with Lessee's obligation under this Lease Agreement unless it has delivered to Participant at least twenty (20) days prior to the date it incurs any such obligations, a written certificate prepared by a reputable financial advisor or redevelopment consultant that demonstrates to the reasonable satisfaction of the Participant that the aggregate amount of tax increment revenue that is estimated to be received by Lessee from the Project Areas in the next and each succeeding fiscal year (through and including the last year in which the pledge of Available Revenues to Lessor is reasonably anticipated to remain in effect), based upon the most recent assessed valuation of the Project Areas as determined by the County Assessor of the County of Los Angeles based upon the most recently established tax rates will be sufficient in time and amount to pay one hundred thirty-five percent (135%) of the sum of (i) the maximum annual debt service on the Prior Indebtedness, (ii) the indebtedness or obligations of Lessee proposed to be issued in the next and each succeeding fiscal year and (iii) the obligations of Lessee to Lessor to make Rental payments in the next and each succeeding fiscal year, as set forth in this Lease Agreement. The analysis shall exclude projected tax increment from development that has not yet occurred.

(i) ***No Withholding, Setoff or Counterclaim.*** Notwithstanding any dispute between Lessee and Lessor hereunder with respect to Lessor's repair, maintenance and operation of the Premises, Lessee shall make all Base Rent payments, investment earnings shortfall payments under Section 6(c)(v) hereof and Issuer's and Trustee's Extraordinary Costs payments under Section 6(c)(vi) hereof when due and shall not withhold any such payments pending the final resolution of such dispute or for any other reason whatsoever. Lessee's obligation to make Base Rent payments, investment earnings shortfall payments under Section 6(c)(v) hereof and Issuer's and Trustee's Extraordinary Costs payments under Section 6(c)(vi) hereof in the amounts and on the terms and conditions specified hereunder shall be absolute and unconditional without any right of setoff or counterclaim, subject only to the provisions of Section 9 hereof and except as otherwise expressly provided herein.

(j) ***Detailed Statements.*** Lessor shall, on a monthly basis, provide Lessee with a breakdown of the components of the Rental Payments payable hereunder. Lessor shall provide, or cause the Trustee to provide, monthly, quarterly, and annual statements to Lessee reflecting the application of the Rental Payments to the various components described in this Lease Agreement, and for so long as the Construction Loans remain outstanding, the Loan Servicing Agreement. For so long as the Construction Loans remain outstanding, Lessor shall cause the Trustee to provide to Lessee all statements furnished to the Issuer or Lessor pursuant to the Loan Servicing Agreement.

(k) ***Lessee Responsibility for Operating Costs.*** Lessee shall be responsible for, and shall hold Lessor harmless from and against, all costs and expenses associated with the following ("**Operating Costs**"):

(i) Maintenance and repair, but not replacement of, the heating, ventilation, air conditioning, plumbing and electrical systems, life safety equipment, telecommunication and other equipment, elevators and fire detection systems, including sprinkler system, and replacement of regularly scheduled replacement components within such system, e.g., light bulbs, filters, belts, etc.;

(ii) Trash disposal;

(iii) Janitorial services;

(iv) Insurance Premiums paid or incurred for the insurance policies maintained by Lessor pursuant to Section 19 hereof;

(v) Property Taxes, assessments and fees (other than those due as a result of the transfer of the Premises by Lessor to any party other than Lessee) which are levied upon the use or ownership of the Premises; *provided, however*, that Lessee shall remain responsible for all of such taxes, assessments and fees in the event Lessee assigns this Lease Agreement or subleases the Premises as provided herein;

(vi) Utility costs, including water, sewer, gas and electricity charges of every kind and nature and other publicly mandated services to the Premises;

Section 7. Funds and Reserves.

(a) ***INTENTIONALLY OMITTED***

(b) ***Renewal and Replacement Fund.*** Lessor shall establish or cause to be established by the Trustee and held in trust under the Loan Servicing Agreement a separate fund designated as the "Renewal and Replacement Fund" (the "**Renewal and Replacement Fund**"). As a component of Additional Rent due under this Lease Agreement, Lessee agrees to pay to the Trustee an amount equal to \$_____ per month commencing in the second Lease Year and continuing thereafter throughout the Lease Term as shown on Exhibit D hereto for deposit into the Renewal and Replacement Fund. Amounts payable hereunder for deposit into the Renewal and Replacement Fund shall be due and payable at the same time and in the same manner as Base Rent. Concurrently with every payment of Additional Rent by Lessee for the Renewal and Replacement Fund, Lessor will pay to the Trustee an amount equal to one third of such amount paid by Lessee for deposit into the Renewal and Replacement Fund (such that twenty five percent (25%) of all amounts deposited into the Renewal and Replacement Account are funded by Lessor). All interest earnings and income, on amounts on deposit in the Renewal and Replacement Fund shall be retained therein. Amounts on deposit in the Renewal and Replacement Fund shall be applied by Lessee solely to fund the repair, refurbishment or replacement of the Premises not

otherwise funded from any other sources pursuant to this Lease Agreement. Lessee shall notify Lessor in writing of, any requested disbursement or application of amounts on deposit in the Renewal and Replacement Fund and obtain Lessor's written consent to such disbursement or application, which consent shall not be unreasonably delayed, conditioned or withheld by Lessor. If Lessor fails to deliver a written approval of such proposed disbursement or application of funds in the Renewal and Replacement Fund within thirty (30) days of Lessee's delivery of notice to Lessor, then the disbursement or application of such funds shall be deemed to be approved by Lessor. In addition to the above uses of the amounts on deposit in the Renewal and Replacement Fund, such amounts may be, with the prior written consent of Lessee, applied by Lessor to pay any deficiency in amounts available to pay Property Taxes and Insurance Premiums, as provided in Section 6(c)(i), hereof to the extent sufficient amounts are on deposit in the Renewal and Replacement Fund. With the prior written approval of Lessee, amounts on deposit in the Renewal and Replacement Fund may be applied by Lessor to the payment of any insurance deductible required to be paid by Lessee with respect to the insurance maintained pursuant to Section 19 hereof. The Trustee shall invest all amounts on deposit in the Renewal and Replacement Fund as provided in the Loan Servicing Agreement; provided, however, that upon written notice to Lessor and the Trustee, Lessee may elect, at any time or from time to time, to direct the investment of amounts on deposit in the Renewal and Replacement Fund, or any portion thereof, subject to the terms and provisions of the Loan Servicing Agreement. On the Lease Termination Date, all amounts on deposit in the Renewal and Replacement Fund shall be transferred to, and shall become the sole property of, Lessor. Lessee does not reasonably expect to apply amounts on deposit in the Renewal and Replacement Fund for the payment of Base Rent due hereunder.

(c) ***Project Fund.*** Lessor shall establish or, cause to be established by the Trustee and held in trust under the Loan Servicing Agreement a separate fund designated as the "Project Fund" (the "**Project Fund**") to be maintained in accordance with the Loan Servicing Agreement. In addition, Lessor shall establish or cause to be established separate accounts within the Project Fund designated as the "Project Construction Costs Account". Proceeds of the Construction Loans shall be deposited in each of such accounts within the Project Fund and maintained in accordance with the Loan Servicing Agreement.

(d) ***INTENTIONALLY OMITTED***

(e) ***Additional Funds for Expense Pass-throughs.*** Lessor shall establish or cause to be established by the Trustee and held in trust under the Loan Servicing Agreement separate funds designated as the "Tax Account," the "Insurance Account," the "Trustee Administrative Fees Account," and the "Extraordinary Costs Reserve Account". Additional Rent shall be deposited in each of such accounts and maintained in accordance with the Loan Servicing Agreement.

(f) ***Insurance and Condemnation Proceeds Fund.*** Lessor shall establish or cause to be established by the Trustee and held in trust under the Loan Servicing Agreement a separate fund designated as the "Insurance and Condemnation Proceeds

Fund" (the "**Insurance and Condemnation Proceeds Fund**") to be maintained in accordance with the Loan Servicing Agreement. Insurance and condemnation proceeds shall be deposited to the Insurance and Condemnation Proceeds Fund and used in accordance with the Loan Servicing Agreement and Sections 18 and hereof.

(g) ***[Capitalized Interest Fund.*** Lessor shall establish or cause to be established by the Trustee and held in trust under the Loan Servicing Agreement a separate fund designated as the "Capitalized Interest Fund" (the "**Capitalized Interest Fund**") to be maintained in accordance with the Loan Servicing Agreement. Proceeds of the Construction Loans shall be deposited to the Capitalized Interest Fund and used in accordance with the Loan Servicing Agreement.]

Section 8. Use of Premises.

(a) *Limitations on Use of Premises.*

(i) Lessor agrees that the Premises shall be used by Lessee as a senior activity center, a community center and parking structure without restriction as to the days or hours of any such use.

(ii) Subject to subsection (f) of this Section and applicable laws, rules, regulations and codes relating to same and any recorded restrictions or matter then affecting the Premises, Lessee may use the Premises for any other lawful purposes as Lessee may desire. At all times that the Construction Loans outstanding, not later than sixty (60) days prior to the change in use of the Premises, Lessee shall notify the Issuer, Lessor and the Trustee of such proposed change in use with sufficient information related to the change in use. Prior to the effective date of Lessee's change in use under this subsection (a)(ii), Lessee shall deliver or cause to be delivered to the Issuer, Lessor and the Trustee a Favorable Opinion of Bond Counsel with respect to such change in use. All costs incurred by the Issuer, Lessor, the Trustee and Lessee in connection with any change in use permitted hereunder shall be paid by Lessee prior to or concurrently with the effective date of such change in use including, without limitation, costs, fees and expenses (including reasonable attorneys' fees) in obtaining a Favorable Opinion of Bond Counsel.

(b) ***Conduct of Operations.*** Lessee covenants to conduct its operations in such a manner as to keep the sidewalks, driveways, and passageways on or adjacent to the Premises, and the entrance and stairs to the Premises, clean and free of dirt, debris, obstacles, graffiti, and any substance or condition which would endanger persons using the sidewalks, driveways, or passageways in the vicinity of the Premises.

(c) ***Chemicals, Nuisance and Hazardous Substances.*** Lessee covenants not to injure, overload the capacity of the Facilities, or deface the Premises, nor permit on the Premises any inflammable fluids or chemicals (other than a limited amount of fluids and chemicals customarily used for cleaning purposes, unless Lessor otherwise permits the same in writing) or any nuisance or emission therefrom of any objectionable noise or

odor, nor permit any use of the Premises which is improper, offensive, contrary to law or ordinance, or liable to invalidate (or increase the premiums for) any insurance on the Premises or its contents or liable to render necessary any alterations or additions to the Premises. Lessee shall not permit to be released on the Premises any Hazardous Substances and will comply with the provisions of Section 23 hereof. If for any reason Lessee's use of the Premises results in an increase of the premiums for the insurance of Lessor, Lessee shall on demand reimburse Lessor for all such insurance premium increases.

(d) ***Safe and Sanitary Condition.*** Lessee covenants to keep the Premises in a safe and sanitary condition, and to comply with and to keep the Premises in compliance with, all legal and insurance requirements now or hereafter existing and as required by the occupancy or use made of the Premises by Lessee.

(e) ***Misuse of Premises.*** Lessee shall not itself use or permit any other person to use the Premises, or any portion thereof, for any purposes which may materially damage or harm the, Premises or any improvements on, or the image or attractiveness thereof, or for any improper, offensive or immoral use or purpose, or in any manner which shall constitute waste, nuisance or public annoyance. Lessee shall comply with, and use its best efforts to cause all persons using or occupying any part of the Premises to comply with, all public laws, ordinances and regulations from time to time applicable thereto and to operations thereon. Lessee covenants and agrees that after Lessee takes possession of the Premises and begins to use the Premises, Lessee shall, thereafter continuously and uninterruptedly use, occupy and do business in the whole of the Premises during the normal and customary business hours of senior activity and community centers. Nothing contained in this subsection (e) is intended to limit or restrict Lessee's use of the Premises as provided in subsection (a) of this Section.

(f) ***Employees, Agents, Invitees and Visitors.*** Lessee covenants not to permit any employees, agents, subtenants, invitees, or visitors of Lessee to violate any covenant or obligation of Lessee hereunder.

(g) ***[Tax Covenant]*** Lessee hereby covenants and agrees not to make any use of the Premises which would cause the Bonds to be "federally guaranteed" under Section 149(b) of the Code or "private activity bonds" as described in Section 141 of the Code or to take or omit to take any action which would result in the interest component of the Bonds being included in gross income of the owners thereof for federal income tax purposes. Other than this Lease Agreement, no other governmental obligations of Lessee are being sold, entered into or issued at substantially the same time and sold pursuant to a common plan of financing which will be paid out of (or have substantially the same claim to be paid out of) substantially the same source of funds as the Base Rent. Lessee does not expect that the Premises will be purchased and subsequently sold or otherwise disposed of before the last scheduled Base Rent payment due under this Lease Agreement. Lessee has not created or established, and Lessee does not expect that there will be created or established, any sinking fund, pledged fund or similar fund, including, without limitation, any arrangement under which money, securities or obligations are pledged directly or indirectly to secure the payment of the Base Rent. In the event that

interest on the Bonds is determined to be includable in gross income of the owners thereof as a result of a breach by Lessee of this covenant, Lessee shall be solely responsible for the payment of any penalty or settlement amount and any increased cost associated with such interest being taxable. Lessee covenants and agrees to execute and deliver a tax certificate concurrently with the issuance and delivery of the Bonds in form and substance reasonably satisfactory to permit bond counsel to opine that the interest with respect to the Bonds is excluded from gross income for federal income tax purposes.

(h) Except for any theft or loss caused by Lessor or Lessor's employees, contractors or consultants or by Lessor's wrongful misconduct or gross negligence or the wrongful misconduct or gross negligence of Lessor's employees, contractors or consultants, Lessor will not be responsible for personal property lost or stolen from the Premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

Section 9. Abatement. Following an Abatement Event, Lessee shall, subject to the following sentence, diligently proceed to repair or replace the Premises to as nearly as possible the condition existing prior to the happening of the casualty. Lessor and Lessee hereby agree that Lessee shall not be obligated to repair or replace the Premises to the extent (a) the Abatement Event arises from a casualty against which Lessee is not obligated to provide insurance coverage pursuant to Section 19 hereof or (b) the cost to repair or replace the Premises exceeds available insurance proceeds under insurance policies which have, been maintained pursuant to Section 19 hereof. To the extent an Abatement Event causes the entire Premises to be rendered untenantable, all Rental Payments shall cease as of the date of the Abatement Event and no further Rental Payments shall accrue until the entire Premises is again ready for occupancy; provided, however, that to the extent a portion of the Premises is subsequently restored to tenantable condition and is occupied by Lessee, Lessee shall, following restoration, pay all Rental Payments applicable to such restored and occupied portion of the Premises. In the event that only a portion of the Premises is rendered untenantable, Lessee shall be entitled to a Proportionate Abatement in the Rental Payments due under this Lease Agreement; provided, however, that such Proportionate Abatement shall not extend to Lessee's obligation to pay amounts due and owing by Lessee pursuant to Sections 6(c)(v) and 6(c)(vi) hereof. Lessor and Lessee hereby agree that the determination of whether all or any portion of the Premises is available for the use and occupancy of Lessee following an Abatement Event shall be made by the Department of Building and Safety of the City of Compton or such other department or agency of the City of Compton responsible for determining availability for occupancy of the Premises in a reasonable manner similar to that which is employed in determining whether similar public buildings are available for use and occupancy and evidenced by the issuance or continuing validity of a certificate of occupancy for the Premises (or its equivalent), which determination shall be binding upon the parties hereto. In the event the City of Compton or its departments and agencies are unable to make a determination of the availability of the Premises for use and occupancy within thirty (30) days after the filing of a request for such determination by Lessor or Lessee, any other public agency with building code enforcement capability with respect to the Premises may make such a determination, which determination shall be binding upon the parties hereto. Lessee shall apply for all necessary permits and commence the repair and restoration of the Premises within 180 days of the Abatement Event; provided, however, that such period shall be extended if Lessee is prevented from commencing the repair and restoration

of the Premises as a result of a force majeure event as provided in Section 24(g) hereof. Commencement of the repair and restoration shall require (i) notification of the appropriate insurance company (or companies) and (ii) the placing or bidding of the necessary work order(s) and/or contract(s) for obtaining the labor and materials to accomplish the repair and restoration. Lessee will be responsible for securing the area to prevent injury to persons and/or vandalism to the Facilities; the actual costs for said activities shall be reimbursed to Lessee from any insurance proceeds permitted to be so expended. If Lessee should fail thereafter to pursue said repair and restoration work with reasonable diligence to completion, Lessor may give Lessee thirty (30) days' prior written notice and thereafter perform or cause to be performed the restoration work and deduct the cost thereof in excess of the insurance proceeds from the Renewal and Replacement Fund as a charge against Lessor.

In the event Lessee commences the repair and restoration, any proceeds of insurance deposited with Lessee or the Trustee shall be paid out to Lessee or its contractor in accordance with the progress of the repair and restoration. Any insurance proceeds in excess of the amount required to restore the Premises to a tenantable condition and available for use and occupancy by Lessee shall be deposited into the Renewal and Replacement Fund and applied in accordance with the provisions governing such Renewal and Replacement Fund. In the event Lessee refuses to commence the repair and restoration of the Premises and Lessor elects not to undertake such repair and restoration of the Premises, then any proceeds of insurance deposited with the Trustee or Lessor shall be applied to the prepayment of the outstanding Construction Loans; provided, however, that in the event the insurance proceeds received by Lessee, Lessor or the Trustee are attributable to damage or destruction of a portion of the Premises and the Base Rent payable under this Lease Agreement after such prepayment would not be sufficient to pay the remaining principal and interest represented by the Construction Loans, such insurance proceeds shall not be applied to the prepayment of Construction Loans but shall instead be applied to the repair and restoration of- the Premises. Any excess insurance proceeds shall be deposited in the Renewal and Replacement Fund after payment of all necessary expenses and Lessee shall have no claim to any portion of such proceeds.

In the event an Abatement Event causes the entire Premises to be rendered untenable, and there are insufficient insurance proceeds to repair or restore the Premises to tenantable condition, Lessee shall deposit sufficient funds with the Trustee to cover such deficiency. Such funds shall be paid out to Lessee or its contractor in accordance with the progress of the repair and restoration of the Premises as provided in the preceding paragraph. If Lessee fails to fund such shortfall, then any insurance proceeds shall be deposited with the Trustee as provided in the Loan Servicing Agreement and applied to the prepayment of the Construction Loans.

Section 10. Lessee's Fixtures. Lessee and any sublessee may at any time and from time to time in its sole discretion, and at its sole expense, install or permit to be installed, additional items ,of equipment or other personal property in or upon the Premises in addition to the Fixtures and Equipment which are initially installed by Lessor as part of the Premises, provided such installation does not affect the building systems or structural portions of the Premises. All such additional property shall remain the sole personal property of Lessee. Lessor agrees that Lessee may remove, at its own expense, at any time during the Lease Term, all such other personal property of Lessee; provided, however, that any such removal shall not cause any

damage to the Premises or that Lessee shall, at its own expense, repair any such damage caused thereby.

Section 11. Repair, Maintenance and Replacement.

(a) ***Lessor's Warranty Obligations – First Lease Year.*** Lessor warrants that the entire Premises shall be free of defects and all building systems shall be fully operational in accordance with manufacturers' specifications for a period of one year from the Lease Commencement Date (the "**First Lease Year**"). Any failure of the foregoing warranty shall be referred to herein as a "**Construction Defect**"). If during the First Lease Year, a Construction Defect requires repair or replacement, Lessor shall, at its sole cost and expense, subject to the last sentence of this subsection, repair or replace such defective item or component. Lessee's liability under this subsection (a) shall be limited to (i) amounts received under warranties, indemnities and guarantees relating to the construction of the Premises and (b) amounts received by Lessor under Section ____ [re Lessor fees].

(b) ***Implementation of Lessor's Obligations – First Lease Year.*** In the event, that any portion of the Premises shall require repair or replacement during the First Lease Year as a result of a Construction Defect, Lessee shall deliver written notice to Lessor specifying in detail the required repair or replacement. Concurrently with the delivery of written notice to Lessor, Lessee shall deliver a copy of such written notice to the Trustee. During the First Lease Year, in the event Lessor should fail, neglect or refuse to seek and diligently pursue any permits required or otherwise to commence the repair or replacement of any damaged or defective portion of the Premises within thirty (30) days after written notice has been delivered to Lessor by Lessee, as required by subsection (a) above, Lessee shall provide written notice to the Trustee of Lessor's failure to seek and diligently pursue any permits required or otherwise to commence such repair and replacement. Within ten (10) Business Days of the receipt of such written notice, the Trustee shall exercise its remedies provided in the Loan Servicing Agreement to retain the services of a Management Company to undertake all such warranty obligations of Lessor. The Trustee shall provide Lessor and Lessee with the name of the Management Company on the Business Day following acceptance by the Management Company of its obligations under this Lease Agreement. Any Management Company retained pursuant to the terms hereof shall be subject to the reasonable approval of Lessee.

In the event the Trustee is unable to retain the services of a Management Company as provided above, Lessee shall either appoint a Management Company to assume the First Lease Year warranty obligations of Lessor under subsection (a) or undertake such obligations itself. Lessee shall provide the Trustee and Lessor with the name of the Management Company or a written acknowledgement of its acceptance of the obligations to operate, maintain, repair and replace the Premises no later than ten (10) days following the expiration of the time period within which the Trustee is required to retain a Management Company as provided above.

Upon the appointment of a Management Company pursuant to this subsection (b) or the acceptance of the repair and replacement obligations hereunder by Lessee, Lessor

shall be released of all future obligations relating to the First Lease Year warranty obligations of Lessor under subsection (a) accruing from and after the date of such appointment or acceptance. In the event Lessee has assumed such obligations, Lessee shall continue to have the obligation to pay the amounts required to be deposited into the Renewal and Replacement Fund, Base Rent and other charges payable by Lessee hereunder. In the event a Management Company is retained pursuant to the terms of this subsection (b), such Management Company shall assume all of Lessor's obligations to repair and replace defective work and operating systems during the First Lease year under subsection (a).

In the event that any Construction Defect results in an emergency, upon Lessor's failure, neglect or refusal to seek and diligently pursue any permits required to commence the repair or replacement of any such defective portion of the Premises within 48 hours after notice has been delivered by Lessee, or fail, neglect or refuse to pursue said repair or replacement work, with reasonable diligence to completion, Lessee at its sole election may (i) deduct the reasonable cost of repairing or replacing such damaged or defective portion of the Premises from the installments of Additional Rent (other than amounts due and owing by Lessee pursuant to Sections 6(c)(vii) and 6(c)(viii) hereof) next due as a charge to Lessor without taking any further action, or (ii) repair or replace such damaged or defective portion of the Premises and deduct the reasonable cost thereof from the installments of Additional Rent next due as a charge to Lessor. In the event Lessee elects to repair or replace such damaged or defective portion of the Premises, Lessee shall provide Lessor and the Trustee with a written statement and accompanying invoices detailing the cost of such repair or replacement.

The term "commence" means that Lessor shall show reasonably satisfactory progress in procuring any required permits (to the extent required) or entering into contracts in pursuance of doing the work. An "emergency" as used herein is defined as any life threatening situation or in the event the Premises are rendered unusable because of a utility disruption, including, without limitation, the HVAC system, water, electricity and sewer lines.

Lessee shall defend, indemnify and hold Lessor and Lessor Parties harmless from any and all claims, damages, judgments, suits, causes of action or liabilities in connection with or as a result of Lessee's or the Management Company's failure to adequately maintain, repair and replace the Premises after the termination of Lessor's obligations to maintain, repair and replace the Premises. Lessee shall, at its sole cost and expense, ensure that the maintenance, repair and replacement of the Premises after the termination of Lessor's obligations with respect to the same is performed in accordance with the same standards established in this Lease Agreement, regardless of whether such maintenance, repair or replacement is performed by Lessee or a Management Company.

(c) **Warranties.** Lessor agrees to obligate any general or subcontractor hired by Lessor to warranties and guarantees of workmanship imposed by state law or state agency at the time of contracting. To the extent Lessor is entitled to make such assignment by the terms and conditions of such warranties, indemnities or guarantees, Lessor hereby conditionally assigns and transfers to Lessee all of its right, title and

interest in, to and under any warranties, indemnities and guarantees relating to or covering Construction Defects received from the Contractor, all Subcontractors, the Architect (as such terms are defined in the Work Letter), manufacturers, and engineers or other consultants engaged by Lessor in connection with construction of the Premises, which assignment and transfer is intended to provide direct access by Lessee to and privity between Lessee and the providers of such warranties and indemnities. Such assignment shall remain in effect only during the Term of this Lease. During the Lease Term, Lessor agrees to pursue and to cooperate with Lessee in the pursuit of any and all claims against the Contractor, any Subcontractor or supplier for any defective component or item relating to the Premises, and shall diligently enforce the terms of all warranties provided for the Premises by the Contractor, any Subcontractor or supplier. All amounts received by Lessor following the First Lease Year or the Trustee from the enforcement of any warranty or insurance policy shall be deposited in the applicable fund or account under the Loan Servicing Agreement and shall be applied to the repair or replacement of the defective item or component.

(d) ***Lessee's Obligations to Maintain, Repair and Replace.*** Except as provided in subsection (a) and (b) of this Section, Lessee shall keep in good repair, replace and maintain the Premises during the entire Lease Term and shall, as provided in Section 7(c) hereof, apply amounts on deposit in the Renewal and Replacement Fund for such repair, replacement and maintenance costs in accordance with the terms of this Lease Agreement. Lessee may enter into separate agreement with a Management Company for purposes of performing the maintenance of the Premises required of Lessee under this Lease Agreement.

Section 12. Assignment by Lessor.

(a) Lessor may assign, transfer, mortgage, hypothecate or encumber Lessor's right, title and interest in and to this Lease Agreement or any portion thereof (including the right to receive Rental Payments but excluding its duties and obligations hereunder), and Lessor may execute any and all instruments providing for the payment of Rental Payments directly to an assignee or transferee, but only if the conditions set forth in subsections (b) and (d) of this Section are met. Any document or agreement purporting to collaterally assign, transfer, mortgage, hypothecate or encumber Lessor's right, title and interest in and to this Lease Agreement or any portion thereof, is hereinafter referred to as a "**Security Agreement**." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(b) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibit the offer or sale of any security constituting a fractional interest in this Lease Agreement of any portion thereof, without the prior written consent of Lessee.

(c) Violation by Lessor of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease Agreement. Lessee hereby agrees and acknowledges that distributions of profits by Lessor to its constituent

members, partners and/or shareholders shall not constitute a violation of Section 5951 of the California Government Code.

(d) Lessor shall give Lessee notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Rental Payments directly to an assignee or transferee) at least ten days prior to the effective date thereof.

(e) Lessor shall not furnish any information concerning Lessee or the subject matter of this Lease Agreement to any person or entity, except with Lessee's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed; provided however, nothing contained herein shall restrict Lessor from disclosing such information as may be required by law or to its employees, agents, consultants, accountants or attorneys. In addition, without violating the provisions of this Section, Lessor may use and distribute, or cause to be distributed by the underwriters for the Bonds or the providers of the Construction Loans, any of the information referred to in this subsection (e).

(f) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Lessor is referred to, such reference shall be deemed to include Lessor's successors or assigns, and all covenants and agreements by or on behalf of Lessor herein shall bind and apply to Lessor's successors and assigns whether so expressed or not.

Section 13. Lessor's Access. Upon the delivery of reasonable prior notice (except in the event of an emergency or regularly scheduled service, in which case no notice shall be required), Lessee agrees to permit Lessor or Lessor's authorized agents free access to the Premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs and/or otherwise as may be necessary for Lessor to perform. In addition, Lessor or Lessor's agents shall have access to the Premises in the event of an emergency. An "emergency" as used herein is defined as any life threatening situation or in the event the Premises are rendered unusable because of a utility disruption, including, without limitation, the HVAC system, water, electricity and/or sewer lines.

Section 14. Default.

(a) **Default by Lessee.** (A) If Lessee shall fail (1) to pay any Rental Payments payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Lease Agreement; or (2) to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by Lessee; or (B) upon the happening of any of the events specified in subsection (1) of this Section, Lessee shall be deemed to be in default hereunder and, it shall be lawful for Lessor to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement. Lessee shall in no event be in default in the observance or performance of any covenant, condition or agreement in this Lease Agreement on its part, to be observed or performed, other than as referred to in clause (A)(1) or (B) of this subsection (a), unless Lessee shall have failed, for a period of thirty (30) days or such

additional time as is reasonably required, to correct any such default after notice by Lessor to Lessee properly specifying wherein Lessee has failed to perform any such covenant, condition or agreement. Lessee shall in no event be in default in the observance or performance of any covenant, condition or agreement in this Lease Agreement on its part to be observed or performed under clause (A)(I) of this subsection (a), unless Lessee shall have received written notice from Lessor of its failure to pay any such Rental Payment and failed, for a period of ten (10) days thereafter, to pay such Rental Payment. Any notice required or given under this Section shall be in lieu of and not in addition to any notice required under Section 1161 et seq. of the California Code of Civil Procedure. Upon any such default, Lessor, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(i) To terminate this Lease Agreement in the manner hereinafter provided on account of default by Lessee, notwithstanding any re-entry or re-letting of the Premises as hereinafter provided for in subparagraph (ii) of this subsection (a), and to re-enter the Premises and remove all persons in possession thereof and all personal property whatsoever situated upon the Premises and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of Lessee. In the event of such termination, Lessee agrees to surrender immediately possession of the Premises, without let or hindrance, and to pay Lessor all damages recoverable at law that Lessor may incur by reason of default by Lessee, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Premises and removal and storage of such property by Lessor or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay Rental Payments or to surrender possession of the Premises given pursuant to law nor any entry or re-entry by Lessor nor any proceeding in unlawful detainer, or otherwise, brought by Lessor for the purpose of affecting such re-entry or obtaining possession of the Premises nor the appointment of a receiver upon initiative of Lessor to protect Lessor's interest under this Lease Agreement shall alone operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by Lessee shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until Lessor shall have given written notice to Lessee of the election on the part of Lessor to terminate this Lease Agreement. Lessee covenants and agrees that no surrender of the Premises or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by Lessor by such written notice.

(ii) Without terminating this Lease Agreement, (A) to collect each Rental Payment as it becomes due and enforce any other terms or provisions hereof to be kept or performed by Lessee, regardless of whether or not Lessee has abandoned the Premises or (B) to exercise any and all rights of entry and re-entry upon the Premises. In the event Lessor does not elect to terminate this Lease Agreement in the manner provided for in subparagraph (i) of this subsection (a), Lessee shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by Lessee and, if the property

is not re-let, to pay the full amount of the Rental Payments, to the end of the term of this Lease Agreement or, in the event that the Premises is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or deficiency in Rental Payments punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that Lessor may have received in previous years or may receive thereafter in subsequent years rental in excess of the Rental Payments herein specified, and notwithstanding any entry or re-entry by Lessor or suit in unlawful detainer, or otherwise, brought by Lessor for the purpose of effecting such re-entry or obtaining possession of the Premises. Should Lessor elect to re-enter as herein provided, Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee to re-let the Premises, or any part thereof, from time to time, either in Lessor's name or otherwise, upon such terms and conditions and for such use and period as Lessor may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Premises and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of Lessee, and Lessee hereby indemnifies and agrees to save harmless Lessor from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Premises and removal and storage of such property by Lessor or its duly authorized agents in accordance with the provisions herein contained. Lessee agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of Lessor to re-let the Premises in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of Lessor in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of the use or the term (subject to the preceding sentence) for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by Lessee the right to terminate this Lease Agreement shall vest in Lessor to be effected in the sole and exclusive manner provided for in subparagraph (i) of this subsection (a). Lessee further waives the right to any rental obtained by Lessor in excess of the Rental Payments herein specified and hereby conveys and releases such excess to Lessor as compensation to Lessor for its services in re-letting the Premises. Lessee agrees to return the Premises to Lessor in as good condition as when delivered, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster excepted; provided, however, this shall not relieve Lessee of any damages and costs incurred by Lessor to mitigate damages in the event of a default by Lessee hereunder.

Lessee hereby waives any and all claims for damages caused or which may be caused by Lessor in re-entering and taking possession of the Premises as herein provided and all claims for damages that may result from the destruction of or injury to the Premises and all claims for damages to or loss of any property belonging to Lessee, or any other person, that may be in or upon the Premises.

Future Base Rent payments due hereunder shall be accelerated and become immediately due and payable upon a default by Lessee hereunder. Lessor shall NOT be required to sue for each Base Rent payment as each such payment becomes due under this Lease Agreement.

(b) ***Bankruptcy of Lessee.*** If (i) Lessee's interest in this Lease Agreement or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of Lessor, as hereinafter provided for; (ii) Lessee or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby Lessee asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of Lessee's debts or obligations, or offers to Lessee's creditors to effect a composition or extension of time, to pay Lessee's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of Lessee's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against Lessee, or if a receiver of the business or of the property or assets of Lessee shall be appointed by any court, except a receiver appointed at the instance or request of Lessor, or if Lessee shall make a general assignment for the benefit of Lessee's creditors; or (iii) Lessee shall abandon the Premises, then Lessee shall be deemed to be in default hereunder.

(c) ***Remedies Not Exclusive.*** In addition to the other remedies set forth in this Section, upon the occurrence of an event of default as described in this Section, Lessor and its successors and assigns shall be entitled to proceed to protect and enforce the rights vested in Lessor and its assignee by this Lease Agreement or by law. The provisions of this Lease Agreement and the duties of Lessees and of its board, officers or employees shall be enforceable by Lessor or its assignee by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, Lessor and its assignee shall have the right to bring the following actions:

(i) ***Accounting.*** By action or suit in equity to require Lessee and its board, Officers and employees and its assigns to account as the trustee of an express trust.

(ii) ***Injunction.*** By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of Lessor or its assignee.

(iii) ***Mandamus.*** By mandamus or other, suit, action or proceeding at law or in equity to enforce Lessor's or its assignee's rights against Lessee (and its board, officers and employees) and to compel Lessee to perform and carry out its duties and obligations under the law and its covenants and agreements with Lessee as provided herein.

Each and all of the remedies given to Lessor hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of Lessor to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by Lessor of the Premises. If any statute or rule of law validly shall limit the remedies given to Lessor hereunder, Lessor nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event Lessor shall prevail in any action brought to enforce any of the terms and provisions of this Lease Agreement, Lessee agrees to pay for the reasonable attorney's fees and costs of suit incurred by Lessor in attempting to enforce any of the remedies available to Lessor hereunder.

(d) **Default by Lessor.** (i) If Lessor shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by Lessor; or (ii) if Lessor or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby Lessor asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of Lessor's debts or obligations, or offers to Lessor's creditors to effect a composition or extension of time to pay Lessor's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of Lessor's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against Lessor, or if a receiver of the business or of the property or assets of Lessor shall be appointed by any court, except a receiver appointed at the instance or request of Lessor, or if Lessor shall make a general assignment for the benefit of Lessor's creditors upon the happening of any of the events specified in subsection (ii), Lessor shall be deemed to be in default hereunder and, it shall be lawful for Lessee to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement.

Lessor shall not be in default in the performance of any obligation required to be performed under this Lease Agreement unless Lessor has failed to perform such obligation within thirty (30) days after the receipt of written notice of default from Lessee specifying in detail Lessor's failure to perform. Concurrently with the delivery of written notice to Lessor, Lessee shall delivery a copy of such written notice to the Trustee. Lessor shall not be deemed to be in default under this Lease Agreement if (i) Lessor performs and meets the obligation within the thirty (30) day period after notice of default is given, or (ii) the obligation cannot reasonably be performed within thirty (30) days after notice of default is given, but Lessor reasonably commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

In the event Lessor shall default in the performance of any obligation required to be performed under this Lease Agreement, Lessee shall provide written notice to Lessor

and, for so long as the Construction Loans outstanding, the Trustee identifying the nature of such default. If Lessor shall have failed to cure a default by Lessor within thirty (30) days after the receipt of written notice of such default, Lessee shall deliver notice of such failure to Lessor and, for so long as the Construction Loans outstanding, the Trustee. In the event that Lessor's default hereunder is the failure to maintain, repair or replace the Premises, Lessor and Lessee hereby agree that the rights and remedies of Lessee hereunder with respect to such default shall be as provided in Section 11(b) hereof.

In the event that Lessor's default hereunder is other than its failure to repair and replace Construction Defects during the First Lease Year, Lessor and Lessee hereby agree that within thirty (30) days of the receipt of notice of the failure of Lessor to cure such default, the Trustee shall have the right, but not the obligation, to cure such default under this Lease Agreement, and Lessee shall accept such performance by the Trustee as if the same had been made by Lessor, subject to all of the terms and conditions of this Lease Agreement. In the event the Trustee elects to cure such default, it shall give Lessee written notice of its election to cure such default within such period and shall commence such cure and diligently proceed to cure the default. Any contractor retained by the Trustee to perform any obligation of Lessor shall be subject to the reasonable approval of Lessee.

Lessor and Lessee agree that there shall be no Abatement of the Base Rent due under this Lease Agreement as a result of a default by Lessor in the performance to repair and replace Construction Defects during the First Lease Year and that any such Abatement or offset shall be limited solely to Additional Rent (other than amounts due and owing by Lessee pursuant to Sections 6(c)(v) and 6(c)(vi) hereof).

Except as otherwise provided in Section 4(c) and Section 9 hereof, Lessee hereby waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights it may have to terminate this Lease Agreement as a result of an Abatement Event hereunder and this Lease Agreement shall continue in full force and effect.

Section 15. Assignment; Subletting. For so long as the Construction Loans outstanding, Lessee shall, subject to the provisions of this Section, including, without limitation, Section 8(g) above the right to assign this Lease Agreement or sublease the Premises to the State, any political subdivision of the State, any municipal corporation or any agency of the State so long as the Premises is used in the same manner as provided in Section 8(a) hereof. In addition, for so long as the Construction Loans remain outstanding, provided the Premises are used in the same manner as provided in Section 8(a) hereof, Lessee may, subject to receipt by the Issuer, Lessor, Lessee and the Trustee of a Favorable Opinion of Bond Counsel which shall be obtained by Lessee at its sole cost and expense, enter into long term leases (leases greater than thirty (30) days including all renewal options) with any private entity (including, the federal government, not-for-profit corporations, etc.). Within fifteen (15) days after the receipt of such written request, Lessor shall notify Lessee of any additional information it will require prior to the delivery of its response required hereunder which shall be obtained by Lessee at its sole cost and expense. Lessee agrees to provide or cause to be provided any and all information requested by Lessor with respect to any assignee of this Lease Agreement in connection with Lessee's request to assign this Lease Agreement or any sublessee of the Premises in connection with Lessee's

request to sublease the Premises. Approval of any assignment or sublease shall be given or denied within thirty (30) days of Lessor's receipt of such additional information (or thirty (30) days after receipt of Lessee's written request if no additional information is requested by Lessor). The failure of Lessor to reject Lessee's written request under this Section within thirty (30) days of the receipt of such additional information (or thirty (30) days after receipt of Lessee's written request if no additional information is requested by Lessor) shall be conclusively deemed to be disapproval of such assignment or sublease. Any sublessee of Lessee hereunder may not sublease the Premises to any other sublessee. All costs incurred by Lessor and Lessee in connection with any assignment of this Lease Agreement or the sublease of the Premises shall be paid by Lessee prior to the effective date of such assignment or sublease, including, without limitation, costs, fees and expenses in obtaining a Favorable Opinion of Bond Counsel which Lessor deems reasonably necessary. Notwithstanding anything herein to the contrary, in the event the Premises are subleased or this Lease Agreement is assigned as provided in this Section, Lessee shall, remain primarily responsible for all Rental Payments due hereunder and Lessor shall have no obligation to accept any Rental Payments from any sublessee or assignee hereunder. In addition, in the case of an assignment, Lessee shall deliver to Lessor an instrument, executed by Lessee and such assignee, in form reasonably acceptable to Lessor, containing an express assignment and assumption of all of Lessee's obligations under the Lease Agreement and in the case of a sublease, such sublease shall be subject and subordinate to all the terms and conditions of this Lease Agreement.

Section 16. Alterations. Neither Lessor nor Lessee shall make any structural, mechanical, electrical or plumbing alterations which may materially affect the Premises primary systems without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any party seeking to make structural alterations to the Premises shall furnish the other party with detailed plans and specifications relating to such structural alterations concurrently with such written request. The party from whom such consent is sought shall reject such request within thirty (30) days of the receipt of the request or such party's consent shall be deemed given hereunder. A structural alteration shall be any modification to the Premises which results in a change in the structural integrity of the Premises or alters the gross cubic area of the Facilities. Any alterations installed by Lessee which are "trade fixtures" as such are defined by the law of eminent domain shall be treated as Lessee's fixtures in accordance with the provisions of this Lease Agreement.

Section 17. Notices. Notices desired or required to be given by this Lease Agreement or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service.

All such notices and the envelope containing the same shall be addressed to Lessor as follows:

Compton Downtown Community North, LLC
c/o Community Redevelopment Agency of the City of Compton
205 South Willowbrook Avenue
Compton, California 90220
Attention: Director of Redevelopment

#10.

with a copy to:

Richards Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attention: Jim G. Grayson

and

Lowe Enterprises Real Estate Group West
11777 San Vicente Boulevard, Suite 900
Los Angeles, California 90049
Attention: Mr. J. Alberto Lemus, Senior Vice President

and

Sheppard Mullin Richter & Hampton LLP
333 South Hope Street, 43rd Floor
Los Angeles, California 90071
Attention: Michael J. Kiely, Esq.

or such other place as may hereinafter be designated in writing by Lessor except that Lessor shall at all times maintain a mailing address in the State.

All notices and the envelope containing the same shall be addressed to Lessee as follows:

Community Redevelopment Agency of the City of Compton
205 South Willowbrook Avenue
Compton, California 90220
Attention: Director of Redevelopment

with a copy to:

Richards Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, California 90071
Attention: Jim G. Grayson

or such other place as may hereinafter be designated in writing by Lessee.

Any notice given pursuant to the terms of this Lease Agreement shall be deemed received on the date of delivery shown upon the United States Postal Service's return receipt for certified or registered mail.

Section 18. Condemnation. If the Premises or any portion thereof is taken under the power of eminent domain or sold under the threat of the exercise of said power (all of which are herein called "**condemnation**"), any award for the taking of all or any part of the Premises shall be the property of Lessee, to the extent it is compensation for the taking of the fee or as

severance damages or for Lessee's personal property or any Furniture, Fixtures and Equipment which comprise a portion of the Premises, and shall be paid to the Trustee to the extent there are any amounts outstanding under the Construction Loans outstanding, in an amount sufficient to retire such Bonds and to pay the Issuer's and Trustee's Extraordinary Costs. This Lease Agreement shall remain in full force and effect as to the portion of the Premises remaining except that Lessee shall be entitled to a Proportionate Abatement. In the event of a partial taking of the Premises, Lessor shall make the proceeds of the condemnation received by Lessor available to Lessee to restore (to the extent of such proceeds) the Premises to a complete architectural unit of a quality, appearance and functional utility at least consistent with the Premises as they existed prior to the taking.

The parties agree that Lessor and Lessee shall each receive independently its relocation assistance.

Section 19. Insurance.

(a) During the period of construction, installation and equipping of the Premises, Lessor shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by Lessee, and shall name Lessee and, for so long as the Construction Loans outstanding, the Trustee as additional insureds, and shall include, but not be limited to:

(i) Builders Special Form Causes of Loss insurance, but excluding earthquake, flood, terrorism and mold coverage, covering the entire work, against loss or damage until completion and acceptance by Lessee. Insurance shall be in an amount for the replacement value of the Premises, breach of warranty, explosion, collapse and underground hazards

(ii) Commercial General Liability insurance endorsed for Premises-Operations, Products/Completed Operations, and Contractual Liability, with a per occurrence limit of not less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate;

(iii) Business Auto Liability insurance coverage for all owned and non-owned vehicles with a combined single limit of at least \$1,000,000 per occurrence; and

(iv) a program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of Lessor and all risks to such persons under this Lease Agreement.

(b) During the term of this Lease Agreement, following the Lease Commencement Date, the following indemnification and insurance requirements shall be in effect.

(i) Lessor agrees to indemnify, defend and hold harmless Lessee and the Trustee, and their respective agents, officers and employees from and against any and all liability, claims, loss, damages or expenses (including disbursements costs and reasonable legal fees), arising by reason of bodily injury, death, personal injury, property damage or claims for damages of any nature whatsoever, arising from or resulting solely from Lessor's ownership of the Premises;

(ii) Lessee agrees to indemnify, defend and hold harmless Lessor and the Trustee, and their respective agents, officers and employees from and against any and all liability, claims, loss, damages or expenses (including disbursements costs and reasonable legal fees), arising by reason of bodily injury, death, personal injury, property damage or claims for damages of any nature whatsoever, arising from or resulting from Lessee's maintenance, repair, operation and/or activities on the Premises;

(iii) during the term of Lessee's occupancy, Lessee shall keep the Premises insured against loss or damage for such perils ordinarily covered under a Special Form Causes of Loss Coverage, including sprinkler leakage but excluding earthquake, flood, terrorism or mold coverage in an amount equal to the full replacement value of the Facilities. The replacement value of the Facilities shall be reviewed by Lessor at least every 36 months to assure sufficient coverage as required hereby. Lessee shall use all reasonable efforts to obtain, to the extent commercially reasonable and available, from the insurer of the property coverage required under this subsection, an endorsement or guaranty from the insurer in a form and substance reasonably acceptable to Lessor assuring that during the policy term, the coverage will be sufficient to pay the full cost of repair or replacement of the Facilities in the event of a loss insured by the policy;

(iv) for so long as the Construction Loans remain outstanding, the Lessee shall obtain loss of business income insurance coverage, including but not limited to Rental Payments and other expenses due in any 36 month period under this Lease Agreement;

(v) Lessee shall obtain commercial general liability insurance coverage of not less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate for third-party liability bodily injury and property damage arising from Lessee's activities in the Premises.

(c) **INTENTIONALLY OMITTED.**

(d) The maintenance of insurance by Lessee required by subsection (b)(v) of this Section is to protect Lessor and the Trustee, as additional insureds, against any claim for damages or property damage which may arise from Lessee's activity on said Premises. Notwithstanding the provisions of subsection (b)(v) of this Section, this insurance is not intended to protect Lessor with respect to third-party liability or physical damage or loss attributable to Lessor's ownership, maintenance, or use of the Premises. For such liability, damage or loss, Lessor agrees to provide such insurance protection.

(e) To the extent Lessor or Lessee receives proceeds of insurance for any losses, damages or liability covered under any policy of commercial insurance provided by the other party or their agents, contractors or subcontractors, Lessor and Lessee each hereby waive any and all rights of recovery, including subrogation rights, against the other or against the officers, employees, agents, representatives, contractors and subcontractors of the other on account of loss or damage occasioned by the waiving party, or to its property or the property of others under its control; provided, however, such waiver shall not apply to the amount of any deductible. Either party shall, upon obtaining any policy of commercial insurance referred to in this Lease Agreement, give notice to the insurer that the foregoing mutual waiver does not apply to liability, losses, or damages which are self-insured.

(f) Lessor, Lessee, and, for so long as the Construction Loans outstanding, Trustee, shall be named as additional insureds on each of the applicable policies of insurance noted above provided, however, the obligation to name Lessee and the Trustee's and/or any other parties as additional insureds shall not apply to worker's compensation. The insurance policy or policies shall be placed only with established and reputable companies and the premiums therefore shall be commercially reasonable and comparable with the premiums charged by comparable companies for comparable risk. The proceeds shall be payable to Lessor, Lessee, the Trustee as their interests may appear. The policy or policies shall not be cancelable without thirty (30) days' prior written notice to Lessee, and, for so long as the Construction Loans outstanding, Trustee. Lessor shall provide written notice to Lessee of the date of expiration of any policy maintained pursuant to this Lease Agreement, no earlier than one-hundred twenty (120) days and no later than ninety (90) days prior to such date of expiration, and shall provide notice to Lessee of the alternate policy or policies to be obtained by Lessor to ensure compliance with the provisions of this Lease Agreement.

(g) Lessor shall review the adequacy of the insurance requirements set forth in this Section annually prior to the submission of the statement of Estimated Operating Costs for the subsequent Lease Year pursuant to Section 6(c)(iv) hereof, commencing in the second Lease Year, to ensure that the Premises and Lessor and Lessee are adequately protected from the risks associated with the potential damage to the Premises and the operation and management of the Premises and shall provide a written report to Lessee of such analysis. Lessor may increase the amount of insurance coverage provided in this Section to such levels as Lessor deems reasonably necessary to protect the Premises and Lessor and Lessee. Coverages and limits are subject to availability on the open market at reasonable cost as reasonably determined by Lessee's Risk Manager. For requirements to be relaxed or waived, Lessor's broker or agent must document non-availability or non-affordability in a letter to Lessee's Risk Manager. Such letter must show a good faith effort to place the required insurance, must list the names of the insurance carriers contacted and show the declinations or cost indications received from each. In the event any insurance required hereunder is determined by Lessee's Risk Manager to be not available or not available at an affordable cost, Lessor shall not be required to obtain such insurance during the period it is not available or not affordable, and Lessor shall notify Lessee and the Trustee of the unavailability or unaffordability of any insurance.

Section 20. INTENTIONALLY OMITTED

Section 21. Binding on Successors. Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the permitted successors in interest of Lessor and Lessee.

Section 22. Parking Spaces.

Lessor shall provide the Parking Structure for the purpose of providing the Lessee with exclusive use of all parking spaces located at the Site. Lessee shall be entitled to impose parking charges upon members of the general public which use the Parking Structure and are not otherwise validated by the Lessee. Lessee agrees not to permit any parking arrangement with respect to the Parking Structure which would violate the limitations contained in Section 8(g) hereof.

Section 23. Warranties and Representations.

(a) **Hazardous Substances.** Lessor hereby warrants and represents that except as disclosed in the environmental assessment reports listed on Exhibit H attached hereto, it has no knowledge of any release of Hazardous Substances on the Premises occurring before its ownership; that except as disclosed in the environmental assessment reports listed on Exhibit H attached hereto, it has no knowledge or reason to believe that there are Hazardous Substances on the Premises; and that it shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of Hazardous Substances.

(b) **Federal, State and Local Laws.** Lessee hereby warrants and represents that it shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of Hazardous Substances on the Premises.

(c) **Notice.** Lessor and Lessee agree to immediately notify each other when either party learns that Hazardous Substances have been released on the Premises.

(d) **Indemnity.**

(i) Lessor agrees to indemnify, defend and save harmless Lessee, its agents, officers and employees from and against all liability, expenses (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises which presence or release was caused by Lessor or Lessor's agents, officers, employees, invitees, guests or contractors.

(ii) Lessee agrees to indemnify, defend and save harmless Lessor, its agents, officers and employees from and against all liability, expenses (including defense costs, legal fees and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises which presence or release has not been caused by Lessor or Lessor's agents, employees, invitees or subcontractors.

(iii) The indemnity provided each party by this subsection (d) shall survive the termination of this Lease Agreement; provided, however, that the foregoing indemnity of Lessee shall not survive the expiration or termination of this Lease Agreement with respect to claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises which presence or release was not caused by Lessee or Lessee's agents, employees, subtenants, invitees, guests or contractors.

(e) **Default.** The presence or release of Hazardous Substances on the Premises which is not caused by Lessee or Lessee's agents, employees, invitees or subcontractors and which, in the reasonable judgment of Lessee, threatens the health and safety of Lessee's agents, officers, employees or invitees, shall entitle Lessee to a Proportionate Abatement in the Rental Payments pursuant to Section 9 hereof until such presence or release is remediated.

Section 24. General Provisions.

(a) **Waiver.** The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition.

(b) **Marginal Headings.** The Section titles in this Lease Agreement are not a part thereof and shall have no effect upon the construction or interpretation of any part hereof.

(c) **Time.** Time is of the essence with regard to all provisions of this Lease Agreement in which performance is a factor.

(d) **Recordation.** Either party may record this Lease Agreement or a memorandum of this Lease Agreement at any time without the prior written consent of the other party; provided, however, that each party shall cooperate with the other in the execution and delivery of a memorandum of this Lease Agreement.

(e) **Quiet Possession.** Upon Lessee paying the Rental Payments hereunder Lessee shall have quiet possession of the Premises for the entire term hereof subject to all the provisions in this Lease Agreement. If any underlying lease agreement terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, this Lease Agreement shall nevertheless remain in full force and effect and Lessee at all times shall be entitled to quiet possession and use of the Premises and shall, notwithstanding any subordination, and upon the request of such successor in interest to Lessor, attorn to and become Lessee of the successor in interest to Lessor.

(f) **Prior Agreements.** This Lease Agreement contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease Agreement and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease Agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their

respective successors-in-interest, together with the prior written consent of the Trustee's. This Lease Agreement shall not be effective or binding on any party until fully executed by both parties hereto.

(g) ***Force Majeure.*** In the event that either party is delayed or hindered from the performance of any act required hereunder by reason of acts of God, strikes, boycotts, lock-outs, labor troubles, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency or other reasons of a like nature not the fault of such party, then performance of such acts shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; *provided, however*, that no force majeure event shall excuse Lessee from making Rental Payments hereunder when due; *provided, further, however*, that Force Majeure shall not be deemed to exist to the extent that materials and supplies are not available from Lessor's preferred providers due to strikes, boycotts, lock-outs or labor troubles if such materials and supplies are otherwise available from other reputable suppliers at comparable costs and Lessor is permitted to obtain such materials and supplies from such suppliers under this Lease Agreement and any applicable laws, ordinances and regulations.

(h) ***Severability.*** Any provision of this Lease Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

(i) ***Cumulative Remedies.*** No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

(j) ***Choice of Law.*** This Lease Agreement shall be governed by the laws of the State of California, exclusive of conflict of law provisions.

(k) ***Warranties or Guarantees.*** In the event that any of the Construction Defects required to be maintained and repaired by Lessor under the provisions of Section 11(a) hereof or by Lessee under the provisions of Section 11(d) hereof are protected by warranties or guarantees Lessee shall be entitled to the full benefit of such protection as if it were the original purchaser thereof.

(l) ***Mediation.*** Except with respect to Lessee's failure to pay Base Rent, before filing any litigation or making any administrative claim, the parties agree to engage in nonbinding mediation for a minimum of thirty (30) days. The mediator shall be selected by mutual agreement or, if no agreement can be reached, by the Presiding Judge, Los Angeles Superior Court, upon petition by either party. The mediation shall be conducted at the discretion of the mediator or pursuant to rules adopted by the parties. The mediation shall be conducted in Los Angeles, California. The cost of mediation shall be borne equally by Lessor and Lessee, and each shall pay one-half of any estimated fees required by the mediator in advance. Before the date of mediation, each side shall provide the mediator and the other party with a statement of its position and copies of all

supporting documents. If a subsequent dispute will involve third parties, such as insurers or subcontractors, they shall also be asked to participate in the mediation. No one who has ever had any business, financial, family or social relationship with any party to this Lease shall serve as mediator unless the related party informs the other party of the relationship and the other party consents in writing to the use of that mediator.

(m) **Construction; Prevailing Wage.** Any and all construction pertaining to this Lease Agreement by Lessor or Lessee or their designated contractors or subcontractors shall comply with all applicable regulations, codes and ordinances, including but not limited to all provisions of the Labor Code of the State of California. Under the provisions of said Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale applicable to the work contemplated must be posted at the subject site.

(n) **Non-Discrimination.** Lessor certifies and agrees that (i) all persons employed thereby, are and shall be treated equally without regard to or because of race, religion, ancestry, national origin or sex, and in compliance with all federal and state laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act and agrees to include a non-discrimination provision in any agreement with a Contractor or Subcontractors, and will require the Contractor to also provide a non-discrimination provision in any agreement with its Subcontractors, (ii) subcontractors, bidders and vendors thereof are and shall be selected without regard to or because of race, religion, ancestry, national origin or sex, (iii) all employment records shall be open for inspection and re-inspection at any reasonable time during the term of this agreement for the purpose of verifying the practice of non-discrimination by Lessor in the areas heretofore described, and (iv) the sum of \$200.00 is hereby agreed upon as the amount of damages that will be sustained by Lessee for each breach of the promises on non-discrimination herein contained. Said amount has been set by the parties hereto in recognition of the difficulty in fixing actual damages arising from a breach thereof and not as a penalty.

(o) **Non Discrimination.** Lessee herein covenants for itself and its successors and assigns, and all persons claiming under or through it, and this Lease Agreement is made and accepted under and subject to the following conditions: 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, sexual orientation, Acquired Immune Deficiency Syndrome (AIDS) acquired or perceived, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises nor shall Lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessee, subtenants, or vendees in the Premises.

Section 25. Payment and Performance Bonds . Lessor, at its own cost and expense, shall furnish or cause its contractor to furnish Lessee two separate bonds as follows:

(a) ***Performance Bond.*** Before commencing construction of the Improvements and the Tenant Improvements, Lessor shall furnish or cause to be furnished to Lessee one or more performance bonds issued by a surety company licensed to transact business in the State of California, rated A-VIII or higher by A.M. Best Company (or the future equivalent thereof). Said bond shall be in an amount equal to 100% of Lessor's estimated construction cost for the Improvements (as defined in the Work Letter attached hereto) and the Tenant Improvements (as defined in the Work Letter) as contemplated by the construction documents pertaining thereto, but in no event less than the actual qualified construction bids received with respect thereto. Said bond and surety company must be satisfactory to Lessee and shall name Lessor as principal. It shall assure full and satisfactory performance by Lessor of the obligation contained herein to construct or install the Improvements, as contemplated by the Improvements Construction Drawings and the Tenant Improvement Construction Drawings (as defined in the Work Letter). In addition, said bond shall be so conditioned as to assure the faithful performance by Lessor of all required work under this Lease Agreement. Said bond shall remain in full force and effect until one year after the date of acceptance of the Premises by Lessee.

(b) ***Payment Bond.*** Before commencing construction, Lessor shall furnish an additional surety bond issued by a surety company licensed to transact business in the State of California; rated A-VIII or higher by A.M. Best Company (or the future equivalent thereof). Said bond and said company to be in all respects satisfactory to Lessee with Lessor as principal. Said bond shall be in an amount not less than 100% of Lessor's estimated cost of the construction of the Improvements and the Tenant Improvements, but in no event less than the actual qualified construction bids received. Said bond shall guarantee payment for all materials, provisions, supplies and equipment used in, upon, and/or about the performance of such construction or installation work or for labor done thereon of any kind whatsoever. Said bond shall, in addition, protect Lessee from any and all liability, loss or damage for failure to make such payment.

(c) ***Contractor Bonds.*** In the event Lessor does not serve as general contractor, but elects to have the Improvements constructed by one or more general contractors, Lessor shall require each such general contractor to furnish bonds satisfying the requirements of paragraphs (a) and (b) above. Said bonds shall name Lessee as additional obligee and shall be submitted to and approved by Lessee prior to commencement of construction. Compliance with this provision shall relieve Lessor of providing bonds pursuant to subsections (a) and (b) of this Section to the extent the bonds would be duplicated by the bonds furnished by the general contractor.

Section 26. No Encumbrance by Lessor. Lessor agrees not to subject the Premises to any deed of trust or mortgage, unless such deed of trust or mortgage shall meet each and every one of the following conditions: (a) the aggregate amount of indebtedness, the repayment of which is secured by such encumbrance does not exceed the principal amount of the Bonds, (c) that the repayment of the Bonds is amortized over a term not to exceed the remaining Lease

Term and is repayable on an annual, semiannual, quarterly, or monthly basis, and (d) that such deed of trust or mortgage shall require that the deed of trust or mortgage be reconveyed by the beneficiary or the beneficiary's assignee immediately following the delivery by Lessee of a Certificate of Acceptance pursuant to Section 3(b) of this Lease Agreement.

Lessor agrees to notify Lessee in writing of each such encumbrance and to assure compliance with the conditions specified above.

Section 27. Estoppel Certificate. Either party shall at any time upon not less than thirty (30) days' prior written notice from the other party execute, acknowledge and deliver to the requesting party a statement in writing (a) certifying that this Lease Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease Agreement, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (b) acknowledging that there are not to the declarant's knowledge, any uncured defaults on the part of either party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the building, complex or any other interested party. Failure to deliver such statement within such time shall be conclusive evidence (i) that this Lease Agreement is in full force and effect without modification except as may be represented by the requesting party in the written request for the certificate, (ii) that there are no uncured defaults in either party's performance, and (iii) that not more than one month's Base Rent has been paid in advance.

Section 28. INTENTIONALLY OMITTED.

Section 29. New Lease Agreement. In the event this Lease Agreement is rejected as a result of the bankruptcy of Lessor or terminated for any other reason while the Construction Loans outstanding, Lessee hereby agrees to enter into a new lease agreement with the Trustee for the benefit of the Construction Lenders or other subsequent owners of the fee interest with substantially the same terms and provisions as provided in this Lease Agreement.

#10.

IN WITNESS WHEREOF, Lessor has executed this Lease Agreement or caused it to be duly executed, and Lessee has caused this Lease Agreement to be executed on its behalf and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:

**COMPTON DOWNTOWN COMMUNITY
NORTH, LLC,**
a Delaware limited liability company

By _____
Name:
Title:

APPROVED AS TO FORM:

Craig J. Cornwell, General Counsel

LESSEE:

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

By _____
Deputy General Counsel

By _____

APPROVED AS TO FORM

RICHARDS, WATSON & GERSHON

By _____
Jim G. Grayson, Esq.
Agency Counsel

EXHIBIT A
DEFINITIONS

"Abated Percentage of the Premises" means (a) with respect to the Senior Center and Community Center, a percentage equal to the fraction of which the numerator is the Rentable Square Feet of Facilities do not have use and occupancy of immediately after the Abatement Event and the denominator is equal to the Rentable Square Feet of Senior Center and Community Center space immediately prior to the Abatement Event, and (b) with respect to the Parking Structure, a percentage equal to the fraction of which the numerator is the number of parking spaces that Lessee does not have use and occupancy of immediately after the Abatement Event and the denominator is equal to the total number of parking spaces available to Lessee immediately prior to the Abatement Event.

"Abatement Event" means the destruction of, or material damage to, all or any portion of the Premises by fire, earthquake, riot, storm, war, or by any other casualty beyond the control of Lessor or Lessee so that the Premises becomes wholly or partly unusable (and Lessee as a result does not use the Premises or portions thereof).

"Additional Bonds" shall have the meaning ascribed thereto in the Loan Servicing Agreement.

"Additional Rent" means the amounts payable by Lessee under this Lease Agreement representing Expense Pass-throughs as set forth in Section 6(c), Lessor Administrative Fee as set forth in Section 6(d), and the contributions to the Renewal and Replacement Fund as set forth in Section 7(b) of this Lease Agreement.

"Base Rent" means the amounts payable by Lessee under this Lease Agreement in consideration for the use and occupancy of the Premises as set forth in Exhibit D to this Lease Agreement.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys, mutually selected by Lessee and the Issuer, experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for federal income tax purposes.

"Bonds" means the Bonds and any Additional Bonds issued by the Issuer pursuant to the Indenture in connection with the financing of the making of any loans to the Fund Investor, including any refunding Bonds issued and delivered to prepay the Bonds.

"Business Day" means a day which is not a Saturday or Sunday or a day on which banking institutions located in New York, New York, or Los Angeles, California are authorized or required by executive or other governmental order or law to be closed for commercial banking purposes.

"Certificate of Acceptance" means the written notification of Lessee to Lessor and the Trustee evidencing Lessee's acceptance and occupancy of the Premises.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Expense Pass-throughs**" means those costs and expenses payable by Lessee under this Lease Agreement as Additional Rent as provided in Section 6(c) of this Lease Agreement.

"**Facilities**" means collectively, the Senior Center, the Community Center and Parking Structure.

"**Favorable Opinion of Bond Counsel**" means, with respect to any action the occurrence of which requires such an opinion, an opinion of Bond Counsel to the effect that such action is permitted under the Indenture, the Loan Servicing Agreement or this Lease Agreement and will not, in and of itself, cause interest payable with respect to the Bonds to be included in gross income for purposes of federal income taxation or to be subject to California personal income taxation.

"**First Lease Year**" means the period commencing on the Lease Commencement Date and ending 12 months thereafter.

"**Hazardous Substances**" shall be deemed to include hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316, as amended from time to time, or the same or a related defined term in any successor or companion statutes, and crude oil or byproducts of crude oil other than crude oil which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

"**Improvements**" has the meaning ascribed to it in the Work Letter.

"**Improvements Costs**" means any and all direct and indirect costs reasonably expected to be paid in connection with the construction of the Improvements, including but not limited to, acquisition costs of the Site, engineering and architectural costs and other budgeted costs and fees associated thereto and with carrying out the same.

"**Loan Servicing Agreement**" means the Loan Servicing Agreement, among the Lessor and the Trustee, as amended and supplemented pursuant to the terms thereof.

"**Insurance Premiums**" means the premiums to be paid by Lessor to procure and maintain the various insurance policies required pursuant to Section 19 of this Lease Agreement.

[***"**Issuer**" means _the County of Los Angeles.***]

["**Issuer's and Trustee's Extraordinary Costs**" means those costs required to be paid to the Issuer and the Trustee (other than regularly scheduled fees) pursuant to the Indenture and not paid by Lessor or from amounts held by the Trustee in the Extraordinary Costs Reserve Account established pursuant to the Indenture.]

"**Lease Commencement Date**" means the date on which Lessee delivers a Certificate of Acceptance to the Trustee and Lessor and as evidenced and memorialized in the Memorandum

of Lease Commencement and Termination Date in the form attached as Exhibit E to this Lease Agreement.

"Lease Term" means, unless this Lease Agreement is otherwise earlier terminated as provided herein, the period of time commencing on the Lease Commencement Date and terminating on the Lease Termination Date.

"Lease Termination Date" means the earliest to occur of (a) the fortieth (40th) anniversary of the Lease Commencement Date as set forth in the Memorandum of Lease Commencement and Termination Date, attached as Exhibit E to this Lease Agreement, subject to the provisions of Section 4 of this Lease Agreement relating to the extension of the Lease Term upon the occurrence of an Abatement Event; or (b) the date on which this Lease Agreement is terminated pursuant to Section 14 of this Lease Agreement.

"Lease Year" means the 12-month period set forth in the Memorandum of Lease Commencement and Termination Date.

"Lessor Parties" means collectively (and individually any of) Lessor, Lessor's members, partners and shareholders, and their respective directors, officers, agents, employees, successors and assigns.

"Management Company" means a third-party with experience in the management of construction defect repair and replacement for buildings similar to the Facilities retained by Trustee or Lessee to perform Lessor's First Lease Year warranty obligations under Section 11(a) and (b), which third party may be an affiliate of Lowe Enterprises Real Estate Group-West, Inc.

"Operating Costs" means all reasonable and necessary costs of any kind paid or incurred by Lessor in the operation, repair and maintenance (in a neat, clean, safe, good order and condition) but not replacement of the Premises, including, without limitation, those costs identified in Section 6(g) of this Lease Agreement.

"Parking Structure" means the parking structure containing approximately 600 parking stalls to be located on the Site.

"Premises" means the Site, the Senior Center, the Community Center, and the Parking Structure and the Furniture, Fixtures and Equipment.

"Premises Rental Multiplier" means (i) with respect to the Senior Center and the Community Center, the Base Rent allocable to each Rentable Square Foot of Senior/Community Center Space and (ii) with respect to the Parking Structure, the Base Rent allocable to each parking space of the Parking Structure, each as determined by Lessor and reported to Lessee upon the completion and delivery of the Premises and following each Abatement Event.

"Property Taxes" means any taxes, general and special assessments, levies, imposts, duties or other charges (including, in-lieu of taxes) imposed by any government, political subdivision or taxing authority on the ownership, leasing or use of the Premises.

"Proportionate Abatement" means a pro-rata reduction in the amount of Rental Payments (except the Issuer's and Trustee's Extraordinary Costs) due under this Lease Agreement as a result of the loss of use of a portion of the Premises determined by (i) in the case of an Abatement Event affecting the Senior Center or the Community Center, multiplying the Abated Percentage of the Premises for the Senior Center and the Community Center by the Premises Rental Multiplier for the Senior Center and the Community Center, and (ii) in the case of an Abatement Event affecting the Parking Structure, multiplying the Abated Percentage of the Premises for the Parking Structure by the Premises Rental Multiplier for the Parking Structure.

"Renewal Lease Term" shall have the meaning set forth in Section 4(b) of this Lease Agreement.

"Rental Payments" means collectively Base Rent and Additional Rent.

"Rentable Square Feet of Senior/Community Space" means the aggregate amount of square feet comprising the Senior/Community Center Space, as calculated in accordance with standard industry methods.

"Reputable Insurance Company" means an insurance company with a claims paying rating by A.M. Best that is at least equal to the claims paying rating of those insurance companies which are generally acceptable to landlords owning, and institutional lenders holding security interests in, real properties which are similar to the Premises with respect to type of construction, condition and age.

"Site" means the real property legally described on Exhibit B and depicted on Exhibit C to this Lease Agreement.

"Substantial Completion" has the meaning ascribed to it in the Work Letter.

"Tenant Improvements" has the meaning ascribed to it in the Work Letter.

"Trustee" means a state banking corporation or a national banking association and any successor thereto named under the Loan Servicing Agreement pursuant to which the Bonds are issued and delivered.

"Work Letter" means the agreement between Lessor and Lessee regarding design and construction of the Facilities, attached as Exhibit F to this Lease Agreement and made a part hereof.

EXHIBIT B**LEGAL DESCRIPTION OF SITE**

All that certain property located the County of Los Angeles, State of California and described as follows:

Senior Activity Center and Parking Structure

6166-010-912 Portion of Lot 1 Tract 16339 and Portion of Lot 1 Tract 60998 and 2 Block 7

Community Center

6166-010-900 Wright's Add to Compton N 75 Ft. of Lots 1 and 2 Block 7

6166-010-907 Wright's Add to Compton S 75 Ft. of Lot 2 Block 7

6166-010-909 Wright's Add to Compton S 75 Ft. of Lot 1 Block

6166-010-031 TR=3765 Ex of St Lots 5 Thru 9 and all of Lots 1 Thru 4 Block M

#10.

EXHIBIT C
DEPICTION OF PREMISES

EXHIBIT B

-1-

EXHIBIT D**RENTAL PAYMENTS SCHEDULE**

The components of the Rental Payments due under this Lease Agreement are as follows:

Base Rent

\$3,725,000 per year for Lease Years 4 through 30 (26 payments; years 1-3 are capitalized)

Fair Market Value, for Lease Years 31 through Lease Year 40, as determined by the procedures set forth below in this Exhibit D.

Additional Rent

1. Expense Pass-throughs pursuant to Section 6(c) of this Lease Agreement.
2. Lessor Administrative Fee pursuant to Section 6(d) of this Lease Agreement.
3. Renewal and Replacement Fund Contribution pursuant to Section 7(b) of this Lease Agreement.: _____

FAIR MARKET DETERMINATION

Fair Market Rental Value shall be determined as follows:

a. ***Negotiated Agreement.*** Lessor and Lessee shall diligently attempt in good faith to agree on the Fair Market Rental Value on or before end of the 29th Lease Year (the "**Outside Agreement Date**").

b. ***Parties' Separate Determinations.*** If Lessor and Lessee fail to reach agreement on or before the Outside Agreement Date, Lessor and Lessee shall each make a separate determination of the Fair Market Rental Value and notify the other party of this determination within thirty (30) days after the Outside Agreement Date.

(i) ***Two Determinations.*** If each party makes a timely determination of the Fair Market Rental Value, those determinations shall be submitted to arbitration in accordance with subsection (c) below.

(ii) ***One Determination.*** If either Lessor or Lessee fail to make a determination of the Fair Market Rental Value within the thirty-day period, that failure shall be conclusively considered to be that party's approval of the Fair Market Rental Value submitted within the thirty-day period by the other party.

c. **Arbitration.** If both parties make timely individual determinations of the Fair Market Rental Value under subsection (b), and they are within ten percent (10%) of each other, the Fair Market Rental Value shall be the average of the two determinations. If the individual determinations of the Fair Market Rental Value under subsection (b) are not within ten percent (10%) of each other, the Fair Market Rental Value shall be determined by arbitration under this subsection (c).

(i) **Scope of Arbitration.** The determination of the arbitrators shall be limited to the sole issue of whether Lessor's and Lessee's submitted Fair Market Rental Value is the closest to the actual Fair Market Rental Value as determined by the arbitrators, taking into account the requirements of Section 4.02 above.

(ii) **Qualifications of Arbitrator(s).** The arbitrators must be licensed real estate brokers who have been active in the leasing of facilities in Los Angeles County over the five-year period ending on the date of their appointment as arbitrator(s).

(iii) **Parties' Appointment of Arbitrators.** Within forty-five (45) days after the Outside Agreement Date, Lessor and Lessee shall each appoint one arbitrator and notify the other party of the arbitrator's name and business address.

(iv) **Appointment of Third Arbitrator.** If each party timely appoints an arbitrator, the two (2) arbitrators shall, within thirty (30) days after the appointment of the second arbitrator, agree on and appoint a third arbitrator (who shall be qualified under the same criteria set forth above for qualification of the initial two (2) arbitrators) and provide notice to Lessor and Lessee of the arbitrator's name and business address.

(v) **Arbitrators' Decision.** Within thirty (30) days after the appointment of the third arbitrator, the third arbitrator shall decide whether the parties will use Lessor or Lessee's submitted Fair Market Rental Value and shall notify Lessor and Lessee of its decision. The decision of the third arbitrator shall be binding on Lessor and Lessee. Lessor and Lessee shall each pay the costs of their arbitrator and shall each pay half of the cost of the third arbitrator.

(vi) **If Only One Arbitrator is Appointed.** If either Lessor or Lessee fails to appoint an arbitrator within forty-five (45) days after the Outside Agreement Date, the arbitrator timely appointed by one of them shall reach a decision and notify Lessor and Lessee of that decision within thirty (30) days after the arbitrator's appointment. The arbitrator's decision shall be binding on Lessor and Lessee. Lessor and Lessee shall each pay half of the cost of the arbitrator.

(vii) **If Only Two Arbitrators Are Appointed.** If each party appoints an arbitrator in a timely manner, but the two (2) arbitrators fail to agree on and appoint a third arbitrator within the required period, the arbitrators shall be dismissed without delay and the issue of Fair Market Rental Value shall be submitted to binding arbitration under the real estate arbitration rules of JAMS, subject to the provisions of this section. Lessor and Lessee shall each pay half of the cost of arbitration.

(viii) **If No Arbitrator Is Appointed.** If Lessor and Lessee each fail to appoint an arbitrator in a timely manner, the matter to be decided shall be submitted without delay to

binding arbitration under the real estate arbitration rules of JAMS. Lessor and Lessee shall each pay half of the cost of arbitration.

EXHIBIT E

MEMORANDUM OF LEASE COMMENCEMENT AND TERMINATION DATE

THIS MEMORANDUM OF LEASE AGREEMENT (this "**Agreement**") is dated this _____ day of _____, 201__, for reference purposes only, by and between _____, INC., a California nonprofit corporation, as lessor (the "**Lessor**"), and the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, as lessee (the "**Lessee**").

1. Lessor and Lessee have entered into a Lease Agreement dated as of _____ 2010 (the "**Lease Agreement**") for the leasing by Lessor to Lessee of the building located at _____ (the "**Premises**").

2. Lessor and Lessee hereby confirm the following:

(a) that all construction, installation, equipping and furnishing by Lessor required to be done pursuant to the terms of the Lease Agreement has been completed in all respects subject to the following remaining punchlist items _____;

(b) that Lessee has accepted possession of the Premises and now occupies the same;

(c) that the Lease Term of the Lease Agreement commenced _____, 201__; and

(d) that except as otherwise provided under the definition of Lease Termination Date, the Lease Termination Date of the Lease Agreement is _____, 20__.

(e)

IN WITNESS WHEREOF, Lessor has executed this Lease Agreement or caused it to be duly executed, and Lessee by order of its Board of Commissioners has caused this Lease Agreement to be executed on its behalf the day, month, and year first above written.

LESSOR:

_____, LLC
a California limited liability company

By _____
Name:
Title:

APPROVED AS TO FORM:

Craig J. Cornwell, General Counsel

LESSEE:

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

By _____
Deputy General Counsel

By _____

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON

By _____
Jim G. Grayson, Esq.
Agency Counsel

EXHIBIT F
WORK LETTER

This Work Letter (this "**Work Letter**") is entered into as of the _____ day of _____, 2010, between _____, Inc., a California nonprofit corporation ("**Lessor**") and the Community Redevelopment Agency of the City of Compton ("**Lessee**"), and sets forth certain terms and conditions relating to the design, construction, fixturing and furnishing of the Improvements (as defined hereinbelow) at the Premises. All references in this Work Letter to the "**Lease Agreement**" or sections thereof shall refer to that certain Lease Agreement by and between Lessor and Lessee of even date herewith, to which this Work Letter is attached and of which this Work Letter forms an integral part. Unless otherwise defined, all initially capitalized, undefined terms used herein shall have the meanings ascribed to such terms in the Lease Agreement. All references in this Work Letter to Section(s) or Schedule(s) shall refer to the respective section(s) or schedule(s) of this Work Letter unless otherwise indicated. For purposes of this Work Letter, whenever Lessor or Lessee shall be required to deliver a notice or other written communication by a certain date, such notice or written communication shall be delivered no later than 5:00 p.m., Los Angeles time on such date. Notices or other written communication required to be delivered to Lessor or to Lessee shall be delivered to Lessor's Representative or Lessee's Representative, respectively, as identified in Section 12.1 of this Work Letter.

The following terms shall have the following meanings in this Work Letter:

"**Architect**" means, as applicable, either the Senior Center Architect, the Parking Architect, or the Community Center Architect.

"**Community Center Architect**" means one or more architects licensed in the State of California retained by Lessor to prepare the drawings for the Community Center Improvements.

"**Community Center Contractor**" means one or more architects licensed in the State of California retained by Lessor to construct the Community Center Improvements.

"**Construction Drawings**" means, as applicable, either the Senior Center Construction Drawings (or Senior Center Working Drawings), Parking Structure Improvement Construction Drawings (or Parking Structure Working Drawings) or the Community Center Construction Drawings (or Community Center Working Drawings).

"**Contractor**" means, as applicable, either the Senior Center Contractor, the Parking Contractor, or the Community Center Contractor.

"**Development Manager**" means _____, an affiliate of Lowe Enterprises Real Estate-West, LLC. Lessor has entered or shall enter into a [Development Management Agreement] with Development Manager to provide consulting services to Lessor for the completion of the Improvements (the "**Development Management Agreement**").

"**Engineers**" means engineering consultants retained by Lessor, Development manager and/or any of the Architects to prepare all plans and engineering working drawings and

specifications relating to the structural, mechanical, electrical, plumbing, HVAC and life safety work of the Improvements

"Improvements" means, as applicable, collectively or individually, (a) the Senior Center Improvements described on Schedule 1A; (b) the Parking Structure Improvements described on Schedule 1B; and (c) the Community Center Improvements described on Schedule 1C.

"Parking Structure Architect" means one or more architects licensed in the State of California retained by Lessor to prepare the working drawings for the Parking Structure Improvements.

"Parking Structure Contractor" means one or more architects licensed in the State of California retained by Lessor to construct the Parking Structure Improvements.

"Senior Center Architect" means _____, which firm prepared the drawings for the Senior Center Improvements.

"Senior Center Contractor" means one or more architects licensed in the State of California retained by Lessor to construct the Senior Center Improvements.

"Working Drawings" means, as applicable, either the Senior Center Working Drawings (or Senior Center Construction Drawings), Parking Structure Improvement Working Drawings (or Parking Structure Construction Drawings) or the Community Center Working Drawings (or Community Center Construction Drawings).

1. Improvements – Current Drawings.

1.1. Senior Center. The working drawings and outline specifications (the **"Senior Center Working Drawings"** or the **"Senior Center Construction Drawings"**) for the building improvements, interior tenant improvements, fixtures, furnishing and equipment for the Senior Center (the **"Senior Center Improvements"**) were prepared by the Senior Center Architect and are listed on Schedule 1A. The Senior Center Construction Drawings have previously been approved by the City and contain all changes and elements required by the City as part of its plan check process for the issuance of building permits.

1.2. Parking Structure. The final design development drawings and outline specifications (the **"Parking Structure Design Development Drawings"**) for the building improvements, fixtures and equipment for the Parking Structure (the **"Parking Structure Improvements"**) are listed on Schedule 1B. The Parking Structure Construction Drawings will be prepared in accordance with Section 2 below.

1.3. Community Center. The conceptual drawings for the Community Center (the **"Community Center Conceptual Design Drawings"**) for the building improvements, fixtures and equipment for the Community Center (the **"Community Center Improvements"**) are listed on Schedule 1B. The Community Center Construction Drawings will be prepared in accordance with Section 3 below.

2. Parking Structure.

2.1 Parking Structure Working Drawings and Outline Specifications. Lessor has retained the Parking Structure Architect to prepare the working drawings for the Parking Structure Improvements. Lessor shall, no later than the date set forth on Schedule of Performance attached hereto as Schedule 2, cause the Contractor to cause the Parking Structure Architect to (a) prepare detailed working drawings and specifications for the Parking Structure improvements which shall be consistent with the requirements set forth in Schedule 1B (the "**Parking Structure Working Drawings and Outline Specifications**") and (b) hand deliver three (3) complete sets of the Parking Structure Working Drawings and Outline Specifications to Lessee's Representative for review by Lessee. Said Parking Structure Working Drawings and Outline Specifications shall be prepared in accordance with the approved Parking Structure Improvements Design Development Drawings and Outline Specifications. As part of its submittal of the Parking Structure Working Drawings and Outline Specifications, Lessor shall identify in writing all material deviations from the approved Parking Structure improvements Design Development Drawings. Lessee shall notify Lessor in writing of any comments to the Parking Structure Working Drawings and Outline Specifications within ten (10) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that Lessee's failure to deliver written comments to, or notice of its approval of, the revised Parking Structure Working Drawings and Outline Specifications within such ten (10) Business Day period shall be deemed approval by Lessee of the Parking Structure Working Drawings and Outline Specifications. Upon receipt of such written comments, Lessor shall cause the Contractor to cause the Parking Structure Architect to effect the requested revisions and hand deliver three (3) complete revised sets of the Parking Structure Working Drawings and Outline Specifications to Lessee within fifteen (15) Business Days after Lessor's receipt of same. Lessee shall notify Lessor in writing of any additional comments required to the Parking Structure Working Drawings and Outline Specifications or provide its approval of the revised Parking Structure Working Drawings and Outline Specifications within ten (10) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that Lessee's failure to deliver written comments to, or notice of its approval of, the revised Parking Structure Working Drawings and Outline Specifications within such ten (10) Business Day period shall be deemed approval by Lessee of the Parking Structure Working Drawings and Outline Specifications. Upon completion of the Parking Structure Working Drawings and Outline Specifications, Lessor shall deliver to Lessee three (3) complete sets of the final Parking Structure Working Drawings and Outline Specifications in hard copy. The Parking Structure Working Drawings and Outline Specifications shall also sometimes be referred to herein as the "**Parking Structure Working Drawings**" or the "**Parking Structure Construction Drawings**".

2.2 Lessee Requested Changes. In the event that Lessee requests modifications to the subsequent level(s) of plans and specifications that constitute changes to the "Parking Structure Baseline Improvements" (as defined below) shown on the Parking Structure Design Development Drawings, Lessee shall reimburse Lessor such additional design costs incurred by Lessor as a result of such Lessee-requested changes within thirty (30) days after written request. As used in the foregoing, "**Parking Structure Baseline Improvements**" includes only the following: (a) the location of the following Parking Structure elements: exterior walls; interior load bearing walls; elevators; mechanical/electrical closets; elevator and utility shafts; column spacing and location; primary ground floor exits and entrances; stairwells; and floorplate shape and size; (b) the height of the Parking Structure including number of floors, (c) the location on the site of the Parking Structure; (d) the exterior façade materials of the

Parking Structure; and (e) the requirements set forth on Schedule 1B attached to this Work Letter.

3. Community Center

3.1 Schematic Drawings and Outline Specifications. Lessor has retained the Community Center Architect to prepare the schematic plans and specifications for the Community Center Improvements. The Development Manager caused the Community Center Architect to prepare a set of schematic design plans (the "**Community Center Improvements Schematic Drawings and Outline Specifications**") for the Community Center Improvements. Lessee shall notify Lessor in writing of any comments to the Community Center Improvements Schematic Drawings and Outline Specifications or provide its approval of the revised Community Center Improvements Schematic Drawings and Outline Specifications within ten (10) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that Lessee's failure to deliver written comments to, or notice of its approval of, the revised Community Center Improvements Schematic Drawings and Outline Specifications within such ten (10) Business Day period shall be deemed approval by Lessee of the Community Center Improvements Schematic Drawings and Outline Specifications. Upon completion of the Community Center Improvements Schematic Drawings and Outline Specifications, Lessor shall deliver to Lessee three (3) complete sets of the final Community Center Improvements Schematic Drawings and Outline Specifications in hard copy and on disk in AutoCAD.

3.2 Community Center Improvements Design Development Drawings and Outline Specifications. No later than the date set forth on Schedule 2 attached hereto (the "**Schedule of Performance**"), Lessor shall cause the Community Center Architect to (a) prepare a set of design development drawings and outline specifications for the Community Center Improvements (the "**Community Center Improvements Design Development Drawings and Outline Specifications**") for the Facilities and (b) hand deliver three (3) complete sets of such Community Center Improvements Design Development Drawings and Outline Specifications to Lessee's Representative for review by Lessee. Said Community Center Improvements Design Development Drawings and Outline Specifications shall be prepared in accordance with the approved Community Center Improvements Schematic Drawings and Outline Specifications. As part of its submittal of the Community Center Improvements Design Development Drawings and Outline Specifications, Lessor shall identify in writing all material deviations from the approved Community Center Improvements Schematic Drawings and Outline Specifications. Lessee shall notify Lessor in writing of any additional comments to the Community Center Improvements Design Development Drawings and Outline Specifications or provide its approval of the Community Center Improvements Design Development Drawings and Outline Specifications within ten (10) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that Lessee's failure to deliver written comments to, or notice of its approval of, the revised Community Center Improvements Design Development Drawings and Outline Specifications within such ten (10) Business Day period shall be deemed approval by the- Lessee of the Community Center improvements Design Development Drawings and Outline Specifications. Upon receipt of such written comments, Lessor shall cause the Development Manager to cause the Community Center Architect to effect the requested revisions and hand deliver three (3) complete revised sets of the Community Center Improvements Design Development Drawings and Outline Specifications to Lessee within fifteen (15) Business Days

after Lessor's receipt of same. Lessee shall notify Lessor in writing of any additional comments to the Community Center Improvements Design Development Drawings and Outline Specifications or provide its approval of the revised Community Center Improvements Design Development Drawings and Outline Specifications within ten (10) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that Lessee's failure to deliver written comments to, or notice of its approval of, the revised Community Center Improvements Design Development Drawings and Outline Specifications within such ten (10) Business Day period shall be deemed approval by Lessee of the Community Center Improvements Design Development Drawings and Outline Specifications. Upon completion of the Community Center Improvements Design Development Drawings and Outline Specifications, Lessor shall deliver to Lessee three (3) complete sets of the final Community Center improvements Design Development Drawings and Outline Specifications in hard copy.

3.3 Community Center Working Drawings and Outline Specifications. Lessor shall, no later than the date set forth on Schedule of Performance attached hereto as Schedule 2, cause the Development Manager to cause the Community Center Architect to (a) prepare detailed working drawings and specifications for the Community Center improvements which shall be consistent with the requirements set forth in Schedule 1C (the "**Community Center Working Drawings and Outline Specifications**") and (b) hand deliver three (3) complete sets of the Community Center Working Drawings and Outline Specifications to Lessee's Representative for review by Lessee. Said Community Center Working Drawings and Outline Specifications shall be prepared in accordance with the approved Community Center Improvements Design Development Drawings and Outline Specifications. As part of its submittal of the Community Center Working Drawings and Outline Specifications, Lessor shall identify in writing all material deviations from the approved Community Center improvements Design Development Drawings and Outline Specifications. Lessee shall notify Lessor in writing of any comments to the Community Center Working Drawings and Outline Specifications within ten (10) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that Lessee's failure to deliver written comments to, or notice of its approval of, the revised Community Center Working Drawings and Outline Specifications within such ten (10) Business Day period shall be deemed approval by Lessee of the Community Center Working Drawings and Outline Specifications. Upon receipt of such written comments, Lessor shall cause the Development Manager to cause the Community Center Architect to effect the requested revisions and hand deliver three (3) complete revised sets of the Community Center Working Drawings and Outline Specifications to Lessee within fifteen (15) Business Days after Lessor's receipt of same. Lessee shall notify Lessor in writing of any additional comments required to the Community Center Working Drawings and Outline Specifications or provide its approval of the revised Community Center Working Drawings and Outline Specifications within ten (10) Business Days after its receipt of such drawings and specifications. Lessor and Lessee hereby agree that Lessee's failure to deliver written comments to, or notice of its approval of, the revised Community Center Working Drawings and Outline Specifications within such ten (10) Business Day period shall be deemed approval by Lessee of the Community Center Working Drawings and Outline Specifications. Upon completion of the Community Center Working Drawings and Outline Specifications, Lessor shall deliver to Lessee three (3) complete sets of the final Community Center Working Drawings and Outline Specifications in hard copy. The Community Center Working Drawings and Outline Specifications shall also sometimes be

referred to herein as the "Community Center Working Drawings" or the "Community Center Improvements Construction Drawings."

3.4 Lessee Requested Changes. In the event that at any time after the approval by Lessee of the Community Center Improvements Schematic Drawings and Outline Specifications or the Community Center Improvements Design Development Drawings and Outline Specifications, Lessee requests modifications to the subsequent level(s) of plans and specifications that constitute changes to the "Community Center Baseline Improvements" (as defined below) shown on the previous level of plans and specifications approved by Lessee (other than changes were not necessitated by Lessor's (or the Development Manager's or Community Center Architect's) professional negligence or failure to design the Community Center Improvements in accordance with Schedule 1C of this Work Letter), Lessee shall reimburse Lessor such additional design costs incurred by Lessor as a result of such Lessee-requested changes within thirty (30) days after written request. As used in the foregoing, "**Community Center Baseline Improvements**" includes only the following: (a) the location of the following Community Center elements: exterior walls; interior load bearing walls; elevators; mechanical/electrical closets; elevator and utility shafts; bathrooms; column spacing and location; primary, ground floor exits and entrances; stairwells; and floorplate shape and size; (b) the height of the Community Center; (c) the location on the site of the Facilities; (d) the exterior façade materials of the Community Center; and (e) the requirements set forth on Schedule 1C attached to this Work Letter.

4 Drawings Generally.

4.1 Complete Drawings and Commencement of Review Period. Lessee shall use its reasonable efforts to promptly notify Lessor if any submission of drawings and specifications pursuant to Sections 2 or 3 of this Work Letter is incomplete and identify the deficiency in such submission. Upon receipt of such notifications, Lessor shall immediately take all steps necessary to correct such deficiencies and deliver the required complete sets of drawings and specifications to Lessee. For purposes of determining the date on which Lessee's obligation to provide written comments to a submission of drawings and specifications, the time periods specified in this Work Letter shall be deemed to commence on the Business Day following the day on which Lessee has received three COMPLETE set of revised drawings and specifications, as required in this Work Letter. For purposes of determining the date on which Lessor's obligation to commence revisions to drawings and specifications, the time periods specified in this Work Letter shall be deemed to commence on the Business Day following the receipt by Lessor of written comments from Lessee.

5. General Provisions Regarding Construction Drawings.

5.1 Permits. The Working Drawings shall be approved by Lessee as provided in and subject to Sections 1, 2 and/or 3 above, respectively, prior to the commencement of the construction of the applicable Improvements. With respect to each element of the Improvements, Lessor shall cause the applicable Architect to submit the approved Working Drawings following the approval of each by Lessee as provided above (Lessee acknowledging that such plans may not be submitted simultaneously with one another); to the appropriate governmental authorities for all building permits ("**Permits**") necessary to allow the

Development Manager and the applicable Contractor to commence and- fully timely complete the construction of the Improvements.

5.2 No Warranty. Notwithstanding anything to, the contrary stated, or implied in this Work Letter, Lessee's review of the Construction Drawings as provided above shall not imply any warranty or representation by Lessee regarding the same, or impose upon Lessee any obligation to review the same for quality, design, code compliance or other like matters. Lessor acknowledges and agrees that Lessor, the Development Manager, the Architect and the Contractor, respectively, are solely responsible for ensuring that the Construction Drawings comply with all applicable building codes, laws, ordinances and other requirements of any governmental authority with jurisdiction over the Premises. Accordingly, notwithstanding that any Construction Drawings are reviewed by Lessee or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Lessor, the Architect, and/or the Contractor, Lessee shall have no liability whatsoever in connection therewith and shall not be responsible for any professional errors or omissions contained in the Construction Drawings.

5.3 Modifications. In the event that at any time after the approval by Lessee of any level of drawings, Lessee requests modifications thereto that increase or decrease the overall cost of construction of the Premises, Lessee and Lessor hereby agree that: (a) to the extent Lessor receives written notice of such requested modifications prior to the sale of the Bonds, Lessor shall provide Lessee with a revised cost of the Premises and the Lease Agreement shall be amended to reflect such modifications to the Base Rent such that following the execution of an amendment to the Lease Agreement, the Base Rent to be paid by Lessee will be in an amount at least sufficient to pay the principal of and interest on the Bonds, and (b) to the extent Lessor receives written notice of such requested modifications after the sale of the Bonds, (i) in the event such modifications result in a decrease in the overall cost of the Premises, the provisions of Section ___ below shall apply to the treatment of excess proceeds of the Bonds, and (ii) in the event such modifications result in an increase in the overall cost of the Premises, Lessee, at its option, may elect (x) not to proceed with such modifications, (y) to pay the increased cost of construction to Lessor upon submission by Lessor of an invoice or other evidence of such increased cost by depositing the amount of such increase with the Trustee for deposit into the Project Construction Costs Account, as the case may be, of the Project Fund, or (z) with the reasonable approval of Lessor, request that Lessor cause to be executed and delivered additional Bonds to finance such increased costs (the proceeds of which in an amount sufficient to cover such increase shall be deposited into the Project Construction Costs Account of the Project Fund) but only in accordance with the documents pursuant to which the Bonds were issued and delivered and following the execution of an amendment to the Lease Agreement increasing the Base Rent to an amount at least sufficient to pay the principal of and interest on the Bonds, including the Additional Bonds. In addition, the issuance and delivery of Additional Bonds shall be subject to the following: (A) Lessor's receipt of necessary approvals of applicable Bond insurers and/or rating agencies, (B) the receipt of the required approval by Lessee's Board of Commissioners, and (C) Lessee providing all necessary approvals required under the Lease Agreement to provide for the delivery of such Additional Bonds, cooperating with the arrangement of such financing and agreeing to all modifications to the Lease Agreement required to effectuate such financing. Any modifications in the Construction Documents (whether requested by Lessee or Lessor) shall be approved by Lessee's Representative in writing,

such approval not to be unreasonably withheld or delayed. Approvals by Lessee of modifications to the final Working Drawings and/or final Tenant Working Drawings approved pursuant to this Work Letter may take place during the regularly scheduled weekly construction meetings held between Lessee's Representative and Lessor.

6. Construction of the Improvements.

6.1 Construction Contracts. The construction contracts for the Improvements (each individually and collectively, as applicable, the "**Construction Contract**") shall provide that: (a) the aggregate sum payable thereunder (i.e., all Construction Contracts) by Lessor for construction of the Improvements shall not exceed a guaranteed maximum price of \$_____ (the "**Guaranteed Maximum Price**") and (b) Lessor shall not be responsible for costs incurred construction contracts for the completion of the Improvements in excess of the Guaranteed Maximum Price, subject to the terms and conditions set forth therein. Construction Contract shall guarantee the Substantial Completion (as defined in Section 12.1 below) of the Improvements no later than the date set forth on Schedule of Performance attached hereto as Schedule 2 (the "**Substantial Completion Deadline**"), subject to the terms and conditions set forth in the Construction Contracts. The foregoing description of certain terms of the Construction Contracts, including, without limitation, the term described in clause (b) above, is not intended to nor shall it diminish or impair the express obligations of Lessor to Lessee under this Work Letter, including, without limitation, Lessor's obligations under Sections 7.3 or 8.3 below.

6.2 Change Orders by Lessee. In the event that Lessee requests modifications to the Working Drawings, which, as the case may be, increase the cost of construction of the Improvements, and/or the cost of Furniture, Fixture and Equipment, as the case may be, and provided that such modifications are elective in nature and are not required as a result of any professional errors or omissions in the Working Drawings, as the case may be, Lessee hereby agrees to pay such incremental cost by depositing the amount of such increase with the Trustee for deposit into the Project Construction Costs Account of the Project Fund. In the event that Lessee requests modifications to (i) the Working Drawings following the approval thereof by Lessee pursuant to Section 1, 2 or 3 above prior to the Lease Commencement Date, which in either case reduce the cost of construction of the Improvements and/or the Tenant Improvements, Lessor shall apply the savings in construction costs to Lessee's Base Rent payments due under the Lease Agreement.

6.3 Change Orders by Lessor. Lessor shall not make any modifications to the approved Working Drawings which, in either case, would result in an increase in the costs of construction of the Improvements, or the cost of Furniture, Fixture and Equipment, as the case may be, in excess of amounts budgeted therefor and deposited from Bond proceeds into the Project Construction Costs Account of the Project Fund without the prior written approval of Lessee.

6.4 Lessee's Access. Lessor agrees that Lessee, its employees, project manager, consultants and representatives (collectively, "**Lessee Representatives**"), shall have access to the Premises at all reasonable times when the Contractor or Development Manager is on site, subject to reasonable safety rules and regulations, during the construction of the

Improvements for the purpose of inspecting the construction of the Improvements (collectively, the "**Work**") and attending meetings with Lessor, the Development Manager and the Architect, and Lessee Representatives shall have the right to inspect the Work and ascertain that the Work is being performed in accordance with the approved Working Drawings. Lessor shall cause any Work reasonably ascertained by Lessee and verified by the Architect as not in conformance with the approved Working Drawings to be corrected to conform to such approved drawings to the reasonable satisfaction of Lessee, at no additional cost to Lessee. Lessee shall provide Lessor with written notification upon commencement of the construction of its designated project manager (who may be an employee or officer of Lessee or an independent third party retained as a project manager by Lessee) who shall be Lessee's primary contact for the Work. Lessor further agrees that, upon commencement of the Work, it will notify _____ in writing of the identity, place of business, and business telephone number of the person(s) who shall be the Architect's representative(s) during the progress of the Work.

6.5 Quality of Work and Materials. The parties to the Lease Agreement agree that the Improvements shall be _____ in quality. All materials, parts and equipment furnished by Lessor and/or its Contractor(s), subcontractors and material suppliers shall be new, high grade and free from defects and imperfections. Any item or work installed by Lessor and/or its contractor(s), subcontractors or material suppliers not in conformance with the approved Construction Drawings shall be removed by and at Lessor's and/or contractor's expense upon written request from Lessee and/or brought into conformance with the requirements of the applicable Construction Drawings.

6.6 Approval of Project Budget. Lessee approves the project budget attached as Schedule 3 to this Work Letter for the completion of the Improvements and Furniture, Fixtures and Equipment.

7. Disbursement of Improvements Allowance. Lessor and Lessee hereby agree that Lessor shall construct and install the Improvements at a cost not to exceed the Guaranteed Maximum Price (except as provided elsewhere in this Work Letter, including, without limitation, Sections 2.2, 3.4, 5.3, 6.2, 9.1, 9.5 and/or 12, or unless otherwise funded by Lessor), in accordance with the approved Working Drawings, that the initial amount to be funded into the Project Construction Costs Account of the Project Fund (the "**Improvements Allowance**") established under the documents pursuant to which the Construction Loans were made shall be an amount not less than the Improvements Guaranteed Maximum Price, and that the funds to be disbursed by the Trustee with respect to Improvements costs shall not exceed the amounts on deposit in the Project Fund (except as provided elsewhere in this Work Letter, including, without limitation, Sections 2.2, 3.4, 5.3, 6.2, 9.1, 9.5 and/or 12). The Improvements Allowance shall be disbursed by the Trustee pursuant to the process described below for costs related to the construction of the Improvements.

7.1 Application for Payment of Improvements. On or before the tenth (10th) day of each calendar month during the construction of the Improvements, Lessor shall deliver to the Trustee, with a copy to the Trustee's or its designated consultant: (a) a request for payment (each an "**Application for Payment of Improvements**"), of the applicable Contractor(s) covering the immediately preceding calendar month as described below, which Application for Payment of Improvements shall be approved in writing by the Architect and shall show in detail

(i) the work completed during the period covered by the Application for Payment of Improvements (including, but not limited to, initial job site preparation and mobilization work such as fencing, vehicle leasing, off site improvements, off-site construction parking and staging area leases, trailers and temporary toilets) and (ii) the schedule, by trade, of percentage of completion of the Improvements, detailing the aggregate portion of the work completed and the portion not completed; (b) invoices from the applicable Contractor(s) for labor rendered and materials delivered in connection with the Improvements during the period covered by the Application for Payment of Improvements; (c) executed mechanics' lien releases from the applicable Contractor(s) and all subcontractors and material suppliers who have filed a preliminary notice in accordance with Section 3097 of the California Civil Code (i) in the form of California Civil Code Section 3262(d)(1) with respect to the current Application for Payment of Improvements, and (ii) in the form of California Civil Code Section 3262(d)(2) with respect to any previous Application(s) for Payment of Improvements (which were paid by Trustee) provided, however, that in the event the Contractor cannot obtain unconditional mechanics' lien releases from all of such subcontractors and material suppliers for the immediately preceding Application for Payment of Improvements, then Lessor shall obtain from Contractor such unconditional mechanics' lien releases as Contractor can obtain using reasonable efforts, provided that (x) the total amount for which lien-releases required by this clause relating to the immediately preceding Application for Payment of Improvements are not delivered shall not exceed \$ _____ in the aggregate, and (y) Contractor must deliver all other previously undelivered unconditional mechanics' lien releases with then Application for Payment for Improvements); and (d) all other information reasonably requested by Lessee. Lessor shall certify that each Application for Payment of Improvements complies with the requirements of this Section 5.1.

Pursuant to the Loan Servicing Agreement, within ten (10) Business Days after Trustee's or its designated consultant's receipt of all of the items described above in this Section 5.1, Trustee's or its designated consultant shall approve or disapprove in writing the Application for Payment of Improvements to Trustee. The Trustee's or its designated consultant's approval of any Application for Payment of Improvements shall not, in and of itself, excuse Lessor from its obligations pursuant to this Work Letter. Pursuant to the Loan Servicing Agreement, the Trustee's or its designated consultant's failure to provide written approval or disapproval of the Application for Payment of Improvements within ten (10) Business Days after receipt from Lessor shall constitute approval of such Application for Payment of Improvements. Pursuant to the Loan Servicing Agreement, within three (3) Business Days after the Trustee's receipt, of the Trustee's or its designated consultant's approval of the Application for Payment of Improvements, the Trustee shall deliver a check to Lessor (or, at the direction of Lessor, directly to the applicable Contractor(s) and/or in the form of one or more joint checks payable to the applicable Contractor(s) and any subcontractor(s) and material supplier(s) listed in the applicable Application for Payment of Improvements) in payment of the lesser of: (A) the amounts so requested by Lessor in the Application for Payment of Base-Improvements, recognizing that such request will deduct a retention of at least eight percent (8%) of the gross amount requested until the Improvements have reached fifty percent (50%) of completion of the work under Construction Contract (as certified in writing by the Architect and the Trustee's or the Trustee's consultant) and at least four percent (4%) of the gross amount requested thereafter (the aggregate amount of such retentions being the " **Final Retention**"), and (B) the balance of any remaining available portion of the Improvements Allowance (not including the Final Retention). The

parties acknowledge that so long as the Construction Contract provides for retention as set forth in the immediately preceding sentence, the Trustee shall not holdback any additional retention from payments to be made pursuant to this Section 7.1. Notwithstanding anything to the contrary contained in this Section 7.1, Lessor's Application for Payment of Improvements need not provide for any retention of amounts due and payable to the Architect and other soft costs and the Trustee shall not be required to holdback-any retention for such amounts. The Trustee shall have no obligation to disburse any monies from the Improvements Allowance for work which has not been approved the Architect.

7.2 Disbursement of Improvements Final Retention. Subject to the provisions of this Work Letter, a check for the Improvements Final Retention less a holdback of 150% (the "**Punchlist Holdback**") of the estimated Punchlist Correction Costs (as defined in Section 9.1 below) shall be delivered by Trustee to Lessor (or, at the direction of Lessor, directly to the applicable Contractor(s) and/or in the form of one or more joint checks payable to the applicable Contractor(s) and any subcontractor(s) and material supplier(s) still owed amounts under the Construction Contract) within thirty (30) days following the Substantial Completion of the Improvements, provided that (a) Lessor delivers to Trustee properly executed mechanics' lien releases from the applicable Contractor(s) and all applicable subcontractors and material suppliers (i) in the form of California Civil Code Section 3262(d)(1) with respect to the portion of the Improvements Final Retention being released, and (ii) in the form of California Civil Code Section 3262(d)(2) with respect to any previous Applications for Payment, and (b) the Architect delivers to Lessor and Trustee a certificate, in form reasonably acceptable to such parties, certifying that the Improvements have been substantially completed in accordance with the Working Drawings.

7.3 Other Terms. The Trustee shall only be obligated to make disbursements from the Improvements Allowance to the extent of costs incurred by Lessor under the Construction Contract for the construction of the Improvements based upon the completed and approved Working Drawings. Lessor acknowledges that, subject to Sections 7.5 and 10 of this Work Letter, if the Base Improvement Allowance and amounts available in the Contingency Fund (as defined in Section 7.5 below) are insufficient to fund all construction costs of the Improvements, Lessor shall be responsible for and shall pay the amount necessary to complete the Improvements. Notwithstanding the previous sentence, Lessor shall not be responsible for such excess cost if such excess cost is determined to be attributable to modifications or Change Orders requested by Lessee after final approval of the Improvements, Working Drawings which were not necessitated by Lessor's (or the applicable Contractor(s)'s) negligence or failure to design and construct the Improvements in accordance with Schedule 1 of this Work Letter.

In the event that the cost of the Improvements is less than the Improvements Allowance (the "**Surplus Improvements Allowance**"), Lessor and Lessee hereby agree that the Surplus Improvements Allowance shall be applied in the following order of priority: (a) thirty percent (30%) of the Surplus Improvements Allowance shall be paid to the applicable Contractor(s), (b) thirty-five percent (35%) of the Surplus Improvements Allowance shall be paid to Lessor and (c) thirty-five percent (35%) of the Surplus Improvements Allowance shall be retained by Lessee and may be applied by Lessee in its sole and absolute discretion for any one or more of the following purposes: (i) the cost of Furniture, Fixtures and Equipment in excess of amounts already provided herein, (ii) the cost of other or additional capital improvements constituting part

of the Premises, (iii) deposited in the Renewal and Replacement Fund, and (iv) for any other lawful purpose as approved in an opinion of nationally recognized bond counsel addressed to the Trustee, the Issuer and Lessor.

8. Payment of Other Costs.

8.1 Project Costs. Notwithstanding anything contained in Section 7 above, Lessor may submit an Application for Payment of amounts held in the Project Fund and the accounts created therein other than the Project Construction Costs Account without complying with the requirements of Section 7 in connection with the payment of the costs of acquisition of the Site, relocation, demolition, abatement, offsite improvements, transportation impact fees including payments for, off-site construction parking and staging area leases, architectural, engineering, consulting, accounting and legal costs incurred in connection with the establishment of Lessor, the negotiation of the Lease Agreement, and the acquisition, construction, installation and equipping of the Premises, reimbursements to Lessor and its agents and representatives of predevelopment costs related to the Premises.

8.2 Project Management Services. Lessor's Development Manager shall be entitled to receive the sum of _____ for the management of the design, development, construction and installation of the Premises (the "**Project Management Fee**"). The Project Management Fee shall be prorated based on the number of months from the effective date of the Lease to the final completion of the Improvements with installments payable each month.

8.3 Contingency. Amounts deposited in the Contingency Fund may be applied by Lessor for the payment of bona fide third party costs incurred in connection with: completion of the Improvements in excess of the Improvements Allowance (as the same may be increased pursuant to Sections 2.2, 3.4, 5.3, 6.2 or 11); and/or (b) other non-construction matters relating to development of the Project that would otherwise be payable under Section 8.1 in excess of amounts available in the Project Costs Account of the Project Fund. A copy of Lessor's application to the Trustee for payment of any amounts from the Contingency Fund shall be delivered concurrently to Lessee and shall include a written statement identifying the amounts and purposes for which amounts in the Contingency Fund will be applied. If Lessee reasonably determines that any funds disbursed from the Contingency Account to Lessor are improperly applied by Lessor in violation of the provisions of this Work Letter, then following not less than five (5) Business Days' written notice to Lessor, Lessee shall be entitled to immediately offset such amounts against any undisbursed amounts remaining in the Developer Fee Account.

9. INTENTIONALLY OMITTED

10. Completion of the Improvements.

10.1 Substantial Completion. Subject to the terms and provisions of this Section 9, Lessor shall cause Substantial Completion of the Improvements each to occur on or before the Substantial Completion Deadline. For purposes of this Work Letter, "**Substantial Completion**" shall occur with respect to the Improvements when (a) the Improvements have been completed in accordance with the Working Drawings with the exception of any punchlist

items ("**Improvements Punchlist Items**") identified in writing by Lessee which do not materially impair the use of the Improvements for Lessee's intended use and whose estimated cost of correction and/or completion is equal to or less than _____ (the "**Improvements Punchlist Correction Costs**"); (b) the Architect issues a certificate to Lessee and Trustee certifying that the Improvements have been substantially completed in accordance with the Working Drawings; (c) a temporary certificate of occupancy or equivalent authorization by the appropriate governmental authority(ies) has been received to permit the occupancy and use of the Improvements for Lessee's intended use; and (d) all utilities necessary and appropriate for the use and operation of the Improvements are fully connected and functional. At such time as the conditions precedent to Substantial Completion of the Improvements set forth in clauses (a) through (d) of this Section 10.1 are satisfied, Lessee shall deliver to Lessor and the Trustee, a Certificate of Acceptance and shall execute and deliver a Memorandum of Lease Commencement and Termination Dates as required by the Lease Agreement.

If Lessor achieves Substantial Completion of the Improvements in the manner provided in Section 10.1 and such Substantial Completion is achieved prior to the Substantial Completion Deadline, Lessor's Development Manager shall be entitled to an additional development fee (the "**Additional Development Fee**") equal to the amounts set forth in the schedule below; provided, however, that the Additional Development Fee shall be payable only from any funds remaining in the Contingency Fund after the Final Completion of the Improvements and Tenants Improvements and Furniture, Fixtures and Equipment:

Number of Days Prior to Substantial Completion Deadline	Amount of Additional Development Fee
1 to 120 days	\$100 for each day
121 to 180 days	\$500 for each day
181 or more days	\$1000 for each day

10.2 Final Completion. Lessor shall have one hundred twenty (120) days (the "**Final Completion Deadline**") following the Substantial Completion of the Improvements, to (a) correct or complete any and all Improvements Punchlist Items and (b) obtain a final certificate of occupancy or equivalent authorization(s) by the applicable governmental authority(ies) with respect to the Improvements. Upon the completion of all Improvements Punchlist Items, certified as to their final completion by the Architect, respectively, and whose final completion is acknowledged in writing by Lessee in its reasonable discretion, the Trustee shall disburse the Punchlist Holdback to the parties entitled to receive the same, upon the receipt from all such parties of duly executed final lien release waivers in the form of California Civil Code Section 3262(d)(4). In the event Lessor fails to cause final completion of all said punchlist items on or before the Final Completion Date, and/or fails to secure the final certificates or authorizations described in clause (b) of this Section 10.2, then Trustee shall disburse to Lessee all holdback amounts, and Lessee shall be entitled to use such amounts, at its option, to complete such remaining punchlist items, secure said final certificates or authorizations, and pay any

remaining holdback amounts to any party(ies) entitled to receive the same, upon receipt from such party(ies) of said final lien release waivers described in this Section 10.2 above. The Final Completion Deadline shall be extended by one (1) Business Day for each one (1) Business Day of delay, or additional Business Days as mutually agreed upon by Lessor and Lessee, resulting from one or more events of Force Majeure (as defined in the Lease Agreement).

10.3 Delay. The parties agree that Substantial Completion may be delayed for reasons beyond Lessor's control. Therefore, the parties agree that the Substantial Completion Deadline shall be extended in the event and to the extent of the number of days that Lessor (or any contractor or subcontractors employed by Lessor) is delayed by one or more of the following factors (provided that, in the event of overlapping, concurrent factors, delays shall not be calculated on a cumulative basis and shall run concurrently):

10.3.1 Force Majeure as provided in the Lease Agreement; or

10.3.2 If adverse weather conditions which could not have been reasonably anticipated at the time of entering into this Work Letter had a material adverse effect on the progress of construction, and are the basis of a claim for a delay, such claim shall be evaluated in accordance with reasonable and customary practices prevailing at other major projects in the Los Angeles County area with respect to inclement weather; in which case all extensions are subject to the reasonable approval of both parties.

Upon the occurrence of any event that constitutes or may constitute a Force Majeure event or that causes or may cause a delay in the Substantial Completion of the Premises, Lessor shall notify Lessee and the Trustee's within ten (10) days. Following such notification, Lessee and Lessor shall meet to discuss the nature and extent of such event and/or delay. Lessee shall cooperate with Lessor, and Lessor shall cooperate with the applicable Contractor(s) to minimize any delay in the Substantial Completion of the Improvements caused by such event. Notwithstanding the above, nothing in this section shall prevent Lessor from immediately taking any and all necessary action to remediate or otherwise address the event causing such delay.

10.4 No Delays by Lessee. Lessee covenants and agrees to use commercially reasonable efforts to approve the Construction Drawings and, to the extent permitted under this Work Letter, change orders in a timely manner to insure that Lessor is able to achieve Substantial Completion of the construction of the Improvements as contemplated by the Lease Agreement. In the event that Lessee's approval process results in material delays to Lessor's construction schedule ("**Lessee Delays**"), the Substantial Completion Deadline shall be extended day for day by the number of days of Lessee Delays and Lessee shall bear all direct and indirect costs incurred by Lessor as a result of such Lessee Delays by paying such direct and indirect costs upon submission by Lessor of an invoice or other reasonable evidence of such direct and indirect costs, subject to the terms set forth in this Section 10.4 below, request that Lessor cause to be executed and delivered additional indebtedness to finance such direct and indirect costs, but-only in accordance with the documents pursuant to which the Bonds are issued and the Construction Loans obtained and following the execution of an amendment to the Lease Agreement increasing the Base Rent to an amount at least sufficient to pay the principal of and interest on the Bonds and the additional indebtedness. In addition, the issuance and delivery of Additional Bonds shall be subject to the following: (A) Lessor's receipt of necessary approvals

of the Trustee's and/or rating agencies, and (B) Lessee providing all necessary approvals required under the Lease Agreement to provide for the delivery of such additional Bonds, cooperating with the arrangement of such financing and agreeing to all modifications to the Lease Agreement required to effectuate such financing.

10. Unforeseen Costs. In the event the cost of the acquisition, construction, installation and equipping of the Premises is in excess of the amount budgeted therefor by Lessor and approved by Lessee as a result of (a) changes in laws applicable to buildings or facilities leased by public agencies after the date of execution of the Lease Agreement; (b) the remediation or correction of the condition of the Site or other cost associated with soil conditions (such as dewatering or rock excavation) but excluding conditions related to Hazardous Substances which was not reasonably foreseeable by Lessor or its agents on the date of execution of the Lease Agreement (and which would not have been reasonably foreseeable to a Developer skilled in the construction of projects similar to the Premises); (c) Force Majeure events as set forth in the Lease Agreement; (d) delay in the acquisition, construction, installation and equipping of the Premises as a result of actions, suits or other challenges by third parties relating to any finding or determination required under the California Environmental Quality Act by any involved public agency; (e) deductibles required to be paid by Lessor in connection with any insurance required under Section 20 of the Lease Agreement or any other insurance policies carried, as the case may be, by Lessor, the applicable Contractor(s) and/or the Tenant Improvements Contractor; (f) the estimated direct costs of any delay in the construction process (including carrying costs) resulting from or in connection with any of the events or occurrences in clauses (a) through (e) above; and/or (g) financing by Lessor of any of the costs incurred in connection with clauses (a) through (f) above (the "**Unforeseen Costs**"), then Lessee shall pay such Unforeseen Costs in an aggregate amount not to exceed 10% of the original principal amount of the Bonds delivered to finance the construction of the Premises immediately following the submission of an invoice by Lessor for such Unforeseen Costs, by depositing the amount of such increase with the Trustee for deposit into the Project Construction Costs Account of the Project Fund. Alternatively, Lessee may, with the reasonable approval of Lessor, request that Lessor cause to be executed and delivered additional Bonds to finance the Unforeseen Costs (the proceeds of which shall be in an amount sufficient to cover such increase shall be deposited into the Project Construction Costs Account of the Project Fund) (subject to the limitation provided in the preceding sentence) but only in accordance with the documents pursuant to which the Bonds were issued and delivered and following the execution of an amendment to the Lease Agreement increasing the Base Rent to an amount at least sufficient to pay the principal and interest with respect to the Bonds, including the additional Bonds. In addition, the issuance and delivery of additional Bonds shall be subject to the following: (1) Lessor's receipt of necessary approvals of its debt insurers and/or rating agencies, and (ii) Lessee providing all necessary approvals required under the Lease Agreement to provide for the delivery of such additional Bonds, cooperating with the arrangement of such financing and agreeing to all modifications to the Lease Agreement required to effectuate such financing. Lessor shall promptly following Lessor's actual knowledge thereof notify Lessee of any event that results in or may result in an Unforeseen Cost. Following such notification, Lessee and Lessor shall meet to discuss the nature and extent of such Unforeseen Cost. Thereafter, Lessee and Lessor shall cooperate to minimize such Unforeseen Cost. With respect to the conditions described in clause (ii) above, Lessor represents and warrants that it has or shall have, prior to its acquisition of the Site, conduct all due diligence (including due diligence with respect to Hazardous Substances) which a developer experienced in the

acquisition of sites similar to the Site and construction of projects similar to the Premises would conduct.

12. Remedies.

12.1 Failure to Achieve Substantial Completion. In the event Lessor fails to achieve Substantial Completion of the Improvements by the Substantial Completion Deadline (including any authorized extensions of time pursuant to this Work Letter), Lessee may exercise any or all of the following remedies, in addition to any other remedies provided at law or in equity.

12.2 Lessee's Right to Cure. Lessor shall promptly provide Lessee with a copy of any notice of default ("**Notice of Default**") received from the applicable Contractor(s). Provided that Lessee has not received, prior to Lessee's delivery to Lessor of a Cure Election Notice (as defined hereinbelow), written notice from Lessor stating that Lessor has cured or has commenced to cure the default specified in the applicable Default Notice, Lessee shall have the right, but not the obligation, by written notice to Lessor delivered prior to the expiration of the applicable cure period ("**Cure Election Notice**"), to cure the default specified in the applicable Default Notice within ten (10) days after the end of the applicable cure period. Lessor, upon written notice from Lessee accompanied by reasonable supporting documentation evidencing such amounts incurred, shall promptly (but in any event within ten (10) days) reimburse Lessee for all such amounts. If Lessor fails to reimburse Lessee within said ten (10) day period, Lessee shall have the right to have Trustee withhold from payments due under Construction Contract all such amounts due, and to have such amounts paid to Lessee.

13. Miscellaneous Provisions.

13.1 Lessor's Representative and Lessee's Representative. Lessor hereby designates _____ as its "**Lessor's Representative**" with respect to the matters set forth in this Work Letter, who, until further notice to Lessee, shall have full authority and responsibility to act on behalf of Lessor as required in this Work Letter. Lessee shall by written notice to Lessor designate _____ as its "**Lessee's Representative**" with respect to the matters set forth in this Work Letter, which designee, until further notice to Lessor, shall have full authority and, responsibility- to act on behalf of Lessee as required in this Work Letter.

13.2 Third Party Beneficiary. The parties hereto agree that Lessee shall be a third party beneficiary of the Construction Contracts.

13.3 Construction Warranties. Lessor shall obtain industry standard warranties for the Improvements and the Tenant Improvements, but which warranties shall in no event be for a period less than one (1) year following Substantial Completion (and the applicable Construction Contracts shall provide that in the event any item is replaced or repaired pursuant to such warranty, the warranty period with respect thereto shall not recommence anew from the date of each such repair or replacement). Lessor agrees to assign to Lessee all such warranties and guaranties relating to the Improvements and the Tenant Improvements at such time as Lessee assumes Lessor's obligations to maintain the Premises pursuant to the Lease Agreement.

#10.

13.4 Delivery of Clean Premises. Immediately prior to Lessee's move into the Premises, Lessor shall cause the Premises to be placed into broom clean condition.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Work Letter to be executed as of the day and year first above written.

LESSOR:

_____, LLC
a California nonprofit corporation

By _____
Name:
Title:

APPROVED AS TO FORM:

Craig J. Cornwell, General Counsel

LESSEE:

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

By _____
Deputy General Counsel

By _____

APPROVED AS TO FORM

RICHARDS, WATSON & GERSHON

By _____
Jim G. Grayson, Esq.
Agency Counsel

#10.

SCHEDULE 1A

DESCRIPTION OF SENIOR CENTER IMPROVEMENTS

With respect to the Senior Center Facilities, the Improvements include:

A. Narrative Description

-

B. Senior Center Working Drawings – list attached

SCHEDULE 1B**DESCRIPTION OF PARKING STRUCTURE IMPROVEMENTS**

With respect to the Parking Structure Facilities, the Improvements include:

A. **Narrative Description**

-

B. **Parking Structure Design Development Drawings – list attached**

#10.

SCHEDULE 1C

DESCRIPTION OF COMMUNITY CENTER IMPROVEMENTS

With respect to the Community Center Facilities, the Improvements include:

A. **Narrative Description**

-

B. **Community Center Conceptual Drawings – attached**

SCHEDULE 2**SCHEDULE OF PERFORMANCE**

- | | | |
|-----|---|---|
| 1. | Delivery of Complete Community Center Schematic Drawings and Specifications to Lessee's Representative | |
| 2. | Lessee Notification to Lessor re: required revisions to Community Center Schematic Drawings and Specifications | |
| 3. | Delivery of Revised Community Center Schematic Drawings and Specification to Lessee's Representative | |
| 4. | Final Approval of Revised Community Center Schematic Drawings and Specification | Within 10 Business Days after receipt of COMPLETE sets as required by Section 1.1 of Work Letter |
| 5. | Delivery of Community Center Design Development Drawings to Lessee's Representative | |
| 6. | Lessee Notification to Lessor re: required revisions to Community Center Design Development Drawings | Within 10- Business Days after receipt of COMPLETE sets as required by Section 1.2 of Work Letter |
| 7. | Delivery of revised Community Center Design Development Drawings to Lessee's Representative | Within 15 Business Days after receipt of Lessee's comments |
| 8. | Lessee notification to Lessor re: approval of revised Community Center Design Development Drawings | Within 10 Business Days after Lessee's receipt of COMPLETE sets of revised drawings as required by Section 1.2 of Work Letter |
| 9. | Delivery of Community Center and Parking Structure Working Drawings to Lessee's representative | |
| 10. | Lessee Notification to Lessor re: required revisions to Community Center and Parking Structure Working Drawings | Within 10 Business Days after receipt of COMPLETE sets as required by Section 1.3 |

#10.

	of Work Letter
11. Delivery of revised Community Center and Parking Structure Working Drawings to Lessee's Representative	Within 15 Business Days after receipt of Lessee's comments
12. Completion of Improvements (Substantial Completion Deadline)	
13. Disbursement of Improvements Final Retention	Within 30 days following the Substantial Completion of Improvements
14. Completion of all Improvements Punchlist Items	Final- Completion Deadline (120 days following Substantial Completion of the Improvements and the Tenant Improvements)
15. Lessor to obtain final certificate of occupancy for Improvements	Final Completion Deadline (120 days following Substantial Completion of the Improvements and the Tenant Improvements)
16. Disbursement of Punchlist Holdback	Following receipt of duly executed final lien release waivers

SCHEDULE 3**PROJECT BUDGET [***PERHAPS ON A COMPONENT BASIS?***]**

Land	\$
Shell & Core**	\$
Tenant Improvements	\$
Plan Preparation**	\$
Development Cost**	\$
Title/Recording Costs	\$
Legal/Insurance/Permits/Taxes/Appraisal/Accounting	\$
D/S Reserve	\$
Capitalized Interest	\$
Bond Cost of Issuance/Bond Insurance/Underwriter's Discount	\$
Developer Overhead	\$
Profit	\$
Construction Management	\$
Pre-con and Consulting	\$
Contingency	\$
Total	\$

#10.

EXHIBIT H
ENVIRONMENTAL ASSESSMENT REPORTS

- 1.
- 2.
- 3

EXHIBIT I
SCHEDULE OF PRIOR INDEBTEDNESS

1.

#10.

SUMMARY REPORT

EXHIBIT B

REUSE ANALYSIS



MEMORANDUM

**TO: DR. KOFI SEFA-BOAKYE
REDEVELOPMENT DIRECTOR**

FROM: JOSE OMETEOTL, PRINCIPAL

**REGARDING: REUSE ANALYSIS, NORTH DOWNTOWN PROJECTS
COMPTON, CA**

The Community Redevelopment Agency of the City of Compton ("Agency") is considering entering into a property lease ("Property Lease") with Compton Downtown North Community, LLC, a Delaware limited liability company, and/or a related successor entity ("CDNC/Lessor") pursuant to which the Agency will lease approximately 5.80 acres of land (the "Site") to CDNC/Lessor. The proposed form of Property Lease is attached as Exhibit A-1 to this Summary Report. The Site is located within the Agency's Compton Redevelopment Project Area ("Project Area"). The Property Lease provides for the development on the Site by the CDNC/Lessor of a Senior Activity Center, a Community Center and a parking structure (the "Project"). Upon completion of construction, the Project will be subleased by CDNC/Lessor, as lessor, back to the Agency pursuant to a proposed separate lease agreement attached as Exhibit A-2 to this Summary Report (the "Lease Agreement"). The Site under consideration comprises approximately 5.80 acres ("Property"), within the area of the City bounded on the East by North Alameda Street, on the South by East Compton Boulevard, on the North by South Elm Street, and on the West by North Willowbrook Avenue. The Site is to be leased to facilitate the financing of public use amenities within the City of Compton's North Downtown Masterplan Area. The Project will include the following components:

- A Senior Activity Center, measuring approximately 30,000 sq.ft.
- A Parking Structure, with spaces for parking approximately 600 automobiles
- A Community Center, measuring approximately 20,000 sq.ft.



The State of California Health & Safety Code ("H & S Code") section 33433 requires that before any redevelopment agency leases a property acquired with tax increment revenue, the agency shall make available to the public a summary of the agreement ("Summary Report"), which will include the estimated value of the interest to be conveyed or leased, determined at the highest and best use and with the conditions, covenants, and development costs required by the sale or lease. The Summary Report shall specify the purchase price or present value of the lease payments that the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference (the "Reuse Analysis"). This report provides this explanation.

Project Description

The Site is comprised of five (5) parcels totaling approximately 5.80 acres owned by the Agency. The Project is generally bounded by Willowbrook Avenue on the east, Culver Avenue on the west, School Street on the south, and Elm Street on the north. The Site includes the Martin Luther King Jr. Transit Center along with paved parking areas. The Site contains minimal landscaping in the surface parking area. The surrounding area is a combination of commercial, industrial and residential uses.

The Project is the construction of the following public improvements: 1) a Senior Activity Center, measuring approximately 30,000 sq.ft., 2) a Parking Structure, accommodating approximately 600 automobiles, and 3) a Community Center, measuring approximately 20,000 sq.ft.

Pursuant to the Property Lease, the Agency will ground lease the Site to the CDNC/Lessor. The Lessor will cause the construction through a development management agreement with Lowe Enterprises Real Estate Group or its affiliate ("Developer") and a construction contract with a to be determined construction company.



The proposed Property Lease provides for lease of the Site by the Agency to CDNC/Lessor. The Property Lease provides that the Site will be leased to CDNC/Lessor in exchange for annual lease payment of \$1.00, for a period of 40 years. Pursuant to the Lease Agreement, CDNC/Lessor will cause the construction of the Project. The Property Lease provides that the Agency shall have the sole right to lease the Property and the Project from the CDNC/Lessor pursuant to the Lease Agreement. In addition, the Agreement will require the Developer to contract with Lowe Enterprises to construct and finance the public improvements, and that the Agency shall have the sole right to lease said public improvements.

Analysis

The intensity of the overall development is higher than the surrounding uses, which requires more expensive construction to accommodate the required parking in a parking structure yet the development is consistent with the General Plan and Zoning Code. The Project is also required to meet prevailing wage rates. In addition to the prevailing wage costs, the Project is required to provide excess stalls to provide additional transit parking. The total number of stalls is therefore over and above the parking that would be required to support the Project on its own.

The parking structure site as currently designed contains 616 parking stalls on one subterranean level and three levels above grade. The hard cost of the construction cost budget for the structure is \$8,767,000 (\$14,230/stall).

Overall, the layout of the garage is efficient and makes the most use of the site area for its design. The only way to make the structure more efficient would be to extend its length in the east-west directions and reduce the height. However, the Site is limited on both the east and west sides of the structure due to buildings either under construction or proposed as part of the development. Increasing the dimension to the north, although a possibility, will not make the structure more cost effective and will only yield additional circulation space.



There are two primary items that are making the base hard cost of the construction a bit higher than what is currently being constructed in the market today. The first is the fact that the structure has one level that is designed to be completely subterranean. This factor alone drives the overall cost higher as it requires full shoring of the hole, soil excavation and disposal and perimeter masonry/concrete walls throughout the structure. The second item identified as a cause for increased cost is the site-specific soil conditions and the necessary structural system to be used. Typically buildings and parking structures have a pad foundation system. In the case of the proposed parking structure, the soil bearing conditions are such that the weight of the structure requires the use of pile foundations.

The Developer's financial projections are attached to this report as Exhibit A. On the revenue side of the projections, the Developer is projecting an effective average annual lease income of \$3,600,000 for the Project over the thirty-year lease term.

The Ometeotl Group reviewed recent commercial land transactions in the Compton real estate market and found that raw land sales have been completed in the \$30-\$37.50 per square foot range. Given the Site size of 5.80 acres, the Agency could expect to yield between \$7.5 to \$9.4 million dollars for the Site should they elect to sell the Site. An investigation by The Ometeotl Group into recent land lease transactions in the area indicates raw commercial land lease values ranging from \$.15 to \$.22 per square foot of land, per month. For the Site, this equates to a \$454,766 to \$666,990 annual lease payment.

Reviewing the Developer's cost projections, the developer is projecting direct building construction costs including the parking structure of \$138 per square foot, including shell and core and interior improvements. These costs do not appear to be unreasonable, considering the Developer is building these facilities to the specifications of the Agency.

Other direct costs include the acquisition of the privately held parcel, construction management/development management fee of 5.5% of direct costs (\$2,203,686), and .475% for required insurance (\$183,808). The Developer is budgeting 5% for its direct cost contingency (\$1,524,242), which is reasonable and consistent with industry standards. All in all, the direct costs do not appear to be unreasonable.



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Group

Reviewing the indirect costs, 5.5% of the direct costs are budgeted for architecture and engineering (\$2,141,745), which is within a reasonable range of the typical budget, with legal fees budgeted at \$600,000 due to the use New Markets Tax Credits and the complicated nature. Other costs also appear to be reasonable including the soft cost contingency, budgeted at 5%.

Summarizing these costs, the total cost of development inclusive of the capitalized interest costs is \$59,537,115, which is \$227 per square foot.

Conclusion

- The development revenues, values, and costs allow the Developer to receive an industry standard developer fee for the Project.
- Based upon the fact the proposed Project is public use a facility, the lease of the Site is worth no more than \$1.00 per year. Therefore, the Agency lease rate is not less than the fair reuse value.

If you have any questions we will make ourselves available for discussion. Thank you for the opportunity to review this Project on your behalf.

#10.



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EXHIBIT A

DEVELOPER PROJECTIONS

SEE FOLLOWING PAGES

COMPTON NORTH DOWNTOWN
Compton, CA

SQUARE FOOTAGE SUMMARY:

	Site Area	Total Area	Basement	Ground Floor	Second Floor	Third Floor
Senior Center	43,111	29,641	0	17,853	11,788	0
Parking Structure	89,900	211,408	41,124	55,430	55,071	59,783
Community Center	0	21,110	0	0	0	0
Total Building Areas	133,011	262,159	41,124	73,283	66,859	59,783

COST PER BUILDING SUMMARY

	Unit Price or %	Basis	Quantity	Total	\$/SF
Senior Center					
Land Acquisition		Lump Sum Estimate		\$0	\$0
Core/Shell		Lump Sum Estimate		\$8,452,430	\$285
On-Site Work / Landscaping/Parking		Lump Sum Estimate		\$1,271,000	\$43
Offsite		Lump Sum Estimate		\$108,000	\$4
Tenant Improvements/FF&E	\$66.90	Per GSF	29,641	\$1,982,864	\$67
Subguard @1.15%	1.15%	of Direct Costs before Subguard	9,831,430	\$113,061	\$4
Contractor Contingency	3.00%	of Direct Costs Incl. Subguard	9,944,491	\$298,335	\$10
General Conditions		Lump Sum Estimate		\$736,000	\$25
G.C. Insurance	1.15%	of Direct Costs	10,978,826	\$126,257	\$4
Gross Receipts Tax	0.12%	of Direct Costs	11,105,083	\$13,326	\$0
General Contractor Fee	3.60%	of Direct Costs	11,118,409	\$400,263	\$14
Unforeseen Conditions		Lump Sum Estimate		\$500,000	\$17
Project Contingency	5.00%	of Direct Costs	11,518,672	\$575,934	\$19
Subtotal Senior Center Direct Costs				\$14,577,469	\$492
Architectural & Engineering		Lump Sum Estimate		\$774,245	\$26
Del Terra/City PM Consultant		Lump Sum Estimate		\$283,500	\$10
Consultant Contingency	15.00%	of A&E	774,245	\$116,137	\$4
Reimbursables	6.00%	of A&E	774,245	\$46,455	\$2
Geotech		Lump Sum Estimate		\$20,000	\$1
Legal		Lump Sum Estimate		\$200,000	\$7
Testing & Inspection		Lump Sum Estimate		\$20,000	\$1
Insurance - Builder's Risk	0.075%	of Total Hard Costs	14,577,469	\$10,933	\$0
Insurance - General Liability	0.400%	of Total Hard Costs	14,577,469	\$58,310	\$2
Utility Connections/Fees	\$1.00	per GSF + \$20 +\$100K	29,641	\$129,661	\$4
City Processing/Permits/Fees	0.50%	of Hard Costs	14,577,469	\$72,887	\$2
CM/DM Project	5.00%	of TPC	16,482,810	\$824,140	\$28
Program Mgt Fee	2.00%	of RZFB	16,650,000	\$333,000	\$11
Contingency	10.00%	of Total Soft Costs	1,732,128	\$173,213	\$6
Total Senior Center Soft Costs				\$3,062,481	\$103
Total Project Costs Before Financing/QEI				\$17,639,950	\$595 37%
Financing Costs - Pro-rata on Costs:				4,343,531	
Total Project Costs				\$21,983,481	\$742

	Unit Price or %	Basis
Parking Structure		
Land Acquisition		Lump Sum Estimate
Core/Shell		Lump Sum Estimate
On-Site Work / Landscaping/Parking		Lump Sum Estimate
Offsite		Lump Sum Estimate
Tenant Improvements/FF&E	\$0.70	Per GSF
Subguard @1.15%	1.15%	of Direct Costs before Subguard
Contractor Contingency	3.00%	of Direct Costs Incl. Subguard
General Conditions		Lump Sum Estimate
G.C. Insurance	1.15%	of Direct Costs
Gross Receipts Tax	0.12%	of Direct Costs
General Contractor Fee	3.60%	of Direct Costs
Unforeseen Conditions		Lump Sum Estimate
Project Contingency	5.00%	of Direct Costs
Subtotal Parking Structure Direct Costs		
Architectural & Engineering		Lump Sum Estimate
Del Terra/City PM Consultant		Lump Sum Estimate
Consultant Contingency	15.00%	of A&E
Reimbursables	6.00%	of A&E
Geotech		Lump Sum Estimate
Legal		Lump Sum Estimate
Testing & Inspection	\$0.33	per GSF
Insurance - Builder's Risk	0.075%	of Total Hard Costs
Insurance - General Liability	0.400%	of Total Hard Costs
Utility Connections/Fees		Lump Sum Estimate
City Processing/Permits/Fees	0.50%	of Hard Costs
CM/DM Project	5.00%	of TPC
Program Mgt Fee	2.00%	of RZFB
Contingency	10.00%	of Total Soft Costs
Total Parking Structure Soft Costs		
Total Project Costs Before Financing/QEI		
Financing Costs - Pro-rata on Costs:		
Total Project Costs		

DRAFT

Quantity	Total	\$/SF	Unit Price or %	Basis	Quantity	Total	\$/SF	
				Community Center				
	\$0	\$0		Land Acquisition		\$2,500,000	\$84	Land Acquisition
	\$8,767,000	\$41	\$285.16	Core/Shell	21,110	\$6,019,729	\$285	Core/Shell
	\$80,000	\$0		On-Site Work / Landscaping/Parking		\$1,000,000	\$47	On-Site Work / Landscaping/Parking
	\$50,000	\$0		Offsite		\$108,000	\$5	Offsite
211,408	\$147,986	\$1	\$50.00	FF&E	21,110	\$1,055,500	\$50	Tenant Improvements/FF&E
8,897,000	\$102,316	\$0	1.15%	Subguard	7,127,729	\$81,969	\$4	Subguard
8,999,316	\$269,979	\$1	3.00%	Contractor Contingency	7,209,698	\$216,291	\$10	Contractor Contingency
9,269,295	\$646,000	\$3		General Conditions	7,425,989	\$736,000	\$35	General Conditions
9,915,295	\$114,026	\$1	1.15%	G.C. Insurance	8,161,989	\$93,863	\$4	G.C. Insurance
10,029,321	\$12,035	\$0	0.12%	Gross Receipts Tax	8,255,852	\$9,907	\$0	Gross Receipts Tax
10,041,356	\$361,489	\$2	3.60%	General Contractor Fee	8,265,759	\$297,567	\$14	General Contractor Fee
	\$500,000	\$2		Unforeseen Conditions		\$0	\$0	Unforeseen Cond./Cost Escalation Allow.
10,402,845	\$520,142	\$2	5.00%	Project Contingency	8,563,326	\$428,166	\$20	Project Contingency
	\$11,570,973	\$55		Subtotal Community Direct Costs		\$12,546,993	\$594	
	\$647,000	\$3		Architectural & Engineering		\$720,500	\$34	Architectural & Engineering
	\$283,000	\$10		Del Terra/City PM Consultant		\$283,500	\$10	Del Terra/City PM Consultant
647,000	\$97,050	\$0	15.00%	Consultant Contingency	720,500	\$108,075	\$5	Consultant Contingency
647,000	\$38,820	\$0	6.00%	Reimbursables	720,500	\$43,230	\$2	Reimbursables
	\$20,000	\$0		Geotech		\$20,000	\$1	Geotech
	\$200,000	\$1		Legal		\$200,000	\$9	Legal
211,408	\$69,765	\$0		Testing & Inspection		\$20,000	\$1	Testing & Inspection
11,570,973	\$8,678	\$0	0.075%	Insurance - Builder's Risk	12,546,993	\$9,410	\$0	Insurance - Builder's Risk
11,570,973	\$46,284	\$2	0.400%	Insurance - General Liability	12,546,993	\$50,188	\$2	Insurance - General Liability
	\$50,000	\$0		Utility Connections/Fees	21,110	\$121,130	\$6	Utility Connections/Fees
11,570,973	\$57,855	\$0	0.50%	City Processing/Permits/Fees	12,546,993	\$62,735	\$3	City Processing /Permits/Fees
13,241,269	\$662,063	\$3	5.00%	CM/DM Project	14,349,638	\$717,482	\$34	CM/DM Project
13,500,000	\$270,000	\$1	2.00%	Program Mgt Fee	14,850,000	\$297,000	\$14	Program Mgt Fee
1,518,452	\$151,845	\$1	10.00%	Contingency	1,638,768	\$163,877	\$8	Contingency
	\$2,602,360	\$12		Total Community Center Soft Costs		\$2,817,127	\$133	Total Soft Costs
	\$14,173,333	\$67	30%	Total Project Costs Before Financing/QEI		\$15,364,120	\$728	33% Total Project Costs Before Financing/QE
616	23,009							
	3,489,937			Financing Costs - Pro-rata on Costs:		3,783,147		Financing Costs & Capitalized Interest
	\$17,663,270	\$84		Total Project Costs		\$19,147,267	\$907	Total Project Costs
616	28,674							

Cost Estimate

Unit Price or %	Basis	Quantity	Total	\$/SF
			\$2,500,000	\$10
			\$23,239,159	\$89
			\$2,351,000	\$9
			\$266,000	\$1
			\$3,186,350	\$12
			\$297,346	\$1
			\$784,605	\$3
			\$2,118,000	\$8
			\$334,145	\$1
			\$35,268	\$0
			\$1,059,319	\$4
			\$1,000,000	\$4
			\$1,524,242	\$6
			\$38,695,434	\$148
			\$2,141,745	\$8
			\$850,000	\$3
			\$321,262	\$1
			\$128,505	\$0
			\$60,000	\$0
			\$600,000	\$2
			\$109,765	\$0
			\$29,022	\$0
			\$154,782	\$1
			\$300,791	\$1
			\$193,477	\$1
			\$2,203,686	\$8
			\$900,000	\$3
			\$488,935	\$2
			\$8,481,968	\$32
SI			\$47,177,403	\$180
	From Bond Finance Schd.		\$11,616,615	\$44
			\$58,794,018	\$224

SUMMARY REPORT REGARDING PAYMENT BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON FOR ALL OR A PORTION OF THE COST OF THE ACQUISITION OF LAND AND THE INSTALLATION AND CONSTRUCTION OF CERTAIN PUBLIC CAPITAL IMPROVEMENTS OF BENEFIT TO THE COMPTON REDEVELOPMENT PROJECT AREA

DATED: JULY 7, 2010

While this summary report ("Summary Report") reflects the current expectation of the Community Redevelopment Agency of the City of Compton (the "Agency"), it is possible that the costs actually financed will differ from those presented in this Summary Report. The amounts set forth in this report are based upon the currently available estimates and the anticipated availability of other funds that the Agency believes are reasonable. Such amounts may vary depending on the actual costs, fund availability and compliance with applicable requirements of the Community Redevelopment Law of California, being part 1 of Division 24 (commencing with Section 33000) of the California Health and Safety Code (the "Law"), including but not limited to Section 33678 thereof.

The Summary Report and proposed projects set forth herein is provided in connection with the public hearing requirements of Sections 33679 and 33445 of the Law, relating to the proposed payment by the Agency of all or part of the value of the land for, and the cost of the installation of and construction of, any publicly owned buildings (with certain exceptions) with tax increment revenues allocated to the Agency under the Law. The construction of the proposed public buildings are to be financed through the use of Recovery Zone Facilities Bonds and New Markets Tax Credits, the indebtedness components of which financing is intended to be repaid with tax increment revenues allocated to the Agency under the Law.

Proposed North Downtown Redevelopment Projects

The Agency owns or intends to acquire certain parcels of real property located in the City of Compton comprising approximately 5.80 acres ("Property"), located within the area bounded on the East by North Alameda Street, on the south by East Compton Boulevard, on the North by South Elm Street, and on the West by North Willowbrook Avenue. The Property is located in the Compton Redevelopment Project Area (the "Project Area"). The Agency proposes to enter into a property lease (the "Property Lease") pursuant to which it leases the Property to Compton Downtown North Community, LLC, a Delaware limited liability company ("Lessor") for the development on the Property by the Developer of an approximately 30,000 square foot Senior Activity Center, an approximately 20,000 square foot Community Center and an approximately 600 stall parking structure (collectively, the "Project"). The Lessor will cause the construction through a development management agreement with Lowe Enterprises Real Estate Group or its affiliate ("Developer") and a construction contract with a to be determined construction company. In addition, the Agency proposes to enter into a lease ("Lease Agreement") with Lessor pursuant to which the Lessor leases the completed Project back to the Agency.

The estimated cost to construct the Project is:

Senior Activity Center	\$18,394,434
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600 Stall Parking Structure	\$14,810,571
Community Center	\$14,952,026
Financing Costs	\$11,434,213
Total Project Costs	\$59,592,244

The Developer proposes to use Recovery Zone Facility Bonds and New Markets Tax Credits to finance the construction of the Project. It is proposed that the California Enterprise Development Authority or the County of Los Angeles ("Issuer") will, from time to time, issue, pursuant to a plan of finance, one or more series of tax-exempt and/or taxable financing obligations ("Obligations") in an aggregate principal amount not to exceed Forty Six Million Dollars (\$46,000,000). The proceeds of the Obligations will be loaned (the "Bond Loan") to a to be formed member of the Lessor (the "Borrower") pursuant to one or more financing agreements. The proceeds of the Bond Loan to Borrower will be applied (1) through a series of loans and equity investments, as described below, to finance the Project, (2) to pay capitalized interest with respect to the financing, (3) to fund a reserve fund, if necessary, with respect to the financing and (4) to pay certain costs of issuance in connection with the financing.

The financing described in clause (1) is proposed to be structured as follows: a portion of the Bond Loan proceeds will be loaned (the "NMTC Leverage Loan") to a to be formed limited liability company (the "Fund Investor"), which will use such loan proceeds, together with an equity capital contribution ("NMTC Tax Credit Equity") made by its non-managing member ("Tax Credit Investor"), to make Qualified Equity Investments (as such term is defined in Section 45D of the Internal Revenue Code and the regulations promulgated pursuant thereto [the "NMTC Regulations"]) (each a "QEI") in the form of capital contributions to two to four "Community Development Entities" (as such term is defined in the NMTC Regulations) (each, a "Project NMTC Lender"), one of which Project NMTC Lenders will be an affiliate of the Developer, and each of which Project NMTC Lenders will, concurrently therewith, make two loans to Lessor (collectively, the "Construction Loans") for the development, financing and construction of the Project, which loans, in the aggregate, will constitute substantially all of the QEI received by such Project NMTC Lenders.

The Lessor will own the Project and lease the Project to the Agency pursuant to the Lease Agreement. The Construction Loans will be paid entirely from receipts by the Lessor from payments under the Lease Agreement. The Project NMTC Lender will distribute such loan payments to the Fund Investor who will use such payments to repay the NMTC Leverage Loan. In addition, the Lessor will make distributions to its parent, Borrower, of certain additional portions of the receipts by the Lessor from payments under the Lease Agreement. The Borrower will use all such payments solely to repay the Obligations. The Obligations will be repaid, indirectly, entirely from repayments by the Borrower of the Bond Loan, which payments will be funded, indirectly, solely from payments under the Lease Agreement.

The Agency will make lease payments in accordance with the proposed Lease Agreement from taxes ("tax increment revenues") allocated to the Agency pursuant to Section 33670(b) of the Law with respect to the Project Area. The total estimated amount of tax increment revenues

allocated to the Agency from the Project Areas necessary to pay the payments under the Lease Agreement would be approximately \$110 million (assuming (a) an aggregate initial principal amount of the Obligations of approximately \$49 million, an overall interest rate of 7.5 percent on the Obligations and a term of the Obligations of 30 years and (b) interest and principal payments under the Construction Loans relating to the portion thereof funded indirectly by the NMTC Tax Credit Equity.

Facts Supporting Determinations

The Project Area is an area in which there exists a combination of conditions of blight that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment. There exist buildings and structures in the Project Area that are used or intended to be used for living, commercial, industrial, or other purposes, but are unfit or unsafe to occupy for such purposes and are conducive to crime because of, among other things, inadequate provision for community facilities. The Project Area contains vacant and underutilized properties and properties which suffer from economic dislocation, deterioration or disuse, including depreciated or stagnant property values and impaired investments, and deteriorated, aged and obsolete buildings. The existence of inadequate public improvements and public facilities in the Project Area cannot be remedied by private or governmental action without redevelopment. The lack of adequate public improvements hinders economic development opportunities and contributes to the existence of depreciated and stagnant property values and impaired investments in the Project Area.

The Project includes several elements to improve the community facilities available in the north downtown area. The Senior Activity Center and Community Center will provide seniors in the community a place to gather and facilities to enhance their mental and physical health and improved community facilities for the residents of all ages in the Project Area to gather and engage in social and civic activities. The development of community facilities would attract private investment because the quality of life and standard of living are often among key factors in businesses' decision to locate in the Project Area. The proposed 4 level, 600 stall Parking Structure would additionally facilitate business development and help to alleviate a critical need for adequate parking in the north downtown area.

The budget constraints of the City of Compton ("City") and the extraordinary voter approval requirements applicable to traditional methods of financing (such as general obligation bonds and community facilities district special tax bonds) as a practical matter prevent the City from financing the above-described acquisition of land and installation and construction of improvements by any other means. No moneys of the City were, are or are reasonably expected to be available on a long-term basis under the budget of the City to pay for such acquisition, installation and construction. In addition, assessment financing or special tax financing could overburden benefiting properties with assessments or special taxes.

The above-described acquisition of property and construction and installation of public improvements are all consistent with the Agency's implementation plan.

Redevelopment Purpose; Elimination of Blight

The above-described acquisition of property and construction and installation of public improvements will serve a basic purpose of redevelopment. Redevelopment includes the provision of structures as may be appropriate or necessary in the interest of the general welfare. A fundamental purpose of redevelopment is to expand employment opportunities and to provide an environment for the social, economic and psychological growth and well-being of all citizens.

The above-described acquisition of property and construction and installation of public improvements will assist in the elimination of blight in the Project Area, which is caused by the lack of adequate public improvements, and will assist in the revitalization of the Project Area, improve the quality of life, help to reverse depreciated or stagnant property values and impaired investments, encourage private sector investment, create job opportunities, promote the economic viability of businesses in the Project Area, attract new businesses, assist in retaining existing businesses, and encourage business expansion, all for the health, safety and welfare of the residents and taxpayers of the Project Area and the City.

#10.

Initial Study

Mitigated Negative Declaration No. CRA-002

North Downtown Village – Phase I

300-310 N. Willowbrook Avenue

Compton, California



Lead Agency:

Community Redevelopment Agency of the City of Compton

205 South Willowbrook Avenue
Compton, California 90220

December 2009

-
1. **Project Title:** North Downtown Village – Phase I
 2. **Lead Agency Name and Address:** City of Compton
Community Redevelopment Agency
205 South Willowbrook Avenue
Compton, CA 90220
 3. **Contact Person and Phone Number:** Dr. Kofi Sefa-Boakye
Director of Redevelopment
(310) 605-5511
 4. **Project Manager:** Oliver Mujica, Municipal Resource Center
 5. **Project Location:** 300-310 North Willowbrook Avenue
 6. **Project Sponsor's Name and Address:** City of Compton
205 South Willowbrook Avenue
Compton, CA 90220
 7. **General Plan Designation:** Public/Quasi-Public
 8. **Zoning:** Limited Commercial
 9. **Description of Project:** (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary)

The project site contains approximately 5.11 gross acres located at 300-310 North Willowbrook Avenue within the downtown portion of the City of Compton. The General Plan Land Use designation is Public/Quasi-Public, and the Zoning designation is Limited Commercial. The proposed project involves the construction of the following: 1) a 30,000 square foot senior citizen activity center; 2) a 20,000 square foot community center; and, 3) a 4-story parking structure.

.
 10. **Surrounding Land Uses and Setting:** (Briefly describe the project's surroundings)

North: The Willow Walk Housing Development.
South: Commercial Shopping Center fronting Compton Boulevard.
East: The recently approved, 75-unit, Meta Senior Citizen Apartment Complex.
West: The existing MTA Lightrail.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “Potentially Significant Impact” as indicated by the checklist on the following pages.

☐	Aesthetics	☐	Agricultural Resources	☒	Air Quality
☐	Biological Resources	☐	Cultural Resources	☒	Geology/Soils
☒	Hazards & Hazardous Materials	☒	Hydrology/Water Quality	☒	Land Use/Planning
☐	Mineral Resources	☐	Noise	☐	Population/Housing
☒	Public Services	☐	Recreation	☒	Transportation/Traffic
☒	Utilities/Service Systems	☐	Mandatory Findings of Significance		

DETERMINATION: On the basis of this initial evaluation:

	I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
X	I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
	I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
	I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
	I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature:

Date:

December 29, 2009

**Printed
Name:**

Oliver Mujica
Municipal Resource Center

For:

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1. Introduction

The Community Redevelopment Agency of the City of Compton (referred to hereinafter as the lead agency) is processing a proposal to construct the North Downtown Village – Phase I project to be located on the northeast corner of North Willowbrook Avenue and Palmer Street within what is referred to as the North Downtown portion of the City. The overall project site is comprised of two (2) parcels which are currently owned by the City's Community Redevelopment Agency, and contain a total of approximately 5.11 gross acres.

North Downtown Village – Phase I

The purpose of this Initial Study, pursuant to the requirements of CEQA, is for the proposed project which involves the construction of the North Downtown Village – Phase I project, which involves with the following:¹

- A 30,000 square foot senior citizen activity center;
- A 20,000 square foot community center; and
- A 4-story parking structure.

California Environmental Quality Act

The proposed North Downtown Village – Phase I development is a *project* pursuant to definitions of the California Environmental Quality Act (CEQA). As part of the proposed project's environmental review, the City of Compton authorized the preparation of an Initial Study/Environmental Checklist. Thus, this Initial Study/Environmental Checklist has been prepared pursuant to the CEQA Guidelines and the local environmental guidelines of the City of Compton. The State of California, through CEQA, has provided local governments with specific guidance regarding the manner in which the environmental review process is to be implemented at the local level. The CEQA Guidelines state that the purposes of an Initial Study/Environmental Checklist include the following:

- To provide the City of Compton with information to use as the basis for deciding whether to prepare an Environmental Impact Report (EIR), Mitigated Negative Declaration, or Negative Declaration for the proposed project;
- To facilitate the project's environmental assessment during early phases of the proposed project's implementation; and,
- To eliminate unnecessary EIR's.

The Community Redevelopment Agency of the City of Compton, in its capacity as lead agency, has determined that the proposed North Downtown Village – Phase I project would require a Mitigated Negative Declaration as part of its environmental review. The following is an annotated outline summarizing the contents of this Initial Study/Environmental Checklist:

- *Section 1. Introduction* provides the procedural context surrounding this initial study's preparation and insight into its composition.
- *Section 2. Location and Setting* indicates the location of the project site and the existing environmental setting.
- *Section 3. Project Description* provides an overview of the proposed project.
- *Section 4. Discretionary Approvals* identifies the discretionary approvals that will be required before the project can be implemented.
- *Section 5. Mitigation Measures* contains a listing of the mitigation measures that will be required as a means to reduce potential environmental impacts to levels that are less than significant.
- *Section 6. Findings of the Analysis* provides an overview of the potential for significant effects on the issue areas analyzed in this initial study. An Initial Study/Environmental Checklist is included in this section.

¹ The description of the project is based on drawings provided BASE Architecture.

- *Section 7. Environmental Analysis* contains the analysis of the potential environmental impacts that may be expected as part of the project's implementation.
- *Section 8. References* contains the name of the preparer and other references used in the preparation of this Initial Study/Environmental Checklist.

Although this Initial Study/Environmental Checklist was prepared with consultant support, the analysis, conclusions, and findings made as part of its preparation, fully represent the independent judgment and position of the Community Redevelopment Agency of the City of Compton acting in its capacity as lead agency.²

Copies of the Initial Study/Environmental Checklist contained herein and the *Notice of Intent to adopt a Mitigated Negative Declaration* will be forwarded to responsible agencies and will be made available to the public for review and comment. A 20-day public review period will be provided to allow these entities and other interested parties to comment on the proposed project and the Mitigated Negative Declaration.

2. Location and Setting

The project site is located within the North Downtown portion of the City of Compton. The General Plan Land Use designation is Public/Quasi-Public, and the Zoning designation is Limited Commercial. Compton is located approximately 12 miles south of downtown Los Angeles and approximately 10 miles north of downtown Long Beach. Compton is bounded by the Cities of Paramount and Long Beach on the east, the City of Lynwood and an unincorporated Los Angeles County area (the Willowbrook community) on the north, an unincorporated Los Angeles County area on the west, and an

unincorporated Los Angeles County area and the City of Carson on the south. The Long Beach Freeway (I-710) generally serves as the City's easterly boundary. The Riverside Freeway (SR-91) traverses the southerly portion of Compton while the Century Freeway (I-105) is located north of the City and the Harbor Freeway (SR-110) is located west of the City.³ The location of Compton, in a regional context, is shown in Exhibit 1. The project site's location in the City is shown in Exhibit 2.

The project site is located at 300-310 2 North Willowbrook Avenue (on the east side) between Elm Street (on the north), Palmer Street (on the south) and Tamarind Avenue (on the east). The project site is located approximately 800 feet to the north of East Compton Boulevard, and approximately 300 feet west of the Alameda Street. The project site has a street frontage of 584 feet along North Willowbrook Avenue, 502 feet along Palmer Street, and 403 feet along North Tamarind Avenue. The total gross land area is approximately 5.11 acres.

The project site is currently occupied by the existing MTA Transit Center on the western portion of the site and a parking lot on the eastern portion of the site. The existing land uses located near the project site include the following:

- The existing MTA lightrail is located on the west side of North Willowbrook Avenue directly across from the subject site.
- The Willow Walk housing development is located on the north side of the subject site.
- A Conditional Use Permit has been recently approved for the proposed 75-unit Meta Senior Citizen Apartment Complex which is located on North Tamarind Avenue directly across from the subject site.

² Certain projects or actions undertaken by a Lead Agency may require oversight, approvals, or permits from other public agencies. These other agencies are referred to as *responsible agencies* and *trustee agencies* pursuant to Sections 15381 and 15386 of the State CEQA Guidelines.²

³ United States Geological Survey. *Long Beach 7 ½ Minute Quadrangle*. 1987.

- An existing commercial shopping center along Compton Boulevard is located directly across the south side of the subject site.⁴

An aerial photograph of the project area is provided in Exhibit 3.

3. Project Description

Introduction

The existing Dr. Martin Luther King, Jr. (MLK) Transit Center was developed in 1986 by the conversion of a former supermarket to serve as the Transit Center for the Metro Lightrail Blue Line that began operation in 1990. The previous Transit Center served as the layover depot for (8) Metro buses, City of Compton Renaissance Bus Transit System, Dial-a-Ride Services, Dial-a-Taxi Service, Park and Ride facility, a child daycare center, (2) retail shops, and a large city community room. Initially, the scope of work was to improve and expand the existing facility to accommodate current and future needs of the transit center. However, the plan was changed to develop a more comprehensive transit center that not only provides the City with an efficient, up-to-date transit center that can meet future needs, but also allows for the MLK Transit Center to be a catalyst for encouraging developmental growth for the surrounding area and creating a transit village for the City of Compton.

As part of its redevelopment initiative, the Community Redevelopment Agency of the City of Compton is proposing to facilitate the construction of the proposed North Downtown Village – Phase I project in order to enhance the project area.

⁴ This information is based on field surveys conducted by Municipal Resource Center on Saturday, January 10, 2009.

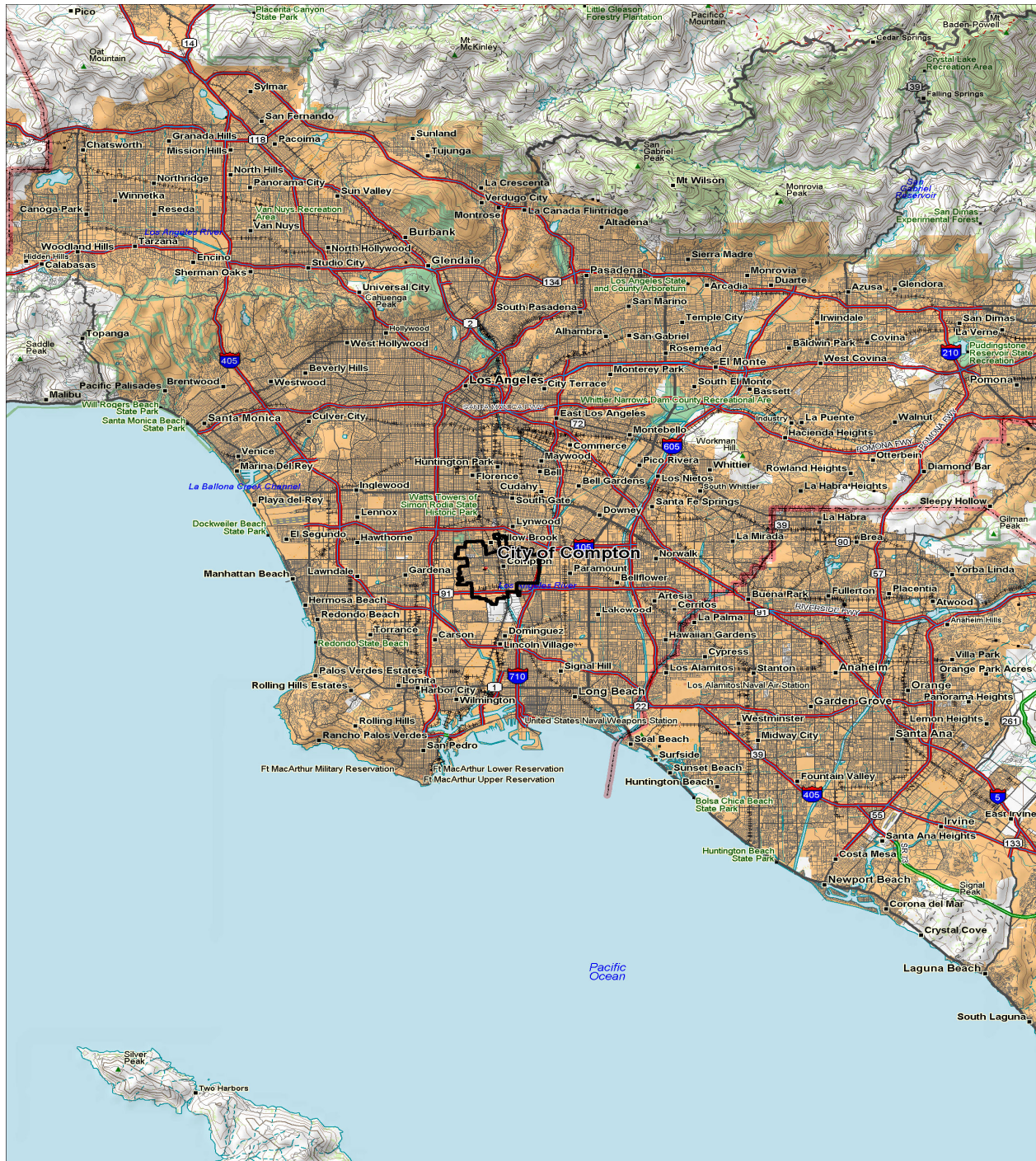
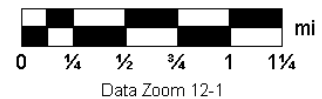
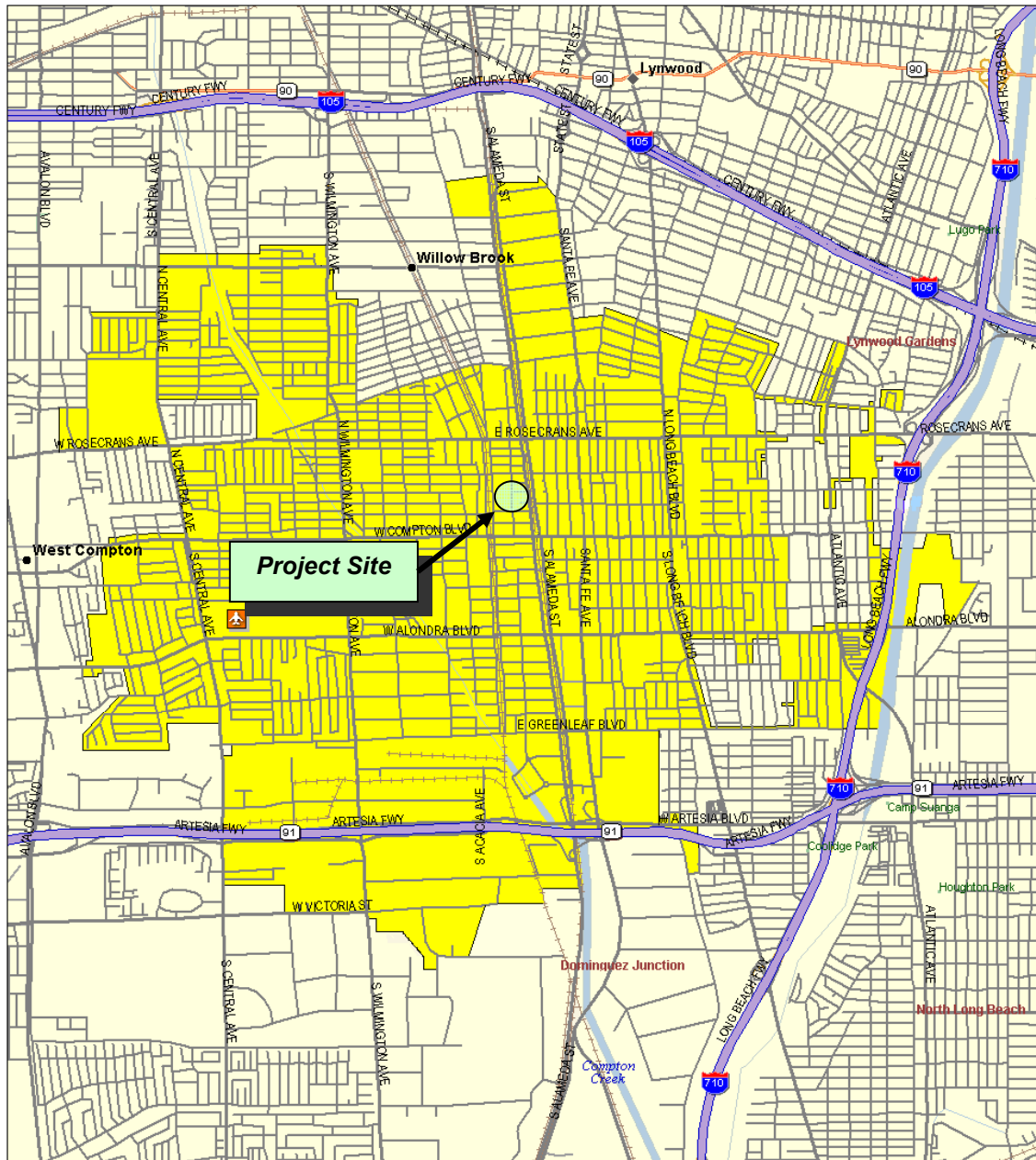


Exhibit 1 Regional Location

Source: Municipal Resource Center

City of Compton
December 2009



Data Zoom 12-1

Exhibit 2 City of Compton

Source: Municipal Resource Center

City of Compton
December 2009



Exhibit 3
Aerial View of Project Area
Source: Google Earth

4. Discretionary Approvals

The implementation of the proposed project will require the following discretionary approvals:

- *Conformity with the Compton General Plan.* The City's Planning Commission will be required to make appropriate findings for the proposed project.
- *Conformity with the Redevelopment Plan.* The Redevelopment Agency Board (City Council) will be required to make appropriate findings for the proposed project.
- *CEQA Approval.* The project will also require the approval by the City of a Mitigated Negative Declaration and the Mitigation Monitoring Program.

5. Technical Reports

The following Technical Reports were evaluated to prepare this Initial Study, which have been included in the Appendices:

- *City of Compton General Plan*, dated August 2009. (By Reference Only)
- *Groundwater Survey Report*, dated December 2006, prepared by Bryan A. Stirrat & Associates, Inc. (see Appendix A)
- *Traffic Impact Study*, dated January 2007, prepared by Traffic Safety Engineers, Inc. (see Appendix B)
- *Phase I Environmental Site Assessment Report*, dated April 20, 2007, prepared by Bryan A. Stirrat & Associates, Inc. (see Appendix C)
- *Geotechnical Engineering Investigation*, dated July 20, 2007, prepared by SWN Soil Tech Consultants, Inc. (see Appendix D)

- *Environmental Screening Report*, dated September 13, 2007, prepared by Bryan A. Stirrat & Associates, Inc. (see Appendix E)
- *Geotechnical Engineering Investigation Addendum Report*, dated November 20, 2007, prepared by SWN Soil Tech Consultants, Inc. (see Appendix F)
- *Soil Removal Report*, dated January 29, 2008, prepared by Bryan A. Stirrat & Associates, Inc. (see Appendix G)
- *Asbestos Containing Materials and Lead-Based Paint Survey Report*, dated March 10, 2009, prepared by Bryan A. Stirrat & Associates, Inc. (see Appendix H)
- *Hydrology and Hydraulics for MLK Transit Center*, dated March 2009, prepared by Uniplan Engineering, Inc. (see Appendix I)

6. Summary of Mitigation Measures

The environmental analysis (refer to Table 1 – Initial Study Checklist) for the proposed project determined that the implementation of the proposed project would not result in significant adverse environmental impacts, with the implementation of the recommended mitigation measures. In addition, pursuant to Section 21081(a) of the Public Resources Code, findings must be adopted by the decision-maker coincidental to the approval of a mitigated negative declaration, which relates to the mitigation-monitoring program. These findings shall be incorporated as part of the decision-maker's findings of fact, in response to AB 3180 and in compliance with the requirements of the Public Resources Code.

In accordance with the requirements of Section 21081(a) and 21081.6 of the Public Resources Code, the City of Compton can make the following additional findings:

- A Mitigation Reporting or Monitoring Program will be required;

- Site plan and/or building plans, submitted for approval by the responsible monitoring agency, shall include the required standard conditions; and,
- An accountable enforcement agency or monitoring agency shall be identified for the mitigation measures adopted as part of the decision-maker's final determination.

The following mitigations measures are required as a means to reduce any potential impacts:

Mitigation Measure 1 (Land Use and Development). Pursuant to the City's Zoning Ordinance, all development proposals are required to be reviewed for compliance with the City's Zoning land use and development regulations. Therefore, the proposed project shall be required to obtain such clearance through the processing, review and approval by the Architectural Review Board and the Development Review Committee.

Mitigation Measure 2 (Earth Resources and Geology). The proposed project will be required to comply with all of the most recent building codes with respect to seismic design and construction. A geotechnical report and a liquefaction study must be submitted to the City for review and approval.

Mitigation Measure 3 (Earth Resources and Geology). The proposed project will be required to comply with all of the recommendations of the Geotechnical Engineering Investigation and a subsequent Geotechnical Engineering Investigation Addendum Report prepared by SWN Soil Tech Consultants for the proposed project.

Mitigation Measure 4 (Earth Resources and Geology). Portions of the project site proposed for excavations greater than five feet in depth from the existing (natural) ground surface shall require the preparation of a Shoring Plan. This plan shall include the location of proposed excavations, including estimated depth and length and provide specifications on the type of shoring used. This plan shall be reviewed and approved by the City.

Mitigation Measure 5 (Water and Hydrology). The proposed project will be required to comply with all of the most recent building codes with respect to drainage and stormwater run-off.

Mitigation Measure 6 (Water and Hydrology). The proposed project will be required to comply with all of the recommendations of the Hydrology and Hydraulics Report prepared by Uniplan Engineering, inc. for the proposed project.

Mitigation Measure 7 (Water and Hydrology). Prior to the issuance of demolition or grading permits, a Notice of Intent to comply with the Construction General Permit to the State of California Regional Water Quality Control Board shall be prepared and submitted. A copy of the Notice of Intent acknowledgement from the State of California Regional Water Quality Board must be submitted to the City of Compton for the proposed project.

Mitigation Measure 8 (Water and Hydrology). Prior to the issuance of demolition or grading permits for the proposed project, a Storm water Pollution Prevention Plan per requirements of the National Pollutant Discharge Elimination System Construction General Permit shall be prepared and submitted to the City for review and approval. A copy of the Storm Water Pollution Prevention Plan shall be available at the construction site and shall be implemented at all times on the construction site. The Storm Water Pollution Prevention Plan shall outline the source control and/or treatment control Best Management Practices to avoid or mitigate runoff pollutants at the construction site to the maximum extent practicable.

Mitigation Measure 9 (Water and Hydrology). The proposed project shall comply with post-construction Best Management Practices requirements as detailed in the Los Angeles County Standard Urban Storm water Mitigation Plan.

Mitigation Measure 10 (Water and Hydrology). Prior to the issuance of demolition or grading permits for the proposed project, an Urban

Storm Water Management Plan shall be prepared by a California Registered Civil Engineer, Architect, Landscape Architect or any professional knowledgeable about storm water management issues and shall evaluate and propose the proper Best Management Practices to address each source of pollutants identified by the project evaluation. The Urban Storm Water Management Plan shall be reviewed and approved by the City.

Mitigation Measure 11 (Air Quality). Prior to the issuance of building permits for the proposed project, the City of Compton shall confirm that the plans and specifications stipulate compliance with South Coast Air Quality Management District Rule 403. Excessive fugitive dust emissions shall be controlled by regular watering or other dust preventive measures, as specified in the South Coast Air Quality Management District Rules and Regulations. In addition, South Coast Air Quality Management District Rule 402 requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site. Implementation of the following measures would reduce short-term fugitive dust impacts on nearby sensitive receptors:

- All active portions of the construction site shall be watered to prevent excessive amounts of dust;
- On-site vehicles' speed shall be limited to 15 miles per hour;
- All on-site roads shall be paved as soon as feasible or watered periodically or chemically stabilized;
- All material excavated or graded shall be sufficiently watered to prevent excessive amounts of dust; watering, with complete coverage, shall occur at least twice daily, preferably in the late morning and after work is done for the day;
- If dust is visibly generated that travels beyond the site boundaries, clearing, grading, earth moving or excavation activities that are generating dust shall cease during periods of high winds (i.e., greater than 25 miles per hour averaged over one hour) or during Stage 1 or Stage 2 episodes; and

- All material transported off-site shall be either sufficiently watered or securely covered to prevent excessive amounts of dust.

Mitigation Measure 12 (Air Quality). Prior to the issuance of building permits for the proposed project, City of Compton shall confirm that the plans and specifications stipulate that, in compliance with South Coast Air Quality Management District Rule 403. Ozone precursor emissions from construction equipment vehicles shall be controlled by maintaining equipment engines in good condition and in proper tune per manufacturer's specifications, to the satisfaction of the City Engineer. The City inspector shall be responsible for ensuring that contractors comply with this measure during construction.

Mitigation Measure 13 (Air Quality). Prior to the issuance of building permits for the proposed project, City of Compton shall confirm that the construction bid packages include a separate "Diesel Fuel Reduction Plan." This plan shall identify the actions to be taken to reduce diesel fuel emissions during construction activities (inclusive of grading and excavation activities). Reductions in diesel fuel emissions can be achieved by measures including, but not limited to, the following: a) use of alternative energy sources, such as compressed natural gas or liquefied petroleum gas, in mobile equipment and vehicles; b) use of "retrofit technology," including diesel particulate traps, on existing diesel engines and vehicles; and c) other appropriate measures. The Diesel Fuel Reduction Plan shall be filed with the City of Compton, and shall include the following provisions:

- All diesel fueled off-road construction equipment shall be California Air Resources Board certified or use post-combustion controls that reduce pollutant emissions to the same level as California Air Resources Board certified equipment. California Air Resources Board certified off-road engines are engines that are three years old or less and comply with lower emission standards. Post-combustion controls are devices that are installed

downstream of the engine on the tailpipe to treat the exhaust. These devices are now widely used on construction equipment and are capable of removing over 90 percent of the PM10, carbon monoxide, and volatile organic compounds from engine exhaust, depending on the specific device, sulfur content of the fuel, and specific engine. The most common and widely used post-combustion control devices are particulate traps (i.e., soot filters), oxidation catalysts, and combinations thereof.

- All diesel fueled on-road construction vehicles shall meet the emission standards applicable to the most current year to the greatest extent possible. To achieve this standard, new vehicles shall be used or older vehicles shall use post-combustion controls that reduce pollutant emissions to the greatest extent feasible.
- The effectiveness of the latest diesel emission controls is highly dependant on the sulfur content of the fuel. Therefore, diesel fuel used by on-road and off-road construction equipment shall be low sulfur (>15 parts per million) or other alternative low polluting diesel fuel formulation.

Mitigation Measure 14 (Air Quality). In compliance with South Coast Air Quality Management District Rule 1113, reactive organic gas emissions from architectural coatings shall be reduced by using precoated natural colored building materials, water-based or low- reactive organic gas coating and using coating transfer or spray equipment with high transfer efficiency.

Mitigation Measure 15 (Air Quality). All trucks that are to haul excavated or graded material on-site shall comply with State Vehicle Code Section 23114, with special attention to Sections 23114(b)(F), (e)(4) as amended, regarding the prevention of such material spilling onto public streets and roads.

Mitigation Measure 16 (Air Quality). Ozone precursor emissions from construction equipment vehicles shall be controlled by maintaining equipment engines in good condition and proper tune per manufacturer's specifications, to the satisfaction of the City of Compton. Compliance with this measure will

be subject to periodic inspections of construction equipment vehicles by the City.

Mitigation Measure 17 (Risk of Upset and Human Health). Prior to the issuance of grading permits for the proposed project, an analysis from a licensed consultant to determine if any on-site structures contain the hazardous substances below shall be submitted to the City for review and approval:

- Asbestos Containing Materials
- Polychlorinated Biphenyls
- Lead Based Paint
- Urea Formaldehyde

Mitigation Measure 18 (Risk of Upset and Human Health). If unknown wastes or suspect materials are discovered by the contractor during demolition, excavation or grading activities in which the contractor believes may involve hazardous waste/materials, the contractor shall:

- Immediately stop work in the vicinity of the suspected contaminant, removing workers and the public from the area;
- Notify the project engineer of the implementing agency;
- Secure the areas directed by the project engineer; and
- Notify the implementing agency's Hazardous Waste/ Materials Coordinator.

Mitigation Measure 19 (Risk of Upset and Human Health). For the proposed project, the services of a pest/vector control service shall be retained to ensure that insects and rodents do not spread to adjacent properties during grading activities.

Mitigation Measure 20 (Noise). Prior to the issuance of grading permits for the proposed project, the construction contractor shall demonstrate, to the satisfaction of the City of Compton, that the project complies with the following:

- All construction equipment, fixed or mobile, shall be equipped with properly operating and maintained mufflers;
- Construction noise reduction methods such as shutting off idling equipment, installing

temporary acoustic barriers around stationary construction noise sources, maximizing the distance between construction equipment staging areas and occupied residential areas, and use of electric air compressors and similar power tools, rather than diesel equipment, shall be used where feasible; During construction, stationary construction equipment shall be placed such that emitted noise is directed away from sensitive noise receivers;

- During construction, stockpiling and vehicle staging areas shall be located as far as practical from noise sensitive receptors;
- Operate earthmoving equipment on the construction site as far away from vibration-sensitive sites as possible; and
- Construction hours, allowable workdays, and the phone number of the job superintendent shall be clearly posted at all construction entrances to allow for surrounding owners and residents to contact the job superintendent. If the City or the job superintendent receives a complaint, the superintendent shall investigate, take appropriate corrective action, and report the action taken to the reporting party superintendent receives a complaint, the superintendent shall investigate, take appropriate corrective action, and report the action taken to the reporting party.

Mitigation Measure 21 (Noise). During earthwork and grading activities for the proposed project, the construction contractor shall perform vibration monitoring when trenching, shoring, or heavy equipment activities take place within 25 feet of a habitable structure. Independent monitoring should be performed to check compliance in particularly sensitive areas. The vibration monitoring shall confirm that the peak particle velocity is 0.50 inch/second or less. Should vibration levels exceed this threshold, the contractors shall modify and/or reschedule their construction activities.

Mitigation Measure 22 (Noise). For the proposed project, mechanical equipment shall be placed as far as practicable from sensitive receptors. Additionally, the following shall be considered prior to heating, ventilation, and air

conditioning unit installation: proper selection and sizing of equipment, installation of equipment with proper acoustical shielding, and incorporating the use of parapets into the building design.

Mitigation Measure 23 (Public Services - Fire Protection). Prior to the issuance of building permits for the proposed project, the final site plan, elevations, building floor plans, and site circulation shall be reviewed and approved by the City's Fire Department to ensure conformity to their fire prevention and operational requirements.

Mitigation Measure 24 (Public Services - Law Enforcement). Prior to the issuance of building permits for the proposed project, the final site plan, elevations, building floor plans, and site circulation shall be reviewed and approved by the Los Angeles County Sheriff's Department to ensure conformity to their crime prevention measures and operational requirements.

Mitigation Measure 25 (Utilities and Service Systems). Prior to the issuance of grading or building permits, the proposed project shall comply with all of the recommendations of the Hydrology and Hydraulics Report prepared by Uniplan Engineering, Inc. for the proposed project.

Mitigation Measure 26 (Utilities and Service Systems). Prior to the issuance of grading or building permits for the proposed project, an Infrastructure Analysis evaluating the water lines, storm water drainage facilities and sewer lines along with the corresponding improvements, if any, shall be submitted to the City of Compton for review and approval.

Mitigation Measure 27 (Utilities and Service Systems). Prior to issuance of connection permits for the proposed project, all applicable fees required by the County Sanitation Districts of Los Angeles County and the City of Compton shall be paid, if applicable.

Mitigation Measure 28 (Utilities and Service Systems). For the proposed project, the construction contractor shall use of the City's franchised trash hauler for all construction and

demolition recycling and disposal in order to reduce construction-generated waste that is disposed of at landfills according to State law by at least 50 percent. The construction contractor may file specific forms to handle the recycling, and would be required to pay the appropriate fees to guarantee compliance with AB 939. The construction contractor shall prepare a Construction Waste Management Plan explaining the practices that shall be used to achieve this level of reduction.

Mitigation Measure 29 (Utilities and Service Systems). For the proposed project, the construction contractor shall adhere to all source reduction programs for the disposal of construction materials and solid waste, as required by the City of Compton. Prior to the issuance of building permits, a Source Reduction Program shall be prepared and submitted for each structure constructed on the subject property to achieve a minimum 50 percent reduction in waste disposal rates.

Mitigation Measure 30 (Utilities and Service Systems). For the proposed project, the construction contractor shall comply with all applicable City, County and State regulations and procedures for the use, collection and disposal of solid and hazardous wastes.

Mitigation Measure 31 (Utilities and Service Systems). The proposed project will be required to comply with all of the most recent building codes with respect to drainage and stormwater run-off.

Mitigation Measure 32 (Aesthetics). All wall surfaces must be maintained free of graffiti at all times.

Mitigation Measure 33 (Aesthetics). All exterior building light, security lighting and parking area lighting must be properly shielded to prevent spill over light and glare impacts on the nearby land uses.

Mitigation Measure 34 (Aesthetics). Construction equipment staging areas shall be appropriately screening (i.e., temporary fencing with opaque material) to buffer views of construction equipment and material, when

feasible. Staging location shall be indicated on project grading plans.

Mitigation Measure 35 (Aesthetics). All construction-related lighting shall be located and aimed away from adjacent public right-of-ways and private properties and shall consist of the minimal wattage necessary to provide safety at the construction site. A construction safety lighting plan shall be submitted for review concurrently with the grading permit applications.

Mitigation Measure 36 (Aesthetics). Proposed structures shall use minimally reflective glass and all other materials used on exterior buildings, and structures shall be selected with attention to minimizing reflective glare.

Mitigation Measure 37 (Transportation and Circulation). Re-align the intersection of Carson Place/Palmer Street and Alameda Street West.

Mitigation Measure 38 (Transportation and Circulation). Upgrade the existing traffic signal at the intersection of Carson Place/Palmer Street and Alameda Street West for full traffic access.

Mitigation Measure 39 (Transportation and Circulation). Modify the existing traffic signal at the intersection of Compton Boulevard and Willowbrook Avenue East to accommodate the re-aligned intersection approach.

7. Findings of the CEQA Analysis

The environmental analysis conducted under the Initial Study, pursuant to the requirements of CEQA, indicated that the proposed project will not result in any unmitigable significant adverse impacts. The following findings of significance may be made with respect to the proposed project.

- The proposed project *will not* have the potential to degrade the quality of the environment, with the implementation of the recommended mitigation.

- The proposed project *will not* have the potential to achieve short-term goals to the disadvantage of long-term environmental goals.
- The proposed project *will not* have impacts that are individually limited and cumulatively considerable.
- The proposed project *will not* have environmental effects that will adversely affect humans, either directly or indirectly, with adherence to the mitigation recommendations herein.

The conclusions of the initial study are summarized in Table 2 provided below and on the following pages.

8. CEQA Environmental Analysis

This section of the Initial Study which has been prepared pursuant to the requirements of CEQA analyzes the potential environmental impacts that may result from the subsequent implementation of the proposed project. The issue areas evaluated in this Initial Study include the following:

- Land Use and Development (Section 8.1);
- Population and Housing (Section 8.2);
- Earth and Geology (Section 8.3);
- Water and Hydrology (Section 8.4);
- Air Quality (Section 8.5);
- Biological Resources (Section 8.6);
- Energy and Mineral Resources (Section 8.7);
- Risk of Upset/Human Health (Section 8.8);
- Noise (Section 8.9);
- Public Services (Section 8.10);
- Utilities (Section 8.11);
- Aesthetics (Section 8.12);
- Cultural Resources (Section 8.13);
- Recreation (Section 8.14) and
- Transportation (Section 8.15).

The analysis contained herein, provides a response to the individual questions. For the

evaluation of potential impacts, questions are stated and an answer is provided according to the analysis undertaken as part of this initial study's preparation. To each question, there are four possible responses:

- *No Impact.* The proposed project will not have any measurable environmental impact on the environment.
- *Less Than Significant Impact.* The proposed project may have the potential for impacting the environment, although these impacts are likely to be below levels or thresholds that the City or other responsible agencies consider to be significant.
- *Potentially Significant Impact Unless Mitigated.* The proposed project may have the potential to generate impacts that are considered to represent a significant impact on the environment. However, the level of impact may be reduced to levels that are considered to be less than significant with the implementation of mitigation measures.
- *Potentially Significant Impact.* The proposed project may, or is known to result in significant unmitigable adverse impacts.

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.1 LAND USE AND DEVELOPMENT IMPACTS. <i>Would the project:</i>				
a) Physically divide an established community, or otherwise result in an incompatible land use?				×
b) Conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				×
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				×
d) Convert Prime Farmland, Unique Farmland or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				×
e) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				×
f) Involve other changes in the existing environment that, due to their location or nature, may result in conversion of farmland to non-agricultural use?				×

Land Use and Development: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant impact on land use and development if it results in any of the following:

- The disruption or division of the physical arrangement of an established community;
- A conflict with an applicable land use plan, policy, or regulation of the agency with jurisdiction over the project;
- A conflict with any applicable conservation plan or natural community conservation plan;
- The conversion of prime farmland, unique farmland, or farmland of statewide importance;
- A conflict with existing zoning for agricultural use or a Williamson Act contract; or,

- Changes to the existing environment that, due to their location or nature, may result in the conversion of farmland to non-agricultural uses.

Environmental Impacts

- A. *Would the project physically divide an established community or otherwise result in an incompatible land use?* **No Impact.**

The project site is located at 300-310 2 North Willowbrook Avenue (on the east side) between Elm Street (on the north) and Palmer Street (on the south). The project site is located approximately 800 feet to the north of E. Compton Boulevard, and approximately 300 feet west of the Alameda Street. The project site has a street frontage of 584 feet along North Willowbrook Avenue, 502 feet along Palmer Street, and 403 feet along North Tamarind Avenue. The total gross land area is approximately 5.11 acres. The General Plan land use designation of the project site is Public/Quasi-Public which is compatible with the General Plan land use designation of the adjacent properties. Additionally, The Zoning designation of the project site, as well as the adjacent properties, is Limited Commercial.

The project site is currently occupied by the existing MTA Transit Center on the western portion of the site and a parking lot on the eastern portion of the site. The existing land uses located near the project site include the following:

- The existing MTA lightrail is located on the west side of North Willowbrook Avenue directly across from the subject site.
- The Willow Walk housing development is located on the north side of the subject site.
- A Conditional Use Permit has been recently approved for the proposed 75-unit Meta Senior Citizen Apartment Complex) which is located on North Tamarind Avenue directly across from the subject site.
- An existing commercial shopping center along Compton Boulevard is located directly across the south side of the subject site

The proposed project will not physically divide an established community. As a result, no adverse land use impacts are anticipated.

- B. *Would the project conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including but not limited to, a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?* **No Impact.**

The project site is currently developed with the MTA Transit Center, and the proposed project involves the construction of improvements to support the development of the new Dr. Martin Luther King Jr. Transit Center.

- The proposed project will conform to the Public/Quasi-Public land use designation of the City of Compton General Plan.

- The proposed project will conform to the Limited Commercial zoning designation of the City of Compton Zoning Ordinance.

The proposed project will not conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project. As a result, no adverse land use policy impacts are anticipated.

- C. *Will the project conflict with any applicable habitat conservation plan or natural community conservation plan?* **No Impact.**

There are no Los Angeles County designated Significant Ecological Areas (SEAs) located within the City of Compton that would be potentially affected by the proposed project's implementation. As a result, no adverse impacts on habitat conservation plans or natural community conservation plans will occur.

- D. *Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?* **No Impact.**

No agricultural activities are located within the project site nor does the City's General Plan provide for any agricultural land use designation on the subject site or within the immediate vicinity. As a result, the proposed project will not result in the conversion of any existing farmland to urban. As a result, no adverse impacts on protected farmland soils will result.

- E. *Would the project conflict with existing zoning for agricultural use, or a Williamson Act contract?* **No Impact.**

No agricultural activities are being conducted within the project site. The project site is covered over in its entirety by asphalt paving. The City of Compton Zoning Ordinance does not contemplate agricultural land uses for the project site. In addition, no areas of the City are subject to a Williamson Act contract. As a result, no adverse impacts on existing or future Williamson Act contracts will result.

- F. *Would the project involve other changes in the existing environment that, due to their location or nature, may result in conversion of farmland to non-agricultural use?* **No Impact.**

No agricultural activities or farmland uses are located within the city. The proposed project will not result in the conversion of any existing farmland area to urban uses. As a result, no adverse impacts will result from the proposed project's implementation.

Mitigation Measures

The following mitigation is required as a means to reduce potential land use conflicts with nearby land uses.

Mitigation Measure 1 (Land Use). Pursuant to the City's Zoning Ordinance, all development proposals are required to be reviewed for compliance with the City's Zoning land use and development regulations. Therefore, the proposed project shall be required to obtain such clearance through the processing, review and approval by the Architectural Review Board and the Development Review Committee.

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact
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3.2 POPULATION AND HOUSING IMPACTS. *Would the project:*

a) Induce substantial growth in an area either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)?				×
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				×
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				×

Population and Housing: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant impact on housing and population if it results in any of the following:

- A substantial growth in the population within an area, either directly or indirectly related to a project;
- The displacement of a substantial number of existing housing units, necessitating the construction of replacement housing; or,

- The displacement of substantial numbers of people, necessitating the construction of replacement housing.

Environmental Impacts

- A. *Would the project induce substantial population growth in an area, either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)?* **No Impact.**

The California Department of Finance (DOF) estimated the City's population in January 2008 to be 99,242 persons. According to the same Department of Finance figures, there are 24,054 housing units located in the City. There are no dwelling units located on, or persons residing within, the project site. Growth-inducing impacts are generally associated with the provision of urban services to an undeveloped or rural area, such as utilities, improved roadways, and expanded public services. While the proposed project will result in growth inducing impacts as part of the City's economic development efforts. As a result, no adverse growth inducing impacts will occur.

- B. *Would the project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?* **No Impact.**

There are no dwelling units located on, or persons residing within, the project site. The site is currently occupied by an existing MTA Transit Center. As a result, the proposed project will not involve the removal of any units and no displacement of existing housing units will result.

- C. *Would the project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?* **No Impact.**

As indicated in the preceding section, no housing units will be displaced as part of the proposed project's implementation. As a result, no persons will be displaced as part of the project's implementation and no replacement housing will be required.

Mitigation Measures

The proposed project does not require mitigation measures to address population and housing impacts.

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.3 EARTH RESOURCES AND GEOLOGY IMPACTS. <i>Would the project result in or expose people to potential impacts involving:</i>				
a) The risk of loss or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area, or based on other substantial evidence of a known fault rupture?			X	
b) Substantial adverse effects, including the risk of loss, injury, or death involving strong seismic ground shaking or seismic-related ground failure, including liquefaction?			X	
c) Substantial soil erosion or the loss of topsoil?			X	
d) Location on a geologic unit or a soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?		X		
e) Location on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?			X	
f) Soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				X
g) Unique geologic or physical features?				X

Earth Resources and Geology: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse environmental impact on the environment if it results in the following:

- Locating within a geologic or soils unit that is unstable or that would become unstable as a result of the project, potentially resulting in on-site or off-site landslide, lateral spreading, subsidence, liquefaction or collapse;

- Locating on an expansive soil, creating substantial risks to life or property;
- Locating on soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater;
- Locating in, or exposing people to potential impacts, including soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater;
- Exposing people to potential impacts, including unique geologic or physical features;
- Substantial soil erosion resulting in the loss of topsoil; or
- The exposure of people or structures to potential substantial adverse effects, including the risk of loss or death related to fault rupture from a known earthquake fault.

Supporting Documentation

As part of the permitting process, a Geotechnical Engineering Investigation (see Appendix D) and a subsequent Geotechnical Engineering Investigation Addendum Report (see Appendix F) was prepared by SWN Soil Tech Consultants, Inc. Accordingly, the Grading Plans and Building Plan have been prepared pursuant to the recommendations of these reports in order to alleviate any potential impacts.

Environmental Impacts

- A. *Would the project result in or expose people to potential impacts, including the risk of loss or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area, or based on other substantial evidence of a known fault rupture? **Less Than Significant Impact.***

Although there are no active faults known to underlay the project site, seismic risks that may affect the site are not unique or more significant for this site than other areas within Compton. As a result, surface rupture is not anticipated to occur in the event of an earthquake from the known faults in the surrounding region. Furthermore, the site is not included within an Alquist-Priolo Special Studies Zone. As a result, no surface rupture impacts will affect the project site or the proposed project. In any event, as a precautionary measure, Mitigation has been recommended under subsection D to ensure that appropriate due diligence is completed with respect to potential earthquakes.

- B. *Would the project expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving strong seismic ground shaking or seismic-related ground failure, including liquefaction? **Less Than Significant Impact.***

The seismic risks that may affect the site are not unique or more significant for this site than other areas within Compton. Mitigation has been recommended under subsection D to ensure that appropriate due diligence is completed with respect to potential liquefaction. As a result, the impacts are considered to be less than significant.

- C. *Would the project expose people or structures to potential substantial adverse effects, including substantial soil erosion or the loss of topsoil?* **Less Than Significant Impact.**

Given the developed character of the surrounding parcels, no significant adverse constraints related to expansive soils are anticipated. The adherence to the existing development code and building code requirements will reduce the potential impacts to levels that are less than significant.

- D. *Would the project expose people or structures to potential substantial adverse effects, including location on a geologic unit or a soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?* **Potentially Significant Impact Unless Mitigated.**

The proposed project will not involve any significant grading. The site is presently vacant. Grading and excavation will be required to ready the site for construction. Liquefaction susceptibility is a function of the capacity of sediments to resist moderate to severe seismic ground shaking intensity. Liquefaction hazard mapping focuses on areas historically characterized by ground-water depths of 34 feet or less. The majority of the City is located in an area that has been identified as having a potential for liquefaction. As a result, the following mitigation will be required:

- The proposed project will be required to comply with all of the most recent building codes with respect to seismic design and construction. A liquefaction study must be submitted to the City for review and approval.

The adherence to aforementioned mitigation will reduce the potential impacts to levels that are less than significant.

- E. *Would the project result in or expose people to potential impacts, including location on expansive soil, as defined in the California Building Code (2002), creating substantial risks to life or property?* **Less Than Significant Impact.**

Grading and excavation will be required to facilitate removal of the existing on-site improvements. The soils that underlie the parcel are adequate to support the proposed development. As a result, no impacts are anticipated.

- F. *Would the project result in or expose people to potential impacts, including soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?* **No Impact.**

No septic tanks will be used as part of the proposed project. As a result, no impacts associated with the use of septic tanks will result from the proposed project's implementation.

G. *Would the project result in or expose people to potential impacts, including unique geologic or physical features?* **No Impact.**

The site and the surrounding area have been previously developed and there are no unique geologic or physical features within the city or in the surrounding area.⁵ There are no natural geologic features located on site or within the surrounding properties. As a result, the proposed project will not result in any significant adverse impacts related to natural or unique geologic features.

Mitigation Measures

The analysis of the proposed project's impact on earth and geology indicated that the only impact requiring mitigation is related to the presence of liquefaction hazards and general regional seismic activity. As a result, the following mitigation measure is required:

Mitigation Measure 2 (Earth Resources and Geology). The proposed project will be required to comply with all of the most recent building codes with respect to seismic design and construction. A geotechnical report and a liquefaction study must be submitted to the City for review and approval.

Mitigation Measure 3 (Earth Resources and Geology). The proposed project will be required to comply with all of the recommendations of the Geotechnical Engineering Investigation and a subsequent Geotechnical Engineering Investigation Addendum Report prepared by SWN Soil Tech Consultants for the proposed project.

Mitigation Measure 4 (Earth Resources and Geology). Portions of the project site proposed for excavations greater than five feet in depth from the existing (natural) ground surface shall require the preparation of a Shoring Plan. This plan shall include the location of proposed excavations, including estimated depth and length and provide specifications on the type of shoring used. This plan shall be reviewed and approved by the City.

⁵ United States Geological Survey. *South Gate 7 ½ Minute Quadrangle*. 1987

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.4 WATER AND HYDROLOGY IMPACTS. <i>Would the project:</i>				
a) Violate any water quality standards or waste discharge requirements?		X		
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge in such a way that would cause a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				X
c) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?			X	
d) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner, which would result in flooding on- or off-site?			X	
e) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?				X
f) Substantially degrade water quality?				X
g) Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
h) Place within a 100-year flood hazard area, structures which would impede or redirect flood flows?		X		
i) Expose people or structures to a significant risk of flooding as a result of dam or levee failure?				X
j) Result in inundation by seiche, tsunami, or mudflow?				X

Water and Hydrology: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse environmental impact on water resources or water quality if it results in any of the following:

- A violation of any water quality standards or waste discharge requirements;
- A substantial depletion of groundwater supplies or interference with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level;
- A substantial alteration of the existing drainage pattern of the site or area through the alteration of the course of a stream or river in a manner that would result in substantial erosion or siltation on or off-site;
- A substantial alteration of the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner that would result in flooding on or off-site;
- The creation or contribution of water runoff that would exceed the capacity of existing or planned storm water drainage systems or the generation of substantial additional sources of polluted runoff;
- The substantial degradation of water quality;
- The placement of housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary, Flood Insurance Rate Map or other flood hazard delineation map;
- The placement of structures within 100-year flood hazard areas that would impede or redirect flood flows;
- The exposure of people or structures to a significant risk of flooding as a result of dam or levee failure; or,
- The exposure of a project to inundation by seiche, tsunami, or mudflow.

Supporting Documentation

As part of the permitting process, a Hydrology and Hydraulics for MLK Transit Center report was prepared by Uniplan Engineering, Inc. (see Appendix I). Accordingly, the Grading and Drainage Plans have been prepared pursuant to the recommendations of this report in order to alleviate any potential impacts.

Environmental Impacts

- A. *Would the project violate any water quality standards or waste discharge requirements?*
Potentially Significant Impact Unless Mitigated.

The site is currently developed with the existing MTA Transit and Lightrail Station and a parking lot, as a result of the proposed development, there will be a net increase in the amount of storm water runoff. Pursuant to current storm water runoff requirements, all storm water on-site must be impounded on-site. Grading and excavation will be required to remove the existing asphalt surface and to make the site suitable for development. The site plan indicates storm water runoff from the site will be conveyed to the curbs and gutters. The hydrology study ensures that runoff is properly conveyed to the existing curb and gutters. The following mitigation measure will be implemented:

- The measures to address drainage and stormwater run-off shall comply with the recommendations of the Hydrology and Hydraulics for MLK Transit Center report.

The aforementioned mitigation will reduce the potential impacts to levels that are less than significant.

- B. *Would the project substantially deplete groundwater supplies or interfere substantially with groundwater recharge in such a way that would cause a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of a pre-existing nearby well would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?* **No Impact.**

Water supply in the City is derived from local groundwater wells operated and maintained by the Compton Municipal Water Department and imported water from the Metropolitan Water District (MWD). No water wells are located on the proposed project site. As a result, no impacts are anticipated.

- C. *Would the project substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?* **Less Than Significant Impact.**

The proposed project site is currently developed with the existing MTA Transit and Lightrail Station and parking lot. No natural drainage or riparian areas remain within the project site due to its past development. In addition, no streams or rivers are located within the surrounding area. As a result, the proposed project will not result in any impacts on streams or natural hydrology.

- D. *Would the project substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner that would result in flooding on-or off-site?* **Less Than Significant Impact.**

There are no lakes or streams within the area that would be affected by the proposed project. No natural stream channels remain within the project site or in the immediate area. In addition, there will not be any increase in storm water surface runoff conveyed to the existing storm drain system given the extent of the existing impervious surfaces within the project site. As a result, no impacts will occur as part of the proposed project's implementation.

- E. *Would the project create or contribute runoff water that would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff? **No Impact.***

No surface water bodies are found within the project site or in adjacent parcels that would be affected by the proposed project. The nature and extent of storm water runoff ultimately discharged into the existing storm drain system will not significantly change from the existing levels. In addition, no wells are planned as part of the proposed project. As a result, no impacts are anticipated.

- F. *Would the project otherwise substantially degrade water quality? **No Impact.***

Future development will be required to implement a storm water pollution prevention plan and water quality management plan in accordance with National Pollutant Discharge Elimination System (NPDES) and City of Compton requirements. With adherence to the most recent Clean Water Act requirements, no impacts from the proposed project will result.

- G. *Would the project place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? **No Impact.***

The concept of a 100-year or 500-year flood condition is used as a benchmark by civil engineers as a means to design flood control infrastructure. The proposed project will not impede or redirect the flows of potential floodwater. Furthermore, although the project site is not located within a designated flood hazard area, as defined by FEMA's Flood Insurance Mapping Program (FIRM), no housing units are proposed by this project. Therefore, no impacts related to flood flows are associated with the proposed project's implementation.

- H. *Would the project place within a 100-year flood hazard area, structures that would impede or redirect flood flows? **Potentially Significant Unless Mitigated.***

As indicated previously, the project site is located within a designated flood hazard area as identified by FEMA. However, the proposed project will not impede or redirect the flows of potential floodwater. Therefore, no flood-related impacts are associated with the proposed project's implementation.

- I. *Would the project expose people or structures to a significant risk of flooding as a result of levee failure? **No Impact.***

The project site is not located within a designated flood hazard area as identified by the FEMA. The central and eastern portion of the city is located within this potential inundation area. The average floodwater depth is projected to be less than 1 foot. Virtually all of the urbanized portions of Los Angeles County are exposed to some form of potential inundation risk. As a result, no significant adverse impacts are anticipated.

*J. Would the project result in inundation by seiche, tsunami, or mudflow? **No Impact.***

The City of Compton is located inland from the Pacific Ocean, and thus, the project site will not be exposed to the effects of a tsunami. No dams, reservoirs or volcanoes are located near the city that would present seiche or volcanic hazards.⁶ In addition, there are no surface water bodies in the immediate area that would result in seiche hazards. As a result, no impacts related to seiche, tsunami or mudflow would result.

Mitigation Measures

The analysis of the proposed project's impact on water quality indicated that the only impact requiring mitigation is related to the drainage and stormwater run-off. As a result, the following mitigation measure is required:

Mitigation Measure 5 (Water and Hydrology). The proposed project will be required to comply with all of the most recent building codes with respect to drainage and stormwater run-off.

Mitigation Measure 6 (Water and Hydrology). The proposed project will be required to comply with all of the recommendations of the Hydrology and Hydraulics Report prepared by Uniplan Engineering, inc. for the proposed project.

Mitigation Measure 7 (Water and Hydrology). Prior to the issuance of demolition or grading permits, a Notice of Intent to comply with the Construction General Permit to the State of California Regional Water Quality Control Board shall be prepared and submitted. A copy of the Notice of Intent acknowledgement from the State of California Regional Water Quality Board must be submitted to the City of Compton for the proposed project.

Mitigation Measure 8 (Water and Hydrology). Prior to the issuance of demolition or grading permits for the proposed project, a Storm water Pollution Prevention Plan per requirements of the National Pollutant Discharge Elimination System Construction General Permit shall be prepared and submitted to the City for review and approval. A copy of the Storm Water Pollution Prevention Plan shall be available at the construction site and shall be implemented at all times on the construction site. The Storm Water Pollution Prevention Plan shall outline the source control and/or treatment control Best Management Practices to avoid or mitigate runoff pollutants at the construction site to the maximum extent practicable.

Mitigation Measure 9 (Water and Hydrology). The proposed project shall comply with post-construction Best Management Practices requirements as detailed in the Los Angeles County Standard Urban Storm water Mitigation Plan.

Mitigation Measure 10 (Water and Hydrology). Prior to the issuance of demolition or grading permits for the proposed project, an Urban Storm Water Management Plan shall be prepared by a California Registered Civil Engineer, Architect, Landscape Architect or any professional knowledgeable about storm water management issues and shall evaluate and propose the proper Best Management Practices to address each source of pollutants identified by the project evaluation. The Urban Storm Water Management Plan shall be reviewed and approved by the City.

⁶ United States Geological Survey. *South Gate 7 ½ Minute Quadrangle*. 1982

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.5 AIR QUALITY IMPACTS. <i>Would the project:</i>				
a) Conflict with or obstruct implementation of the applicable air quality plan?			×	
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				×
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?			×	
d) Expose sensitive receptors to substantial pollutant concentrations?			×	
e) Create objectionable odors affecting a substantial number of people?			×	
f) Alter air movement, moisture, or temperature, or cause any change in climate?				×

Air Quality: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project will normally be deemed to have a significant adverse environmental impact on air quality, if it results in any of the following:

- A conflict with, or obstructs the implementation of, the applicable air quality plan;
- A violation of an air quality standard or contribute substantially to an existing or projected air quality violation;
- A cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard;
- The exposure of sensitive receptors to substantial pollutant concentrations;
- The creation of objectionable odors affecting a substantial number of people; or,

- The alteration of air movement, moisture or temperature, or cause any change in climate.

The South Coast Air Quality Management District (SCAQMD) has established quantitative thresholds for short-term (construction) emissions and long-term (operational) emissions for criteria pollutants. These criteria pollutants include the following:

- *Ozone (O₃)* is a nearly colorless gas that irritates the lungs and damages materials and vegetation. O₃ is formed by photochemical reaction (when nitrogen dioxide is broken down by sunlight).
- *Carbon Monoxide (CO)*, a colorless, odorless toxic gas that interferes with the transfer of oxygen to the brain, is produced by the incomplete combustion of carbon-containing fuels emitted as vehicle exhaust.
- *Nitrogen dioxide (NO₂)* is a yellowish-brown gas that, at high levels, can cause breathing difficulties. NO₂ is formed when nitric oxide (a pollutant from burning processes) combines with oxygen.
- *PM₁₀* refers to particulate matter less than ten microns in diameter. PM₁₀ causes a greater health risk than larger-sized particles, since fine particles can more easily cause irritation.

Environmental Impacts

- A. *Would the project conflict with or obstruct implementation of the applicable air quality plan?*
Less Than Significant Impact.

The proposed project will not affect any regional population, housing, and employment projections prepared for the City by the Southern California Association of Governments. As a result, the proposed project is consistent with the Growth Management Plan. Finally, the proposed project is not subject to the requirements of the Air Quality Management Plan's PM₁₀ Program, which is limited to the desert portions of the South Coast Air Basin. Given the relatively small size of the development, it is not considered to be regionally significant, according to the SCAQMD. Specific criteria for determining a project's conformity with the AQMP is defined in Chapter 12 of the Air Quality Management Plan (AQMP) and Section 12.3 of the SCAQMD's CEQA Air Quality Handbook that states the following:

- *Consistency Criteria 1.* Will the proposed project result in an increase in the frequency or severity of an existing air quality violation or contribute to the continuation of an existing air quality violation?
- *Consistency Criteria 2.* Will the proposed project exceed the assumptions included in the AQMP or other regional growth projections relevant to the AQMP's implementation?

The proposed project is consistent with the adopted City of Compton General Plan (Consistency Criteria 2) pursuant to the proposed Public/Quasi-Public land use designation. The proposed project will result in emissions that may contribute to an existing air quality violation. However, the proposed project will not result in any net increase in development not already contemplated in regional growth projections (Consistency Criteria 1). As a result, the project would not be in conflict with, or result in an obstruction of an applicable air quality plan and no adverse impacts are anticipated.

*B. Would the project violate any air quality standard or contribute substantially to an existing or projected air quality violation? **No Impact.***

Short-term airborne emissions will occur during the various development phases and include activities related to demolition, land clearance, grading, and excavation. Equipment emissions, associated with the use of construction equipment during site preparation and construction activities, will be generated (the construction equipment is generally diesel-powered, resulting in high levels of nitrogen oxide [NOx] and particulate emissions). Finally, delivery vehicles and workers commuting to and from the construction site will generate mobile emissions. Long-term emissions refer to those air quality impacts that will occur once the land uses are operational and occupied, and these impacts will continue over the operational life of any future development. The total long-term emissions from the additional daily trips that will be generated by the project *will not* exceed the SCAQMD's thresholds of significance. As a result, no significant adverse impacts are anticipated.

As a means to further reduce potential short-term emissions, the following mitigation is required:

- The construction contractor(s) will be required to obtain all pertinent operating permits from the SCAQMD for any equipment requiring such permits.
- The construction contractor(s) will be required to adhere to all protocols pertaining to demolition and construction activities.

Adherence to the recommended mitigation measures will further reduce the potential impacts to levels that are less than significant.

*C. Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? **Less Than Significant Impact.***

The project will generate long-term operational emissions. However, the majority of the long-term emissions will be associated with vehicles traveling to and from the future development that will be below the SCAQMD's thresholds of significance. As a result, the proposed project's air quality impacts are considered to be less than significant.

*D. Would the project expose sensitive receptors to substantial pollutant concentrations? **Less Than Significant Impact.***

Sensitive receptors refer to land uses and/or activities that are especially sensitive to poor air quality. Sensitive receptors typically include homes, schools, playgrounds, hospitals, convalescent homes, and other facilities where children or the elderly may congregate. The sensitive receptors located in the vicinity of the project site include residential development located to the north and east of the site. The size of the proposed project is not expected to result in emission hot spots that would exceed the State's 1-hour or 8-hour standards.⁷ As a result, no significant adverse impacts are anticipated.

⁷ South Coast Air Quality Management District. *CEQA Air Quality Handbook, Appendix 9*. 1993.

E. Would the project create objectionable odors affecting a substantial number of people? *Less Than Significant Impact.*

The SCAQMD's CEQA Air Quality Handbook identifies those uses that will typically create odors that, in turn, could generate complaints. These uses include agricultural activities, wastewater treatment plants, food processing plants, chemical plants, composting, refineries, landfills, dairies, and fiberglass molding operations. Due to the nature and extent of the proposed use, there is limited potential for objectionable odors to affect the surrounding area given the proposed use.

F. Would the project alter air movement, moisture, or temperature, or cause any change in climate? *No Impact.*

The annual average daytime temperatures in the City of Compton range from 44-63° F in winter and from 60-85° F in summer, with temperatures sometimes exceeding 100° F during the summer months. Annual rainfall in the region averages between 12-15 inches, and occurs almost exclusively during the winter months. The City is located approximately 8 miles from the Pacific Ocean, and thus enjoys some moderating influences of the ocean.⁸ Wind flow patterns in the SCAB affect air quality by directing pollutants downwind from their sources. Local meteorological conditions (such as light winds and shallow vertical mixing) and topographical features (such as the San Gabriel Mountains to the north of the region) create areas of high pollutant concentrations by hindering dispersal. Temperature inversions created by a semi-permanent subtropical high-pressure cell over the Pacific Ocean also hinder dispersion by trapping cool air near the ground with warm air from the ocean. The proposed structure will not be large enough to alter air movement, moisture or temperature, or cause a change in the climate, either locally or regionally. As a result, no impacts upon climate or temperature are expected.

Mitigation Measures

The following mitigation measures will be effective in further reducing potential short-term air quality impacts:

Mitigation Measure 11 (Air Quality). Prior to the issuance of building permits for the proposed project, the City of Compton shall confirm that the plans and specifications stipulate compliance with South Coast Air Quality Management District Rule 403. Excessive fugitive dust emissions shall be controlled by regular watering or other dust preventive measures, as specified in the South Coast Air Quality Management District Rules and Regulations. In addition, South Coast Air Quality Management District Rule 402 requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site. Implementation of the following measures would reduce short-term fugitive dust impacts on nearby sensitive receptors:

- All active portions of the construction site shall be watered to prevent excessive amounts of dust;
- On-site vehicles' speed shall be limited to 15 miles per hour;
- All on-site roads shall be paved as soon as feasible or watered periodically or chemically stabilized;
- All material excavated or graded shall be sufficiently watered to prevent excessive amounts of dust; watering, with complete coverage, shall occur at least twice daily, preferably in the late morning and after work is done for the day;

⁸ South Coast Air Quality Management District. *Climatological Profile of Southern California*. 1987.

- If dust is visibly generated that travels beyond the site boundaries, clearing, grading, earth moving or excavation activities that are generating dust shall cease during periods of high winds (i.e., greater than 25 miles per hour averaged over one hour) or during Stage 1 or Stage 2 episodes; and
- All material transported off-site shall be either sufficiently watered or securely covered to prevent excessive amounts of dust.

Mitigation Measure 12 (Air Quality). Prior to the issuance of building permits for the proposed project, City of Compton shall confirm that the plans and specifications stipulate that, in compliance with South Coast Air Quality Management District Rule 403. Ozone precursor emissions from construction equipment vehicles shall be controlled by maintaining equipment engines in good condition and in proper tune per manufacturer's specifications, to the satisfaction of the City Engineer. The City inspector shall be responsible for ensuring that contractors comply with this measure during construction.

Mitigation Measure 13 (Air Quality). Prior to the issuance of building permits for the proposed project, City of Compton shall confirm that the construction bid packages include a separate "Diesel Fuel Reduction Plan." This plan shall identify the actions to be taken to reduce diesel fuel emissions during construction activities (inclusive of grading and excavation activities). Reductions in diesel fuel emissions can be achieved by measures including, but not limited to, the following: a) use of alternative energy sources, such as compressed natural gas or liquefied petroleum gas, in mobile equipment and vehicles; b) use of "retrofit technology," including diesel particulate traps, on existing diesel engines and vehicles; and c) other appropriate measures. The Diesel Fuel Reduction Plan shall be filed with the City of Compton, and shall include the following provisions:

- All diesel fueled off-road construction equipment shall be California Air Resources Board certified or use post-combustion controls that reduce pollutant emissions to the same level as California Air Resources Board certified equipment. California Air Resources Board certified off-road engines are engines that are three years old or less and comply with lower emission standards. Post-combustion controls are devices that are installed downstream of the engine on the tailpipe to treat the exhaust. These devices are now widely used on construction equipment and are capable of removing over 90 percent of the PM₁₀, carbon monoxide, and volatile organic compounds from engine exhaust, depending on the specific device, sulfur content of the fuel, and specific engine. The most common and widely used post-combustion control devices are particulate traps (i.e., soot filters), oxidation catalysts, and combinations thereof.
- All diesel fueled on-road construction vehicles shall meet the emission standards applicable to the most current year to the greatest extent possible. To achieve this standard, new vehicles shall be used or older vehicles shall use post-combustion controls that reduce pollutant emissions to the greatest extent feasible.
- The effectiveness of the latest diesel emission controls is highly dependant on the sulfur content of the fuel. Therefore, diesel fuel used by on-road and off-road construction equipment shall be low sulfur (>15 parts per million) or other alternative low polluting diesel fuel formulation.

Mitigation Measure 14 (Air Quality). In compliance with South Coast Air Quality Management District Rule 1113, reactive organic gas emissions from architectural coatings shall be reduced by using precoated natural colored building materials, water-based or low- reactive organic gas coating and using coating transfer or spray equipment with high transfer efficiency.

Mitigation Measure 15 (Air Quality). All trucks that are to haul excavated or graded material on-site shall comply with State Vehicle Code Section 23114, with special attention to Sections 23114(b)(F), (e)(4) as amended, regarding the prevention of such material spilling onto public streets and roads.

Mitigation Measure 16 (Air Quality). Ozone precursor emissions from construction equipment vehicles shall be controlled by maintaining equipment engines in good condition and proper tune per manufacturer's specifications, to the satisfaction of the City of Compton. Compliance with this measure will be subject to periodic inspections of construction equipment vehicles by the City.

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact
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3.6 BIOLOGICAL RESOURCES IMPACTS. *Would the project have a substantial adverse effect:*

a) Either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U. S. Fish and Wildlife Service?				×
b) On any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service ?				×
c) On federally protected wetlands as defined by Section 344 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				×
d) In interfering substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors, or impede the use of native wildlife nursery sites?				×
e) In conflicting with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				×
f) By conflicting with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				×

Biological Resources: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse impact on biological resources if it results in any of the following:

- A substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Game or the U.S. Fish and Wildlife Service;
- A substantial adverse effect on any riparian habitat or other sensitive natural plant community identified in local or regional plans, policies or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service;
- A substantial adverse effect on federally protected wetlands as defined by Section 344 of the Clean Water Act through direct removal, filling, hydrological interruption, or other means;
- A substantial interference with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors or impede the use of native wildlife nursery sites;
- A conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance; or,
- A conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan or other approved local, regional, or state habitat conservation plan.

Environmental Impacts

- A. *Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?* **No Impact.**

The City of Compton is urbanized and plant life is limited to non-native, introduced, and ornamental species that are used for landscaping. The project site is currently occupied by the existing MTA Transit Center, which also includes a parking lot, and does not contain, nor is it located adjacent to, any suitable habitat for any sensitive species.⁹ Thus, the proposed project will not have any adverse impact on sensitive plants or animals and no impacts are anticipated.

⁹ Municipal Resource Center *Site Survey*. 2009.

- B. Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? **No Impact.***

The project site is currently occupied by the existing MTA Transit Center, which also includes a parking lot, and the surrounding properties are developed and do not contain any natural or protected natural plant communities or habitats. No landscaping or other plant materials are found within the project site. The City does not contain any federal or State jurisdictional areas. The proposed project will not impact any *Waters of the U.S.* and no wetland resources will be affected. Thus, the proposed project will not affect any natural riparian habitats and no impacts are anticipated.

- C. Would the project have a substantial adverse effect on federally protected wetlands as defined by Section 344 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? **No Impact.***

The project site is currently occupied by the existing MTA Transit Center, which also includes a parking lot, and is covered over in its entirety by impervious surfaces. As indicated in the preceding sections, the proposed project's implementation will not affect any protected wetland. As a result, no wetland habitat will be disturbed by the proposed project.

- D. Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory life corridors, or impede the use of native wildlife nursery sites? **No Impact.***

The animal species common to the site and the surrounding area are typical of those found in an urbanized setting. No areas of the City function as a wildlife movement corridor. No locally designated species are located within the City. In addition, no trees will be impacted by the proposed project. The project site is vacant and is devoid of any vegetation. Thus, no impact to local policies and programs related to resource management is expected with the project's implementation.

- E. Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? **No Impact.***

The proposed project will not result in the removal of any existing trees.¹⁰ No trees are located within the property. The project site is covered over in its entirety by asphalt. Thus, no impacts to locally designated species will occur.

- F. Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? **No Impact.***

As indicated previously, the project site is currently occupied by the existing MTA Transit Center, which also includes a parking lot, and is covered over in its entirety by asphalt. Furthermore, the site is not located within an area governed by a habitat conservation or community conservation plan. As a result, no adverse impacts on local, regional, or state habitat conservation plans will result from the proposed project's implementation.

¹⁰ United States Geological Survey. *South Gate 7 ½ Minute Quadrangle*. 1994.

Mitigation Measures

No significant adverse impacts on biological resources were identified in this analysis. As a result, no mitigation is required.

Table 1
Summary (Initial Study Checklist)

Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact
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3.7 ENERGY AND MINERAL RESOURCES IMPACTS. *Would the project:*

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				×
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?				×
c) Conflict with adopted energy conservation plans?				×
d) Use non-renewable resources in a wasteful and inefficient manner?				×

Energy and Mineral Resources: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse impact on energy and mineral resources if it results in any of the following:

- The loss of availability of a known mineral resource that would be of value to the region and the residents of the state;
- The loss of availability of a locally-imported mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan;
- A conflict with adopted energy conservation plans; or,

- The use of non-renewable resources in a wasteful and inefficient manner.

Environmental Impacts

- A. *Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents or the state?* **No Impact.**

The project site is not included within a Significant Mineral Aggregate Resource Area, nor is it located in an area with active mineral extraction activities. The project will not be in conflict with any existing citywide energy conservation plans. As a result, no impacts on existing mineral resources will result from the proposed project's implementation.

- B. *Would the project result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?* **No Impact.**

The resources and materials used in the construction of the proposed transit center improvements will not include any materials that are considered rare or unique. The proposed project is relatively small in terms of floor area. Thus, the proposed project will not result in any significant adverse effects on mineral resources in the region.

- C. *Would the project conflict with adopted energy conservation plans?* **No Impact.**

Natural resources that may be utilized by the proposed project include air, mineral, water, sand and gravel, timber, energy, and other resources typically used in construction. The construction of the proposed project would not involve any uses or activities that would preclude energy conservation. The project will be required to implement energy conservation measures pursuant to Title 24 requirements. As a result, no significant adverse impacts related to the City's adopted energy conservation plan are anticipated.

- D. *Would the project use non-renewable resources in a wasteful and inefficient manner?* **No Impact.**

The City does not contain any mineral resource deposits that would be impacted by the proposed project. The proposed project will not involve any activities that will involve the consumption of excessive amounts energy. The proposed transit center development will not consume energy or other non-renewable resources in a wasteful manner. As a result, no significant impacts related to the consumption of natural resources will result.

Mitigation Measures

The analysis determined that the project would not result in any significant adverse impacts related to energy use or the consumption of mineral resources. As a result, no mitigation is required.

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.8 RISK OF UPSET AND HUMAN HEALTH IMPACTS. <i>Would the project:</i>				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?		×		
b) Create a significant hazard to the public or the environment or result in reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			×	
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			×	
d) Be located on a site which is included on a list of hazardous material sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				×
e) Be located within an airport land use plan, or where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project result in a safety hazard for people residing or working in the project area?				×
f) Within the vicinity of a private airstrip, result in a safety hazard for people residing or working in the project area?				×
g) Impair implementation of, or physically interfere with, an adopted emergency response plan or emergency response plan or emergency evacuation plan?				×
h) Expose people or structures to a significant risk of loss, injury, or death involving wild land fire, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands?				×

Risk of Upset and Human Health: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse impact on risk of upset and human health if it results in any of the following:

- The creation of a significant hazard to the public or the environment through the routine transport, use or disposal of hazardous materials;
- The creation of a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment;
- The generation of hazardous emissions or the handling of hazardous or acutely hazardous materials, substances or waste within one-quarter mile of an existing or proposed school;
- Locating on a site that is included on a list of hazardous material sites compiled pursuant to Government Code Section 65962.5 resulting in a significant hazard to the public or the environment;
- Locating within an area governed by an airport land use plan, or where such a plan has not been adopted, within two miles of a public airport or a public use airport;
- Locating in the vicinity of a private airstrip that would result in a safety hazard for people residing or working in the project area;
- The impairment of the implementation of, or physical interference with, an adopted emergency response plan or emergency evacuation plan; or
- The exposure of people or structures to a significant risk of loss, injury or death involving wild land fire, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands.

Supporting Documentation

As part of the permitting process, a Groundwater Survey Report (see Appendix A), a Phase I Environmental Assessment Report (see Appendix C), a Environmental Screening Report (see Appendix D), a Soil Removal Report (see Appendix G), and an Asbestos Containing Materials and Lead-Based Paint Survey Report (see Appendix H) were prepared by Bryan A. Stirrat & Associates. Accordingly, the appropriate measures have been taken, pursuant to the recommendations of these reports, in order to alleviate any potential impacts.

Environmental Impacts

- A. *Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?* **Potentially Significant Impact Unless Mitigated.**

The Environmental Protection Agency's (EPA's) *Environfacts* Database was consulted to identify EPA-regulated facilities within the project area.⁶⁸ The site is not included on this list. During the removal of the existing on-site surface materials, some conditions may be encountered. As a result, the following mitigation has been recommended as a means to mitigate potential impacts associated with the on-site grading activities:

- The applicant must obtain the services of a pest/vector control service to ensure that insects and rodents do not spread to adjacent properties during demolition activities.

Adherence to the recommended mitigation measure will reduce the potential impacts to levels that are less than significant.

- B. *Would the project create a significant hazard to the public or the environment, or result in reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?* **Less Than Significant Impact.**

The proposed Transit Center will not involve any activities that would generate industrial or commercial hazardous wastes. As a result, no impacts are anticipated.

- C. *Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?* **Less Than Significant Impact.**

The proposed Transit Center will only involve materials for on-site routine cleaning and maintenance. As a result, no impacts are anticipated from the proposed development.

- D. *Would the project be located on a site, which is included on a list of hazardous material sites compiled pursuant to Government Code Section 65962.5, and, as a result, would it create a significant hazard to the public or the environment?* **No Impact.**

The Environmental Protection Agency's (EPA's) *Environfacts* Database was consulted to identify EPA-regulated facilities within the project area. The site is not included on this list. Previous mitigation has been recommended as a means to mitigate potential impacts associated with the removal of the existing on-site improvements.

⁶⁸ Environmental Protection Agency. *Environfacts Database*. 2005

- E. *Would the project be located within an airport land use plan, or where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project result in a safety hazard for people residing or working in the project area?* **No Impact.**

The nearest public use, general aviation airport is Compton/Woodley Airport in the southwestern portion of the City. The proposed project site is not located within a designation AICUZ zone of the Compton/Woodley Airport. Otherwise, the nearest airports certified for carrier operations include Long Beach Airport (8-miles), Los Angeles International Airport (13 miles), and Los Alamitos Airfield (15 miles).

- F. *For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working the project area?* **No Impact.**

The nearest public use general aviation airport is Compton/Woodley Airport, located in the southwestern portion of the City. The proposed project will not be tall enough to affect local airport operations. As a result, the proposed project will not present a safety hazard related to aircraft or airport operations of a private airstrip.

- G. *Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?* **No Impact.**

The proposed development will be confined to the parcel and will not obstruct access to the surrounding lots or otherwise hinder emergency evacuation within the surrounding properties. At no time will local streets used for evacuation routes be closed to emergency traffic. Thus, no impacts on emergency response or evacuation are expected with the project's implementation.

- H. *Would the project expose people or structures to a significant risk of loss, injury or death involving wild land fire, including where wild lands are adjacent to urbanized areas or where residences are intermixed with wild lands?* **No Impact.**

The City of Compton is fully developed with no risk of wild fire associated with natural vegetation. The site is covered over by asphalt and the adjacent areas are improved. No areas of native vegetation are found in the surrounding parcels and, as a result, there is no wildfire risk from off-site locations.

Mitigation Measures

The analysis determined that the following measures would be required to mitigate potential impacts related to hazardous materials and vector control.

Mitigation Measure 17 (Risk of Upset and Human Health). Prior to the issuance of grading permits for the proposed project, an analysis from a licensed consultant to determine if any on-site structures contain the hazardous substances below shall be submitted to the City for review and approval:

- Asbestos Containing Materials
- Polychlorinated Biphenyls
- Lead Based Paint
- Urea Formaldehyde

Mitigation Measure 18 (Risk of Upset and Human Health). If unknown wastes or suspect materials are discovered by the contractor during demolition, excavation or grading activities in which the contractor believes may involve hazardous waste/materials, the contractor shall:

- Immediately stop work in the vicinity of the suspected contaminant, removing workers and the public from the area;
- Notify the project engineer of the implementing agency;
- Secure the areas directed by the project engineer; and
- Notify the implementing agency's Hazardous Waste/ Materials Coordinator.

Mitigation Measure 19 (Risk of Upset and Human Health). For the proposed project, the services of a pest/vector control service shall be retained to ensure that insects and rodents do not spread to adjacent properties during grading activities.

**Table 1
Summary (Initial Study Checklist)**

Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact
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3.9 NOISE IMPACTS. *Would the project result in:*

a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			×	
b) Exposure of people to or generation of excessive ground-borne noise levels?			×	
c) Substantial permanent increase in ambient noise levels in the project vicinity above noise levels existing without the project?			×	
d) Substantial temporary or periodic increases in ambient noise levels in the project vicinity above levels existing without the project?		×		
e) For a project located with an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				×
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				×

Noise: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant impact on the environment if it results in any of the following:

- The exposure of persons to, or the generation of, noise levels in excess of standards established in the local general plan or noise ordinance or applicable standards of other agencies;
- The exposure of people to, or the generation of, excessive ground-borne noise levels;
- A substantial permanent increase in ambient noise levels in the vicinity of the project above levels existing without the project;
- A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project;
- Locating within an area governed by an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or private use airport, where the project would expose people residing or working in the project area to excessive noise levels; or,
- Locating within the vicinity of a private airstrip that would result in the exposure of people residing or working in the project area to excessive noise levels.

Environmental Impacts

- A. *Would the project result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? **Less Than Significant Impact.***

The proposed project site is located in an area with ambient noise levels range from 69 dB to 72 dB. The majority of the ambient noise is associated with traffic on Compton Boulevard. The area in which the proposed residential development is to be located is largely developed as commercial and industrial. No major stationary sources are located in the immediate area. As a result, no significant adverse impacts are anticipated.

- B. *Would the project result in exposure of people to or generation of excessive ground-borne noise levels? **Less Than Significant Impact.***

Certain activities are particularly sensitive to noise. These include sleeping, studying, reading, leisure, and other activities requiring relaxation or concentration. Hospitals and convalescent homes, churches, libraries, schools, and childcare facilities are also considered noise-sensitive uses. Finally, residential uses are considered to be noise-sensitive land uses. No major stationary sources are located in the immediate area. As a result, no significant adverse impacts are anticipated.

- C. *Would the project result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? **Less Than Significant Impact.***

The results of the traffic noise analysis show that there will not be a significant increase in noise levels due to the traffic generated by the proposed project. Noise level increases on Compton Boulevard would be below 1.0 dBA. Generally, the range for a change in noise levels being perceptible is 3.0 dBA to 5.0 dBA. It typically requires a doubling of traffic to result in a perceptible increase in traffic noise. As a result, the impacts are considered to be less than significant.

- D. *Would the project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? **Potentially Significant Unless Mitigated.***

Noise levels associated with any future construction activities would be slightly higher than the existing ambient noise levels. However, the construction noise would subside once construction of a particular project is completed. Although construction noise represents a short-term impact on ambient noise levels, noise generated by construction equipment and construction activities can reach high levels (between 70 dBA and 90 dBA) 50 feet from the noise source. Construction equipment noise comes under the control of the EPA's Noise Control Program (Part 204 of Title 40, Code of Federal Regulations). Due to the nature of the proposed project, the impacts will be less than significant with adherence to the City's noise control requirements.

- D. *For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? **No Impact.***

The Compton/Woodley Airport, a general aviation airport facility operated by the County of Los Angeles is located in the southwestern portion of the City. The nearest airports certified for carrier operations include Long Beach Airport (8-miles), Los Angeles International Airport (13 miles), and Los Alamitos Airfield (15 miles). The proposed project will not expose persons to noise from a public use airport. As a result, no significant aircraft noise exposure impacts will occur.

- E. *Within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? **No Impact.***

The Compton/Woodley Airport, a general aviation airport facility operated by the County of Los Angeles is located in the southwestern portion of the city. The nearest airports certified for carrier operations include Long Beach Airport (8-miles), Los Angeles International Airport (13 miles), and Los Alamitos Airfield (15 miles). As a result, the proposed project will not expose persons to noise development will not be exposed to excessive aircraft noise from operations at any private airport in the area.

Mitigation Measures

The analysis determined that the following measures would be required to mitigate potential impacts related to noise.

Mitigation Measure 20 (Noise). Prior to the issuance of grading permits for the proposed project, the construction contractor shall demonstrate, to the satisfaction of the City of Compton, that the project complies with the following:

- All construction equipment, fixed or mobile, shall be equipped with properly operating and maintained mufflers;
- Construction noise reduction methods such as shutting off idling equipment, installing temporary acoustic barriers around stationary construction noise sources, maximizing the distance between construction equipment staging areas and occupied residential areas, and use of electric air compressors and similar power tools, rather than diesel equipment, shall be used where feasible; During construction, stationary construction equipment shall be placed such that emitted noise is directed away from sensitive noise receivers;
- During construction, stockpiling and vehicle staging areas shall be located as far as practical from noise sensitive receptors;
- Operate earthmoving equipment on the construction site as far away from vibration-sensitive sites as possible; and
- Construction hours, allowable workdays, and the phone number of the job superintendent shall be clearly posted at all construction entrances to allow for surrounding owners and residents to contact the job superintendent. If the City or the job superintendent receives a complaint, the superintendent shall investigate, take appropriate corrective action, and report the action taken to the reporting party superintendent receives a complaint, the superintendent shall investigate, take appropriate corrective action, and report the action taken to the reporting party.

Mitigation Measure 21 (Noise). During earthwork and grading activities for the proposed project, the construction contractor shall perform vibration monitoring when trenching, shoring, or heavy equipment activities take place within 25 feet of a habitable structure. Independent monitoring should be performed to check compliance in particularly sensitive areas. The vibration monitoring shall confirm that the peak particle velocity is 0.50 inch/second or less. Should vibration levels exceed this threshold, the contractors shall modify and/or reschedule their construction activities.

Mitigation Measure 22 (Noise). For the proposed project, mechanical equipment shall be placed as far as practicable from sensitive receptors. Additionally, the following shall be considered prior to heating, ventilation, and air conditioning unit installation: proper selection and sizing of equipment, installation of equipment with proper acoustical shielding, and incorporating the use of parapets into the building design.

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.10 PUBLIC SERVICES IMPACTS. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas:*

a) Fire protection services?		×		
b) Police protection services?		×		
c) School services?				×
d) Library facilities?				×
e) Other governmental services?				×

Public Services: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse impact on public services if it results in any of the following:

- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause a significant environmental impact in order to maintain acceptable service ratios, response times, or other performance objectives relative to fire protection services;
- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause a significant environmental impact in order to maintain acceptable service ratios, response times, or other performance objectives relative to police protection services;
- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause a significant environmental impact in order to maintain acceptable service ratios, response times, or other performance objectives relative to school services;

- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause a significant environmental impact in order to maintain acceptable service ratios, response times, or other performance objectives relative to library services; or,
- A substantial adverse physical impact associated with the provision of new or physically altered governmental facilities, the construction of which would cause a significant environmental impact in order to maintain acceptable service ratios, response times, or other performance objectives relative to other government services.

Environmental Impacts

- A. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: fire protection services?*
Potentially Significant Impact Unless Mitigated.

The City of Compton Fire Department provides fire protection services in the City of Compton. The headquarters, Station 1 is located at 201 South Acacia Avenue, Station 2 is located at 1323 East Palm Street, Station 3 is located at 1133 West Rosecrans Avenue, and Station 4 is located at 950 West Walnut Street. Resources from the additional stations, as well as others operated by the Los Angeles County Fire Department, would be made available if needed. The final site plan, elevations, building floor plans, and site circulation will be reviewed by the City of Compton Fire Department to ensure that it conforms to their operational requirements.

- B. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: Police protection?* **Potentially Significant Impact Unless Mitigated.**

The Los Angeles County Sheriff's Department, under contract with the City of Compton, provides law enforcement services in the City. The Los Angeles County Sheriff's Department has mutual aid agreements with all Los Angeles County law enforcement agencies for assistance. Mutual aid can be requested from one or all agencies if an emergency requires a major response. Typical calls for service in the area involve family disturbance situations, thefts, and burglaries. The proposed senior housing project could place additional demands on law enforcement services due to the nature of the project. However, the project's potential impacts on law enforcement services are considered less than significant with adherence to the following mitigation:

- The final site plan, elevations, building floor plans, and site circulation must be reviewed by the Los Angeles County Sheriff's Department to ensure it conforms to their operation requirements.

The above mitigation will reduce the potential impacts to levels that are less than significant.

- C. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: School services?* **No Impact.**

The project site is located within the service area of the Compton Unified School District. The proposed project is not anticipated to affect school enrollments since it is a senior housing project. In addition, the new development will be required to pay the mandatory school district development fees. As a result, the proposed project's impacts on school facilities are not considered to be significant or adverse.

- D. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: Library facilities?* **No Impact.**

No new employment will be created by the proposed use. As a result, no significant adverse impacts are anticipated.

- E. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which would cause significant environmental impacts in order to maintain acceptable service ratios, response times or other performance objectives in any of the following areas: Other governmental services?* **No Impact.**

No new governmental services will be needed to implement the proposed project. As a result, the proposed project will not result in any impact on existing governmental services.

Mitigation Measures

The analysis determined that the proposed project would require the following mitigation:

Mitigation Measure 23 (Public Services - Fire Protection). Prior to the issuance of building permits for the proposed project, the final site plan, elevations, building floor plans, and site circulation shall be reviewed and approved by the City's Fire Department to ensure conformity to their fire prevention and operational requirements.

Mitigation Measure 24 (Public Services - Law Enforcement). Prior to the issuance of building permits for the proposed project, the final site plan, elevations, building floor plans, and site circulation shall be reviewed and approved by the Los Angeles County Sheriff's Department to ensure conformity to their crime prevention measures and operational requirements.

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.11 UTILITIES IMPACTS. <i>Would the project:</i>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				×
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental impacts?				×
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?		×		
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				×
e) Result in a determination by the wastewater treatment provider which serves or may serve the project, that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				×
f) Be served by a landfill with insufficient permitted capacity to accommodate the project's solid waste disposal needs?				×
g) Comply with federal, state, and local statutes and regulations related to solid waste?				×
h) Result in a need for new systems, or substantial alterations in power or natural gas facilities?				×
i) Result in a need for new systems, or substantial alterations in communication systems?				×

Utilities: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as Lead Agency, a project may be deemed to have a significant adverse impact on utilities if it results in any of the following:

- An exceedance of the wastewater treatment requirements of the applicable Regional Water Quality Control Board;

- The construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental impacts;
- The construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects;
- An overcapacity of the storm drain system causing area flooding;
- A determination by the wastewater treatment provider that serves or may serve the project has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments;
- The project will be served by a landfill with insufficient permitted capacity to accommodate the project's solid waste disposal needs;
- Non-compliance with federal, state, and local statutes and regulations relative to solid waste;
- A need for new systems, or substantial alterations in power or natural gas facilities; or,
- A need for new systems, or substantial alterations in communications systems.

Supporting Documentation

As part of the permitting process, a Hydrology and Hydraulics for MLK Transit Center report was prepared by Uniplan Engineering, Inc. (see Appendix I). Accordingly, the Grading and Drainage Plans have been prepared pursuant to the recommendations of this report in order to alleviate any potential impacts.

Environmental Impacts

- A. *Would the project exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?* **No Impact.**

As a result of the proposed project, the project site will be covered over with impervious surfaces. These impervious surfaces could lead to the presence of debris, leaves, soils, oil/grease, and other pollutants within the parking areas. These pollutants may enter the storm drain system during periods of rainfall. Future development will be required to implement storm water pollution control measures and to obtain storm water runoff permits pursuant to the National Pollutant Discharge Elimination System (NPDES) requirements. Given the character of the project site's surfaces, there is not likely to be a significant net increase in the amount of storm water runoff. However, mitigation has been recommended as a means to control potential contaminants that may impact the storm water runoff.

- B. Would the project require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental impacts? **No Impact.***

The County Sanitation Districts maintain and operate the sewer system in the City of Compton. The project site is served by the Los Angeles County Sanitation District No. 2. Sewer lines are maintained by the County Department of Public Works with sewage from the City conveyed through sewer mains into the Joint Water Pollution Control Plant (JWPCP) in Carson. The proposed project is not anticipated to generate additional effluent on a daily basis. Thus, the current and future effluent may be accommodated by the remaining capacity within the existing sewer lines.

- C. Would the project require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? **Potentially Significant Unless Mitigated.***

Additional off-site flood control infrastructure will be required to accommodate those improvements that will be constructed as part of the proposed project's implementation. No change in the quantity of storm water runoff is anticipated.

- The measures to address drainage and stormwater run-off shall comply with the recommendations of the Hydrology and Hydraulics for MLK Transit Center report.

The aforementioned mitigation will reduce the potential impacts to levels that are less than significant.

- D. Would the project have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? **No Impact.***

The proposed project is not anticipated to consume additional water on a daily basis. There are existing water lines that could accommodate the proposed project. As a result, the impacts on water infrastructure are considered to be less than significant.

- E. Would the project result in a determination by the wastewater treatment provider that serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments? **No Impact.***

The proposed project is not anticipated to generate additional wastewater on a daily basis. The project site is served by the Los Angeles County Sanitation District No. 2. Sewer lines are maintained by the County Department of Public Works with sewage from the City conveyed through sewer mains into the Joint Water Pollution Control Plant (JWPCP) in Carson. No additional treatment capacity will be required as part of the proposed project's operation. As a result, the impacts on wastewater infrastructure are considered to be less than significant.

- F. *Would the project be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?* **No Impact.**

The proposed project is not anticipated to generate additional solid waste on a daily basis. The proposed project, like all other development in Compton, will be required to adhere to city and county ordinances related to waste reduction and recycling. The proposed project will be required to comply with all pertinent city regulations concerning trash removal and recycling. As a result, the impacts are anticipated to be less than significant.

- G. *Will the project comply with federal, state, and local statutes and regulations related to solid waste?* **No Impact.**

The proposed project, like all other development in Compton, will be required to adhere to city and county ordinances related to waste reduction and recycling. The proposed project will be required to comply with all pertinent city regulations concerning trash removal and recycling. As a result, the potential impacts are considered to be less than significant.

- H. *Would the project result in a need for new systems, or substantial alterations in power or natural gas facilities?* **No Impact.**

SCE and SCG provide service upon demand, and early coordination with these utility companies will ensure adequate and timely service to the project. Thus, impacts on power and gas services will be less than significant.

- I. *Would the project result in a need for new systems, or substantial alterations in communications systems?* **No Impact.**

The existing telephone line on North Willowbrook Avenue will be utilized to provide service to the proposed project. Thus, no impacts on communication systems are anticipated.

Mitigation Measures

The analysis of the proposed project's impact on water quality indicated that the only impact requiring mitigation is related to the drainage and stormwater run-off. As a result, the following mitigation measure is required:

Mitigation Measure 25 (Utilities and Service Systems). Prior to the issuance of grading or building permits, the proposed project shall comply with all of the recommendations of the Hydrology and Hydraulics Report prepared by Uniplan Engineering, Inc. for the proposed project.

Mitigation Measure 26 (Utilities and Service Systems). Prior to the issuance of grading or building permits for the proposed project, an Infrastructure Analysis evaluating the water lines, storm water drainage facilities and sewer lines along with the corresponding improvements, if any, shall be submitted to the City of Compton for review and approval.

Mitigation Measure 27 (Utilities and Service Systems). Prior to issuance of connection permits for the proposed project, all applicable fees required by the County Sanitation Districts of Los Angeles County and the City of Compton shall be paid, if applicable.

Mitigation Measure 28 (Utilities and Service Systems). For the proposed project, the construction contractor shall use of the City's franchised trash hauler for all construction and demolition recycling and disposal in order to reduce construction-generated waste that is disposed of at landfills according to State law by at least 50 percent. The construction contractor may file specific forms to handle the recycling, and would be required to pay the appropriate fees to guarantee compliance with AB 939. The construction contractor shall prepare a Construction Waste Management Plan explaining the practices that shall be used to achieve this level of reduction.

Mitigation Measure 29 (Utilities and Service Systems). For the proposed project, the construction contractor shall adhere to all source reduction programs for the disposal of construction materials and solid waste, as required by the City of Compton. Prior to the issuance of building permits, a Source Reduction Program shall be prepared and submitted for each structure constructed on the subject property to achieve a minimum 50 percent reduction in waste disposal rates.

Mitigation Measure 30 (Utilities and Service Systems). For the proposed project, the construction contractor shall comply with all applicable City, County and State regulations and procedures for the use, collection and disposal of solid and hazardous wastes.

Mitigation Measure 31 (Utilities and Service Systems). The proposed project will be required to comply with all of the most recent building codes with respect to drainage and stormwater run-off.

**Table 1
Summary (Initial Study Checklist)**

Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact
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3.12 AESTHETIC IMPACTS. *Would the project:*

a) Affect a scenic vista?				×
b) Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				×
c) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?			×	

Aesthetics: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse aesthetic impact if it results in any of the following:

- An adverse effect on a scenic vista;
- Substantial damage to scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway; or,
- A new source of substantial light and glare that would adversely affect day or nighttime views in the area.

Environmental Impacts

A. *Would the project affect a scenic vista?* **No Impact.**

No scenic highways or corridors are located in the immediate area. Therefore, the proposed project will not obstruct any significant views or view-sheds in the area.

B. *Would the project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?* **No Impact.**

The project site no historically significant features. In addition, there are no natural views in the area that would be affected by the proposed structures. The following mitigation measures will be required as a means to ensure that the building's appearance will not adversely impact the area.

- All wall surfaces must be maintained free of graffiti at all times.

The aforementioned mitigation will reduce potential impacts to levels that are less than significant.

C. *Would the project create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?* **Less Than Significant Impact.**

The major sources of lighting in the vicinity of the project site include streetlights, headlight glare from vehicles, and interior building lighting. The following mitigation is required as a means to reduce the proposed project's potential light and glare impacts:

- Security lighting and rear parking area lighting must be properly shield to prevent spill over light and glare impacts on the nearby residential development

The aforementioned mitigation will reduce potential impacts to levels that are less than significant.

Mitigation Measures

The analysis determined that the following mitigation would be required as a means to reduce potential aesthetic impacts:

Mitigation Measure 32 (Aesthetics). All wall surfaces must be maintained free of graffiti at all times.

Mitigation Measure 33 (Aesthetics). All exterior building light, security lighting and parking area lighting must be properly shielded to prevent spill over light and glare impacts on the nearby land uses.

Mitigation Measure 34 (Aesthetics). Construction equipment staging areas shall be appropriately screening (i.e., temporary fencing with opaque material) to buffer views of construction equipment and material, when feasible. Staging location shall be indicated on project grading plans.

Mitigation Measure 35 (Aesthetics). All construction-related lighting shall be located and aimed away from adjacent public right-of-ways and private properties and shall consist of the minimal wattage necessary to provide safety at the construction site. A construction safety lighting plan shall be submitted for review concurrently with the grading permit applications.

Mitigation Measure 36 (Aesthetics). Proposed structures shall use minimally reflective glass and all other materials used on exterior buildings, and structures shall be selected with attention to minimizing reflective glare.

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.13 CULTURAL RESOURCES IMPACTS. <i>Would the project:</i>				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5 of the CEQA Guidelines?				×
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5 of the CEQA Guidelines?				×
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				×
d) Disturb any human remains, including those interred outside of formal cemeteries?				×
e) Have the potential to cause a physical change that would affect unique ethnic cultural values?				×
f) Restrict existing religious or sacred uses within the potential impact area?				×

Cultural Resources: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project will normally have a significant adverse impact on cultural resources if it results in any of the following:

- A substantial adverse change in the significance of a historical resource as defined in §15064.5 of the State CEQA Guidelines;
- A substantial adverse change in the significance of an archaeological resource pursuant to §15064.5 of the State CEQA Guidelines;
- The direct or indirect destruction of a unique paleontological resource, site, or unique geologic feature;
- The disturbance of any human remains, including those interred outside of formal cemeteries;
- A physical change that would affect unique ethnic cultural values; or,

- The restriction of an existing religious or sacred uses within the potential impact area.

Environmental Impacts

- A. *Would the project cause a substantial adverse change in the significance of a historical resource as defined in §15064.5 of the State CEQA Guidelines? **No Impact.***

A review of the National Register Information System identified a single notable site in the City of Compton. The site is referred to as the Domiguez Ranch Adobe and is located at 18127 South Alameda Street.¹¹ The adobe was headquarters to a rancho that included portions of Compton. The adobe is listed as a California Landmark (No. 152). A second historically significant site is designated California Historical Landmark (No. 664) and is referred to as the "Heritage House." This house was originally constructed in 1869 by A. R. Loomis and is generally considered to be the oldest house in the City. The proposed development will not impact either site. As a result, no impacts on historically significant resources will result.

- B. *Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5 of the State CEQA Guidelines? **No Impact.***

The 4,438-acre Rancho Tajauta land grant was located between Watts and Lynwood. The land was granted to Anastasio Avila in 1843 and archaeological research has suggested that Tajauta was a Gabrielino place name. The project site is unoccupied though it appears to be used for spill-over parking. The project site is not known to be historically or culturally significant to any group or individuals. Archaeological or historical resources are not expected to be found on-site. As a result, the project will not impact any known or suspected culturally significant sites.

- C. *Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? **No Impact.***

The project site is currently occupied with an existing MTA Transit and Lightrail Station. However, the surrounding properties have undergone extensive ground disturbance associated with past development and excavation. The potential for paleontological resources in the area is considered low due to the extensive alluvial deposition that has occurred in the area. Furthermore, no paleontological resources have been uncovered in the area. Thus, the proposed project is not expected to disturb any paleontological resources on-site.

- D. *Would the project disturb any human remains, including those interred outside of formal cemeteries? **No Impact.***

There are no cemeteries located in the immediate area that would be affected by the proposed project. Lincoln Memorial Park is located on Central Avenue and the Angeles Mausoleum is located on Compton Boulevard several miles to the east of the project site. In addition, the project site does not contain any sacred structures (the site is presently vacant). It is unlikely that human remains would be encountered during grading and excavation for the new development being proposed. As a result, the proposed project will not impact any cemeteries.

¹¹ The adobe is actually located in the City of Carson though the National Register lists the site as being in Compton.

- E. Would the project have the potential to cause a physical change that would affect unique ethnic cultural values? **No Impact.***

The project site does not represent any known historic or cultural significance to any ethnic or cultural group. The project site is currently vacant and unused. The project site was not previously used for any cultural or service-related activity. No impact on ethnic cultural values is expected with the construction and operation of the proposed project.

- F. Would the project restrict existing religious or sacred uses within the potential impact area? **No Impact.***

The project site does not contain any sacred structure.¹² There are no churches that will be displaced or demolished as part of the proposed project's implementation. The proposed project will physically impact any existing churches. As a result, no significant adverse impacts are anticipated.

Mitigation Measures

The analysis determined that the proposed project would not result in any adverse impacts on cultural resources. As a result, no mitigation is required.

¹² Municipal Resource Center *Site Survey*. 2009

Table 1 Summary (Initial Study Checklist)				
Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact

3.14 RECREATION IMPACTS. <i>Would the project:</i>				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				×
b) Affect existing recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				×

Recreation: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project may be deemed to have a significant adverse impact on the environment if it results in any of the following:

- The use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated; or,
- The construction or expansion of recreational facilities, which might have an adverse physical effect on the environment.

Environmental Impacts

- A. *Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?* **No Impact.**

The project site is currently owned by the Community Redevelopment Agency of the City of Compton and was specifically acquired for land use redevelopment purposes, such as the proposed project, and is not being used for publicly sanctioned recreational activities. There are no parks or recreation facilities that would be affected by the proposed project. As a result, no impacts related to the demand on local parks and recreation facilities will occur as part of the proposed project's implementation.

B. Would the project affect existing recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment? *No Impact*

The proposed project will not affect existing park facilities in the City. No parks are located adjacent to the site of the proposed project. As a result, no impact on local parks and recreation facilities will result from the proposed project's implementation.

Mitigation Measures

The analysis determined that no significant adverse recreation impacts would occur with the proposed project's implementation. As a result, no mitigation is required.

**Table 1
Summary (Initial Study Checklist)**

Environmental Issues Area Examined	Potentially Significant Impact	Potentially Significant Unless Mitigated	Less Than Significant Impact	No Impact
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3.15 TRANSPORTATION AND CIRCULATION IMPACTS. *Would the project:*

a) Cause an increase in traffic, which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?		×		
b) Exceed, either individually or cumulatively, a level of service standard established by the County congestion management agency for designated roads or highways?			×	
c) Substantially increase hazards due to the design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?			×	
d) Result in inadequate emergency access?				×
e) Result in inadequate parking capacity?				×
f) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				×
g) Result in waterborne or air traffic impacts?				×
h) Result in hazards or barriers for pedestrians or bicyclists?				×

Transportation and Circulation: Thresholds of Significance

According to the Community Redevelopment Agency of the City of Compton, acting as lead agency, a project will normally have a significant adverse impact on traffic and circulation if it results in any of the following:

- An increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads or congestion at intersections);
- An increase in the level of service standard established by the County Congestion Management Agency for designated roads or highways;
- An increase in hazards due to design features (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment);
- Inadequate emergency access;
- Inadequate parking capacity;
- A conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks);
- Waterborne or air traffic impacts; or,
- Hazards or barriers for pedestrians or bicyclists.

Supporting Documentation

As part of the permitting process, a Traffic Impact Study was prepared by Traffic Safety Engineers, Inc. (see Appendix B). Accordingly, the Street Improvement Plans and the Off-Site Improvement Plans have been prepared pursuant to the recommendations of this report in order to alleviate any potential impacts. These mitigation measures include the following:

- ✓ Re-align the intersection of Carson Place/Palmer Street and Alameda Street West.
- ✓ Upgrade the existing traffic signal at the intersection of Carson Place/Palmer Street and Alameda Street West for full traffic access.
- ✓ Modify the existing traffic signal at the intersection of Compton Boulevard and Willowbrook Avenue East to accommodate the re-aligned intersection approach.

Environmental Impacts

- A. Would the project cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?**
Potentially Significant Unless Mitigated.

Traffic volumes expected to be generated by the proposed project during both the AM and PM peak hours, as well as on a daily basis, were calculated as part of the Traffic Impact Study (see Appendix C). According to this source, the proposed project will generate a total of 100 trips per day. According to the same source, approximately there will be 50 AM peak hour trips and 50 PM peak hour trips. The Level of Service (LOS) will increase from a LOS “C” to a LOS “D” during the AM peak hour and will increase from a LOS “B” to a LOS “C” during the PM peak hour. As a result, with the abovementioned mitigation measures in place, the potential impacts are less than significant.

- B. Would the project exceed, either individually or cumulatively, a level of service standard established by the County congestion management agency for designated roads or highways?**
Less Than Significant Impact.

The Congestion Management Program (CMP) is a state-mandated program that was enacted by the State Legislature with the passage of Proposition 111 in 1990.¹³ The CMP TIA guidelines require that intersection monitoring locations must be examined if the proposed project will add 50 or more trips during either the AM or PM *weekday* peak periods. The proposed project will not add 50 or more trips during the weekday AM and PM peak hours at any of the CMP monitoring intersection locations. This is the threshold for preparing a traffic impact assessment, as stated in the CMP manual. Therefore, no further review of potential impacts to intersection monitoring locations that are part of the CMP highway system is required.

- C. Would the project substantially increase hazards due to the design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?** **Less Than Significant Impact.**

The street and off-site improvements included as part of the implementation of the proposed project have been specifically design to alleviate pedestrian and vehicular hazards. As a result, no significant adverse impacts will result.

- D. Would the project result in inadequate emergency access?** **No Impact.**

The proposed project will not involve the closure of any roadway. Furthermore, the project will not impede emergency access on-site or off-site. As a result, no significant adverse impacts will result from the project's implementation.

¹³ The program is intended to address the impact of local growth on the regional transportation system. A Traffic Impact Assessment (TIA) was not required for this project.

*E. Would the project result in inadequate parking capacity? **No Impact.***

The proposed project will retain the use of 189 parking spaces to serve the patrons of the Transit Center. As a result, no mitigation is required.

*F. Would the project conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? **No Impact.***

The Metropolitan Transit Authority (MTA) provides bus service on most of the adjacent arterial roadways in the city. The City of Compton also provides bus service in the City. Public transit service in the project vicinity is provided by the Los Angeles County Metropolitan Transportation Authority (MTA) and Compton Renaissance Transit. The proposed project will not impact any existing bus stops. As a result, no impacts will result.

*G. Would the project result in waterborne or air traffic impacts? **No Impact.***

The proposed project will not impact either an operational airport or port facility. The Alameda Corridor, a rail freight link between the ports and the main rail yards in south-central Los Angeles, will not be affected by the proposed senior housing development. Thus, no significant adverse impacts on air, rail or waterborne transportation systems are expected with the proposed project.

*H. Would the project result in hazards or barriers for pedestrians or bicyclists? **No Impact.***

The proposed project will not adversely impact surrounding public roads or sidewalks. No bike lanes are located in the area. The existing sidewalks surrounding the project site will not be adversely impacted by the project. As a result, no impacts will result.

Mitigation Measures

The analysis of the proposed project's impact on transportation and circulation indicated that the following mitigation measure is required, pursuant to the Traffic Impact Study prepared by Traffic Safety Engineers, Inc. (see Appendix C):

Mitigation Measure 37 (Transportation and Circulation). Re-align the intersection of Carson Place/Palmer Street and Alameda Street West.

Mitigation Measure 38 (Transportation and Circulation). Upgrade the existing traffic signal at the intersection of Carson Place/Palmer Street and Alameda Street West for full traffic access.

Mitigation Measure 39 (Transportation and Circulation). Modify the existing traffic signal at the intersection of Compton Boulevard and Willowbrook Avenue East to accommodate the re-aligned intersection approach.

9. References

9.1 Preparer

MUNICIPAL RESOURCE CENTER
22541 Wakefield Drive
Mission Viejo, CA 92692
(949) 285-6295

Oliver Mujica, President

9.2 References

California Department of Finance, *Population and Housing Estimates for California Cities*, January 2008

California Division of Mines and Geology, *Seismic Hazards Mapping Program*, 1999.

California Department of Parks and Recreation, *California Historical Landmarks*, 1990.

California Office of Planning and Research, *California Environmental Quality Act and the CEQA Guidelines*, 1995.

Federal Emergency Management Agency, *Flood Insurance Rate Map*, 1998.

Southern California Association of Governments, *Population, Housing and Employment Projections*, 1991.

South Coast Air Quality Management District, *CEQA Air Quality Handbook*, 2000.

South Coast Air Quality Management District, *Air Quality Management Plan*, 1997.

U.S. Geological Survey, *Evaluating Earthquake Hazards in the Los Angeles Region - An Earth Science Perspective*, USGS Professional Paper 1380, 1985.

9.3 List of Sources, Agencies and Persons Consulted

Los Angeles Airport Land Use Commission
Southwest Office
1320 West Imperial Highway
Los Angeles, CA 90044
James Knowles
(323) 820-6500

Los Angeles County Metropolitan Transportation Authority (Blue Line and Transit Buses)
One Gateway Plaza
Los Angeles, CA 90012
Susan Chapman
(213) 922-6908

Alameda Corridor Transportation Authority
One Civic Center Plaza, Suite 350
Carson, CA 90745
(310) 233-7480

Office of Historic Preservation (SHPO)
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Community Redevelopment Agency of the City of Compton
North Downtown Village – Phase I
Mitigated Negative Declaration No. CRA-002
Mitigation Monitoring and Reporting Program

Mitigation Measure		Level of Significance After Mitigation	Monitoring Action/Timing	Responsible Division	Verification of Completion		
					Initials	Date	Remarks
Aesthetics							
AES-1	Construction equipment staging areas shall be required to be appropriately screened (i.e., temporary fencing with opaque material) to buffer views of construction equipment and material, when feasible. Staging location(s) shall be indicated on project grading plans. Mitigation Measure 32 (Aesthetics)	Less Than Significant	Review plan(s) at plan check and during construction.	Building & Safety Department			
AES-2	All construction-related lighting shall be required to be located and aimed away from adjacent public right-of-ways and private properties, and shall consist of the minimal wattage necessary to provide safety at the construction site. A construction safety lighting plan shall be submitted for review concurrently with the grading permit applications. Mitigation Measure 33 (Aesthetics)	Less Than Significant	Review plan(s) at plan check and during construction.	Building & Safety Department			
AES-3	All exterior building lighting, security lighting and parking area lighting shall be required to be designed and located as to avoid intrusive effects on adjacent properties. Low-intensity street lighting and low-intensity exterior lighting shall be used throughout the developments to the extent feasible, subject to approval by the City of Compton. Lighting fixtures shall use shielding, if necessary, to prevent spill lighting onto adjacent off-site uses. Mitigation Measure 34 (Aesthetics)	Less Than Significant	Review plan(s) at plan check.	Planning & Economic Development Department			
AES-4	Structures shall be required to use minimal reflective glass and all other materials used on exterior buildings, and structures shall be selected with attention to minimizing reflective glare. Mitigation Measure 35 (Aesthetics)	Less Than Significant	Review plan(s) at plan check.	Planning & Economic Development Department			
AES-5	All wall surfaces shall be required to be maintained free of graffiti at all times. Mitigation Measure 36 (Aesthetics)	Less Than Significant	On-Going	Planning & Economic Development/ Building & Safety Departments			

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Air Quality							
AQ-1	Prior to the issuance of buildings permits, the City of Compton shall confirm that the plans and specifications stipulate that, in compliance with South Coast Air Quality Management District Rule 403. Excessive fugitive dust emissions shall be controlled by regular watering or other dust preventive measures, as specified in the South Coast Air Quality Management District Rules and Regulations. In addition, South Coast Air Quality Management District Rule 402 requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off-site. Implementation of the following measures would reduce short-term fugitive dust impacts on nearby sensitive receptors: • All active portions of the construction site shall be watered to prevent excessive amounts of dust; • On-site vehicles' speed shall be limited to 15 miles per hour; • All on-site roads shall be paved as soon as feasible or watered periodically or chemically stabilized; • All material excavated or graded shall be sufficiently watered to prevent excessive amounts of dust; watering, with complete coverage, shall occur at least twice daily, preferably in the late morning and after work is done for the day; • If dust is visibly generated that travels beyond the site boundaries, clearing, grading, earth moving or excavation activities that are generating dust shall cease during periods of high winds (i.e., greater than 25 miles per hour averaged over one hour) or during Stage 1 or Stage 2 episodes; and • All material transported off-site shall be either sufficiently watered or securely covered to prevent excessive amounts of dust. Mitigation Measure 10 (Short-Term Air Emissions)	Less Than Significant	During clearing, grading, earth moving, or excavation operations.	Building & Safety/ Public Works Departments			

	Mitigation Measure	Level of Significance After Mitigation	Monitoring Action/Timing	Responsible Division	Verification of Completion		
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AQ-2	Prior to the issuance of building permits, the City of Compton shall confirm that the plans and specifications stipulate that, in compliance with South Coast Air Quality Management District Rule 403. Ozone precursor emissions from construction equipment vehicles shall be controlled by maintaining equipment engines in good condition and in proper tune per manufacturer's specifications, to the satisfaction of the City Engineer. The City inspector shall be responsible for ensuring that contractors comply with this measure during construction. Mitigation Measure 11 (Short-Term Air Emissions)	Less Than Significant	Prior to demolition or issuance of grading permits, and during construction activities.	Building & Safety/ Public Works Departments			
AQ-3	Prior to the issuance of building permits, the City of Compton shall confirm that the applicant provide or that construction bid packages include a separate "Diesel Fuel Reduction Plan." This plan shall identify the actions to be taken to reduce diesel fuel emissions during construction activities (inclusive of grading and excavation activities). Reductions in diesel fuel emissions can be achieved by measures including, but not limited to, the following: a) use of alternative energy sources, such as compressed natural gas or liquefied petroleum gas, in mobile equipment and vehicles; b) use of "retrofit technology," including diesel particulate trips, on existing diesel engines and vehicles; and c) other appropriate measures. Prior to the issuance of a grading permit, the Diesel Fuel Reduction Plan shall be filed with the City of Compton. The Diesel Fuel Reduction Plan shall include the following provisions: • All diesel fueled off-road construction equipment shall be California Air Resources Board certified or use post-combustion controls that reduce pollutant emissions to the same level as California Air Resources Board certified equipment. California Air Resources Board certified off-road engines are engines that are three years old or less and comply with lower emission standards. Post-combustion controls are devices that are installed downstream of the engine on the tailpipe to treat the exhaust. These devices are now widely used on construction equipment and are	Less Than Significant	Prior to issuance of demolition and grading permits.	Planning & Economic Development/ Building & Safety Departments			

Mitigation Measure		Level of Significance After Mitigation	Monitoring Action/Timing	Responsible Division	Verification of Completion		
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	capable of removing over 90 percent of the PM10, carbon monoxide, and volatile organic compounds from engine exhaust, depending on the specific device, sulfur content of the fuel, and specific engine. The most common and widely used post-combustion control devices are particulate traps (i.e., soot filters), oxidation catalysts, and combinations thereof. - All diesel fueled on-road construction vehicles shall meet the emission standards applicable to the most current year to the greatest extent possible. To achieve this standard, new vehicles shall be used or older vehicles shall use post-combustion controls that reduce pollutant emissions to the greatest extent feasible. - The effectiveness of the latest diesel emission controls is highly dependant on the sulfur content of the fuel. Therefore, diesel fuel used by on-road and off-road construction equipment shall be low sulfur (>15 parts per million) or other alternative low polluting diesel fuel formulation. Mitigation Measure 12 (Short-Term Air Emissions)						
AQ-4	In compliance with South Coast Air Quality Management District Rule 1113, reactive organic gas emissions from architectural coatings shall be reduced by using precoated natural colored building materials, water-based or low- reactive organic gas coating and using coating transfer or spray equipment with high transfer efficiency. Mitigation Measure 13 (Short-Term Air Emissions)	Less Than Significant	Throughout construction activities.	Planning & Economic Development/ Building & Safety Departments			
AQ-5	All trucks that are to haul excavated or graded material on-site shall be required to comply with State Vehicle Code Section 23114, with special attention to Sections 23114(b)(F), (e)(4) as amended, regarding the prevention of such material spilling onto public streets and roads. Mitigation Measure 14 (Short-Term Air Emissions)	Less Than Significant	Throughout construction activities.	Public Works Department			

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AQ-6	Ozone precursor emissions from construction equipment vehicles shall be required to be controlled by maintaining equipment engines in good condition and proper tune per manufacturer's specifications, to the satisfaction of the City of Compton. Compliance with this measure will be subject to periodic inspections of construction equipment vehicles by the City. Mitigation Measure 15 (Short-Term Air Emissions)	Less Than Significant	Throughout construction activities.	Building & Safety/ Public Works Departments			
AQ-7	The project shall comply with South Coast Air Quality Management District Rule 1403, Asbestos Emissions From Demolition/Renovation Activities, which specifies work practice requirements to limit asbestos emissions from building demolition and renovation activities, including the removal and associated disturbance of asbestos-containing materials. The requirements for demolition and renovation activities include asbestos surveying, notification, asbestos-containing materials removal procedures and time schedules, asbestos-containing materials handling and clean-up procedures, and storage, disposal, and land filling requirements for asbestos-containing waste materials. All operators are required to maintain records, including waste shipment records, and are required to use appropriate warning labels, signs, and markings.	Less Than Significant	Throughout construction activities.	Building & Safety/ Public Works Departments			
Biological							
BIO-1	Prior to the issuance of grading or building permits, the City of Compton shall consult with the State of California Department of Fish and Game. Mitigation Measure 16 (Biological Resources)	No Impact	Prior to the issuance of grading and/or building permits	Planning & Economic Development/ Building & Safety/ Public Works			
Geology and Soils							
GEO-1	All development projects within the City of Compton are required to comply with all of the most recent building codes with respect to seismic design and construction. Therefore, prior to the issuance of grading or building permits, a Geotechnical Report and a Liquefaction Study shall be submitted to the City for review and approval. Mitigation Measure 3 (Earth Resources and Geology)	Less Than Significant	Prior to the issuance of grading and/or building permits	Building & Safety/ Public Works Departments			

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GEO-2	Any proposed excavations greater than five (5) feet in depth from the existing (natural) ground surface shall require the preparation of a Shoring Plan that includes the location of proposed excavations, including estimated depth and length and provide specifications on the type of shoring used. Therefore, prior to the issuance of grading or building permits involving such excavation for the proposed project, a Shoring Plan shall be submitted to the City for review and approval.	Prior to the issuance of grading and/or building permits	Building & Safety/ Public Works Departments			
Mitigation Measure 4 (Earth Resources and Geology)						
Hazards and Hazardous Materials						
HAZ-1	If unknown wastes or suspect materials are discovered by the contractor during demolition, excavation or grading activities in which the contractor believes may involve hazardous waste/materials, the contractor shall: - Immediately stop work in the vicinity of the suspected contaminant, removing workers and the public from the area; - Notify the project engineer of the implementing agency; - Secure the areas directed by the project engineer; and - Notify the implementing agency's Hazardous Waste/Materials Coordinator. Mitigation Measure 18 (Risk of Upset and Human Health)	Throughout demolition, excavation and grading activities	Building & Safety Department			
HAZ-2	Prior to the issuance of grading permits, an analysis from a licensed consultant to determine if all on-site structures contain the following hazardous substances below shall be submitted to the City for review and approval: - Asbestos Containing Materials - Polychlorinated Biphenyls - Lead Based Paint - Urea Formaldehyde Mitigation Measure 17 (Risk of Upset and Human Health)	Prior to the issuance of a demolition permit	Planning & Economic Development/ Building & Safety Departments			
HAZ-3	The services of a pest/vector control service shall be retained to ensure that insects and rodents do not spread to adjacent properties during grading activities. Mitigation Measure 19 (risk of Upset and Human Health)	Prior to the issuance of a demolition permit	Planning & Economic Development/ Building & Safety Departments			

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Hydrology and Water Quality							
HWQ-1	Prior to the issuance of grading or building permits, a Hydrology and Hydraulics Study shall be submitted to the City for review and approval. Mitigation Measure 5 (Water and Hydrology)	Less Than Significant	Verify compliance prior to issuance of grading or building permits.	Building & Safety Department			
HWQ-2	Prior to the issuance of grading or building permits, a Notice of Intent to comply with the Construction General Permit to the State of California Regional Water Quality Control Board shall be prepared and submitted. A copy of the Notice of Intent acknowledgement from the State of California Regional Water Quality Board must be submitted to the City of Compton. Mitigation Measure 6 (Water and Hydrology)	Less Than Significant	Verify compliance prior to issuance of grading or building permits.	Building & Safety/ Public Works Departments			
HWQ-3	Prior to the issuance of grading or demolition permits, a Stormwater Pollution Prevention Plan per requirements of the National Pollutant Discharge Elimination System Construction General Permit shall be prepared and submitted to the City of Compton for review and approval. A copy of the Storm Water Pollution Prevention Plan shall be available at the construction site and shall be implemented at all times on the construction site. The Storm Water Pollution Prevention Plan shall outline the source control and/or treatment control Best Management Practices to avoid or mitigate runoff pollutants at the construction site to the maximum extent practicable. Mitigation Measure 7 (Water and Hydrology)	Less Than Significant	Verify compliance prior to issuance of grading or demolition permits.	Building & Safety/ Public Works Departments			
HWQ-4	Prior to the issuance of grading or demolition permits, the project shall comply with post-construction Best Management Practices requirements as detailed in the Los Angeles County Standard Urban Stormwater Mitigation Plan. Mitigation Measure 8 (Water and Hydrology)	Less Than Significant	Verify compliance prior to issuance of grading or demolition permits.	Building & Safety/ Public Works Departments			

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HWQ-5	Prior to the issuance of grading or demolition permits, an Urban Storm Water Management Plan shall be prepared by a California Registered Civil Engineer, Architect, Landscape Architect or any professional knowledgeable about storm water management issues and shall evaluate and propose the proper Best Management Practices to address each source of pollutants identified by the project evaluation. The Urban Storm Water Management Plan shall be submitted to the City for review and approval.	Less Than Significant	Verify compliance prior to issuance of grading or demolition permits.	Building & Safety/ Public Works Departments		
Mitigation Measure 9 (Water and Hydrology)						
Land Use and Planning						
LUP-1	Pursuant to the City's Zoning Ordinance, all development proposals are required to be reviewed for compliance with the City's zoning, land use and development regulations. Therefore, prior to the issuance of demolition, grading or building permits the proposed project shall be required to obtain such clearance.	No Impact	Prior to the issuance of building permits.	City of Compton Planning & Economic Development Department		
Mitigation Measures 1 (Land Use and Development)						
Noise						
NOI-1	Prior to the issuance of grading permits, the construction contractor shall demonstrate, to the satisfaction of the City of Compton, that the project complies with the following: • All construction equipment, fixed or mobile, shall be equipped with properly operating and maintained mufflers; • Construction noise reduction methods such as shutting off idling equipment, installing temporary acoustic barriers around stationary construction noise sources, maximizing the distance between construction equipment staging areas and occupied residential areas, and use of electric air compressors and similar power tools, rather than diesel equipment, shall be used where feasible; During construction, stationary construction equipment shall be placed such that emitted noise is directed away from sensitive noise receivers; • During construction, stockpiling and vehicle staging areas shall be located as far as practical from noise sensitive	Less Than Significant	Prior to the issuance of grading permits.	Building & Safety/ Public Works Departments		

	Mitigation Measure	Level of Significance After Mitigation	Monitoring Action/Timing	Responsible Division	Verification of Completion		
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	receptors; - Operate earthmoving equipment on the construction site as far away from vibration-sensitive sites as possible; and - Construction hours, allowable workdays, and the phone number of the job superintendent shall be clearly posted at all construction entrances to allow for surrounding owners and residents to contact the job superintendent. If the City or the job superintendent receives a complaint, the superintendent shall investigate, take appropriate corrective action, and report the action taken to the reporting party Mitigation Measure 20 (Noise)						
NOI-2	During earthwork and grading activities, the construction contractor shall perform vibration monitoring when trenching, shoring, or heavy equipment activities take place within 25 feet of a habitable structure. Independent monitoring should be performed to check compliance in particularly sensitive areas. The vibration monitoring shall confirm that the peak particle velocity is 0.50 inch/second or less. Should vibration levels exceed this threshold, the contractors shall modify and/or reschedule their construction activities. Mitigation Measure 21 (Noise)	Less Than Significant	Throughout construction activities.	Building & Safety/ Public Works Departments			
NOI-3	Mechanical equipment shall be placed as far as practicable from sensitive receptors. Additionally, the following shall be considered prior to heating, ventilation, and air conditioning unit installation: proper selection and sizing of equipment, installation of equipment with proper acoustical shielding, and incorporating the use of parapets into the building design. Mitigation Measure 22 (Noise)	Less Than Significant	Throughout construction activities.	Planning & Economic Development/ Building & Safety Departments			

Mitigation Measure		Level of Significance After Mitigation	Monitoring Action/Timing	Responsible Division	Verification of Completion		
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Population and Housing							
PH-1	Pursuant to the City's Zoning Ordinance, all development proposals are required to be reviewed for compliance with the City's land use and development regulations. Therefore, prior to the issuance of demolition, grading or building permits for the proposed project shall be required to obtain such clearance. Mitigation Measure 2 (Population and Housing)	No Impact	Prior to the Issuance of building permits.	Planning & Economic Development Department			
Public Services							
PS-1	Prior to the issuance of building permits, the final site plan, elevations, building floor plans, and site circulation shall be reviewed and approved by the City's Fire Department to ensure conformity with their fire prevention and operational requirements. Mitigation Measure 23 (Public Services - Fire Prevention)	Less Than Significant	Verify compliance prior to issuance of grading permits.	Planning & Economic Development/ Building & Safety Departments			
PS-2	Prior to the issuance of building permits, verification shall be provided that the project meets all fire flow requirements determined by the Fire Department.	Less Than Significant	Verify compliance prior to issuance of grading permits.	Planning & Economic Development/ Building & Safety Departments			
PS-3	Prior to the issuance of building permits, the final site plan, elevations, building floor plans, and site circulation shall be reviewed and approved by the Los Angeles County Sheriff's Department to ensure conformity with their crime prevention and operational requirements. Mitigation Measure 24 (Public Services - Law Enforcement)	Less Than Significant	Verify compliance prior to issuance of building permits.	Planning & Economic Development/ Building & Safety Departments			
PS-4	All individual buildings on-site shall have their respective street number ranges and/or letters prominently displayed in a manner that facilitates emergency vehicles.	Less Than Significant	Verify compliance prior to issuance of occupancy permit.	Planning & Economic Development/ Building & Safety Departments			
PS-5	Prior to the issuance of building permits, evidence shall be submitted to the City of Compton that legally required school impact mitigation fees have been paid per the mitigation established with the Compton Unified School District. Mitigation Measure 25 (Public Services – Schools)	Less Than Significant	Verify fee payment prior to issuance of building permits.	Building & Safety Department			

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PS-6	Prior to the issuance of building permits, evidence shall be submitted to the City of Compton that legally required in lieu park impact mitigation fees have been paid per the mitigation established with the City of Compton. Mitigation Measure 26 (Public Services – Parks)	Less Than Significant	Building & Safety Department			
Transportation and Traffic						
TR-1	As part of the land use and development review and prior to the issuance of building permits, a Traffic Impact Study shall be prepared and submitted to the City for review and approval, if deemed to be necessary. Mitigation Measure 37 (Transportation and Circulation)	Less Than Significant	Planning & Economic Development/ Public Works Departments			
Utilities and Service Systems						
USS-1	Prior to issuance of connection permits, all applicable fees required by the County Sanitation Districts of Los Angeles County and the City of Compton shall be paid. Mitigation Measure 28 (Utilities and Service Systems)	Less Than Significant	Building & Safety/ Public Works Departments			
USS-2	The construction contractor shall use of the City's franchised trash hauler for all construction and demolition recycling and disposal in order to reduce construction-generated waste that is disposed of at landfills according to State law by at least 50 percent. The construction contractor may file specific forms to handle the recycling, and would be required to pay the appropriate fee to guarantee compliance with AB 939. The construction contractor shall prepare a Construction Waste Management Plan explaining the practices that shall be used to achieve this level of reduction. Mitigation Measure 29 (Utilities and Service Systems)	Less Than Significant	Building & Safety/ Public Works Departments			
USS-3	The construction contractor shall adhere to all source reduction programs for the disposal of construction materials and solid waste, as required by the City of Compton. Prior to the issuance of building permits, a Source Reduction Program shall be prepared and submitted for each structure constructed on the subject property to achieve a minimum 50 percent reduction in waste disposal rates. Mitigation Measure 30 (Utilities and Service Systems)	Less Than Significant	Building & Safety/ Public Works Departments			

Mitigation Measure	Level of Significance After Mitigation	Monitoring Action/Timing	Responsible Division	Verification of Completion		
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USS-4	The construction contractor shall comply with all applicable City, County and State regulations and procedures for the use, collection and disposal of solid and hazardous wastes. Mitigation Measure 31 (Utilities and Service Systems)	Ongoing during construction and operation.	Building & Safety/ Public Works Departments			
USS-5	Prior to the issuance of grading or building permits, an Infrastructure Analysis, including a Hydrology and Hydraulics Report, evaluating the water lines, storm water drainage facilities and sewer lines along with the corresponding improvements, if any, shall be submitted to the City for review and approval. Mitigation Measure 27 (Utilities and Service Systems)	Prior to the issuance of grading and/or building permits	Building & Safety/ Public Works Departments			

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION AUTHORIZING A LEASE AGREEMENT BETWEEN THE COMPTON DOWNTOWN NORTH COMMUNITY LLC (LOWE ENTERPRISES REAL ESTATE GROUP AS THE DEVELOPMENT MANAGER) AND THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DEVELOPMENT OF CERTAIN REAL PROPERTY LOCATED AT ASSESSORS PARCEL NOS. 6166-005-912, 906, 6166-010-900, 909, & 907, IN THE CITY OF COMPTON

Kofi Sefa-Boakye
DEPARTMENT MANAGER’S SIGNATURE

7/22/2010 1:12:26 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

7/22/2010 8:41:39 PM
DATE

Willie Norfleet
CITY CONTROLLER

7/22/2010 9:07:12 PM
DATE

Charles Evans
CITY MANAGER

7/22/2010 8:22:47 PM
DATE

Use when:	
Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney’s review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.